

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 16th day of February 2016 the Finance Audit Committee of the City of Corinth, Texas met in a Regular Meeting at 2:00 P.M. at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purposes as required by Title 5, Subchapter A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Councilmembers Present:

Councilmember Lowell Johnson, Committee Chair
Councilmember Joe Harrison

Citizen Members Present:

Dick Baker
Kurt Hyde

Members Absent:

None

Staff Members Present:

Lee Ann Bunselmeyer, Acting City Manager and Director of Finance & Administrative Services
Caryn Riggs, Assistant Director of Finance

CALL TO ORDER

Councilmember Johnson called the meeting to order at 1:58 P.M.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Chairman, a Board member, or a citizen desire discussion of any item that item will be removed from the Consent Agenda and will be considered separately.

1) Approve Minutes from the January 19, 2016 Finance Audit Committee Meeting

MOTION made by Councilmember Harrison to approve the Consent Agenda as presented. Seconded by Ms. Bunselmeyer.

AYES: Harrison, Johnson, Bunselmeyer

NOES: None

ABSENT: None

MOTION CARRIED

BUSINESS AGENDA

2) Review and Approve the September 2015 Monthly Financials

Caryn Riggs, Assistant Director of Finance – presented the monthly financials for the month ended September 30, 2015. The General Fund has budgeted use of fund balance as \$741,363, however, the City ended the year using \$83,159 of the fund balance. This is mainly due to development fees & permits of \$281,575 and fire services of \$154,559 coming in over budget combined with the decrease in recreation revenue of \$200,324. The decrease in recreation revenue is due to the transition of baseball from a city run league to a co-sponsored league. Operating expenditures were less than budget by \$283,538. Water/Wastewater revenues were below budget due to a decrease in water revenues. Water Revenues are influenced by the temperature and rain fall. The City experienced a cool wet summer. The City's total fund balance at the end of September was \$17,640,479, which is a decrease of \$1,424,013 compared to the prior year. This is primarily due the use of funds on budgeted capital projects.

MOTION made by Councilmember Harrison to approve the September 2015 Monthly Financials. Seconded by Ms. Bunselmeyer.

AYES: Harrison, Johnson, Bunselmeyer

NOES: None

ABSENT: None

MOTION CARRIED

3) Discuss the Annual External Audit and the Comprehensive Annual Financial Report

Caryn Riggs, Assistant Director of Finance – introduced Diane Terrell and Kevin Randolph with Davis, Kinard & Co, the city's external audit firm that performed the annual audit. This year's report included the implementation of GASB 68 which requires pension information be presented on the financial statements versus just in the notes.

Kevin Randolph, Auditor with Davis, Kinard & Co – explained the audit fieldwork process and the financial statement preparation. He further explained the implementation of GASB 68. He stated the pension information related to GASB 68 can be found in Exhibit A-1 and A-7.

Diane Terrell, Auditor with Davis, Kinard & Co – explained the final review of the audit and financial statement preparation. She explained the Single Audit requirements for grant reporting.

4) Review the Trial Balance Comparison

Caryn Riggs, Assistant Director of Finance – explained the purpose of the Trial Balance Comparison is to provide a comparison of the trial balance that was given to the auditors and the trial balance after audit

adjustments. She further explained there were no passed audit entries. However, there was one client suggested entry and two auditor suggested entries.

CLOSED SESSION

Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Section 551.071 (Consultation with Attorney), Section 551.072 (Deliberations regarding Real Property), 551.074 (Deliberations regarding the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of an officer or employee), 551.087 (Deliberations regarding commercial or financial information that the governmental body has received from a business prospector to deliberate the officer of a financial or other incentive to a business prospect).

RECONVENE IN OPEN SESSION AND TAKE ACTION ON CLSOED SESSION ITEMS, IF NECESSARY.

ADJOURN THE REGULAR MEETING.

Councilmember Johnson adjourned the Regular Meeting at 3:07 P.M.

AYES: All

Meeting adjourned.

Approved by the Finance Audit Committee on the 19th day of April, 2016.

Signature Redacted

Lee Ann Bunselmeyer
Director of Finance & Administrative Services