

**The City of Lake Forest
AUDIT COMMITTEE
Proceedings of the July 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 5:15 p.m. Audit Committee Members present: Chairman Sparrow, Mr. Magnuson, Mr. Stieber and Finance Chairman Morris. Absent: Mr. McFadden, Mr. Smith and Mayor Pandaleon. Quorum present.

City staff present: Jason Wicha, City Manager; Diane Hall, Assistant Finance Director

Others present: Joe Lightcap of Baker Tilly, Tim Hender, Nick Bothfeld, Amy Wagliardo, Karen McCabe of the Gorton Community Center, Jeff Meeuswen, Jeanna Park, Fred Klein and Shawn Ward of the Ragdale Foundation, Cheryden Jeurgensen of Eder, Casella & Company

II. **Consent Agenda**

Approval of minutes from Audit Committee held on April 18, 2019

Mr. Magnuson made a motion to approve the April 18, 2019 minutes. The motion was seconded by Mr. Stieber. The motion carried unanimously by voice vote.

III. **FY19 Audit Status**

Mr. Joe Lightcap of Baker Tilly stated the FY2019 audit was going very well. He stated field work would be finishing and fund financials would be supplied to staff for review. He stated the account number conversion went very well. New internal controls have been put in place resulting in no findings. He stated OPEB would be implemented this fiscal year. He stated in the communication to the Audit Committee a statement would be included that Baker Tilly is working with the City on a work order software selection project.

IV. **Gorton Community Center – Financial Presentation**

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

Mr. Tim Hender, Finance Chairman stated Gorton is doing very well. He stated the Foundation is currently working on the budget to be presented to the City.

Mr. McFadden entered the meeting at 5:25

He stated programs continue to grow while donations remain flat. He reviewed the endowment fund balance and the investments balances as of December 31, that have now gone up in value. He reviewed investment fees and credit card fees.

The Committee discussed capital needs at Gorton that have been requested from the City that have been pushed to out years. They will be requesting some of the projects to be moved forward, including drainage problems affecting the theatre.

V. **Ragdale Foundation – Financial Presentation**

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

Ms. Cheryden Jeurgensen of Eder, Casella & Company stated the audit went well. She reviewed the reduction in cash and investment values because of the market value at December 31st. She stated the Foundation made the final loan payment to the City in 2018 also reducing the investment balance. She stated programs continue to grow.

The Committee discussed deferred maintenance on the property. A pledge of \$1.1 million has been received for a new studio. Plans will be brought to the City. The buildings need to be maintained for residential use, but some of the outer buildings will need additional work. The Committee questioned if City staff should go through the property annually to review for potential capital needs.

The Committee discussed plans for a recession and what the foundation has put in place to counteract the effects.

VI. **Other Business**

Foundation Summary – No changes

Foundation Financial Review – Noted changes had been made reflective of discussion from April 18, 2019 Audit Committee meeting.

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. Stieber to adjourn the meeting. The motion was seconded by Mr. Magnuson. The motion was approved unanimously by voice vote. The meeting was adjourned at 6:04 pm.

Respectfully submitted,

Diane Hall
Assistant Finance Director