

City of Tybee Island  
Audit Committee Meeting  
Wednesday, April 21, 2010  
8:00 a.m.  
Room 7 – Old School

APPROVED MINUTES

Members in Attendance: Bill Blakey, Steven Bryan, Gavin Murphy, Dick Smith, Jan Fox.

Council Liason: Bill Garbett

Staff: Diane Schleicher; Mary Hogan; Claire Price

Reznick Group: Eddie Lusk; Ryan Mills

Bill Blakey, chair, called the meeting to order at 8:07 a.m.

There was a motion by Steve, seconded by Bill, to approve the minutes from the Jan 8, 2010 meeting. All approved the minutes as written.

Jan Fox and Dick Smith were introduced as new committee members and Bill Garbett as city council liason.

### Election of Officers

Steve made a motion to reelect Bill as chair of the committee. Dick seconded. All approved.

Bill made a motion to name Gavin vice chair. Steve seconded. All approved.

Bill made a motion to name Alfie Waite as secretary. Steve seconded. All approved.

### Timeline for 2010 Audit and Final Audit Report

Eddie asked if there were any changes in policy and procedures since the last audit and Mary said there had been some. She would provide details.

Mary said the city was still working on accounts receivables, particularly water and sewer billing. Eddie suggested a shared website to post data.

August 9 was set as the date for the audit team to arrive. Mary said she would reserve a cabin at the city-owned campground for the team.

There was a discussion about closing out the fiscal 2010 financial statements.

Mary noted the audits have been late for several years and her goal was to get the 2010 audit completed and issued by Sept. 30. She noted that being late in the past had complicated the grant process.

Mary said year-end closing problems have been resolved and accounts are now being balanced monthly. Purchasing orders are being handled more efficiently. Accounting for the campground had been a complicating factor as it required interfund transfers but that had been resolved .

Eddie asked if there was any new debt. Mary said yes, a loan from the Georgia Environmental Facilities Authority for the 14th street drainage program. Bill asked the amount. Mary said she was not sure of the amount.

Eddie asked about the status of revenues. Mary said they were down.

Diane said there were delays in the county distributing property tax revenue due to reassessments and foreclosures. The city now expected them in June instead of the usual May timeframe.

Mary noted parking revenues were up but water and sewer fees were down as more houses are empty due to foreclosures and the slow economy.

Mary said the city council will face some hard decisions in light of lower revenues.

There was a discussion about the city collecting the property taxes itself. Diane pointed out the problems with that idea.

Eddie asked about water bills in a foreclosure situation and Mary said the city attorney typically doesn't do liens in those situations. Eddie expressed concerns that water revenues could be overstated.

Mary said hotel/motel taxes are down but the city is doing a better job at collecting the tax.

Diane said there also were delays in the county distributing special option sales tax revenue and the county has indicated the SPLOST revenues are down due to the recession. Mary noted the mayor is contesting how the county sets its distribution to Tybee as the city collects more than it gets back.

Gavin asked about expenses. Mary said they were close to estimates but with lower revenue there would be a shortfall. Bill asked how much. Mary said maybe \$200,000.

Mary said she had identified two new sources of revenue - a bank rebate program related to paying large vendors and pursuing sales tax refunds on large contracting bills.

Eddie asked if Mary knew of any fraud involving the city's finances. Mary asked him to define fraud and then said none that she was aware of.

### Status of Update on Elimination of Audit Comments

Mary said most of the items identified in the audit comments were under control except for accounting for debt transactions. That would be corrected in the next year.

### Status of Preliminary Close of 9 Month Financials

Mary said the city was on track for an April 30 close.

### Unusual Current Year Transactions/Events/Changes in Reporting Requirements and Audit Scope.

Mary noted that if the city receives a \$300,000 grant from GEFA for weatherizing of city hall that would require a separate fund.

Steve made a motion to adjourn. Dick seconded.

Gavin Murphy  
Secretary