

**TWIN OAKS BOARD OF ALDERMEN
NOTICE OF WORK SESSION
TWIN OAKS CITY HALL
WEDNESDAY, JULY 21, 2021, 6:15 P.M.
TWIN OAKS, MO 63021**

To balance both the need for continuity of government and protection of the health and safety of our residents, business persons and employees, this meeting of the Board of Aldermen will be open to public attendance in person, providing that those who attend wear face coverings and maintain social distancing.

In addition, the meeting will also be livestreamed on Facebook so that the public may watch and listen to the meeting virtually. The livestream of the meeting will be accessible by tablet/laptop/PC or mobile device at www.facebook.com/twinoaksmo.

The Board apologizes for any inconvenience these requirements may pose but it is extremely important all measures in compliance with the orders issued by public health authorities be taken to protect employees, residents, and elected officials during these extraordinary times.

TENTATIVE AGENDA

1. Parental Leave Policy
2. KEB Accounting Proposal
3. Adjournment

Frank Johnson
City Clerk

POSTED: July 19, 2021, 3 p.m.

Please note: Any person requiring physical or verbal accommodations should contact the city office 12 hours prior to meeting at 636-225-7873. Copies of public records for this agenda are available for public inspection before and at the time of the meeting.

Memo to: Board of Aldermen
From: Frank Johnson, City Clerk
Subject: Parental Leave Policy
Date: July 15, 2021

During the discussion on the a potential parental leave policy for the City of Twin Oaks at the work session on July 7, 2021, the Board requested that staff compile information on similar policies that exist in nearby cities.

St. Louis Region

Among cities in the St. Louis region, Clayton provides six weeks of paid parental leave, Wentzville provides six weeks, Crestwood provides four weeks, and St. Louis County provides two weeks. Several other cities stated that they allow employees to use combinations of paid leave (sick, vacation, comp) while taking time off through the Family Medical Leave Act (FMLA).

There may be additional cities that offer parental leave, but it is difficult to manually check as most cities do not have their personnel policy manuals online or included in their code of ordinances.

National

According to information compiled by the National Partnership for Women and Families¹ in 2020, at least 105 cities offered some form of parental leave. The average was 6.3 weeks. The typical range was two-12 weeks.

A few cities (13 percent) differentiated between "primary" and "secondary" caregivers. Under such policies, fathers of newborn children often qualify as a secondary caregiver. In that case, the average among the 105 cities would be 5.9 weeks.

¹ <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/paid-family-leave-policies-for-municipal-employees.pdf>

14. Parental Leave Policy

- a. The purpose of this policy is to give parents additional flexibility and time to bond with and care for their new child. Maternity/paternity/adoption leave under this policy is paid leave, not required by law, and is associated with the birth of an employee's own child or the placement of a child with the employee in connection with adoption or foster care. Such paid leave under this policy will not be charged against the employee's other paid leave benefits; however, if the employee is entitled to leave under the Unpaid Leave of Absence Policy for such event, paid parental leave and ULA leave will run concurrently. Please refer to the Unpaid Leave of Absence Policy for further guidance on the ULA.
- b. This policy will be in effect for births, adoptions or placements of foster children occurring on or after _____.
- c. *Eligibility.* Eligible employees must meet the following criteria:
 - (1) Be a designated full-time employee with at least twelve (12) months of continuous full-time service at the time of birth or adoption date.
 - (2) In addition, employees must experience one of the following events:
 - i. Have given birth to a child;
 - ii. Have fathered a child;
 - iii. Be a legal spouse or cohabitating partner to an individual giving birth to a child;
 - iv. Have had a child under eighteen (18) placed in one's care through adoption or foster care.
 - (3) The placement or adoption of a child by a new spouse (i.e. stepchild) is excluded from this policy.
- d. *Leave time.* Employees will be granted paid parental leave in the amount listed on the schedule below per 12-month period running from the first date of parental leave, to cover their regularly scheduled shifts for time off to bond with and care for the child. In the event more than one child is born or adopted at the same time, a maximum of the hours listed below will be granted. In the event both parents are employees of the city, a maximum of the hours listed below will be given in total to the parents. The hours listed below are the maximum that will be granted per occurrence.
 - (1) Full-time employees shall be granted paid parental leave at the rate of two hundred forty (240) hours (six, 40-hour workweeks) per birth or adoption event.
 - (2) All parental leave described in this policy shall be available for a six-month period following the birth, adoption or placement of a child.

- (4) Leave may be used intermittently during the six-month period, but must be used in a minimum of one-week increments for ease of scheduling and tracking purposes. If used intermittently, the weeks must be requested in advance and pre-approved by the employee's supervisor.

e. *General rights and responsibilities.*

- (1) An eligible employee shall initially notify the HR Director, in writing, of the need for parental leave and include the estimated timing of such leave at least sixty (60) calendar days in advance of the need for parental leave, when possible. If the need for parental leave is not foreseeable, an eligible employee must give notice of the need to the HR Director as soon as practical.
 - ii. Documentation from the physician with an estimated due date or court documents providing the date of adoption or placement of foster child must be provided.
- (2) Insurance benefits will continue to be provided during the paid parental leave period at the same rate as offered to other active, full-time employees. Paid leave benefits will continue to accrue.
- (3) Once the six weeks of leave has been exhausted, employees may request continued leave under other leave policies as applicable.
- (4) An employee who takes paid parental leave that does not qualify for ULA leave will be afforded the same level of job protection for the period of time that the employee is on paid parental leave as if the employee were on ULA-qualifying leave.
- (5) Upon termination or resignation of employment, the employee shall not be eligible for payment of any unused parental leave.
- (6) Disciplinary action, up to and including termination, may be taken against an employee who uses parental leave for purposes other than those described in this policy.

City of Twin Oaks

KERBER, ECK & BRAECKEL LLP

Presentation to the Board of Alderman for Contracted Accounting Services

July 7, 2020



Firm Profile

- Multi-office, full-service CPA firm established in 1931.
- Nine offices in three Midwestern states.
- 134th largest public accounting firm nationwide according to Inside Public Accounting
- The firm has 27 partners and nearly 200 professional and support personnel
- Large enough to provide the necessary resources available to meet client needs, small enough to provide the hands-on, personal attention you deserve.

Firm Qualifications

- Specialize in accounting services for state and local governments including a wide range of accounting and management advisory services.
- Expertise in preparing financial reports for GFOA submission and award recognition.
- KEB has professionals that sit on the GFOA Special Review Committee and that are active in the GFOA, Association of Government Accountants (AGA), ASBO, and various governmental committees of both the Missouri and Illinois CPA societies.
- Extensive expertise with Federal grant compliance and OMB Uniform Guidance

Approach

- Provide a highly skilled team of seasoned accounting and consulting professionals with industry knowledge and experience.
- Commit and maintain the necessary staffing, both number and level, to ensure all services will be rendered on a timely basis, and in conformity with reporting requirements.
- Concentrate on maintaining a close and constructive relationship with the City management at all times and on being continually responsive to your needs.
- Regularly communicate our meaningful and relevant financial information in an easily understandable format to aid you in your decision making.
- The KEB manager and partner assigned to your team will thoroughly review the work and meet with you via video conference to discuss all facets of the financial reporting package.

KEB Difference

Your KEB team will work hard to build a solid partnership with you through open and frequent communication. We will actively work to understand your unique concerns and needs and demonstrate our commitment to personal attention as follows:

- **ACCESSABILITY** – At KEB, partner involvement is frequent and personal. You will have direct access to Rick Gratza, the partner assigned to your team.
- **RESPONSIVENESS** – *A UNIQUE COMMITMENT* – All of our professionals are committed to returning client telephone calls and emails within four hours.

Proposed Fees

- The proposed fee for our monthly services as detailed in the proposal is \$900 per month.
- Any additional services requested or special projects that are needed will be billed at our standard hourly rates, as follows:

Partner	\$275
Manager	190
Senior	125
Staff	100

Conclusion

We would like to express our sincere appreciation to you for allowing us to propose our services and we would welcome the opportunity to serve your City.

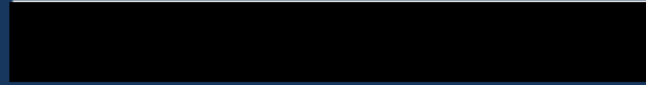


Guiding Success

kebcpa.com  

One South Memorial Drive, Suite 900 St. Louis, MO 63102 |
314.231.6232

Management Report



March 31, 2021



Presented on

May 13, 2021


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STATEMENTS OF NET POSITION
For the Quarter Ended March 31

	2021	2020	Change
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,583,431	\$ 2,577,780	\$ (994,349)
Accounts receivable	988,893	1,670,088	(681,195)
Prepaid expenses and other assets	4,443	11,482	(7,039)
	<u>2,576,767</u>	<u>4,259,350</u>	<u>(1,682,583)</u>
Noncurrent assets			
Capital assets			
Nondepreciable capital assets	135,213	135,213	-
Depreciable capital assets, net	1,964,027	1,909,200	54,827
	<u>2,099,240</u>	<u>2,044,413</u>	<u>54,827</u>
Total noncurrent assets	<u>2,099,240</u>	<u>2,044,413</u>	<u>54,827</u>
Total assets	<u>\$ 4,676,007</u>	<u>\$ 6,303,763</u>	<u>\$ (1,627,756)</u>
LIABILITIES AND NET POSITION			
Current liabilities			
Bonds payable, current portion	\$ 193,740	\$ 184,116	\$ 9,624
Bank loan for HVAC, current portion	16,296	-	16,296
Accounts payable	12,657	90,632	(77,975)
Grants payable	1,250,329	2,097,847	(847,518)
PPP loan proceeds	202,522	-	202,522
Compensation and payroll taxes payable	65,483	35,632	29,851
	<u>1,741,027</u>	<u>2,408,227</u>	<u>(667,200)</u>
Total current liabilities	<u>1,741,027</u>	<u>2,408,227</u>	<u>(667,200)</u>
Bank loan for HVAC, less current portion	52,925	-	52,925
Bonds payable, less current portion	203,745	397,484	(193,739)
	<u>256,670</u>	<u>397,484</u>	<u>(140,814)</u>
Total noncurrent liabilities	<u>256,670</u>	<u>397,484</u>	<u>(140,814)</u>
Total liabilities	<u>1,997,697</u>	<u>2,805,711</u>	<u>(808,014)</u>
Net position			
Net investment in capital assets	1,632,534	1,462,813	169,721
Unrestricted	1,045,776	2,035,239	(989,463)
	<u>2,678,310</u>	<u>3,498,052</u>	<u>(819,742)</u>
Total net position	<u>2,678,310</u>	<u>3,498,052</u>	<u>(819,742)</u>
Total liabilities and net position	<u>\$ 4,676,007</u>	<u>\$ 6,303,763</u>	<u>\$ (1,627,756)</u>

No assurance provided.

STATEMENTS OF REVENUES AND EXPENSES - PRIOR PERIOD COMPARISON
For the Quarter Ended March 31

	2021	2020	Change	
			\$	%
Operating revenue				
Hotel/motel tax revenue	827,206	\$ 1,690,884	\$ (863,678)	-51%
Contributions	10,200	-	10,200	0%
Rental income	-	-	-	0%
Total operating revenues	837,406	1,690,884	(853,478)	-50%
Operating expenses				
Salaries	150,106	191,199	(41,093)	-21%
Payroll taxes	11,382	14,388	(3,006)	-21%
Health insurance	17,619	21,188	(3,569)	-17%
Pension plan	3,731	5,135	(1,404)	-27%
Total salaries and benefits	182,838	231,910	(49,072)	-21%
Depreciation	31,250	41,357	(10,107)	-24%
Equipment rental and repair	210	3,033	(2,823)	-93%
Events	-	11,446	(11,446)	-100%
Facility maintenance	10,506	11,135	(629)	-6%
Honorariums & Stipends	200	1,500	(1,300)	0%
Human resources & Board development	5,000	47,040	(42,040)	-89%
Insurance	4,529	4,245	284	7%
Marketing and advertising	25,114	80,982	(55,868)	-69%
Meetings, delivery and office services	-	2,079	(2,079)	-100%
Memberships and publications	2,533	3,152	(619)	-20%
Office supplies	8	2,207	(2,199)	-100%
Postage	228	52	176	338%
Printing	-	947	(947)	-100%
Professional fees	50,289	233,927	(183,638)	-79%
Telephone	1,264	2,231	(967)	-43%
Travel, convention and seminar	-	259	(259)	-100%
Utilities	6,539	8,368	(1,829)	-22%
Grants and contributions	244,150	1,140,500	(896,350)	-79%
Total operating expenses	564,658	1,826,370	(1,261,712)	-69%
Nonoperating revenues (expenses)				
Contributions	-	-	-	0%
Miscellaneous income	14,392	138	14,254	100%
Interest income	1	63	(62)	-98%
Interest expense	(2,657)	(3,011)	354	-12%
Forgiveness of debt	-	-	-	0%
Total nonoperating revenue (expenses)	11,736	(2,810)	14,546	-518%
Change in net position	\$ 284,484	\$ (138,296)	\$ 422,780	-306%

No assurance provided.

STATEMENTS OF REVENUES AND EXPENSES - BUDGET VS. ACTUAL
For the Quarter Ended March 31

	Actual	Budget	Change	
			\$	%
Operating revenue				
Hotel/motel tax revenue	827,206	\$ 827,206	\$ -	0%
Contributions/Grants	10,200	-	10,200	100%
Rental income	-	-	-	0%
Total operating revenues	837,406	827,206	10,200	1%
Operating expenses				
Salaries	150,106	130,302	19,804	15%
Payroll taxes	11,382	9,313	2,069	22%
Health insurance	17,619	10,115	7,504	74%
Pension plan	3,731	3,094	637	21%
Total salaries and benefits	182,838	152,824	30,014	20%
Depreciation	31,250	31,250	-	0%
Equipment rental and repair	210	2,500	(2,290)	-92%
Events	-	-	-	0%
Facility maintenance	10,506	5,000	5,506	110%
Honorariums & Stipends	200	2,500	(2,300)	-92%
Human resources & Board development	5,000	1,250	3,750	300%
Insurance	4,529	4,000	529	13%
Marketing and advertising	25,114	23,750	1,364	6%
Meetings, delivery and office services	-	-	-	0%
Memberships and publications	2,533	1,500	1,033	69%
Office supplies	8	625	(617)	-99%
Postage	228	63	165	262%
Printing	-	250	(250)	-100%
Professional fees	50,289	124,250	(73,961)	-60%
Telephone	1,264	-	1,264	0%
Travel, convention and seminar	-	750	(750)	-100%
Utilities	6,539	6,000	539	9%
Grants and contributions	244,150	234,150	10,000	4%
Total operating expenses	564,658	590,662	(26,004)	-4%
Nonoperating revenues (expenses)				
Contributions	-	25,000	(25,000)	0%
Miscellaneous income	14,392	50,500	(36,108)	100%
Interest income	1	30	(29)	-97%
Interest expense	(2,657)	(2,429)	(228)	9%
Forgiveness of Debt	-	-	-	0%
Total nonoperating revenue (expenses)	11,736	73,101	(61,365)	-84%
Change in net position	\$ 284,484	\$ 309,645	\$ (25,161)	-8%

No assurance provided.

SCHEDULE OF EXPENSES - BY PROGRAM
For the Quarter Ended March 31

	Grants					Other Programs	Administrative	Total
Operating expenses								
Salaries	\$ 27,375	\$ -	\$ 1,967	\$ 4,527	\$ 19,208	\$ -	\$ 97,029	\$ 150,106
Payroll taxes	2,087	-	150	345	1,462	-	7,338	11,382
Health insurance	1,626	-	139	224	1,140	-	14,490	17,619
Pension plan	871	-	98	138	551	-	2,073	3,731
Total salaries and benefits	31,959	-	2,354	5,234	22,361	-	120,930	182,838
Depreciation	2,813	20,936	625	938	938	-	5,000	31,250
Equipment rental and repair	57	-	17	19	19	-	98	210
Events	-	-	-	-	-	-	-	-
Facility maintenance	945	7,040	210	315	315	-	1,681	10,506
Honorariums & Stipends	-	-	200	-	-	-	-	200
Human resources & Board development	-	-	-	-	-	-	5,000	5,000
Insurance	1,223	-	362	408	408	-	2,128	4,529
Marketing and advertising	-	-	-	-	-	-	25,114	25,114
Meetings, delivery and office services	-	-	-	-	-	-	-	-
Memberships and publications	-	-	-	-	-	-	2,533	2,533
Miscellaneous	-	-	-	-	-	-	-	-
Office supplies	2	-	1	1	1	-	3	8
Postage	62	-	18	21	21	-	106	228
Printing	-	-	-	-	-	-	-	-
Professional fees	-	-	2,100	-	-	-	48,189	50,289
PPP Loan Proceeds	-	-	0	-	-	-	0	-
Telephone	341	-	101	114	114	-	594	1,264
Travel, convention and seminar	-	-	-	-	-	-	-	-
Utilities	588	4,381	131	196	196	-	1,047	6,539
Grants and contributions	244,150	-	-	-	-	-	-	244,150
Total operating expenses	282,140	32,357	6,119	7,246	24,373	-	212,423	564,658
Nonoperating expenses								
Interest	239	1,780	53	80	80	-	425	2,657
Total expenses	\$ 282,379	\$ 34,137	\$ 6,172	\$ 7,326	\$ 24,453	\$ -	\$ 212,848	\$ 567,315
Prior year expenses by class	\$ 1,197,531	\$ 84,161	\$ 17,790	\$ 6,687	\$ -	\$ 343,645	\$ 179,567	\$ 1,829,381

No assurance provided.

SCHEDULE OF TAX RECEIPTS
Year ended December 31, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Change</u>	
			<u>\$</u>	<u>%</u>
1st Qtr (Jan - Mar)	\$ 1,420,343	\$ 940,158	\$ (480,185)	-33.81%
2nd Qtr (Apr - Jun)	1,961,426	449,493	(1,511,933)	-77.08%
3rd Qtr (Jul - Sep)	1,961,426	640,631	(1,320,795)	-67.34%
4th Qtr (Oct - Dec)	<u>1,420,343</u>	<u>582,668</u>	<u>(837,675)</u>	-58.98%
	<u>\$ 6,763,538</u>	<u>\$ 2,612,950</u>	<u>\$ (4,150,588)</u>	-61.37%

SCHEDULE OF KEY RATIOS
Year ended December 31,

	<u>2021</u>	<u>2020</u>
Unrestricted net position as a % of annualized expenses	<u>46.1%</u>	<u>27.2%</u>
Admin as a % of total revenue (statutory)	<u>25.0%</u>	<u>10.6%</u>
Admin as a % of total expenditures	<u>37.5%</u>	<u>9.8%</u>

No assurance provided.

[REDACTED]

Notes to Financial Statements
Quarter Ended March 31, 2021

Statement of Financial Position

- **Cash and cash equivalents** decreased \$994K due to reduction in hotel/motel revenue from COVID-19.
- **Hotel/motel sales tax receivable** decreased by \$681K due to the drop in hotel/motel tax revenue from COVID-19.
- **Capital assets** increased \$55K due to prior year improvements to the roof and HVAC system offset by the depreciation expense.
- **Accounts payable** decreased \$78K due to decreased spending due to COVID-19.
- **Grants payable** decreased \$848K due to reduction in anticipated grant payments in response to the decrease in hotel/motel revenues.
- **PPP loan proceeds** increased \$203K which reflects the second round of PPP loan proceeds.
- **Compensation payable** increased \$30K due in part to the deferral of the payroll taxes under the CARES act. The first installment of the repayment will be December 2021.
- **Bank loan for HVAC** increased \$69K due to loan obtained in the last quarter of the prior year.
- **Bonds payable** decreased \$184K, in total, due to a bond principal payment. The bonds are scheduled to be fully repaid in 2022.
- **Net investment of capital assets** increased by \$170K, the amount by which the bond principal payments and capital assets purchases exceeded the depreciation.
- **Unrestricted net position** decreased \$989K. Unrestricted net position as a percentage of expenses increased from 27% to 46%. [REDACTED] internal policy requires that unrestricted net position be between 10% and 25% of expenses.

Statement of Revenues and Expenses - Prior Period Comparison

Revenues

- **Hotel/motel tax revenue** decreased by \$864K due to COVID-19.

Operating expenses

- **Salaries & Benefits** decreased \$49K due to [REDACTED] reorganization resulting from COVID-19.
- **Human resources & Board development** decreased \$42K due prior year spending of \$22K to [REDACTED] for the Executive Director search, \$15K to [REDACTED] for the board and staff retreat, \$4K to [REDACTED] for outsourced personnel services.
- **Marketing and advertising** decreased \$56K due mostly to prior year spending of \$15K to [REDACTED] for outsourced marketing services, \$26K to [REDACTED] for the Strat Plan and an additional \$15K over current year spending to [REDACTED].
- **Professional fees** decreased \$184K due to the intentional curtailing of certain programs and expenses in response to the decrease in hotel/motel tax revenues and COVID-19. Payments decreased in the following areas: \$15K in IT Services from [REDACTED], \$107K in Program Services from [REDACTED] and [REDACTED], \$28K for [REDACTED] and [REDACTED], \$28K for the [REDACTED].

[REDACTED]

Notes to Financial Statements
Quarter Ended March 31, 2021

- **Grants and contributions** decreased by \$896K due to the anticipated reduction of 2020/2021 grants in response to the decrease in hotel/motel revenues.

There was a \$284K increase in net assets in the current year compared to a \$138K decrease in net assets in the prior year due to decreased expenses and displacement of employees due to COVID-19.

Statement of Revenues and Expenses - Budget vs Actual

Operating expenses are \$26K under budget due to the following:

- **Salaries & benefits** are over budget by \$30K total due to the payout of severance packages and PTO balances in March.
- **Professional fees** are \$74K under budget due to the timing of expenses.
- **Grants and contributions** are over \$10K due to a donation to [REDACTED] unity [REDACTED]

Contributions and Miscellaneous income are under budget \$25K and \$36K, respectively due to the timing of receipts.

Net assets increased by \$284K for the first quarter compared to a budgeted increase of \$310K

Schedule of Expenses – By Program

Administrative expenses are 25% of total revenues for 2021 and 10.6% of total revenues for 2020. The statutory limitation is 15%. The increase is primarily due to the unprecedented decrease in hotel/motel tax revenues in 2021 from the COVID-19 pandemic. [REDACTED] expects to be under the statutory 15% limitation by the third quarter.

Schedule of Tax Collections

The actual column in this schedule presents cash collections from hotel/motel taxes, whereas the financial statements present hotel/motel taxes on an accrual basis. Taxes earned each quarter are collected in the following months:

- 1st Qtr (Jan-Mar) – collected in May - Jul
- 2nd Qtr (Apr-Jun) – collected in Aug - Oct
- 3rd Qtr (Jul-Sep) - collected in Nov - Jan
- 4th Qtr (Oct-Dec) – collected in Feb - Apr

Revenues through the 4th quarter 2020 are under budget \$4.1M with April receipts to be collected.

Client Name Client Address	Contact Person Title Telephone Number	Type of Institution Type of Work Years of Service
City of Ballwin 1 Government Center Ballwin, Missouri 63011	Ms. Denise Keller Finance Officer 636.227.2007	Municipal Government CAFR * and Uniform Guidance compliance audits 1 year
City of St. Charles 200 North Second Street #102 St. Charles, MO 63301-2851	Ms. Jennifer O'Connor Finance Director 636.940.4668	Municipal Government CAFR * and Uniform Guidance compliance audits 4 years
St. Louis County Library 1640 South Lindbergh Boulevard St. Louis, MO 63131	Ms. Laura Taylor CFO 314.994.3300	Public Library System CAFR audit 5 years
Regional Arts Commission 6128 Delmar Boulevard St. Louis, MO 63112	Ms. Vanessa Cooksey CEO 314.863.5811	Special Purpose Government Outsourced controllership services 10+ years
City of Fenton 625 New Smizer Mill Road Fenton, MO 63026	Ms. Morgan Kuepfert City Clerk 636.343.2080	Municipal Government Financial statement audit 6 years
City of Bellerive Acres 7700 Natural Bridge Rd St. Louis, MO 63121	Ms. Nancy Hartman Mayor 314.932.3196	Municipal Government Outsourced controllership services 2 years
IL South Conference of the U.C.C. 1312 Broadway Highland, IL 62249	Rev. Shana Johnson Conference Minister 618.654.2125	Religious Organization Outsourced controllership services 3 years

*** CAFR receives the GFOA Certificate of Achievement for Excellence in Financial Reporting or the ASBO Certificate of Excellence in Financial Reporting or both.**



Prepared by:
Richard R. Gratza, CPA
rickg@kebcpa.com | 314.231.6232

PROPOSAL TO

City of Twin Oaks

FOR CONTRACTED ACCOUNTING SERVICES



ACCOUNTING | CONSULTING | WEALTH MANAGEMENT

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June 11, 2021

City Clerk
City of Twin Oaks
1381 Big Bend Rd.
Twin Oaks, Missouri 63021

Dear Mr. Frank Johnson:

Thank you for giving Kerber, Eck & Braeckel LLP the opportunity to submit a proposal to provide services to the City of Twin Oaks. We trust that our stability, experience, and depth in working with local governments such as yours will combine to meet your accounting needs.

Our firm takes great pride in being exceptionally responsive to our clients' needs. We have developed an exceptional reputation that has gained us the respect of our clients throughout the local and regional community.

We trust the information contained herein is complete and satisfies the requirements of your request. Please call should you need us to clarify or provide any additional information. We look forward to the opportunity to meet with representatives of the City to discuss our services and this exciting opportunity in greater detail. You would be a valued client to us and we appreciate your consideration. If selected, we will strive to provide the City with exceptional service in a timely manner at a reasonable price

Sincerely,

KERBER, ECK & BRAECKEL LLP

Richard R. Gratza CPA
Partner

FIRM PROFILE

Founded in 1931, Kerber, Eck & Braeckel LLP (KEB) is a multi-office, full-service CPA firm with nine offices located in the following Midwestern cities.

Illinois

Springfield
Litchfield
Columbia
Harrisburg
O'Fallon
Marion

Missouri

St. Louis
Cape Girardeau

Wisconsin

Milwaukee

KEB is currently ranked among the largest 150 CPA Firms in the Country based on firm members in the American Institute Certified Public Accounting (AICPA). The combined resources of our nine offices enables us to offer our clients a wide range and diversity of resources and technical expertise. KEB is also a member of Inpact Americas, which is affiliated with Inpact International, a global network of 150 CPA firms operating in over 60 countries. Membership provides additional resources we can access, if needed, for potentially highly technical issues.

With 27 partners and nearly 200 professional and support personnel, KEB is *large enough* to provide the technical expertise the City desires, yet *small enough* to provide the hands-on, personal attention you deserve. Our philosophy is not complicated. We stress expertise, responsive service, and most of all dedication to our clients.

FIRM QUALIFICATIONS

Nothing compares to the structure and intricacies of government operations and regulations and few firms can match KEB's expertise and experience in serving public sector entities. In fact, state and local government is one of the top industry specialties of our firm and our experience extends beyond traditional auditing services. We provide a wide range of accounting and management advisory services from comprehensive outsourced controllership services to more limited assistance to address a specific need.

Our extensive background of service to the public sector provides us the insight to recognize the unique challenges faced by local governments today. You can expect your KEB team to assist you in meeting these challenges by providing you with ideas, recommendations, and alternatives that add sound financial perspective to your decision making. We offer our clients tailored solutions, not a cookie-cutter, one size fits all approach.

KEB has assisted many of its clients in earning national recognition and enhanced credibility by preparing financial reports that receive the annual Government Finance Officers Association (GFOA) *Certificate of Achievement for Excellence in Financial Reporting* and the Association of School Business Officials (ASBO) *Certificate of Excellence in Financial Reporting*. KEB even has professionals on the GFOA's *Special Review Committee* who review these financial reports for this prestigious award.

KEB also has extensive expertise with Federal grant compliance and the new OMB Uniform Guidance. You can count on our professionals to provide you with the guidance you need to comply with the ever-increasing demands for transparency and accountability.

Our professionals are active in the GFOA, Association of Government Accountants (AGA), ASBO, and various governmental committees of both the Missouri and Illinois CPA societies. In addition, our professionals are frequent speakers for these organizations on issues affecting local governments.

Those government agencies charged with regulating selected businesses and industries appreciate KEB’s insight into the demands and complexities associated with performing these regulatory functions and have frequently turned to KEB to assist them. Recent engagements have included:

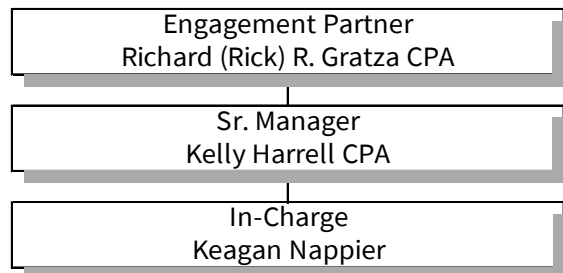
- Annual reviews of approximately 550 Federal program audits performed by other CPA firms on behalf of the Illinois Department of Healthcare and Family Services.
- Ongoing compliance assessments of riverboat casinos with the state laws and regulations.
- Targeted examinations of the insurance industry on behalf of government regulators.

With today’s ever-changing and tumultuous political and regulatory climate, you need an accounting firm with industry experience. KEB is that firm and we have been at it for nearly nine decades.

KEY PERSONNEL

We have selected the following individuals as your team to provide the accounting services outlined herein:

ORGANIZATIONAL CHART



Rick Gratza, CPA will have overall responsibility for all aspects of our service to the City. Rick has centered his entire career on serving nonprofits and local governments. Prior to joining KEB in 1998, Rick worked for the Missouri State Auditor where he focused on financial and performance audits of state and local governments. Rick serves on the *Special Review Committee* of the Government Finance Officers Association and past chair of the MSCPA’s *School Audit Committee*. In addition to leading some of KEB’s largest governmental audits, Rick also provides a wide range of accounting and management advisory services. Recent engagements have included:

- Outsourced controllership services for RAC, a \$7M grant making organization, which included the implementation of a new accounting system, revision of the chart of accounts, development of an accounting policies and procedures manual, and revamping the monthly financial reporting package resulting in streamlined processes and more clear, consistent and useful information for management.
- Ongoing financial and operational reviews of five St. Louis cultural institutions on behalf of the Zoo Museum District resulting in recommendations for improving internal controls and operating efficiency.
- Review of internal controls and investigative accounting for a number of school districts, municipalities, courts, and defense contractor resulting in recommendations for improving internal controls.



[Kelly Harrell, CPA](#) is a manager in the St. Louis office and will be responsible for review and supervision of the services provided to the City. Kelly has over 10 years of experience and provides her clients with a full array of accounting services including reviews, bookkeeping, financial statement preparation, controllership services, and QuickBooks consulting. Kelly also has audit experience with not-for-profits, governmental entities, closely-held companies and retirement plans. Other clients served by Kelly include the St. Louis County Library District, Employees Retirement System of the City of St. Louis and the Firefighters Retirement Plan for the City of St. Louis

Neither KEB nor its employees currently have, nor will they have, any conflict of interest between themselves and the City.

APPROACH

In our approach to serving the City, KEB will:

- Provide a highly skilled team of seasoned accounting and consulting professionals with industry knowledge and experience.
- Commit and maintain the necessary staffing, both number and level, to ensure all services will be rendered on a timely basis, and in conformity with reporting requirements.
- Schedule and supervise our team to insure seamless and effective delivery of services.
- Use the latest technology to streamline processes and enhance internal controls.
- Concentrate on maintaining a close and constructive relationship with the City management at all times and on being continually responsive to your needs.
- Regularly communicate our meaningful and relevant financial information in an easily understandable format to aid you in your decision making.

You can also expect work with the same upper-level professionals throughout the year, every year, enabling your KEB team to develop a solid understanding of your organization and minimize disruption to your operations.

Once engaged, we will immediately schedule a meeting with your team and will begin our services. Of course, as we gain more familiarity, we will look for opportunities to streamline financial reporting, enhance internal control, and add greater value and perspective to your decision making.

To reduce travel time and hold down costs, our work will primarily be performed remotely. While not on-site, your KEB team will make themselves available by phone, email and text to respond timely to any need. Our team will also make themselves available for additional face-to-face meetings if the need arises.

We can implement vendor payments currently performed by the City of Twin Oaks via Bill.com to automate invoice approval and payment. Vendor invoices are scanned into Bill.com and then electronically routed to appropriate approvers. Invoices can be approved from anywhere using your laptop or mobile device. Once approved, Bill.com pays the vendor electronically and updates QuickBooks. All invoices and other supporting documentation are conveniently stored in Bill.com and easily retrievable from anywhere using your laptop or mobile device. The result? No paper filing or opportunity for lost records. Use of this technology will improve operating efficiency, strengthen overall internal control and provide for greater convenience for all stakeholders.

All work will be thoroughly reviewed by both the KEB manager and partner assigned to your team. The partner and manager will meet with you via video conference to discuss all facets of the financial reporting package. You can expect your KEB team to provide you with the most meaningful and relevant information in an easily understandable format. During these meetings, you can also expect your KEB team to:

- Offer ideas, recommendations, and alternative that add value and sound financial perspective to your decision making.
- Proactively inform you regarding any changes in accounting, auditing or compliance affecting local governments, and even more importantly, how those changes impact the City.

Your KEB team will work hard to build a solid partnership with you through open and frequent communication. We will actively work to understand your unique concerns and needs and demonstrate our commitment to personal attention and service as follows:

- **ACCESSABILITY** – At KEB, partner involvement is frequent and personal. You will have direct access to Rick Gratz, the partner assigned to your team.
- **RESPONSIVENESS** – *A UNIQUE COMMITMENT* – All of our professionals are committed to returning client telephone calls and emails within four hours.

SCOPE OF SERVICES

The scope of our services, as described in the request for proposal, are as follows:

Scope of Services		Included	Not Included
a.	Monthly: -Consult with the City Clerk on preparation of financials statements -Consult with City Clerk regarding bank reconciliations and any issues or concerns regarding transactions recorded in QuickBooks -Attend monthly Board meetings	X	
b.	Quarterly: -Review City's books and records with the City Clerk -Prepare and present to the Board: -Comparative Statements of Revenues Collected and Expenditures Paid -Comparative Statements of Net Position	X	
c.	Semi-annually: -Prepare the semi-annual statement of receipts and expenditures and indebtedness of the City per Section 79.160 RSMo.	X	
d.	Annually: -Prepare necessary information to qualify and file the City's ad valorem property tax including submitting a proposed tax levy rate the MO State Auditor for Review -Assist in the preparation of the City's budget in compliance with Section 130.20 of the Twin Oaks Code, including a budget message. -Assist in the preparation of any necessary amendments to the City's budget	X	
e.	Coordinate and supervise the annual audit of the City's financial statements	X	
f.	Provide additional consultation and advice on other matters to the City Clerk and Alderman, as needed, within the scope of the services described above.	X	

PROPOSED FEE

Our proposed fee for the accounting described herein will be \$900 per month. Assuming there are no significant changes in the size or complexity of the City, future fee increases are expected to be approximately 3% per year. Services performed by KEB outside the scope of this proposal will be billed at regular hourly rates. Our hourly rates are based on the level of the staff and areas follows:

Partner	\$275
Manager	190
Senior	125
Staff	100

CLOSING

KEB looks forward to beginning a productive and long-term relationship with the City. We hope to be your “partners” as you move forward in your organizational goals. As a valued client of KEB, you will receive unparalleled input and support from our professional advisors.