

Finance/Audit Committee  
Annual Meeting  
Talking Points

Shelly Heller, Kent County, will be reporting in place of Chair, Ted Zeleski, Carroll County

The Finance/Audit Committee's primary responsibilities are to:

- (1) Provide oversight of LGIT's investment portfolio and annual financial audit and the preparation of the Comprehensive Annual Financial Report, or the CAFR.

In carrying out these responsibilities, the Committee:

- (1) Met five times with the investment advisor from UBS to review investment holdings and investment activities to ensure that they are consistent with the investment policy.
- (2) Evaluated investment returns, investment strategies, and individual manager performance by comparing them to policy benchmarks and peer groups.
- (3) Reviewed with management certain financial policies and procedures.
- (4) Met with management and the external auditors from CliftonLarsonAllen to review LGIT's CAFR.
- (5) Obtained a written report from the auditors addressing any significant or non-routine findings and observations occurring during the audit and there were none reported.
- (6) Reviewed and discussed with management their response to the auditor's management letter.

Committee made the following two Recommendations to the Board of Trustees:

1. A recommendation to accept the Comprehensive Annual Financial Report (CAFR), which includes the Combined Financial Statements as of June 30, 2016 and 2015.

The Committee was satisfied that the independent audit examination was consistent with generally accepted auditing standards and that the financial statements conform with generally accepted accounting principles.

2. A recommendation to extend the audit contract with CliftonLarsonAllen for a three year period.

The Committee is comprised of 10 members. In addition to myself, Board of Trustees Chair Debora Davis and the 2 ex-officio member, Scott Hancock and Michael Sanderson, the following individuals served on the Committee during fiscal year 2016:

Ted Zaleski, Chair – Carroll County

Terry Shannon – Calvert County

Steve Gindes – MML

Opiriobo Jack – City of Aberdeen

Tari Moore - Cecil County

Lisa Moody, Town of Bel Air