

1 ILLINOIS FINANCE AUTHORITY
2 AUDIT PLUS COMMITTEE MEETING
3 SPECIAL MEETING
4

5 REPORT OF PROCEEDINGS had at the
6 Audit Plus Committee meeting of the Illinois Finance
7 Authority held Tuesday, February 11, 2020 at 9:19
8 a.m., pursuant to notice at 160 North LaSalle,
9 Chicago, Illinois.

10
11 PRESENT:

12 WILLIAM HOBART
13 ROXANNE NAVA (via audio conference)
14 BETH SMOOTS
15 COMMITTEE CHAIR MICHAEL GOETZ, non-voting (via
16 audio conference)
17 ERIC ANDERBERG, ex-officio, non-voting

18
19 ALSO PRESENT:

20 ELIZABETH FLEMING WEBER - General Counsel
21 MICHAEL MOSS - Associate General Counsel,
22 Assistant Secretary
23 CHRISTOPHER MEISTER, Executive Director
24 BRAD FLETCHER, Vice President
XIMENA GRANDA, Manager of Finance &
Administration
DAWN MEIER, Internal Auditor Illinois
Department of Central Management Services (via
audio conference)
JACOB STUCKEY, Deputy Executive Director
LISA BONNETT, Vice President, Water Policy

1 CHAIR GOETZ: I'd just like to make a
2 statement before we start off.

3 I am unable to physically be present
4 today at the meeting and do not have a statutory
5 reason under the Open Meetings Act to be counted
6 towards quorum and voting via audio conference;
7 However, as this is an advisory committee, I would
8 still like to participate in the meeting as Chair
9 unless there are any objections to my doing so.

10 Any objections?

11 (No response.)

12 Hearing no objections, I would like
13 to call the meeting to order.

14 Will the Assistant Secretary please
15 call the roll.

16 MR. MOSS: Thank you. The time is
17 9:19 a.m.

18 Member Hobert?

19 MEMBER HOBERT: Yes.

20 MR. MOSS: Member Nava, via audio
21 conference?

22 MEMBER NAVA: Here.

23 MR. MOSS: Member Smoots?

24 MEMBER SMOOTS: Here.

1 MR. MOSS: Committee Chair Goetz,
2 non-voting, via audio conference?

3 CHAIR GOETZ: Here.

4 MR. MOSS: And Chair Anderberg, ex
5 official, non-voting?

6 CHAIR ANDERBERG: Here.

7 MR. MOSS: Committee Chair Goetz, we do
8 not have a quorum, but we will proceed with the
9 agenda.

10 CHAIR GOETZ: Thank you. Very well.

11 Review and adoption of the Audit,
12 Budget, Finance, Investment, and Procurement
13 Committee Meeting Minutes from Septemer 10, 2019.

14 Does anyone wish to make any
15 additions, edits, or corrections to the minutes from
16 September 10, 2019?

17 (No response.)

18 Hearing none, I would like to request
19 a motion to approve the minutes.

20 Is there such a motion?

21 MEMBER SMOOTS: So moved.

22 MEMBER HOBERT: Second.

23 CHAIR GOETZ: All in favor, aye?

24 (A chorus of ayes.)

1 Any opposed?

2 (No response.)

3 Review, consideration, and acceptance
4 of the Illinois Finance Authority's Financial Audit
5 for the year ended June 30, 2019, performed by RSM
6 as Special Assistant Auditors for the Auditor
7 General, State of Illinois, and I understand Jacob
8 is going to present this audit.

9 Jacob, do you want to take it away?

10 MR. STUCKEY: Absolutely. I'll just
11 highlight a few things for the Fiscal Year '19
12 Fiscal Audit, and then I'm going to hand it off to
13 Six to go over some of the details.

14 The first thing I want to point out
15 that the Special Assistant Auditors RSM issued an
16 unmodified opinion on the Authority's basic
17 financial statements. Consistent with Fiscal Year
18 '18, there were no audit findings for Fiscal Year
19 '19.

20 And lastly I want to say, for the
21 first time, the Authority was able to include a
22 transmittal letter. You will find the transmittal
23 letter kind of in between the cover and where the
24 audit really starts. The transmittal letter is not

1 audited, but it is a significant win for the
2 Authority to be able to include it as part of the
3 fiscal audit as we're able to tell our story and
4 sort of set the narrative, if anybody wants to read
5 the fiscal audit. And we think that is very
6 important because the Authority is in a special
7 position on how we conduct our business that will be
8 different from maybe other agencies and the way they
9 operate.

10 So it was a significant win. We're
11 very happy we were able to include it, and we thank
12 the auditors for our ability to do so.

13 So I'm going to hand it over to Six
14 to include some of the details of the audit, and if
15 anybody has any questions after that, let us know.

16 MS. GRANDA: Good morning, everyone. I
17 just want to emphasize as what Jacob said, you know,
18 the fiscal year 2019 financial audit had no
19 findings.

20 So if everybody could turn to their
21 digests, I just want to go over some quick items in
22 the summary report.

23 So for Fiscal Year 2019, the
24 Authority ended with a total of net assets of

1 \$1.9 billion, our liabilities ended at \$1.7 billion,
2 and our net position ended at \$123.4 million.

3 Our revenues ended at \$36 million and
4 our expenses ended at \$34.4 million. This provided
5 an increase to our net position of \$1.6 million.

6 If anybody has any questions in the
7 actual, you know, details of the digest, I can go
8 into further detail. But the main point is we made
9 \$1.6 million for Fiscal Year 2019.

10 CHAIR GOETZ: This is Mike. You know, I
11 have been on the Authority since it was created.
12 You know, the audit can't get any better than what
13 it is right now. So we should thank the staff for
14 doing a great job and, you know, complying with all
15 the regulations we got to comply with.

16 With that, I would like to request a
17 motion --

18 MR. MEISTER: And, Mike, before you do
19 that, just one cautionary note, and again for the
20 members that have more recently joined us, the audit
21 process in this state is governed by the Auditor
22 General who is a separate constitutional officer.
23 He serves for a ten-year term. He's appointed by
24 the legislative branch of government, all four

1 caucuses, the Republicans and the Democrats in both
2 the Senate and the House.

3 This is not a conventional audit as
4 anybody who has worked in private sector would
5 understand it to be nor does it have conventional
6 audit costs. It is, in fact, a constitutional check
7 on the power of the executive branch. And again, we
8 are thrilled with this audit, and the team,
9 especially Six, with the help of the internal
10 auditors, who we will hear from in a little bit, did
11 an incredible job.

12 But we do have Part II. Every two
13 years, we undergo a compliance audit, and we've been
14 actively engaged in negotiations in conflict and
15 dispute resolution with the auditors on the
16 compliance audit, and I would anticipate a greater
17 number of audit findings, but we have been --
18 greater than zero. But we have been really actively
19 engaged, and I think some of those findings may date
20 from a time before the transformation initiative
21 with its expansion of the staff had fully taken
22 hold.

23 So I'll take any questions and turn
24 it back over to Chairman Goetz.

1 CHAIR GOETZ: Any questions for Chris?

2 MEMBER NAVA: I would just echo, Mike --
3 this is Roxanne -- what you said. It is not easy
4 going through any audit in general. I would say it
5 is very painful going through it on the government
6 side, and the fact that IFA has to go through audit
7 every piece of the business separately and having no
8 audit findings is a big deal. So I commend you,
9 Director, and Mr. Stuckey, and Ms. Granda, and all
10 the whole team for really putting up with this
11 because you are doing this while you are doing your
12 regular job.

13 CHAIR GOETZ: That's right. It's a good
14 thing.

15 So can I have a motion to recommend
16 the resolution for approval?

17 MEMBER HOBERT: So moved.

18 MEMBER SMOOTS: Second.

19 CHAIR GOETZ: All those in favor, aye.

20 (A chorus of ayes.)

21 Any opposed?

22 (No response.)

23 The motion -- the resolution has been
24 recommended for approval.

1 So, with that, is there any other
2 business to come before the members?

3 Ms. Granda?

4 MS. GRANDA: Yes. At this time, I would
5 like to introduce Dawn Meier, she is an audit
6 supervisor with CMS with the Bureau of the Internal
7 Audit Division.

8 Dawn?

9 MS. MEIER: Hi there.

10 Since 2017, the CMS audit team as
11 IFA's internal audit program has completed nine
12 internal audits for IFA, and we're scheduled to
13 complete three more by the end of the fiscal year.

14 Further, we have consulted with IFA
15 on various issues and have filed all the necessary
16 documents for meeting the internal audit
17 requirements.

18 The CMS internal audit team averages
19 approximately 1500 hours a year on specific
20 nonadministrative projects for IFA, which is the
21 equivalent of one internal audit employee.

22 MR. MEISTER: And earlier at the last --

23 CHAIR GOETZ: Any questions?

24 MR. MEISTER: Earlier at the last audit

1 meeting, we discussed the Attorney General's opinion
2 on the legislation about internal audit, but we did
3 want to just make sure that the members heard
4 firsthand the magnitude, the scope of disciplines,
5 and the resource that we have with CMS internal
6 audit, and there's an additional bonus for the
7 Authority is that it does not cost the Authority a
8 penny.

9 CHAIR GOETZ: Thank you.

10 Is there any public comment for the
11 Committee?

12 (No response.)

13 Hearing none, I would like to request
14 a motion to adjourn.

15 MEMBER HOBERT: So moved.

16 MEMBER SMOOTS: Second.

17 CHAIR GOETZ: All those in favor, aye.

18 (A chorus of ayes.)

19 Any opposed?

20 (No response.)

21 The ayes have it. We are adjourned.

22 MR. MOSS: The time is 9:27.

23 (WHEREUPON, which were all the
24 proceedings had in the above

entitled cause.)

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REPORTER CERTIFICATION

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I, JO ANN LOSOYA, a Certified Shorthand Reporter of the State of Illinois, do hereby certify that I reported in shorthand the proceedings had at the meeting aforesaid, and that the foregoing is a true, complete and correct transcript of the proceedings of said meeting as appears from my stenographic notes so taken and transcribed under my personal direction.

IN WITNESS WHEREOF, I do hereunto set my hand at Chicago, Illinois, this March 5, 2020.



JO ANN LOSOYA

C.S.R. No. 084-002437

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