

**CITY OF TWIN OAKS,
MISSOURI**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2018**

CITY OF TWIN OAKS, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2018

Prepared By: City Administrator

CITY OF TWIN OAKS, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

CITY OF TWIN OAKS, MISSOURI
LIST OF PRINCIPAL OFFICERS

DECEMBER 31, 2018

| Elected Officials | Term |
|-------------------------------|-------------------------|
| Russ Fortune Mayor | April 2017 – April 2019 |
| Lisa Eisenhower Alderwoman | April 2017 – April 2019 |
| April Milne Alderwoman | April 2018 – April 2020 |
| Tim Stoeckl Alderman | April 2018 – April 2020 |
| Dennis Whitmore Alderman | April 2017 – April 2019 |



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Twin Oaks
Missouri**

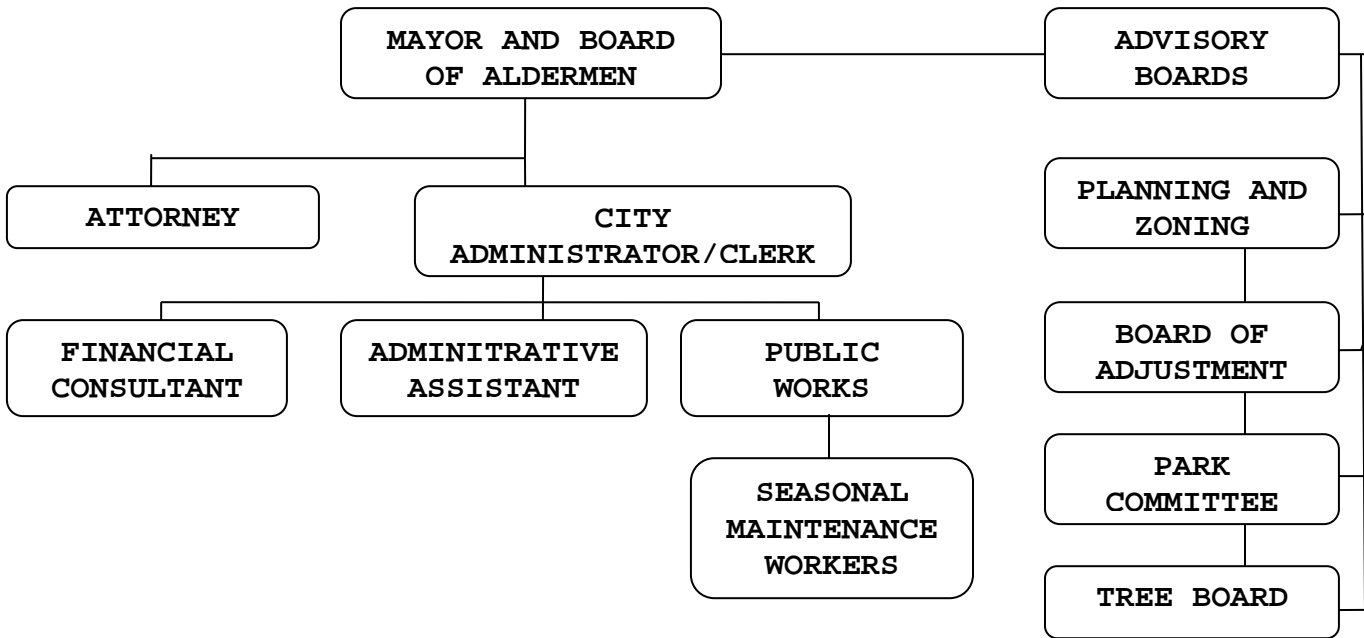
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF TWIN OAKS, MISSOURI
ORGANIZATIONAL CHART





CITY OF TWIN OAKS

1381 Big Bend Road – Twin Oaks, MO 63021

Phone (636) 225-7873 – Fax (636) 225-6547 www.villageoftwinoaks.org

May 29, 2019

The Honorable Mayor, Board of Aldermen,
and Citizens of the City of Twin Oaks, Missouri

The Comprehensive Annual Financial Report (CAFR) of the City of Twin Oaks, Missouri (the City) for the fiscal year ending December 31, 2018, is hereby submitted. This report was prepared by the City Administrator and staff. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the City. The financial statements and supporting schedules have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is designed to fairly present the financial position and results of the various funds and operations of the City.

To provide a reasonable basis for making these representations, management of the City has established internal controls that are designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh their benefits, the internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

PROFILE OF THE GOVERNMENT

The City was incorporated in 1938 to stop the neighboring communities from annexing the City. The City is a small community with a population of 392, covering approximately 0.27 square miles. Prior to 2016 the City was a Village. During 2016, the residents voted to become a fourth-class city.

In compliance with Missouri State Statutes, the duties of the City are vested in the Board of Aldermen and Mayor. Aldermen are elected at large and hold two year terms. Two Aldermen run in the even numbered years and two in the odd numbered years. The Mayor runs for a two-year term in odd numbered years.

The City is located in Southwest St. Louis County at the intersection of the new Highway 141 and County Arterial Big Bend Road with easy access to Highway 44, Highway 270, and Highway 40 (I-64).

ECONOMIC CONDITION

The City relies on retail sales tax collections from local businesses as its primary source of revenue electing not to assess personal property taxes to either residential or commercial properties in the past. However, a commercial property tax has been assessed since 2012.

Housing sales follow national trends and the City has seen an increase in home sales throughout the community. Home values increased slightly and the City continues to be a desirable community in which to live due to our low taxes, superior services, and proximity to shopping and major highways.

MAJOR INITIATIVES

For a number of years, the City relied on Big Bend Square Shopping Center for a majority of its revenue. Following the completion of Highway 141, there has been an increased commercial development within the City. Walgreen's opened a new store in 2005, Commerce Bank opened in 2006, Schnucks opened a new store in January 2007, and Shop N' Save opened a new store in November 2007. With the addition of Schnucks and Shop N' Save, they now provide 90% of the City's revenues. In 2018, Shop N' Save closed its store in the City. The City does anticipate a substantial transfer of retail sales dollars from this store to Schnucks. However, this will cause a temporary erosion in business license revenue in 2019.

LONG-TERM FINANCIAL PLANNING

The voters approved a ½ cent capital improvement sales tax. These funds are being used for major reconstruction projects. In addition, the funds from this sales tax are being reviewed for future street and infrastructure projects.

The voters also passed a ½ cent sales tax for parks and stormwater. The City utilizes these funds for improvements to parks and general park services as well as stormwater mitigation projects.

RELEVANT FINANCIAL POLICIES

In 2018, the City continued its policy of not assessing property taxes to residential properties.

INDEPENDENT AUDIT

City ordinances require an annual audit by independent certified public accountants. The certified public accounting firm of Botz, Deal and Company, P.C. was selected by the Board of Aldermen to perform this year's audit. The auditor's report is included in this report.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Finance Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017. This was the eleventh year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. Such CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. The City will continue to work toward receiving this award as a commitment to the Board of Aldermen and the general public that we are committed to the highest standards in government financial reporting.

ACKNOWLEDGMENTS

The preparation of the CAFR on a timely basis was made possible by the dedicated service and cooperation of the entire staff of the City. Each member has my sincere appreciation for their contributions made in the preparation of this report. We would also like to acknowledge the assistance of our independent public accountants, Botz, Deal and Company, P.C., in formulating this report.

In closing, without the support of the Mayor and Board of Aldermen, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kathy A. Runge". The signature is written in dark ink and is positioned above the printed name and title.

Kathy A. Runge
City Administrator/Clerk

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



The Honorable Mayor and the Board of Aldermen
City of Twin Oaks, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Twin Oaks, Missouri, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Twin Oaks, Missouri, as of December 31, 2018, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension information on pages 4 through 9 and 30 through 35 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Twin Oaks, Missouri's basic financial statements as a whole. The introductory section, other supplemental budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Betz, Deal & Company

St. Charles, Missouri
May 29, 2019

**CITY OF TWIN OAKS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

The discussion and analysis of the City of Twin Oaks, Missouri's (the City) financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended December 31, 2018. It should be read in conjunction with the accompanying basic financial statement.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets and deferred outflows of the City of Twin Oaks exceeded its liabilities and deferred inflows for the most recent fiscal year by \$5,514,654. This is a decrease of \$132,220 from prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,636,419, a decrease of \$111,864 in comparison to the prior year.
- At the close of the current fiscal year, the fund balance for the General Fund was \$562,355.
- The City's total long-term liabilities decreased by a net \$80,084 during the current fiscal year as a result of annual payments on certificates of participation.

REPORT LAYOUT

The report consists of the Management's Discussion and Analysis (MD&A), government-wide statements, fund financial statements, notes to the financial statements, required supplementary information, and supplemental information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as police, parks, public works, and general government administration. The City currently does not have any business-type activities. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the City.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operation. In simple terms, this statement presents a snap-shot view of the assets the City owns, the liabilities it owes, and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities reflect capital assets including infrastructure and long-term liabilities. Governmental activities are reported on the full accrual basis of accounting.
- The Statement of Activities focuses on gross and net costs of City programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on major governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column. Budgetary comparisons for the General Fund and major special revenue funds are presented as required supplementary information.

- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

The Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

THE CITY AS A WHOLE

Government-wide Financial Analysis

The City's net position was \$5,514,654 as of December 31, 2018. This analysis focuses on the net position (Table 1), changes in general revenues (Table 2), and significant expenses of the City's governmental activities.

The City's net position consists of its investment in capital assets (e.g., land, buildings, improvements, vehicles, infrastructure and equipment), less accumulated depreciation and any related debt used to acquire those assets that is still outstanding; restricted balances; and unrestricted balances. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1

| | 2018 | 2017 |
|-------------------------------------|--------------|--------------|
| Current and other assets | \$ 1,707,331 | \$ 2,163,581 |
| Capital assets, net of depreciation | 5,358,832 | 5,450,724 |
| Total assets | 7,066,163 | 7,614,305 |
| Deferred outflows of resources | 18,114 | 14,751 |
| Current and other liabilities | 69,332 | 402,901 |
| Long-term liabilities | 1,486,689 | 1,566,773 |
| Total liabilities | 1,556,021 | 1,969,674 |
| Deferred inflows of resources | 13,602 | 12,508 |
| Net position: | | |
| Net investment in capital assets | 3,880,501 | 3,891,184 |
| Restricted | 1,074,064 | 1,116,254 |
| Unrestricted | 560,089 | 639,436 |
| Total net position | \$ 5,514,654 | \$ 5,646,874 |

Net position, over time, may serve as a useful indicator of a government's financial position. Governmental activities decreased the City's net position by \$132,220. The key elements of this decrease are as follows:

Table 2

| | 2018 | 2017 |
|------------------------------------|---------------------|---------------------|
| Revenues: | | |
| Program revenues: | | |
| Charges for service | \$ 91,796 | \$ 97,048 |
| Operating grants and contributions | 32,021 | 30,786 |
| General revenues: | | |
| Taxes | 921,231 | 1,016,914 |
| Investment income | 6,038 | 7,580 |
| Other | 120,248 | 14,757 |
| Total revenues | <u>1,171,334</u> | <u>1,167,085</u> |
| Expenses: | | |
| General government | 534,743 | 438,161 |
| Sanitation and other health costs | 43,260 | 46,060 |
| Public safety | 121,181 | 107,921 |
| Streets | 244,664 | 247,629 |
| Parks | 284,402 | 240,828 |
| Stormwater | 14,539 | 9,888 |
| Sewer lateral | - | 3,836 |
| Interest and fiscal charges | 60,765 | 46,529 |
| Total expenses | <u>1,303,554</u> | <u>1,140,852</u> |
| Change in net position | (132,220) | 26,233 |
| Net position, beginning of year | 5,646,874 | 5,620,641 |
| Net position, end of year | <u>\$ 5,514,654</u> | <u>\$ 5,646,874</u> |

Total 2018 revenues of \$1,171,334, shown in Table 2, compared with total revenues of \$1,167,085 in 2017 represents an increase in total revenues of \$4,249, or about 0.4%. Most of this change is the result of less retail sales which resulted in a decrease in sales tax collections of approximately \$97,000, netted with a settlement reimbursement of \$100,000 for damage to the pond in the City's park.

Total 2018 expenses increased to \$1,303,554 from \$1,140,852 in 2017, an overall increase of \$162,702 or 14.3%. General government expenses increased as a result of an increase in depreciation and other non-capitalized expenses related to the new City Center. Annual Parks and Stormwater related expenses are subject to significant year-to-year variability related to underlying repair and maintenance projects occurring in any particular fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2018, the City had invested in a broad range of capital assets, including police and public works equipment, buildings, park facilities, and roads (See Table 3). This represents a net decrease (including additions and deductions) of \$91,892 or 1.7% over the prior fiscal year.

Table 3

| | 2018 | 2017 | Increase (Decrease) |
|---|---------------------|---------------------|------------------------|
| Land and construction in progress | \$ 1,334,478 | \$ 3,304,227 | \$ (1,969,749) |
| Buildings | 2,244,908 | 235,480 | 2,009,428 |
| Building improvements | 35,378 | 55,476 | (20,098) |
| Improvements other than buildings | 499,119 | 546,692 | (47,573) |
| Machinery and equipment | 53,883 | 27,122 | 26,761 |
| Infrastructure | 1,191,066 | 1,281,727 | (90,661) |
| Total Capital Assets, net of depreciation | \$ <u>5,358,832</u> | \$ <u>5,450,724</u> | \$ <u>(91,892)</u> |

The most significant additions to capital assets this fiscal year was the final costs of construction of a new City Center. The Center was completed in February 2018 and moved from construction in progress to buildings. In addition, dredging of the lake and major road projects were added to construction in progress. More detailed information on the City's capital assets is presented in Note 5 of the financial statements.

Debt

At year-end, the City had \$1,478,331 in outstanding debt compared to \$1,559,540 at the end of the prior fiscal year.

Table 4

| | 2018 | 2017 | Increase (Decrease) |
|-------------------------------|---------------------|---------------------|------------------------|
| Certificates of Participation | \$ 1,478,331 | \$ 1,559,540 | \$ (81,209) |
| Compensated absences | <u>8,358</u> | <u>7,233</u> | <u>1,125</u> |
| Total | \$ <u>1,486,689</u> | \$ <u>1,566,773</u> | \$ <u>(80,084)</u> |

During the fiscal year, the City made principal payments totaling \$81,209 on the outstanding Certificates of Participation related to the construction of the new City Center. More detailed information on the City's long-term liabilities is presented in Note 6 of the financial statements.

THE CITY'S FUNDS

Governmental Funds

The following table presents the amount of governmental funds revenue from various sources on the modified accrual basis of accounting.

Table 5

| | Fiscal Year Ending 2018 | Fiscal Year Ending 2017 |
|------------------------------|-------------------------------|-------------------------------|
| Taxes | \$ 927,401 | \$ 1,018,924 |
| Intergovernmental | 32,021 | 30,786 |
| Licenses and fees | 76,322 | 76,560 |
| Charges for service | 10,816 | 15,705 |
| Sewer lateral fees | 4,658 | 4,783 |
| Other revenue | 120,248 | 14,757 |
| Investment income - interest | 6,038 | 7,580 |
| Total Revenues | \$ 1,177,504 | \$ 1,169,095 |

The increase in total revenues of \$8,409 represents an overall increase in revenue of 0.7%. The increase is due to a one-time settlement payment that was received combined with decreases in sales tax collections.

At the close of the City's fiscal year on December 31, 2018, the governmental funds of the City reported a combined fund balance of \$1,636,419. This is a decrease in fund balance of \$111,864. The primary reason for the decrease was due to the following:

The fund balance in the General Fund decreased in 2018 compared to 2017 by \$69,674. This was due to a decrease in sales tax collections and development fee income as well as an increase in expenditures for police services.

The fund balance in the Capital Improvements Fund decreased in 2018 compared to 2017 by \$86,349. This was due to a decrease in sales tax collections and an increase in debt service payments as 2018 was the first full year of principal and interest payments.

The fund balance in the Parks and Storm Water Fund increased in 2018 compared to 2017 by \$39,204. This was due to a one-time settlement payment that was received combined with decreases in sales tax collections.

General Fund Budgetary Highlights

For 2018, actual revenues in the General Fund were \$572,318 as compared to the amended budget amount of \$625,500. The main change to the budget was additional anticipated sales tax, which did not materialize, as well as charges for services.

For 2018, actual expenditures in the General Fund were \$584,877 compared to the amended budget amount of \$597,800. The main change to the budget was additional administrative costs.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The following is a synopsis of the 2019 budget:

- Over the last few years, the City has experienced significant public and private development. This includes completion of the City's government center as well as two significant mixed-use (commercial and residential) projects which have the potential to double the City's population. These projects consumed significant staff and elected officials time. They are complete as of the end of 2018.
- With development activities behind them, the City will return its attention to capital planning and operational activities.

Revenues and Expenditures

- The City expects modest increases in revenues; only about 1.6% above prior year forecasted revenues.
- The City is excited that it has not only right sized its staff but has also filled each position with outstanding talent. This staff, along with operational guidance and assistance from elected officials, has provided the City with the resources to pursue its development goals while also completing day-to-day tasks. Accordingly, the City has budgeted overall salary and wage increases of just over 5%.
- The City expects its contractual costs, mostly legal costs, to continue to fall as a result of its successful conclusion of its litigation.

Debt service

As of December 31, 2018, the total assessed valuation for the City of Twin Oaks was \$16,159,015. Under State Law, the City is authorized to incur general obligation bond debt totaling no more than ten percent (10%) of the City's assessed valuation, or \$1,615,901, or twenty percent (20%) for infrastructure related projects. The City's outstanding Certificates of Participation are not considered general obligation bonded debt.

The City has a budget of a combined amount of debt service payments of \$142,900. This is the principal and interest for Certificates of Participation for the 2019 budget year. 2018 was the City's first full year of debt service.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives.

If you have questions about this report or need additional financial information, please contact the City office at 1381 Big Bend Road, Twin Oaks, Missouri 63021, or telephone 636-225-7873.

CITY OF TWIN OAKS, MISSOURI

STATEMENT OF NET POSITION

DECEMBER 31, 2018

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS | |
| Cash and investments | \$ 1,429,536 |
| Restricted cash and investments | 136 |
| Taxes receivable | 160,658 |
| Accounts receivable - other | 102,064 |
| Prepaid expenses | 7,057 |
| Accrued interest | 88 |
| Net pension asset | 7,792 |
| Capital assets: | |
| Nondepreciable | 1,334,478 |
| Depreciable, net of accumulated depreciation | 4,024,354 |
| TOTAL ASSETS | <u><u>7,066,163</u></u> |
| DEFERRED OUTFLOWS | |
| Deferred outflow related to pension | <u>18,114</u> |
| LIABILITIES | |
| Accounts payable | 44,204 |
| Accrued expenses | 4,945 |
| Deposits | 5,400 |
| Interest payable | 14,783 |
| Noncurrent liabilities: | |
| Due in one year | 88,669 |
| Due in more than one year | 1,398,020 |
| TOTAL LIABILITIES | <u><u>1,556,021</u></u> |
| DEFERRED INFLOWS | |
| Deferred inflow related to pension | <u>13,602</u> |
| NET POSITION | |
| Net investment in capital assets | 3,880,501 |
| Restricted: | |
| Capital projects | 503,433 |
| Parks and storm water projects | 509,480 |
| Sewer lateral repairs | 61,151 |
| Unrestricted | 560,089 |
| TOTAL NET POSITION | <u><u>\$ 5,514,654</u></u> |

The accompanying notes are an integral part of these financial statements.

CITY OF TWIN OAKS, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

| Functions/Programs | Expenses | Program Revenue | | | Net (Expense) |
|---|---------------------|------------------------|----------------------|----------------------|----------------------|
| | | Charges for | Operating | Capital | Revenue and |
| | | Service | Grants and | Grants and | Change in |
| | | | Contributions | Contributions | Net Position |
| | | | | | Governmental |
| | | | | | Activities |
| Governmental Activities | | | | | |
| General government | \$ 534,743 | \$ 86,538 | \$ - | \$ - | \$ (448,205) |
| Sanitation and other health costs | 43,260 | - | - | - | (43,260) |
| Public safety | 121,181 | - | - | - | (121,181) |
| Streets | 244,664 | - | 32,021 | - | (212,643) |
| Parks | 284,402 | 600 | - | - | (283,802) |
| Stormwater | 14,539 | - | - | - | (14,539) |
| Sewer lateral | - | 4,658 | - | - | 4,658 |
| Interest and fiscal charges | 60,765 | - | - | - | (60,765) |
| TOTAL GOVERNMENTAL | | | | | |
| ACTIVITIES | \$ 1,303,554 | \$ 91,796 | \$ 32,021 | \$ - | (1,179,737) |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Property | | | | | 22,727 |
| Sales | | | | | 889,343 |
| Other | | | | | 9,161 |
| Investment income | | | | | 6,038 |
| Other miscellaneous revenue | | | | | 120,248 |
| TOTAL GENERAL REVENUES | | | | | 1,047,517 |
| CHANGE IN NET POSITION | | | | | (132,220) |
| NET POSITION - BEGINNING OF YEAR | | | | | 5,646,874 |
| NET POSITION - END OF YEAR | | | | | \$ 5,514,654 |

The accompanying notes are an integral part of these financial statements.

CITY OF TWIN OAKS, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018

| | GENERAL | CAPITAL IMPROVEMENTS | PARKS AND STORM WATER | ROAD | NONMAJOR SEWER LATERAL | TOTAL |
|---|-------------------|-------------------------|-----------------------------|-----------------|------------------------------|---------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ 490,787 | \$ 479,653 | \$ 399,277 | \$ - | \$ 59,819 | \$ 1,429,536 |
| Restricted cash and investments | - | 136 | - | - | - | 136 |
| Taxes receivable | 98,293 | 23,798 | 27,995 | 9,240 | 1,332 | 160,658 |
| Other receivables | 2,064 | - | 100,000 | - | - | 102,064 |
| Due from other funds | 2,957 | - | - | - | - | 2,957 |
| Other assets | 88 | - | - | - | - | 88 |
| Prepaid items | 7,057 | - | - | - | - | 7,057 |
| TOTAL ASSETS | <u>\$ 601,246</u> | <u>\$ 503,587</u> | <u>\$ 527,272</u> | <u>\$ 9,240</u> | <u>\$ 61,151</u> | <u>\$ 1,702,496</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 22,055 | \$ 154 | \$ 16,720 | \$ 5,275 | \$ - | \$ 44,204 |
| Accrued expenses | 3,265 | - | 672 | 1,008 | - | 4,945 |
| Deposits | 5,000 | - | 400 | - | - | 5,400 |
| Due to other funds | - | - | - | 2,957 | - | 2,957 |
| TOTAL LIABILITIES | <u>30,320</u> | <u>154</u> | <u>17,792</u> | <u>9,240</u> | <u>-</u> | <u>57,506</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - property taxes | 8,571 | - | - | - | - | 8,571 |
| FUND BALANCE | | | | | | |
| Fund Balances: | | | | | | |
| Non-spendable | 7,057 | - | - | - | - | 7,057 |
| Restricted: | | | | | | |
| Parks and Stormwater projects | - | - | 509,480 | - | - | 509,480 |
| Sewer lateral repairs | - | - | - | - | 61,151 | 61,151 |
| Capital projects | - | 503,433 | - | - | - | 503,433 |
| Unassigned | 555,298 | - | - | - | - | 555,298 |
| TOTAL FUND BALANCE | <u>562,355</u> | <u>503,433</u> | <u>509,480</u> | <u>-</u> | <u>61,151</u> | <u>1,636,419</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | <u>\$ 601,246</u> | <u>\$ 503,587</u> | <u>\$ 527,272</u> | <u>\$ 9,240</u> | <u>\$ 61,151</u> | <u>\$ 1,702,496</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF TWIN OAKS, MISSOURI
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
AS OF DECEMBER 31, 2018

Amounts reported for governmental activities in the statement of net position are different because:

| | |
|---|----------------------------|
| Total fund balance per balance sheet | \$ 1,636,419 |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. | 5,358,832 |
| The net pension asset reported in governmental activities is not a current financial resource and, therefore, is not reported in the funds. | 7,792 |
| Certain deferred outflows and inflows of resources represent a consumption or acquisition of net position in a future period and, therefore, are not reported in the funds: | |
| Deferred outflow of resources - related to pension | 18,114 |
| Deferred inflow of resources - related to pension | (13,602) |
| Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds. | 8,571 |
| Accrued interest payable recorded in the statement of net position does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. | (14,783) |
| Long-term liabilities, including certificates of participation and accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(1,486,689)</u> |
| Net position of governmental activities | <u><u>\$ 5,514,654</u></u> |

The accompanying notes are an integral part of these financial statements.

CITY OF TWIN OAKS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | GENERAL | CAPITAL IMPROVEMENTS | PARKS AND STORM WATER | ROAD | NONMAJOR SEWER LATERAL | TOTAL |
|---|-------------------|-------------------------|-----------------------------|------------------|------------------------------|---------------------|
| REVENUES | | | | | | |
| Taxes | \$ 454,363 | \$ 217,343 | \$ 255,695 | \$ - | \$ - | \$ 927,401 |
| Intergovernmental | 5,711 | - | - | 26,310 | - | 32,021 |
| Licenses and fees | 76,322 | - | - | - | - | 76,322 |
| Charges for services | 10,216 | - | 600 | - | - | 10,816 |
| Sewer lateral fees | - | - | - | - | 4,658 | 4,658 |
| Other revenue | 20,248 | - | 100,000 | - | - | 120,248 |
| Investment income - interest | 5,458 | 283 | - | - | 297 | 6,038 |
| TOTAL REVENUES | <u>572,318</u> | <u>217,626</u> | <u>356,295</u> | <u>26,310</u> | <u>4,955</u> | <u>1,177,504</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 423,453 | - | - | - | - | 423,453 |
| Sanitation and other health costs | 43,260 | - | - | - | - | 43,260 |
| Public safety | 118,164 | - | - | - | - | 118,164 |
| Streets | - | - | - | 150,808 | - | 150,808 |
| Parks | - | - | 187,208 | - | - | 187,208 |
| Capital outlay | - | 141,881 | 44,211 | 37,596 | - | 223,688 |
| Debt service: | | | | | | |
| Principal, interest and fiscal charges | - | 142,787 | - | - | - | 142,787 |
| TOTAL EXPENDITURES | <u>584,877</u> | <u>284,668</u> | <u>231,419</u> | <u>188,404</u> | <u>-</u> | <u>1,289,368</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(12,559)</u> | <u>(67,042)</u> | <u>124,876</u> | <u>(162,094)</u> | <u>4,955</u> | <u>(111,864)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in (out) | (57,115) | (19,307) | (85,672) | 162,094 | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(57,115)</u> | <u>(19,307)</u> | <u>(85,672)</u> | <u>162,094</u> | <u>-</u> | <u>-</u> |
| CHANGE IN FUND BALANCES | (69,674) | (86,349) | 39,204 | - | 4,955 | (111,864) |
| FUND BALANCES - BEGINNING OF YEAR | <u>632,029</u> | <u>589,782</u> | <u>470,276</u> | <u>-</u> | <u>56,196</u> | <u>1,748,283</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 562,355</u> | <u>\$ 503,433</u> | <u>\$ 509,480</u> | <u>\$ -</u> | <u>\$ 61,151</u> | <u>\$ 1,636,419</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF TWIN OAKS, MISSOURI
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL
 FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2018**

Amounts reported for governmental activities in the statement of revenues, expenses,
 and changes in net position are different because:

| | |
|--|----------------------------|
| Change in fund balance-total governmental funds | \$ (111,864) |
| Revenues that do not provide current financial resources are not included in the fund financial statements. | (6,170) |
| The acquisition of capital assets requires the use of current financial resources but has no effect on net position. | 149,137 |
| The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities. | (222,178) |
| The loss on the disposal of a capital asset is reported in the statement of activities, however it is not recognized as an expenditure in the funds. | (18,851) |
| Interest is reported as an expenditure when due in the governmental funds but is accrued in the statement of activities. | 813 |
| Expenses related to providing pension benefits are reported using a different measurement focus in the statement of activities compared to the the governmental fund statements. Expenditures in the governmental fund were different from the expense reported in the statement of activities. | (3,191) |
| The costs of providing employee benefits in future periods are recognized as a expense in the statement of activities when the benefit is earned, however it is not recognized as an expenditure until paid in the funds. | (1,125) |
| Repayment of long-term debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. | 81,209 |
| Change in net position of governmental activities | <u><u>\$ (132,220)</u></u> |

The accompanying notes are an integral part of these financial statements.

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Village of Twin Oaks, Missouri was incorporated May 17, 1938. Voters approved transitioning to 4th Class City status in November 2016. The City of Twin Oaks, Missouri (the City) is a municipality governed by an elected five member council. The City applies the criteria set forth in GASB Statement No. 61, *The Financial Reporting Entity* (GASB 61), to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials' accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will and the primary recipient of services. The City presently has no component units included within its reporting entity.

B. BASIC FINANCIAL STATEMENTS

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements, and
- Notes to the basic financial statements.

The government-wide financial statements consist of the statement of net position and the statement of activities and report information on all of the nonfiduciary activities of the Primary Government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenue includes charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and grants and contributions. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate fund based financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined, if applicable, in a column in the fund financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City in general considers revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

For the governmental funds financial statements, the City considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services, and other miscellaneous revenue are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The City reports the following major governmental funds:

The General Fund - The City's primary operating fund, which accounts for all the financial resources and the legally authorized activities of the City except those required to be accounted for in other specialized funds.

The Capital Improvements Fund - The City uses this fund to account for sales tax revenue designated for the acquisition or construction of major capital facilities and improvements. It is mainly funded by a dedicated ½-cent capital improvements sales tax.

The Parks and Storm Water Fund - The City uses this special revenue fund to account for financial resources designated for parks and stormwater detention improvements. It is mainly funded by a dedicated ½-cent parks/stormwater sales tax.

Road Fund - The City uses this special revenue fund to account for financial resources designated for construction of major road improvements as well as road maintenance. It is funded by dedicated sales and property tax.

The other governmental fund of the City is considered nonmajor. It is a special revenue fund which accounts for specific revenue sources that are legally restricted to expenditures for specific purposes.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

D. **NET POSITION AND FUND BALANCE**

The City's net position is reported in three categories: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal on related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments). All other net position is considered unrestricted. It is the City's policy to use restricted funds before unrestricted funds.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - Resources which cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted - Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Committed - Resources which are subject to limitations the government imposes upon itself at its highest level of decision making (ordinance), and that remain binding unless removed in the same manner.

Assigned - Resources neither restricted nor committed for which a government has a stated intended use as established by the Board of Alderman or an official to which the Board of Alderman has delegated the authority to assign amounts for specific purposes. Currently, the Board of Alderman has not delegated this authority to anyone.

Unassigned - Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The City would typically use restricted fund balances first, followed by committed resources and assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first.

E. **PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond the fiscal year end are recorded as prepaid items using the consumption method.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

F. **CAPITAL ASSETS**

Capital assets, which include land, construction in process, buildings and improvements, equipment, furniture and fixtures, and infrastructure assets (e.g., roads, sidewalks, traffic lights, street lights, sewer lines and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$1,500 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Capital assets of the City are depreciated using a straight-line method over the following estimated useful lives:

| <u>Major Group</u> | <u>Life</u> |
|-----------------------------------|---------------|
| Buildings and improvements | 15 - 40 years |
| Improvements other than buildings | 15 - 20 years |
| Machinery and equipment | 3 - 10 years |
| Furniture and fixtures | 7 - 20 years |
| Infrastructure | 20 - 30 years |

As a result of the implementation of GASB 34, the City has accounted for infrastructure assets on its financial statements. The government-wide financial statements do not reflect those infrastructure assets completed prior to January 1, 2004. From that point forward, new infrastructure has been added to the records while the retroactive historical value of the City's infrastructure assets has not been added.

G. **ESTIMATES**

Management of the City use estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure or nondisclosure of contingent assets and liabilities, if any, and the reported revenues and expenses. Actual results could vary from the estimates that management use.

H. **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND UNEARNED REVENUE**

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports Deferred Outflows/Inflows of Resources as follows:

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

H. **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND UNEARNED REVENUE** - continued

Unavailable Revenues - Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pension - Deferred outflows and inflows of resources are reported in the government-wide statement of net position related to the pension plan. Deferred outflows represent the deferral of the City's employer contributions subsequent to the net pension liability measurement date of June 30, 2018, as well as the difference between expected and actual plan experience. A deferred inflow of resources is reported for the difference between expected and actual plan experience and the net difference between projected and actual earnings on pension plan investments.

I. **COMPENSATED ABSENCES**

City employees earn vacation at varying rates based upon their length of service. Permanent full-time and part-time employees who are separated from service are compensated for vacation accrued up to the date of separation. All vacation pay is accrued when earned in the government-wide financial statements.

City employees earn sick leave at varying rates based upon their length of service and is available only to provide compensation during periods of illness. No portion of sick leave is payable to the employee upon termination. Compensated absences are generally liquidated by the funds in which they originate and within the following year.

J. **PENSIONS**

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS' fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. **BUDGETARY DATA**

The Board of Alderman adopts an annual budget which covers all funds. The budget includes proposed expenditures and means of financing and is approved at the conclusion of numerous proceedings with input from citizens and City personnel. All amendments to the budget are approved by the Board of Alderman. Legal budget control is maintained at the fund level. The budget is maintained on a basis consistent with generally accepted accounting principles.

3. CASH AND INVESTMENTS

Cash - The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is shown on the balance sheet as cash and investments.

The City's bank deposits are required by state law to be collateralized by the deposit of certain securities in an amount at least equal to the uninsured deposits with the financial institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporations. As of December 31, 2018, the City's bank deposits totaled \$1,453,493. The bank balances were covered by federal depository insurance in the amount of \$374,342 and the remainder was covered by collateral pledged in the name of the City and held by the pledging bank's trust department or agent.

Restricted Cash and Investments - Cash and investments are restricted for debt service reserves as of December 31, 2018.

Investments - Statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, certain commercial paper, and certificates of deposit if the depository selected has deposited securities under the provisions of Sections 110.010 and 110.020, RSMo.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City places no limit on the amount that it may invest in any one issuer. The City is 100% invested in a Money Market Fund.

Interest rate risk for an investment is the risk that the fair value of securities will fall due to changes in general interest rates. Information about the sensitivity of the fair values of the City's investment to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

| Investment Type | Fair Value | 0-1 Years | Rating by Moody's Investors Service |
|-------------------|------------|-----------|-------------------------------------|
| Money Market Fund | \$ 136 | \$ 136 | N/A |

4. PROPERTY TAX

The City's property tax is levied in September each year on the assessed value listed as of the previous January 1 for all real and personal property located in the City. The assessed value of commercial real estate at January 1, 2018, upon which the 2018 levy was based, amounted to \$8,998,030. The tax rates per \$100 of assessed value is \$.3220 for commercial property. The assessed value of all property within the City was \$16,159,015.

Property taxes attach as an enforceable lien on property as of January 1. Taxes levied in September or October are due and payable prior to December 31. All unpaid taxes become delinquent after December 31. Property tax levied for 2018 and prior years which remain uncollected at December 31, 2018 are recorded as receivables.

5. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2018 is as follows:

| | Balance, Beginning Of Year | Additions | Transfers And Deletions | Balance, End Of Year |
|---|----------------------------------|--------------|----------------------------|-------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 1,295,701 | \$ - | \$ - | \$ 1,295,701 |
| Construction in progress | 2,008,526 | 93,233 | (2,062,982) | 38,777 |
| Total capital assets, not being depreciated | 3,304,227 | 93,233 | (2,062,982) | 1,334,478 |
| Capital assets, being depreciated: | | | | |
| Buildings | 290,842 | 2,062,982 | - | 2,353,824 |
| Building improvements | 93,641 | - | (22,611) | 71,030 |
| Improvements other than buildings | 1,217,039 | 20,366 | (79,958) | 1,157,447 |
| Machinery and equipment | 84,692 | - | (1,949) | 82,743 |
| Furniture and fixtures | 13,553 | 35,538 | (4,820) | 44,271 |
| Infrastructure | 1,898,583 | - | - | 1,898,583 |
| Total capital assets, being depreciated | 3,598,350 | 2,118,886 | (109,338) | 5,607,898 |
| Less accumulated depreciation for: | | | | |
| Buildings | (55,362) | (53,554) | - | (108,916) |
| Building improvements | (38,165) | (1,774) | 4,287 | (35,652) |
| Improvements other than buildings | (670,347) | (67,412) | 79,431 | (658,328) |
| Machinery and equipment | (57,570) | (7,572) | 1,949 | (63,193) |
| Furniture and fixtures | (13,553) | (1,205) | 4,820 | (9,938) |
| Infrastructure | (616,856) | (90,661) | - | (707,517) |
| Total accumulated depreciation | (1,451,853) | (222,178) | 90,487 | (1,583,544) |
| Total capital assets, being depreciated, net | 2,146,497 | 1,896,708 | (18,851) | 4,024,354 |
| Total governmental activities | \$ 5,450,724 | \$ 1,989,941 | \$ (2,081,833) | \$ 5,358,832 |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---|-------------------|
| Governmental activities: | |
| General government | \$ 52,123 |
| Police | 3,017 |
| Parks | 72,778 |
| Stormwater | 14,539 |
| Streets | 79,721 |
| Total depreciation expense - governmental activities | \$ <u>222,178</u> |

6. LONG-TERM DEBT

CERTIFICATES OF PARTICIPATION

On April 7, 2017, the City issued Certificates of Participation, Series 2017 in the amount of \$1,600,000 to provide funds to be used to acquire, construct, furnish, and equip a new municipal complex in the City. The Certificate of Participation has an interest rate of 4.0% and maturity date of April 1, 2032.

In connection with the Certificates of Participation, the City leases the building to U.S. Bank National Association, as Trustee, under a base lease and entered into an annually renewable lease purchase agreement to lease the building back from U.S. Bank National Association. The lease terms are renewable annually at the option of the City with the final renewal term not to extend beyond April 1, 2047. Total fixed assets acquired under this lease amounted to \$2,062,982 with accumulated depreciation totaling \$42,979.

Future maturities are as follows:

| For the Year ending December 31 | Principal | Interest | Total |
|---------------------------------------|---------------------|-------------------|---------------------|
| 2019 | \$ 84,490 | \$ 58,296 | \$ 142,786 |
| 2020 | 87,903 | 54,883 | 142,786 |
| 2021 | 91,454 | 51,332 | 142,786 |
| 2022 | 95,149 | 47,637 | 142,786 |
| 2023 | 98,993 | 43,793 | 142,786 |
| 2024 - 2027 | 1,020,342 | 120,706 | 1,141,048 |
| | <u>\$ 1,478,331</u> | <u>\$ 376,647</u> | <u>\$ 1,854,978</u> |

The following is a summary of changes in long-term debt:

| | Beginning Of Year | Additions | Reductions | End Of Year | Amounts Due in One Year |
|-------------------------------|----------------------|-----------------|--------------------|---------------------|-------------------------------|
| Certificates of Participation | \$ 1,559,540 | \$ - | \$ (81,209) | \$ 1,478,331 | \$ 84,490 |
| Compensated absences | 7,233 | 8,716 | (7,591) | 8,358 | 4,179 |
| | <u>\$ 1,566,773</u> | <u>\$ 8,716</u> | <u>\$ (88,800)</u> | <u>\$ 1,486,689</u> | <u>\$ 88,669</u> |

Funds to pay accrued compensated absences are expected to be provided by the General Fund. The certificates of participation are expected to be serviced by the Capital Improvements Fund.

7. OPERATING LEASE

The City is obligated under a lease for office equipment, which is accounted for as an operating lease. Total costs under the lease were \$2,472 for the year ended December 31, 2018.

The following is a schedule of future minimum rental payments required:

| For the Years Ending December 31, | | <u>Amount</u> |
|---|----|---------------|
| 2019 | \$ | 2,472 |
| 2020 | | 2,472 |
| 2021 | | 618 |

8. INTERFUND TRANSACTIONS

All revenue and expenditures are recorded through the General Fund cash receipts and disbursements records. This method results in the necessity of maintaining interfund accounts receivable and payable to provide fund accountability. As of December 31, 2018, the Road Fund owes the General Fund for general administrative expenses. The interfund balances at December 31, 2018 are as follows:

| | <u>DUE FROM</u> | <u>DUE TO</u> |
|---------------------------|-----------------|---------------|
| Major Governmental Funds: | | |
| General Fund | \$ 2,957 | \$ - |
| Road Fund | - | 2,957 |

Interfund transfers are used to move resources from a fund budgeted to collect the revenue to the fund through which the resources are to be expended; to provide additional resources for debt service; and to provide funding for certain capital improvement projects. Such transfers are reported as other financing sources and uses. The following transfers were made during the fiscal year ending December 31, 2018:

| | <u>TRANSFER IN</u> | <u>TRANSFER OUT</u> |
|---------------------------|------------------------|-------------------------|
| Major Governmental Funds: | | |
| Road Fund | \$ 162,094 | \$ - |
| General Fund | - | 57,115 |
| Stormwater Fund | - | 85,672 |
| Capital Improvement Fund | - | 19,307 |
| | <u>\$ 162,094</u> | <u>\$ 162,094</u> |

9. PENSION PLAN

Plan Description

The City's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

| | 2018 |
|--------------------------|----------------|
| Benefit Program | 1.50% for life |
| Final Average Salary | 3 years |
| Member Contribution Rate | 4% |

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

| | |
|--|----------|
| Inactive employees or beneficiaries currently receiving benefits | - |
| Inactive employees entitled to but not yet receiving benefits | 5 |
| Active employees | 3 |
| TOTAL | <u>8</u> |

Contributions - The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of the gross pay to their pension plan. Employer contribution rates were 8.4% (General) of annual covered payroll.

9. **PENSION PLAN** - continued

Net Pension Liability (Asset) - The employer's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2018.

Actuarial assumptions - The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|------------------------------------|
| Inflation | 3.25% wage; 2.5% price |
| Salary Increase | 3.25% to 6.55% including inflation |
| Investment rate of return | 7.25% |

The healthy retiree mortality rates, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality tables for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2018 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------|-------------------|--|
| Equity | 43.00% | 5.16% |
| Fixed Income | 26.00 | 2.86 |
| Real Assets | 21.00 | 3.23 |
| Strategic Assets | 10.00 | 5.59 |

9. **PENSION PLAN** - continued

Discount rate - The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a)-(b) |
|--|--------------------------------------|--|--|
| Balances as of June 30, 2017 | \$ 261,606 | \$ 274,858 | \$ (13,252) |
| Changes for the year: | | | |
| Service cost | 15,236 | - | 15,236 |
| Interest | 19,509 | - | 19,509 |
| Differences between expected and actual experience | 21,117 | - | 21,117 |
| Contributions - employer | - | 11,385 | (11,385) |
| Contributions - employee | - | 5,516 | (5,516) |
| Net investment income | - | 34,594 | (34,594) |
| Administrative expense | - | (683) | 683 |
| Other (net transfer) | - | (410) | 410 |
| Net Changes | 55,862 | 50,402 | 5,460 |
| Balances as of June 30, 2018 | \$ 317,468 | \$ 325,260 | \$ (7,792) |

Sensitivity of the net pension liability (asset) to changes in the discount rate - The following presents the Net Pension Liability (Asset) of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability (Asset) would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|-------------------------------|---------------------------|--|---------------------------|
| Net Pension Liability (Asset) | \$ 42,130 | \$ (7,792) | \$ (48,586) |

9. **PENSION PLAN - continued**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018 the employer recognized pension expense of \$16,374. The employer reported deferred outflows and inflows of resources related to the pension from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Difference between expected and actual experience | \$ 10,985 | \$ (4,748) |
| Changes in assumptions | - | - |
| Net difference between projected and actual earning on pension plan investments | - | (8,854) |
| Employer contributions subsequent to the measurement date | 7,129 | - |
| | <u>\$ 18,114</u> | <u>\$ (13,602)</u> |

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability (Asset) in the next fiscal year.

The other amounts reported as deferred outflows and inflows of resources related to the pension will be recognized in pension expense as follows:

| <u>Year ended June 30:</u> | |
|----------------------------|----------|
| 2019 | \$ 5,984 |
| 2020 | (742) |
| 2021 | (5,039) |
| 2022 | (2,820) |
| 2023 | - |

10. **COMMITMENTS AND CONTINGENCIES**

The City contracts with the St. Louis County Police Department to provide public safety related services. Payments for services for the year ended December 31, 2018 amount to \$118,164. This amount can be adjusted when both parties agree that special circumstances arise which require additional related costs.

During 2018, a significant amount of the City's sales tax was collected by two grocery stores. During the last quarter of 2018, one of the two stores was closed. Management believes the remaining store will acquire a large portion of that business.

10. **COMMITMENTS AND CONTINGENCIES - continued**

From time to time, the City is a party to various pending claims and legal actions arising in the ordinary course of its operations. Although the outcome of such matters cannot be forecast with certainty, in the opinion of management, all such matters are adequately covered by insurance, or if not covered, are without merit or involve amounts such that an unfavorable disposition would not have a material effect on the financial statements of the City.

11. **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Claims have not exceeded coverage in the last three years.

12. **SUBSEQUENT EVENT**

Management has evaluated subsequent events through the date of the audit report which is the date the financial statements were available to be issued.

13. **PENDING GOVERNMENTAL ACCOUNTING STANDARDS**

The effect on the City's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

This report does not incorporate GASB Statement No. 83, *Certain Asset Retirement Obligations*, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, GASB Statement No. 87, *Leases*, GASB No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, and GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The City will adopt and implement these statements at the required time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | BUDGET | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-------------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes | \$ 474,100 | \$ 505,500 | \$ 454,363 | \$ (51,137) |
| Intergovernmental | 6,100 | 6,000 | 5,711 | (289) |
| Licenses and fees | 78,200 | 81,800 | 76,322 | (5,478) |
| Charges for service | - | 10,200 | 10,216 | 16 |
| Other revenue | 17,700 | 17,500 | 20,248 | 2,748 |
| Investment income - interest | 4,900 | 4,500 | 5,458 | 958 |
| TOTAL REVENUES | 581,000 | 625,500 | 572,318 | (53,182) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 399,300 | 434,800 | 423,453 | 11,347 |
| Sanitation and other health costs | 43,800 | 44,300 | 43,260 | 1,040 |
| Public safety | 118,800 | 118,700 | 118,164 | 536 |
| TOTAL EXPENDITURES | 561,900 | 597,800 | 584,877 | 12,923 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 19,100 | 27,700 | (12,559) | (40,259) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in (out) | (85,700) | (85,700) | (57,115) | 28,585 |
| CHANGE IN FUND BALANCE | (66,600) | (58,000) | (69,674) | \$ (11,674) |
| FUND BALANCE - BEGINNING OF YEAR | 632,029 | 632,029 | 632,029 | |
| FUND BALANCE - END OF YEAR | \$ 455,015 | \$ 675,240 | \$ 562,355 | |

CITY OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | BUDGET | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-----------|------------|-----------|---|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Intergovernmental | \$ 25,900 | \$ 24,500 | \$ 26,310 | \$ 1,810 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Streets | 145,800 | 150,500 | 150,808 | (308) |
| Capital outlay | - | 38,000 | 37,596 | 404 |
| TOTAL EXPENDITURES | 145,800 | 188,500 | 188,404 | 96 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (119,900) | (164,000) | (162,094) | 1,906 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in (out) | 119,900 | 157,800 | 162,094 | 4,294 |
| CHANGE IN FUND BALANCE | - | (6,200) | - | \$ 6,200 |
| FUND BALANCE - BEGINNING OF YEAR | - | - | - | |
| FUND BALANCE - END OF YEAR | \$ - | \$ (6,200) | \$ - | |

CITY OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PARKS AND STORM WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | BUDGET | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-------------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes | \$ 267,300 | \$ 287,200 | \$ 255,695 | \$ (31,505) |
| Other revenue | 100 | 600 | 100,600 | 100,000 |
| TOTAL REVENUES | <u>267,400</u> | <u>287,800</u> | <u>356,295</u> | <u>68,495</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Parks | 177,900 | 197,200 | 187,208 | 9,992 |
| Capital outlay | <u>25,000</u> | <u>34,300</u> | <u>44,211</u> | <u>(9,911)</u> |
| TOTAL EXPENDITURES | <u>202,900</u> | <u>231,500</u> | <u>231,419</u> | <u>81</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 64,500 | 56,300 | 124,876 | 68,576 |
| OTHER FINANCING USES | | | | |
| Transfers in (out) | <u>(57,200)</u> | <u>(57,200)</u> | <u>(85,672)</u> | <u>(28,472)</u> |
| CHANGE IN FUND BALANCE | 7,300 | (900) | 39,204 | <u>\$ 40,104</u> |
| FUND BALANCE - BEGINNING OF YEAR | <u>470,276</u> | <u>470,276</u> | <u>470,276</u> | |
| FUND BALANCE - END OF YEAR | <u>\$ 477,576</u> | <u>\$ 469,376</u> | <u>\$ 509,480</u> | |

CITY OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

1. BUDGETARY INFORMATION

The City prepares its budget on a basis consistent with generally accepted accounting principles. The budgetary process is detailed in footnote 2 of the notes to the financial statements.

CITY OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
YEARS ENDING JUNE 30,

| | 2018 | 2017 | 2016 | 2015 |
|---|-------------------|--------------------|-------------------|--------------------|
| Total Pension Liability | | | | |
| Service cost | \$ 15,236 | \$ 12,275 | \$ 9,923 | \$ 12,619 |
| Interest on the total pension liability | 19,509 | 17,281 | 13,817 | 14,510 |
| Change of benefit terms | - | - | - | - |
| Difference between expected and actual experience | 21,117 | (274) | 18,003 | (35,372) |
| Changes of assumptions | - | - | 4,879 | - |
| Benefit payments, including refunds | - | - | - | - |
| Net change in total pension liability | 55,862 | 29,282 | 46,622 | (8,243) |
| Total pension liability - beginning | 261,606 | 232,324 | 185,702 | 193,945 |
| Total pension liability - ending | \$ 317,468 | \$ 261,606 | \$ 232,324 | \$ 185,702 |
| Plan Fiduciary Net Position | | | | |
| Contributions-employer | \$ 11,385 | \$ 9,915 | \$ 9,154 | \$ 8,457 |
| Contributions-employee | 5,516 | 5,048 | 4,605 | 4,381 |
| Net investment income | 34,594 | 28,434 | (791) | 3,922 |
| Benefit payments, including refunds | - | - | - | - |
| Pension plan administrative expense | (683) | (590) | (505) | (559) |
| Other (net transfer) | (410) | (325) | (227) | 8,842 |
| Net change in plan fiduciary net position | 50,402 | 42,482 | 12,236 | 25,043 |
| Plan fiduciary net position - beginning | 274,858 | 232,376 | 220,140 | 195,097 |
| Plan fiduciary net position - ending | \$ 325,260 | \$ 274,858 | \$ 232,376 | \$ 220,140 |
| Employer net pension liability (asset) | \$ (7,792) | \$ (13,252) | \$ (52) | \$ (34,438) |
| Plan fiduciary net position as a percentage of the total pension liability | 102.45 % | 105.07 % | 100.02 % | 118.54 % |
| Covered payroll | \$ 132,538 | \$ 123,921 | \$ 90,810 | \$ 85,641 |
| Employer's net pension asset as a percentage of covered payroll | 5.88 % | 10.69 % | 0.06 % | 40.21 % |

Notes to schedule:

Information for years prior to 2015 is not available; amounts presented for the year end were determined as of June 30, the measurement date.

CITY OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS

| Year ended December 31, | Actuarial Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|----------------------------|---|------------------------|--|--------------------|---|
| 2009 | \$ 11,045 | \$ 11,045 | \$ - | \$ 143,441 | 7.7 % |
| 2010 | 10,954 | 10,954 | - | 142,260 | 7.7 |
| 2011 | 11,839 | 11,839 | - | 147,988 | 8.0 |
| 2012 | 13,342 | 13,342 | - | 168,891 | 7.9 |
| 2013 | 9,233 | 9,233 | - | 119,913 | 7.7 |
| 2014 | 8,626 | 8,626 | - | 118,166 | 7.3 |
| 2015 | 9,732 | 9,732 | - | 118,681 | 8.2 |
| 2016 | 8,294 | 8,294 | - | 109,126 | 7.6 |
| 2017 | 10,582 | 10,582 | - | 130,645 | 8.1 |
| 2018 | 13,183 | 13,183 | - | 156,933 | 8.4 |

Notes to Schedule of Contributions

Valuation date: 02/28/18

Notes: The roll-forward of total pension liability from February 28, 2018 to June 30, 2018 reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumptions used to determine contribution rates:

| | |
|--------------------------------------|--|
| Actuarial cost method | Entry Age Normal and Modified Terminal Funding |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | Multiple bases from 15 to 18 years |
| Asset valuation method | 5-year smoothed market; 20% corridor |
| Inflation | 3.25% wage inflation; 2.5% price inflation |
| Salary increases | 3.25% - 6.55% including wage inflation |
| Investment rate of return | 7.25%, net of investment expenses |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility condition. |
| Mortality | The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. |

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information: None

SUPPLEMENTAL INFORMATION

CITY OF TWIN OAKS, MISSOURI
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | BUDGET | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-------------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes | \$ 227,500 | \$ 234,400 | \$ 217,343 | \$ (17,057) |
| Investment income - interest | - | 300 | 283 | (17) |
| TOTAL REVENUES | <u>227,500</u> | <u>234,700</u> | <u>217,626</u> | <u>(17,074)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Capital outlay | 265,000 | 150,000 | 141,881 | 8,119 |
| Debt service | 142,900 | 142,900 | 142,787 | 113 |
| TOTAL EXPENDITURES | <u>407,900</u> | <u>292,900</u> | <u>284,668</u> | <u>8,232</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (180,400) | (58,200) | (67,042) | (8,842) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in (out) | <u>23,000</u> | <u>(14,900)</u> | <u>(19,307)</u> | <u>(4,407)</u> |
| CHANGE IN FUND BALANCE | (157,400) | (73,100) | (86,349) | <u>\$ (13,249)</u> |
| FUND BALANCE - BEGINNING OF YEAR | <u>589,782</u> | <u>589,782</u> | <u>589,782</u> | |
| FUND BALANCE - END OF YEAR | <u>\$ 432,382</u> | <u>\$ 516,682</u> | <u>\$ 503,433</u> | |

CITY OF TWIN OAKS, MISSOURI
BUDGETARY COMPARISON SCHEDULE
SEWER LATERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | BUDGET | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Sewer lateral fees | \$ 2,100 | \$ 4,700 | \$ 4,658 | \$ (42) |
| Investment income - interest | 400 | 300 | 297 | (3) |
| TOTAL REVENUES | <u>2,500</u> | <u>5,000</u> | <u>4,955</u> | <u>(45)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Capital outlay | <u>3,200</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (700) | 5,000 | 4,955 | <u>\$ (45)</u> |
| FUND BALANCE - BEGINNING OF YEAR | <u>56,196</u> | <u>56,196</u> | <u>56,196</u> | |
| FUND BALANCE - END OF YEAR | <u>\$ 55,496</u> | <u>\$ 61,196</u> | <u>\$ 61,151</u> | |

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

| Financial Trends | PAGES |
|-------------------------|--------------|
|-------------------------|--------------|

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

38-42

| Revenue Capacity |
|-------------------------|
|-------------------------|

These schedules contain information to help the reader assess the City's most significant local revenue sources.

43-46

| Debt Capacity |
|----------------------|
|----------------------|

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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| Demographic and Economic Information |
|---|
|---|

These schedules offer demographic and economic indicators to help the reader understand the environment which the City's financial activities take place.

50-51

| Operating Information |
|------------------------------|
|------------------------------|

These schedules contain service and infrastructure data to help the reader understand how information in the City's financial report relates to the services the City provides and the activities it performs.

52-54

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF TWIN OAKS, MISSOURI
NET POSITION BY COMPONENT
FOR THE LAST TEN FISCAL YEARS
 (Accrual basis of accounting)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental activities: | | | | | | | | | | |
| Net investment | | | | | | | | | | |
| in capital assets | \$ 3,880,501 | \$ 3,891,184 | \$ 3,613,872 | \$ 3,551,946 | \$ 3,582,373 | \$ 2,731,259 | \$ 2,645,403 | \$ 2,738,040 | \$ 2,432,026 | \$ 2,110,038 |
| Restricted | 1,074,064 | 1,116,254 | 1,323,704 | 1,342,045 | 1,135,095 | 1,099,489 | 936,429 | 711,275 | 794,485 | 812,181 |
| Unrestricted | <u>560,089</u> | <u>639,436</u> | <u>683,065</u> | <u>780,923</u> | <u>734,093</u> | <u>651,273</u> | <u>550,754</u> | <u>495,988</u> | <u>523,856</u> | <u>605,464</u> |
| Total governmental activities net position | <u>\$ 5,514,654</u> | <u>\$ 5,646,874</u> | <u>\$ 5,620,641</u> | <u>\$ 5,674,914</u> | <u>\$ 5,451,561</u> | <u>\$ 4,482,021</u> | <u>\$ 4,132,586</u> | <u>\$ 3,945,303</u> | <u>\$ 3,750,367</u> | <u>\$ 3,527,683</u> |

CITY OF TWIN OAKS, MISSOURI
CHANGES IN NET POSITION
FOR THE LAST TEN FISCAL YEARS
(Accrual basis of accounting)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| EXPENSES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 534,743 | \$ 438,161 | \$ 490,778 | \$ 417,647 | \$ 333,695 | \$ 326,932 | \$ 353,864 | \$ 386,811 | \$ 417,958 | \$ 361,315 |
| Sanitation and other health costs | 43,260 | 46,060 | 51,011 | 47,953 | 53,276 | 53,698 | 53,438 | 56,745 | 55,790 | 53,926 |
| Public safety | 121,181 | 107,921 | 107,720 | 102,460 | 99,010 | 98,971 | 96,132 | 98,676 | 97,348 | 96,438 |
| Streets | 244,664 | 247,629 | 224,846 | 205,169 | 200,439 | 182,038 | 140,141 | 143,749 | 103,645 | 61,504 |
| Parks | 284,402 | 240,828 | 227,136 | 222,730 | 217,603 | 201,969 | 217,431 | 170,017 | 124,971 | 157,231 |
| Stormwater | 14,539 | 9,888 | 19,178 | 9,338 | 13,781 | 24,452 | 49,857 | 11,837 | 6,468 | 10,231 |
| Sewer lateral | - | 3,836 | 3,960 | - | - | 2,088 | - | - | 2,000 | 8 |
| Interest and fiscal charges | 60,765 | 46,529 | - | - | - | - | - | 133 | 301 | 461 |
| Total governmental | <u>1,303,554</u> | <u>1,140,852</u> | <u>1,124,629</u> | <u>1,005,297</u> | <u>917,804</u> | <u>890,148</u> | <u>910,863</u> | <u>867,968</u> | <u>808,481</u> | <u>741,114</u> |
| PROGRAM REVENUE | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | 86,538 | 91,865 | 63,261 | 54,036 | 53,979 | 53,905 | 55,962 | 55,156 | 56,145 | 49,931 |
| Parks | 600 | 400 | 1,090 | 200 | - | 1,875 | 2,499 | 1,250 | - | - |
| Sewer lateral | 4,658 | 4,783 | 2,170 | 4,780 | 4,844 | 4,496 | 4,895 | 4,847 | 4,662 | 5,007 |
| Operating grants and contributions | 32,021 | 30,786 | 15,555 | 17,000 | 58,869 | 145,713 | 24,353 | 23,200 | 13,871 | 17,421 |
| Capital grants and contributions | - | - | - | - | 710,000 | 8,200 | - | - | - | 5,788 |
| Total governmental activities program revenue | <u>123,817</u> | <u>127,834</u> | <u>82,076</u> | <u>76,016</u> | <u>827,692</u> | <u>214,189</u> | <u>87,709</u> | <u>84,453</u> | <u>74,678</u> | <u>78,147</u> |
| NET EXPENSES | <u>(1,179,737)</u> | <u>(1,013,018)</u> | <u>(1,042,553)</u> | <u>(929,281)</u> | <u>(90,112)</u> | <u>(675,959)</u> | <u>(823,154)</u> | <u>(783,515)</u> | <u>(733,803)</u> | <u>(662,967)</u> |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | 921,231 | 1,016,914 | 965,901 | 1,124,149 | 1,033,721 | 984,170 | 977,669 | 941,298 | 912,168 | 1,020,640 |
| Investment income | 6,038 | 7,580 | 7,652 | 7,113 | 6,792 | 7,027 | 7,879 | 10,981 | 16,418 | 21,885 |
| Other miscellaneous revenue | 120,248 | 14,757 | 14,727 | 16,020 | 19,139 | 34,197 | 24,889 | 26,172 | 27,901 | 25,727 |
| Total governmental activities | <u>1,047,517</u> | <u>1,039,251</u> | <u>988,280</u> | <u>1,147,282</u> | <u>1,059,652</u> | <u>1,025,394</u> | <u>1,010,437</u> | <u>978,451</u> | <u>956,487</u> | <u>1,068,252</u> |
| CHANGE IN NET POSITION | <u>\$ (132,220)</u> | <u>\$ 26,233</u> | <u>\$ (54,273)</u> | <u>\$ 218,001</u> | <u>\$ 969,540</u> | <u>\$ 349,435</u> | <u>\$ 187,283</u> | <u>\$ 194,936</u> | <u>\$ 222,684</u> | <u>\$ 405,285</u> |

CITY OF TWIN OAKS, MISSOURI
PROGRAM REVENUES BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS
 (Accrual basis of accounting)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--|-------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|
| Governmental activities: | | | | | | | | | | |
| General government | \$ 86,538 | \$ 91,865 | \$ 63,261 | \$ 54,036 | \$ 763,979 | \$ 63,776 | \$ 55,962 | \$ 55,156 | \$ 56,145 | \$ 49,931 |
| Streets | 32,021 | 30,786 | 15,555 | 15,356 | 14,905 | 22,409 | 14,113 | 13,697 | 13,871 | 19,237 |
| Parks | 600 | 400 | 1,090 | 1,844 | 43,964 | 123,508 | 12,739 | 10,753 | - | 3,972 |
| Sewer lateral | <u>4,658</u> | <u>4,783</u> | <u>2,170</u> | <u>4,780</u> | <u>4,844</u> | <u>4,496</u> | <u>4,895</u> | <u>4,847</u> | <u>4,662</u> | <u>5,007</u> |
| Total governmental activities revenues | <u>\$ 123,817</u> | <u>\$ 127,834</u> | <u>\$ 82,076</u> | <u>\$ 76,016</u> | <u>\$ 827,692</u> | <u>\$ 214,189</u> | <u>\$ 87,709</u> | <u>\$ 84,453</u> | <u>\$ 74,678</u> | <u>\$ 78,147</u> |

CITY OF TWIN OAKS, MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund: | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,733 | \$ 6,684 |
| Unreserved | - | - | - | - | - | - | - | - | 521,911 | 603,548 |
| Nonspendable - prepaid items | 7,057 | 8,357 | 12,063 | 8,804 | 7,357 | 7,135 | 6,566 | 6,957 | - | - |
| Assigned | - | - | 38,800 | - | - | - | - | - | - | - |
| Unassigned | 555,298 | 623,672 | 602,267 | 743,973 | 716,220 | 631,922 | 532,070 | 492,257 | - | - |
| Total General Fund | <u>\$ 562,355</u> | <u>\$ 632,029</u> | <u>\$ 653,130</u> | <u>\$ 752,777</u> | <u>\$ 723,577</u> | <u>\$ 538,636</u> | <u>\$ 538,636</u> | <u>\$ 528,644</u> | <u>\$ 528,644</u> | <u>\$ 610,232</u> |
| All Other Governmental Funds: | | | | | | | | | | |
| Restricted: | | | | | | | | | | |
| Capital Improvements | \$ 503,433 | \$ 589,782 | \$ 762,485 | \$ 808,383 | \$ 714,503 | \$ 826,362 | \$ 739,046 | \$ 557,205 | \$ - | \$ - |
| Special revenue funds | 570,631 | 526,472 | 561,219 | 533,207 | 420,592 | 273,127 | 197,383 | 154,070 | - | - |
| Unreserved reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | - | - | - | 794,485 | 812,181 |
| Total all other governmental funds | <u>\$ 1,074,064</u> | <u>\$ 1,116,254</u> | <u>\$ 1,323,704</u> | <u>\$ 1,341,590</u> | <u>\$ 1,135,095</u> | <u>\$ 1,099,489</u> | <u>\$ 936,429</u> | <u>\$ 711,275</u> | <u>\$ 794,485</u> | <u>\$ 812,181</u> |

GASB Statement No. 54 was implemented in 2011.

CITY OF TWIN OAKS, MISSOURI
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--------------------|-------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 927,401 | \$ 1,018,924 | \$ 968,746 | \$ 1,132,991 | \$ 1,042,322 | \$ 990,146 | \$ 968,767 | \$ 948,261 | \$ 919,406 | \$ 1,028,068 |
| Intergovernmental | 32,021 | 30,786 | - | 1,644 | 43,964 | 129,833 | 10,240 | - | - | 9,760 |
| Licenses and permits | 76,322 | 76,560 | 64,238 | 60,179 | 60,169 | 58,737 | 59,974 | 59,575 | 61,033 | 54,522 |
| Charges for services | 10,816 | 15,705 | 7,316 | 2,300 | 2,105 | 2,685 | 3,365 | 2,315 | 1,745 | 1,430 |
| Sewer lateral fees | 4,658 | 4,783 | 2,170 | 4,780 | 4,844 | 4,496 | 4,895 | 4,847 | 4,662 | 5,007 |
| Other revenues | 120,248 | 14,757 | 15,867 | 16,270 | 19,139 | 45,943 | 27,388 | 36,925 | 27,901 | 25,727 |
| Investment income - interest | 6,038 | 7,580 | 7,652 | 7,113 | 6,792 | 7,027 | 7,879 | 10,981 | 16,418 | 21,885 |
| Total Revenues | <u>1,177,504</u> | <u>1,169,095</u> | <u>1,065,989</u> | <u>1,225,277</u> | <u>1,179,335</u> | <u>1,238,867</u> | <u>1,082,508</u> | <u>1,062,904</u> | <u>1,031,165</u> | <u>1,146,399</u> |
| Expenditures | | | | | | | | | | |
| General government | 423,453 | 426,145 | 477,687 | 423,271 | 323,320 | 319,616 | 340,640 | 370,316 | 437,010 | 338,139 |
| Sanitation and other health costs | 43,260 | 46,060 | 50,854 | 47,740 | 52,898 | 53,284 | 52,939 | 57,999 | 55,311 | 53,926 |
| Public safety | 118,164 | 104,779 | 107,720 | 102,460 | 99,010 | 98,971 | 96,132 | 98,676 | 97,348 | 96,438 |
| Streets | 150,808 | 133,424 | 135,515 | 127,510 | 140,903 | 113,453 | 73,340 | 77,069 | 79,166 | 52,756 |
| Parks | 187,208 | 155,694 | 152,469 | 154,281 | 155,641 | 147,683 | 137,773 | 119,489 | 143,832 | 126,584 |
| Stormwater | - | - | 10,555 | 41,913 | 6,729 | 17,400 | 42,805 | 4,785 | 1,530 | 7,406 |
| Sewer lateral | - | - | - | - | - | 2,088 | - | - | 2,000 | 8 |
| Capital outlay | 223,688 | 2,060,151 | 249,177 | 91,952 | 280,708 | 222,891 | 74,303 | 444,148 | 311,628 | 224,848 |
| Debt service: | | | | | | | | | | |
| Principal | 81,209 | 40,460 | - | - | - | - | - | 2,929 | 2,323 | 2,163 |
| Interest | 61,578 | 30,933 | - | - | - | - | - | 133 | 301 | 461 |
| Total Expenditures | <u>1,289,368</u> | <u>2,997,646</u> | <u>1,183,977</u> | <u>989,127</u> | <u>1,059,209</u> | <u>975,386</u> | <u>817,932</u> | <u>1,175,544</u> | <u>1,130,449</u> | <u>902,729</u> |
| Excess of revenues over (under) expenditures | <u>(111,864)</u> | <u>(1,828,551)</u> | <u>(117,988)</u> | <u>236,150</u> | <u>120,126</u> | <u>263,481</u> | <u>264,576</u> | <u>(112,640)</u> | <u>(99,284)</u> | <u>243,670</u> |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 162,094 | 215,352 | 160,884 | 169,032 | 304,584 | 146,425 | 48,909 | 46,659 | 157,362 | - |
| Transfers out | (162,094) | (215,352) | (160,884) | (169,032) | (304,584) | (146,425) | (48,909) | (46,659) | (157,362) | - |
| Proceeds from the issuance of debt | - | 1,600,000 | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>1,600,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balances | <u>\$ (111,864)</u> | <u>\$ (228,551)</u> | <u>\$ (117,988)</u> | <u>\$ 236,150</u> | <u>\$ 120,126</u> | <u>\$ 263,481</u> | <u>\$ 264,576</u> | <u>\$ (112,640)</u> | <u>\$ (99,284)</u> | <u>\$ 243,670</u> |
| Debt service as a percentage of noncapital expenditures | 12.5% | 7.2% | - | - | - | - | - | 0.4% | 0.4% # | 0.3% |

CITY OF TWIN OAKS, MISSOURI
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Sales Tax</u> | <u>Property Tax</u> | <u>Other</u> | <u>Total</u> |
|--------------------|----------------------|-------------------------|--------------|--------------|
| 2018 | \$ 889,343 | \$ 28,897 | \$ 9,161 | \$ 927,401 |
| 2017 | 986,199 | 24,552 | 8,173 | 1,018,924 |
| 2016 | 920,292 | 23,543 | 1,006 | 944,841 |
| 2015 | 1,076,608 | 29,469 | 1,127 | 1,107,204 |
| 2014 | 989,937 | 27,282 | - | 1,017,219 |
| 2013 | 936,311 | 29,348 | - | 965,659 |
| 2012 | 932,288 | 12,048 | - | 944,336 |
| 2011 | 919,783 | - | - | 919,783 |
| 2010 | 892,796 | - | - | 892,796 |
| 2009 | 1,002,135 | - | 4,544 | 1,006,679 |

CITY OF TWIN OAKS, MISSOURI
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FOR THE LAST TEN FISCAL YEARS

| Fiscal Year | Real Property | Personal Property | Railroads And Utilities (1) | Total | | Direct Tax Rate |
|-------------|------------------|----------------------|--------------------------------|-------------------|---------------------------|--------------------|
| | | | | Assessed Value | Estimated Actual Value | |
| 2018 | \$ 14,572,760 | \$ 1,459,740 | \$ 126,515 | \$ 16,159,015 | \$ 62,278,341 | \$ 0.322 |
| 2017 | 15,152,490 | 1,409,950 | 134,921 | 16,697,361 | 63,962,822 | 0.302 |
| 2016 | 14,009,010 | 1,403,400 | 132,920 | 15,545,330 | 58,662,807 | 0.312 |
| 2015 | 13,974,450 | 1,385,867 | 141,446 | 15,501,763 | 58,579,229 | 0.312 |
| 2014 | 13,014,620 | 1,368,210 | 130,019 | 14,512,849 | 55,376,137 | 0.342 |
| 2013 | 13,118,659 | 1,295,160 | 127,978 | 14,541,797 | 54,931,683 | 0.337 |
| 2012 | 13,802,015 | 1,310,830 | 128,955 | 15,241,800 | 58,217,489 | 0.326 |
| 2011 | 14,091,252 | 1,498,310 | 132,753 | 15,722,315 | 59,636,241 | - |
| 2010 | 14,316,865 | 1,807,220 | 132,272 | 16,256,357 | 61,417,961 | - |
| 2009 | 14,252,783 | 2,219,070 | 131,272 | 16,603,125 | 62,314,152 | - |

Source: St. Louis County Collector's Office

(1) The real estate position of railroads and utilities is included with the real estate category.

Notes: All real property is reassessed every two years. Property tax is levied each year on the assessed value listed as of prior January 1. Only commercial property located in the City is taxed. Assessed values are established by St. Louis County Assessment Board at 32% of estimated market value for commercial property. The tax rates are based on \$100 of assessed value.

CITY OF TWIN OAKS, MISSOURI
DIRECT AND OVERLAPPING PROPERTY TAX RATES
FOR THE LAST TEN FISCAL YEARS

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|
| City of Twin Oaks - Basic Rate | \$ 0.322 | \$ 0.302 | \$ 0.312 | \$ 0.312 | \$ 0.342 | \$ 0.337 | \$ 0.326 | \$ - | \$ - | \$ - |
| Overlapping governments: | | | | | | | | | | |
| State of Missouri | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 |
| County General | 0.1980 | 0.1980 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 |
| Co. Park Maintenance | 0.0470 | 0.0470 | 0.0490 | 0.0490 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Co. Bond Retirement | 0.0190 | 0.0190 | 0.0190 | 0.0190 | 0.0190 | 0.0280 | 0.0280 | 0.0280 | 0.0280 | 0.0630 |
| Roads and Bridges | 0.0990 | 0.0990 | 0.1030 | 0.1030 | 0.1050 | 0.1050 | 0.1050 | 0.1050 | 0.1050 | 0.1050 |
| Co. Health Fund | 0.1330 | 0.1330 | 0.1370 | 0.1370 | 0.1400 | 0.1400 | 0.1400 | 0.1400 | 0.1400 | 0.1500 |
| St. Louis Community College | 0.2129 | 0.2112 | 0.2185 | 0.2126 | 0.2200 | 0.2200 | 0.2200 | 0.2200 | 0.2179 | 0.2136 |
| Special School District | 1.1980 | 1.1912 | 1.2409 | 1.2348 | 1.2609 | 1.2400 | 1.0123 | 1.0125 | 0.9950 | 0.9384 |
| Metro Zoo | 0.2724 | 0.2694 | 0.2795 | 0.2777 | 0.2797 | 0.2797 | 0.2684 | 0.2671 | 0.2546 | 0.2493 |
| County Library | 0.2590 | 0.2530 | 0.2630 | 0.2590 | 0.2250 | 0.2500 | 0.1730 | 0.1630 | 0.1565 | 0.138 |
| Sheltered Workshops | 0.0890 | 0.0870 | 0.0900 | 0.0880 | 0.0900 | 0.8900 | 0.0840 | 0.0840 | 0.0790 | 0.0740 |
| MSD-Extension | 0.1170 | 0.1159 | 0.1196 | 0.0195 | 0.0197 | 0.0163 | 0.0186 | 0.0185 | 0.0180 | - |
| Valley Park School District (1) | 5.5600 | 5.4288 | 5.6642 | 5.4965 | 5.5910 | 5.6526 | 5.0587 | 4.9844 | 4.7174 | 4.5653 |
| Valley Park Fire District (1) | 1.1600 | 1.1390 | 1.2076 | 1.1860 | 1.3100 | 1.2780 | 1.1950 | 1.1530 | 1.131 | 1.0230 |
| Total Overlapping Governments | 9.3943 | 9.2215 | 9.4513 | 9.1421 | 9.3703 | 10.2096 | 8.4130 | 8.2855 | 7.9524 | 7.6296 |
| Total City And Overlapping Governments | \$ 9.716 | \$ 9.524 | \$ 9.763 | \$ 9.454 | \$ 9.712 | \$ 10.547 | \$ 8.739 | \$ 8.285 | \$ 7.952 | \$ 7.630 |

(1) The City elected to report Valley Park School District and the Valley Park Fire District tax authorities above. A portion of the City's residents are in the Parkway School District and West County Fire District. These District's tax rates are:

| | | | | | | | | | | |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| West County Fire District | 1.2490 | 1.2450 | 1.2920 | 1.2941 | 1.0000 | 0.0961 | 0.8960 | 0.8980 | 0.9130 | 0.7490 |
| Parkway School District | 5.2247 | 4.8758 | 4.7419 | 4.6796 | 4.1279 | 4.0743 | 3.9361 | 3.6761 | 3.5672 | 3.4100 |

Source - St. Louis County Collector's Office

Note: These figures represent residential property only and tax rates for commercial and personal property taxes may differ slightly. The City may not raise property tax rates above the maximum authorized levy of \$0.50 per \$100 of assessed valuation without a vote of the people. Only commercial property is taxed by the City.

* As of March 1, 2008 all Metropolitan St. Louis Sewer District (MSD), district wide and sub-districts (Cold Water) tax rates have been reduced to 0.0000. This is due to the new impervious stormwater rate. This charge appears on a customers bill as Storm Service Charge. The rate for 2008 was \$0.12 per 100 square feet of impervious area on the billed property. The rate for 2009 as approved by the Rate commission, was \$0.14 per 100 square feet. The rate in 2010 forward is a property as well as Storm Service Charge.

CITY OF TWIN OAKS, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent Collected As Current</u> | <u>Delinquent Tax Collections</u> | <u>Total Tax Collections</u> | <u>Total Collections As Percent Of Levy</u> |
|------------------------|---------------------|--|---|---|--------------------------------------|---|
| 2018 | \$ 28,539 | \$ 3,392 | 11.89 % | \$ - | \$ 3,392 | 11.89 % |
| 2017 | 28,491 | 7,623 | 26.76 | 20,868 | 28,491 | 100.00 |
| 2016 | 28,698 | 12,468 | 43.45 | 16,230 | 28,698 | 100.00 |
| 2015 | 28,701 | 16,930 | 58.99 | 11,771 | 28,701 | 100.00 |
| 2014 | 28,446 | 14,297 | 50.26 | 14,149 | 28,446 | 100.00 |
| 2013 | 28,082 | 14,250 | 50.74 | 13,832 | 28,082 | 100.00 |
| 2012 | 28,108 | 12,205 | 43.42 | 15,903 | 28,108 | 100.00 |
| 2011 | - | - | - | - | - | - |
| 2010 | - | - | - | - | - | - |
| 2009 | - | - | - | - | - | - |

Source: St. Louis County Collector's Office

Note: Sales tax revenue is the most significant own source revenue for the City, but is excluded from statistical section as sales tax information is confidential and not available from the State.

CITY OF TWIN OAKS, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
FOR THE LAST TEN FISCAL YEARS

Governmental Activities:

| <u>Fiscal Year</u> | <u>Capital Lease</u> | <u>Certificates of Participation</u> | <u>Total Primary Government</u> | <u>Percentage of Personal Income</u> | <u>Per Capita</u> |
|--------------------|--------------------------|--|---|--|-------------------|
| 2018 | \$ - | \$ 1,478,331 | \$ 1,478,331 | 8.98 % | \$ 3,771 |
| 2017 | - | 1,559,540 | 1,559,540 | 9.1 | 3,978 |
| 2016 | - | - | - | - | - |
| 2015 | - | - | - | - | - |
| 2014 | - | - | - | - | - |
| 2013 | - | - | - | - | - |
| 2012 | - | - | - | - | - |
| 2011 | - | - | - | - | - |
| 2010 | 2,929 | - | 2,929 | 0.02 | 7 |
| 2009 | 5,252 | - | 5,252 | 0.04 | 15 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF TWIN OAKS, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018

| <u>City of Twin Oaks</u> | <u>Debt Outstanding</u> | <u>Percentage Applicable To City Of Twin Oaks</u> | <u>Amount Applicable To City Of Twin Oaks</u> |
|--------------------------------------|-----------------------------|---|---|
| Direct | \$ 1,478,331 | 100.00 % | \$ 1,478,331 |
| Overlapping: | | | |
| St. Louis County | 92,215,000 | 0.01 | 9,222 |
| Parkway School District | 206,945,000 | 0.01 | 20,695 |
| Valley Park School District | 20,885,000 | 0.10 | 20,885 |
| West County Fire Protection District | 14,405,000 | 0.11 | 15,846 |
| Total Overlapping Debt | | | <u>66,648</u> |
| Total Direct And Overlapping Debt | | | <u><u>\$ 1,544,979</u></u> |

Sources: Individual taxing authorities

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should not be taken into account. However, this does not imply that every taxpayer is a resident - and therefore responsible for repaying the debt - of each overlapping government. The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

CITY OF TWIN OAKS, MISSOURI
LEGAL DEBT MARGIN INFORMATION
FOR THE LAST TEN FISCAL YEARS

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net Assessed Value | \$ 16,159,015 | \$ 16,697,361 | \$ 15,545,330 | \$ 15,501,763 | \$ 14,512,849 | \$ 14,541,797 | \$ 15,241,800 | \$ 15,722,315 | \$ 16,256,357 | \$ 16,603,125 |
| Debt limit (10% of assessed value) | 1,615,902 | 1,669,736 | 1,554,533 | 1,550,176 | 1,451,285 | 1,454,180 | 1,524,180 | 1,572,232 | 1,625,636 | 1,660,313 |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <u>\$ 1,615,902</u> | <u>\$ 1,669,736</u> | <u>\$ 1,554,533</u> | <u>\$ 1,550,176</u> | <u>\$ 1,451,285</u> | <u>\$ 1,454,180</u> | <u>\$ 1,524,180</u> | <u>\$ 1,572,232</u> | <u>\$ 1,625,636</u> | <u>\$ 1,660,313</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Note: Under Article VI, Sections 26(b) and 26(c) of the Missouri Constitution, the City by vote of 2/3 of the qualified electors thereof, may incur general obligation bonded indebtedness for City purposes in an amount not to exceed 5% of the assessed valuation of taxable tangible property within the City as asserted by the last completed assessment for state or county purposes. Under Section 26(d) of said Article VI, the City may incur general obligation indebtedness not exceeding in the aggregate an additional 10% of the aforesaid assessed valuation for the purposes of acquiring rights-of-way, constructing and improving sanitary or storm sewer systems; and under Section 26(e) of said Article VI, additional general obligation indebtedness may be incurred for purchasing or constructing waterworks, electric or other light plants to be owned exclusively by the City, provided that the general obligation indebtedness of the City shall not exceed 20% of the assessed valuation. The City does not have any debt related to the legal debt margin.

CITY OF TWIN OAKS, MISSOURI
DEMOGRAPHIC AND ECONOMIC STATISTICS
FOR THE LAST TEN CALENDAR YEARS

| <u>Fiscal Year</u> | <u>Population</u> | <u>Median Age</u> | <u>Personal Income (<i>thousands of dollars</i>)</u> | <u>Per Capita Personal Income</u> | <u>Unemployment Rate</u> |
|------------------------|-------------------|-----------------------|--|---|------------------------------|
| 2018 | 392 | 49.0 | \$ 16,464,392 | \$ 42,001 | 2.5 % |
| 2017 | 392 | 49.0 | 17,169,992 | 43,801 | 2.5 |
| 2016 | 392 | 49.3 | 15,253,116 | 40,498 | 3.6 |
| 2015 | 393 | 57.0 | 15,253,116 | 38,812 | 3.6 |
| 2014 | 392 | 49.0 | 13,580,000 | 35,831 | 4.7 |
| 2013 | 392 | 49.0 | 13,580,000 | 35,831 | 5.7 |
| 2012 | 392 | 49.0 | 13,580,000 | 35,831 | 6.0 |
| 2011 | 392 | 49.0 | 13,580,000 | 35,831 | 6.8 |
| 2010 | 392 | 49.0 | 13,580,000 | 35,831 | 8.5 |
| 2009 | 354 | 46.3 | 11,793,864 | 33,316 | 9.0 |

Sources: US Census Bureau for 2000 and 2010.
American Community Survey 2005 - 2009

CITY OF TWIN OAKS, MISSOURI
PRINCIPAL EMPLOYERS
FOR THE CURRENT YEAR AND NINE YEARS AGO

| <u>Employer</u> | <u>2018</u> | | | <u>2009</u> | | |
|-----------------------|------------------|-------------|--|------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Schnucks Market | 152 | 1 | 44 % | 138 | 1 | 30 % |
| Dairy Queen | 44 | 2 | 13 | 43 | 3 | 9 |
| Walgreens Pharmacy | 28 | 3 | 8 | 21 | 8 | 5 |
| Krieger's Pub & Grill | 27 | 4 | 8 | 30 | 6 | 7 |
| Imo's Pizza | 27 | 5 | 8 | 31 | 5 | 7 |
| Nicoletti's | 24 | 6 | 7 | 32 | 4 | 7 |
| Pizza Hut | 17 | 7 | 5 | 23 | 7 | 5 |
| Hardees | 16 | 8 | 5 | 14 | 9 | 3 |
| Subway | 7 | 9 | 2 | 12 | 10 | 3 |
| Shop N Save | - | - | - | 110 | 2 | 24 |

Source: City Business License Applications

CITY OF TWIN OAKS, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS

| Function/Program | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government: | | | | | | | | | | |
| Administrator/Clerk | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Administrative assistant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Accounting clerk | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Streets/parks: | | | | | | | | | | |
| Maintenance/landscaping | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total | <u>4</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> |

Source: Annual Budget Document and Payroll Records

CITY OF TWIN OAKS, MISSOURI
OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS

| Function/Program | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>General government:</u> | | | | | | | | | | |
| City clerk (1): | | | | | | | | | | |
| Site development/concept plans | 1 | 1 | 2 | - | - | 1 | 2 | - | - | - |
| Rezoning applications | - | - | 1 | - | - | - | - | - | 1 | - |
| Text amendments | - | - | - | - | - | - | - | - | - | - |
| Building permits | 5 | 10 | 5 | 12 | 16 | 11 | 17 | 12 | 13 | 7 |
| Building/housing inspections | 6 | 9 | 15 | 12 | 9 | 13 | 7 | 10 | 10 | 8 |
| Administrative assistant (2): | | | | | | | | | | |
| Accounts payable processed | 609 | 582 | 590 | 579 | 589 | 673 | 674 | 692 | 578 | 621 |
| Payroll checks authorized | 215 | 226 | 196 | 214 | 213 | 172 | 184 | 181 | 177 | 167 |
| Public records requested | 3 | 1 | 1 | - | 2 | 6 | 1 | 9 | 2 | 1 |
| Collector (3): | | | | | | | | | | |
| Business licenses issued | 39 | 38 | 36 | 37 | 37 | 34 | 35 | 35 | 34 | 31 |
| Liquor licenses issued | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 12 |
| Sewer lateral fees collected (4) | 176 | 176 | 165 | 167 | 160 | 161 | 164 | 163 | 156 | 165 |
| <u>Streets/parks:</u> | | | | | | | | | | |
| Maintenance/landscaping | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

(1) Source: Office records and St. Louis County Public Works Department records

(2) Source: Annual Budget Document and Payroll Records

(3) Source: Office Records/Business and Liquor License Applications

(4) Sewer lateral fees are collected by St. Louis County and remitted to the City.

CITY OF TWIN OAKS, MISSOURI
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS

| <u>Function/Program</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Parks:</u> | | | | | | | | | | |
| Number of parks | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Acres of parks | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| <u>Streets:</u> | | | | | | | | | | |
| Miles of streets | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Street lights and signals | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 |

Source: Office records