

**DECEMBER 14, 2021  
PRELIMINARY AUDIT  
REPORT WORK  
SESSION**

**CALL TO ORDER**

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Mayor Conklin called the meeting to order at 5:02 p.m.

Present: Mayor Hugh Conklin, Mayor Pro-Tem Tim Nemecek and Commissioners Tom Neidhamer, Marty Moody, and George Lasater

Absent: None

Staff: Michael Cain and Jessica Puroll

Guests: Joe Verlin of Gabridge & Co.

Public: Two

**Public Comment**

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None

**Audit Overview – FYE  
2021**

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Joe Verlin of Gabridge and Company provided an overview of the 2021 audit report. We work with the Michigan Department of Treasury, Michigan Department of Transportation, County, and various other financial institutions to confirm and verify numbers. What matters more than anything else can be found in the opinion paragraph on page 12 which we write “in our opinion based on our audit the financial statements present fairly in all material respects the financial position of the City as of April 30, 2021.” This is a clean opinion or a gold standard. It should always be the City’s goal to receive a clean opinion. Some financial highlights can be found on page 15. The City is operating at a sustainable level. The general fund had an increase in its fund balance. The City has five months of reserves which is considered healthy. Not only is the general fund balance doing well but other funds of the City are also doing well. Net pension liabilities are decreasing. The City is at 87% funding on its pension liabilities. This is on average 17% higher than other cities. In addition to having the financial statements audited the City takes many extra steps to provide transparency to its residents. The City submits an annual audit report to the Government Finance Officers Association (GFOA). This means in addition to preparing the audit the City puts together an introductory letter that is about 10 pages of demographic information talking about some of the key account elements, some background information, and the Cities economy. As well as a statistical section which has 20 pages of 10-year trend information showing where the fund balance has been for the past decade. Because City staff puts in extra effort to do all of that it gets submitted to the GFOA, and if after their rigorous review and all their reporting requirements are meant they provide a certificate of achievement and excellence. The City has done that for five consecutive years. With this year being the fifth year the City has earned this award.

**ADJOURNMENT**

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Motion by Commissioner Moody, second by Mayor Pro-Tem Nemecek to adjourn the work session of Tuesday, December 14, 2021 at 6:38 p.m.

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Hugh Conklin  
Mayor

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Jessica Puroll  
Clerk / Treasurer