

**The City of Lake Forest
AUDIT COMMITTEE
Proceedings of the April 15, 2021 Meeting
5:15 p.m. – City Hall, 220 E. Deerpath
Remote Access Meeting**

Minutes

I. Call to Order and Roll Call

Chairman Sparrow called the meeting to order at 5:15 p.m. Audit Committee Members present: Chairman Sparrow, Mr. Dillon, Ms. Janos, Mr. Magnuson and Finance Chairman Morris. Absent: Mr. McFadden and Mayor Pandaleon. Quorum present.

City staff present: Jason Wicha, City Manager; Elizabeth Holleb, Finance Director; Diane Hall, Assistant Finance Director; Rob Copeland, Deputy Police Chief; Joe Mobile, Superintendent Parks and Recreation and Todd Nahigian, Croya Manager.

Others present: Joe Lightcap of Baker Tilly, Mark Milliman of the Parks and Recreation Foundation, Henry Sackman and Jennifer Karras of the Croya Foundation, Michelle Vicencio of Eder Casella and Robert Shaw of the Police Foundation.

II. Consent Agenda

Approval of minutes from Audit Committee held on January 21, 2021

Mr. Magnuson made a motion to approve the January 21, 2021 minutes. The motion was seconded by Mr. Dillon. The motion carried unanimously by roll call vote.

Approval of Audit Committee Meeting Dates for FY2022

Thursday, July 15, 2021 – 5:15 – City Hall

Thursday, October 21, 2021 – 5:15 – City Hall

Thursday, January 20, 2022 – 5:15 – City Hall

Thursday, April 21, 2022 – 5:15 – City Hall

The Committee discussed when the City will begin to hold in person meetings.

Mr. Magnuson made a motion to approve the meeting dates for FY2022. The motion was seconded by Ms. Janos. The motion carried unanimously by roll call vote.

III. Audit Engagement Letter for FY2021 Audit

Mr. Joe Lightcap of Baker Tilly stated the most significant change to the engagement will be a Single Audit for the City due to Cares Act funding. He stated preliminary work will begin in May and final fieldwork will be conducted in July. He stated the same manager and lead auditor will continue on the FY2021 audit. He stated the FY20 audit was conducted 100% remote and a hybrid approach would be used for the FY2021 audit.

Ms. Elizabeth Holleb, Finance Director stated two additional City staff will be more involved with the audit.

IV. Parks and Recreation Foundation – Financial Presentation

Mr. Sparrow read a brief statement as to the purpose of the Audit Committee as it relates to each Foundation.

Mr. Mark Milliman, Treasurer of the Parks and Recreation Foundation stated 2020 was challenging, but they did very well. He reviewed events that were cancelled and which ones were held. He reviewed the Foundation was able to fund a fire rescue boat for the beach and was finalizing completion of the golf half-way house and planning for a golf practice area. He reviewed the annual financials, including assets increasing by \$100K and liabilities decreased. He stated a deposit has been made for the 4th of July event. He stated new members have been added to the board, bringing new ideas.

Mr. Joe Mobile, Superintendent of Parks and Recreation stated a group of parents worked with the Foundation to raise \$170k to replace multiple sailing boats.

V. **Croya Foundation – Financial Presentation**

Mr. Sparrow read a brief statement as to the purpose of the Audit Committee as it relates to each Foundation.

Mr. Todd Nahigian, Croya Manager stated a year ago, staff anticipated celebrating Croya's 40th anniversary in May of 2020. He stated many virtual events were held to keep in touch with the youth. They were able to hold in person meetings outside during the summer and held battle of the bands. They were able to hold small events inside which required using new technology by issuing ID cards to keep track of participants. The Foundation provided additional scholarships for the May virtual recognition dinner. He stated the building was opened for 5th through 8th grades in limited capacities. The Foundation was able to provide funding for Croya's 40th anniversary magazine and painting the Illinois/McKinley viaduct. Both projects totaled over \$20k. He stated the annual poinsettia sale raised over \$5k and a grant had been received from a local family for \$20k. These funds have not been spent, but ideas are being considered.

The Committee discussed the mural and the importance of communication resulting in no vandalism of the mural.

Ms. Michelle Vicencio of Eder Casella stated a good year was reported and no concerns were found during the audit.

VI. **Police Foundation – Financial Presentation**

Mr. Sparrow read a brief statement as to the purpose of the Audit Committee as it relates to each Foundation.

Mr. Rob Copeland, Deputy Police Chief stated the Foundation was not able to hold their normal activities in 2020. He stated they did very well and currently have \$126k. He stated in 2021 the Foundation will be partnering with the City to rehab the gun range. They are in the process of planning events in 2021. He stated the 2019 tax return was included in the packet and the 2020 tax return was in process.

Mr. Rob Shaw of the Foundation thanked the police department for the programs they run.

VII. **Other Business**

Foundation Summary – Ms. Holleb stated updates have been provided for Ragdale to include a request for a loan from the City. The City Council has approved the loan in concept. She stated Elawa has been reclassified as a tenant and will no longer be required to present to the Audit Committee.

The Committee discussed if they will need to review Elawa's financial statements going forward. Elawa will be required to submit their budget to the City Council and the rent has been designed to cover additional City costs.

Foundation Financial Review – Ms. Elizabeth Holleb stated no changes have been made.

VIII. **Opportunity for Public to Address the Audit Committee** – No one in attendance

IX. **Adjournment**

There being no further business, a motion was made by Mr. Dillon to adjourn the meeting. The motion was seconded by Mr. Magnuson. The motion was approved unanimous by roll call vote. The meeting was adjourned at 6:15 pm.

Respectfully submitted,

Diane Hall
Assistant Finance Director