



AUDIT & FINANCE COMMITTEE

MINUTES – February 24, 2021

The regular meeting of the Audit & Finance Committee was held Wednesday, February 24, 2021 at 4:30p.m. Those in attendance included:

Member	In Attendance	Absent
Randy Atkisson	X	
Rich Carver	X	
Ted McNulty	X	
Katrina Pon	X	
Vacant		
Jim Kleinschmidt	X	

Also in attendance were:

Doug Harms, City Administrator

Tracy Hansen, Director of Finance

Steve Tripi, Senior Assurance Manager with Schowalter and Jabouri

At the beginning of the meeting, the Director of Finance announced the addition of sales tax interruption insurance quotes to the agenda.

Schowalter and Jabouri Pre-Audit Communication: Steve Tripi was introduced to the Committee as the new Senior Assurance Manager on the City's audit. Mr. Tripi went through a presentation outlining Schowalter and Jabouri's audit process, the scope, and timeline of the 2020 audit. Schowalter and Jabouri is ahead of schedule and has already started working on the 2020 Audit. He asked that the Director of Finance briefly leave the room so that Committee members could express any concerns or ask questions about the audit. A brief conversation commenced regarding investments, segregation of duties, and benchmarking statistics compared to other Cities.

February 2021 Sales Tax/2020 Sales Tax Update: The Director of Finance provided the sales tax analysis as of February 2020 receipts (December sales tax at the register), Year to Date performance, and budget comparison. February receipts were lower than 2020 by 37.95% over all of the sales tax categories. Year to Date receipts on an accrual basis were down -\$2,808,651 compared to 2019. The 2020 budget projected an 18% shortfall in sales tax revenue. However, the actual numbers came in at a shortfall of 20.5%.

She also provided a breakdown of sales tax by category of West County Center, Restaurants and Grocery Stores to show the sources of sales tax revenue. Restaurants were down 29% of prior year totals, likely due to St. Louis County's closure of indoor dining in November and December. The recovery at West County Center is around 50% of prior year totals.

Draft of December 2020 Financial Statements: The Director of Finance emailed a draft of the December 2020 Financial Statements to the Committee prior to the meeting. She reviewed the Statement of Revenues, Expenditures, and Changes in Fund Balance with the Committee. The general fund ended 2020 with a \$32,483 decrease in fund balance. The City received \$660,000 in grants from the St Louis County Municipal Relief Program and FEMA project in 2020. The Park Fund ended 2020 with a \$1,076,284 decrease in fund balance and made the final debt service payment during 2020. The Capital Improvement Fund had an increase in fund balance of \$528,488. The City cancelled or delayed \$2 million in projects in the Capital Improvement Fund. The City Administrator stated the City had sequestered unnecessary expenses in all funds to minimize the impact on fund balance in 2020. The Director of Finance noted that market value adjustments for the City's investments had to be made to be in accordance with GAPP. These are draft documents and could change as the audit progresses.

Katrina Pon had to leave the meeting at 5:29.

Mr. Atkisson asked about the revenue at the Lodge. Mr. Harms noted that rentals were significantly lower in 2020 due to COVID related restrictions.

Sales Tax Interruption Insurance Quotes: Mr. Harms presented the quotes the City received for sales tax interruption insurance. He stated as of March 1st the City will no longer have coverage. The Board of Aldermen will discuss if they want to continue to have coverage going forward at the March 8th Board of Aldermen meeting.

Adjournment: The committee adjourned at 5:59 pm.

Next Meeting Date: The next meeting will be held on Wednesday, March 24th at 4:30pm via Zoom.

Respectfully Submitted,
Julie Lancaster
Accounting Supervisor

AUDIT AND FINANCE COMMITTEE

AGENDA

Wednesday, February 24th, 2021 at 4:30 PM

[Audit and Finance Committee Livestream](#)

In light of ongoing concerns regarding the COVID-19 pandemic, public attendance at Des Peres Audit and Finance Committee meetings has been temporarily suspended. The City of Des Peres will be live streaming Audit and Finance Committee meetings during this pandemic to allow the public to observe meetings in real-time. The livestream will commence five (5) minutes prior to the start time of any meeting. Please use the link above for livestream access to our meeting.

- I. Roll Call
- II. Schowalter and Jabouri Pre-Audit Communication
- III. February 2021 Sales Tax/ 2020 Sales Tax Update
- IV. Draft of December 2020 Financial Statements
- V. Adjournment

AMERICANS WITH DISABILITIES ACT

The City of Des Peres will comply with the Americans with Disabilities Act. Individuals who require ADA modifications due to a disability to attend a meeting should contact the City Clerk at 314-835-6111 or cityclerk@desperesmo.org or use Relay Missouri 711 at least 72 hours in advance of the meeting date to communicate their needs.