

The City of Lake Forest
AUDIT COMMITTEE
Proceedings of the April 18, 2024 Meeting
5:15 p.m. – City Hall, 220 E. Deerpath

Minutes

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

Chairman Magnuson called the meeting to order at 5:18 p.m. Audit Committee Members present: Chairman Magnuson, Mr. Dillon, Mr. Durkin, Mr. Hirsch, and Ms. Larisey. Absent: Finance Committee Chairman Preschlack and Mayor Tack. Quorum present.

City staff present: Elizabeth Holleb, Finance Director; Diane Hall, Assistant Finance Director; Mark Krygeris, Staff Accountant; James Scott, Staff Accountant

Others present: Joe Lightcap, Baker Tilly

II. **Consent Agenda**

Approval of Minutes From Audit Committee Meeting Held on January 18, 2024 and the Special Meeting Held on January 15, 2024

Mr. Hirsch made a motion to approve the minutes from the January 18, 2024 Audit Committee meeting and the special meeting held on January 15, 2024. The motion was seconded by Mr. Dillon. The motion carried unanimously by voice vote.

Approval of the Audit Committee Meeting dates for FY25

Mr. Dillon made a motion to approve the Audit Committee meeting dates for FY25. The motion was seconded by Mr. Durkin. The motion carried unanimously by voice vote.

III. **Audit Engagement Letter for FY2024 Audit**

Mr. Joe Lightcap of Baker Tilly provided an overview of the FY24 Audit Engagement Letter. A significant change is the removal of the Single Audit language, as a Single Audit is not anticipated for the FY24 audit. Changes to the engagement letter were highlighted in the packet. Each change was reviewed with the Committee. A new section was added regarding taxes payable, which is not applicable to the City.

The Committee discussed the frequency of Single Audits required by the City and the parameters that signify the requirement for a Single Audit. The Library's inclusion in the City's audit was reviewed based on the Library not having the authority to levy taxes or issue debt and the City Council appoints the Library Board.

The Committee discussed the language of "Our report does not include key audit matters." Mr. Lightcap will provide additional information on this section.

The Committee discussed the increase in audit fees, which were included in the RFP response. The current audit is the 4th year out of a maximum of 5 years. Non-attested services were reviewed with the addition of the City's Organizational Assessment project.

IV. **Parks and Recreation Foundation – Financial Presentation**

Mr. Tighe Magnuson, Audit Committee Chair provided an update on the Parks and Recreation Foundation financials. The Foundation requested to move their presentation to July for the third time. A letter from the Foundation was requested and was included in the packet. The Foundation will be

replacing current personnel that are completing the financials. City staff to reach out in May or June for a status update on the financials to be presented in July.

V. **Other Business**

Foundation Summary – No discussion

Foundation Financial Review – No discussion

Recognize Service of Finance Chairman Preschlack and Audit Committee Chair Magnuson – Staff and Committee thanked Chair Magnuson for his contributions and new ideas for the Committee.

The Committee requested the status of the IT Dashboard that was requested at the January meeting. Staff will reach out to the IT Department for a status. Recent data breaches at several municipalities were discussed, which resulted in the City engaging in a contract to have the City's security tested. The Committee has requested additional information as to how often the City will complete this process.

VI. **Opportunity for Public to Address the Audit Committee** – No one requested to address the Audit Committee

VII. **Adjournment**

There being no further business, a motion was made by Mr. Hirsch to adjourn the meeting. The motion was seconded by Mr. Dillon. The motion was approved unanimous by voice vote. The meeting was adjourned at 6:05 pm.

Respectfully submitted,

Diane Hall
Assistant Finance Director