



Finance/Audit Committee
FY 2017 Annual Meeting
Talking Points

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 six times 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.

(7) A recommendation was made to the Board to hire a Concord Advisory Group as the Trust's new investment advisor.

During the selection process, the committee solicited proposals from nine investment advisory firms to select a new investment advisor.

The Committee is comprised of 11 members. In addition to myself, and the 2 ex-officio members, Scott Hancock of MML and Michael Sanderson of MACO, the following individuals served on the Committee during fiscal year 2017:

Ted Zaleski, Chair – Carroll County

Shelly Heller – Kent County

Gregg Todd – Queen Anne's County

Terry Shannon – Calvert County

Steve Gindes – MML

Opriobo Jack – City of Aberdeen

Eric Jackson- Charles County

Lisa Moody, Town of Bel Air