BOARD OF ALDERMEN
Work Session Agenda
CITY OF PARKVILLE, MISSOURI
Tuesday, November 18, 2025 5:30 PM
City Hall Board Room

1. GENERAL AGENDA

A. Update on Sewer Fund Projects Plan

B. Presentation of Independent Accountant's Report on Applying Agreed-Upon Procedures

2. ADJOURN

Posted Date & Time:	November 14, 2025 3:00 p.m.	By: MB

ITEM 1.A.
For 11/18/2025
Board of Aldermen - Work Session

CITY OF PARKVILLE
Policy Report

Date: November 12, 2025

Prepared By:
Bryan Kidney, Deputy City Administrator

Reviewed By:
Alexa Barton, City Administrator

ISSUE:
Update on Sewer Fund Projects Plan

BACKGROUND:
As identified in April 2025, Parkville's Sewer Fund experienced longstanding issues including inconsistent reconciliation between billing and collections, overstated receivables, depleted reserves due to emergency repairs, and rate structures that failed to keep pace with infrastructure and maintenance needs.

1. Financial Assessment (Rubin Brown LLP) Completed

Rubin Brown LLP was engaged to perform Agreed-Upon Procedures (AUP) to review the City's sewer billing and collection reconciliation process, evaluate accounting methods, and assess internal controls. Work began following Board approval and fieldwork is completed. Results will be reported upon completion of Rubin Brown's final report on November 18, 2025.

2. Temporary Financial Consultant Support: Completed

Cindy Gray was retained to assist the Finance Department during the AUP, support cost allocation planning, and assist with Incode 10 migration planning. The City hired Mrs. Gray as the City's Finance Director after the resignation of the City's City Treasurer. Mrs. Gray completed the work in-house to support budget analysis, AUP coordination, and financial system transition preparation.

3. Cost Allocation Plan (Aptemiz, Inc.) In progress

Aptemiz, Inc. was contracted to create an automated, federally compliant Citywide and Sewer Fund Cost Allocation Plan (CAP). Development is in progress and expected to be completed within three months of the AUP conclusion.

4. Sewer Rate Study (Midwest Assistance Program – MAP) In progress (Jan/Feb 2026)

As part of the Parkville Sewer Fund Corrective Action Plan, staff pursued a cost-effective approach to conduct the next sewer rate study. After reviewing multiple proposals from private firms that

exceeded the City’s needs and budget, staff coordinated with the Midwest Assistance Program (MAP)—a nonprofit technical assistance provider for small wastewater systems.
The rate study experienced delays due to MAP’s internal scheduling and resource coordination. Work on the study began this week, with MAP staff now actively collecting data and reviewing financial, billing, and infrastructure information. MAP will perform a comprehensive evaluation of the City’s current sewer rate structure, assess the long-term sustainability of the sewer fund, and provide recommendations for rate adjustments to support operations, maintenance, and capital improvements.
The study is being conducted at no cost to the City, with only minimal staff and data support expenses (expected to remain under $10,000, consistent with prior Sewer Fund budget allocations).
Next steps include continued data support for MAP, review of preliminary rate model findings anticipated winter 2025–2026, and presentation of final recommendations to the Finance Committee and Board of Aldermen for 2026 rate planning.

5. Debt Financing Evaluation (Columbia Capital) In progress

Columbia Capital continues to serve as the City’s financial advisor to review potential financing options for major sewer infrastructure projects identified by the City Engineer. Preliminary discussions have been held, and detailed financing recommendations will follow completion of the rate study.

BUDGET IMPACT:

ALTERNATIVES:

STAFF RECOMMENDATION:

ATTACHMENTS:
1. Finance Committee Report_20250428

Parkville Sewer Fund – Corrective Action **Submitted by: Alexa Barton & Bryan Kidney**
April 28, 2025

The Issues

Over the past decade, a series of financial management practices within the City's sewer operations has created significant problems—problems that only recently became fully visible to current City staff.

The City historically operated on a cash reporting basis for sewer billing, recognizing revenue only when payments were received, rather than when billed. Over time, no consistent monthly reconciliation occurred to tie monthly billings to collections. Delinquent sewer accounts accumulated for years without proper review or write-off procedures. The accounts receivable reported in financial statements grew artificially large, masking underlying cash flow concerns.

At the same time, the sewer fund faced escalating emergency repairs: failure of the Sewer Plant Clarifier, major repairs at the McAfee Pump Station, SCADA system replacement, and significant issues at Riss Lake following power outages. These repairs steadily consumed the fund's reserves without a replenishment plan.

Despite early warnings in past budget forecasts—such as a 2022 forecast proposing an annual 13% rate increase for consideration to address infrastructure needs—yet the City continued with a one-time 10% increase followed by minimal 3% annual increases. This decision, coupled with the emergency expenditures, led to a decline in the fund balance from $953,000 at the end of 2021 to a projected $188,000 by the end of 2024.

When current City staff conducted a full review of the sewer fund's operations, billing practices, and financial management systems in 2024, it became clear that longstanding issues had combined to put the City's sewer infrastructure and financial health at risk.

Problems Identified

- Lack of regular reconciliation between billing and collections.
- Delinquent account balances overstate receivables.
- Fund balance dramatically reduced due to emergency repairs and insufficient rate adjustments.
- Aging infrastructure with critical replacement needs (outlined by City engineering consultant).
- Underestimated rate needs to address aging infrastructure.

Steps to Address:

1. Financial Assessment and Findings through Agreed Upon Procedures (AUP):
RubinBrown LLP to be engaged to perform Agreed Upon Procedures (AUP) that will allow them to report on the actual findings related to the city's process of reconciling sewer charges to cash receipts, evaluate accounting methods, and assess internal controls. Their findings will guide best practice improvements for billing and reporting.

2. Temporary Financial Consultant Support:
A consultant who specializes in finance, including Incode, the city's financial accounting system, will assist RubinBrown and the City's Finance Department during the AUP, assist with automating the city's Cost Allocation Plan (listed below), cover key duties during Jeffery Rhodes' paternity leave, serve as budget analyst, and help migrate to Incode 10 financial software (commence 1/1/2026, "go-live" 7/1).

3. Modernization of Cost Allocation through Aptemiz, Inc.:
Aptemiz will build an automated, federally compliant Cost Allocation Plan (CAP) for the City, ensuring that indirect costs, including administrative services, are properly and equitably charged to appropriate funds -- also adding a specific Sewer Fund CAP. This will automate current manual processes, enhance financial transparency, and establish a defensible framework for cost recovery and compliance.

4. Future Sewer Rate Study:
Staff recommends a professional sewer rate study, (Raftelis cooperative agreement) to ensure that future rate structures adequately fund capital projects, operations, and necessary reserve targets. (City prior rate study, July 1998, Shafer, Kline & Warren, presented 2000: Parkville Sewer Rate Study May 2000.pdf)

5. Debt Financing Evaluation:
The city will work with our current municipal financial advisor, Columbia Capital, to reviewing financing strategies for major infrastructure replacement project(s) aimed at preventing further deterioration of the sewer system. Current assessments are based on findings from the City Engineering Consultant Jay Norco of North Hills, and prior engineering studies. Potential options will include rate increases and targeted area assessments in locations identified for improvement.

Key Partners

Partner	Role
RubinBrown LLP	Perform AUP, reconcile billings, and assess controls
Temporary Financial Consultant	Support AUP, assist City Finance operations, plan for software transition
Aptemiz, Inc.	Build Citywide and Sewer Fund Cost Allocation Plans
Columbia Capital	City's financial partner: review rate study, and structure the size and terms for financing sewer improvements
City Staff	Oversee all corrective actions, lead rate study, manage debt planning

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Costs

Service	Estimated Cost
RubinBrown AUP Engagement	$12,000 – $20,000 (Sewer Fund)
Aptemiz Cost Allocation Plan (Citywide and Sewer)	$15,000 total ($12,000 Citywide + $3,000 Sewer Fund)
Temporary Financial Consultant	$100/hour (not to exceed $50,000) (based on CAP)
Columbia Capital	Included within Debt Transaction (based on size of financing)
Future Rate Analysis, Raftelis Financial Consultant	Included within financial transaction ($15,000-$20,000)

Estimated Timeline(s)

Following Board acknowledgment and approval:

Action Item	Projected Completion
Final AUP Report (RubinBrown)	2-3 months
Completion of Cost Allocation Plans (Aptemiz)	2-3 months (concurrent with AUP)
Support by Financial Consultant	4–6 months
Sewer Rate Study Initiation	2-3 months
Capital Financing Recommendations	Conclusion of projects

Closing Summary

The challenges facing the Parkville Sewer Fund developed over many years. Current staff, recognizing the seriousness of the situation, has brought these issues forward and proposes a structured corrective action plan.

The recommended corrective action plan is comprehensive yet targeted. It strengthens financial controls, stabilizes the sewer fund's fiscal position, and prepares the City to responsibly manage upcoming capital needs. By taking swift action—guided by expert partners and with Board support—the City can rebuild financial health, protect infrastructure investments, and ensure transparency and accountability to the community.

CITY OF PARKVILLE
Policy Report

Date: November 12, 2025

Prepared By:
Bryan Kidney, Deputy City Administrator

Reviewed By:
Alexa Barton, City Administrator

ISSUE:
Presentation of Independent Accountant's Report on Applying Agreed-Upon Procedures

BACKGROUND:
The City engaged RubinBrown, an Independent Certified Public Accounting Firm, to perform procedures on the City's sewer billing and accounting records in order to evaluate if the City's change of sewer billing and accounting procedures in 2024 accomplished the goals of the City to accurately record and report the activities of the City's sewer billing operations.

RubinBrown has provided a report and will present at the November 18, 2025, Board of Aldermen work session.

BUDGET IMPACT:

ALTERNATIVES:

STAFF RECOMMENDATION:

ATTACHMENTS:
1. City of Parkville AUP Report 2024 (draft)
2. Contract with RubinBrown

CITY OF PARKVILLE, MISSOURI

AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2024

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Independent Accountants' Report
On Applying Agreed-Upon Procedures

City Council And Management
City of Parkville, Missouri
8880 Clark Ave
Parkville, MO 64152

We have performed the procedures specified below on the sewer charges and related accounting of the City of Parkville, Missouri (the City) for the period of January 1, 2024 through December 31, 2024. The City's management is responsible for the sewer charges and related accounting in accordance with generally accepted accounting principles for the period of January 1, 2024 through December 31, 2024.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting in evaluating the sewer billings, related accounting, and associated internal controls for the period of January 1, 2024 through December 31, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed and associated findings and results are as follows:

1. We obtained detailed customer reports from the City's utility billing system (Gworks) for the year ending December 31, 2024 and reconciled to the cash receipts recorded in the City's general ledger. We inquired of the City's management regarding any reconciling items.

   Results and Findings: For the months from January 2024 through September 2024, cash receipts collected from customers per the Gworks system agreed each month within $2,100 or less to the amount recorded in the City's general ledger. Per inquiry with City Management, these differences noted were attributed to subsequent corrections within the Gworks system. Effective October 1, 2024, the City began outsourcing billings and collections to the Platte County Regional Sewer District (the District). As a result, we also obtained the October 2024 through December 2024 collections reports from the District and reconciled these to the cash receipts recorded in the City's general ledger. We noted two reconciling items – per inquiry with City management, these reconciling items related to cash collections by the District during December 2024 that had not yet been remitted to the City and were subsequently remitted to the City in early January 2025. Once these two items were considered, the District collections reports agreed without exception to the City's general ledger.

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2. We obtained a detail of the year-end adjustments utilized to convert the cash receipts to the accrual basis of accounting. We evaluated if such adjustments are in accordance with the applicable financial reporting framework.

   Results and Findings: We obtained and evaluated a schedule of sewer billings, penalties, adjustments and cash collections summarized by month. We noted that due to the change in billing cycles that occurred upon the transition of the billing being outsourced to the District, there were 13 monthly bills recorded as revenue during the year. In addition, we noted a journal entry within the general ledger to convert the billings revenue to the accrual basis of accounting by reducing revenue by the amount of the decrease in unbilled utility charges as of December 31, 2024 compared to the unbilled that previously existed at January 1, 2024.

3. Inquire of City Management regarding the transfer of sewer billings to the Platte County Regional Sewer District (the District) effective October 1, 2024. For a selection of customer balances, trace the balances and billing history for the period of January 1, 2024 through September 30, 2024 as reported by the City's legacy billing systems to the billing reports maintained by the District. Inquire regarding any differences noted.

   Results and Findings: We inquired of Bryan Kidney, Jeffrey Rhodes, and Michelle Hefley regarding the transition of billings to the District. We also inquired of Shawn Burns, Assistant Director at the District. All individuals interviewed indicated that all billing information and processes were successfully migrated to the District effective October 1, 2024.

   We obtained a report of monthly utility billings by customer for the period from January 1, 2024 through September 30, 2024 from the Gworks system. From this detail, we selected 6 customers to trace monthly billing and payment history to the account detail information transferred to the District. For one of the 6 customers selected, the billing amounts from Gworks were $308.26 lower than the account information migrated to the District. Upon inquiry with Jeffrey Rhoads, this customer had received revised billings for several months in 2024. Once these revisions were taken into consideration, this customer's account information agreed to the balance migrated to the District.

4. Inquire of City Management regarding the procedures and internal controls in place to ensure that the City is properly documenting the sewer charges, adjustments to accounts, outstanding balances, aged accounts to monitor collections, and actual cash collections. Interview City personnel involved in such processes and controls.

   Results and Findings: We inquired of Bryan Kidney, Cindy Gray, Jeffrey Rhodes,

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Michelle Hefley, and Jodi Kersten regarding the various processes and controls surrounding the sewer charges. During the period from January 1, 2024 through September 30, 2024, we noted that while sewer charges, adjustments to accounts, and outstanding balances were reconciled on a monthly basis, there was no formal review conducted by a second individual. In addition, the Gworks system does not contain a change log so subsequent adjustments to initial billing amounts could not be validated. Effective October 1, 2024, billings and collections were outsourced to the District. During the period from October 1, 2024 through December 31, 2024, the monthly billings and collections reports provided by the District to the City were appropriately reviewed by the City and were reconciled to cash collections without exception.

We were engaged by City Management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the sewer charges and related accounting for the period of January 1, 2024 through December 31, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council and management of the City of Parkville, Missouri and is not intended to be used, and should not be used, by anyone other than these specified parties.

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DATE***

RubinBrown

1200 Main Street
Suite 1000
Kansas City, MO 64105

T: 816.472.1122
E: info@rubinbrown.com
www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

May 1, 2025

Bryan Kidney
City of Parkville, Missouri
8880 Clark Ave
Parkville, MO 64152

Dear Bryan,

We appreciate the opportunity to be of service to City of Parkville, Missouri (“Client”). This letter ("Letter") sets forth the services that RubinBrown LLP ("RubinBrown") will provide for you. In order to better understand each party’s obligations, the terms "we," "us," and "our" refer to RubinBrown and the terms "you," "your" and "management" refer to City of Parkville, Missouri. Your engagement of RubinBrown will be governed by the terms of this Letter and the attached RubinBrown LLP Engagement Terms.

Scope of Services

We will apply the agreed-upon procedures on the sewer charges and related accounting of the City of Parkville, Missouri for the period beginning January 1, 2024 and ending December 31, 2024. The City of Parkville, Missouri management is responsible for the sewer charges, related accounting, and associated internal controls.

This engagement is solely for the purpose of reconciling the sewer charges to cash receipts, evaluate the related accounting in accordance with the applicable financial framework, and consider the associated internal controls. This report is intended for use by the City of Parkville council and management and is expected to be restricted to the use of these specified parties.

Specific procedures to be performed include:

- Obtain the City’s utility billing system (Gworks) for the year ending December 31, 2024 and reconcile to the cash receipts recorded in the City’s financial system (Incode). Inquire of City’s management regarding any reconciling items.
- Obtain a detail of the year-end adjustments utilized to convert the cash receipts to the accrual basis of accounting. Evaluate if such adjustments are in accordance with the applicable financial framework.
- Inquire of City Management regarding the procedures and internal controls in place to ensure that the City is properly documenting the sewer charges, adjustments to accounts, outstanding balances, aged accounts to monitor collections, and actual cash collections. Interview City personnel involved in such processes and controls.
- Inquire of City Management regarding the transfer of sewer billings to the Platte County Regional Sewer District (the District) effective October 1, 2024. For a selection of customer balances, trace the balances and usage history for the period of January 1, 2024 through September 30, 2024 as reported by the City’s legacy billing systems to the billing and usage reports maintained by the District. Inquiry regarding any differences noted.

RubinBrown LLP is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

- Provide recommendations on internal controls identified as a by-product of other work performed for the City, and assist in reviewing and refining internal controls in areas requested by the City. No formal report on internal controls will be prepared.

Prior to the completion of the engagement, you agree to provide us with written agreement and acknowledgement that the procedures performed are appropriate for the intended purpose of the engagement as noted above.

If you decide to obtain that agreement and acknowledgement separately, you agree to provide, at the conclusion of the engagement, a written representation that you have obtained such agreement and acknowledgement from all necessary parties.

Our engagement to apply agreed-upon procedures will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. We are responsible for carrying out the procedures and reporting findings in accordance with these standards. We have no responsibility to determine the differences between the procedures to be performed and the procedures that we would have determined to be necessary had we been engaged to perform another form of attestation engagement. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report or will not issue a report as a result of this engagement. Because the agreed-upon procedures do not constitute an examination or review, we will not express an opinion or conclusion.

We will submit a report listing the procedures performed and our findings. This report is intended for the use of and restricted to the use of the specified parties as identified above. Our report will contain such restricted use language.

Management Responsibilities

We must rely upon the integrity and cooperation of management and the assistance of your accounting staff. As a condition of our engagement, management agrees to sign written representation letters attesting to the completeness and truthfulness of representations and disclosures made to us during the course of our work.

You are also responsible for providing us with (a) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (b) additional information that we may request for the purpose of performing the agreed-upon procedures, and (c) unrestricted access to persons within the company from whom we determine it necessary to obtain evidence relating to performing those procedures.

You are also responsible for management decisions and functions, and for designating a qualified management-level individual with suitable skill, knowledge or experience to oversee other services we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

We are not responsible for electronically hosting, storing or maintaining any of your original financial or non-financial information (or sole copies). You are expected to retain all financial and non-financial information including, but not limited to, anything you upload to a portal and are responsible for downloading and retaining anything we upload to a portal or transmit to you in a different manner. Portals are only meant as a method of transferring data and are not intended for the storage of your information.

Our services cannot be relied upon to detect errors, irregularities, employee or management dishonesty, fraud, embezzlement or other illegal acts (hereinafter collectively referred to as "Irregularities"). In performing our services, we will advise the appropriate level of management of any such material Irregularities that come to our attention. However, you must understand that our services cannot be relied upon to detect such Irregularities. If you have concerns about such matters, please discuss them with us. It may be possible to design a special engagement to assist you in uncovering such Irregularities.

Chester Moyer will serve as the partner responsible for the overall supervision of the engagement and for authorizing the Firm's signature on the report.

Timing and Fees

We expect the total cost of the work to be between $12,000 and $20,000. Fees for our services will be based on the actual time expended at the hourly billing rates shown below.

Level	Hourly Rate
Partner	$380
Manager	$280
Staff	$200

For services requested and performed outside the scope of the procedures described above, fees will be based on actual time expended at the hourly rates listed in the table above. An understanding of the scope of these procedures and the anticipated hours will be mutually agreed to by RubinBrown and the Client in writing before such services are rendered.

Engagement Terms

Attached is an additional statement of terms regarding our engagement titled, RubinBrown LLP Engagement Terms (hereinafter "RubinBrown Engagement Terms"). The RubinBrown Engagement Terms are hereby incorporated by reference and the contents of this Letter should be construed in accordance with the terms set forth therein, unless expressly stated otherwise in this Letter. When construing or interpreting the contents of this Letter or the terms of our engagement, the RubinBrown Engagement Terms will govern. To the extent any apparent or actual contradiction may exist, the RubinBrown Engagement Terms will be deemed controlling and will supersede any such statement contained herein, unless expressly stated otherwise in the provision or portion of this Letter at issue.

Conclusion

We appreciate the opportunity to be of service to you. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this Letter and the RubinBrown Engagement Terms, please sign the enclosed copy and return it to us. By signing the enclosed copy of this Letter, you acknowledge that you have read, understood and agreed to the terms as set forth in this Letter and in the RubinBrown Engagement Terms.

Docusign Envelope ID: CBDAFA71-16AC-4204-8DC4-B45F0F7B71F6

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

Sincerely,

RubinBrown LLP

Chester Moyer

Chester Moyer
Partner
Direct Dial Number:816-859-7945
Email: chester.moyer@rubinbrown.com

Attachment(s):
Exhibit A - RubinBrown LLP Engagement Terms

By signing below, the signatory further represents and warrants that she/he is authorized to approve the terms of this engagement on behalf of City of Parkville, Missouri.

Signed by:
Approved By: Bryan Kidney Date: 5/1/2025
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Bryan Kidney,
Finance Director and Deputy City Administrator

EXHIBIT A - RUBINBROWN LLP ENGAGEMENT TERMS

These Engagement Terms (the "Terms") and the engagement letter (the "Letter") incorporating the Terms (the Terms and Letter are hereinafter collectively referred to as the "Agreement"), entered into by and between RubinBrown LLP ("RubinBrown") and Client, set forth the terms and conditions of RubinBrown's engagement with Client (the "Engagement"). These Terms shall also apply to any additional work that Client requests RubinBrown to perform unless a separate engagement letter is entered into by and between RubinBrown and Client for such additional work.

1. Agreed Upon Scope of Work/Services. RubinBrown shall be obligated only for the work product and deliverables specified in the Letter (the "Services"), and only for changes in such scope that are set forth in writing and duly executed by the parties hereto. Unless expressly provided for in the Letter, RubinBrown's Services do not include giving testimony, appearing or participating in any discovery proceedings, administrative hearings, court, or other legal or regulatory inquiries or proceedings and, in the event RubinBrown later agrees to perform such additional services, RubinBrown will charge and Client shall pay RubinBrown's customary fee for such services pursuant to RubinBrown's billing terms as outlined in Paragraph 3 herein.

2. Use of Foreign Employees and Subsidiaries. RubinBrown may assign its employees or employees of RubinBrown's subsidiaries and affiliates, including employees located outside of the United States to work on Client's engagement, and to provide operational support services to RubinBrown. Client hereby consents to RubinBrown assigning employees and affiliated entities, including those located outside of the United States to this engagement, and to RubinBrown transmitting Client information to such employees and affiliated entities as needed to perform the services for Client and to perform operational services.

3. Period Covered/Term and Termination. This engagement letter covers the period beginning on the date the described Services begin (the "Effective Date") and ending on the date all such Services have been completed unless earlier terminated pursuant to these Terms. Either party may terminate this Agreement, for any reason, without penalty, on thirty (30) days' written notice to the other party or may terminate immediately for material breach of the other party on written notice to the other party. RubinBrown may also immediately terminate this Agreement or any separate engagement letter in whole or in part or decline to perform certain tasks if information comes to RubinBrown's attention indicating that performing such tasks could cause RubinBrown to be in violation of any applicable law, regulations or standards, to be in a conflict of interest or to suffer reputational damage.

4. Billing Terms. Invoices will be rendered monthly and presented to you for Services performed in the prior month and are due and payable within thirty (30) days of the date of the billing statement. We reserve the right to suspend or terminate further Services until payment is received on all invoices that are not paid in full within thirty (30) days of the date of the billing statement. In the event that we suspend or terminate this Engagement as a result of non-payment, you agree that we will not be responsible for your failure to meet government or other filing deadlines, or for penalties, losses, damages of any nature, or interest that may be assessed against you resulting from your failure to meet said deadlines. A one and a half percent (1½%) per month service charge will be added to balances remaining unpaid sixty (60) days or more after the invoice date. Client agrees that in the event Client fails to make any payment when due hereunder, RubinBrown may immediately terminate this Agreement or any separate engagement letter or statement of work and/or withhold delivery of any complete or incomplete Services. RubinBrown shall be entitled to recover all costs including reasonable attorney's fees incurred in furtherance of collecting such past due payments whether or not arbitration is filed.

5. Client's Cooperation, Participation, Representations and Warranties. While RubinBrown may from time to time suggest various options that may be available to Client and further give its professional evaluation of each of these options, Client must make the ultimate decision as to which, if any, of these options to implement. Client shall be solely responsible for applying independent business judgment with respect to RubinBrown's Services (including decisions regarding implementation or other further course(s) of action) and shall be solely and exclusively responsible for such decisions. Client warrants that RubinBrown shall be entitled to rely on all decisions and approvals of Client (and its counsel). Except as specifically provided in the Letter, Client further represents and warrants that RubinBrown shall be entitled to rely on the accuracy and completeness of all information provided by Client and that Client has maintained all books and records provided to RubinBrown in good order. Client agrees that RubinBrown has no duty to verify the accuracy or completeness of information provided by Client.

6. Access to Resources and Information. Unless specified herein as the responsibility of RubinBrown to provide, Client shall obtain for RubinBrown, on a timely basis, any internal and third-party permissions, licenses or approvals that are required for RubinBrown to perform the Services contemplated hereunder (including the use of any necessary software or data). Client shall also provide RubinBrown with such information, signoffs and assistance as may be necessary for RubinBrown to perform the Engagement or as RubinBrown may reasonably request. Delays by Client in providing RubinBrown with requested information or in providing inconsistent, disorganized, or missing information may result in additional fees.

7. Record Retention. Pursuant to RubinBrown's record retention policy, at the conclusion of this Engagement, RubinBrown may retain copies of the records supplied to RubinBrown by Client and RubinBrown will return all such original records to the Client. Copies of the Client's records and any subsequent files created by RubinBrown (collectively "Work Papers") are RubinBrown's property and are not a substitute for the Client's own records. Client shall be responsible for retaining and maintaining records of its operations and records required to backup and support the Client's financial reports and tax returns. RubinBrown will destroy all pertinent Work Papers after a retention period of seven (7) years, after which time these items will no longer be available ("Record Retention Period"). RubinBrown shall not be obligated to destroy any Confidential Information created electronically pursuant to automatic or ordinary course archiving, back-up, security or disaster recovery systems or procedures. Catastrophic events or physical deterioration may result in RubinBrown's records being unavailable. RubinBrown's email retention policy is eighteen (18) months, after which time emails will no longer be available ("Email Retention Period").

8. Confidentiality. RubinBrown shall maintain the confidentiality of Client information, which is of a confidential nature ("Confidential Information"), using the same degree of care it uses in maintaining its own confidential information, but no less than reasonable care. Confidential Information means all Client information or material of Client, whether revealed orally, visually, or in tangible or electronic form, that is competitively sensitive material not generally known to the public that relates to the business of Client, or any of their respective interest holders, unless such information (i) was already rightfully known to RubinBrown at the time of disclosure by disclosing Party; (ii) is in or has entered the public domain through no breach of this Agreement or other wrongful act of RubinBrown; (iii) has been rightfully received by RubinBrown from a third party not under obligation of confidentiality to Client and without breach of this Agreement; or (iv) is independently developed by RubinBrown without reference or reliance on any confidential information of Client. Nothing herein shall preclude RubinBrown from disclosing Confidential Information to RubinBrown's attorneys, advisors, insurers, experts, or agents who agree to maintain the confidentiality of such information, with or without notice to Client. If any Confidential Information is sought by a validly issued subpoena or otherwise required by law, then the provisions of Paragraph 9 herein shall apply.

In the course of providing professional Services to Client in connection with this engagement, RubinBrown may require the assistance of third party professional service providers with specialized capabilities or expertise. RubinBrown uses commercially reasonable means to confirm that third party professional service providers utilize commercially reasonable means to protect confidential information and Client hereby consents to the use of third-party vendors.

Except as otherwise specifically provided herein or as required by law, including any applicable open records law, Client shall at no time disclose any of RubinBrown's Services, fees, and other confidential material, including but not limited to internally developed financial models, or RubinBrown's role in the Engagement, to any third party (except to a government agency, to the extent such filing is an agreed objective of the Agreement, or as otherwise legally compelled) without RubinBrown's prior written consent through a release letter or equivalent in each case. Client's use of RubinBrown's Services hereunder (except for copies of filed tax returns) shall in any event be restricted to the stated purpose, if any, in the Letter and otherwise to Client's internal business use only. Client and RubinBrown each retains the right in any event to use the ideas, concepts, techniques, industry data and know-how used or developed in the course of the Engagement.

Notwithstanding anything herein to the contrary, (i) no term of the Agreement is intended to be, and shall not be construed to be, a condition of confidentiality as such term is used in Sections 6011, 6111 and 6112 of the Internal Revenue Code of 1986, as amended ("IRC"), the regulations thereunder and/or Section 10.35 of Treasury Department Circular 230 ("Circular 230"), (ii) Client is hereby authorized to disclose to any and all persons, without any limitation of any kind, any aspect of any entity, plan, arrangement or transaction RubinBrown introduces, addresses or recommends, or with respect to which RubinBrown provides advice, consultation or Services pursuant to the Agreement, it being Client's duty to ascertain whether any additional authorization from any other person or entity is necessary or desirable, and (iii) there is no limitation imposed herein on any person or entity on disclosure of the tax treatment, tax structure or tax strategy of any transaction that is the subject of written advice (as defined in Circular 230) provided by RubinBrown pursuant to the Agreement.

RubinBrown is required to comply with certain peer review requirements in order to maintain its professional licensing. In complying with these peer review requirements certain confidential information may be disclosed to the reviewer. These peer reviews are only conducted by other qualified professionals who are subject to maintaining the confidentiality of information disclosed in the course of the review. Client consents to these confidential disclosures by RubinBrown and acknowledges they are not a violation of RubinBrown's obligation to maintain the confidentiality of information.

9. **<u>Electronic Communications</u>**. Except as instructed otherwise in writing, each party may assume that the other approves of electronic communications through encrypted or unencrypted wired or wireless email, cellular phones, voice over internet, electronic data/document web sites, portals, and/or other technology and voicemail communication of both confidential or sensitive and non-confidential or sensitive documents and other communications concerning the Engagement, as well as other means of communication used or accepted by the other. RubinBrown uses third party cloud-based services to process, transmit, store and access confidential and non-confidential client information regarding the representation of its clients. Accordingly, information regarding you and RubinBrown's Services may be transmitted to and from a third party cloud-based service providers in connection with this Agreement and Client hereby consents to RubinBrown's use of such third-party service providers.

10. Subpoenas/Legal Orders for Client's Records and Information. At any time during or after our Engagement, should RubinBrown receive a subpoena or other legal order from a Third Party seeking production of Client's records, documents, or Confidential Information, or testimony relating to RubinBrown's Engagement, RubinBrown will, to the extent permitted by law, notify Client as soon as practicable using the last contact information for Client known to RubinBrown. Upon such notification, should Client wish to take action to protect its records and/or its information from production in compliance with the subpoena, Client agrees to notify RubinBrown of Client's intent to take action to protect its records and/or its information from production within 3 business days after such notice or within 48 hours before the response is due, whichever is shorter and it shall be Client's obligation to take such action in compliance with applicable law, at Client's expense, using counsel of Client's choice. Irrespective of Client's decision regarding what action, if any, it intends to take to protect its records and information, RubinBrown shall have the right to engage its own counsel to assist and advise RubinBrown in coordinating with Client and/or Client's counsel in this regard, and/or in responding to the subpoena. If Client does not provide RubinBrown with notice of its intent to take action to protect its records and/or information, Client is deemed to not be asserting and/or to be waiving any accountant-client privilege and Client agrees that RubinBrown has the right to produce any and all records RubinBrown deems appropriate in compliance with the subpoena and law. Client shall reimburse RubinBrown, upon receipt of an appropriate invoice, for all of RubinBrown's internal and external costs and expenses in responding to any subpoena for Client's records, and/or providing testimony pursuant to such subpoena, including RubinBrown's reasonable and customary fees for such services, as well as its internal costs (employee time and expenses), external costs (copy services or other vendors), and reasonable attorneys' fees. For the avoidance of doubt, this provision survives any termination or expiration of this Agreement.

11. Taxpayer Confidentiality Privileges: Use of Counsel. The parties acknowledge that certain documents and other communications involving and/or disclosed to or by RubinBrown may be subject to one or more claims of privilege by or on behalf of Client (e.g., the attorney-client privilege, the accountant-client privilege, the IRC Section 7525 tax advisory privilege, etc.). Although Client is solely responsible for managing the recognition, establishment and maintenance (e.g., possible waiver) of these possible protections (and for involving legal counsel as it deems necessary), RubinBrown shall cooperate with Client's reasonable written instructions regarding such privileges.

12. Management Dishonesty. While RubinBrown will advise Client if RubinBrown discovers errors or irregularities, Client understands and agrees that Client cannot rely on RubinBrown to detect employee or management dishonesty, including, without limitation, fraud or embezzlement, unless specifically set forth in the Letter.

13. External Factors; Standards of Performance. Client acknowledges that the Engagement will involve analysis, judgment and other performance from time to time in a context where the participation of Client or others is necessary, where answers are often uncertain or unverifiable in advance and where facts and available information change with time. Accordingly, evaluation of RubinBrown's performance of its obligations shall be based solely on its substantial conformance with any standards or specifications expressly set forth in the Agreement and all applicable professional standards, any such nonconformance (and applicability) to be clearly and convincingly shown. If there are any changes in the relevant laws, regulations, industry, market conditions or other circumstances, including in the Client's own business practices, RubinBrown has no responsibility to advise Client of any such changes and Client acknowledges the need for it to re-evaluate RubinBrown's preceding Services.

14. Conflicts of Interest; Non-Exclusivity. Client acknowledges that RubinBrown is currently providing or may in the future provide services of the same or similar nature to other parties and the Client agrees that RubinBrown are not prevented or barred from rendering services of the same nature or a similar nature to any other individual or entity except as prevented by law or professional standards.

15. **Affiliates**. If the Letter provides that RubinBrown's Services may pertain not only to Client but also to a parent, subsidiaries, affiliates, advisors, contractors, family members, related trusts, partnerships, partners, estates or foundations, such Affiliates shall be bound by the terms of the Agreement. Client shall, as may be requested by RubinBrown from time to time (including subsequent to completion of the Engagement), obtain written confirmation of their agreement to the terms of the Agreement.

16. **Limitation of Liability**. The liability of RubinBrown (including its partners, employees, agents and affiliated companies) to Client (and any purported third-party beneficiaries, including Affiliates) for any claim or damages (including but not limited to incidental, special, exemplary, punitive, economic, or consequential), whether in contract, strict liability, tort (including but not limited to RubinBrown's negligence or fault, except that this provision does not purport to limit liability for RubinBrown's intentional/willful torts or for any other liabilities for which a limitation of liability is prohibited by Missouri law), or otherwise, arising out of, connected with, or resulting from RubinBrown's Services or the Engagement generally, shall not exceed all fees related to the Engagement giving rise to such claim paid by Client to RubinBrown, even if RubinBrown has been advised of the possibility of such claims or damages.

17. **Baker Tilly International**. RubinBrown is an independent member of Baker Tilly International. Baker Tilly International Limited is an English Company. Baker Tilly International provides no professional services to clients. Each of the member firm is a separate and independent legal entity and each describes itself as such. RubinBrown is not Baker Tilly International's agent and does not have authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, RubinBrown or any of the other independent member firms of Baker Tilly International has any liability for each other's acts or omissions. In addition, neither Baker Tilly International nor any other member has a right to exercise management control over any other member firm. RubinBrown shall in no event be held liable for any work or conduct (whether negligent, intentional, fraudulent, or otherwise) done by Baker Tilly International or any other member firm or any partner, officer, manager, personnel, affiliates, employees, or agent thereof. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

18. **Indemnification**. Client agrees to release, indemnify, and hold RubinBrown, its partners, officers, managers, personnel, agents, employees, affiliated companies, successors and assigns harmless upon demand from any liability and costs, including attorneys' fees, resulting from any knowing misrepresentations of management or any intentional or negligent act or omission by Client. Client's obligation to indemnify shall survive until such time as all claims against RubinBrown are legally barred under all applicable statutes of limitation.

19. **Independent Contractor Status**. Each party is an independent contractor with respect to the other and shall not be construed as having an employment, partnership, trustee or fiduciary relationship.

20. **Assignments and Successors**. Neither party may assign any of its rights or benefits under the Agreement without the prior written consent of the other party. Subject to the preceding sentence, the Agreement will apply to, be binding in all respects upon, and inure to the benefit of the permitted successors, assigns, heirs, estates, and legal representatives of the parties. Notwithstanding the foregoing, RubinBrown may authorize and allow its affiliates and contractors to assist in performing the Engagement and to share in RubinBrown's rights hereunder, provided any such party shall commit (as applicable) to be bound by the restrictions set forth in the Agreement.

21. **No Third-Party Rights**. Unless specifically set forth in the Letter or herein, nothing expressed or referred to in the Agreement will be construed to give any person, other than the parties to the Agreement, any legal or equitable right, remedy, claim, benefit, priority or interest under or with respect to the Agreement or any provision of the Agreement. Except as specifically provided in the Letter, the Agreement and any Services hereunder are for the sole and exclusive benefit of the Client and its permitted successors and assigns, and neither Client nor RubinBrown intends for RubinBrown's Services or work product to be relied upon, to be used by, or to provide any benefit or guidance to any other persons.

22. **Mediation**. If Client (including any purported third-party beneficiaries, including Affiliates) is dissatisfied with the quality or timeliness of RubinBrown's Services, or believes such Services were in any way negligently performed, Client agrees to promptly notify RubinBrown in writing of its dissatisfaction and specifically set forth its complaints. If the parties are unable to resolve their differences within thirty (30) days after RubinBrown's receipt of Client's written notice, it is agreed that either party may invoke the services of an impartial mediator under the auspices of the commercial mediation rules of the American Arbitration Association, United States Arbitration and Mediation Service, or any other national neutral mediation service, at the election of the party who first requests mediation. It is agreed that no claim pertaining to the quality or timeliness and/or alleged negligence of RubinBrown's provided Services shall be arbitrated unless the foregoing procedures have first been followed and the mediator fails to settle the claim within thirty (30) days after the mediation process has concluded.

23. **BINDING ARBITRATION. ANY AND ALL DISPUTES IN ANY WAY CONCERNING, ARISING OUT OF OR RELATED TO THE SERVICES PROVIDED BY RUBINBROWN PURSUANT TO THE AGREEMENT (INCLUDING SERVICES PERFORMED UNDER ANY PRIOR AGREEMENT) OR THE BUSINESS RELATIONSHIP ARISING OUT OF THE ENGAGEMENT OR ANY PRIOR ENGAGEMENT SHALL BE COMMITTED TO BINDING ARBITRATION BEFORE THE AMERICAN ARBITRATION ASSOCIATION ("AAA"), INCLUDING ANY DISPUTES INVOLVING PARTIES WHO ARE AFFILIATES OF CLIENT OR WHO ARE ALLEGED THIRD-PARTY BENEFICIARIES TO THIS AGREEMENT. THE ARBITRATOR, AND NOT ANY FEDERAL, STATE, OR LOCAL COURT OR AGENCY, SHALL HAVE EXCLUSIVE JURISDICTION TO RESOLVE ANY DISPUTES INVOLVING RUBINBROWN, AND IT IS THE INTENT OF THIS AGREEMENT THAT THIS GRANT OF JURISDICTION BE THE BROADEST ALLOWED BY LAW, AND THAT ANY DISPUTES REGARDING THE SCOPE OF THE ARBITRATOR'S JURISDICTION BE BOTH DECIDED BY THE ARBITRATOR AND RESOLVED IN FAVOR OF ARBITRATION, EXCEPT WHERE EXPRESSLY PROHIBITED BY APPLICABLE LAW. WITHOUT LIMITING THE FOREGOING, THE ARBITRATOR SHALL HAVE EXCLUSIVE JURISDICTION TO RESOLVE ANY DISPUTE RELATING TO THE INTERPRETATION, APPLICABILITY, ENFORCEABILITY OR FORMATION OF THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO ANY CLAIM THAT ALL OR ANY PART OF THIS AGREEMENT WAS NOT AGREED TO, IS INVALID, OR IS VOID OR VOIDABLE. SUCH ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH THE AAA'S COMMERCIAL ARBITRATION RULES THEN IN EFFECT, AS MODIFIED BY THE PROVISIONS STATED HEREIN. THE LOCATION OF THE ARBITRATION SHALL BE IN THE ST. LOUIS METROPOLITAN AREA. THE PARTIES SHALL SELECT ONE ARBITRATOR, UNLESS THE AMOUNT OF ANY DEMAND OR COUNTERCLAIM IN THE ARBITRATION SHALL BE $750,000 OR MORE, IN WHICH CASE THE PARTIES SHALL SELECT THREE ARBITRATORS. THE PARTIES SHALL HAVE THE RIGHT TO CONDUCT DISCOVERY IN THE ARBITRATION CONSISTENT WITH THAT DISCOVERY PERMITTED BY THE FEDERAL RULES OF CIVIL PROCEDURE, WITH THE ARBITRATOR(S) TO DECIDE ANY DISCOVERY DISPUTES. ALL PROCEEDINGS CONDUCTED IN THE ARBITRATION, INCLUDING ANY DISCOVERY AND ANY ORDER ENTERED BY THE ARBITRATOR(S), SHALL BE STRICTLY CONFIDENTIAL. THE AWARD OF THE ARBITRATOR(S) SHALL BE FINAL, AND MAY BE CONFIRMED BY THE PARTIES IN THE ST. LOUIS COUNTY CIRCUIT COURT, OR IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MISSOURI. THE PARTIES AGREE THAT ANY DISPUTE RESOLUTION**

PROCEEDINGS WILL BE CONDUCTED ONLY ON AN INDIVIDUAL BASIS AND NOT IN A CLASS, CONSOLIDATED OR REPRESENTATIVE ACTION. THE PARTIES EACH HEREBY WAIVE THE RIGHT TO PARTICIPATE IN ANY CLASS ACTION, REPRESENTATIVE ACTION, OR CONSOLIDATED ACTION, WHETHER IN COURT OR ARBITRATION.

24. **Covenant Not to Hire or Solicit Employees**. Client agrees that during the term of this Agreement, and for a period of one (1) year following the termination or expiration of this Agreement, Client shall not, directly or indirectly, hire, retain or engage, or offer to hire, retain or engage, or solicit for employment or other retention or engagement of services, or otherwise induce to leave RubinBrown, for the benefit of Client, any employee, consultant or contractor who is employed by, engaged by, or contracted with RubinBrown. Upon breach of this section, Client agrees to pay, upon demand, as liquidated damages, and not as a penalty, to RubinBrown, an amount equal to the annualized total gross compensation, as at the time of the breach, of the applicable RubinBrown employee, consultant, or contractor. This provision shall be without prejudice to RubinBrown's right to seek injunctive relief or other legal remedies. Notwithstanding the forgoing, this covenant shall not be applicable to hiring, offering to hire, or otherwise engaging pursuant to a response to a general advertisement by Client.

25. **Governing Law**. The Agreement will be deemed to be made, negotiated, and accepted in Missouri, governed by, and construed in accordance with the laws of the State of Missouri or, if applicable, by controlling federal law under the precedent of the United States Court of Appeals for the Eighth Circuit, without giving effect to conflicts of laws rules irrespective of place of domicile or residence of either party and without reference to conflicts of law principles.

26. **Attorneys' Fees and Costs**. In connection with any legal action, arbitration or litigation arising from or in connection with the Agreement or its subject matter, the prevailing party shall be entitled to recover, subject to the damage limitations set forth in the Agreement, all costs incurred by such party in furtherance of such legal action, arbitration or litigation, including reasonable attorney's fees.

27. **Construction**. To the extent any apparent or actual contradiction may exist when construing or interpreting the contents of the Letter and the Terms, the Terms shall control and supersede any statement contained in the Letter, unless expressly stated otherwise in the provision or portion of the Letter or Terms at issue.

28. **Waivers**. Neither the failure nor any delay by any party in exercising any right, power or privilege under the Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.

29. **Force Majeure**. Neither party shall be held responsible for delay or default caused by fire, riot, terrorism, plague, epidemic, pandemic, outbreaks of infectious disease or any other public health crisis, including quarantine or other employee restrictions; acts of God or war if the event is beyond the party's reasonable control and the affected party gives written notice to the other party promptly upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default; however, no Force Majeure event shall excuse Client of any obligation to pay any outstanding invoice or fee or from any indemnification obligation under this Agreement.

30. **Entire Agreement and Modification**. The Agreement supersedes all prior agreements, arrangements and communications between the parties with respect to its subject matter and constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. The Agreement may not be modified or amended except by the mutual written agreement of both parties.

31. **Severability**. If any arbitrator or court of competent jurisdiction holds any provision of the Agreement invalid or unenforceable, the other provisions of the Agreement will remain in full force and effect. Any provision of the Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

32. **Headings; Counterparts; Electronic Signatures**. The headings of paragraphs contained in the Agreement are provided for convenience only. They form no part of the Agreement and shall not affect its construction or interpretation. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument. Client hereby consents to the use of electronic signatures for this Agreement and all RubinBrown related Services and agrees that any electronic signature or signature delivered via facsimile or other electronic means shall be deemed to be of the same force and effect as a handwritten signature.