



Lavon Economic Development Corporation Meeting Minutes February 10, 2014

I. MEETING CALLED TO ORDER AT 7:00pm BY LAVON ECONOMIC DEVELOPMENT CORPORATION BOARD PRESIDENT

Members Present: Place One Kay Wright
Place Three Kent Hembree
Place Four Paul Crabtree
Place Five Charlie Allen
Place Six Paul Lemon

Members Absent: Place Two Chris Kane
Place Seven David Piekarski

Staff Present: Micki Hollien
Executive Director: Pam Mundo

Consulting Firm:

Visitors present: Neal Conway Conway Company
Marcey Bemch Independent Bank
Johnny Bratcher Independent Bank
Justin Tarrant Independent Bank

Quorum is present.

II. LAVON ECONOMIC DEVELOPMENT CORPORATION BOARD PRESIDENT WRIGHT LED THE ECONOMIC DEVELOPMENT CORPORATION IN THE PLEDGE OF ALLEGIANCE

III. LAVON ECONOMIC DEVELOPMENT CORPORATION BOARD PRESIDENT, WRIGHT LED THE LAVON ECONOMIC DEVELOPMENT CORPORATION IN THE INVOCATION

IV. ITEMS OF INTEREST AND COMMUNICATION

Allen brought up the Intermodel facility behind the Wylie Walmart and how it will affect traffic on 205.

A copy of The Wylie News article on the Boards action to assist the Lavon Business Park was presented to the Board with a copy in EDC office

V. CONSENT AGENDA

Approval of Jan 27, 2014 Minutes

- *Lemon made motion to accept minutes*
- *Crabtree seconded the motion*



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*All in favor were Allen, Crabtree, Hembree, Lemon Wright
Motion carried*

VI. PUBLIC RECOGNITION

None

VII. PUBLIC COMMENTS

Members of the public, who wish to address the Council, may discuss matters not on the agenda and who have not previously expressed to the Council or City Hall a desire to discuss such matters. The only response from the Council can be to request these items to be placed on a future agenda for action.

None

VIII. ITEMS FOR DISCUSSION

A. The Economic Development Corporation Board to have a discussion with officers of Independent Bank concerning the sewer loan proposal

- Cost of loan issuance including their attorney should be between \$4,000-\$5,000
- No penalty if we pay off early
- They don't recommend us extending from 5 years to 10 years
- Bank wants our tax revenue as collateral
- Two times a year the bank will check to see if we have amount of loan in our account to cover loan, if needed

B. The Economic Development Corporation Board to have a discussion with personnel from Conway & Associates regarding the annual audit. Neil Conway presented information on various ways to conduct the annual audit and noted that the audit would not start until May.

(see attached handout)

C. The Economic Development Corporation Board to discuss the board financials

Financials accepted as presented



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D. Economic Development Corporation Board to discuss and process a Strategic Plan for 2014

We met most of our goals according to our 2013 plan:

- *John Main's project promoting business revenue*
- *Contributing \$20,000 for Lavon Park*
- *Working on a video promoting different aspects to living or working in Lavon*
- *Attended several trade shows to educate the EDC*

Will finalize next meeting

E. Economic Development Corporation Board to discuss budget amendments needed to accommodate project financing and other project items, including legal fees

Mike Jones and Terry McCalpin will review our plans

IX. ITEMS FOR CONSIDERATION AND ACTION

The Economic Development Corporation Board to consider and act on proposed financing for the Lavon Business Park sewer line and to send to city council for approval

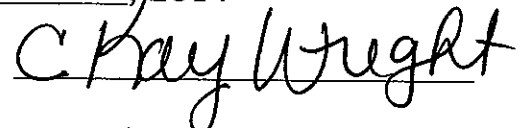
No Action Taken at this time

X. SETTING FUTURE MEETINGS AND AGENDAS

Economic Development Corporation Board members and staff may request items to be placed on a future agenda or request a special meeting be called. Each request that passes by a majority vote will be placed on the schedule by the Board Secretary.

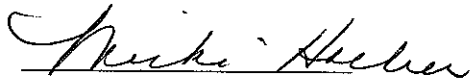
XI. BOARD PRESIDENT TO ADJOURN ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING AT 8:42pm

Duly passed and approved on this 24 day of Feb, 2014



Kay Wright, Board President

Attest:



Micki Hollien, EDC Administrative Staff



Michael Conway, CPA
Neil Conway, CPA

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Two versions of an audit:

1) Combined

A combined audit involves a main organization like a city and its component unit. A combined audit is simply one combined report for both entities. This is desired by entities that want the lowest cost audit possible. If a full governmental audit is what you want and pricing is your main consideration, this is typically the best choice.

2) Separate report

A separate report involves using the same main report and adding an additional report for the component unit. This is more than a duplication of information. Separate financial statement reports are used for the component unit along with a management discussion and analysis section. If you are wanting a report to send to various agencies, having a separate report typically is preferred by them.

Similarities

- a) "Workpapers" such as ones where take a sample of financial records are very similar if not identical
- b) Inquiries about common audit items such as fraud or internal controls are very similar if not identical

Differences

- a) Adding a separate report involves more information to comply with "Governmental Accounting Standards Board" pronouncements. With only one combined report, there is less information to apply to these pronouncements.
- b) Since there is an expectation of a high level of accuracy with audit reports, any additional reports are extensively reviewed by several people at an accounting firm.
- c) Inquiries about report content are also different. We adapt our interviews to make sure that items such as a transmittal letter compliment the rest of the report.

Pricing:

✓ Combined - \$2,000 for edc

Separate - \$3,500 for edc