

VILLAGE OF DOWNERS GROVE
Report for the Village
6/6/2023

SUBJECT:	SUBMITTED BY:
Resolution approving an addendum to the agreement with FORVIS, LLP.	Robin Lahey Director of Finance

SYNOPSIS

A resolution has been prepared to authorize the approval of an addendum to the agreement with FORVIS, LLP for the independent audit for the fiscal year ending December 31, 2022.

STRATEGIC PLAN ALIGNMENT

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

FISCAL IMPACT

The not to exceed costs to implement GASB Statement No. 87 are \$20,000, \$10,000 of which shall be paid to the auditor for an implementation tool and training related to the same. The remaining \$10,000 is reserved for additional auditor services that may be required.

RECOMMENDATION

Approval on the June 6, 2023 consent agenda.

BACKGROUND

Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, is effective 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 required to prepare and audit this GASB, these fees were not included in the audit contract extension approved by Council on November 15, 2022. These costs have now been identified.

ATTACHMENTS

Resolution
Addendum to the Agreement with Forvis, LLP

RESOLUTION NO. _____**A RESOLUTION AUTHORIZING EXECUTION OF AN
ADDENDUM TO THE AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE
AND FORVIS, LLC**

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 Addendum (the "Agreement"), between the Village of Downers Grove (the """) and Forvis, LLC, formerly known as BKD, LLP (the "Consultant"), for annual auditing services, 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

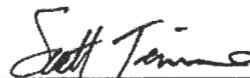
**ADDENDUM TO THE AGREEMENT BETWEEN
THE VILLAGE OF DOWNERS GROVE AND
FORVIS, LLC.**

The Village of Downers Grove, Illinois (the "Village") and Forvis, LLC, formerly known as BKD, LLP (the "Consultant"), entered into an agreement on or about November 1, 2016, whereby Consultant has agreed to provide certain annual auditing services to the Village (the "Agreement"). The Agreement has been extended twice upon written agreement of the parties, with the second extension having been executed on November 15, 2022. Pursuant to the terms of the Agreement, as extended, the parties desire to amend the Agreement under the following terms:

1. The parties agree that the Village shall pay to Consultant Ten-Thousand Dollars and Zero Cents (\$10,000.00) for the Leasevision™ tool, a training session and five (5) hours of assistance, plus any additional fee adjustment for services rendered by Consultant up to an amount not to exceed an additional Ten-Thousand Dollars and Zero Cents (\$10,000.00), as further described in the correspondence from the Consultant to the Village dated May 31, 2023, which is attached hereto and incorporated herein by reference as Exhibit A.
2. All other terms from Agreement remain in full force and effect.

VILLAGE OF DOWNERS GROVE

FORVIS, LLC



Attest:

Title: MANAGING DIRECTOR

Village Clerk

Date: 6/1/23

Date: _____

Exhibit A

FORVIS

1901 S. Meyers Road, Suite 500 / Oakbrook Terrace, IL 60181

P 630.282.9500 / F 630.282.9495

forvis.com

May 31, 2023

Ms. Robin Lahey
Finance Director
Village of Downers Grove, Illinois
801 Burlington Ave
Downers Grove, IL 60515

We appreciate your selection of **FORVIS, LLP** as your service provider and are pleased to confirm the arrangements of our engagement in this contract. Within the requirements of our professional standards and any duties owed to the public, regulatory, or other authorities, our goal is to provide you an **Unmatched Client Experience**.

Summary Scope of Services

As described in the attached **Scope of Services**, our services will include the following:

- Consulting Services to Assist With the Adoption of Governmental Accounting Standards Board Statement No. 87, *Leases* (GASB 87)

You agree to assume full responsibility for the substantive outcomes of the contracted services and for any other services we may provide, including any findings that may result.

You also acknowledge these services are adequate for your purposes, and you will establish and monitor the performance of these services to ensure they meet management's objectives. All decisions involving management responsibilities related to these services will be made by you, and you accept full responsibility for such decisions.

We understand you have designated (or will) a management-level individual to be responsible and accountable for overseeing the performance of these services, and you have determined (or will) this individual is qualified to conduct such oversight.

Engagement Fees

Our fees will be \$10,000. This pricing includes the lessor and lessee version of the tool, an initial training session and five (5) hours of assistance by the engagement team to consult on LeaseVision™ related questions. Your team will handle all entry into the tool. Should more assistance be requested by the Village, our fee will be adjusted. Should you require additional assistance with any lease contracts include complex terms that require extensive research, analysis, and documentation, our fees may also need to be adjusted. We will notify you if this occurs.

Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly.

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May 31, 2023
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Contract Agreement

This addendum to our original audit services contract serves to clarify our understanding of the changes to the specific services you desire, but does not modify any other rights, restrictions or agreements contained in that contract. These services will be performed based on the terms of that original contract, except as otherwise indicated herein.

Please sign and return this contract to indicate your acknowledgment of, and agreement with, the arrangements for our services including our respective responsibilities.

FORVIS, LLP

FORVIS, LLP

The services described in this contract are in accordance with our understanding and are acceptable to us. We acknowledge that we are aware that provision of the services described in this contract will result in FORVIS contemporaneously providing us with auditing and nonauditing services and we hereby agree thereto.

Acknowledged and agreed to as it relates to the entire contract, including the **Scope of Services** on behalf of VILLAGE OF DOWNERS GROVE.

BY _____
Robin Lahey, Finance Director

DATE _____

Scope of Services

We will provide consulting services to assist with the adoption of Governmental Accounting Standards Board Statement No. 87, *Leases* (GASB 87). Our services are anticipated to include the following:

GASB 87

- LeaseVision™ Implementation Road Map – FORVIS will provide an informative guide to implementation, with detachable checklists to facilitate the implementation process.
- LeaseVision™ Excel Tools – FORVIS will provide the LeaseVision™ Excel Tool, which is a Microsoft Excel tool for use in performing the required calculations under GASB 87, generating related journal entries, and developing/maintaining the necessary amortization schedules. Lessor and lessee versions will be provided. FORVIS will provide training and guidance regarding use and customization of the tool.

Our deliverables, including any memos, templates, and the LeaseVision™ tools, will be intended for use only by management and should not be referred to, distributed, or used by any other party for any purpose.

We will not update our deliverables for or disclose any event or circumstances after the date of our deliverables.

The following apply for these services:

Our Responsibilities

We will not make management decisions, perform management responsibilities or obligations, or manage the operations of the business, the responsibility for which remains with management and the Board. We will also not act or appear to act in a capacity equivalent to that of a member of your management or an employee.

We will use and rely on information furnished by you, your employees, and representatives and may use and rely on information available from generally recognized public sources. We are not responsible for the accuracy and completeness of the information and are not responsible to investigate or verify it.

We will not be representing you during compliance-related discussions with regulatory agencies.

Limitations & Fraud

This engagement is not designed to prevent or discover errors, misrepresentations, fraud, or illegal acts, and you agree we have no such responsibility.

Because of the limits in any internal control structure, errors, fraud, illegal acts, or instances of noncompliance may occur and not be detected.

Our work does not include any services not specifically outlined in this addendum.

Opinion

We will perform this engagement in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants (AICPA). This engagement will not constitute an examination, audit, attestation, or agreed-upon procedures engagement as those services are defined under relevant AICPA standards. Accordingly, we will not provide an audit or attest opinion or other form of assurance and will not verify or audit any information provided to us.

Village of Downers Grove, Illinois

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In addition, we have not been engaged to provide an opinion with respect to the effectiveness of your controls over financial reporting or the degree of compliance with your policies and procedures or applicable laws and/or regulations.

Your Responsibilities

Management acknowledges and understands their responsibility for the following:

- Providing us with accurate and complete information necessary to complete the engagement
- Ensuring your staff and stakeholders are available to assist us in performing our services, including but not limited to interviews and information requests, providing feedback, and reviewing on a timely basis
- Providing us access to appropriate systems considered necessary to complete the engagement
- Establishing and maintaining its internal controls
- Adoption of GASB 87 and sufficiency of the documentation and procedures completed to comply with the standard

Disclaimer of Legal or Investment Advice

Regulatory authorities may interpret circumstances differently than we do. In addition, the applicable laws, regulations, and regulators' enforcement activities may change over time.

FORVIS Workpapers

Our workpapers and documentation retained in any form of media for this engagement are the property of FORVIS.

Maintenance of Records

You agree to assume full responsibility for maintaining your original data and records and that FORVIS has no responsibility to maintain this information. You are responsible for maintaining any LeaseVision™ tools upon completion of this engagement. You agree you will not rely on FORVIS to provide hosting, electronic security, or backup services, e.g., business continuity or disaster recovery services, to you unless separately engaged to do so. You understand that your access to data, records, and information from FORVIS' servers, i.e., FORVIS portals, can be terminated at any time and you will not rely on using this to host your data and records.

Independent Contractor

When providing services to you, we will be functioning as an independent contractor; and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you. Decisions regarding management of your business remain the responsibility of your personnel at all times.

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Supplementary Spreadsheets

During the course of our work, we may provide you with spreadsheet models designed using Microsoft Excel. With regard to the use of these models, you agree:

- The model is for your exclusive use and may not be copied or modified for use by any other party without the permission of FORVIS
- There are no warranties or support agreements pertaining to the model. You agree to assume responsibility for the appropriateness of the spreadsheet design and any existing assumptions related to input. You understand that errors may occur due to unknown programming errors (bugs), intentional or unintentional modifications to the model, operator error, data inaccuracy, or use other than as intended. We are not responsible for model malfunction resulting from these or other errors
- Not to remove, delete, or obscure any trademarks or any copyright notices provided on or with the model, including any copy thereof