

**ORR CITY COUNCIL  
MINUTES OF SPECIAL MEETING  
JULY 2, 2024**

A special meeting of the Orr City Council was held Tuesday, July 2, 2024, at the Orr City Hall.

Mayor Robert Antikainen called the meeting to order at 5:55 p.m. Present at roll call:

Present:	Mayor	Robert Antikainen
	Councilperson	Melissa Wright
	Councilperson	John Jirik
Absent:	Councilperson	Bruce Black
	Councilperson	Hannah Manick

Also present: Clerk/Treasurer, Angela Fabish; City Auditor Bonnie Sterle, Sterle & Co., LTD, and Dave Colburn, *Timberjay*;

City Auditor Bonnie Sterle discussed her findings of the 2023 audit for the City of Orr. She advised that the City had qualified for a clean, unmodified audit. The City has 5- 5.5 months of operating cash on hand and has remained in the positive even with staff payouts. 2023 saw better investments than 2022 as well.

The Liquor Store had seen an increase of 6% from 2022.

The Sewer fund is the only debt that the City has and it's bond is covered by residents. It needs a buildup of net position as ideally it should cover all of it's own costs and fell short due to depreciation

The Airport fund finished in the positive due to capital assets and grants as well as the Water fund.

The Ambulance fund was in the positive and the Fire fund expended more than they took in but had used funds from the previous year for equipment purchases that was approved by the Council. This should be reviewed by and decided if the 2023 budget should be amended.

Special Revenue funds of the Tourist Information Center, Lodging Tax and Community Center should be continued to be reviewed by the Council as expectations for revenues.

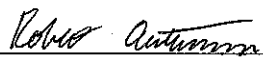
The auditor is required to disclose significant deficiencies. Lack of segregation of duties due to size of staff, which is common for most small cities in the area, and has been noted in the past for the Council to provide oversight. Another item is the Auditors assistance with preparation of the draft financial statements and footnotes . Material weaknesses were that there were a significant amount of required adjustment for journal entries and deposits and bank reconciliation need to be completed in a timely manner. These items were mainly due to the staff turnover of 2023. She also reminded the Council that closed meetings need to be recorded.


A qualified opinion was given due to GASB 68 reporting standards associated with PERA and the Fire Relief Association. To receive an unqualified opinion, the city would have to hire a consultant to conduct an actuarial study. It does not affect the city's ability to receive revenue or grants from any funding sources. Discussion was had regarding Fire Relief Association actuarial study. Bonnie Sterle advised that if the actuarial study was done Sterle & Co., LTD might be able to compare reports for future audits.

There being no further business before the Council, motion by Melissa Wright, second by John Jirik, to adjourn. All in favor. MOTION CARRIED.

Meeting adjourned at 7:24 p.m.

Respectfully submitted,

  
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Mayor Robert Antikainen

Attest:   
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Angela Fabish, Clerk/Treasurer