

**CITY OF TWIN OAKS  
BOARD OF ALDERMEN MEETING  
VIDEO CONFERENCE MEETING  
WEDNESDAY, June 17, 2020, 7:00 p.m.**

In view of the state of emergencies declared by the federal, state, county and City because of the global pandemic COVID-19, as well as the public health orders issued by the St. Louis County Health Department, in accord with the provisions of Twin Oaks Code §120.070 and §610.020, RSMo., the Board of Aldermen of City of Twin Oaks understands that it would be impossible and impractical—and possibly dangerous—for its meeting to be physically accessible to the public during this time.

To balance both the need for continuity of government and protection of the health and safety of our residents, business persons and employees, this meeting of the Board of Aldermen will not be open to public attendance *in person* but shall be accessible by the public by telephone (audio only) or by using their tablet/laptop/pc (audio/video) at:

**Telephone:** (312) 626-6799  
**Computer:** <https://us02web.zoom.us/j/5197276201>  
**Webinar ID:** 519-727-6201

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

Residents and others who wish to comment on any item not on the agenda may email their comments to City Clerk Frank Johnson, [fjohnson@cityoftwinoaks.com](mailto:fjohnson@cityoftwinoaks.com), by 6:30 p.m. on June 17, 2020, and their comments will be shared with the Board at the appropriate time. There is also an ability to comment during the videoconference meeting by opening the participants tab and clicking “raise hand” during the meeting when the Board reaches the “Citizen Comment” agenda items. The Agenda Packet for this meeting is available for viewing and download on the City’s Website – [www.cityoftwinoaks.com](http://www.cityoftwinoaks.com).

**Tentative Agenda**

- 1) REGULAR MEETING CALLED TO ORDER
- 2) PLEDGE OF ALLEGIANCE
- 3) ROLL CALL
- 4) APPROVAL OF AGENDA
- 5) APPROVAL OF CONSENT AGENDA
  - a) Board of Aldermen Regular Session Minutes from June 3, 2020
  - b) Bills List from May 30 to June 13, 2020
  - c) Credit Card List from March 17 to April 15, 2020
  - d) Credit Card List from April 16 to May 17, 2020

6) PRELIMINARY CITIZEN COMMENTS

7) NEW BUSINESS

- a) Resolution 20-14: A RESOLUTION OF THE TWIN OAKS BOARD OF ALDERMEN APPROVING AN AGREEMENT BETWEEN THE CITY OF TWIN OAKS AND J & M DISPLAYS, INC. FOR FIREWORKS DISPLAYS.
- b) Bill No. 20-07: AN ORDINANCE EXTENDING THE DUE DATE OF THE ANNUAL LICENSE FEE FOR BUSINESSES AND OCCUPATIONS PURSUANT TO CHAPTER 605 OF THE CODE OF ORDINANCES OF THE CITY OF TWIN OAKS.
- c) Bill No. 20-08: AN ORDINANCE AMENDING SECTION 140.040, “EMPLOYMENT POLICY” TO INCLUDE PERSONAL SPENDING STIPEND AS EMPLOYMENT BENEFIT AS ESTABLISHED BY ORDINANCE NO. 423; SETTING THE PERSONAL SPENDING ACCOUNT BENEFIT LEVELS FOR 2020; REPEALING ORDINANCE NO. 423; AND RELATED MATTERS.

8) DISCUSSION ITEMS

- a) Food Truck Event
- b) Grant Opportunities
- c) Update to Reopening Policies

9) REPORT OF COMMITTEES/COMMISSIONS/CONTRACTORS

- a) Financial Statements — Jeff Blume
- b) FY 2019 Audit Report — Allen Schulte

10) ATTORNEY’S REPORT

11) CITY CLERK’S REPORT

12) MAYOR AND ALDERMEN COMMENTS

13) FINAL CITIZEN COMMENTS

(Remarks shall be limited to three (3) minutes on any one subject unless time is extended by the Board)

14) ADJOURNMENT

Frank Johnson  
City Clerk

POSTED: June 15, 2020, 2:00 p.m.

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

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF ALDERMEN OF TWIN OAKS,  
TWIN OAKS TOWN HALL  
ST. LOUIS COUNTY, MISSOURI  
WEDNESDAY, JUNE 3, 2020**

The meeting of the Twin Oaks Board of Aldermen was called to order at 7:00 pm. Roll Call was taken:

Mayor: Russ Fortune-yea

Aldermen: April Milne –yea  
Dennis Whitmore –yea

Lisa Eisenhauer – yea  
Tim Stoeckl – yea

Also Present: Frank Johnson, City Clerk  
Paul Rost, City Attorney

Permanent records are kept of all minutes and ordinances. Each ordinance is read a minimum of two times by title, unless otherwise noted.

**APPROVAL OF THE AGENDA**

Mayor Fortune added under Discussion Items item (d) Business License. Mayor Fortune asked if there were any additional changes to the agenda. Hearing no other changes, Alderman Milne motioned to approve the Agenda as amended, seconded by Alderman Whitmore. The motion passed by a voice vote.

**APPROVAL OF THE CONSENT AGENDA**

Mayor Fortune asked if there were any changes to the Consent Agenda consisting of the May 20, 2020 Regular Session Minutes and the Bills List from May 16, 2020 to May 29, 2020. Alderman Whitmore had a question correction to the May 20, 2020 Minutes. Alderman Whitmore motioned to approve the Consent Agenda as amended seconded by Alderman Stoeckl. The motion passed by voice vote.

**REPORT OF COMMITTEES/COMMISSIONS/CONTRACTORS**

**Police Report:** Officer Wehner reviewed the May Police Report. He stated that there had been a burglary on Crescent Avenue. The incident is still under investigation but they feel they are close to bringing the case to an end. Mayor Fortune asked Officer Wehner when a crime such as this occurs within the City could the City be notified so they may notify the residents. Officer Wehner will make sure this is done in the future.

## PRELIMINARY CITIZEN COMMENTS

There were no citizen comments.

### NEW BUSINESS

**Resolution 2020-11-A Resolution Of The Twin Oaks Board Of Aldermen Approving An Agreement With Crowder Construction, Inc. For The Construction Of Concrete Supports For A Wooden Footbridge:** Mayor Fortune asked for any questions concerning Resolution 2020-11. City Clerk Johnson stated him and John Williams, Public Works, met with MSD concerning the stream in this area. It is possible that this could be a blue line creek. MSD will get back with the City with an answer. Mayor Fortune asked for a motion to approve Resolution 2020-11. Alderman Whitmore motioned to approve Resolution 2020-11 dependent on response from MSD, seconded by Alderman Milne. The motion passed by voice vote.

**Resolution 2020-12-A Resolution Of The Twin Oaks Board Of Aldermen Approving An Agreement With Ottiger Tree Service LLC For The Removal Of Five Trees:** Mayor Fortune asked for any questions concerning Resolution 2020-12. Mayor Fortune asked for a motion to approve Resolution 2020-12. Alderman Milne motioned to approve Resolution 2020-12, seconded by Alderman Stoeckl. The motion passed by voice vote.

**Resolution 2020-13-A Resolution Of The Twin Oaks Board Of Aldermen Approving An Agreement With The Davey Tree Expert Company For The Treatment Of A Damaged Tree At The Intersection Of Highway 141 And Big Bend Road:** Mayor Fortune asked for any questions concerning Resolution 2020-13. Mayor Fortune asked for a motion to approve Resolution 2020-13. Alderman Eisenhauer motioned to approve Resolution 2020-13, seconded by Alderman Whitmore. The motion passed by voice vote.

**Bill No. 20-06-An Ordinance Adopting And Enacting A New Code Of Ordinances Of The City Of Twin Oaks; Establishing The Same; Providing For The Repeal Of Certain Ordinances Not Included Therein, Except As Herein Expressly Provided; Providing For The Manner Of Amending Such Code Of Ordinances; Providing Penalty For The Violation Thereof; And Providing When This Ordinance Shall Become Effective:** First reading of Bill No. 20-06 was read. Mayor Fortune ask if there was any discussion on Bill No. 20-06. Alderman Eisenhauer gave a brief explanation of the ordinance. The second reading of Bill No. 20-06 was read. Alderman Milne motioned to approve Bill No. 20-06, seconded by Alderman Whitmore and the motion passed on a roll call vote as follows: Aldermen Milne-yea, Eisenhauer-yea Whitmore-yea and Stoeckl-yea. Mayor Fortune stated that Bill No. 20-06 Being duly passed becomes Ordinance No. 20-06.

## DISCUSSION ITEMS

**Striping For Meramec Station Road:** City Clerk Johnson stated he had reviewed the proposal that was received last Fall for a bike lane along the west side of Meramec Station Road. He wanted to get some clarity from the Board if their intention was for a bike lane, walking lane or a multi-use lane, which would accommodate both bikes and pedestrians. The proposal that was received from Traffic Control was for 800 feet of striping beginning at Crescent Avenue and ending at the entrance to Herman and Grumke Dental Office. Would the Board like the lane to extend further?

Mayor Fortune stated he feels that since Meramec Station is a public road the City would need to have engineering plans first before moving forward with the project. He also stated that at some point Meramec Station will need to be resurfaced. Attorney Rost was in agreement that engineering plans are needed before the City moves forward. Discussion ensued.

The Board agreed that they would like the lane to extend as far as possible north to Big Bend Road. The Board would like City Clerk Johnson to contact BFA engineering to begin this portion of the project.

**Boly Lighting:** Alderman Whitmore stated that since the Boly entrance project has been put on hold, he would like to go ahead with the installation of the proposed decorative light to be placed in the medium on Boly Lane. He would also like the Board to consider in the future to extend the decorative lighting to Woodland Oaks and in front of Twin Oaks Presbyterian Church. Mayor Fortune stated that the cost of installation is fairly high.

Alderman Milne stated she felt the street light on Golden Oak should be installed before consideration of the light at the Boly entrance. Administrative Assistant Gonzales stated that Ameren did come out in February of this year and met with John Williams, Public Works. The City would be responsible to run a conduit from the electric source to the location of the light. An estimate to do this work was acquired from Bates Electric in February. The City would also need to acquire easement from the residents whose property the light will be placed. Discussion ensued. The Board was in agreement to look into the Golden Oak light first. City Clerk Johnson will begin this process and report back to the Board.

**Census Participation:** Alderman Whitmore reported that he has been checking on the progress of the census in Twin Oaks and it does not, at this time, look like the apartments have been included. He feels this is something the City should be checking on since it is important to the City that every resident is counted.

Alderman Eisenhauer was in agreement with Alderman Whitmore and stated that staff should check with the apartments to see if they have seen any activity regarding the Census.

Staff will check with the apartments and inquire with the County Census department regarding this issue.

**Business Licenses:** Mayor Fortune stated that in light of the pandemic and the economic impact to businesses in the community he would like to give the businesses in Twin Oaks 90 days to pay their business license fee. The fee is normally due July 1. Attorney Rost stated that an ordinance may be needed to temporarily suspend the section in the City's code to make this temporary adjustment. He will check into this and report back to the Board at the next meeting.

**Attorney's Report:** Attorney Rost had nothing to report at this time.

### **City Clerk's Report:**

#### **Updates**

- The water pump was delivered to Vandevanter on May 27. We are currently working to confirm the installation date.
- The City has begun the annual renewal process for business licenses. The renewal application forms were mailed to business on May 29 with a response deadline of June 30.
- Schnucks has submitted a sign permit application for modifying an exterior sign. They are planning to replace the current "Schnucks Pharmacy" sign with a "CVS Pharmacy" sign. The application has been sent to BFA to review its compliance with the approved Master Common Sign Plan for the development.
- I attended a Municipal Training Academy webinar hosted by the Municipal League of Metro St. Louis on May 28 covering employment law, COVID-19 and returning to work.

#### **Wooden Footbridge on Crescent**

- We received two additional bids from Davey Tree and Ottiger Tree for the removal of five trees along the creek bed near where the wooden footbridge will be installed. The Davey bid came in at \$3,300 and the Ottiger bid came in at \$2,800. We also asked for an updated bid from Tree Surgeon to include the removal of five trees instead of their original quote of \$2,200 for the removal of one tree, but we did not receive a response.
  - Based on the bids received, staff is recommending awarding the work to Ottiger Tree for a total cost not to exceed \$2,800.
- Crowder has signed the contract for the bridge support installation. Work on the bridge supports will begin once the trees are removed.

### **Damaged Tree on Highway 141**

- The approved contract for treatment of the damaged tree at the Highway 141 intersection was sent to Davey on May 27. We are expecting to have the signed contract back on June 1.

City Clerk Johnson also reported that Vandevanter was able to install the new waterfall pump in the Park today.

He also reported that the pharmacy located within Schnucks will soon become a CVS pharmacy. The office has received their sign permit and business license applications.

**Mayor and Aldermen Comments:** Mayor Fortune stated that he and City Clerk Johnson had a conference call with BFA Engineering concerning the proposed sidewalks along Crescent Avenue and what their recommendations would be. Mayor Fortune stated that this would be a project done in phases. BFA proposed a 4 step process beginning with drawing up preliminary plans using Google Earth. Secondly, an accurate survey would be needed along Crescent Avenue. The third step would be to sit down with the residents along Crescent Avenue and discuss the project and easements required to complete the project. Finally, create plans which would be used to go out for bid on the project.

Alderman Milne asked about the poles and moving them to accommodate the sidewalk and ADA compliance. Mayor Fortune stated that BFA recommended an alternate solution to moving the poles and did not mention ADA compliance at this time.

City Clerk Johnson stated that when curbing is installed for the sidewalks this will cause a drainage issue along Crescent Avenue. It is something that can be addressed and resolved, however will add cost to the project.

Mayor Fortune also stated that Representative Trish Gunby will be holding a Town Hall meeting Saturday June 6<sup>th</sup> at Manchester Park.

Voting went well on June 2<sup>nd</sup> at City Hall. Discussion ensued if the City should pass an ordinance stating if the Alderman are running unopposed the City would not need to hold an election. Attorney Rost stated that this would need to be done on a regular basis. The Board decided to not make a change at this time.

Alderman Whitmore stated that he would like to see payment for the tree removal and installation of the footbridge on Crescent Road be taken from the Park and Stormwater fund. Payment for the installation of the street lights would be taken from the Road fund.

**FINAL CITIZEN COMMENTS**

There were no final citizen comments.

**ADJOURNMENT**

There being no further business, Alderman Milne motioned to adjourn the regular meeting at 7:59 p.m., seconded by Alderman Eisenhower and the motion passed with the unanimous consent of the Board of those present.

Drafted By: \_\_\_\_\_  
Theresa Gonzales,  
Administrative Assistant

Date of Approval: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Frank Johnson  
City Clerk

\_\_\_\_\_  
Russ Fortune,  
Mayor, Board of Aldermen



| City of Twin Oaks            |                               |   |             |             |             |  |
|------------------------------|-------------------------------|---|-------------|-------------|-------------|--|
| Bills and Applied Payments   |                               |   |             |             |             |  |
| May 30, 2020 - June 12, 2020 |                               |   |             |             |             |  |
| Check No.                    | Invoice Date                  | Memo/Description  | Invoice No. | Bill Amt    | Check Amt   |  |
| 11637                        | Ray or Cindy Slama            | Reimbursement for Easter supplies   |             | \$33.60     | \$33.60     |  |
| 11638                        | Alternative Rain              |   |             |             |             |  |
| 11639                        | Cunningham, Vogel & Rost      | 4/4/1932 Replace valve solenoid at intersection   | 11783       | \$142.95    | \$142.95    |  |
|                              |                               | 5/31/2020 Teleconference with C. Juergens re: STL County ICC code; review and revise Sunshine law; review City plan for employees health compensation; review resolution re: CARES Act funding; teleconference with F. Johnson re: CUP procedure; review and revise amended development plan application for Dunkin Donuts; prepare for and respresent City with Dunkin Donuts; post issuance Bond Requirements; research re: bond compliance   | 64513       | \$3,306.00  |             |  |
|                              |                               | 5/31/2020 Teleconference with F. Johnson re agenda items; Board meeting packet; review minutes and need for open session minutes; correspondence with F. Johnson re audit; teleconference with F. Johnson re sunshine law; teleconference with F. Johnson re: police agreement, Handel agreement, medical expenses and police contract; review resolution for budget amendment; correspondence with Mayor and F. Johnson re building permits; review sign plan and correspondence with Dunkin Donuts; correspondence with F. Johnson re: J&M contract | 64514       | \$1,829.00  | \$5,135.00  |  |
| 11640                        | Davey Tree Expert Co.         | 5/22/2020 Fertilize and weed control in Park  | 914643173   | \$1,290.00  | \$1,290.00  |  |
| 11641                        | H&G Schultz Door              | 6/8/2020 Repair of key pad into main office   | 742934      | \$230.00    | \$230.00    |  |
| 11642                        | Harvey's Services, Inc.       | 5/31/2020 Mowing of Park, City Hall and Public areas  | SJNH17402   | \$3,222.59  | \$3,222.59  |  |
| 11643                        | Radarsign, Inc.               | 4/2/2020 Repair of radar sign   | 10526       | \$850.00    | \$850.00    |  |
| 11644                        | Sohn Enterprises, LLC         | 6/11/2020 Removal of tree on Crescent Road  | 1784        | \$600.00    |             |  |
|                              |                               | 6/12/2020 Mulch around restrooms, split rail fence and rose garden in Park  | 1804        | \$1,500.00  |             |  |
|                              |                               | 6/11/2020 Mulch all landscaping beds, and tree rings at City Hall   | 1797        | \$1,425.00  |             |  |
|                              |                               | 6/12/2020 Removal of 29 marked trees in wooded area above basketball court  | 1803        | \$4,575.00  |             |  |
|                              |                               | 6/11/2020 Emergency removal of tree that had fallen across park access road   | 1783        | \$1,075.00  | \$9,175.00  |  |
| 11645                        | TruGreen                      | 6/3/2020 Lawn service at City Hall  |             | \$79.00     | \$79.00     |  |
| 11646                        | Traffic Control               | 6/10/2020 (2) street signs  | 9230-IN     | \$64.98     | \$64.98     |  |
| Online                       | Waste Management              | 5/27/2020 Monthly service for June  |             | \$3,880.40  | \$3,880.40  |  |
| Online                       | St. Louis County Public Works | 5/24/2020 Occupancy Inspection  |             | \$95.50     | \$95.50     |  |
| Online                       | Mastercard                    | 5/17/2020 Monthly billing   |             | \$1,590.61  | \$1,590.61  |  |
| Online                       | MSD                           | 5/21/2020 Monthly service for 50 Crescent Ave   |             | \$72.18     | \$72.18     |  |
| Online                       | Ameren Missouri               | 5/26/2020 Monthly service for 1 Twin Oaks Ct.   |             | \$46.69     | \$46.69     |  |
| Online                       | Ameren Missouri               | 5/26/2020 Monthly service for City Hall   |             | \$878.66    | \$878.66    |  |
| Online                       | Ameren Missouri               | 5/26/2020 Monthly service for 141 & Big Bend Road   |             | \$50.91     | \$50.91     |  |
| Online                       | Ameren Missouri               | 5/26/2020 Monthly service 50 Crescent Ave. water pump   |             | \$146.42    | \$146.42    |  |
| Online                       | Ameren Missouri               | 5/26/2020 Monthly service 50 Crescent Ave.  |             | \$25.95     | \$25.95     |  |
| Online                       | Mo-American Water             | 5/26/2020 Monthly service 50 Crescent Ave   |             | \$10.09     | \$10.09     |  |
| Online                       | Mo-American Water             | 5/26/2020 Monthly service 1381 Big Bend Rd. Irrigation  |             | \$261.21    | \$261.21    |  |
| Online                       | Mo-American Water             | 5/20/2020 Monthly service City Hall   |             | \$43.89     | \$43.89     |  |
| Online                       | Mo-American Water             | 5/20/2020 Monthly service 1240 Derbyshire Dr. Irrigation  |             | \$63.91     | \$63.91     |  |
| Online                       | Spire                         | 5/22/2020 Monthly service City Hall   |             | \$46.44     | \$46.44     |  |
| Online                       | Spire                         | 5/22/2020 Monthly service 50 Crescent Ave.  |             | \$41.92     | \$41.92     |  |
| Online                       | Ameren Missouri               | 6/5/2020 Monthly service-Street lights  |             | \$608.98    | \$608.98    |  |
| Online                       | MO-American Water             | 6/2/2020 Monthly service-1 Twin Oaks Ct. Firepark   |             | \$25.20     | \$25.20     |  |
| Online                       | St. Louis County Public Works | 6/7/2020 Occupancy Inspection   |             | \$95.50     | \$95.50     |  |
| Online                       | MSD                           | 6/5/2020 Monthly service-City Hall  |             | \$31.22     | \$31.22     |  |
| Online                       | St. Louis County Treasurer    | 6/8/2020 Monthly service for June   |             | \$11,092.49 | \$11,092.49 |  |
|                              |                               | Alderman  |             |             |             |  |
|                              |                               |   |             |             |             |  |
|                              |                               |   |             |             |             |  |
|                              |                               |   |             |             |             |  |
|                              |                               | Alderman  |             |             |             |  |



Credit Card List  
April 16 - May 17, 2020

| Date        | Name                       | Memo/Description             | Amount   |
|-------------|----------------------------|------------------------------|----------|
| 4/16/2020   | Phillips 66 Petromart      | Fuel for truck and equipment | 51.40    |
| 4/19/2020   | Lowe's                     | Cleaning supplies            | 24.24    |
| 4/19/2020   | Amazon                     | Coffee pot                   | 88.99    |
| 4/20/2020   | Valley Park Elevator Corp. | Park supplies                | 66.17    |
| 4/22/2020   | Menards                    | Epoxy and safety glasses     | 7.56     |
| 4/23/2020   | Adobe                      | Monthly charge               | 14.99    |
| 4/26/2020   | Lowe's                     | Park supplies                | 28.95    |
| 4/27/2020   | Phillips 66 Petromart      | Fuel for truck and equipment | 30.00    |
| 4/27/2020   | Valley Park Elevator Corp. | Concrete and fish food       | 53.98    |
| 4/30/2020   | Lowe's                     | Paint                        | 118.92   |
| 5/1/2020    | Intuit                     | Monthly charge               | 70.00    |
| 5/2/2020    | Home Depot                 | Stain                        | 88.59    |
| 5/6/2020    | Zoom                       | Monthly charge               | 14.99    |
| 5/11/2020   | Greenscapes                | Flowers                      | 789.11   |
| # 5/12/2020 | Lowe's                     | Paint                        | 101.72   |
| 5/14/2020   | Phillips 66 Petromart      | Fuel for truck and equipment | 41.00    |
|             |                            |                              |          |
|             |                            |                              | 1,590.61 |

**A RESOLUTION OF THE TWIN OAKS BOARD OF ALDERMEN  
APPROVING AN AGREEMENT BETWEEN THE CITY OF TWIN OAKS  
AND J & M DISPLAYS, INC. FOR FIREWORKS DISPLAYS**

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**BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF TWIN OAKS, MISSOURI, AS FOLLOWS:**

**Section 1.** The Board of Aldermen hereby approves, and the Mayor is hereby authorized to enter a contract on behalf of the City of Twin Oaks with J & M Displays, Inc., for fireworks displays. Such contract shall be in substantially the form of the contract, marked "Exhibit 1" attached hereto and incorporated herein by reference.

**Section 2.** This Resolution is adopted and shall be in full force and effect on and after its passage and approval.

THIS RESOLUTION WAS PASSED AND APPROVED THE 17<sup>th</sup> DAY OF JUNE, 2020, BY THE BOARD OF ALDERMEN OF THE CITY OF TWIN OAKS, MISSOURI.

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Russ Fortune, Mayor

Attest:

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Frank Johnson, City Clerk

**Exhibit 1**  
**City of Twin Oaks, Missouri**  
**FIRST AMENDMENT TO**  
**SERVICES CONTRACT**  
**- FIREWORKS DISPLAY -**

WHEREAS, after seeking bids for technical and cost proposals from qualified bidders for aerial firework display services on October 28, 2019 for an initial term of one-year, with options to renew for two additional years for the City's annual Independence Day celebration, the City contracted with J&M to provide the fireworks display on July 3, 2020 at a cost of \$26,000 and which included an option for two additional years at the same level of display and price; and,

WHEREAS, the Services Contract, dated December 6, 2019, was approved by the Board of Aldermen by Resolution 2019-24 (the "Contract"); and,

WHEREAS, after the City paid \$26,000 for the 2020 fireworks display but before J&M could perform the initial term of the Contract, the various states of emergencies, stay-at-home orders, social distancing requirements resulting from the COVID-19 pandemic caused the cancellation of the 2020 firework display;

WHEREAS, the Parties have agreed to postpone the 2020 fireworks display until July 3, 2021, with agreement that J&M will keep \$5,000 as a deposit and return the balance of the \$26,000 fee the City already paid; and,

WHEREAS, the Parties wish to amend the Contract to reflect the new term and to extend the two (2) option years to 2022 and 2023;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements set forth in the this First Amended Contract, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree that the Contract is amended as follows:

**Amendment 1.** Section II, *Term*, is amended to read as follows:

**II. TERM**

- A.** This Agreement will be for one (1) year from the Date of the First Amended Contract.
- B.** Options: At its sole discretion, the City shall have an option to renew this First Amended Contract for the year 2022 and, if the City exercises that option, it shall have the option to renew for the year 2023.

**Amendment 2.** Section III, *Compensation*, is amended to add the following underlined words to Section II so that it now reads as follows:

**III. COMPENSATION**

**A. Basic Compensation.** The City hereby agrees to pay the Contractor a total of \$26,000 as full compensation for the complete and satisfactory performance of the contract and the specific display set forth in Exhibit A, and all expenses and costs related thereto, as follows:

- \$5,000\* City's deposit due upon execution of the Agreement
- \$21,000 \* Due upon satisfactory completion of the Services by the Contractor

\*The City paid Contractor the full 2020 contract price of \$26,000 in 2019 in anticipation of the 2020 fireworks display. However, the parties hereby agree that Contractor will return \$21,000 to the City within ten business days of the date of this First Amended Contract and the Parties further agree that Contractor will keep \$5,000 as the City's deposit for the July 3, 2021 fireworks display.

**B. Option Years.** The price for the option years shall be as set forth in the bid proposal and shall be on July 3 of each year or such other date and alternate display date set may be set by the City at the time of exercising the option. The option shall be exercised by the City no less than one hundred twenty (120) days prior to the date of the fireworks display. A form of letter exercising the option is attached as Attachment 1 and incorporated herein by reference.

**Amendment 3.** Section IV is amended to read as follows:

**IV. TIME AND MANNER OF PAYMENTS**

All invoices complete with necessary support documentation shall be submitted by mail or electronically to the City Clerk, Frank Johnson - [fjohnson@cityoftwinoaks.com](mailto:fjohnson@cityoftwinoaks.com), and payment shall be made as set forth in Section II above.

**Amendment 4.** Section V is amended to read as follows:

**V. CONTRACT SCHEDULE**

The display will occur on July 3, 2021 at approximately 9 p.m. In the event that weather conditions result in a cancellation of the display, the display will occur on July 10, 2021. If the display is not able to occur on July 3 or July 10, 2021, for any reason, the Parties shall come to a mutually agreeable date that is within one (1) year of July 4, 2021. The terms of the General Conditions notwithstanding, should the City cancel the fireworks display less than 30 days prior to the fireworks display date, the City shall pay Contractor an amount equal to 50% of the Compensation agreed to herein; if the cancellation is more than 30 days prior to the display date, the City shall be entitled to a full refund of the deposit less any actual cost incurred by the Contractor for purchasing fireworks for the display, not to exceed the deposit amount. This shall be Contractor's sole remedy for the City's cancellation of this contract. If the City exercises one or more of its options, the above schedule shall apply for the option year.

This contract shall be complete upon satisfactory performance by both parties. Nothing herein shall limit the application of the indemnification provision after performance of the Fireworks Display Services.

**Amendment 5.** All other provisions of the Agreement, including but not limited to the General Conditions, Scope of Services, and response to request for proposal shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have signed this First Amended Agreement as of the effective date of Contract first above written.

**J & M DISPLAYS, INC.**

**CITY OF TWIN OAKS, MISSOURI**

By: \_\_\_\_\_

By: \_\_\_\_\_  
Mayor

Title: \_\_\_\_\_

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

ATTEST:  
  
\_\_\_\_\_  
City Clerk

**Attachment 1**  
Exercise of Option Form

J&M Displays, Inc.  
9555 State Road Y  
Dittmer, MO 63023

*Via email: kwischmeyer@jandmdisplays.com*

Dear Mr. Wischmeyer:

Pursuant to Section III of our Services Contract as amended (the "Agreement"), this will confirm that the 2021 Display will occur on **Saturday, July 3, 2021** at approximately 9 p.m. (the "Display"). This will also confirm that, per Section III of the Agreement, the Display will substantially similar in length and presentation as the display described in Exhibit A to the Agreement and that the cost of the Display shall not exceed \$26,000. The City encloses herewith a deposit of \$5,000 for the Display.

Per the Agreement, should weather conditions result in a cancellation of the July 3 Display (the "Original date"), the Display will occur on July 10, 2021 (the "Alternate Date"). If the Display is not able to occur on the Original Date or the Alternate Date, the parties will mutually agree on another date that is within one (1) year of July 4, 2021. If the fireworks display is permanently cancelled by the City, less than 30 days prior to the fireworks display date, the City shall pay Contractor an amount equal to 50% of the compensation agreed to herein. All terms shall be governed by the Agreement.

Please indicate your agreement with these terms for the Display by signing at the bottom and returning to me.

Sincerely,

Frank Johnson,  
City Clerk

**Agreed to and accepted:**

**J&M Displays, Inc.**

By: \_\_\_\_\_

BILL NO. \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE EXTENDING THE DUE DATE OF THE ANNUAL LICENSE FEE FOR BUSINESSES AND OCCUPATIONS PURSUANT TO CHAPTER 605 OF THE CODE OF ORDINANCES OF THE CITY OF TWIN OAKS**

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**WHEREAS**, due to the spread of the novel coronavirus (“COVID-19”), the World Health Organization officially declared a pandemic on March 11, 2020; and

**WHEREAS**, the Governor of the State of Missouri declared a state of emergency in response to the spread of COVID-19 on March 13, 2020; and

**WHEREAS**, as a result of the state of emergency, the County Executive of St. Louis County, Missouri issued multiple executive orders to limit the spread of COVID-19 which required many businesses and occupations to cease operations; and,

**WHEREAS**, the City has a business and occupation license which requires payment of an annual fee (the “business license fee”), found in Chapter 605 of the Code of Ordinances of the City of Twin Oaks, every year before July 16; and

**WHEREAS**, the Board of Aldermen of the City of Twin Oaks desires to extend the due date of the annual business license fee, by ninety (90) days to alleviate the potential financial strain on local businesses as a result of the COVID-19 pandemic.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF TWIN OAKS, MISSOURI, AS FOLLOWS:**

**Section 1.** The Board of Aldermen hereby extends the due date for payment of annual business license fees in Chapter 605 by ninety (90) days, through and including October 14, 2020.

**Section 2.** As a result of this extension, payment of the annual license fee after July 16, 2020 but before October 15, 2020 will not result in any violation subject to penalties as found in Section 605.240. Remitting payment on October 15, 2020 or later will be considered a violation subject to penalties.

**Section 3.** This Ordinance shall be in full force and effect on and after its passage and approval by the Mayor.

PASSED AFTER HAVING BEEN READ IN FULL OR BY TITLE TWO TIMES PRIOR TO PASSAGE BY THE BOARD OF ALDERMEN OF THE CITY OF TWIN OAKS, MISSOURI, THIS 17<sup>th</sup> DAY OF JUNE, 2020.

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Russ Fortune, Mayor

Attest:

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Frank Johnson, City Clerk



**AN ORDINANCE AMENDING SECTION 140.040, “EMPLOYMENT  
POLICY” TO INCLUDE PERSONAL SPENDING STIPEND AS  
EMPLOYMENT BENEFIT AS ESTABLISHED BY ORDINANCE NO. 423;  
SETTING THE PERSONAL SPENDING ACCOUNT BENEFIT LEVELS  
FOR 2020; REPEALING ORDINANCE NO. 423; AND RELATED MATTERS**

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**WHEREAS**, prior to 2014, the Twin Oaks Personnel Policy Manual, Chapter 140, established a flexible spending account in Section 140.040(E)(3), as an employee benefit under which the City contributed an annual predetermined amount (based on available budget funds) to each eligible employee to go towards dependent child care or medical expenses, which are eligible for the plan to include dental, medical and vision (the “Flex Plan”); and,

**WHEREAS**, in 2014, in reaction to changes in the law relating to flexible spending accounts brought about by the Affordable Care Act (i.e., to use contributions made by an employer to a flexible spending account an employee must be enrolled in an employer-provided group health plan), the Board adopted Ordinance No. 423 creating a “Personal Spending Account” benefit for the City’s eligible employees in the amount of \$2,500 annually; and,

**WHEREAS**, although the Personal Spending Account benefit created by Ordinance No. 423 was apparently intended to replace the Flex Plan, Ordinance No. 423 did not expressly repeal the language in Section 140.040(E)(3) relating to the existing Flex Plan; and,

**WHEREAS**, the Board now desires to repeal the reference to the superseded Flex Plan in Section 140.040(E)(3) and update that section to instead include reference to the Personal Spending Account benefit created by Ordinance No. 423; and,

**WHEREAS**, the Board further seeks to finalize an outstanding term of the understanding the Board had when it hired Frank Johnson as City Clerk, namely, to establish a program through which he could be made whole for the difference between his current medical program and the cost of switching to his spouse’s program, which amount was agreed to be \$6,000; and,

**WHEREAS**, because the law allowing the use of pre-tax compensation to reimburse employees is generally limited to employers who provide a health care plan or employees who have purchased health insurance through the exchange, the City will use its existing personal spending stipend, for such reimbursement as a taxable compensation; and,

**WHEREAS**, in recognition that any contribution will be taxable compensation, the Board wishes to “gross up” the City’s contribution to Mr. Johnson so that it nets out to the agreed upon \$6,000; and

**WHEREAS**, an analysis produced by the City’s payroll software estimates this amount to be \$8,362.00 and the Board desires to establish that amount as the amount to be contributed to Mr. Johnson’s Personal Spending Account on an annual basis.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF TWIN OAKS, MISSOURI, AS FOLLOWS:**

**Section 1.** The Board of Aldermen hereby repeals in its entirety, Section 140.040(E)(3), that currently reads:

3. *Flex Plan.* The City contributes an annual predetermined amount (based on available budget funds) to each eligible employee to go towards dependent child care or medical expenses, which are eligible for the plan to include dental, medical and vision. The eligible employee is allowed to increase this account by one thousand five hundred dollars (\$1,500.00) of their own pretax contributions.

In its place, the Board hereby adopts a new Section 140.040(E)(3), to read as follows:

3. *Personal Spending Stipend.* As part of an eligible employee's compensation, the City contributes an annual predetermined amount (based on available budgeted funds) to each eligible employee or class of employees that may go towards dependent childcare expenses, healthcare costs, college tuition, savings, or any other use the employee may desire. The Board may set the annual stipend by ordinance, resolution, motion or by way of the approved budget. Nothing herein shall require the stipend to be uniform across all classes of employees and the Board may differentiate from class to class.

**Section 2.** The Board of Aldermen hereby sets the 2020 Personal Spending Stipend at \$2,500 for all eligible employees paid on an hourly basis and \$8,362.00 for the City's salaried employee. The stipend shall be paid in equal amounts at each pay period and which periodic payment is calculated by dividing the total annual stipend by the total number of pay periods for the applicable calendar year. The stipend levels set herein shall continue year to year until modified as set forth in Section 1 above.

**Section 3.** Having now codified the establishment of the personal spending benefit as set forth in Section 1, above, the Board of Aldermen hereby repeals Ordinance No. 423.

**Section 4.** This Ordinance shall be in full force and effect on and after its passage and approval by the Mayor.

PASSED AFTER HAVING BEEN READ IN FULL OR BY TITLE TWO TIMES PRIOR TO PASSAGE BY THE BOARD OF ALDERMEN OF THE CITY OF TWIN OAKS, MISSOURI, THIS 17<sup>th</sup> DAY OF JUNE, 2020.

---

Russ Fortune, Mayor

Attest:

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Frank Johnson, City Clerk



**Memo to:** Board of Aldermen  
**From:** Frank Johnson, City Clerk  
**Subject:** Grant Programs  
**Date:** June 12, 2020

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**BOARD ACTION REQUIRED**

- No immediate board action is needed.

**BACKGROUND**

Staff recently attended webinars on two potential grant programs the City may be interested in pursuing. Information on the programs are provided below.

**Transportation Alternatives Program (TAP)**

This federal grant program is administered by East-West Gateway Council of Governments and is similar to the Surface Transportation Program to which the City recently applied. TAP is more narrowly focused toward small-scale bicycle and pedestrian projects and has a smaller pool of money available, around \$10 million for Missouri. Like the STP program, it covers 80 percent of the cost with a 20 percent local match.

The sidewalk project the City is considering for a portion of Crescent Avenue would likely be eligible for TAP. As with the STP grant, competition for this funding will be very high and the application will require extensive documentation if the City wishes to be competitive. The application requirements include:

- Project location map, clearly identifying aspects.
- Letters of support must be for current funding round and for specific project. Can use letters from the most recent STP, just need to be dated within a year.
- Completed application form and checklist.
- Application fee is ½ of 1 percent of fed funds requested.
- Estimate of Project Costs excel file.
- Typical section illustration.
- Optional but recommended: letters of support, documentation of public involvement process, photographs of existing conditions, preliminary plan sketches, bike/ped crash reports.

Preliminary applications are due July 9 with project review workshops later that month. Final applications are due Aug. 20 with funding recommendations in January 2021 and final approval by East-West Gateway's board in March.

More information on the program and application requirements can be found at [www.ewgateway.org/tap](http://www.ewgateway.org/tap).



### **Municipal Park Commission Grants**

The Municipal Park Commission is now accepting applications for its latest round of grants. The City has successfully applied for these grants in the past.

The program funds a wide variety of park improvements, including playgrounds, pavilions, athletic courts and fields, restrooms/comfort stations, parking areas, park amenities, ADA improvements, lakes/waterfalls, dog parks, irrigation, park amenities, splash pads and other special projects.

Due to the uncertainty created by COVID-19, the commission is only allocated \$4.5 million this year, which is half the usual amount. For cities under 2,000 in population, the maximum grant amount is \$265,000. Applications are due Aug. 28.

More information on this round of grants from the Municipal Park Commission can be found at [www.muniparkgrants.org](http://www.muniparkgrants.org).

**Memo to:** Board of Aldermen  
**From:** Frank Johnson, City Clerk  
**Subject:** Lifting of Restrictions Due to the COVID-19 Pandemic  
**Date:** June 12, 2020

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### **BOARD ACTION REQUIRED**

- Approve policies for staff implementation.

### **STAFF RECOMMENDATION**

Staff recommends the City take the following steps, starting on June 29:

- Resume rentals of city facilities (community room and pavilion), providing the activity is for no more than 50 people.
- Open meetings of boards and commissions to members of the public but require attendees to wear face masks. The City will provide masks, if needed.
- Continue operational health and safety measures at City Hall, including screenings and face masks for employees.
- Consider opening the playground, the road into the park and the park bathrooms. The initial announcement from St. Louis County did not contain any guidance on the issue of playgrounds or other recreational equipment.

### **BACKGROUND**

St. Louis County will begin lifting restrictions on activity due to the pandemic on June 29. The steps announced so far include:

- Raising the capacity limits for businesses to 50 percent of fire code capacity.
- No longer limiting crowd sizes to 10 or fewer people with no limit for outside events as long as people continue to practice social distancing and wear masks.
  - The county is also asking that any “special events” submit operating plans to the Department of Public Health.

As of June 12, no formal order or update had been issued by the St. Louis County Department of Public Health. However, with the guidelines above in mind, the City can also begin to consider relaxing some of its own restrictions on June 29.



**CITY OF  
TWIN OAKS, MISSOURI**

**MONTHLY OPERATING  
FINANCIAL STATEMENTS**

**AS OF AND FOR THE FIVE  
MONTHS ENDED MAY 31, 2020 AND  
MAY 31, 2019**

**City of Twin Oaks, Missouri**  
**Balance Sheets**  
**May 31, 2020 and 2019**

|   | <b>2020</b>         | <b>2019</b>         |
|---|---------------------|---------------------|
| <b>ASSETS</b>   |                     |                     |
| 3-115 Enterprise Bank - Sewer Lateral                     | \$ 56,669           | \$ 56,280           |
| 4-113 US Bank Trust Account                               | 136                 | 136                 |
| 9-100 Petty Cash  | 100                 | 100                 |
| 9-111 Meramec Money Market                                | 10,477              | 10,444              |
| 9-112.1 Enterprise Bank-General Checking                  | 143,691             | 76,574              |
| 9-112.2 Enterprise Bank - Gen. Money Market               | 803,612             | 1,085,836           |
| 9-112.3 Enterprise Bank - Special Account                 | 62,257              | 59,390              |
| 9-122.2 CD Meramec Valley .5987 9/8/19                    | 114,845             | 113,818             |
| 9-128 Escrow Deposits Payable                             | (10,000)            | (10,000)            |
| 9-129 Accrued Interest                                    | 88                  | 88                  |
| <b>Total Bank Accounts</b>                                | <b>1,181,874</b>    | <b>1,392,665</b>    |
| 9-130 Accounts Receivable                                 | 854                 | 854                 |
| 1-180 Taxes Receivable - Road                             | 8,324               | 9,239               |
| 2-180 Taxes Receivable - Park                             | 62,578              | 27,996              |
| 3-180 Taxes Receivable - Sewer Lateral                    | 1,497               | 1,373               |
| 4-180 Taxes Receivable - CI                               | 53,192              | 23,797              |
| 9-144 Prepaid Items                                       | 7,057               | 7,057               |
| 9-180 Taxes Receivable - GF                               | 151,372             | 104,462             |
| 9-180.1 Deferred Property Taxes Receivable                | 14,741              | -                   |
| 9-181 Other receivables                                   | -                   | 1,210               |
| <b>TOTAL ASSETS</b>                                       | <b>\$ 1,481,489</b> | <b>\$ 1,568,653</b> |
| <b>LIABILITIES AND EQUITY</b>                             |                     |                     |
| 9-210 MVB Credit MasterCard                               | \$ 5,496            | \$ 10,341           |
| 1-201 Accounts Payable - Cap Improve                      | 9,540               | 5,275               |
| 2-201 Accounts Payable - Parks                            | 7,386               | 17,045              |
| 2-240 Park Reservation Deposits                           | 750                 | 800                 |
| 4-201 ACCOUNTS PAYABLE - CIST                             | 2,583               | 154                 |
| 9-201 Accounts Payable - GF                               | 10,673              | 13,619              |
| 9-233 LAGER Liability                                     | 642                 | 2,134               |
| 9-239 Accrued Payroll                                     | 14,512              | 4,945               |
| 9-240 Community Room Deposits                             | 780                 | 600                 |
| 9-281 Deferred property tax revenue-Annual Assessment     | 14,741              | 14,741              |
| Total Liabilities   | 64,521              | 69,655              |
| <b>Fund Balance</b>                                       |                     |                     |
| 2-301 Park & Storm Fund Balance                           | 509,480             | 509,480             |
| 3-301 Sewer Lateral Fund Balance                          | 61,151              | 61,149              |
| 4-301 Cap Impr Fund Balance                               | 503,433             | 503,431             |
| 9-301 General Fund Balance                                | 562,355             | 562,354             |
| 9-390 Retained Earnings                                   | (354,769)           | (1)                 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 135,318             | (137,415)           |
| Total Fund Balance  | 1,416,968           | 1,498,998           |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b>                 | <b>\$ 1,481,489</b> | <b>\$ 1,568,653</b> |

**CITY OF TWIN OAKS, MISSOURI**  
**STATEMENTS OF REVENUES AND EXPENDITURES, FUND BALANCE AND CHANGE IN FUND BALANCE**  
**FOR THE FIVE MONTHS ENDED MAY 31, 2020 AND MAY 31, 2019**

|   | MAY 31, 2020 |            |             |            |            |              |              |        | MAY 31, 2019 |               |        |
|---|--------------|------------|-------------|------------|------------|--------------|--------------|--------|--------------|---------------|--------|
|   | Sewer        | CIST       | Road        | Parks      | General    | Total        | Budget       | % Bdgt | Actual       | DIFFERENCE    |        |
|   |              |            |             |            |            |              |              |        |              | FAV / (UNFAV) |        |
|   |              |            |             |            |            |              |              |        | Amount       | %             |        |
| <b>REVENUES RECEIVED</b>  |              |            |             |            |            |              |              |        |              |               |        |
| Sales Taxes   | \$ -         | \$ 112,523 | \$ -        | \$ 132,380 | \$ 240,874 | \$ 485,776   | \$ 1,007,300 | 48 %   | \$ 397,361   | \$ 88,415     | 22 %   |
| Property Taxes  | -            | -          | 32,698      | -          | 19,572     | 52,270       | 55,600       | 94 %   | 24,750       | 27,521        | 111 %  |
| Intergovernmental Taxes   | -            | -          | 4,184       | -          | 6,706      | 10,889       | 27,400       | 40 %   | 9,834        | 1,055         | 11 %   |
| Licenses, Permits & Fees  | 3,337        | -          | -           | -          | 8,476      | 11,814       | 102,000      | 12 %   | 9,524        | 2,290         | 24 %   |
| Grants  | -            | -          | -           | -          | -          | -            | -            | -      | -            | -             | -      |
| Miscellaneous Revenue   | -            | -          | -           | 100        | 2,667      | 2,767        | 3,200        | 86 %   | 3,200        | (433)         | (14)%  |
| Interest Income   | 1,681        | -          | -           | -          | 1,275      | 2,955        | 5,000        | 59 %   | 2,460        | 495           | 20 %   |
|   | 5,018        | 112,523    | 36,882      | 132,480    | 279,570    | 566,472      | 1,200,500    | 47 %   | 447,129      | 119,343       | 27 %   |
| <b>EXPENDITURES PAID</b>  |              |            |             |            |            |              |              |        |              |               |        |
| Personnel Services  | -            | -          | 18,372      | 12,226     | 61,303     | 91,901       | 261,100      | 35 %   | 97,254       | 5,353         | 6 %    |
| Administrative  | -            | -          | -           | -          | 54,704     | 54,704       | 104,500      | 52 %   | 61,568       | 6,864         | 11 %   |
| Operating   | -            | -          | 35,653      | 40,781     | 28,182     | 104,616      | 244,900      | 43 %   | 83,178       | (21,438)      | (26)%  |
| Contractual   | -            | -          | -           | -          | 30,587     | 30,587       | 105,300      | 29 %   | 40,028       | 9,441         | 24 %   |
| Police  | -            | -          | -           | -          | 55,462     | 55,462       | 126,200      | 44 %   | 53,592       | (1,870)       | (3)%   |
| Lease   | -            | -          | -           | -          | -          | -            | 100          | -      | (76)         | (76)          | 100 %  |
| Repairs and Maintenance   | -            | -          | 839         | 15,194     | -          | 16,033       | 44,200       | 36 %   | 11,889       | (4,144)       | (35)%  |
| Debt Service  | -            | 71,379     | -           | -          | -          | 71,379       | 142,800      | 50 %   | 71,393       | 14            | 0 %    |
| Capital additions   |              |            |             |            |            |              |              |        |              |               |        |
| Stormwater  | -            | -          | -           | -          | -          | -            | 700          | -      | -            | -             | -      |
| Other   | -            | -          | 6,472       | -          | -          | 6,472        | 151,500      | 4 %    | 165,718      | 159,246       | 96 %   |
| Total   | -            | 71,379     | 61,335      | 68,202     | 230,238    | 431,154      | 1,181,300    | 36 %   | 584,544      | 153,390       | 26 %   |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b> | 5,018        | 41,144     | (24,454)    | 64,278     | 49,332     | 135,318      | 19,200       | 705 %  | (137,415)    | \$ 272,733    | (198)% |
| <b>FUND BALANCE -</b>   |              |            |             |            |            |              |              |        |              |               |        |
| Beginning of Year   | 65,305       | 285,045    | -           | 273,406    | 504,507    | 1,128,263    | 1,128,263    |        | 1,748,283    |               |        |
| End of Period   | \$ 70,323    | \$ 326,189 | \$ (24,454) | \$ 337,684 | \$ 553,839 | \$ 1,263,581 | \$ 1,147,463 |        | \$ 1,610,868 |               |        |
| <b>CHANGE IN FUND BALANCE</b>   |              |            |             |            |            |              |              |        |              |               |        |
| Budget  | 100          | (9,000)    | -           | 67,600     | (39,500)   | 19,200       |              |        |              |               |        |
| Actual Over/(Under) Budget  | \$ 4,918     | \$ 50,144  | \$ (24,454) | \$ (3,322) | \$ 88,832  | \$ 116,118   |              |        |              |               |        |



**CITY OF TWIN OAKS, MISSOURI**  
**STATEMENTS OF REVENUES AND EXPENDITURES,**  
**FUND BALANCE AND CHANGE IN FUND BALANCE**

| BUDGET - FYE 12/31/2020                                   |           |            |           |            |            |              |
|---|-----------|------------|-----------|------------|------------|--------------|
|   | Sewer     | CIST       | Road      | Parks      | General    | Total        |
| <b>REVENUES RECEIVED</b>                                  |           |            |           |            |            |              |
| Sales Taxes   | \$ -      | \$ 239,100 | \$ -      | \$ 292,900 | \$ 475,300 | \$ 1,007,300 |
| Property Taxes  | -         | -          | 15,200    | -          | 40,400     | 55,600       |
| Intergovernmental Taxes                                   | -         | -          | 10,400    | -          | 17,000     | 27,400       |
| Licenses, Permits & Fees                                  | 4,700     | -          | -         | -          | 97,300     | 102,000      |
| Grants  | -         | -          | -         | -          | -          | -            |
| Miscellaneous Revenue                                     | -         | -          | -         | -          | 3,200      | 3,200        |
| Interest Income   | 400       | -          | -         | -          | 4,600      | 5,000        |
|   | 5,100     | 239,100    | 25,600    | 292,900    | 637,800    | 1,200,500    |
| <b>EXPENDITURES PAID</b>                                  |           |            |           |            |            |              |
| Court   | -         | -          | -         | -          | -          | -            |
| Personnel Services  | -         | -          | 39,700    | 42,800     | 178,600    | 261,100      |
| Administrative  | -         | -          | -         | -          | 104,500    | 104,500      |
| Operating   | 5,000     | -          | 79,800    | 83,200     | 76,900     | 244,900      |
| Contractual   | -         | -          | -         | -          | 105,300    | 105,300      |
| Police  | -         | -          | -         | -          | 126,200    | 126,200      |
| Lease   | -         | -          | -         | -          | 100        | 100          |
| Repairs and Maintenance                                   | -         | -          | 10,800    | 33,400     | -          | 44,200       |
| Debt Service  | -         | 142,800    | -         | -          | -          | 142,800      |
| Capital additions   |           |            |           |            |            |              |
| Stormwater  | -         | -          | -         | 700        | -          | 700          |
| Other   | -         | 65,000     | 78,500    | 8,000      | -          | 151,500      |
| Total   | 5,000     | 207,800    | 208,800   | 168,100    | 591,600    | 1,181,300    |
| Excess (deficiency) of revenues over (under) expenditures | 100       | 31,300     | (183,200) | 124,800    | 46,200     | 19,200       |
| <b>OTHER SOURCES(USES) OF FUND</b>                        |           |            |           |            |            |              |
| Transfers   | -         | (40,300)   | 183,200   | (57,200)   | (85,700)   | -            |
| <b>TOTAL</b>  | -         | (40,300)   | 183,200   | (57,200)   | (85,700)   | -            |
| <b>CHANGE IN FUND BALANCE</b>                             | 100       | (9,000)    | -         | 67,600     | (39,500)   | 19,200       |
| <b>FUND BALANCE -</b>                                     |           |            |           |            |            |              |
| Beginning of Year   | 65,305    | 285,045    | -         | 273,406    | 504,507    | 1,128,263    |
| End of Period   | \$ 65,405 | \$ 276,045 | \$ -      | \$ 341,006 | \$ 465,007 | \$ 1,147,463 |
| <b>CHANGE IN FUND BALANCE</b>                             |           |            |           |            |            |              |
| Budget  |           |            |           |            |            |              |
| Actual Over/(Under) Budget                                |           |            |           |            |            |              |

**CITY OF TWIN OAKS, MISSOURI**  
**STATEMENTS OF REVENUES AND EXPENDITURES,**  
**FUND BALANCE AND CHANGE IN FUND BALANCE**

|   | ACTUAL - MAY 31, 2020 |            |             |            |            |              |
|---|-----------------------|------------|-------------|------------|------------|--------------|
|   | Sewer                 | CIST       | Road        | Parks      | General    | Total        |
| <b>REVENUES RECEIVED</b>                                  |                       |            |             |            |            |              |
| Sales Taxes   | \$ -                  | \$ 112,523 | \$ -        | \$ 132,380 | \$ 240,874 | \$ 485,776   |
| Property Taxes  | -                     | -          | 32,698      | -          | 19,572     | 52,270       |
| Intergovernmental Taxes                                   | -                     | -          | 4,184       | -          | 6,706      | 10,889       |
| Licenses, Permits & Fees                                  | 3,337                 | -          | -           | -          | 8,476      | 11,814       |
| Grants  | -                     | -          | -           | -          | -          | -            |
| Miscellaneous Revenue                                     | -                     | -          | -           | 100        | 2,667      | 2,767        |
| Interest Income   | 1,681                 | -          | -           | -          | 1,275      | 2,955        |
|   | 5,018                 | 112,523    | 36,882      | 132,480    | 279,570    | 566,472      |
| <b>EXPENDITURES PAID</b>                                  |                       |            |             |            |            |              |
| Court   | -                     | -          | -           | -          | -          | -            |
| Personnel Services  | -                     | -          | 18,372      | 12,226     | 61,303     | 91,901       |
| Administrative  | -                     | -          | -           | -          | 54,704     | 54,704       |
| Operating   | -                     | -          | 35,653      | 40,781     | 28,182     | 104,616      |
| Contractual   | -                     | -          | -           | -          | 30,587     | 30,587       |
| Police  | -                     | -          | -           | -          | 55,462     | 55,462       |
| Lease   | -                     | -          | -           | -          | -          | -            |
| Repairs and Maintenance                                   | -                     | -          | 839         | 15,194     | -          | 16,033       |
| Debt Service  | -                     | 71,379     | -           | -          | -          | 71,379       |
| Capital additions   |                       |            |             |            |            |              |
| Stormwater  | -                     | -          | -           | -          | -          | -            |
| Other   | -                     | -          | 6,472       | -          | -          | 6,472        |
| Total   | -                     | 71,379     | 61,335      | 68,202     | 230,238    | 431,154      |
| Excess (deficiency) of revenues over (under) expenditures | 5,018                 | 41,144     | (24,454)    | 64,278     | 49,332     | 135,318      |
| <b>OTHER SOURCES(USES) OF FUND</b>                        |                       |            |             |            |            |              |
| Transfers   | -                     | -          | -           | -          | -          | -            |
| <b>TOTAL</b>  | -                     | -          | -           | -          | -          | -            |
| <b>CHANGE IN FUND BALANCE</b>                             | 5,018                 | 41,144     | (24,454)    | 64,278     | 49,332     | 135,318      |
| <b>FUND BALANCE -</b>                                     |                       |            |             |            |            |              |
| Beginning of Year   | 65,305                | 285,045    | -           | 273,406    | 504,507    | 1,128,263    |
| End of Period   | \$ 70,323             | \$ 326,189 | \$ (24,454) | \$ 337,684 | \$ 553,839 | \$ 1,263,581 |
| <b>CHANGE IN FUND BALANCE</b>                             |                       |            |             |            |            |              |
| Budget  | 100                   | (9,000)    | -           | 67,600     | (39,500)   | 19,200       |
| Actual Over/(Under) Budget                                | 4,918                 | 50,144     | (24,454)    | (3,322)    | 88,832     | 116,118      |

**CITY OF TWIN OAKS, MISSOURI**  
**STATEMENTS OF REVENUES AND EXPENDITURES,**  
**FUND BALANCE AND CHANGE IN FUND BALANCE**

|   | ACTUAL - MAY 31, 2019 |            |             |            |            |              |
|---|-----------------------|------------|-------------|------------|------------|--------------|
|   | Sewer                 | CIST       | Road        | Parks      | General    | Total        |
| <b>REVENUES RECEIVED</b>                                  |                       |            |             |            |            |              |
| Sales Taxes   | \$ -                  | \$ 89,892  | \$ -        | \$ 105,756 | \$ 201,713 | \$ 397,361   |
| Property Taxes  | -                     | -          | 7,736       | -          | 17,014     | 24,750       |
| Intergovernmental Taxes                                   | -                     | -          | 4,199       | -          | 5,635      | 9,834        |
| Licenses, Permits & Fees                                  | 1,386                 | -          | -           | -          | 8,138      | 9,524        |
| Grants  | -                     | -          | -           | -          | -          | -            |
| Miscellaneous Revenue                                     | -                     | -          | -           | -          | 3,200      | 3,200        |
| Interest Income   | 236                   | -          | -           | -          | 2,224      | 2,460        |
|   | 1,622                 | 89,892     | 11,935      | 105,756    | 237,923    | 447,129      |
| <b>EXPENDITURES PAID</b>                                  |                       |            |             |            |            |              |
| Court   | -                     | -          | -           | -          | -          | -            |
| Personnel Services  | -                     | -          | 17,899      | 11,946     | 67,409     | 97,254       |
| Administrative  | -                     | -          | -           | -          | 61,568     | 61,568       |
| Operating   | -                     | -          | 46,436      | 9,689      | 27,053     | 83,178       |
| Contractual   | -                     | -          | -           | -          | 40,028     | 40,028       |
| Police  | -                     | -          | -           | -          | 53,592     | 53,592       |
| Lease   | -                     | -          | -           | -          | (76)       | (76)         |
| Repairs and Maintenance                                   | -                     | -          | 1,955       | 9,934      | -          | 11,889       |
| Debt Service  | -                     | 71,393     | -           | -          | -          | 71,393       |
| Capital additions   |                       |            |             |            |            |              |
| Stormwater  | -                     | -          | -           | -          | -          | -            |
| Other   | -                     | 4,333      | 10,295      | 151,089    | -          | 165,718      |
| Total   | -                     | 75,727     | 76,585      | 182,659    | 249,574    | 584,544      |
| Excess (deficiency) of revenues over (under) expenditures | 1,622                 | 14,166     | (64,649)    | (76,903)   | (11,651)   | (137,415)    |
| <b>OTHER SOURCES(USES) OF FUND BALANCE</b>                |                       |            |             |            |            |              |
| Transfers   | -                     | -          | -           | -          | -          | -            |
| <b>TOTAL</b>  | -                     | -          | -           | -          | -          | -            |
| <b>CHANGE IN FUND BALANCE</b>                             | 1,622                 | 14,166     | (64,649)    | (76,903)   | (11,651)   | (137,415)    |
| <b>FUND BALANCE -</b>                                     |                       |            |             |            |            |              |
| Beginning of Year   | 56,196                | 589,782    | -           | 470,276    | 632,029    | 1,748,283    |
| End of Period   | \$ 57,818             | \$ 603,948 | \$ (64,649) | \$ 393,373 | \$ 620,378 | \$ 1,610,868 |
| <b>CHANGE IN FUND BALANCE</b>                             |                       |            |             |            |            |              |
| Budget  |                       |            |             |            |            |              |
| Actual Over/(Under) Budget                                |                       |            |             |            |            |              |

**CITY OF TWIN OAKS,  
MISSOURI**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2019**

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***CITY OF TWIN OAKS, MISSOURI***  
***COMPREHENSIVE ANNUAL***  
***FINANCIAL REPORT***  
***YEAR ENDED DECEMBER 31, 2019***

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***Prepared By: City Clerk***

**CITY OF TWIN OAKS, MISSOURI**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

**CONTENTS**

|   | PAGE |
|---|------|
| <b>INTRODUCTORY SECTION:</b>  |      |
| List Of Principal Officials   | i    |
| GFOA Certificate Of Achievement For Excellence In Financial Reporting   | ii   |
| Organizational Chart  | iii  |
| Letter Of Transmittal   | iv   |
| <b>FINANCIAL SECTION:</b>   |      |
| Independent Auditors' Report  | 1    |
| Management's Discussion And Analysis  | 4    |
| Basic Financial Statements:   |      |
| Statement Of Net Position   | 10   |
| Statement Of Activities   | 11   |
| Balance Sheet - Governmental Funds  | 12   |
| Reconciliation Of The Statement Of Net Position Of Governmental<br>Funds To The Balance Sheet   | 13   |
| Statement Of Revenues, Expenditures And Changes In<br>Fund Balances - Governmental Funds  | 14   |
| Reconciliation Of The Statement Of Revenues, Expenditures And<br>Changes In Fund Balances Of Governmental Funds To The<br>Statement Of Activities | 15   |
| Notes To Financial Statements   | 16   |
| <b>REQUIRED SUPPLEMENTARY INFORMATION:</b>  |      |
| Budgetary Comparison Schedule - General Fund  | 30   |
| Budgetary Comparison Schedule - Road Fund   | 31   |
| Budgetary Comparison Schedule - Parks and Storm Water Fund  | 32   |
| Note To Required Supplementary Information  | 33   |
| Schedule Of Changes In Net Pension Liability (Asset) And Related Ratios   | 34   |
| Schedule Of Employer Contributions  | 35   |
| <b>SUPPLEMENTAL INFORMATION:</b>  |      |
| Budgetary Comparison Schedule - Capital Improvements Fund   | 36   |
| Budgetary Comparison Schedule - Sewer Lateral Fund  | 37   |

***CITY OF TWIN OAKS, MISSOURI***  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

**CONTENTS**

- continued -

|  | PAGE |
|--|------|
| <b>STATISTICAL SECTION:</b>  |      |
| Net Position By Component  | 38   |
| Changes In Net Position  | 39   |
| Program Revenues By Function/Program                               | 40   |
| Fund Balances - Governmental Funds                                 | 41   |
| Changes In Fund Balances - Governmental Funds                      | 42   |
| Tax Revenues By Source - Governmental Funds                        | 43   |
| Assessed Value And Estimated Actual Value Of Taxable Property      | 44   |
| Direct And Overlapping Property Tax Rates                          | 45   |
| Property Tax Levies And Collections                                | 46   |
| Ratios Of Outstanding Debt By Type                                 | 47   |
| Direct And Overlapping Governmental Activities Debt                | 48   |
| Legal Debt Margin Information                                      | 49   |
| Demographic And Economic Statistics                                | 50   |
| Principal Employers  | 51   |
| Full-Time Equivalent City Government Employees By Function/Program | 52   |
| Operating Indicators By Function/Program                           | 53   |
| Capital Asset Statistics By Function/Program                       | 54   |

# INTRODUCTORY SECTION



***CITY OF TWIN OAKS, MISSOURI***  
**LIST OF PRINCIPAL OFFICERS**

DECEMBER 31, 2019

| <b>Elected Officials</b>      | <b>Term</b>             |
|-------------------------------|-------------------------|
| Russ Fortune<br>Mayor         | April 2019 – April 2021 |
| Lisa Eisenhauer<br>Alderwoman | April 2019 – April 2021 |
| April Milne<br>Alderwoman     | April 2018 – April 2020 |
| Tim Stoeckl<br>Alderman       | April 2018 – April 2020 |
| Dennis Whitmore<br>Alderman   | April 2019 – April 2021 |



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
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**City of Twin Oaks  
Missouri**

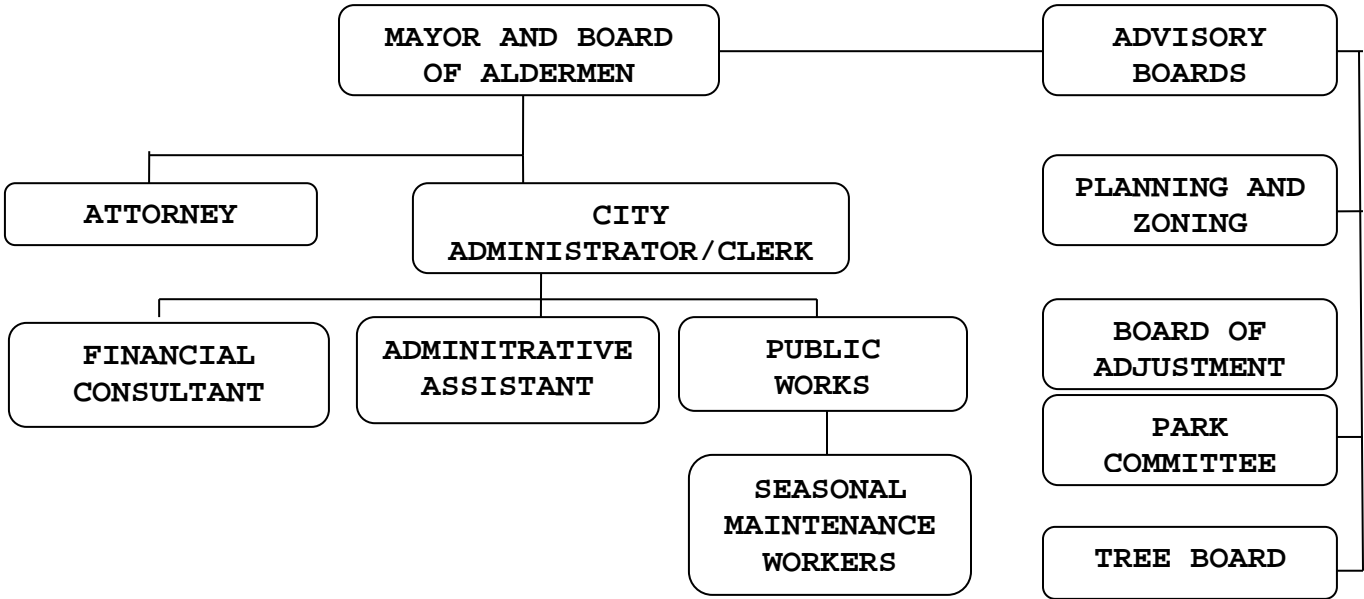
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

**CITY OF TWIN OAKS, MISSOURI  
ORGANIZATIONAL CHART**





June 8, 2020

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, 2019, is hereby submitted. This report was prepared by the City Clerk 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, fast-growing community with a population of approximately 500, 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 I-44, I-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 taxes on personal property, 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. In the last year, home values have increased markedly 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 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. While the Shop N' Save closed in 2018, the City has seen a substantial transfer of retail sales dollars from this store to Schnucks.

In 2019, the Big Bend Square Redevelopment project was completed. This mixed use development included a facelift for all existing businesses within the shopping area as well as new buildings and additional retail establishments. The most substantial feature of the redevelopment is "The Village of Twin Oaks," which features 219 new apartments with all the amenities. As a result, the population of Twin Oaks will possibly double once the apartments are fully occupied.

## **LONG-TERM FINANCIAL PLANNING**

The voters approved a ½ cent capital improvement sales tax. These funds are being used for major re-construction 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 2019, the City continued its policy of not assessing property taxes to residential and personal property.

## **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, 2018. This was the 12th 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 continues to meet 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,



Frank Johnson  
City 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, 2019, 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, 2019, 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.

## ***Emphasis-of-matter***

As discussed in Note 12, the City expects to be affected by the global outbreak of the novel strain of the coronavirus. At the time the financial statements were issued the financial effects on the City cannot be predicted. Our opinion is not modified with respect to this matter.

## ***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.

*Botz, Deal & Company*

St. Charles, Missouri

June 8, 2020

**CITY OF TWIN OAKS, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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, 2019. 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 \$5,442,772. This is a decrease of \$71,882 from prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,281,646, a decrease of \$354,773 in comparison to the prior year.
- At the close of the current fiscal year, the fund balance for the General Fund was \$502,293.
- The City's total long-term liabilities decreased by a net \$86,909 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 \$5,442,772 as of December 31, 2019. 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**

|                                     | 2019                | 2018                |
|-------------------------------------|---------------------|---------------------|
| Current and other assets            | \$ 1,360,238        | \$ 1,707,331        |
| Capital assets, net of depreciation | 5,555,150           | 5,358,832           |
| Total assets                        | <u>6,915,388</u>    | <u>7,066,163</u>    |
| Deferred outflows of resources      | <u>15,810</u>       | <u>18,114</u>       |
| Current and other liabilities       | 77,788              | 69,332              |
| Long-term liabilities               | 1,402,072           | 1,486,689           |
| Total liabilities                   | <u>1,479,860</u>    | <u>1,556,021</u>    |
| Deferred inflows of resources       | <u>8,566</u>        | <u>13,602</u>       |
| Net position:                       |                     |                     |
| Net investment in capital assets    | 4,161,309           | 3,880,501           |
| Restricted                          | 779,353             | 1,074,064           |
| Unrestricted                        | 502,110             | 560,089             |
| Total net position                  | <u>\$ 5,442,772</u> | <u>\$ 5,514,654</u> |

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 \$71,882. The key elements of this decrease are as follows:

**Table 2**

|  | <u>2019</u>         | <u>2018</u>         |
|--|---------------------|---------------------|
| Revenues:                                      |                     |                     |
| Program revenues:                              |                     |                     |
| Charges for service                            | \$ 72,265           | \$ 91,796           |
| Operating and capital grants and contributions | 57,168              | 32,021              |
| General revenues:                              |                     |                     |
| Taxes  | 1,061,089           | 921,231             |
| Investment income                              | 7,704               | 6,038               |
| Other  | 19,416              | 120,248             |
| Total revenues                                 | <u>1,217,642</u>    | <u>1,171,334</u>    |
| Expenses:                                      |                     |                     |
| General government                             | 517,194             | 534,743             |
| Sanitation and other health costs              | 44,272              | 43,260              |
| Public safety                                  | 131,638             | 121,181             |
| Streets  | 273,875             | 244,664             |
| Parks  | 248,791             | 284,402             |
| Stormwater                                     | 14,539              | 14,539              |
| Sewer lateral                                  | 1,923               | -                   |
| Interest and fiscal charges                    | 57,292              | 60,765              |
| Total expenses                                 | <u>1,289,524</u>    | <u>1,303,554</u>    |
| Change in net position                         | (71,882)            | (132,220)           |
| Net position, beginning of year                | 5,514,654           | 5,646,874           |
| Net position, end of year                      | <u>\$ 5,442,772</u> | <u>\$ 5,514,654</u> |

Total 2019 revenues of \$1,217,642, shown in Table 2, compared with total revenues of \$1,171,334 in 2018 represents an increase in total revenues of \$46,308, or about 4.0%. Sales taxes increased approximately \$134,000 in 2019 compared to 2018. This increase was offset by a reduction in other revenue which was the result of a settlement reimbursement of \$100,000 for damage to the pond in the City's park in 2018.

Total 2019 expenses decreased by \$14,030 in 2019 compared to 2018. Public Safety expense increased due to an increase in the contract with St. Louis County for policing services. Streets expenses increased due to increased costs for snow plowing, because of more snow events in 2019 compared to 2018. Approximately \$14,000 of the decrease in Park expenses was due to a decrease in use of individuals hired to provide security in the park. Also, in 2018 there was approximately \$24,000 repair and maintenance expenditures, which did not meet the requirements to be capitalized and therefore were expensed.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2019, the City had invested in a broad range of capital assets, including public works equipment, buildings, park facilities, and roads (See Table 3). This represents a net increase (including additions and deductions) of \$196,318 or 3.7% over the prior fiscal year.

**Table 3**

|  | 2019                | 2018                | Increase<br>(Decrease) |
|--|---------------------|---------------------|------------------------|
| Land and construction in progress            | \$ 1,309,097        | \$ 1,334,478        | \$ (25,381)            |
| Buildings                                    | 2,182,757           | 2,244,908           | (62,151)               |
| Building improvements                        | 33,652              | 35,378              | (1,726)                |
| Improvements other than buildings            | 744,942             | 499,119             | 245,823                |
| Machinery and equipment                      | 52,880              | 53,883              | (1,003)                |
| Infrastructure                               | 1,231,822           | 1,191,066           | 40,756                 |
| Total capital assets,<br>net of depreciation | <u>\$ 5,555,150</u> | <u>\$ 5,358,832</u> | <u>\$ 196,318</u>      |

The most significant additions to capital assets this fiscal year were improvements made to the lake in the City's park and new street lights on Big Bend. 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 \$1,393,841 in outstanding debt compared to \$1,478,331 at the end of the prior fiscal year.

**Table 4**

|                               | 2019                | 2018                | Increase<br>(Decrease) |
|-------------------------------|---------------------|---------------------|------------------------|
| Certificates of Participation | \$ 1,393,841        | \$ 1,478,331        | \$ (84,490)            |
| Compensated absences          | 5,939               | 8,358               | (2,419)                |
| Total                         | <u>\$ 1,399,780</u> | <u>\$ 1,486,689</u> | <u>\$ (86,909)</u>     |

During the fiscal year, the City made principal payments totaling \$84,490 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<br>Ending<br>2019 | Fiscal Year<br>Ending<br>2018 |
|------------------------------|-------------------------------|-------------------------------|
| Taxes                        | \$ 1,054,919                  | \$ 927,401                    |
| Intergovernmental            | 26,971                        | 32,021                        |
| Licenses and fees            | 67,917                        | 76,322                        |
| Charges for service          | 100                           | 10,816                        |
| Sewer lateral fees           | 4,248                         | 4,658                         |
| Other revenue                | 49,613                        | 120,248                       |
| Investment income - interest | 7,704                         | 6,038                         |
| Total Revenues               | \$ 1,211,472                  | \$ 1,177,504                  |

The increase in total revenues of \$33,968 represents an overall increase in revenue of 2.9%. The increase is due to an increase in sales tax collections of approximately \$134,000 offset by a one-time settlement payment that was received in 2018.

At the close of the City's fiscal year on December 31, 2019, the governmental funds of the City reported a combined fund balance of \$1,281,646. This is a decrease in fund balance of \$354,773. This amount is consistent with the City's overall revenue deficiency. The primary reason for the decrease was expenditures on two large capital projects; the dredging of the lake in the park and the lights on Big Bend Boulevard. Together, these projects exceeded residual revenue after operating expenditures.

### General Fund Budgetary Highlights

For 2019, actual revenues in the General Fund were \$614,925 as compared to the amended budget amount of \$615,300. The main change to the budget was additional anticipated sales tax. Sales tax receipts increased about 7.3% over the prior year due principally to conversion of retail sales from the shuttered grocery chain store to its competitor across the street.

For 2019, actual expenditures in the General Fund were \$617,872 compared to the amended budget amount of \$620,000. The main change to the budget was additional administrative and public safety costs.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The following is a synopsis of the 2020 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 two developments were in the last stages of completion at the close of the prior fiscal year. By the end of the current fiscal year they had increased the City's population by almost 50%.

- With developer projects and major repair and public works projects completed in Fiscal Year 2019, the City's intent is to begin a period of planning and reduced capital spending. The City is cognizant of its need to begin planning for its future capital financing needs - see Debt Service below.

### **Revenues and Expenditures**

- Overall, the City expects modest increases in revenues; only about 2.8% above prior year forecasted revenues. This increase will largely result from an anticipated increase in property tax collections resulting from the aforementioned commercial, mixed-use developments and business license fees resulting from retail sales conversion.
- The City expects modest wage and salary rate increases in the coming year.
- The City expects all other costs to moderate.

### **Debt service**

As of December 31, 2019, the total assessed valuation for the City of Twin Oaks was about \$24,821,000. 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 about \$2,481,000, or twenty percent (20%) for infrastructure related projects. The City's outstanding Certificates of Participation are not considered general obligation bonded debt.

The City's budgeted annual debt service is \$142,900. This amount is the sum of principal and interest for Certificates of Participation. This amount is due for Fiscal Years 2020 through 2026. In Fiscal Year 2027, the outstanding principal balance of about \$700,000 is due in its entirety.

### **COVID-19**

Subsequent to the end of the fiscal year that is presented in this Comprehensive Annual Financial Report, the world-wide coronavirus pandemic has occurred. The governor of Missouri, like many other states' governors, has issued a number of executive orders in an effort to mitigate the impact of this pandemic. Such orders will have a financial impact on all political subdivisions of the state of Missouri, including the City of Twin Oaks.

The City does not believe it is immune to the financial impacts of this pandemic or the efforts to mitigate it. The City acknowledges that it will be impacted by these events. However, the City is guardedly optimistic that the financial impact of these events will not be as significant to the City as they will be to other municipalities. The City believes that its mix of retail enterprises as well as those enterprises concentration in essential product areas like grocery, pharmacy and healthcare will position the City to be less impacted by these events than the average St. Louis County municipality.

### **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, 2019

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>ASSETS</b>                                      |                                    |
| Cash and investments                               | \$ 1,030,202                       |
| Restricted cash and investments                    | 136                                |
| Taxes receivable                                   | 291,704                            |
| Accounts receivable - other                        | 31,051                             |
| Prepaid expenses                                   | 7,057                              |
| Accrued interest                                   | 88                                 |
| Capital assets:                                    |                                    |
| Nondepreciable                                     | 1,309,097                          |
| Depreciable, net of accumulated depreciation       | 4,246,053                          |
| <b>TOTAL ASSETS</b>                                | <u>6,915,388</u>                   |
| <b>DEFERRED OUTFLOWS</b>                           |                                    |
| Deferred outflow related to pension                | <u>15,810</u>                      |
| <b>LIABILITIES</b>                                 |                                    |
| Accounts payable                                   | 38,719                             |
| Accrued expenses                                   | 14,512                             |
| Deposits   | 10,620                             |
| Interest payable                                   | 13,937                             |
| Noncurrent liabilities:                            |                                    |
| Due in one year                                    | 90,872                             |
| Due in more than one year                          | 1,308,908                          |
| Net pension obligation - due in more than one year | 2,292                              |
| <b>TOTAL LIABILITIES</b>                           | <u>1,479,860</u>                   |
| <b>DEFERRED INFLOWS</b>                            |                                    |
| Deferred inflow related to pension                 | <u>8,566</u>                       |
| <b>NET POSITION</b>                                |                                    |
| Net investment in capital assets                   | 4,161,309                          |
| Restricted:  |                                    |
| Capital projects                                   | 458,445                            |
| Parks and storm water projects                     | 231,363                            |
| Sewer lateral repairs                              | 65,427                             |
| Road projects                                      | 24,118                             |
| Unrestricted                                       | 502,110                            |
| <b>TOTAL NET POSITION</b>                          | <u>\$ 5,442,772</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, 2019**

| <b>Functions/Programs</b>                | Expenses            | Program Revenue        |  |  | Net (Expense)<br>Revenue and<br>Change in<br>Net Position |
|--|---------------------|------------------------|--|--|---|
|  |                     | Charges for<br>Service | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                |
| <b>Governmental Activities</b>           |                     |                        |  |  |   |
| General government                       | \$ 517,194          | \$ 67,917              | \$ -                                     | \$ -                                   | \$ (449,277)  |
| Sanitation and other health costs        | 44,272              | -                      | -  | -                                      | (44,272)  |
| Public safety                            | 131,638             | -                      | -  | -                                      | (131,638)   |
| Streets                                  | 273,875             | -                      | 26,971                                   | 30,197                                 | (216,707)   |
| Parks                                    | 248,791             | 100                    | -  | -                                      | (248,691)   |
| Stormwater                               | 14,539              | -                      | -  | -                                      | (14,539)  |
| Sewer lateral                            | 1,923               | 4,248                  | -  | -                                      | 2,325   |
| Interest and fiscal charges              | 57,292              | -                      | -  | -                                      | (57,292)  |
| <b>TOTAL GOVERNMENTAL<br/>ACTIVITIES</b> | <b>\$ 1,289,524</b> | <b>\$ 72,265</b>       | <b>\$ 26,971</b>                         | <b>\$ 30,197</b>                       | <b>(1,160,091)</b>  |
| General revenues:                        |                     |                        |  |  |   |
| Taxes:                                   |                     |                        |  |  |   |
| Property                                 |                     |                        |  |  | 25,741  |
| Sales                                    |                     |                        |  |  | 1,023,671   |
| Other                                    |                     |                        |  |  | 11,677  |
| Investment income                        |                     |                        |  |  | 7,704   |
| Other miscellaneous revenue              |                     |                        |  |  | 19,416  |
| <b>TOTAL GENERAL REVENUES</b>            |                     |                        |  |  | <b>1,088,209</b>  |
| CHANGE IN NET POSITION                   |                     |                        |  |  | (71,882)  |
| NET POSITION - BEGINNING OF YEAR         |                     |                        |  |  | 5,514,654   |
| NET POSITION - END OF YEAR               |                     |                        |  |  | <b>\$ 5,442,772</b>                                       |

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

**CITY OF TWIN OAKS, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2019**

|   | GENERAL           | CAPITAL<br>IMPROVEMENTS | PARKS<br>AND STORM<br>WATER | ROAD             | NONMAJOR<br>SEWER<br>LATERAL | TOTAL               |
|---|-------------------|-------------------------|-----------------------------|------------------|------------------------------|---------------------|
| <b>ASSETS</b>   |                   |                         |                             |                  |                              |                     |
| Cash and investments  | \$ 384,581        | \$ 405,117              | \$ 176,574                  | \$ -             | \$ 63,930                    | \$ 1,030,202        |
| Restricted cash and investments   | -                 | 136                     | -                           | -                | -                            | 136                 |
| Taxes receivable  | 166,113           | 53,192                  | 62,578                      | 8,324            | 1,497                        | 291,704             |
| Other receivables   | 854               | -                       | -                           | 30,197           | -                            | 31,051              |
| Due from other funds  | 4,864             | -                       | -                           | -                | -                            | 4,864               |
| Other assets  | 88                | -                       | -                           | -                | -                            | 88                  |
| Prepaid items   | 7,057             | -                       | -                           | -                | -                            | 7,057               |
| <b>TOTAL ASSETS</b>   | <b>\$ 563,557</b> | <b>\$ 458,445</b>       | <b>\$ 239,152</b>           | <b>\$ 38,521</b> | <b>\$ 65,427</b>             | <b>\$ 1,365,102</b> |
| <b>LIABILITIES</b>  |                   |                         |                             |                  |                              |                     |
| Accounts payable  | \$ 21,791         | \$ -                    | \$ 7,389                    | \$ 9,539         | \$ -                         | \$ 38,719           |
| Accrued expenses  | 14,512            | -                       | -                           | -                | -                            | 14,512              |
| Deposits  | 10,220            | -                       | 400                         | -                | -                            | 10,620              |
| Due to other funds  | -                 | -                       | -                           | 4,864            | -                            | 4,864               |
| <b>TOTAL LIABILITIES</b>  | <b>46,523</b>     | <b>-</b>                | <b>7,789</b>                | <b>14,403</b>    | <b>-</b>                     | <b>68,715</b>       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                   |                         |                             |                  |                              |                     |
| Unavailable revenue - property taxes  | 14,741            | -                       | -                           | -                | -                            | 14,741              |
| <b>FUND BALANCE</b>   |                   |                         |                             |                  |                              |                     |
| Fund Balances:  |                   |                         |                             |                  |                              |                     |
| Non-spendable   | 7,057             | -                       | -                           | -                | -                            | 7,057               |
| Restricted:   |                   |                         |                             |                  |                              |                     |
| Parks and Stormwater projects   | -                 | -                       | 231,363                     | -                | -                            | 231,363             |
| Sewer lateral repairs   | -                 | -                       | -                           | -                | 65,427                       | 65,427              |
| Capital projects  | -                 | 458,445                 | -                           | -                | -                            | 458,445             |
| Road projects   | -                 | -                       | -                           | 24,118           | -                            | 24,118              |
| Unassigned  | 495,236           | -                       | -                           | -                | -                            | 495,236             |
| <b>TOTAL FUND BALANCE</b>   | <b>502,293</b>    | <b>458,445</b>          | <b>231,363</b>              | <b>24,118</b>    | <b>65,427</b>                | <b>1,281,646</b>    |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCE</b> | <b>\$ 563,557</b> | <b>\$ 458,445</b>       | <b>\$ 239,152</b>           | <b>\$ 38,521</b> | <b>\$ 65,427</b>             | <b>\$ 1,365,102</b> |

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, 2019

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

|   |                            |
|---|----------------------------|
| Total fund balance per balance sheet  | \$ 1,281,646               |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.   | 5,555,150                  |
| The net pension liability reported in governmental activities does not require the use of current financial resource and, therefore, is not reported in the funds.                                      | (2,292)                    |
| 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  | 15,810                     |
| Deferred inflow of resources - related to pension   | (8,566)                    |
| Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.  | 14,741                     |
| 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. | (13,937)                   |
| 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>(1,399,780)</u>         |
| Net position of governmental activities   | <u><u>\$ 5,442,772</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, 2019**

|   | GENERAL           | CAPITAL<br>IMPROVEMENTS | PARKS<br>AND STORM<br>WATER | ROAD             | NONMAJOR<br>SEWER<br>LATERAL | TOTAL               |
|---|-------------------|-------------------------|-----------------------------|------------------|------------------------------|---------------------|
| <b>REVENUES</b>   |                   |                         |                             |                  |                              |                     |
| Taxes   | \$ 517,361        | \$ 246,985              | \$ 290,573                  | \$ -             | \$ -                         | \$ 1,054,919        |
| Intergovernmental                                       | 4,478             | -                       | -                           | 22,493           | -                            | 26,971              |
| Licenses and fees                                       | 67,917            | -                       | -                           | -                | -                            | 67,917              |
| Charges for services                                    | -                 | -                       | 100                         | -                | -                            | 100                 |
| Sewer lateral fees                                      | -                 | -                       | -                           | -                | 4,248                        | 4,248               |
| Other revenue   | 19,416            | -                       | -                           | 30,197           | -                            | 49,613              |
| Investment income - interest                            | 5,753             | -                       | -                           | -                | 1,951                        | 7,704               |
| <b>TOTAL REVENUES</b>                                   | <u>614,925</u>    | <u>246,985</u>          | <u>290,673</u>              | <u>52,690</u>    | <u>6,199</u>                 | <u>1,211,472</u>    |
| <b>EXPENDITURES</b>                                     |                   |                         |                             |                  |                              |                     |
| Current:  |                   |                         |                             |                  |                              |                     |
| General government                                      | 444,979           | -                       | -                           | -                | -                            | 444,979             |
| Sanitation and other health costs                       | 44,272            | -                       | -                           | -                | -                            | 44,272              |
| Public safety   | 128,621           | -                       | -                           | -                | -                            | 128,621             |
| Streets   | -                 | -                       | -                           | 184,992          | -                            | 184,992             |
| Parks   | -                 | -                       | 168,271                     | -                | -                            | 168,271             |
| Capital outlay  | -                 | 4,179                   | 314,847                     | 131,533          | 1,923                        | 452,482             |
| Debt service:   |                   |                         |                             |                  |                              |                     |
| Principal, interest<br>and fiscal charges               | -                 | 142,628                 | -                           | -                | -                            | 142,628             |
| <b>TOTAL EXPENDITURES</b>                               | <u>617,872</u>    | <u>146,807</u>          | <u>483,118</u>              | <u>316,525</u>   | <u>1,923</u>                 | <u>1,566,245</u>    |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | (2,947)           | 100,178                 | (192,445)                   | (263,835)        | 4,276                        | (354,773)           |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>               |                   |                         |                             |                  |                              |                     |
| Transfers in (out)                                      | (57,115)          | (145,166)               | (85,672)                    | 287,953          | -                            | -                   |
| <b>CHANGE IN FUND BALANCES</b>                          | (60,062)          | (44,988)                | (278,117)                   | 24,118           | 4,276                        | (354,773)           |
| <b>FUND BALANCES -<br/>BEGINNING OF YEAR</b>            | <u>562,355</u>    | <u>503,433</u>          | <u>509,480</u>              | <u>-</u>         | <u>61,151</u>                | <u>1,636,419</u>    |
| <b>FUND BALANCES -<br/>END OF YEAR</b>                  | <u>\$ 502,293</u> | <u>\$ 458,445</u>       | <u>\$ 231,363</u>           | <u>\$ 24,118</u> | <u>\$ 65,427</u>             | <u>\$ 1,281,646</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, 2019**

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   | \$ (354,773)              |
| 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.  | 435,006                   |
| The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.  | (238,688)                 |
| Interest is reported as an expenditure when due in the governmental funds but is accrued in the statement of activities.  | 846                       |
| 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. Therefore, expeditures in the governmental fund were different from the expense reported in the statement of activities. | (7,352)                   |
| 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.   | 2,419                     |
| 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.   | <u>84,490</u>             |
| Change in net position of governmental activities   | <u><u>\$ (71,882)</u></u> |

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

**CITY OF TWIN OAKS, MISSOURI**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The Village of Twin Oaks, Missouri was incorporated May 17, 1938. Voters approved transitioning to 4<sup>th</sup> 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 of the Primary Government. 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, 2019, 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, 2019, the City's bank deposits totaled \$1,091,164. The bank balances were covered by federal depository insurance in the amount of \$375,095 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, 2019.

**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 only 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:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>0-1 Years</u> | <u>Rating by Moody's Investors Service</u> |
|------------------------|-------------------|------------------|--|
| Money Market Fund      | \$ 14             | \$ 14            | 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, 2019, upon which the 2019 levy was based, amounted to \$11,606,390. The tax rates per \$100 of assessed value is \$.3220 for commercial property. The assessed value of all property within the City was \$24,821,343.

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 2019 and prior years which remain uncollected at December 31, 2019 are recorded as receivables.

## 5. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2019 is as follows:

|   | Balance,<br>Beginning<br>Of Year | Additions         | Transfers And<br>Deletions | Balance,<br>End Of Year |
|---|----------------------------------|-------------------|----------------------------|-------------------------|
| Governmental activities:                        |                                  |                   |                            |                         |
| Capital assets, not being depreciated           |                                  |                   |                            |                         |
| Land  | \$ 1,295,701                     | \$ -              | \$ -                       | \$ 1,295,701            |
| Construction in progress                        | 38,777                           | 405,822           | (431,203)                  | 13,396                  |
| Total capital assets,<br>not being depreciated  | <u>1,334,478</u>                 | <u>405,822</u>    | <u>(431,203)</u>           | <u>1,309,097</u>        |
| Capital assets, being depreciated:              |                                  |                   |                            |                         |
| Buildings                                       | 2,353,824                        | -                 | -                          | 2,353,824               |
| Building improvements                           | 71,030                           | -                 | -                          | 71,030                  |
| Improvements other than buildings               | 1,157,447                        | 320,814           | -                          | 1,478,261               |
| Machinery and equipment                         | 82,743                           | 8,156             | -                          | 90,899                  |
| Furniture and fixtures                          | 44,271                           | -                 | -                          | 44,271                  |
| Infrastructure                                  | 1,898,583                        | 131,417           | -                          | 2,030,000               |
| Total capital assets,<br>being depreciated      | <u>5,607,898</u>                 | <u>460,387</u>    | <u>-</u>                   | <u>6,068,285</u>        |
| Less accumulated depreciation for:              |                                  |                   |                            |                         |
| Buildings                                       | (108,916)                        | (62,151)          | -                          | (171,057)               |
| Building improvements                           | (35,652)                         | (1,726)           | -                          | (37,378)                |
| Improvements other than buildings               | (658,328)                        | (74,991)          | -                          | (733,319)               |
| Machinery and equipment                         | (63,193)                         | (6,973)           | -                          | (70,166)                |
| Furniture and fixtures                          | (9,938)                          | (2,186)           | -                          | (12,124)                |
| Infrastructure                                  | (707,517)                        | (90,661)          | -                          | (798,178)               |
| Total accumulated depreciation                  | <u>(1,583,544)</u>               | <u>(238,688)</u>  | <u>-</u>                   | <u>(1,822,232)</u>      |
| Total capital assets,<br>being depreciated, net | <u>4,024,354</u>                 | <u>221,699</u>    | <u>-</u>                   | <u>4,246,053</u>        |
| Total governmental activities                   | <u>\$ 5,358,832</u>              | <u>\$ 627,521</u> | <u>\$ (431,203)</u>        | <u>\$ 5,555,150</u>     |

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

|   |                   |
|---|-------------------|
| Governmental activities:                                |                   |
| General government                                      | \$ 61,255         |
| Police  | 3,017             |
| Parks   | 80,328            |
| Stormwater  | 14,539            |
| Streets   | <u>79,549</u>     |
| Total depreciation expense -<br>governmental activities | <u>\$ 238,688</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 \$94,553.

Future maturities are as follows:

|      | For the<br>Year ending<br><u>December 31</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|------|--|---------------------|-------------------|---------------------|
| 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 |  | 102,992             | 39,794            | 142,786             |
| 2025 |  | 107,153             | 35,633            | 142,786             |
| 2026 |  | 111,482             | 31,303            | 142,785             |
| 2027 |  | 698,715             | 13,974            | 712,689             |
|      |  | <u>\$ 1,393,841</u> | <u>\$ 318,349</u> | <u>\$ 1,712,190</u> |

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

|                               | <u>Beginning<br/>Of Year</u> | <u>Additions</u> | <u>Reductions</u>  | <u>End<br/>Of Year</u> | <u>Amounts<br/>Due in<br/>One Year</u> |
|-------------------------------|------------------------------|------------------|--------------------|------------------------|--|
| Certificates of Participation | \$ 1,478,331                 | \$ -             | \$ (84,490)        | \$ 1,393,841           | \$ 87,903                              |
| Compensated absences          | 8,358                        | 8,900            | (11,319)           | 5,939                  | 2,969                                  |
|                               | <u>\$ 1,486,689</u>          | <u>\$ 8,900</u>  | <u>\$ (95,809)</u> | <u>\$ 1,399,780</u>    | <u>\$ 90,872</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, 2019.

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

| For the Years<br>Ending<br><u>December 31,</u> | <u>Amount</u> |
|--|---------------|
| 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, 2019, the Road Fund owes the General Fund for general administrative expenses. The interfund balances at December 31, 2019 are as follows:

|                           | <u>DUE FROM</u> | <u>DUE TO</u> |
|---------------------------|-----------------|---------------|
| Major Governmental Funds: |                 |               |
| General Fund              | \$ 4,864        | \$ -          |
| Road Fund                 | -               | 4,864         |

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, 2019:

|                           | <u>TRANSFER<br/>IN</u> | <u>TRANSFER<br/>OUT</u> |
|---------------------------|------------------------|-------------------------|
| Major Governmental Funds: |                        |                         |
| Road Fund                 | \$ 287,953             | \$ -                    |
| General Fund              | -                      | 57,115                  |
| Parks and Stormwater Fund | -                      | 85,672                  |
| Capital Improvement Fund  | -                      | 145,166                 |
|                           | <u>\$ 287,953</u>      | <u>\$ 287,953</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](http://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.

|                          | <u>2019</u>    |
|--------------------------|----------------|
| 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, 2019, the following employees were covered by the benefit terms:

|  |          |
|--|----------|
| Inactive employees or beneficiaries currently receiving benefits | 1        |
| Inactive employees entitled to but not yet receiving benefits    | 4        |
| Active employees   | <u>4</u> |
| TOTAL  | <u>9</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 9.4% (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, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2019.

**Actuarial assumptions** - The total pension liability in the February 28, 2019 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, 2019 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<br>Class   | Target<br>Allocation | Long-Term Expected<br>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<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(Asset)<br>(a)-(b) |
|--|--------------------------------------|--|--|
| Balances as of June 30, 2018                             | \$ 317,468                           | \$ 325,260                               | \$ (7,792)                                     |
| Changes for the year:                                    |                                      |  |  |
| Service cost   | 17,494                               | -  | 17,494   |
| Interest   | 23,606                               | -  | 23,606   |
| Differences between<br>expected and<br>actual experience | 13,320                               | -  | 13,320   |
| Contributions - employer                                 | -                                    | 15,076                                   | (15,076)                                       |
| Contributions - employee                                 | -                                    | 6,776                                    | (6,776)  |
| Net investment income                                    | -                                    | 23,191                                   | (23,191)                                       |
| Benefit payments   | 932                                  | (932)                                    | -  |
| Administrative expense                                   | -                                    | (967)                                    | 967  |
| Other (net transfer)                                     | -                                    | 260                                      | (260)  |
| Net Changes  | <u>53,488</u>                        | <u>43,404</u>                            | <u>10,084</u>                                  |
| Balances as of June 30, 2019                             | \$ <u>370,956</u>                    | \$ <u>368,664</u>                        | \$ <u>2,292</u>                                |

**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%<br>Decrease<br>(6.25%) | Current<br>Discount<br>Rate<br>(7.25%) | 1%<br>Increase<br>(8.25%) |
|-------------------------------|---------------------------|--|---------------------------|
| Net Pension Liability (Asset) | \$ 56,929                 | \$ 2,292                               | \$ (42,665)               |

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, 2019 the employer recognized pension expense of \$23,444. The employer reported deferred outflows and inflows of resources related to the pension from the following sources:

|   | <u>Deferred<br/>Outflow of<br/>Resources</u> | <u>Deferred<br/>Inflow of<br/>Resources</u> |
|---|--|---|
| Difference between expected and actual experience                               | \$ 7,665                                     | \$ -  |
| Changes in assumptions  | -  | -   |
| Net difference between projected and actual earning on pension plan investments | -  | (8,566)                                     |
| Employer contributions subsequent to the measurement date                       | 8,145  | -   |
|   | <u>\$ 15,810</u>                             | <u>\$ (8,566)</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> |          |
|----------------------------|----------|
| 2020                       | \$ 5,988 |
| 2021                       | (4,513)  |
| 2022                       | (2,598)  |
| 2023                       | 222      |

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, 2019 amount to \$128,621. This amount can be adjusted when both parties agree that special circumstances arise which require additional related costs.

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.

During the first quarter of 2020, there was a global outbreak of a novel strain of the coronavirus (COVID-19), which resulted in a significant disruption to businesses and individuals throughout the world. This outbreak of COVID 19, could significantly affect the operations and future revenue of the City. At the time these financial statements were issued, the City is unable to fully quantify the current and future effects of COVID-19 on its financial position and future revenues and expenses.

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. 84, *Fiduciary Activities*, GASB Statement No. 87, *Leases*, GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 93, *Replacement Of Interbank Offered Rates*, and GASB Statement No. 94, *Public-Private and Public-Private Partnerships and Availability Payment Arrangements*. 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, 2019**

|   | BUDGET            |                   | ACTUAL            | VARIANCE WITH          |
|---|-------------------|-------------------|-------------------|------------------------|
|   | ORIGINAL          | FINAL             |                   | FINAL BUDGET           |
|   |                   |                   |                   | POSITIVE<br>(NEGATIVE) |
| <b>REVENUES</b>   |                   |                   |                   |                        |
| Taxes   | \$ 506,900        | \$ 515,300        | \$ 517,361        | \$ 2,061               |
| Intergovernmental                                       | 5,600             | 6,300             | 4,478             | (1,822)                |
| Licenses and fees                                       | 67,200            | 68,100            | 67,917            | (183)                  |
| Charges for service                                     | 200               | -                 | -                 | -                      |
| Other revenue   | 24,000            | 20,600            | 19,416            | (1,184)                |
| Investment income - interest                            | 5,000             | 5,000             | 5,753             | 753                    |
| <b>TOTAL REVENUES</b>                                   | <u>608,900</u>    | <u>615,300</u>    | <u>614,925</u>    | <u>(375)</u>           |
| <b>EXPENDITURES</b>                                     |                   |                   |                   |                        |
| Current:  |                   |                   |                   |                        |
| General government                                      | 438,400           | 446,900           | 444,979           | 1,921                  |
| Sanitation and other health costs                       | 46,100            | 44,400            | 44,272            | 128                    |
| Public safety   | 112,300           | 128,700           | 128,621           | 79                     |
| <b>TOTAL EXPENDITURES</b>                               | <u>596,800</u>    | <u>620,000</u>    | <u>617,872</u>    | <u>2,128</u>           |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | 12,100            | (4,700)           | (2,947)           | 1,753                  |
| <b>OTHER FINANCING SOURCES</b>                          |                   |                   |                   |                        |
| Transfers in (out)                                      | <u>(85,700)</u>   | <u>(85,700)</u>   | <u>(57,115)</u>   | <u>28,585</u>          |
| <b>CHANGE IN FUND BALANCE</b>                           | (73,600)          | (90,400)          | (60,062)          | <u>\$ 30,338</u>       |
| <b>FUND BALANCE -<br/>BEGINNING OF YEAR</b>             | <u>562,355</u>    | <u>562,355</u>    | <u>562,355</u>    |                        |
| <b>FUND BALANCE -<br/>END OF YEAR</b>                   | <u>\$ 455,015</u> | <u>\$ 675,240</u> | <u>\$ 502,293</u> |                        |

**CITY OF TWIN OAKS, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROAD FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|   | BUDGET          |                     | ACTUAL           | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|---|-----------------|---------------------|------------------|---|
|   | ORIGINAL        | FINAL               |                  |   |
| <b>REVENUES</b>   |                 |                     |                  |   |
| Intergovernmental                                       | \$ 25,000       | \$ 25,400           | \$ 22,493        | \$ (2,907)  |
| Other revenue   | -               | -                   | 30,197           | 30,197  |
| <b>TOTAL REVENUES</b>                                   | <u>25,000</u>   | <u>25,400</u>       | <u>52,690</u>    | <u>27,290</u>   |
| <b>EXPENDITURES</b>                                     |                 |                     |                  |   |
| Current:  |                 |                     |                  |   |
| Streets   | 146,400         | 187,400             | 184,992          | 2,408   |
| Capital outlay  | 23,000          | 136,500             | 131,533          | 4,967   |
| <b>TOTAL EXPENDITURES</b>                               | <u>169,400</u>  | <u>323,900</u>      | <u>316,525</u>   | <u>7,375</u>  |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | (144,400)       | (298,500)           | (263,835)        | 19,915  |
| <b>OTHER FINANCING SOURCES</b>                          |                 |                     |                  |   |
| Transfers in (out)                                      | 147,500         | 138,600             | 287,953          | 149,353   |
| <b>CHANGE IN FUND BALANCE</b>                           | 3,100           | (159,900)           | 24,118           | <u>\$ 184,018</u>                                       |
| <b>FUND BALANCE -<br/>BEGINNING OF YEAR</b>             | <u>-</u>        | <u>-</u>            | <u>-</u>         |   |
| <b>FUND BALANCE -<br/>END OF YEAR</b>                   | <u>\$ 3,100</u> | <u>\$ (159,900)</u> | <u>\$ 24,118</u> |   |

**CITY OF TWIN OAKS, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**PARKS AND STORM WATER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|   | BUDGET            |                   | ACTUAL            | VARIANCE WITH<br>FINAL BUDGET |
|---|-------------------|-------------------|-------------------|-------------------------------|
|   | ORIGINAL          | FINAL             |                   | POSITIVE<br>(NEGATIVE)        |
| <b>REVENUES</b>                                 |                   |                   |                   |                               |
| Taxes   | \$ 287,200        | \$ 287,200        | \$ 290,573        | \$ 3,373                      |
| Other revenue                                   | 600               | -                 | 100               | 100                           |
| <b>TOTAL REVENUES</b>                           | <u>287,800</u>    | <u>287,200</u>    | <u>290,673</u>    | <u>3,473</u>                  |
| <b>EXPENDITURES</b>                             |                   |                   |                   |                               |
| Current:  |                   |                   |                   |                               |
| Parks   | 194,600           | 169,200           | 168,271           | 929                           |
| Capital outlay                                  | 409,500           | 321,000           | 314,847           | 6,153                         |
| <b>TOTAL EXPENDITURES</b>                       | <u>604,100</u>    | <u>490,200</u>    | <u>483,118</u>    | <u>7,082</u>                  |
| <b>EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | (316,300)         | (203,000)         | (192,445)         | 10,555                        |
| <b>OTHER FINANCING USES</b>                     |                   |                   |                   |                               |
| Transfers in (out)                              | (57,200)          | (57,200)          | (85,672)          | (28,472)                      |
| <b>CHANGE IN FUND BALANCE</b>                   | (373,500)         | (260,200)         | (278,117)         | <u>\$ (17,917)</u>            |
| <b>FUND BALANCE -<br/>BEGINNING OF YEAR</b>     | <u>509,480</u>    | <u>509,480</u>    | <u>509,480</u>    |                               |
| <b>FUND BALANCE -<br/>END OF YEAR</b>           | <u>\$ 135,980</u> | <u>\$ 249,280</u> | <u>\$ 231,363</u> |                               |



***CITY OF TWIN OAKS, MISSOURI***  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

**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,

|  | 2019                     | 2018                     | 2017                      | 2016                     | 2015                      |
|--|--------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| <b>Total Pension Liability</b>   |                          |                          |                           |                          |                           |
| Service cost   | \$ 17,494                | \$ 15,236                | \$ 12,275                 | \$ 9,923                 | \$ 12,619                 |
| Interest on the total pension liability  | 23,606                   | 19,509                   | 17,281                    | 13,817                   | 14,510                    |
| Change of benefit terms  | -                        | -                        | -                         | -                        | -                         |
| Difference between expected and actual experience                                  | 13,320                   | 21,117                   | (274)                     | 18,003                   | (35,372)                  |
| Changes of assumptions   | -                        | -                        | -                         | 4,879                    | -                         |
| Benefit payments, including refunds  | (932)                    | -                        | -                         | -                        | -                         |
| <b>Net change in total pension liability</b>                                       | <u>53,488</u>            | <u>55,862</u>            | <u>29,282</u>             | <u>46,622</u>            | <u>(8,243)</u>            |
| <b>Total pension liability - beginning</b>   | <u>317,468</u>           | <u>261,606</u>           | <u>232,324</u>            | <u>185,702</u>           | <u>193,945</u>            |
| <b>Total pension liability - ending</b>  | <u><u>\$ 370,956</u></u> | <u><u>\$ 317,468</u></u> | <u><u>\$ 261,606</u></u>  | <u><u>\$ 232,324</u></u> | <u><u>\$ 185,702</u></u>  |
| <b>Plan Fiduciary Net Position</b>   |                          |                          |                           |                          |                           |
| Contributions-employer   | \$ 15,076                | \$ 11,385                | \$ 9,915                  | \$ 9,154                 | \$ 8,457                  |
| Contributions-employee   | 6,776                    | 5,516                    | 5,048                     | 4,605                    | 4,381                     |
| Net investment income  | 23,191                   | 34,594                   | 28,434                    | (791)                    | 3,922                     |
| Benefit payments, including refunds  | (932)                    | -                        | -                         | -                        | -                         |
| Pension plan administrative expense  | (967)                    | (683)                    | (590)                     | (505)                    | (559)                     |
| Other (net transfer)   | 260                      | (410)                    | (325)                     | (227)                    | 8,842                     |
| <b>Net change in plan fiduciary net position</b>                                   | <u>43,404</u>            | <u>50,402</u>            | <u>42,482</u>             | <u>12,236</u>            | <u>25,043</u>             |
| <b>Plan fiduciary net position - beginning</b>                                     | <u>325,260</u>           | <u>274,858</u>           | <u>232,376</u>            | <u>220,140</u>           | <u>195,097</u>            |
| <b>Plan fiduciary net position - ending</b>  | <u><u>\$ 368,664</u></u> | <u><u>\$ 325,260</u></u> | <u><u>\$ 274,858</u></u>  | <u><u>\$ 232,376</u></u> | <u><u>\$ 220,140</u></u>  |
| <b>Employer net pension liability (asset)</b>                                      | <u><u>\$ 2,292</u></u>   | <u><u>\$ (7,792)</u></u> | <u><u>\$ (13,252)</u></u> | <u><u>\$ (52)</u></u>    | <u><u>\$ (34,438)</u></u> |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b>  | 99.38 %                  | 102.45 %                 | 105.07 %                  | 100.02 %                 | 118.54 %                  |
| <b>Covered payroll</b>   | \$ 167,964               | \$ 132,538               | \$ 123,921                | \$ 90,810                | \$ 85,641                 |
| <b>Employer's net pension liability (asset) as a percentage of covered payroll</b> | 1.36 %                   | (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<br>December 31, | Actuarial<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Actual<br>Contribution<br>as a % of<br>Covered<br>Payroll |
|----------------------------|---|------------------------|--|--------------------|---|
| 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   |
| 2019                       | 16,264                                  | 16,093                 | 171                                    | 171,198            | 9.4   |

**Notes to Schedule of Contributions**

**Valuation date:** 02/28/19

**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:**

|                                      |  |
|--------------------------------------|--|
| <b>Actuarial cost method</b>         | Entry Age Normal and Modified Terminal Funding   |
| <b>Amortization method</b>           | Level percentage of payroll, closed  |
| <b>Remaining amortization period</b> | Multiple bases from 15 to 18 years   |
| <b>Asset valuation method</b>        | 5-year smoothed market; 20% corridor   |
| <b>Inflation</b>                     | 3.25% wage inflation; 2.5% price inflation   |
| <b>Salary increases</b>              | 3.25% - 6.55% including wage inflation   |
| <b>Investment rate of return</b>     | 7.25%, net of investment expenses  |
| <b>Retirement age</b>                | Experience-based table of rates that are specific to the type of eligibility condition.  |
| <b>Mortality</b>                     | 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, 2019**

|   | BUDGET            |                   | ACTUAL            | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|---|-------------------|-------------------|-------------------|---|
|   | ORIGINAL          | FINAL             |                   |   |
| <b>REVENUES</b>   |                   |                   |                   |   |
| Taxes   | \$ 234,400        | \$ 234,400        | \$ 246,985        | \$ 12,585   |
| Investment income - interest                            | 300               | -                 | -                 | -   |
| <b>TOTAL REVENUES</b>                                   | <u>234,700</u>    | <u>234,400</u>    | <u>246,985</u>    | <u>12,585</u>   |
| <b>EXPENDITURES</b>                                     |                   |                   |                   |   |
| Current:  |                   |                   |                   |   |
| Capital outlay  | 165,000           | 108,600           | 4,179             | 104,421   |
| Debt service  | 142,900           | 142,800           | 142,628           | 172   |
| <b>TOTAL EXPENDITURES</b>                               | <u>307,900</u>    | <u>251,400</u>    | <u>146,807</u>    | <u>104,593</u>  |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | (73,200)          | (17,000)          | 100,178           | 117,178   |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                   |                   |                   |   |
| Transfers in (out)                                      | <u>(4,600)</u>    | <u>4,300</u>      | <u>(145,166)</u>  | <u>(149,466)</u>  |
| <b>CHANGE IN FUND BALANCE</b>                           | (77,800)          | (12,700)          | (44,988)          | <u>\$ (32,288)</u>                                      |
| <b>FUND BALANCE -<br/>BEGINNING OF YEAR</b>             | <u>503,433</u>    | <u>503,433</u>    | <u>503,433</u>    |   |
| <b>FUND BALANCE -<br/>END OF YEAR</b>                   | <u>\$ 425,633</u> | <u>\$ 490,733</u> | <u>\$ 458,445</u> |   |

**CITY OF TWIN OAKS, MISSOURI**  
**BUDGETARY COMPARISON SCHEDULE**  
**SEWER LATERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|   | BUDGET           |                  | ACTUAL           | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|---|------------------|------------------|------------------|---|
|   | ORIGINAL         | FINAL            |                  | (NEGATIVE)  |
| <b>REVENUES</b>   |                  |                  |                  |   |
| Sewer lateral fees                                      | \$ 4,700         | \$ 4,700         | \$ 4,248         | \$ (452)  |
| Investment income - interest                            | 400              | 400              | 1,951            | 1,551   |
| <b>TOTAL REVENUES</b>                                   | <u>5,100</u>     | <u>5,100</u>     | <u>6,199</u>     | <u>1,099</u>  |
| <b>EXPENDITURES</b>                                     |                  |                  |                  |   |
| Current:  |                  |                  |                  |   |
| Capital outlay  | <u>3,200</u>     | <u>2,000</u>     | <u>1,923</u>     | <u>77</u>   |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | 1,900            | 3,100            | 4,276            | <u>\$ 1,176</u>   |
| <b>FUND BALANCE -<br/>BEGINNING OF YEAR</b>             | <u>61,151</u>    | <u>61,151</u>    | <u>61,151</u>    |   |
| <b>FUND BALANCE -<br/>END OF YEAR</b>                   | <u>\$ 63,051</u> | <u>\$ 64,251</u> | <u>\$ 65,427</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**

| <b>Financial Trends</b> | <b>PAGES</b> |
|-------------------------|--------------|
|-------------------------|--------------|

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

| <b>Revenue Capacity</b> |  |
|-------------------------|--|
|-------------------------|--|

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

43-46

| <b>Debt Capacity</b> |  |
|----------------------|--|
|----------------------|--|

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.

47-49

| <b>Demographic and Economic Information</b> |  |
|---|--|
|---|--|

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

50-51

| <b>Operating Information</b> |  |
|------------------------------|--|
|------------------------------|--|

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>2019</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>         |
|--|---------------------|---------------------|--------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental activities:                   |                     |                     |                    |                     |                     |                    |                     |                     |                     |                     |
| Net investment                             |                     |                     |                    |                     |                     |                    |                     |                     |                     |                     |
| in capital assets                          | \$ 4,161,309        | \$ 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        |
| Restricted                                 | 779,353             | 1,074,064           | 1,116,254          | 1,323,704           | 1,342,045           | 1,135,095          | 1,099,489           | 936,429             | 711,275             | 794,485             |
| Unrestricted                               | 502,110             | 560,089             | 639,436            | 683,065             | 780,923             | 734,093            | 651,273             | 550,754             | 495,988             | 523,856             |
| Total governmental activities net position | <u>\$ 5,442,772</u> | <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> |

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

|   | 2019               | 2018                | 2017               | 2016               | 2015              | 2014              | 2013              | 2012              | 2011              | 2010              |
|---|--------------------|---------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>EXPENSES</b>   |                    |                     |                    |                    |                   |                   |                   |                   |                   |                   |
| Governmental activities:                                  |                    |                     |                    |                    |                   |                   |                   |                   |                   |                   |
| General government  | \$ 517,194         | \$ 534,743          | \$ 438,161         | \$ 490,778         | \$ 417,647        | \$ 333,695        | \$ 326,932        | \$ 353,864        | \$ 386,811        | \$ 417,958        |
| Sanitation and other health costs                         | 44,272             | 43,260              | 46,060             | 51,011             | 47,953            | 53,276            | 53,698            | 53,438            | 56,745            | 55,790            |
| Public safety   | 131,638            | 121,181             | 107,921            | 107,720            | 102,460           | 99,010            | 98,971            | 96,132            | 98,676            | 97,348            |
| Streets   | 273,875            | 244,664             | 247,629            | 224,846            | 205,169           | 200,439           | 182,038           | 140,141           | 143,749           | 103,645           |
| Parks   | 248,791            | 284,402             | 240,828            | 227,136            | 222,730           | 217,603           | 201,969           | 217,431           | 170,017           | 124,971           |
| Stormwater  | 14,539             | 14,539              | 9,888              | 19,178             | 9,338             | 13,781            | 24,452            | 49,857            | 11,837            | 6,468             |
| Sewer lateral   | 1,923              | -                   | 3,836              | 3,960              | -                 | -                 | 2,088             | -                 | -                 | 2,000             |
| Interest and fiscal charges                               | 57,292             | 60,765              | 46,529             | -                  | -                 | -                 | -                 | -                 | 133               | 301               |
| Total governmental  | <u>1,289,524</u>   | <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>    |
| <b>PROGRAM REVENUE</b>                                    |                    |                     |                    |                    |                   |                   |                   |                   |                   |                   |
| Governmental activities:                                  |                    |                     |                    |                    |                   |                   |                   |                   |                   |                   |
| Charges for services                                      |                    |                     |                    |                    |                   |                   |                   |                   |                   |                   |
| General government  | 67,917             | 86,538              | 91,865             | 63,261             | 54,036            | 53,979            | 53,905            | 55,962            | 55,156            | 56,145            |
| Parks   | 100                | 600                 | 400                | 1,090              | 200               | -                 | 1,875             | 2,499             | 1,250             | -                 |
| Sewer lateral   | 4,248              | 4,658               | 4,783              | 2,170              | 4,780             | 4,844             | 4,496             | 4,895             | 4,847             | 4,662             |
| Operating grants and contributions                        | 26,971             | 32,021              | 30,786             | 15,555             | 17,000            | 58,869            | 145,713           | 24,353            | 23,200            | 13,871            |
| Capital grants and contributions                          | 30,197             | -                   | -                  | -                  | -                 | 710,000           | 8,200             | -                 | -                 | -                 |
| Total governmental activities program revenue             | <u>129,433</u>     | <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>     |
| <b>NET EXPENSES</b>                                       | <u>(1,160,091)</u> | <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>  |
| <b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b> |                    |                     |                    |                    |                   |                   |                   |                   |                   |                   |
| Governmental activities:                                  |                    |                     |                    |                    |                   |                   |                   |                   |                   |                   |
| Taxes   | 1,061,089          | 921,231             | 1,016,914          | 965,901            | 1,124,149         | 1,033,721         | 984,170           | 977,669           | 941,298           | 912,168           |
| Investment income   | 7,704              | 6,038               | 7,580              | 7,652              | 7,113             | 6,792             | 7,027             | 7,879             | 10,981            | 16,418            |
| Other miscellaneous revenue                               | 19,416             | 120,248             | 14,757             | 14,727             | 16,020            | 19,139            | 34,197            | 24,889            | 26,172            | 27,901            |
| Total governmental activities                             | <u>1,088,209</u>   | <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>    |
| <b>CHANGE IN NET POSITION</b>                             | <u>\$ (71,882)</u> | <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> |

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

|  | <u>2019</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>      |
|--|-------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|------------------|
| Governmental activities:               |                   |                   |                   |                  |                  |                   |                   |                  |                  |                  |
| General government                     | \$ 67,917         | \$ 86,538         | \$ 91,865         | \$ 63,261        | \$ 54,036        | \$ 763,979        | \$ 63,776         | \$ 55,962        | \$ 55,156        | \$ 56,145        |
| Streets                                | 57,168            | 32,021            | 30,786            | 15,555           | 15,356           | 14,905            | 22,409            | 14,113           | 13,697           | 13,871           |
| Parks                                  | 100               | 600               | 400               | 1,090            | 1,844            | 43,964            | 123,508           | 12,739           | 10,753           | -                |
| Sewer lateral                          | 4,248             | 4,658             | 4,783             | 2,170            | 4,780            | 4,844             | 4,496             | 4,895            | 4,847            | 4,662            |
| Total governmental activities revenues | <u>\$ 129,433</u> | <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> |

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

|   | 2019              | 2018                | 2017                | 2016                | 2015                | 2014                | 2013                | 2012              | 2011              | 2010              |
|---|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|
| <b>General Fund:</b>                      |                   |                     |                     |                     |                     |                     |                     |                   |                   |                   |
| Reserved                                  | \$ -              | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -              | \$ -              | \$ 6,733          |
| Unreserved                                | -                 | -                   | -                   | -                   | -                   | -                   | -                   | -                 | -                 | 521,911           |
| Nonspendable - prepaid items              | 7,057             | 7,057               | 8,357               | 12,063              | 8,804               | 7,357               | 7,135               | 6,566             | 6,957             | -                 |
| Assigned                                  | -                 | -                   | -                   | 38,800              | -                   | -                   | -                   | -                 | -                 | -                 |
| Unassigned                                | 495,236           | 555,298             | 623,672             | 602,267             | 743,973             | 716,220             | 631,922             | 532,070           | 492,257           | -                 |
| <b>Total General Fund</b>                 | <u>\$ 502,293</u> | <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> |
| <b>All Other Governmental Funds:</b>      |                   |                     |                     |                     |                     |                     |                     |                   |                   |                   |
| Restricted:                               |                   |                     |                     |                     |                     |                     |                     |                   |                   |                   |
| Capital Improvements                      | \$ 458,445        | \$ 503,433          | \$ 589,782          | \$ 762,485          | \$ 808,383          | \$ 714,503          | \$ 826,362          | \$ 739,046        | \$ 557,205        | \$ -              |
| Special revenue funds                     | 320,908           | 570,631             | 526,472             | 561,219             | 533,207             | 420,592             | 273,127             | 197,383           | 154,070           | -                 |
| Unreserved reported in:                   |                   |                     |                     |                     |                     |                     |                     |                   |                   |                   |
| Special revenue funds                     | -                 | -                   | -                   | -                   | -                   | -                   | -                   | -                 | -                 | 794,485           |
| <b>Total all other governmental funds</b> | <u>\$ 779,353</u> | <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> |

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)**

|  | 2019                | 2018                | 2017                | 2016                | 2015              | 2014              | 2013              | 2012              | 2011                | 2010               |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--------------------|
| <b>Revenues</b>  |                     |                     |                     |                     |                   |                   |                   |                   |                     |                    |
| Taxes  | \$ 1,054,919        | \$ 927,401          | \$ 1,018,924        | \$ 968,746          | \$ 1,132,991      | \$ 1,042,322      | \$ 990,146        | \$ 968,767        | \$ 948,261          | \$ 919,406         |
| Intergovernmental  | 26,971              | 32,021              | 30,786              | -                   | 1,644             | 43,964            | 129,833           | 10,240            | -                   | -                  |
| Licenses and permits                                       | 67,917              | 76,322              | 76,560              | 64,238              | 60,179            | 60,169            | 58,737            | 59,974            | 59,575              | 61,033             |
| Charges for services                                       | 100                 | 10,816              | 15,705              | 7,316               | 2,300             | 2,105             | 2,685             | 3,365             | 2,315               | 1,745              |
| Sewer lateral fees   | 4,248               | 4,658               | 4,783               | 2,170               | 4,780             | 4,844             | 4,496             | 4,895             | 4,847               | 4,662              |
| Other revenues   | 49,613              | 120,248             | 14,757              | 15,867              | 16,270            | 19,139            | 45,943            | 27,388            | 36,925              | 27,901             |
| Investment income - interest                               | 7,704               | 6,038               | 7,580               | 7,652               | 7,113             | 6,792             | 7,027             | 7,879             | 10,981              | 16,418             |
| <b>Total Revenues</b>                                      | <b>1,211,472</b>    | <b>1,177,504</b>    | <b>1,169,095</b>    | <b>1,065,989</b>    | <b>1,225,277</b>  | <b>1,179,335</b>  | <b>1,238,867</b>  | <b>1,082,508</b>  | <b>1,062,904</b>    | <b>1,031,165</b>   |
| <b>Expenditures</b>  |                     |                     |                     |                     |                   |                   |                   |                   |                     |                    |
| General government   | 444,979             | 423,453             | 426,145             | 477,687             | 423,271           | 323,320           | 319,616           | 340,640           | 370,316             | 437,010            |
| Sanitation and other health costs                          | 44,272              | 43,260              | 46,060              | 50,854              | 47,740            | 52,898            | 53,284            | 52,939            | 57,999              | 55,311             |
| Public safety  | 128,621             | 118,164             | 104,779             | 107,720             | 102,460           | 99,010            | 98,971            | 96,132            | 98,676              | 97,348             |
| Streets  | 184,992             | 150,808             | 133,424             | 135,515             | 127,510           | 140,903           | 113,453           | 73,340            | 77,069              | 79,166             |
| Parks  | 168,271             | 187,208             | 155,694             | 152,469             | 154,281           | 155,641           | 147,683           | 137,773           | 119,489             | 143,832            |
| Stormwater   | -                   | -                   | -                   | 10,555              | 41,913            | 6,729             | 17,400            | 42,805            | 4,785               | 1,530              |
| Sewer lateral  | -                   | -                   | -                   | -                   | -                 | -                 | 2,088             | -                 | -                   | 2,000              |
| Capital outlay   | 452,482             | 223,688             | 2,060,151           | 249,177             | 91,952            | 280,708           | 222,891           | 74,303            | 444,148             | 311,628            |
| Debt service:  |                     |                     |                     |                     |                   |                   |                   |                   |                     |                    |
| Principal  | 84,490              | 81,209              | 40,460              | -                   | -                 | -                 | -                 | -                 | 2,929               | 2,323              |
| Interest   | 58,138              | 61,578              | 30,933              | -                   | -                 | -                 | -                 | -                 | 133                 | 301                |
| <b>Total Expenditures</b>                                  | <b>1,566,245</b>    | <b>1,289,368</b>    | <b>2,997,646</b>    | <b>1,183,977</b>    | <b>989,127</b>    | <b>1,059,209</b>  | <b>975,386</b>    | <b>817,932</b>    | <b>1,175,544</b>    | <b>1,130,449</b>   |
| Excess of revenues over<br>(under) expenditures            | <u>(354,773)</u>    | <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>    |
| <b>Other Financing Sources (Uses)</b>                      |                     |                     |                     |                     |                   |                   |                   |                   |                     |                    |
| Transfers in   | 287,953             | 162,094             | 215,352             | 160,884             | 169,032           | 304,584           | 146,425           | 48,909            | 46,659              | 157,362            |
| Transfers out  | (287,953)           | (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           | -                   | -                 | -                 | -                 | -                 | -                   | -                  |
| <b>Total Other Financing Sources (Uses)</b>                | <b>-</b>            | <b>-</b>            | <b>1,600,000</b>    | <b>-</b>            | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>            | <b>-</b>           |
| <b>Net changes in fund balances</b>                        | <b>\$ (354,773)</b> | <b>\$ (111,864)</b> | <b>\$ (228,551)</b> | <b>\$ (117,988)</b> | <b>\$ 236,150</b> | <b>\$ 120,126</b> | <b>\$ 263,481</b> | <b>\$ 264,576</b> | <b>\$ (112,640)</b> | <b>\$ (99,284)</b> |
| Debt service as a percentage<br>of noncapital expenditures | 12.6%               | 12.5%               | 7.2%                | -                   | -                 | -                 | -                 | -                 | 0.4%                | 0.4%               |

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

| <u>Fiscal Year</u> | <u>Sales<br/>Tax</u> | <u>Property<br/>Tax</u> | <u>Other</u> | <u>Total</u> |
|--------------------|----------------------|-------------------------|--------------|--------------|
| 2019               | \$ 1,023,671         | \$ 19,571               | \$ 11,677    | \$ 1,054,919 |
| 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      |

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

| <u>Fiscal Year</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Railroads And Utilities (1)</u> | <u>Total</u>          |                               | <u>Direct Tax Rate</u> |
|--------------------|----------------------|--------------------------|------------------------------------|-----------------------|-------------------------------|------------------------|
|                    |                      |                          |                                    | <u>Assessed Value</u> | <u>Estimated Actual Value</u> |                        |
| 2019               | \$ 23,357,290        | \$ 1,352,168             | \$ 111,885                         | \$ 24,821,343         | \$ 96,680,997                 | \$ 0.322               |
| 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                    | -                      |

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**

|  | 2019     | 2018     | 2017     | 2016     | 2015     | 2014     | 2013      | 2012     | 2011     | 2010     |
|--|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| City of Twin Oaks - Basic Rate         | \$ 0.340 | \$ 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                         | 0.1760   | 0.1980   | 0.1980   | 0.0300   | 0.0300   | 0.0300   | 0.0300    | 0.0300   | 0.0300   | 0.0300   |
| Co. Park Maintenance                   | 0.0420   | 0.0470   | 0.0470   | 0.0490   | 0.0490   | 0.0500   | 0.0500    | 0.0500   | 0.0500   | 0.0500   |
| Co. Bond Retirement                    | 0.0190   | 0.0190   | 0.0190   | 0.0190   | 0.0190   | 0.0190   | 0.0280    | 0.0280   | 0.0280   | 0.0280   |
| Roads and Bridges                      | 0.0880   | 0.0990   | 0.0990   | 0.1030   | 0.1030   | 0.1050   | 0.1050    | 0.1050   | 0.1050   | 0.1050   |
| Co. Health Fund                        | 0.1180   | 0.1330   | 0.1330   | 0.1370   | 0.1370   | 0.1400   | 0.1400    | 0.1400   | 0.1400   | 0.1400   |
| St. Louis Community College            | 0.1986   | 0.2129   | 0.2112   | 0.2185   | 0.2126   | 0.2200   | 0.2200    | 0.2200   | 0.2200   | 0.2179   |
| Special School District                | 1.1077   | 1.1980   | 1.1912   | 1.2409   | 1.2348   | 1.2609   | 1.2400    | 1.0123   | 1.0125   | 0.9950   |
| Metro Zoo                              | 0.2549   | 0.2724   | 0.2694   | 0.2795   | 0.2777   | 0.2797   | 0.2797    | 0.2684   | 0.2671   | 0.2546   |
| County Library                         | 0.2120   | 0.2590   | 0.2530   | 0.2630   | 0.2590   | 0.2250   | 0.2500    | 0.1730   | 0.1630   | 0.1565   |
| Sheltered Workshops                    | 0.0750   | 0.0890   | 0.0870   | 0.0900   | 0.0880   | 0.0900   | 0.8900    | 0.0840   | 0.0840   | 0.0790   |
| MSD-Extension                          | 0.1077   | 0.1170   | 0.1159   | 0.1196   | 0.0195   | 0.0197   | 0.0163    | 0.0186   | 0.0185   | 0.0180   |
| Valley Park School District (1)        | 4.8519   | 5.5600   | 5.4288   | 5.6642   | 5.4965   | 5.5910   | 5.6526    | 5.0587   | 4.9844   | 4.7174   |
| Valley Park Fire District (1)          | 1.5980   | 1.1600   | 1.1390   | 1.2076   | 1.1860   | 1.3100   | 1.2780    | 1.1950   | 1.1530   | 1.131    |
| Total Overlapping Governments          | 8.8788   | 9.3943   | 9.2215   | 9.4513   | 9.1421   | 9.3703   | 10.2096   | 8.4130   | 8.2855   | 7.9524   |
| Total City And Overlapping Governments | \$ 9.219 | \$ 9.716 | \$ 9.524 | \$ 9.763 | \$ 9.454 | \$ 9.712 | \$ 10.547 | \$ 8.739 | \$ 8.285 | \$ 7.952 |

(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 | 1.1070 | 1.2490 | 1.2450 | 1.2920 | 1.2941 | 1.0000 | 0.0961 | 0.8960 | 0.8980 | 0.9130 |
| Parkway School District   | 3.7661 | 5.2247 | 4.8758 | 4.7419 | 4.6796 | 4.1279 | 4.0743 | 3.9361 | 3.6761 | 3.5672 |

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**

| Fiscal<br>Year | Tax<br>Levy | Current<br>Tax<br>Collections | Percent<br>Collected<br>As Current | Delinquent<br>Tax<br>Collections | Total<br>Tax<br>Collections | Total<br>Collections<br>As Percent<br>Of Levy |
|----------------|-------------|-------------------------------|------------------------------------|----------------------------------|-----------------------------|---|
| 2019           | \$ 28,539   | \$ 2,269                      | 7.95 %                             | \$ -                             | \$ 2,269                    | 7.95 %  |
| 2018           | 28,539      | 3,392                         | 11.89                              | 25,147                           | 28,539                      | 100.00  |
| 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  |
| 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:

| Fiscal Year | Capital<br>Lease | Certificates of<br>Participation | Total<br>Primary<br>Government | Percentage of<br>Personal<br>Income | Per Capita |
|-------------|------------------|----------------------------------|--------------------------------|-------------------------------------|------------|
| 2019        | \$ -             | \$ 1,393,841                     | \$ 1,393,841                   | 7.7 %                               | \$ 3,556   |
| 2018        | -                | 1,478,331                        | 1,478,331                      | 9.0                                 | 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          |

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, 2019**

| <u>City of Twin Oaks</u>              | <u>Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable<br/>To City Of<br/>Twin Oaks</u> | <u>Amount<br/>Applicable<br/>To City Of<br/>Twin Oaks</u> |
|---------------------------------------|-----------------------------|---|---|
| Direct                                | \$ 1,393,841                | 100.00 %  | \$ 1,393,841  |
| Overlapping:                          |                             |   |   |
| St. Louis County                      | 108,100,000                 | 0.01  | 10,810  |
| Parkway School District               | 245,760,000                 | 0.01  | 24,576  |
| Valley Park School District           | 20,025,000                  | 0.10  | 20,025  |
| West County Fire Protection District  | 12,970,000                  | 0.11  | 14,267  |
| Total Overlapping Debt                |                             |   | <u>69,679</u>   |
| <br>Total Direct And Overlapping Debt |                             |   | <br><u><u>\$ 1,463,520</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**

|  | 2019                | 2018                | 2017                | 2016                | 2015                | 2014                | 2013                | 2012                | 2011                | 2010                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net Assessed Value   | \$24,821,343        | \$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        |
| Debt limit (10% of assessed value)                                   | 2,482,134           | 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           |
| Total net debt applicable to limit                                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Legal debt margin  | <u>\$ 2,482,134</u> | <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> |
| 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**

| Fiscal<br>Year | Population (1) | Median<br>Age (1) | Personal<br>Income<br>( <i>thousands<br/>of dollars</i> ) | Per<br>Capita<br>Personal<br>Income (2) | Unemployment<br>Rate (3) |
|----------------|----------------|-------------------|---|---|--------------------------|
| 2019           | 392            | 49.0              | \$ 18,193,896   | \$ 46,413                               | 3.1 %                    |
| 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           | 392            | 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                      |

Sources:

- (1) 2010 Census, US Census Bureau
- (2) American Community Survey 2005 - 2009
- (3) U.S. Bureau of Labor Statistics

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

| <u>Employer</u>    | <u>2019</u>      |             |  | <u>2010</u>      |             |  |
|--------------------|------------------|-------------|--|------------------|-------------|--|
|                    | <u>Employees</u> | <u>Rank</u> | <u>Percentage<br/>of Total City<br/>Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage<br/>of Total City<br/>Employment</u> |
| Schnucks Market    | 153              | 1           | 35 %   | 138              | 1           | 33 %   |
| 1356 Pub           | 37               | 2           | 8  |                  |             |  |
| Dairy Queen        | 35               | 3           | 8  | 43               | 3           | 10   |
| Imo's Pizza        | 31               | 4           | 7  | 31               | 5           | 7  |
| H&R Block          | 24               | 5           | 5  |                  |             |  |
| Pizza Hut          | 17               | 6           | 4  | 23               | 7           | 5  |
| Walgreens Pharmacy | 12               | 7           | 3  | 21               | 8           | 5  |
| Hardees            | 12               | 7           | 3  | 14               | 9           | 3  |
| Herman and Grumke  | 12               | 7           | 3  |                  |             |  |
| First Bank         | 12               | 7           | 3  |                  |             |  |
| Nicoletti's        |                  |             |  | 32               | 4           | 8  |
| Subway             |                  |             |  | 12               | 10          | 3  |
| Shop N Save        |                  |             |  | 110              | 2           | 26   |

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**

| <b>Function/Program</b>  | <u>2019</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> |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 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           |
| Streets/parks:           |             |             |             |             |             |             |             |             |             |             |
| Maintenance/landscaping  | 2           | 2           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Total                    | <u>4</u>    | <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>    |

Source: Annual Budget Document and Payroll Records

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

| <b>Function/Program</b>          | <u>2019</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>General government:</u>       |             |             |             |             |             |             |             |             |             |             |
| City clerk (1):                  |             |             |             |             |             |             |             |             |             |             |
| Site development/concept plans   | 1           | 1           | 1           | 2           | -           | -           | 1           | 2           | -           | -           |
| Rezoning applications            | -           | -           | -           | 1           | -           | -           | -           | -           | -           | 1           |
| Text amendments                  | 4           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Building permits                 | 8           | 5           | 10          | 5           | 12          | 16          | 11          | 17          | 12          | 13          |
| Building/housing inspections     | 13          | 6           | 9           | 15          | 12          | 9           | 13          | 7           | 10          | 10          |
| Administrative assistant (2):    |             |             |             |             |             |             |             |             |             |             |
| Accounts payable processed       | 591         | 609         | 582         | 590         | 579         | 589         | 673         | 674         | 692         | 578         |
| Payroll checks authorized        | 194         | 215         | 226         | 196         | 214         | 213         | 172         | 184         | 181         | 177         |
| Public records requested         | 1           | 3           | 1           | 1           | -           | 2           | 6           | 1           | 9           | 2           |
| Collector (3):                   |             |             |             |             |             |             |             |             |             |             |
| Business licenses issued         | 39          | 39          | 38          | 36          | 37          | 37          | 34          | 35          | 35          | 34          |
| Liquor licenses issued           | 13          | 14          | 14          | 14          | 14          | 14          | 14          | 14          | 14          | 14          |
| Sewer lateral fees collected (4) | 176         | 176         | 176         | 165         | 167         | 160         | 161         | 164         | 163         | 156         |
| <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>2019</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>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



To the Honorable Mayor, Members of the Board of Aldermen,  
and City Administrator of City of Twin Oaks, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Twin Oaks, Missouri for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Twin Oaks, Missouri are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by City of Twin Oaks, Missouri during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates affecting the financial statements were:

Management records and depreciates capital assets according to the City's Capital Asset policy as described in Note 1 to the financial statements. Depreciation expense is based on the estimated useful lives of the fixed assets.

Management records receivables based on its estimate of the collectability of those receivables.

The calculation of the Net Pension Asset/Liability is based on numerous estimates including life expectancy, projected rate of return, and future benefit costs.

We evaluated the key factors and assumptions used to develop the aforementioned estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures are an integral part of the financial statements and should be read in conjunction with them.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We discussed the following items with management:

- Due to the limited number of personnel, the City Administrator has access to checks, prepares journal entries, and completes the bank reconciliations. In order to mitigate the risk associated with a limited number of staff, the contracted CPA reviews the reconciliations after they are completed.
- Because the City uses pooled cash, the interest earned on the bank accounts should be allocated to all of the various funds. Currently all interest on pooled cash is recorded in the General Fund.

- The City's personnel policy indicates a maximum accumulation of vacation hours of 78 weeks (1 ½ years). However, the City's accrued vacation calculation uses a maximum of 180 hours (for full-time) or 129.5 hours (for part-time). No one exceeded either amount; however, we recommend the City review the policy to determine what a reasonable maximum accrual should be.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

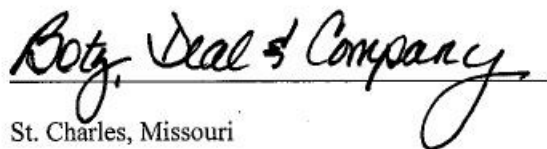
We applied certain limited procedures to Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of Changes In Net Pension Liability (Asset) and Related Ratios, and Schedule of Employer Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Budgetary Comparison Schedules which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section or statistical section, which accompany the financial statements but are not RSI. Such information has 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 it.

#### Restriction on Use

This communication is intended solely for the use of management, as well as the Honorable Mayor and the Board of Aldermen of the City of Twin Oaks, Missouri and is not intended to be and should not be used by anyone other than these specified parties.



St. Charles, Missouri

June 8, 2020

# City Clerk's Report

City of Twin Oaks, Board of Alderman

June 17, 2020

## Project Updates

### **Code Enforcement Contract with St. Louis County**

- Staff is still working to finalize the contract with St. Louis County for code enforcement services. Several minor revisions were needed for the contract and ordinance passed by St. Louis County in early March, so the ordinance will need to be re-adopted.
- The changes included revising the terms so that the renewal provision is similar to what is contained in the policing services contract and updating the "Village of Twin Oaks" to "City of Twin Oaks."
- The fees remain the same at \$47/hour, \$24 for each additional half hour or fraction thereof, plus an administrative fee of \$49.60 for clerical work.
- The City will also need to pass another ordinance adopting the revised contract. We are currently waiting on the final sign off from the County Counselor's office.

### **Wooden Footbridge on Crescent**

- The project specifications were sent to MSD and the U.S. Army Corps of Engineers for their review. The Corps responded on June 11 and notified the City that no permit is required from their agency, based on the description of the work we provided.
- However, MSD has informed us that a sanitary sewer line runs right through the proposed location. Because of that, they are requiring much more detailed information on the project, including a land survey and a detailed plan, be submitted for a formal review. This information must also be prepared and submitted by the city's engineer.

### **Meramec Station Road Striping**

- BFA has completed preparation of a bike lane striping plan for Meramec Station Road, which is included in your board packet. The plan has been shared with Traffic Control Company so that they can rebid the project according to the specifications in the plan.
- At the suggestion of BFA, the City also contacted ATK Safety Supply and obtained another estimate for the work.

### **Crescent Road Sidewalks, Phase One**

- BFA is working on preparing preliminary plans for the first phase of sidewalks along Crescent Road as discussed at the Board of Aldermen meeting on June 3. The plans will present options for a sidewalk with curb and gutters and one without. They estimate the preliminary plans will be completed in three to four weeks.

## Additional Notes

- City Clerk Frank Johnson attended a webinar on the next round of grants from the Municipal Park Grant Commission on June 10 and also attended a project development webinar on the Transportation Alternatives Program (TAP) solicitation from East-West Gateway on June 11.
- The City has completed its annual bond certification and reporting process as required for the 2017 Certificates of Participation issued to finance the construction of City Hall. See the annual report included in the board packet for more details.
- The City has confirmed with the management of the Village of Twin Oaks that their residents have been receiving notices and reminders from the U.S. Census Department. Further, an analysis of occupancy permits from the property estimates that the total population residing in the apartments is approximately 269. When combined with the 2019 Census estimate of 396, the total population of the City would be approximately 665.
  - Please note that the above figure assumes that the 2019 Census estimates does not include any residents from the apartments, which may or may not be the case.

**Bond Compliance Officer – Annual Report to Board of Aldermen**  
June 17, 2020

In 2017, the Board passed an ordinance appointing the City Administrator/City Clerk as the City's "Bond Compliance Officer" and designating the Board's second meeting in June each year for an annual report.

The purpose is to report on the City's tax compliance procedures and policies for the 2017 Certificates of Participation (COPs) issued to finance construction of City Hall.

Tax compliance ensures that the financed project is a public project, and that the City is not using tax exempt bond funds to invest for a profit.

These annual reports will be required until the 2017 COPs are paid off.

Currently, the 2017 COPs are the City's only outstanding bonds, and no new bonds are anticipated at this time.

The City's compliance policy specifically requires me:

- to maintain a Tax-Exempt Bond File with all relevant bond documents;
- to receive training on compliance;
- to prepare the City's annual compliance checklist; and,
- to file the checklist in the Bond File.

Additionally, if my annual review indicates there are any compliance issues, I will consult with the City Attorney to handle them, and document it in the Bond File.

I am happy to report this year that the City is in compliance with its policies and procedures:

- I have reviewed my checklist and report through City Attorney's office as well as the City's financial consultant, Jeff Blume.
- The Bond File has been prepared, and is maintained in my office.
- I have prepared the Annual Compliance Checklist for the period ending April 2020 and determined there are no compliance issues.

The Checklist is a comprehensive guide to reviewing each requirement of the City's Tax Compliance Policy. This copy is for your information.

The City's future annual compliance should be straight forward for the following reasons:

- the City used only public funds to build City Hall. There were no private funds contributed.
- 100% of the funds were used for City Hall within a year of financing, and there are no unused funds.
- City Hall is being used exclusively by the City, so the use is entirely public.
- The City has no COPs funds set aside for investment.

The next compliance meeting will be in June 2021, and will cover the period ending April 2021.