

**City of Cayce  
Special Council Meeting  
January 13, 2009**

A Special Council Meeting was held this morning at 11:00 a.m. in the Conference Room. Those presented included Mayor Elise Partin, Councilmen Steve Isom, James Jenkins, Kenneth Jumper, Rick Myers, City Manager John Sharpe, Municipal Clerk, Tammy Barkley, Municipal Treasurer, Garry Huddle. City Attorney, Danny Crowe and City Auditors, Robert Milhous and Jamie Michaelson were also in attendance. Mayor Partin advised that members of the press and the public were duly notified of the meeting in accordance with the FOIA.

Mayor Partin opened the meeting and Mr. Jumper gave the invocation. Mayor Partin led everyone in the Pledge of Allegiance.

**Other**

- A. Presentation by Mr. Robert Milhous and Mr. Jaime Michaelson of Robert E. Milhous C.P.A., P.A. of FY 2007-2008 Comprehensive Annual Financial Report (CAFR)

Mr. Robert Milhous appeared before Council to review the FY 2007-2008 Comprehensive Annual Financial Report (CAFR) as prepared by Mr. Milhous and his associates. He distributed his letter to Council stating that the CAFR process ran smoothly and results produced a positive report on both the General and Utility funds. He stated that his opinion in the CAFR is unqualified, which is the highest rating given. Mr. Milhous stated that his presentation would include a review of the highlights of the report. He noted that within the Table of Contents the report is broken down in three broad categories. He stated that the third section under the financials is a section required by the Government Accounting Standards Board (GASB).

Mr. Milhous reviewed the financial section with Council. He then reviewed the statistical section. Overall, Mr. Milhous stated that the integrity of the city's financial records is sound and that as previously stated; the CAFR report is an unqualified report (there are no exceptions, internal control problems, or discrepancies with the audit).

Mr. Jumper inquired as to the comparison between the FY 2006-2007 CAFR and the FY 2007-2008 CAFR. Mr. Milhous stated that the FY 2007-2008 CAFR indicates that the city is in good shape compared to the previous year's CAFR. Mr. Myers noted that the Utility Fund is showing a positive cash flow for the first time in five years, but stated that as the city moves forward into the financing of the wastewater plant expansion, these same issues will be revisited because of the debt ratio mandate and user fees involved. He inquired if that is what Mr. Milhous will be doing this budget

year. Mr. Milhous stated that was correct and that he is currently working with the bond counsel, other entities involved and rate factors. He stated that one of the issues that Cayce has now been able to do is show a positive indication of making sure it is meeting its debt coverage ratios as provided for in the bond covenants. He stated that it is important that examination of the rate structure is done on an annual basis to ensure the city meets its covenant mandate.

The City Manager advised that the FY 2007-2008 CAFR has been submitted to the Government Finance Officers Association (GFOA) for review and grading for the Certificate of Excellence.

Council thanked Mr. Milhous for his presentation. There being no further business, the meeting adjourned at 12:00 noon.

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Elise Partin, Mayor

**ATTEST:**

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Tammy P. Barkley, CMC, Municipal Clerk