

## Proceedings of the Ironwood City Commission Work Session

A Work Session with the Ironwood City Commission to discuss the audit report for the fiscal year ended June 30, 2021, took place on Monday, January 10, 2022, at 5:00 P.M.

PRESENT: Commissioners Andresen, Korpela, Mildren, Semo, and Mayor Corcoran.

ABSENT: None.

OTHERS PRESENT: DPW Supervisor Bob Richards, City Manager Scott Erickson, Finance Director/Treasurer Paul Linn, City Clerk Wendy Hagstrom, Public Safety Director Andrew DiGiorgio, Utilities Manager Bob Tervonen, Assessor/Code Enforcement Officer Jason Alonen, Community Development Director Tom Bergman, and auditor Tony Pollack, CPA from Makela, Pollack, & Ahonen, P.L.L.C.

Tony Pollack, CPA for Makela, Pollack & Ahonen, P.L.L.C presented the independent auditor's report for the fiscal year ended June 30, 2021.

Mr. Pollack noted the Housing Commission report was missing from the audit. Finance Director Paul Linn confirmed the City was in constant contact with the Housing Commission's director regarding the status of their audit. Their audit firm had three deaths within their staff, so it set them back. They have since completed the audit. An adverse opinion was issued due to the Housing Commission's audited financial statements not included with the City's. As a result, the City received a letter from the Michigan Treasury Department requiring a corrective action plan. The City is working on that now.

Mr. Pollack stated the audit received an "unmodified" opinion with no findings. He further stated this is the best opinion you can have.

In summary, the books are in good shape, and the staff was very helpful. The City has some debt with the Water and Sewer infrastructure and the pension/OPEB liabilities. In the short-term, the City has the ability to cover its liabilities with current assets and is in good shape. All bank accounts are fully FDIC insured. No findings or questioned costs were noted in the report.

Uncertainty of Covid was noted in the report. The Governmental Accounting Standards Board was explained. The American Rescue Plan money has been received in the current fiscal year and is therefore not reported in the audit for fiscal year ended June 30, 2021.

Further discussion of this matter took place.

The work session adjourned at 5:28 p.m.

Wendy L. Hagstrom, City Clerk