

The City of Lake Forest
AUDIT COMMITTEE
Proceedings of the January 20, 2022 Meeting
5:15 p.m. – City Hall, 220 E. Deerpath
Remote Access Meeting

Minutes

I. **Call to Order and Roll Call**

Chairman Sparrow called the meeting to order at 5:19 p.m. Audit Committee Members present: Chairman Sparrow, Mr. Dillon, Ms. Janos, Mr. Magnuson, Mayor Pandaleon and Finance Chairman Morris. Absent: Mr. McFadden. Quorum present.

City staff present: Elizabeth Holleb, Finance Director; Diane Hall, Assistant Finance Director; Sally Swarhout, Director of Parks and Recreation; Todd Nahigian, CROYA Manager; Rob Copeland, Deputy Police Chief and Kevin Zelk, Police Commander.

Others present: Joe Lightcap of Baker Tilly; Steve Potsic, Paul Lemieux, JoAnn Desmond, Gale Strenger Wayne of the Lake Forest-Lake Bluff Senior Citizens Foundation; Jennifer Karras and Christine Carr of the CROYA Foundation; Bob Shaw and John Ormsby of the Police Foundation and Michelle Vicencio of Eder Casella

II. **Consent Agenda**

Approval of minutes from Audit Committee held on October 21, 2021 and Closed Session minutes from Audit Committee held on October 21, 2021

Mr. Dillon made a motion to approve the regular and closed session minutes from October 21, 2021. The motion was seconded by Ms. Janos. The motion carried unanimously by roll call vote.

III. **FY21 Single Audit Report**

Mr. Joe Lightcap of Baker Tilly provided an overview of the requirements for a Single Audit. Expenditures and controls associated with the grant are reviewed. The major program reviewed was Coronavirus relief funds. No issues were found.

The Committee discussed the breakdown of expenses by category. Many expenses related to salaries for police and fire and for Recreation staff working at not budgeted positions. The City Council approved transferring \$500,000 from the General Fund to the Parks and Recreation Fund to offset lost revenue. Audit fees for a Single Audit are included in the budget each year. Small Business grants were available in FY21, but did not carry over to FY22.

Mr. Magnuson made a motion to accept the FY21 Single Audit report. The motion was seconded by Ms. Janos. The motion carried unanimously by roll call vote.

IV. **Lake Forest-Lake Bluff Senior Citizens Foundation – Financial Presentation**

Mr. Dillon stated he would recuse himself from the Senior Foundation discussion due to currently serving on the board.

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

Mr. Paul Lemieux, Vice President of the Foundation provided an overview of the financial statements. If the Foundation receives over \$300,000 in contributions an audit is required. The Foundation did not meet this requirement but decided to conduct an audit. The Foundation is anticipating assisting

with renovations at Dickenson Hall this year.

The Foundation will be contributing funds to the senior cottages to match City contributions. The Foundation has received a contribution of \$100,000 to fund architectural designs for the project.

Ms. Michelle Vincencio of Eder Casella reviewed changes in auditing standards. Wording included on the cash flow statement would be updated.

The Committee discussed the decision to complete an audit this year and if this would be completed on a rotating basis.

V. **CROYA Foundation – Financial Presentation**

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

Mr. Todd Nahigian, CROYA Manager reviewed activities conducted throughout the year. The Foundation supported the 40 + 1 celebration and provided additional funding for other equipment. The Foundation spent more this year to support the kids, through the pandemic.

The Committee discussed how the students were managing.

VI. **Police Foundation - Financial Presentation**

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

Mr. Rob Copeland, Deputy Police Chief stated it was difficult to run programs this year because of the pandemic. The Foundation partnered with the City to upgrade the Police Department firing range. A mailing campaign started in November to fund 2022 programs. He reviewed programs the Foundation is looking to fund.

The Committee discussed the canine program. The Foundation purchased the vehicle and equipment used by the canine officer.

VII. **Other Business**

Foundation Summary – Ms. Holleb stated no significant changes have been made to the schedule. The loan with Ragdale will be presented to the City Council for approval.

Foundation Financial Review – Ms. Elizabeth Holleb stated no changes have been made, other than updating financial information of foundation presenting today.

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

IX. **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 6:51 pm.

Respectfully submitted,

Diane Hall
Assistant Finance Director