

Minutes
Special Called Meeting
Bluff City Board of Mayor and Aldermen
March 22, 2016
5:00 P.M.

Mayor Wells called the meeting to order at 5:00 p.m.

Members present were Ray Harrington, John Harrison and Richard Bowling.

Sandra Madison was absent. Tanya Cordle arrived after the Pledge of Allegiance.

Prayer was given by Richard Bowling, followed by the Pledge of Allegiance.

Mayor Wells opened the floor for the following:

Citizen Comments – None

Discussion / Action – Presentation of Bluff City's 2015 Audit Report.

Curtis Morrison with Rodefer Moss & Company Auditors presented his findings. Mr Morrison stated that he would be hitting highlights and asked for them to go to page 4 for the Independent Auditors Report which reflects an opinion and it is an unmodified opinion which is the best quality that they can do. If there were other modifications they would be listed under that but they had no other modifications for it. Mr Morrison stated that on page 6 this is where management's discussion and analysis comes in. This is where the Mayor makes statements explaining the prior year and the current year. Mr Morrison stated that this is the most helpful section to help them understand. On page 13 & 14 are the Government wide financial statements. This is not how the books and records are kept as they are kept on a Fund Basis. This shows the town basically as if it were a corporation. Pages 15 & 16 are fund statements which they are familiar with seeing. Mr Morrison went to page 24 where the notes begin which gives you how things are accounted for in the financial statements. On page 28 there are a couple of new accounting pronouncements that had to be implemented in the current year which took quite a bit of effort. These involve full pension liabilities which all governments had to do this year. Page 56 reflects the report on internal controls and they will see if they are in place. One suggestion was a review process needed to be in place. Example is on journal entries someone should be reviewing and initialing the entries. Two invoices could not be found, one for \$480.00 and one for \$100.00, he does not feel like it was intentionally misplaced, they just could not find it. They only pick random samples of expenditures. Mr Morrison stated that they have gone over the findings with Mayor Wells. He also stated that this is a learning experience as they were new along with the recorder and the books did not get closed, but there would be additional training on closing the books. He stated it doesn't mean anything was wrong just not quite completed. He stated that we needed to do periodic inventory counts. Mr Morrison stated that the budget is what you are authorized to spend

and if you go over it they have to report it. Bank reconciliations need to be done in timely fashion. Mr Morrison stated that one of the things we are required to have is the ability to take responsibility and draft the financial statements. Mr Morrison stated that he feels that Sharon can take care of this with no problem. Unclaimed property listed is voided checks that have not been claimed within a year it has to be remitted to the state. Bad debt in water/sewer comes from where people move and don't pay as it happens sometimes. He did not see a case where we had a violation of the 3 day deposit rule which is very good. Mr Morrison stated that if they have any questions he would get answers for them. Alderwoman Cordle thanked Mr Morrison for the job they did. Mayor Wells stated that she and Sharon (Greene) had learned a lot and they have helped them a lot. Alderman Bowling had to leave early. Motion to accept the audit report was made by Vice Mayor Harrington. Second by Alderman Harrison. Vote went as follows: Alderwoman Cordle, Vice Mayor Harrington and Alderman Harrison voted yes. Motion carried.

Comments from Aldermen:


Vice Mayor Harrington thanked everyone for coming and stated that he greatly appreciated all the hard work they had put in.

Alderwoman Cordle thanked the auditors for all the hard work and apologized for running late as she had to work late.

Alderman Harrison thanked everyone for coming and thanked everyone for the hard work they had done.

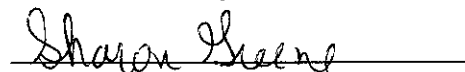
Citizens Comments – Second Section-None

With no other business a motion to adjourn was made by Vice Mayor Harrington. Second by Alderman Harrison. All in favor. Meeting adjourned at 5:27 p.m.



Irene Wells , Mayor / City Manager

Attest this 22nd day of March, 2016



Sharon Greene, City Recorder/ Finance Officer