

Village of Laurium
Special Council Meeting
Wednesday, September 14, 2022

Present for Roll Call: Carlson, Hrebec and Sullivan.

Absent: Erickson and Jenich-Laplander.

Guests: Paige Blain, Kurt Erkkila, Aaron Hainault, Jeff Kalcich, Jon Koskiniemi, Steve Lanctot, Darron Olson and Susan Sanford.

The meeting was called to order in the village council chambers and the GoToMeeting website at 6:04PM by President Sullivan.

Susan Sanford, auditor for the Village of Laurium, was present to discuss the audit findings.

Currently, the general fund and sanitation fund are close to being in a deficit. Both funds have had operating losses for at least seven of the past ten years. If they continue to operate at the current trend, they will most likely be in a deficit within two years, if not sooner.

The audit findings are as follows:

There has been a lack of monitoring by the council. Policies and procedures related to internal controls need to be implemented to insure the prevention of misappropriations of funds.

The financial statements were inaccurate and irrelevant due to the failure to post accounting records on a timely basis.

Due to the lack of accounting personnel, there is not a proper segregation of duties for the accounting functions.

Bank reconciliations were not done in a timely manner.

Receipting and deposit processes were not followed during the last three months of the year.

Payroll and the related withholdings were not filed in a timely manner which incurred additional fees.

Health insurance premium payments were not consistently paid in a timely manner.

Cash disbursement procedures were not followed during the last three months of the fiscal year.

The lack of accounting information and supporting documentation delayed the reporting of annual reports to MDOT and the Michigan Department of Treasury.

In some instances, expenditures exceeded budgets and the budgets were not adjusted.

The village has not adopted a Social Security Number Privacy policy.

The village is not in compliance with the Michigan Department of Treasury's Uniform Chart of Accounts.

The council will need to follow the recommendations of the auditor to implement and monitor corrective action plans to remedy these findings.

There were several factors that contributed to the state of the general fund this past year: a deficit budget was passed, the equipment rentals were not as high as anticipated, there were retirement payoffs, unforeseen equipment repairs and the purchase of a dump truck and the added cost of the village manager were the bulk of the reason. The ARPA funds can be used to get the village back on track but are not a long-term solution, changes need to be made moving forward.

The meeting adjourned at 7:18PM.

Respectfully submitted,

Patricia M. Golus, Clerk

Village of Laurium