

Executive Minutes
for
Crockett Economic & Industrial Development Corporation
Board of Directors
FRIDAY, April 23, 2021 11:00AM

CEIDC DIRECTORS PRESENT:

Gerald Barkley
Robert Thompson
Cynthia Neel
Chris Von Doenhoff
Colin Castleberry

City of Crockett

Mayor Ianthia Fisher
John Angerstein
Mitzi Thompson
Darrell Jones
Butch Calvert
Mike Marsh

Visitors:

Alton Porter
Will Johnson
Gene Caldwell
Tom Corbitt
Vicki Cox
Lois Ball
Jurlinda Gentry

CEIDC STAFF:

James J. Gentry
Carolyn Mcknight

- I. **Call Meeting to Order.** Meeting was called to order by Chris Von Doenhoff.
- II. **Opening Meeting with Invocation and Pledge of Allegiance.** Invocation was led by Mayor Fisher and the Pledge of Allegiance was recited by all.
- III. **Acknowledgement of Visitors and Public Comment.** Tom Corbitt, Vicki Cox, Alton Porter, Gene Caldwell, Lois Ball, Jurlinda Gentry, John Angerstein, Mayor Ianthia Fisher and Mitzi Thompson. No comments from the public.
- IV. **Approval of April 13, 2021 minutes.** Gerald Barkley made a motion for the minutes to be approved and a second by Cynthia Neel. The motion was approved unanimously.
- V. **Presentation / Discussion/ Acceptance of the Fiscal Year 2020 Audit for the Crockett Economic and Industrial Development Corporation with the firm of Axley & Rode LLP, Certified Public Accountants.** Mollie Abele, CPA presented the 2020 Annual Audit. Molly expressed that the auditor's responsibility is to express opinions on these financial statements based on the audit. A modified opinion is the highest opinion that they can give and will be presented fairly. Since Economic Development is a non-profit and report to a Government entity, page 6-7 is the only place in the report that compares last year numbers to this year's numbers. The sales tax did decrease in the amount of \$272,460.00 which is probably due to the pandemic. The expenses overall which includes the liability, assets and debt was not considerable larger than what it was last year \$8,918.00. The administrative line for 29,177.00 is mostly for advertising. There was more money spent for some full page ads and ads in magazines that cost over \$15,000.00. The Economic Development incentives from year to year had a decrease which is expected because of the year that we had. The overall change in the net position was a decrease of \$20,074.00 which brought our net position to \$985,773.00. Mollie asked if there was any questions on that part. No questions were asked. She proceeded on to page 7 & 8. This is where the two statements are separated. On the right is the statement of net and the left hand column is the general fund, the operating fund. On the balance sheet you have funds of \$861,487.00 which is available cash if you need it. On page 8, the first column, the overall general fund decrease change is \$102,143.00. The majority of that amount is the lot that was purchased back in the Industrial Park, which brought the general fund balance to \$861,487.00. Page 13 is the budget. Economic Development was able to stay under the expected expenses of \$500,000.00 per year. Page 16 are items that the firm thought were significant enough to bring them to your attention. These

items have recommendations to strengthen internal control. The first finding is that you have limited segregation of duties. This item is not new and has been brought to the Board attention before. It is an item that is discussed every year and the Board has the responsibility of taking the recommendation. The second finding is that there were blank checks signed before the checks were actually written and processed. The best practices is not to sign checks before they have been written. The checks should go through the process so someone can review the checks and ask questions if they need to. The third finding is that there was no written authorization for a payment that was found. The payment went to the Executive Director and it did not go through the proper payroll procedures as most payroll items do. The IRS has really been cracking down for the last couple of years and if you are an employee, they want that payment to go through payroll. That could start some problems and there was not a 1099 issued. The last two loose letters in the back of the report is to inform you of any problems that we have with management or any issues that we might have had other than what is in the report. We would have to issue a separate letter. Mollie asked the Board if there were any questions? Robert Thompson asked a question about him signing the checks prior to being written. He stated that sometime a check might need signing and he is out of town. Mollie responded by saying that typically there should be more than just one signer. Mollie recommended that other members of the Board could be signers. Chris asked if there was any other questions regarding the auditor's report. Robert Thompson made a motion to accept the auditor's report and Colin Castleberry seconded the motion. The motion was approved unanimously. Colin asked if Axley and Rode had any more Economic Developments as clients and what is their procedures for signatures. Colin stated that his daughter is in a Leo group and they have to have three signatures on their checks. Mollie said that it is always a good idea to have at least three signers on the signature card in case one person is not readily available.

VI. Executive Session: GOV. CODE 551.074 – Personnel Matters. The meeting went into Executive Session at 11:16

VII. Reconvene into Regular Session and Consider Action If any on Item NO. 6 at 1

The recommendation after the Executive Session: Mr. Von Doenhoff stated that Economic Development would have another meeting as soon as possible to discuss, in detail, how we can take corrective actions on the items that were in the audit. He also stated that it is necessary that we reflect minutes that reflect the outcomes. The next meeting will be May 11, 2021. Colin stated that what we discussed in term of the report of the audit on the first item that was addressed is that we are going to set our next meeting to discuss an option to hire a bookkeeper to pay the bills so that we can keep the signature part separated in order to be

able to identify any problems. The Board will be able to oversee and manage the financial activity. The Board will uphold their fiduciary responsibilities a little bit better. The Board would like to have their bank statements earlier so that they can have time to review before the Board meeting. The second item that was addressed is about checks being signed before they were written and processed. Due to the problems that we run into about not having someone readily available to sign checks. It is recommended that we look into adding more members to the signature card. We need to make sure that we are up to date at the bank with all of our signatures. On the third item that was addressed on the audit, it is recommended that we get in touch with an accountant to see what is best practices to get our payroll problems addressed and handled properly. At the next Board meeting we will discuss how to prevent this from happening in the future. Those are the three items that the auditor addressed and those are some things that we should discuss at our next Board meeting.

Darrell Jones stated that he wanted everyone to know that there is no money missing and no money stolen.

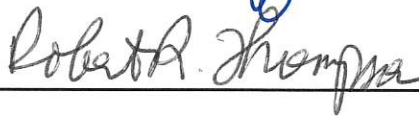
Mr. Von Doenhoff asked if there was any comments or questions regarding the items that the Board will be discussing at the next meeting.

With no further business to discuss the meeting was adjourned.

ADJOURNMENT



President



Secretary / Treasurer