

The City of Lake Forest
AUDIT COMMITTEE
Proceedings of the October 17, 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 5:18 p.m. Audit Committee Members present: Chairman Sparrow, Mr. Magnuson, Mr. Smith and Mr. Stieber. Absent: Mr. McFadden, Finance Chairman Morris and Mayor Pandaleon. Quorum present.

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

Others present: Joe Lightcap of Baker Tilly

II. **Consent Agenda**

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

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

III. **Review Draft of Comprehensive Annual Financial Report for the Fiscal Year Ended April 30, 2019**

Ms. Diane Hall, Assistant Finance Director reviewed a summary of highlighted areas in the Comprehensive Annual Finance Report (CAFR). She reviewed significant changes as compared to FY2018. She reviewed the implementation of GASB 75 in FY2019 to record Other Postemployment Employee Benefits. She reviewed two additional opinions on the audit required by new state grant guidelines.

The Committee discussed the Governor's Task Force report regarding Illinois pension consolidation feasibility and Tier II plan issues identified in the report.

The Committee discussed efficiencies realized with the new financial system.

IV. **Review Draft of Report to the Audit Committee as Prepared by Baker Tilly Virchow Krause, LLP**

Mr. Joe Lightcap of Baker Tilly stated the Management Discussion and Analysis provides a good narrative of the City's financial report. He stated no deficiencies were identified and a clean opinion was presented. He discussed the implementation of GASB 75 and future GASB statements that may affect the City.

He discussed the additional opinions required by new grant guidelines.

The impact of GASB 75 and grant guidelines were discussed as changes to the Management Representation Letter.

V. **Executive Session**

Committee members entered into executive session with Mr. Lightcap at 5:48.

Committee members adjourned the executive session at 5:52.

VI. **Other Business**

Changes were provided to Mr. Lightcap to finalize the CAFR.

Foundation Summary – No changes

Foundation Financial Review – Ms. Elizabeth Holleb, Finance Director stated new letters have been generated to send to each Foundation for calendar year 2020.

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 5:58 pm.

Respectfully submitted,

Diane Hall
Assistant Finance Director