

The City of Lake Forest
AUDIT COMMITTEE
Proceedings of the January 16, 2020 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 5:16 p.m. Audit Committee Members present: Chairman Sparrow, Mr. Magnuson, Mr. Smith and Finance Chairman Morris. Absent: Mr. McFadden, Mr. Stieber and Mayor Pandaleon. Quorum present.

City staff present: Jason Wicha, City Manager; Elizabeth Holleb, Finance Director, Diane Hall, Assistant Finance Director; Rob Copeland, Deputy Police Chief; Sally Swarthout, Director of Parks and Recreation; and Patricia Schwall, Senior Resources Manager.

Others present: Paul Lemieux, Senior Foundation President; Mark Dillon, Senior Foundation Treasurer; Steve Potsic, Senior Foundation Vice-President; and John Ormsby, Police Foundation board member.

II. **Consent Agenda**

Approval of minutes from Audit Committee held on October 17, 2019

Mr. Smith made a motion to approve the October 17, 2019 minutes. The motion was seconded by Mr. Magnuson. The motion carried unanimously by voice vote.

III. **Croya Foundation - Financial Presentation**

The Croya Foundation presentation was deferred to the April 2020 Audit Committee meeting.

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

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

Mr. Paul Lemieux, President reviewed the purpose of the Foundation to support the Senior Resources Center. He stated the Foundation did not require an audit based on donations received totaling less than \$300,000. He reviewed Board actions taken during the year, including reserving \$350,000 for the senior housing project.

The Committee discussed language included on the tax return indicating Net Asset Classification on the 990 does not comply with ASU 2016-14.3. The Foundation to provide a response to the comment to Ms. Holleb.

Mr. Steve Potsic, Vice-President provided an update on the senior housing project. He stated the estimated timeline for transferring funds to Community Partners would be between July and October 2020. The City Council would need to approve the transfer of land to the project. He discussed the number of units to be built has potentially increased from five to twelve.

V. **Police Foundation – Financial Presentation**

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

Mr. Rob Copeland, Deputy Police Chief provided an overview of 2019. He stated the majority of expenses were for the City's new canine program. The Foundation purchased a police vehicle and provided the specialized equipment for the vehicle. He stated the Foundation completed their normal programs for the year and continued fundraising through a mailing campaign. He stated the board has increased from five to seven.

The Committee discussed how long police vehicles normally last and how the canine vehicle would have lower mileage because of the reduced use.

VI. **Executive Session**

Executive session was not held.

VII. **Approval of Executive Session Meeting Minutes**

Mr. Smith made a motion to approve the October 17, 2019 Executive Session minutes. The motion was seconded by Mr. Magnuson. The motion carried unanimously by voice vote.

VIII. **Other Business**

Foundation Summary – Ms. Holleb stated the only change was to the Senior Foundation for the contribution to the Senior Resources Center.

The Committee discussed the Senior Foundation audit requirements and if an audit or alternate presentation be required for next year. Ms. Holleb attended a meeting with the Foundation to discuss the reserves of the Senior Resources Fund and the calculation for the City and Lake Bluff contributions. They discussed if a true-up should also be calculated for the City to mirror the calculation completed for Lake Bluff.

Foundation Financial Review – Ms. Elizabeth Holleb stated the chart had been updated for the Senior and Police Foundations.

The Committee discussed a new Audit Committee member starting at the July meeting and to have Joe Lightcap of Baker Tilly provide an overview of what is involved in the City's annual audit.

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

X. **Adjournment**

There being no further business, a motion was made by Mr. Smith to adjourn the meeting. The motion was seconded by Mr. Magnuson. The motion was approved unanimously by voice vote. The meeting was adjourned at 6:06 pm.

Respectfully submitted,

Diane Hall
Assistant Finance Director