



1919 S. HIGHLAND AVE. • BUILDING A, SUITE 237 • LOMBARD, IL 60148

**MINUTES OF A REGULAR MEETING OF THE
FIREFIGHTERS' PENSION INVESTMENT FUND
AUDIT & COMPLIANCE COMMITTEE
AUGUST 16, 2022**

A regular meeting of the Firefighters' Pension Investment Fund of Illinois Audit and Compliance Committee was held on Tuesday, August 16, 2022 at 3:30 p.m. at the FPIF Headquarters located at 1919 S. Highland Avenue – Building A, Suite 237, Lombard, Illinois 60148 and via videoconference in accordance with Section 7(e) of the Illinois Open Meetings Act, pursuant to notice.

I. Call to Order

Chairman Kink called the meeting to order at 3:30 p.m.

II. Taking of the Roll

Robina Amato took the roll. Trustees Greg Knoll, Tom Dailly and Chairman Matthew Kink were present; there were no absences.

Also present: Executive Director William Atwood, CFO David Zaloga, COO Steve Zahn, Portfolio Officer Mitchell Green, Member Services Officer Robina Amato, Trustees George Schick, John Perry, FPIF Staff/Board of Trustees

III. Approval of the June 7, 2022 and June 16, 2022 Meeting Minutes

The Committee reviewed the June 7, 2022 and June 16, 2022 audit and compliance committee meeting minutes. A motion was made by Trustee Knoll and seconded by Trustee Dailly to approve the June 7, 2022 and June 16, 2022 meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink

NAYS: None

ABSENT: None

IV. Consideration and Approval – FPIF Financial Statements

Mr. Zaloga presented the April 30, 2022 and May 31, 2022 Monthly Financial Reports to the Committee. Mr. Zaloga reviewed the statement of net position for May 31, 2022 showing an end of period position of \$6,930,672,791, the eleven-month expense report as of May 31, 2022 totaling \$2,273,665 and the Vendor Check Report for the period May 1, 2022 through May 31, 2022 for a total disbursement of \$76519.23. A motion was made by Trustee Dailly and seconded by Trustee Knoll to accept the April 2022 and May 2022 financial statements as presented. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink

NAYS: None

ABSENT: None

V. Amendments to the Fiscal Year 2022 Budget

Mr. Zaloga reviewed actual to budgeted expenditures in all major categories including operations, professional and personnel expenses and noted that all major categories are currently under budget. Mr. Zaloga identified individual line items within each category that are over budget and reviewed the recommended budget amendments consistent with the executive director reallocation authorization.

VI. Report on IFA Loan Repayment and Legal Fees – Joseph Burns, Jacobs, Burns, Orlove & Hernandez LLP

Director Atwood reviewed the loan repayment schedule according to the agreement with the Illinois Finance Authority and noted now that the transition period has concluded, FPIF will commence payments as outlined in the agreement beginning October 1, 2022. Director Atwood apprised the Board that a letter from the IFA regarding the FPIF's obligation to pay legal fees incurred has been received and submitted to Attorney Joe Burns for review as fiduciary counsel for the FPIF. A draft resolution to commence payment of the IFA loan and to authorize Director Atwood to discuss legal fees with the IFA was presented to the Committee for review.

VII. Transition Status Update – Resolution of Naperville Fire and Wilmette Fire Transition Items

Director Atwood and Mr. Zaloga presented a full summary of the completion of the transition of investment assets from Article 4 funds to the FPIF. Mr. Zaloga disclosed two transition scenarios involving the Naperville Firefighters' Pension Fund and the Wilmette Firefighters' Pension Fund and the steps taken to resolve each of the minor issues that arose during the scheduled transitions.

VIII. Update on Ernst & Young SEC Fine

Director Atwood reviewed the current engagement between FPIF and Ernst & Young that began in November 2020 and recent news of an SEC violation by Ernst & Young. A memo from Ernst & Young was submitted to the FPIF and circulated to the Committee for review, Ernst & Young has resolved the matter with the SEC and has confirmed that all EY associates assigned to FPIF had not been involved with the violation.

IX. Status of FY 2022 Annual Audit and Statutory Audit of Transition

Mr. Zaloga provided a brief overview of the status of the June 30, 2022 financial close process and preparations for both the FY2022 financial audit and statutory transition audit that will be performed by Sikich. Further updates will be provided to the Committee as they become available.

X. Request for Proposals – Article 4 Audit Providers

David Zaloga presented a preliminary timeline to the Committee for the selection of vendors to perform audits of Article 4 funds as declared by statute.

XI. Other Business

The Committee noted the next regular meeting of the Audit and Compliance Committee will be held on August 25, 2022 at 3:30 p.m.

XII. Public Comment

There was no public comment.

XIII. Adjournment

A motion was made by Trustee Knoll and seconded by Trustee Dailly to adjourn the meeting at 4:31 p.m. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink

NAYS: None

ABSENT: None