

The City of Lake Forest
AUDIT COMMITTEE
Proceedings of the April 18, 2019 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 5:20 p.m. Audit Committee Members present: Chairman Sparrow, Mr. Magnuson, Mayor Lansing and Finance Chairman Morris. Absent: Mr. McFadden, Mr. Smith, Mr. Stieber and Mayor Lansing. Quorum not present at start of meeting.

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

Others present: Joe Lightcap of Baker Tilly, Mark Milliman of the Parks and Recreation Foundation, Joanne Miller and Tom Walvoord of the Elawa Farm Foundation

II. **Consent Agenda** – Approved after audit engagement letter presentation

Approval of minutes from Audit Committee held on January 17, 2019

Mr. Smith made a motion to approve the January 17, 2019 minutes. The motion was seconded by Mr. Magnuson. The motion carried unanimously by voice vote.

Approval Audit Committee dates for Fiscal Year 2020

Mr. Smith made a motion to approve the Audit Committee dates for FY2020. The motion was seconded by Mr. Magnuson. The motion carried unanimously by voice vote.

III. **FY19 Audit Engagement Letter**

Mr. Joe Lightcap of Baker Tilly stated the fiscal 2019 audit would include new challenges. This would include the City's new software, changing account numbers and implementing GASB75 to record post-employment benefits. This year will also include new state grant reporting requirements and an additional opinion to be included in the report.

Mr. Smith entered the meeting at 5:27

Mr. Lightcap stated Motor Fuel Tax expenses are included in the state grant audit requirements. The staff on the audit will remain the same as FY18. Changes to the engagement letter have been made to include the additional grant opinion.

Mr. Magnuson made a motion to approve changes to the audit fee to include the new grant requirements for FY2020. The motion was seconded by Mr. Smith. The motion carried unanimously by voice vote.

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 revised financials had been sent to reflect reclassification of restricted funds. He stated the foundation is having a great

year. He stated the Foundation has purchased a replacement fleet of golf carts for the Deerpath Golf Course. He stated the next project will be a new cart barn.

V. **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 of the Elawa Farm Foundation provided a five-year performance summary. She reviewed the Foundations restricted funds. She reviewed the revenue categories and what was included in each category. She stated an investment policy would be developed during 2019. She stated the report has not been signed, due to the Board not having reviewed or approved.

VI. **Other Business**

Foundation Summary – No changes

Foundation Financial Review – The Committee discussed the meaning of Net Assets and requested to change to Cash/Investments and to add a column for percentage of cash available.

Discussed moving Elawa to July to coincide with their fiscal year.

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

VIII. **Adjournment**

There being no further business, a motion was made by Mr. Magnuson to adjourn the meeting. The motion was seconded by Mr. Smith. The motion was approved unanimously by voice vote. The meeting was adjourned at 6:21 pm.

Respectfully submitted,

Diane Hall
Assistant Finance Director