

SPECIAL AUDIT MEETING OF THE CITY COUNCIL  
CITY OF LIVE OAK  
WILL BE HELD AT THE LIVE OAK COUNCIL CHAMBERS  
8001 SHIN OAK DRIVE  
TUESDAY, FEBRUARY 13, 2018 AT 6:30 P.M.

1. CALL TO ORDER

Mayor Mary M. Dennis called the regular February 13, 2018 scheduled Special Audit Meeting for the City Council Meeting to order at 6:30 p.m.

2. INVOCATION/PLEDGE OF ALLEGIANCE

Completed

3. ROLL CALL

Mayor Mary M. Dennis  
Councilman Mendell D. Morgan Jr., Place 1  
Councilman Bob Tullgren, Place 2  
Councilman Anthony Brooks, Place 3  
Councilman Ed Cimics, Place 4  
Councilman Aaron Dahl, Place 5

4. SPECIAL CONSIDERATION

A. Presentation of Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) – Mr. Wayman

Mr. Wayman, City Manager introduced Mr. Kowalik, Finance Director. Mr. Kowalik thanked his staff for their hard work and their diligence; this would be the tenth award from the GFOA and provided a brief history of the criteria used for the award.

5. NEW BUSINESS

A. Presentation, discussion and approval of the 2017 Audit – Mr. Kowalik

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Mr. Kowalik began as he thanked his department/staff for their hard work during the audit process. His presentation began with the make-up of the Comprehensive Annual Finance Report (CAFR) by reviewing the table of contents. Mr. Kowalik provided an overview of the audit process, responsibilities and the organizations that guide the audit process, training and understanding of all financial reports.

Mr. Kowalik introduced Michael Del Toro and Scott Woodland, Alonzo, Bacarisse, Irvine and Palmer, PC, who were the auditors for this process and their responsibility that their firm

provided to the city. The process included a report on internal control, reporting on compliance and internal controls (permits, payroll transactions, court receipts and supporting documentation). Mr. Kowalik spoke about the Independent Audit Report, audit standards and the city received an unmodified opinion from the auditor. He briefly discussed the internal controls over financial report and compliance; there were no deficiencies. Mr. Kowalik spoke about the various Government Funds (15 funds) and the (3) three proprietary funds. Mr. Kowalik identified the major funds: General Fund, Debt Service, Hotel/Motel Occupancy Fund and 2014 General Obligation Bond Fund. In addition an overview of the Comprehensive Annual Financial Report (CAFR) that included the financial highlights, Comparative statement of Net Position and changes in Net Position, Utility Funds and the Trend Analysis in the General Fund. Other items discussed: Economic Development Corporation (EDC) Fund being presented as a Discretely (separately) Component Unit versus a Blended Component Unit.

Mr. Del Toro stated there were three (3) letters:

Independent Auditor's Report (Page 1) indicating a clean opinion; unmodified opinion.

Internal Controls/Compliance Report (page 113), reviewing internal controls and compliance structures; there are no comments/findings to report.

Communication letter to City Council (handout), is an external requirement of the auditors; clean opinion, minor adjustments to the accounting records as part of the normal closeout process were made; there were no issues to report to management or council that were identified during the audit process.

## 2. Comments by City Council

Councilman Morgan asked what the standard amount that cities would have on hand if there were no revenue streams. Mr. Kowalik indicated that six (6) months was the standard but that cities have to take into consideration the makeup of their revenue streams and adjust accordingly. The City of Live Oak has 10.94 months.

### 1. Action to approve the 2017 City of Live Oak Audit

Councilman Brooks made a motion to approve the 2017 City of Live Oak Audit; seconded by Councilman Morgan

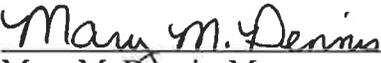
Vote FOR: Councilmembers Morgan, Tullgren, Brooks, Cimics and Dahl - passed 5/0

Mr. Kowalik stated that he would provide the Final Audit Book to City Council in soon.

## 6. ADJOURNMENT

As there was no further business, Councilman Cimics made a motion to adjourn; seconded by Councilman Brooks. The City Council meeting adjourned at 6:55 p.m.

APPROVED

  
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Mary M. Dennis, Mayor

ATTEST:

  
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Deborah L. Goza, City Secretary