

## MALABAR TOWN COUNCIL WORKSHOP MEETING

April 4, 2011

7:00 PM

This meeting of the Malabar Town Council was held at Town Hall at 2725 Malabar Road.

**A. CALL TO ORDER:**

The meeting was called to order at 6:30 pm by Chair Thomas Eschenberg. The prayer and pledge were led by Mayor.

**B. ROLL CALL:**

MAYOR/CHAIR

VICE-CHAIR:

COUNCIL MEMBERS:

TOM ESCHENBERG

MARISA ACQUAVIVA

CARL BEATTY

DAVID WHITE

STEVE RIVET

JEFF MCKNIGHT

TOWN ADMINISTRATOR:

BONILYN WILBANKS

TOWN ATTORNEY:

KARL BOHNE, excused

TOWN AUDITORS

JIM WARMUS, RANDALL NUNLEY

TOWN CLERK/TREASURER:

DEBBY FRANKLIN

- C. AUDITOR:** Mr. Jim Warmus of Averett, Warmus, Durkee, Osburn Henning. He introduced Randy Nunley. He explained the difference between govt audit and regular audits they are required to also report on methods and processes. They look at fees and collection processes, internal controls, laws for collection have been followed. They are looking for compliance and then report. They are intended to be disruptive and ask for unlikely things and then look at responses. They do that in August. Compliance testing is in August. Then they do the audit plan. If there are concerns of internal controls Council can ask for a specific area to be focused. If they find an error more than a certain percentage, if there is a change from the previous last year. Debby is very good at getting info in electronic format so they can put into their spreadsheets. It could be 4-8 weeks after year end. Confirm cash accounts; send confirmation to FPL for amt paid to town. They look at GL and see that it matches. The receivables, usually take 60-90 days to identify. After the field work then they do the preparation. Govt is over 30 pages. Com enterprise audit reports are about 15 pages. Any findings are in the back.

Financial statements are done in mid Dec and sent to town in Jan. Wrap up in Feb. We are later this year as we have a new person Randy Nunley, took over for person that left. We look at radon gas, maybe only 300.00 make sure it is collected and sent to correct agencies.

They do not tell mgnt so they can rotate around the town. When it is all done, they have a good feel for how it is operated at town. Any questions about process. Any process you want them to look at.

Beatty has questions on utility taxes. He was referencing the contract with Palm Bay. The auditor does not do the audit of the actual addresses. Warmus tested five water bills from the read meter step to the payment and on to the bank deposit.

Beatty said on page 34 of audit report it relates to water dept – states in page 8 of agreement it says we shall pay wholesale. His position is that if Palm Bay would charge us the correct rate then we wouldn't be in the red.

Warmus said the town is losing money on water dept. He sent letter on Jan 14, explaining the depreciation. Just because you have a claim against Palm Bay, it does not go into the audit report until there is a settlement.

Mayor asked about the different amounts of unrestricted funds on the different pages. Warmus explained the difference in the two reports – one is governmental and one is business. Warmus said

the total available as liquid assets is on page 11 and is 794,234.00 is available to spend. Warmus said you should have six to nine months of operating costs in reserves in the General Fund.

Mayor has copy of summary of GF from 9/30 and compared with numbers on pg 29. The revenues are off by 30K and asked if there are that many adjustments. Is 30K is an excessive amount?

Warmus said the General ledger from September is not the final report of the year end with the revenues that continue to come in for 30, 60 and sometimes 90 days after year end. It is a timing issue. The ones done on Sept 30 are not the final. There is no way to get a financial statement out that would be correct.

Rivet asked Warmus if there are any problems. Warmus stated there are no problems. The town staff pointed out and identified them to the auditor.

Council thanked Warmus and Nunley.

**O. ADJOURNMENT**

**MOTION:** McKnight / Beatty to adjourn this meeting. **VOTE:** All Ayes. The meeting adjourned at 7:25 PM.

BY: Thomas M. Eschenberg  
Mayor Thomas M. Eschenberg, Chair

ATTEST BY:

Debby K. Franklin  
Debby K. Franklin, C.M.C. Town Clerk/Treasurer

Date Approved: 4/18/11