



LAKE COUNTY FOREST PRESERVES
www.LCFPD.org

Preservation, Restoration, Education and Recreation

DATE: April 7, 2016

MEMO TO: S. Michael Rummel, Chair
Finance and Administrative Committee

Agenda Item# 9.1

FROM: Steve Neaman
Director of Finance

SUBJECT: One-Year Contract Extension with RSM US LLP (f/k/a McGladrey) for Auditing Services

RECOMMENDATION: Recommend approval of a Resolution approving a one-year extension of the auditing services contract with RSM for the District and Preservation Foundation for the FY2016 audit in an amount not to exceed \$65,000.

STRATEGIC DIRECTION SUPPORTED: Organizational Sustainability

FINANCIAL DATA: The FY2016 audit expense will be part of the FY2017 budget in the audit fund. The budget request will be for \$55,000 for the District and \$10,000 for the Foundation and budgeted in account 22104000-701000 Audit Fees in the Audit Fund.

BACKGROUND: RSM (formerly known as McGladrey) was under contract to perform auditing services for the District and the Foundation for the fiscal years 2011 - 2015. This past December the District's accounting manager resigned. The accounting manager handled a majority of the audit work, including putting together the Comprehensive Annual Financial Report (CAFR). Whenever there is a change in audit firms, the first year of the contract requires a large amount of staff time to get the new firm familiar with District procedures and processes. This adds quite a lot of additional work for the Finance staff. Because the Finance department is short one staff member, we recommend contracting with RSM US LLP for an additional year to perform the FY2016 audit. We will then go out for an RFP for FY2017 through FY2021 next fall.

RSM has submitted a proposal for the FY2016 audit which is attached. The fee for the District audit will be \$55,000 and the fee for the Foundation will be \$10,000. This compares to \$43,900 for the District and \$8,200 for the Foundation for the FY2015 audit.

REASON FOR RECOMMENDATION: To allow the new Finance staff time to learn the CAFR and process without the additional burden of working with a new audit firm.

REVIEW BY OTHERS: Chief Operations Officer and Corporate Counsel

PRESENTER: Steve Neaman

**LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS**

**A RESOLUTION APPROVING A ONE-YEAR CONTRACT EXTENSION TO RSM US
LLP FOR AUDITING SERVICES FOR FISCAL YEAR 2016**

WHEREAS, the Lake County Forest Preserve District (the "District") desires to purchase auditing services for fiscal year 2016 (the "Services") for the District and for the Preservation Foundation of the Lake County Forest Preserves (the "Foundation"); and

WHEREAS, the Director of Finance and the Purchasing Manager have determined that the Services require personal confidence; and

WHEREAS, on April 12, 2011, the District approved a five-year contract with McGladrey & Pullen, LLP, now known as RSM US LLP ("RSM") for auditing services for the District and the Foundation (the "Original Contract"); and

WHEREAS, it is in the District's best interest to Amend the Original Contract by extending its term one additional year; and

WHEREAS, the Purchasing Manager has solicited a proposal from RSM for the Services, which is attached to this Resolution (the "Proposal"); and

WHEREAS, the Purchasing Manager, the Director of Finance, and the Finance and Administrative Committee have reviewed the proposal and recommend that the Board of Commissioners (i) find that the Proposal be determined to be the proposal that is most advantageous to the District; and (ii) approve an amendment to the Original Contract, pursuant to which RSM would provide the Services (the "Contract Amendment") in an amount not to exceed \$65,000.00 (the "Contract Price"); and

WHEREAS, the Board of Commissioner hereby finds that the Proposal for the Services submitted by RSM is the proposal that is most advantageous to the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois, THAT:

Section 1: Recitals. The recitals set forth above are incorporated as part of this Resolution by this reference.

Section 2: Award of Contract. The Executive Director (or his designee) is hereby authorized and directed to negotiate the Contract Amendment with RSM provided that (i) the Contract Amendment shall obligate RSM to provide the Services in the same manner as provided in the Original Contract and (ii) the fees paid by the District pursuant to the Contract Amendment shall not exceed the Contract Price.

Section 3: Execution of Contract. After completion of such negotiations, the Contract Amendment shall be awarded to RSM. The Executive Director of the District is hereby authorized and directed to execute the Contract Amendment for the Services in the amount of the Contract Price.

Section 4: Payments. The Treasurer shall make payments under the Contract Amendment only pursuant to and in accordance with the Contract Amendment terms.

Section 5: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED this _____ day of _____, 2016.

AYES:

NAYS:

APPROVED this _____ day of _____, 2016.

Ann B. Maine, President
Lake County Forest Preserve District

ATTEST:

Julie Gragnani, Board Secretary
Lake County Forest Preserve District

Exhibit No. _____



RSM US LLP

20 N. Martingale Road
Suite 500
Schaumburg, IL 60173-2420

O +1 847.517.7070
F +1 847.517.7067

www.rsmus.com

February 17, 2016

Mr. Stephen A. Neaman, Director of Finance
Lake County Forest Preserve District
1899 West Winchester Road
Libertyville, Illinois 60048

Dear Steve:

Thank you for the opportunity to submit our proposal to renew our engagement relationship for fiscal year 2016 for the Lake County Forest Preserve District (District). We have not prepared a comprehensive detailed proposal because of your familiarity with our firm. However, if detailed information is necessary we will provide it to you immediately.

As you know there are varying levels of services provided by CPA firms. Over the past several years we have demonstrated our commitment to the District by providing a high level of quality service that is timely and consistent. A strong continuity of well trained and experienced personnel has made the audit process run smoothly, as well as providing new personnel on the engagement in order to provide you with a fresh look.

Our fee for fiscal year 2016 will not exceed \$65,000. A breakdown of the fee is as follows:

District Audit	\$49,000
Foundation Audit	\$7,000
Foundation Tax Filings	\$3,000
Single audit	\$6,000*

*The single audit assumes only 1 major program.

If you would like more detailed information or would like to discuss this in further detail please do not hesitate to contact us. We will be more than happy to share with you the best practices learned from previous client experiences.

The District has been a very important client to RSM and we welcome any suggestions you may have that help us improve our service to you. We appreciate the opportunity to continue serving as the District's auditors.

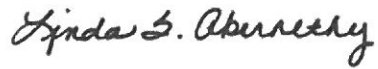
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Mr. Stephen A. Neaman, Director of Finance
Lake County Forest Preserve District
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Please indicate your acceptance of the quoted fee by signing in the space below and returning a copy of this letter directly to me.

Very truly yours,

RSM US LLP



Linda S. Abernethy
Partner

Confirmed on behalf of the Lake County Forest Preserve District:

Stephen A. Neaman, Director of Finance

Date