

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

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, Mr. Magnuson and Mr. McFadden. Absent: Ms. Janos, Mayor Pandaleon and Finance Chairman Morris. Quorum present.

City staff present: Elizabeth Holleb, Finance Director and Diane Hall, Assistant Finance Director

Others present: Joe Lightcap of Baker Tilly, Jack Westerman, Nick Bothfeld, Karen Rode, Amy Wagliardo and Cheryden Juergensen of the Gorton Foundation, Elizabeth Boyd and Scott Turner of the Ragdale Foundation.

II. **Consent Agenda**

Approval of minutes from Audit Committee held on April 15, 2021

Mr. McFadden made a motion to approve the April 15, 2021 minutes. The motion was seconded by Mr. Dillon. The motion carried unanimously by voice vote.

III. **FY21 Audit Status**

Mr. Joe Lightcap of Baker Tilly stated they were in the process of final fieldwork. Outstanding items include Police, Fire and OPEB actuary reports. If the reports are not received during fieldwork, additional time would be allocated to complete the audit. The City will have a Single Audit, with testing to be conducted in November. The report is due within nine months after fiscal year-end and will be presented to the Audit Committee in January.

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

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

Mr. Nick Bothfeld, Finance Chair stated Gorton is doing very well. The audit was presented to the board with no issues.

Ms. Cheryden Juergensen of Elder, Casella & Company stated the audit went very well with no problems.

The Committee discussed status of any construction and ongoing maintenance of the building. Gorton did very well during the pandemic and was able to keep staff to run programs. They are doing very well in 2021. They discussed the policy to draw down the endowment, which is allowed at 3% a year and must be approved by the Board. The draw down is budgeted each year, but is not always taken.

The Board is currently putting \$50k a side each year in the event the projector fails. Replacement is estimated at \$500k.

V. **Ragdale Foundation – Financial Presentation**

Ms. Elizabeth Boyd, Board President stated Ragdale was able to do ok in 2020 because of the use of PPP loans during the pandemic. They were able to keep staff, but not at full time status. The Committee discussed reduced revenue in 2020 was due to resident artists sent home. Expenses were reduced to compensate for the lost revenue. They have started residency on a limited basis. Normal capacity is 13 and the goal is to have 6 by year end. A new dance studio is in the process of construction and the purchase of the adjoining property.

Ms. Elizabeth Holleb, Finance Director stated the City is working with the Foundation to provide a loan to advance fund long term pledges for Ragdale's capital program.

VI. **Other Business**

Foundation Summary – Ms. Holleb stated no changes have been made to the schedule. Ragdale's request for a loan from the City has been approved in concept, but will need to be formally approved by the City Council to move forward.

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

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. Dillon. The motion was approved unanimous by voice vote. The meeting was adjourned at 5:47 pm.

Respectfully submitted,

Diane Hall
Assistant Finance Director