

MINUTES
WORKING SESSION
CITY COUNCIL
COUNCIL CHAMBERS IN THE CIVIC COMPLEX
401 WEST WASHINGTON STREET
EAST PEORIA, ILLINOIS

June 21, 2022

The Honorable John P. Kahl Mayor of the City of East Peoria called the Working Session of the City Council of the City of East Peoria, Illinois to order at 5:30 P.M. with the meeting having been properly noticed. The City Clerk certifies that notice of the meeting was duly serve upon Council Members via email on Friday, June 17, 2022, at approximately 4:32 P.M.

Upon the roll being called the following answered present: Mayor John P. Kahl, Commissioners, Seth D. Mingus, and Michael L. Sutherland.

Absent: Commissioners Daniel S. Decker and Mark E. Hill.

Mayor Kahl explained that that the Special Meeting is called for the purpose of City Fiscal Year 2021 Audit discussion. He further explained that there would be no formal action at the meeting, and it is for discussion purposes only. Mayor Kahl turned the discussion over to Director of Finance/Treasurer, Jeff Becker. Director Becker explained that this for the 2020-2021 Audit discussion, and present is Adam Pulley from Clifton Larson and Allen spoke regarding the Audit. Mr. Pulley went through a handout in regarding the Audit. He explained that the Audit opinion resulted in a clean unmodified opinion. The numbers within the financial statements are free from material misstatement in their opinion. The coronavirus funds were tested, and there is a clean and unmodified opinion. Further, there were no findings in the coronavirus funds which is good and noteworthy.

He explained the audit opinions of fiscal year ending 2020 and fiscal year ending 2021. There was an increase is due to the debt service in fiscal year ending 2021, as there were bonds that were paid showing as a debt. There were a couple of material weaknesses that included lack of segregation of duties at the Marina and financial statement preparation and audit adjustments. Since Clifton Larson and Allen helps put the financial statements together, the auditors cannot be considered a part of the internal control structure, which is why that weakness is noted. He commented on the governance letter that included no disagreements with management or difficulties encountered. The only things noted in the governance letter were the delay in the audit due to the Marina, and the City adopting a new accounting standard (GASB for fiduciary activities). He explained that the auditors are planning for fiscal year ending 2022 audit soon. Mayor Kahl explained that there were issues that came to light with the Marina. There have been changes to the internal controls including adding responsibilities to Director Becker and more involvement with City staff regarding oversight of the finances at the Marina.

Mayor Kahl asked for any comments or questions from the City Council. There was no response.

Mayor Kahl asked for any comments from the audience. There was no response.

Mayor Kahl thanked Director Becker and Mr. Pulley for their work on the Audit.

Page 2

Motion by Commissioner Mingus, seconded by Commissioner Sutherland; Mr. Mayor, I move you that we adjourn the meeting.

Yeas: Commissioners Decker, Hill, Mingus, and Sutherland and Mayor Kahl.

Nays: None.

Mayor Kahl declared the motion carried and the meeting adjourned at 5:37 P.M.

/s/ Morgan R. Cadwalader_____

Morgan R. Cadwalader, City Clerk