

**MINUTES
CITY OF FALLON
55 West Williams Avenue
Fallon, Nevada
December 17, 2007**

The Honorable City Council met in a special Council meeting on the above date in the Council Chambers, 55 West Williams Avenue, Fallon, Nevada.

Present:

Mayor Ken Tedford, Jr.
City Councilman, Robert Erickson
City Councilman, John Tewell
City Engineer, Larry White
City Clerk, Gary Cordes
City Attorney, Mike Mackedon
Police Lieutenant, Frank Shyne
Public Works Director, Jerry Mayfield

The meeting was called to order by Mayor Tedford at 1:00 p.m.

Mayor Tedford inquired if the agenda had been posted in compliance with NRS requirements.

City Clerk Cordes advised the agenda was posted in compliance with NRS 241.

Presentation of June 30, 2007 Audited Financial Statements and approval of same

City Clerk Cordes explained that all local governments in Nevada are required to perform an annual audit and report to the State. The City has engaged the firm Kafoury Armstrong & Company to perform this audit. He introduced Ms. Laurel Jackson of Kafoury Armstrong & Company.

Ms. Jackson advised that the audit report had been presented to the audit committee and accepted by that committee prior to the November 30, 2007 deadline. The City's financial statements are free of material mis-statements with an unqualified opinion. GASB Standard 112 is a new audit requirement: if there is a deficiency in internal controls it must be reported. She was pleased to announce that there was not a sufficient deficiency that required provisions of GASB Standard 112. The Auditor's Comments contain required communication to the Nevada Department of Taxation. A Plan of Corrective Action is included and it is very common. The Independent Accountant's Report ensures that the creations of funds are utilized accordingly.

Mayor Tedford thanked Councilman Erickson and City Attorney Mackedon for sitting on the audit committee this year.

Mayor Tedford inquired if the Council had any questions or comments.

Councilman Erickson thanked Ms. Jackson and her staff for their very professional job this year.

Mayor Tedford inquired if there were any public comments or questions.
No comments were noted.

Councilman Erickson motioned to approve the June 30, 2007 Audited Financial Statements as submitted; seconded by Councilman Tewell and unanimously approved.

Adoption of a Plan of Corrective Action to prevent the recurrence of NRS violations as reported in the June 30, 2007 audit

City Clerk Cordes explained that the State requires that a plan be submitted to prevent the recurrence of NRS violations for funds exceeding the budget. The affected funds are: Sanitation Enterprise Fund, Airport Fund, General and Drug Forfeiture Fund, Unemployment Compensation Fund and Landfill Enterprise Fund. The funds will be monitored monthly and a budget augmentation or transfer will be requested if necessary.

Mayor Tedford inquired if the Council had any comments or questions.

Councilman Tewell inquired if our computer program could alert us if expenses get close to the budgeted amount.

City Clerk Cordes replied affirmatively, we will monitor the funds more closely.

Councilman Tewell added that City Clerk Cordes has done a remarkable job. He was just wondering if there was a way for the computer to do some of the work.

Mayor Tedford inquired if there were any public comments or questions.

No comments were noted.

Councilman Erickson motioned to adopt a Plan of Corrective Action to prevent the recurrence of NRS violations as reported in the June 30, 2007 audit; seconded by Councilman Tewell and unanimously approved.


Public Comments

Mayor Tedford inquired if there were any public comments.

No comments were noted.

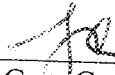
Adjournment

There being no further business to come before Council, Mayor Tedford adjourned the meeting at 1:10 p.m.



Mayor Ken Tedford, Jr.

Attest:



Gary C. Cordes
City Clerk Treasurer