

THE STATE OF TEXAS           §  
COUNTY OF ANDERSON       §  
CITY OF PALESTINE           §

The City Council of the City of Palestine, Texas convened in a Special Meeting on Thursday, April 9, 2015 at 4:30 p.m. for the Work Session in the City Hall Conference Room, and at 5:30 p.m. for the Special Meeting in the Council Chambers at City Hall, 504 N. Queen Street, Palestine, Texas, with the following people present:

Mayor Therrell Thomas; Mayor Pro Tem Vickey L. Chivers; Councilmembers Adam Harding, Vernon Denmon, Jr., Vickey L. Chivers, Joseph Thompson, Doug Smith, and Steve Presley; City Manager Wendy Ellis and City Secretary Teresa Herrera.

Other staff present: Development Services Director Jeffrey Lyons, Public Works Director Tim Perry, and Interim Finance Director Becky Roseberry.

Others present: Frank Campos, James Smith, Isaac Wynn, Bob Herrington, and Theresa Y. Hamilton-Roberts.

**WORK SESSION**

Mayor Thomas called the work session to order at 4:30 p.m.

**Discussion of the Annual Audit for Fiscal Year 2013-2014**

Frank Campos, CPA conducted the annual audit for the City for Fiscal Year 2013-2014. The purpose of the report is solely to describe the scope of their 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 or on compliance. A summary of the financial statements for 2013-20104 were presented. The City's finances as a whole are in good shape. Auditor had to make several adjustments to the audit to match the City's budget. There is a lot of work that needs to be done in the Finance Department and changes need to be made. Financial statements need to be reconciled at the end of each month. The Finance employees need to know what is expected of their job. Council will need to accept the annual audit during the regular agenda.

**Discussion with financial advisors from First Southwest**

No discussion regarding this item.

With no other business to come before the Council, the work session was adjourned at 5:25 p.m.

**CALL TO ORDER – REGULAR MEETING**

Mayor Thomas called the Regular Meeting to order at 5:30 p.m.

**INVOCATION AND PLEDGE OF ALLEGIANCE**

The invocation was given by Mayor Thomas, and was followed by Pledge of Allegiance.

**REGULAR AGENDA**

**Consider acceptance of the Annual Audit for Fiscal Year 2013-2014**

City Auditor Frank Campos, CPA reported on the following findings: 1) The City has not recorded airport grant transactions in the general ledger during 2014. The grant is administered by the State. Financial reports are sent to the City by the State, so the City can record transactions. The City needs to record transactions in the general ledger from financial reports sent by the State; and 2) several adjustments to customer accounts that either did not have documentation for adjustment or insufficient documentation. Also, there were three different employees making adjustments to customer accounts. The needs procedures and training should be developed to ensure proper documentation is retained for customer utility adjustments and only department supervisor or authorized employee should make adjustments to utility billing accounts.

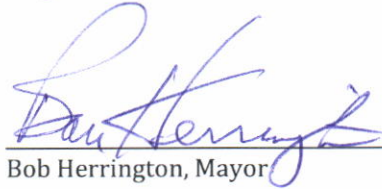
Councilmember Presley made a motion, seconded by Councilmember Thompson, to accept the Annual Audit

for Fiscal Year 2013-2014 as presented. Upon vote, motion carried unanimously.

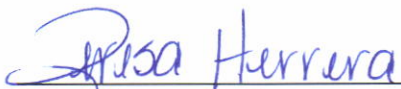
**ADJOURN**

With no other business to come before the Council, the meeting was adjourned.

PASSED AND APPROVED THIS 8<sup>TH</sup> DAY OF JUNE, 2015.

  
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Bob Herrington, Mayor

ATTEST:

  
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Teresa Herrera, City Secretary

