

VILLAGE OF DOWNERS GROVE
Report for the Village
11/15/2022

SUBJECT:	SUBMITTED BY:
Second Extension of Agreement with BKD, LLP n/k/a FORVIS LLP	Robin Lahey Finance Director

SYNOPSIS

A resolution has been prepared to authorize the approval of a second one-year extension of the agreement with BKD, LLP n/k/a FORVIS, LLP for the independent audit for the fiscal year ending December 31, 2022 in an amount of \$85,000.

STRATEGIC PLAN ALIGNMENT

The goals for 2021-2023 include *Steward of Financial, Environmental and Neighborhood Sustainability*.

FISCAL IMPACT

The audit will be conducted in 2023. The cost for the 2022 financial audit is \$85,000. The FY2023 budget includes \$52,500 for this expense.

RECOMMENDATION

Staff recommends approval on the November 15, 2022 consent agenda.

BACKGROUND

In November 2016, the Village entered into a five-year contract with BKD, LLP (currently FORVIS, LLP) after completion of a competitive proposal process. This contract ended with the FY2020 audit. This contract was extended in January 2022 due to the extensive amount of staff time required to transition to a new audit firm as staff was in the midst of the Enterprise Resource Planning System (ERP) implementation.

Staff recommends a second one-year extension to this contract since the ERP implementation is still ongoing. The Munis financial system went live in April 2022, however Utility Billing and Payroll are still in the legacy system (Eden) with scheduled go-lives in the first quarter of 2023. This will require the audit for FY2022 be conducted with data on two separate financial systems. FORVIS, LLP is familiar with the Village's financial data, internal controls and accounting practices; therefore, this extension will allow staff to continue to work on completing the implementation of the remaining modules in Munis concurrently with the year-end audit. Staff will complete the competitive proposal process for the FY2023 audit.

Governmental Accounting Standards Board Statement No. 87, Leases, went into effect in 2021 and is applicable for audits for fiscal years beginning after June 15, 2021. As such, the Village is required to comply with this GASB for the 2022 audit. Due to the complexity in identifying the scope of work to prepare and audit this GASB, fees for these services will be evaluated at a later date and will be based on the level of

assistance the Village needs from FORVIS to prepare the GASB. Accordingly, a separate agreement or an amendment to this extension will be brought to Council in 2023.

ATTACHMENTS

Resolution

Agreement

RESOLUTION NO. ____**A RESOLUTION AUTHORIZING A SECOND EXTENSION TO THE
AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE
AND BKD, LLP N/K/A FORVIS, LLP**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Second Extension to the Agreement (the "Agreement"), between the Village of Downers Grove (the "Village") and BKD, LLP n/k/a FORVIS, LLP (the "Consultant"), for services related to annual independent audit of the Village's financial statements, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____
Village Clerk

**SECOND EXTENSION TO THE AGREEMENT BETWEEN
THE VILLAGE OF DOWNERS GROVE AND BKD, LLP n/k/a FORVIS, LLP**

The Village of Downers Grove, Illinois and BKD, LLP ("Consultant") entered into a five-year Agreement for services to perform annual independent audits of the Village's financial statements on or about November 1, 2016. That Agreement was extended for a one-year period ending November 1, 2022. BKD, LLP is now known as FORVIS, LLP. Pursuant to the terms stated therein, the parties desire to extend that contract for a second one-year period under the following terms:

1. The Scope of Work shall be as set forth in the Consultant's Engagement letter dated November 9, 2022, which is attached hereto and incorporated herein as Exhibit A.
2. The total fees for the Scope of Work identified in Exhibit A shall be \$85,000.00.
3. All other terms from the 2016 Agreement remain in full force and effect.
4. The extension shall continue for a one-year period ending November 1, 2023.

VILLAGE OF DOWNERS GROVE

FORVIS, LLP



Attest:

Attest:

Village Clerk



Date: _____

Date: 11/11/22