

Finance/Audit Committee
Annual Meeting FY14
Talking Points

The Finance/Audit Committee 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 (CAFR).

In carrying out these responsibilities, the Committee:

- (1) Met quarterly with the investment advisor 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 auditor to review LGIT's Comprehensive Annual Financial Report (CAFR).
- (5) Obtained a written report from the independent auditor addressing any significant or non-routine findings and observations occurring during the audit and specifically addressing those matters.
- (6) Reviewed and discussed with management their response to the independent auditor's management letter.

Committee made the following Recommendations to the Board of Trustees:

1. To accept the Comprehensive Annual Financial Report (CAFR), which includes the Combined Financial Statements as of June 30, 2013 and 2012.

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.

The Committee is comprised of 11 members. In addition to myself, Board of Trustees Chair John Bloxom and the 2 ex-officio member, Scott Hancock and Michael Sanderson, the following individuals served on the Committee during fiscal year 2014:

Ernie Crofoot – Kent County

Terry Shannon – Calvert County

Steve Gindes – MML

Opiriobo Jack – City of Aberdeen

Elaine Kramer – St. Mary's County

Tari Moore - Cecil County

Barbara Mathews – City of Rockville

Debra Davis – Charles County

Ted Zaleski – Carroll County