

**CITY OF TUCUMCARI**  
**CITY COMMISSION SPECIAL MEETING MINUTES**  
**March 6, 2013**

The Tucumcari City Commission met in a special meeting on Thursday, March 6, 2013, at 12:00 p.m. in the City Commission Chambers. Members present constituting a quorum were; Amiel Curnutt, Jimmy Sandoval, and Dora Salinas-McTigue. Robert Lumpkin was absent.

City staff members present were Doug Powers, City Manager; Angelica Gray, City Clerk; Dennis Dysart, Finance Manager; and Viki Riddle, Housing Authority Director;

Others: JJ Griego from Griego Professional Services, LLC.

**City of Tucumcari Audit Report**

The financials have been release to the state audit and are now public record. Mr. Griego stated that he works for the city commission and no else. He feels that considering where we are the City has made a lot of progress over the last 2-3 years. The Housing Authority is very forthcoming in providing information.

The audit is the City's responsibility. His responsibility is the three 3 reports that are within the audit report. This year, Griego Professional Services prepared the financials as the City's auditors. However, in the next two years that responsibility needs to turn over to the City.

He stated that three other clients bought the software and they prepared their own audit. The City's audit was unqualified, the best report he can give us.

Findings –FS-06-04 – Deficiencies Internal Control Structure Design – Mr. Griego stated this is a carryover item from 06-04. He suggested that for a formal risk assessment create an audit committee, which would bring items to management. He also suggested one person from the community. Mr. Dysart asked if the financial board be similar. Mr. Griego stated that we can use the financial board but should still consist of a member of the community.

FS 08-03 - Over Expenditure of Budgets – Mr. Griego stated that there was a \$35.00 over budget. He explained that the expenditure were over budget. He stated that the previous year was an accrual and we had to reverse it this year.

FS 09-01 – Failure to Obtain Proper Authorization for Expenditures – Mr. Griego stated that this is one instance out of 25. This is excellent for the size of this entity. He stated this is an \$8,700 check that was written without a purchase order. Mr. Dysart stated this has been corrected.

FS-10-06 Cash Reconciliation – Mr. Griego stated that the City was seven months behind on reconciling. Mr. Griego stated that if the City is caught up there shouldn't be a problem next year.

Mr. Griego informed the commission that the report was submitted at which time it was rejected. The auditor resubmitted it three days later. He stated that the City has made strides to get this audit accurate. He would like to get the next audit filed by December.

### **Housing Authority Audit Report**

FS-2008-08 – Deficiencies in Internal Control Structure Design, Operation, and Oversight – The problem is that they need to utilize someone from the board to put in the extra step. Ms. Riddle stated that she is working with the finance department with the City. She stated that any payable are signed off by Finance. He suggested using the wording that that you are going to utilize the finance department for the review process.

FS-2010-02 – Stale Dated Checks and Voided Checks – He stated we still have 16 checks that are one year old. Ms. Riddle stated it was an oversight and it should not happen again.

FS-2011-02 Late Audit Report – We have to put it in for the HA also. It looks like

2007-11 – Lack of Adequate Internal Controls over Compliance – In regards to the federal awards. It had to with the documented internal control structure. The federal awards required that you have this documented. It has to be for the entity. He thinks that it will be taken care of in the next year.

Section IV Prior Year Audit Findings – Many have been resolved or have been revised and repeated. However, we did very well getting this done.

Housing Authority resolved the preparation of financial statements and the pledge collateral.

Mr. Griego stated that in Housing Authority and HUD require different budgets and DFA wants it done in the same format as the City.

Recording of Assets – City and Housing Authority are two separate entities but come together for the financial purposes.

He stated that budget adjustments for Housing Authority, once turned into DFA and to HUD the you leave the DFA where it is until the end of the year and will be adjusted on final BAR for DFA purposes.

Pledge Collateral – He stated that we have FDIC insurance for up to \$250,000. The bank should carry 50% collateral, without an additional fee. He stated that the City could co-mingle accounts.

Mr. Griego stated that Housing Authority is always part of the City however due to HUD requirements, they have to keep things separate

**Landfill**

Mr. Griego stated that it is up to the City how it is funded.

**Lodger's Tax**

Mr. Griego stated that he can handle the lodger's tax audit. The audit takes two days and should cost approximately \$1,200 per audit.

Mr. Griego stated that he will get a list of hotels and select four from that list.

Mr. Griego informed the commission that they will work with a calendar year when it comes to the lodger's tax audit.

Mayor Curnutt inquired about the cost for the software. Mr. Griego stated the cost is approximately \$4,000.00. He stated that he can train on the software but he cannot do it for the City. He stated it will take 200-300 hours to complete it.

Adjourned at 1:01 p.m.

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Amiel Curnutt, Mayor

ATTEST:

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Angelica M. Gray, City Clerk