

The City of Lake Forest
AUDIT COMMITTEE
Proceedings of the April 19, 2018 Meeting
5:15 p.m. – City Hall, 220 E. Deerpath
City Hall Conference Room

Minutes

I. Call to Order and Roll Call

Chairman Sparrow called the meeting to order at 5:16 p.m. Audit Committee Members present: McFadden, Stieber, Mayor Lansing and Finance Chairman Morris. Absent: Mr. Logan and Mr. Smith. Quorum present.

City staff present: Elizabeth Holleb, Finance Director; Diane Hall, Assistant Finance Director; Sally Swarthout, Director of Parks and Recreation; Joe Mobile, Superintendent Parks and Recreation

Others present: Joe Lightcap of Baker Tilly; PJ O'Neil of the Parks and Recreation Foundation; Joanne Miller and Maria Warden of the Elawa Foundation.

II. Consent Agenda

Approval of minutes from Audit Committee held on April 20, 2017 and October 19, 2017 and meeting notes from January 18, 2018

Mr. Stieber made a motion to approve the April 20, 2017 and October 19, 2017 minutes and meeting notes from January 18, 2018. The motion was seconded by Mr. McFadden. The motion carried unanimously by voice vote.

Approval of the Committee meeting dates for Fiscal Year 2019

Mr. Stieber made a motion to approve the meeting dates for fiscal year 2019. The motion was seconded by Mr. McFadden. The motion carried unanimously by voice vote.

III. FY2018 Audit Engagement Letter

Mr. Joe Lightcap of Baker Tilly presented two engagement letters for review. He stated the first was for the regular audit and the second for review of the contingency account procedures. He stated Ms. Holleb, Finance Director has requested that any comments or recommended changes be communicated to the Committee.

The Committee discussed the requested additional procedures and reviewed the proposed audit dates.

Ms. Holleb stated revised procedures will be approved for the contingency accounts effective May 1, 2018, therefore the review will be based on previous procedures.

Mr. McFadden made a motion to approve the engagement letters for fiscal year 2018. The motion was seconded by Mr. Stieber. The motion carried unanimously by voice vote.

IV. Elawa Farm Foundation – Financial Presentation

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

Ms. Joanne Miller, Executive Director stated the 2017 audit has been completed and the annual 990 has been filed. She reviewed highlights from 2017. She stated the foundation has adopted restricted cash policy. She stated they are working to retain current sponsor and attract new ones with a new sponsorship program. She stated funding needs to be set aside for future improvements to the existing buildings.

V. **Park 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. PJ O’Neil reviewed the events held during the year. He stated a review of the Parks and Recreation Master Plan will take place this year. A firm has just been retained to complete the project. He stated the foundation has partnered with the City to provide additional improvements to the golf course, including a halfway house. Additional improvements are being considered. The City will be transferring a \$500,000 donation received to the foundation.

Ms. Holleb stated the City has provided \$1.2 million in revenue enhancing improvements. The health of the golf course continues to be reviewed by optimizing revenues and reducing expenses.

VI. **Other Business**

Foundation Summary – No changes have been made

Foundation Financial Review – All foundations have been updated and are complying with all requirements.

Accounting Policies and Procedures Update – Ms. Holleb provided an update on information that has been provided to the Finance Committee regarding purchasing procedures.

The Committee discussed the contingency account policies and audit fees approved by the City Council.

Appreciation for Service to the Audit Committee – Andy Logan – Mr. Logan was not in attendance at the meeting.

VII. **Opportunity for Public to Address the Audit Committee** – None

VIII. **Adjournment**

There being no further business, a motion was made by Mr. Stieber to adjourn the meeting. The motion was seconded by Mr. McFadden. The motion was approved unanimously by voice vote. The meeting was adjourned at 6:05 p.m.

Respectfully submitted,

Diane Hall
Assistant Finance Director