

**AUDIT COMMITTEE
COUNCIL BRIEFING ROOM, CITY HALL
203 E. WHEATLAND ROAD
MARCH 28, 2018 @ 8:30 A.M.**

A meeting of the Audit Committee was held on Wednesday, March 28, 2018, at 8:30 a.m. with a quorum present to wit:

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| Steve Rutherford | Chair and Councilmember | Present |
| Dennis Schwartz | Mayor Pro Tem | Present – left 9:30 |
| Leslie Thomas | Councilmember | Present – left 9:42 |
| James Talley | Commissioner | Present |
| Patrick Harvey | Commissioner | Present |
| Todd Pruitt | Guest | Present |

The meeting convened in the Council Briefing Room and was called to order at 8:34 AM by Chair Steve Rutherford.

The following staff members were also present: Richard Summerlin, Finance Director; Tia Pettis, Asst. Finance Director; Jamie Smith, Accountant; Georcha West, Accountant; Kristin Downs, Interim City Secretary; and Todd Pruitt, representing Pattillo, Brown & Hill, LLP.

Approval of Minutes:

A motion was made by Councilmember Dennis Schwartz; seconded by Patrick Harvey to approve the minutes from the September 19, 2017 Regular Meeting, passing 4-0 in favor.

Discuss the Audit of Financial Statements for the year ending September 30, 2017:

Todd Pruitt discussed the results from the audit, and the responsibility of Pattillo, Brown & Hill to the City of Duncanville. Mr. Pruitt discussed the Government Auditing Standards (GAS) Report and Communication of Governance Report. The City received a clean unmodified opinion. Mr. Pruitt stated the City's audit was free of any material errors, and no adjustments or management comments were needed. Mr. Pruitt loves working with the City of Duncanville, the staff is always prepared and continue to have clean audits with his firm. Finance Director Summerlin recognized Assistant Finance Director Pettis and staff on their hard work and the number of hours they put in during the entire auditing process. Discussion followed from Mr. Pruitt on the CAFR highlights. The budgetary schedule for Traffic Improvement & Safety Fund had a slight expenditure over budget by \$13,000. Commissioner Harvey questioned if there are any concerns with legislative changes to Redflex and if any employees are currently paid from Redflex. Director Summerlin stated one court clerk is paid as an employee and contractual services are provided by Kristine Primrose for the appeals process. Discussion on the Fieldhouse took place; projecting to break even this year with debt completed by FY 2025. Commissioner Talley questioned what major accomplishments will take place with the new finance system to replace Banner. Director Summerlin stated the new system will provide better reporting abilities, and is more user friendly. Commissioner Harvey questioned when the

new water billing system would take place and if there would be any loss of employees due to the installation of smart meters. Director Summerlin stated there wouldn't be a loss in employment. Since the new Finance system is currently being implemented, the installation of the smart meters has been pushed to a later date. Mr. Pruitt discussed the Government Auditing Standards report and the Single Audit Report. Any local government in the country that spends over \$750,000.00 of federal grant awards in a fiscal year is required to undergo a compliance audit of those federal grants in conjunction with the financial statement audit. The city expended \$883,000.00 of federal grant awards during the fiscal year. The program selected for audit was the US Department of Health and Human Services, a medical assistance program grant for ambulance services. There were no findings of question regarding the costs of the federal grant program audit.

Mayor Pro Tem Schwartz left the meeting at 9:30 AM.
Councilmember Thomas left the meeting at 9:42 AM.

City Staff left the room 9:45 AM:

An evaluation of the Finance staff from Todd Pruitt was made during the Audit process. Mr. Pruitt stated the City of Duncanville is one of his cleaner audits that do not contain a lot of adjustments. There were no issues with staff; they were top notch and very pleasant to work with.

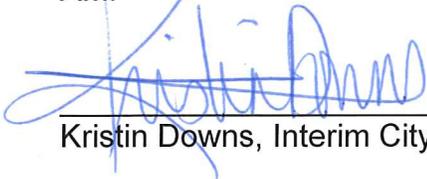
Todd Pruitt left the room and staff returned at 10:00 AM:

Tia Pettis proposed a motion to finalize the report.

Commissioner Patrick Harvey motioned to finalize the report and Commissioner James Talley seconded. Vote 3-0, with Councilmembers Schwartz and Thomas absent.

Tia Pettis spoke on the one-year renewal contract available for the FY18 audit with Pattillo, Brown & Hill and inquired if the Audit Committee would like to continue with Pattillo, Brown & Hill. Director Summerlin stated every five years the City rotates auditors and the FY18 audit would complete five years for Pattillo, Brown & Hill. There was a unanimous consensus to continue with Pattillo, Brown & Hill

A motion and second were made to adjourn the meeting, passing 3-0 in favor, at 10:05 AM.



Kristin Downs, Interim City Secretary



Steve Rutherford, Chair