

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

On this the 15th day of February 2017 the Finance Audit Committee of the City of Corinth, Texas met in a Regular Meeting at 3:00 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
Councilmember Joe Harrison

Citizen Members Present:

Dick Baker
Mike Taylor

Staff Committee Members Present:

Bob Hart, City Manager
Lee Ann Bunselmeyer, Director of Finance & Administrative Services

Members Absent:

None

Staff Members Present:

Caryn Riggs, Assistant Director of Finance

Others Present:

Diane Terrell, Auditor with Davis, Kinard & Co, PC
Kevin Randolph, Auditor with Davis, Kinard & Co, PC

CALL TO ORDER

Councilmember Johnson called the meeting to order at 3:04 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) Consider and act on minutes from the November 30, 2016 Regular Session.

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

AYES: Johnson, Harrison, Hart

NOES: None

MOTION CARRIED

BUSINESS AGENDA

2) Consider and act on the Fiscal Year 2016-2017 First Quarter Investment Report

Caryn Riggs – presented the FY 2016-2017 First Quarter Investment Report. She explained the net increase in Market Value of \$3,035,492 is due to the receipt of property taxes in December. This will be reduced when the debt service payment is made in February. She further explained the decrease in Market Value in the Special Revenue Funds were due to investments maturing in December and not being reinvested as of the close of the quarter. She also explained the weighted average maturity for the Economic Development Corporation exceeded the policy benchmark by 31 days. This is expected to be back below the benchmark by the end of the close of the next quarter due to investments maturing in April.

MOTION made by Councilmember Harrison to approve the FY 2016-2017 First Quarter Investment Report. Seconded by Councilmember Johnson.

AYES: Johnson, Harrison, Hart

NOES: None

MOTION CARRIED

3) Consider and act on the September 2016 Monthly Financials

Lee Ann Bunselmeyer – presented the September 2016 Monthly Financials. She explained the General Fund had a budgeted use of fund balance in the amount of \$547,000. However, due to an increase in revenues and a decrease in expenditures, fund balance actually increased by \$8,169.

She further explained the use of fund balance in the Water/Wastewater Fund. Water Charges are budgeted using an average year. The city experienced an unusually wet year, this affects the citizens watering habits and reduced the water revenues for the year.

MOTION made by Councilmember Johnson to approve the September 2016 Monthly Financials. Seconded by Councilmember Harrison.

AYES: Johnson, Harrison, Hart

NOES: None

MOTION CARRIED

4) Hold a discussion and provide staff direction on the Annual External Audit and the Comprehensive Annual Financial Report.

Lee Ann Bunselmeyer – introduced Diane Terrell and Kevin Randolph with Davis, Kinard & Co, the city’s external audit firm. This is their second year performing the audit.

Diane Terrell – explained this the second year of the GASB 68 implementation. Exhibit B2 and B3 are related to the GASB 68 representation. She explained there were no new GASB pronouncements to be implemented this year, however, next year we will implement GASB 77. This relates to tax abatements.

5) Discuss the Fiscal Year 2015-2016 Trial Balance

Lee Ann Bunselmeyer – explained the purpose of the Trial Balance Comparison. Additionally, she explained three audit adjustments.

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 CLOSED SESSION ITEMS, IF NECESSARY.

ADJOURN THE REGULAR MEETING.

Councilmember Johnson adjourned the Regular Meeting at 4:02 P.M.

AYES: All

Meeting adjourned.

Approved by the Finance Audit Committee on the ____ day of _____, 2017.

Caryn Riggs
Assistant Director of Finance