

**CITY OF TWIN OAKS,
MISSOURI**



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025**

CITY OF TWIN OAKS, MISSOURI
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025

Prepared By: April Milne, City Clerk

CITY OF TWIN OAKS, MISSOURI

ANNUAL COMPREHENSIVE FINANCIAL REPORT

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION:	
List Of Principal Officials	i
Organizational Chart	ii
Certificate of Achievement	iii
Letter Of Transmittal	iv
FINANCIAL SECTION:	
Independent Auditor's Report	1
Management's Discussion And Analysis	4
Basic Financial Statements:	
Statement Of Net Position	11
Statement Of Activities	12
Balance Sheet - Governmental Funds	13
Reconciliation Of The Statement Of Net Position To The Balance Sheet - Governmental Funds	14
Statement Of Revenues, Expenditures And Changes In Fund Balances - Governmental Funds	15
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities	16
Notes To Financial Statements	17
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule - General Fund	32
Budgetary Comparison Schedule - Road Fund	33
Budgetary Comparison Schedule - Parks And Storm Water Fund	34
Note To Required Supplementary Information	35
Schedule Of Changes In Net Pension Liability (Asset) And Related Ratios	36
Schedule Of Employer Contributions	37
SUPPLEMENTAL INFORMATION:	
Budgetary Comparison Schedule - Capital Improvements Fund	38
Budgetary Comparison Schedule - Sewer Lateral Fund	39

CITY OF TWIN OAKS, MISSOURI

ANNUAL COMPREHENSIVE FINANCIAL REPORT

TABLE OF CONTENTS

(Continued)

	PAGE
STATISTICAL SECTION:	
Net Position By Component	40
Changes In Net Position	41
Program Revenues By Function/Program	42
Fund Balances - Governmental Funds	43
Changes In Fund Balances - Governmental Funds	44
Tax Revenues By Source - Governmental Funds	45
Assessed Value And Estimated Actual Value Of Taxable Property	46
Direct And Overlapping Property Tax Rates	47
Property Tax Levies And Collections	48
Ratios Of Outstanding Debt By Type	49
Direct And Overlapping Governmental Activities Debt	50
Legal Debt Margin Information	51
Demographic And Economic Statistics	52
Principal Employers	53
Full-Time Equivalent City Government Employees By Function/Program	54
Operating Indicators By Function/Program	55
Capital Asset Statistics By Function/Program	56

INTRODUCTORY SECTION

CITY OF TWIN OAKS, MISSOURI
LIST OF PRINCIPAL OFFICERS

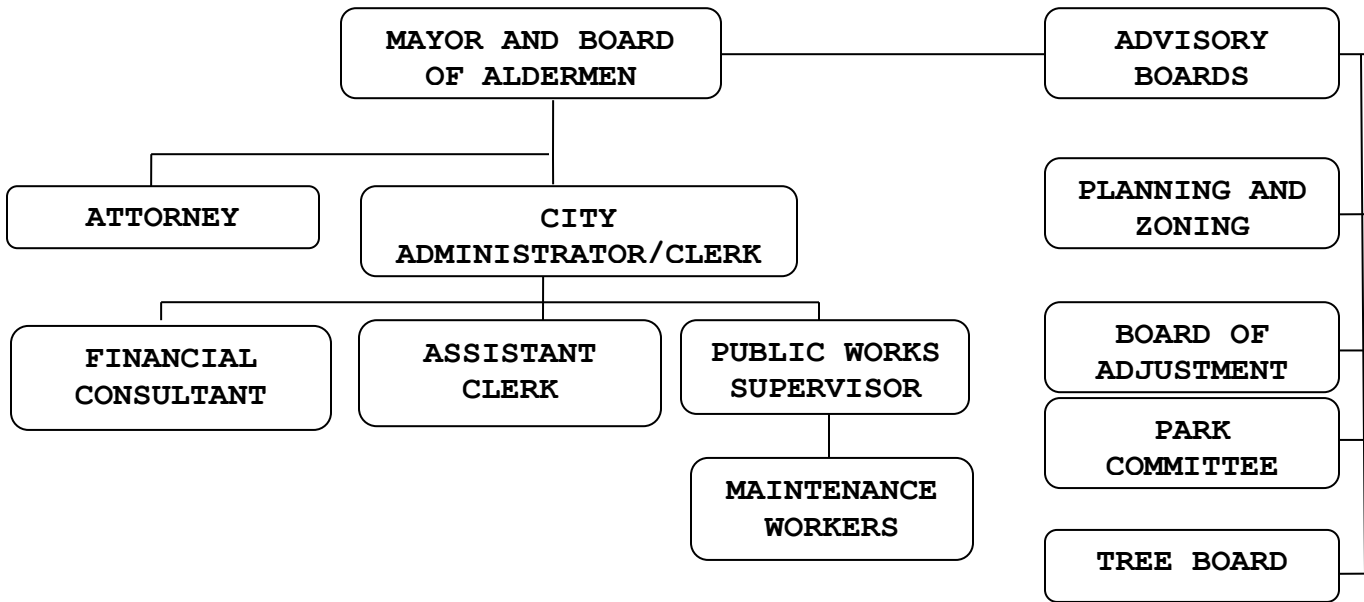
DECEMBER 31, 2025

Elected Officials	Term
Russ Fortune Mayor	April 2025 – April 2027
Lisa Eisenhower Alderwoman	April 2025 – April 2027
Joe Krewson** Alderman	April 2024 – April 2026
Tim Stoeckl Alderman	April 2024 – April 2026
Jim Crawford Alderman	April 2025 – April 2027

** Alderman Krewson was appointed to replace April Milne who was elected to serve on the Board of Aldermen beginning April 2024. Alderman Krewson was elected at the next election to serve out the remainder term until April 2026.

CITY OF TWIN OAKS, MISSOURI

ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Twin Oaks
Missouri**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO



June 24, 2026

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

The Annual Comprehensive Financial Report (ACFR) of the City of Twin Oaks, Missouri (the City) for the fiscal year ending December 31, 2025, is hereby submitted. This report was prepared by the City Administrator and staff. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests 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 auditor's 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 600, covering approximately 0.27 square miles. In 2016, the residents voted to change the City's status from a village to a fourth-class city under Missouri Statutes.

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 are elected 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 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 or residential real property. The commercial real property tax has been levied since 2012.

Housing sales within the City follow national trends and the City has seen a steady number of home sales throughout the community. In the last year, home values have increased 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 the Big Bend Square Shopping Center for a majority of its revenue. Following the completion of Highway 141, the City experienced a steady stream of commercial development. The mid- to late 2000s saw the opening of Walgreens, Commerce Bank, Schnucks, Shop n Save, as well as a host of smaller retail, restaurant and service businesses.

In 2019, another major boom began in Twin Oaks with the completion of the Big Bend Square Redevelopment project. This mixed-use development included a facelift for all existing businesses within the shopping area as well as new buildings and additional retail establishments.

While the Shop n' Save store closed in 2018, discount grocer ALDI opened at that same location in September of 2022. Westlake Ace Hardware opened in late 2023 and Sav-On Liquor and Wine opened their first Missouri location in Twin Oaks in 2024.

The most substantial feature of the 2019 redevelopment was the "Villages of Twin Oaks," which features 219 apartment homes with all the amenities. As a result, the population of Twin Oaks increased by more than 50 percent. In addition, the development opened new restaurants in recent years, including the first Missouri location of Wing Snob, a fast casual wing chain, Rosemary Coffee Co., a boutique coffee shop and micro-roastery, Carreta's Mexican Restaurant and Bartolino's, an upscale Italian eatery.

LONG-TERM FINANCIAL PLANNING

The voters have approved a half-cent capital improvement sales tax. These funds are used for major reconstruction projects and debt service obligations for a new government center. In addition, the funds from this sales tax provide resources for future street and infrastructure projects.

The voters also passed a half-cent sales tax for parks and stormwater. The City utilizes these funds for improvements and maintenance to its park and related services as well as stormwater mitigation projects.

The City funded the construction of its City Hall by issuance of Certificates of Participation in 2017 in the amount of \$1,600,000. The debt was revised in 2022 providing for annual payments through 2032. At the end of 2025, the principal amount outstanding is \$810,185.

RELEVANT FINANCIAL POLICIES

In 2025, the City continued its policy of not levying property taxes on residential and personal property.

INDEPENDENT AUDIT

City ordinances require an annual audit by independent certified public accountants. The certified public accounting firm of UHY LLP (formerly 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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2024. This was the 17th year the City achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR. Such ACFR 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 ACFR meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

ACKNOWLEDGMENTS

The preparation of the ACFR 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, UHY LLP, in formulating this report.

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "April Milne".

April Milne, City Administrator

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and the Board of Aldermen
CITY OF TWIN OAKS, MISSOURI

Opinions

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, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Twin Oaks, Missouri, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Twin Oaks, Missouri's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Twin Oaks, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Twin Oaks, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability (asset) and related ratios, and schedule of employer contributions be presented to supplement the basic financial statements. Such information, although not a 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 inquiries 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.

Supplemental 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 financial statements. The other budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic 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 financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The image shows a handwritten signature in black ink. The letters 'UHY' are written in a large, stylized, cursive font, followed by 'LLP' in a smaller, more straightforward cursive font.

St. Charles, Missouri
June 26, 2026

CITY OF TWIN OAKS, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets and deferred outflows of resources of the City of Twin Oaks exceeded its liabilities and deferred inflows of resources for the most recent fiscal year by \$7,226,541. This is an increase of \$428,621 from current year activities. Of this amount, \$1,389,356 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,405,142, a decrease of \$56,333 from current year activities. The amount of unassigned fund balances available for future spending was \$1,359,712.
- At the close of the current fiscal year, the fund balance for the General Fund was \$1,414,883.
- Sales and use taxes totaling \$1,413,482 provided approximately 80% of governmental fund revenues in 2025.
- The City reduced the total principal outstanding on its certificates of participation by \$107,165. The certificates were issued to construct a new city hall building.

REPORT LAYOUT

The report consists of the Management's Discussion and Analysis (MD&A), government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, and supplemental information, and a statistical section. 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 financial 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

With its unique mix of retail enterprises with concentrations in essential product areas like grocery, pharmacy, hardware and healthcare, the City's income is not significantly affected by volatile economic swings. Fiscal Year 2025 saw the City recognize over \$1.77 million in total revenue, down approximately 3.9% from 2024.

As the pandemic has shown, governments and business must always be prepared for revenue disruption and unexpected expenditures. Twin Oaks is dependent on sales taxes generated in a small geographic area. Over the last several years, the City has focused on accumulating reserves to maintain a high level of services.

Government-wide Financial Analysis

The City's net position was \$7,226,541 as of December 31, 2025. 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, furniture and fixtures, vehicles, infrastructure and machinery 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

	2025	2024	Increase (Decrease)
Current and other assets	\$ 2,832,804	\$ 2,861,216	\$ (28,412)
Net pension asset	46,443	49,058	(2,615)
Capital assets	5,565,909	5,180,772	385,137
Total assets	<u>8,445,156</u>	<u>8,091,046</u>	<u>354,110</u>
Total deferred outflows of resources	<u>23,275</u>	<u>20,622</u>	<u>2,653</u>
Current and other liabilities	105,558	58,123	47,435
Long-term liabilities	818,479	923,719	(105,240)
Total liabilities	<u>924,037</u>	<u>981,842</u>	<u>(57,805)</u>
Total deferred inflows of resources	<u>317,853</u>	<u>331,906</u>	<u>(14,053)</u>
Net position:			
Net investment in capital assets	4,755,724	4,263,422	492,302
Restricted	1,081,461	1,211,910	(130,449)
Unrestricted	1,389,356	1,322,588	66,768
Total net position	<u>\$ 7,226,541</u>	<u>\$ 6,797,920</u>	<u>\$ 428,621</u>

Net position, over time, may serve as a useful indicator as to whether the governmental long term finances are improving or deteriorating.

Governmental activities increased the City's net position by \$428,621. The key elements of this increase are as follows:

Table 2

	2025	2024	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for service	\$ 137,148	\$ 130,979	\$ 6,169
Grants and contributions:			
Operating	62,659	50,797	11,862
Capital and contributions	-	10,000	(10,000)
General revenues:			
Taxes	1,463,018	1,571,069	(108,051)
Interest income	83,018	56,926	26,092
Miscellaneous	18,594	57,979	(39,385)
Total revenues	<u>1,764,437</u>	<u>1,877,750</u>	<u>(113,313)</u>
Expenses:			
General government	520,886	443,175	77,711
Sanitation	77,575	64,699	12,876
Public safety	158,456	151,706	6,750
Streets	218,589	245,160	(26,571)
Parks	312,633	254,839	57,794
Stormwater	13,126	14,539	(1,413)
Sewer lateral	-	619	(619)
Interest and fiscal charges	34,551	38,764	(4,213)
Total expenses	<u>1,335,816</u>	<u>1,213,501</u>	<u>122,315</u>
Increase (decrease) in net position	428,621	664,249	(235,628)
Net position, beginning of year	6,797,920	6,133,671	664,249
Net position, end of year	<u>\$ 7,226,541</u>	<u>\$ 6,797,920</u>	<u>\$ 428,621</u>

Total 2025 revenues of \$1,764,441 shown in Table 2, compared with total revenues of \$1,887,750 in 2024 represents a decrease in total revenues of \$113,309 or about 6%. A significant portion of the City's sales tax is generated from two grocery stores. It is not unusual that their monthly remittance to the State Department of Revenue could result in distribution to the City with some months containing no payments from these businesses and other months containing two months of remittances. Further, the City shares a portion of the sales tax with other municipalities in St. Louis County. The sharing formula is complex but impacts months at the end of the City's fiscal year. These dynamics can cause the recognition of the revenue to fluctuate from year-to-year. (See page 45, Tax Revenues by Source). Sales and use tax revenue decreased by 7.1% decreased in 2025 from 2024 due to these timing issues. Interest income increased \$26,092 (45.8%) in 2025 from 2024 due to increased investment return from the purchase of a certificate of deposit. Miscellaneous revenue decreased substantially (\$39,381) primarily due to the receipt of insurance proceeds of \$39,393 in 2024.

Total expenses increased by \$122,315 (10.1%) in 2025 compared to 2024. General government expenses increased approximately \$77,000 in 2025 compared to 2024. Employee turnover in two positions in 2024, higher legal expenses in 2025, upgraded technology, a replacement roof for city hall and other increased operating expenses contributed to the higher costs. Sanitation expenses increased by 20% in 2025 due classifying certain costs previously included in general government as sanitation expense in 2025. In 2025, parks expenses increased approximately \$58,000 (23%) compared to 2024. In 2025 the City focused on park projects and overdue maintenance including utilizing maintenance workers more in the parks that previously serviced road maintenance. The result was increases in wages charged to Parks that previously were part of Streets expense. Further, the City increased community events in 2025. Streets expense decreased 10.8% (about \$26,500) due to the allocation of maintenance salaries previously noted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2025, 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 \$385,137 or 7.4% from the prior fiscal year.

Table 3

	2025	2024	Increase (Decrease)
Land and construction in progress	\$ 1,329,246	\$ 1,846,571	\$ (517,325)
Buildings	1,809,852	1,872,003	(62,151)
Building improvements	23,297	25,023	(1,726)
Improvements other than buildings	659,482	551,353	108,129
Machinery and equipment	65,980	56,039	9,941
Infrastructure	1,678,052	829,783	848,269
Total capital assets, net of depreciation	\$ 5,565,909	\$ 5,180,772	\$ 385,137

The City invested approximately \$600,000 in capital assets in 2025. The completion of the Crescent Road project also shifted amounts previously reported in construction in progress. The increase is offset by depreciation this fiscal year. More detailed information on the City's capital assets is presented in Note 6 of the financial statements.

Debt

At year-end, the City had \$810,185 of certificates of participation outstanding compared to \$917,350 at the end of the prior fiscal year.

Table 4

	2025	2024	Increase (Decrease)
Certificates of Participation	\$ 810,185	\$ 917,350	\$ (107,165)
Compensated absences	8,294	6,369	1,925
Total	\$ 818,479	\$ 923,719	\$ (105,240)

During the fiscal year, the City made principal payments totaling \$107,165 on the outstanding Certificates of Participation related to the City Center. More detailed information on the City's noncurrent liabilities is presented in Note 7 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

	2025	2024	Increase (Decrease)
Taxes	\$ 1,469,549	\$ 1,571,798	\$ (102,249)
Intergovernmental	62,659	63,695	(1,036)
Licenses and fees	125,961	119,604	6,357
Fines and court fees	2,680	4,182	(1,502)
Charges for service	3,930	2,550	1,380
Sewer lateral fees	4,577	4,643	(66)
Other revenue	18,594	18,586	8
Investment income	83,018	56,926	26,092
Total Governmental Revenues	<u>\$ 1,770,968</u>	<u>\$ 1,841,984</u>	<u>\$ (71,016)</u>

Total 2025 revenue decreased \$71,016 (3.7%). Sales and use tax revenues decreased \$108,418 (7.1%) from 2024. As noted previously, the inconsistent reporting by a major sales tax generator and the complex sharing formula with other St. Louis County municipalities can result in wide fluctuations in year-to-year revenue recognition. Offsetting part of the drop in revenue was an increase of approximately \$26,000 in investment income due to higher interest rates obtained from a certificate of deposit.

At the close of the City's fiscal year on December 31, 2025, the General Fund of the City had an ending fund balance of \$1,414,883, an increase of \$207,289. This is a consistent annual increase in the last several years as revenues have exceeded expenditures.

The Capital Improvements Fund ending fund balance in 2025 decreased \$56,145 to \$502,367. Revenues consist of a special sales tax which decreased about \$20,000 (5.5%) in 2025. Expenditures consist of specific, non-recurring projects and annual debt service payments on the city hall debt. The decrease in fund balance was mostly due to transfers made to the Road Fund to support capital projects paid for out of that fund.

The fund balance in the Parks and Stormwater Fund decreased by \$77,234 in 2025. Sales tax revenue decreased in this fund during 2025 by 5.5%. Expenditures increased by approximately \$265,000 in 2025; as previously noted, in 2025 the City focused on increased maintenance including park employee staffing and over \$260,000 in capital projects.

The fund balance in the Road Fund ended the year with a negative \$44,759 fund balance. The Road Fund generally has a fund balance near \$-0-. The fund received transfers (\$310,000 in 2025) from the General Fund and Capital Improvements Fund to fund infrastructure projects and street maintenance. Expenditures totaled over \$500,000 in 2025 of which almost \$400,000 was comprised of capital outlays.

General Fund Budgetary Highlights

For 2025, actual revenues in the General Fund were \$969,957 as compared to the budget amount of \$921,200. There were no budget amendments to revenues in 2025. Tax revenues exceeded the budget by \$21,584 due to higher-than-expected sales taxes, even though the total revenue decreased from 2024. Investment income exceeded the budget by \$32,050.

For 2025, actual expenditures in the General Fund were \$676,968 compared to the amended budget amount of \$679,425. Various expenditures differed slightly from the budget estimate. The City passed a budget amendment to increase the General Fund budgeted expenditures by \$8,300, about 1.2% from the original budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The following is a synopsis of the 2026 budget:

- The 2026 budget projects revenues of \$2,381,900 and expenditures of \$2,130,511. Included in expenditures is \$930,000 for capital improvements. Total governmental fund balances at the end of 2026 are projected to total about \$2.6 million.
- Major capital improvements in 2026 in pedestrian access to the park (\$465,000) funded, in part, with a municipal park grant and Meramec Station pedestrian improvements (\$240,000) with \$180,000 provided by a Transportation Alternatives Program (TAP) grant.
- The City's primary source of revenues (sales tax) is expected to remain strong which will allow continued funding of a high level of services.
- The City remains somewhat immune to the continued national and local trend to on-line retail shopping with its mix of grocery, hardware, pharmacy and restaurants as main generators of taxes.
- The City concurs with national assessments that while there are significant economic concerns, primarily in the form of continued high inflation, the economy will continue to grow at a moderate pace in 2026.

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

	<u>December 31, 2025</u>
	<u>Governmental</u>
	<u>Activities</u>
ASSETS	
Cash and investments	\$ 2,089,534
Restricted cash and investments	136
Receivables:	
Taxes	380,944
Other	75
Lease	348,784
Interest	2,919
Prepaid items	10,412
Net pension asset	46,443
Capital assets:	
Nondepreciable	1,329,246
Depreciable, net of accumulated depreciation	4,236,663
Total assets	<u>8,445,156</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow related to pension	<u>23,275</u>
LIABILITIES	
Accounts payable	85,167
Accrued expenses	2,957
Deposits	7,260
Unearned revenue	2,071
Interest payable	8,103
Noncurrent liabilities:	
Due in one year	119,788
Due in more than one year	698,691
Total liabilities	<u>924,037</u>
DEFERRED INFLOWS OF RESOURCES	
Lease related	<u>317,853</u>
NET POSITION	
Net investment in capital assets	4,755,724
Restricted:	
Pension benefits	46,443
Capital projects	502,367
Parks and storm water projects	474,673
Sewer lateral repairs	57,978
Unrestricted	1,389,356
Total net position	<u>\$ 7,226,541</u>

CITY OF TWIN OAKS, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Change in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General government	\$ 520,886	\$ 125,961	\$ -	\$ -	\$ (394,925)
Sanitation and public health	77,575	-	-	-	(77,575)
Public safety	158,456	2,680	-	-	(155,776)
Streets	218,589	-	62,659	-	(155,930)
Parks	312,633	3,930	-	-	(308,703)
Stormwater	13,126	-	-	-	(13,126)
Sewer lateral assistance program	-	4,577	-	-	4,577
Interest	34,551	-	-	-	(34,551)
Total governmental activities	<u>\$ 1,335,816</u>	<u>\$ 137,148</u>	<u>\$ 62,659</u>	<u>\$ -</u>	<u>(1,136,009)</u>
General revenues:					
Taxes:					
Property					44,760
Sales and use					1,413,482
Other					4,776
Investment income					83,018
Other miscellaneous revenue					18,594
Total general revenues					<u>1,564,630</u>
CHANGE IN NET POSITION					<u>428,621</u>
NET POSITION BEGINNING OF YEAR:					<u>6,797,920</u>
NET POSITION - END OF YEAR					<u>\$ 7,226,541</u>

Table 5

	2025	2024	Increase (Decrease)
Taxes	\$ 1,469,549	\$ 1,571,798	\$ (102,249)
Intergovernmental	62,659	63,695	(1,036)
Licenses and fees	125,961	119,604	6,357
Fines and court fees	2,680	4,182	(1,502)
Charges for service	3,930	2,550	1,380
Sewer lateral fees	4,577	4,643	(66)
Other revenue	18,594	18,586	8
Investment income	83,018	56,926	26,092
Total Governmental Revenues	<u>\$ 1,770,968</u>	<u>\$ 1,841,984</u>	<u>\$ (71,016)</u>

Total 2025 revenue decreased \$71,016 (3.7%). Sales and use tax revenues decreased \$108,418 (7.1%) from 2024. As noted previously, the inconsistent reporting by a major sales tax generator and the complex sharing formula with other St. Louis County municipalities can result in wide fluctuations in year-to-year revenue recognition. Offsetting part of the drop in revenue was an increase of approximately \$26,000 in investment income due to higher interest rates obtained from a certificate of deposit.

At the close of the City's fiscal year on December 31, 2025, the General Fund of the City had an ending fund balance of \$1,414,883, an increase of \$207,289. This is a consistent annual increase in the last several years as revenues have exceeded expenditures.

The Capital Improvements Fund ending fund balance in 2025 decreased \$56,145 to \$502,367. Revenues consist of a special sales tax which decreased about \$20,000 (5.5%) in 2025. Expenditures consist of specific, non-recurring projects and annual debt service payments on the city hall debt. The decrease in fund balance was mostly due to transfers made to the Road Fund to support capital projects paid for out of that fund.

The fund balance in the Parks and Stormwater Fund decreased by \$77,234 in 2025. Sales tax revenue decreased in this fund during 2025 by 5.5%. Expenditures increased by approximately \$265,000 in 2025; as previously noted, in 2025 the City focused on increased maintenance including park employee staffing and over \$260,000 in capital projects.

The fund balance in the Road Fund ended the year with a negative \$44,759 fund balance. The Road Fund generally has a fund balance near \$-0-. The fund received transfers (\$310,000 in 2025) from the General Fund and Capital Improvements Fund to fund infrastructure projects and street maintenance. Expenditures totaled over \$500,000 in 2025 of which almost \$400,000 was comprised of capital outlays.

General Fund Budgetary Highlights

For 2025, actual revenues in the General Fund were \$969,957 as compared to the budget amount of \$921,200. There were no budget amendments to revenues in 2025. Tax revenues exceeded the budget by \$21,584 due to higher-than-expected sales taxes, even though the total revenue decreased from 2024. Investment income exceeded the budget by \$32,050.

For 2025, actual expenditures in the General Fund were \$676,968 compared to the amended budget amount of \$679,425. Various expenditures differed slightly from the budget estimate. The City passed a budget amendment to increase the General Fund budgeted expenditures by \$8,300, about 1.2% from the original budget.

CITY OF TWIN OAKS, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS

	DECEMBER 31, 2025					
	GENERAL	CAPITAL IMPROVEMENTS	PARKS AND STORM WATER	ROAD	NONMAJOR SEWER LATERAL	TOTAL
ASSETS						
Cash and investments	\$ 1,192,786	\$ 439,551	\$ 402,382	\$ -	\$ 54,815	\$ 2,089,534
Restricted cash and investments	-	136	-	-	-	136
Receivables:						
Taxes	216,144	62,680	73,741	25,216	3,163	380,944
Other	75	-	-	-	-	75
Lease	348,784	-	-	-	-	348,784
Interest	2,919	-	-	-	-	2,919
Due from other funds	19,742	-	-	-	-	19,742
Prepaid items	10,412	-	-	-	-	10,412
Total assets	<u>\$ 1,790,862</u>	<u>\$ 502,367</u>	<u>\$ 476,123</u>	<u>\$ 25,216</u>	<u>\$ 57,978</u>	<u>\$ 2,852,546</u>
LIABILITIES						
Accounts payable	\$ 38,592	\$ -	\$ -	\$ 46,575	\$ -	\$ 85,167
Accrued expenses	2,957	-	-	-	-	2,957
Deposits	5,810	-	1,450	-	-	7,260
Due to other funds	-	-	-	19,742	-	19,742
Unearned revenue	2,071	-	-	-	-	2,071
Total liabilities	<u>49,430</u>	<u>-</u>	<u>1,450</u>	<u>66,317</u>	<u>-</u>	<u>117,197</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	8,696	-	-	3,658	-	12,354
Lease related	317,853	-	-	-	-	317,853
Total deferred inflows of resources	<u>326,549</u>	<u>-</u>	<u>-</u>	<u>3,658</u>	<u>-</u>	<u>330,207</u>
FUND BALANCE						
Fund Balances:						
Nonspendable	10,412	-	-	-	-	10,412
Restricted:						
Parks and Stormwater projects	-	-	474,673	-	-	474,673
Sewer lateral repairs	-	-	-	-	57,978	57,978
Capital projects	-	502,367	-	-	-	502,367
Unassigned	1,404,471	-	-	(44,759)	-	1,359,712
Total fund balance	<u>1,414,883</u>	<u>502,367</u>	<u>474,673</u>	<u>(44,759)</u>	<u>57,978</u>	<u>2,405,142</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,790,862</u>	<u>\$ 502,367</u>	<u>\$ 476,123</u>	<u>\$ 25,216</u>	<u>\$ 57,978</u>	<u>\$ 2,852,546</u>

CITY OF TWIN OAKS, MISSOURI
RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2025

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

Total fund balance per balance sheet	\$ 2,405,142
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	5,565,909
The net pension assets reported in governmental activities does not provide current financial resource and, therefore, is not reported in the funds.	46,443
Deferred outflows and inflows of resources related to pension are applicable to future periods and, therefore are not reported in the funds.	23,275
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.	12,354
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.	(8,103)
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>(818,479)</u>
Net position of governmental activities	<u><u>\$ 7,226,541</u></u>

CITY OF TWIN OAKS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

	YEAR ENDED DECEMBER 31, 2025					
	GENERAL	CAPITAL IMPROVEMENTS	PARKS AND STORM WATER	ROAD	NONMAJOR SEWER LATERAL	TOTAL
REVENUES						
Taxes	\$ 739,084	\$ 335,619	\$ 394,846	\$ -	\$ -	\$ 1,469,549
Intergovernmental	10,398	-	-	52,261	-	62,659
Licenses and fees	125,961	-	-	-	-	125,961
Fines and court costs	2,680	-	-	-	-	2,680
Charges for services	-	-	3,930	-	-	3,930
Sewer lateral fees	-	-	-	-	4,577	4,577
Other revenue	9,784	-	-	8,810	-	18,594
Investment income - interest	82,050	-	-	-	968	83,018
Total revenues	969,957	335,619	398,776	61,071	5,545	1,770,968
EXPENDITURES						
Current:						
General government	442,272	-	-	-	-	442,272
Resident services	77,575	-	-	-	-	77,575
Public safety	157,121	-	-	-	-	157,121
Streets	-	-	-	109,320	-	109,320
Parks	-	-	214,955	-	-	214,955
Capital outlay	-	24,678	261,055	397,539	-	683,272
Debt service:						
Principal, interest and fiscal charges	-	142,786	-	-	-	142,786
Total expenditures	676,968	167,464	476,010	506,859	-	1,827,301
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	292,989	168,155	(77,234)	(445,788)	5,545	(56,333)
OTHER FINANCING SOURCES (USES)						
Transfers in (out)	(85,700)	(224,300)	-	310,000	-	-
Total other financing sources (uses)	(85,700)	(224,300)	-	310,000	-	-
CHANGE IN FUND BALANCES	207,289	(56,145)	(77,234)	(135,788)	5,545	(56,333)
FUND BALANCES - BEGINNING OF YEAR	1,207,594	558,512	551,907	91,029	52,433	2,461,475
FUND BALANCES - END OF YEAR	\$ 1,414,883	\$ 502,367	\$ 474,673	\$ (44,759)	\$ 57,978	\$ 2,405,142

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, 2025

Change in fund balance-total governmental funds	\$ (56,333)
Revenues that do not provide current financial resources are not included in the fund financial statements.	(6,531)
The acquisition of capital assets requires the use of current financial resources but has no effect on net position.	640,237
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(255,100)
Interest is reported as an expenditure when due in the governmental funds but is accrued in the statement of activities.	1,070
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, expenditures in the governmental fund were different from the expense reported in the statement of activities.	38
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 governmental funds.	(1,925)
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>107,165</u>
Change in net position	<u><u>\$ 428,621</u></u>

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Village of Twin Oaks, Missouri was incorporated May 17, 1938. Voters approved transitioning to 4th Class City status in November 2016. The City of Twin Oaks, Missouri (the City) is a municipality governed by an elected four member board of aldermen and a mayor. The City applies the criteria set forth by GASB, 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.

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.

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 uses.

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.

CAPITAL ASSETS

Capital assets, which include land, construction in progress, buildings and improvements, machinery and equipment, furniture and fixtures, and infrastructure assets (e.g., roads, sidewalks, traffic lights, street lights, sewer lines and similar items), are reported in the statement of net position. Capital assets are defined by the City as assets with an initial individual cost of \$5,000 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.

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 assets 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 assets 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:

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, 2025, 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.

Lease Related - The Company recognizes a deferred inflow of resources in connection with its leasing arrangements in which it acts as a lessor. At the commencement of a lease, the Company records a lease receivable and a corresponding deferred inflow of resources in an amount equal to the present value of lease payments expected to be received over the lease term, plus any initial direct costs. The deferred inflow of resources represents the unearned portion of lease revenue and is subsequently recognized as revenue in a systematic and rational manner over the term of the lease, generally on a straight-line basis.

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.

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Pension liabilities are generally liquidated by the General Fund.

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.

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION AND FUND BALANCE (Continued)

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.

LEASES - LESSOR

The City is a lessor in a noncancellable lease of land on which a cellular tower is constructed. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

The City initially measures the lease receivable at the present value of payments expected to be received during the lease term on January 1, 2022 as allowed by GASB No. 87. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases. This rate is reduced if the incremental borrowing rate is more than the implied rate in the lease.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed receipts during the noncancellable period of the lease.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amounts of the lease receivable.

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

NOTE 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.

NOTE 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.

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 - CASH AND INVESTMENTS (Continued)

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, 2025, the City's bank deposits totaled \$2,240,445 and the carrying amount was \$2,089,534. The bank balances were covered by federal depository insurance 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, 2025.

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. The City does not currently have investments subject to interest rate risk.

NOTE 4 - PROPERTY TAX

The City's property tax is levied in November each year on the assessed value listed as of the previous January 1 for all real and personal property located in the City. Only commercial property located in the City is taxed. The assessed value of commercial real estate at January 1, 2025, upon which the 2025 levy was based, amounted to \$11,249,295. The tax rates per \$100 of assessed value is \$.386 for commercial property. The total assessed value of all property within the City was \$29,706,320.

Property taxes attach as an enforceable lien on property as of January 1. Taxes levied in November are due and payable prior to December 31. All unpaid taxes become delinquent after December 31. Property tax levied for 2025 and prior years which remain uncollected at December 31, 2025 are recorded as receivables.

NOTE 5 - LEASE RECEIVABLE

The City signed a lease in 1997 to lease land for a cellular tower for five years, with the option to renew for five additional five year renewal periods, granted to the leasee. In 2011, the lease was extended for three additional five year renewal periods through November 2042. Monthly payments increase 20% each renewal term. The City recognized \$6,849 in lease revenue and \$14,053 in interest revenue during the current fiscal year related to this lease. As of December 31, 2025, the City's receivable for lease payments was \$348,784. The deferred inflow of resources associated with this lease as of December 31, 2025, was \$317,853. Future minimum lease payments as of the years ending December 31 are as follows:

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 - CASH AND INVESTMENTS (Continued)

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, 2025, the City's bank deposits totaled \$2,240,445 and the carrying amount was \$2,089,670. The bank balances were covered by federal depository insurance 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, 2025.

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. The City does not currently have investments subject to interest rate risk.

NOTE 4 - PROPERTY TAX

The City's property tax is levied in November each year on the assessed value listed as of the previous January 1 for all real and personal property located in the City. Only commercial property located in the City is taxed. The assessed value of commercial real estate at January 1, 2025, upon which the 2025 levy was based, amounted to \$11,249,295. The tax rates per \$100 of assessed value is \$.386 for commercial property. The total assessed value of all property within the City was \$29,706,320.

Property taxes attach as an enforceable lien on property as of January 1. Taxes levied in November are due and payable prior to December 31. All unpaid taxes become delinquent after December 31. Property tax levied for 2025 and prior years which remain uncollected at December 31, 2025 are recorded as receivables.

NOTE 5 - LEASE RECEIVABLE

The City signed a lease in 1997 to lease land for a cellular tower for five years, with the option to renew for five additional five year renewal periods, granted to the leasee. In 2011, the lease was extended for three additional five year renewal periods through November 2042. Monthly payments increase 20% each renewal term. The City recognized \$6,849 in lease revenue and \$14,053 in interest revenue during the current fiscal year related to this lease. As of December 31, 2025, the City's receivable for lease payments was \$348,784. The deferred inflow of resources associated with this lease as of December 31, 2025, was \$317,853. Future minimum lease payments as of the years ending December 31 are as follows:

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 - LEASE RECEIVABLE (Continued)

	Future Minimum Lease Payments
2026	\$ 20,904
2027	25,080
2028	25,080
2029	25,080
2030	25,080
2031-2035	140,448
2036-2040	168,552
2041-2042	72,240
Total payment	<u>502,464</u>
Portion representing interest	<u>(153,680)</u>
Lease receivable	<u><u>\$ 348,784</u></u>

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2025 is as follows:

	Balance, Beginning Of Year	Additions	Deductions	Balance, End Of Year
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,295,701	\$ -	\$ -	\$ 1,295,701
Construction in progress	550,870	381,571	(898,896)	33,545
Total capital assets, not being depreciated	1,846,571	381,571	(898,896)	1,329,246
Capital assets, being depreciated:				
Buildings	2,353,824	-	-	2,353,824
Building improvements	71,030	-	-	71,030
Improvements other than buildings	1,599,043	191,955	-	1,790,998
Machinery and equipment	107,367	20,136	-	127,503
Furniture and fixtures	40,290	-	-	40,290
Infrastructure	2,122,261	945,471	-	3,067,732
Total capital assets, being depreciated	6,293,815	1,157,562	-	7,451,377
Less accumulated depreciation for:				
Buildings	(481,821)	(62,151)	-	(543,972)
Building improvements	(46,007)	(1,726)	-	(47,733)
Improvements other than buildings	(1,047,690)	(83,826)	-	(1,131,516)
Machinery and equipment	(72,547)	(8,009)	-	(80,556)
Furniture and fixtures	(19,071)	(2,186)	-	(21,257)
Infrastructure	(1,292,478)	(97,202)	-	(1,389,680)
Total accumulated depreciation	(2,959,614)	(255,100)	-	(3,214,714)
Total capital assets, being depreciated, net	3,334,201	902,462	-	4,236,663
Total governmental activities	\$ 5,180,772	\$ 1,284,033	\$ (898,896)	\$ 5,565,909

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

Governmental activities:	
General government	\$ 60,409
Police	1,335
Parks	93,391
Stormwater	13,126
Streets	86,839
Total depreciation expense	<u>\$ 255,100</u>

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 7 - NONCURRENT LIABILITIES

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. On April 1, 2022, a supplement to the base lease extended the maturity date to April 1, 2032. The Certificate of Participation has an interest rate of 4.0%. At December 31, 2025 the outstanding balance on the certificates of participation was \$810,185.

In connection with the Certificates of Participation, the City leases the building from 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 April 1, 2032. Total capital assets acquired under this lease amounted to \$2,062,982 with accumulated depreciation totaling \$404,001.

Future maturities for the years ending December 31, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 111,494	\$ 31,307	\$ 142,801
2027	115,998	26,803	142,801
2028	120,685	22,116	142,801
2029	125,560	17,241	142,801
2030	130,633	12,168	142,801
2031	135,911	6,890	142,801
2032	69,904	1,400	71,304
	<u>\$ 810,185</u>	<u>\$ 117,925</u>	<u>\$ 928,110</u>

The certificates of participation are expected to be serviced by the Capital Improvements Fund.

The following is a summary of changes in noncurrent liabilities for the year ended December 31:

	<u>Beginning Of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End Of Year</u>	<u>Amounts Due in One Year</u>
Certificates of Participation	\$ 917,350	\$ -	\$ (107,165)	\$ 810,185	\$ 111,494
Compensated absences	6,369	1,925	-	8,294	8,294
	<u>\$ 923,719</u>	<u>\$ 1,925</u>	<u>\$ (107,165)</u>	<u>\$ 818,479</u>	<u>\$ 119,788</u>

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 - INTERFUND TRANSACTIONS

The General Fund provides short-term cash to the Road Fund until taxes are received in the Road Fund. As of December 31, 2025 due to/from balances are as follows:

	<u>Due From</u>	<u>Due To</u>
Major Governmental Funds:		
Road Fund	\$ 19,742	\$ -
General Fund	-	19,742

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 ended December 31, 2025:

	<u>TRANSFER IN</u>	<u>TRANSFER OUT</u>
Major Governmental Funds:		
Road Fund	\$ 310,000	\$ -
General Fund	-	85,700
Capital Improvement Fund	-	224,300
	<u>\$ 310,000</u>	<u>\$ 310,000</u>

NOTE 9 - PENSION PLAN

Plan Description

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

Benefits Provided

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

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

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 9 - PENSION PLAN (Continued)

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, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	3
Active employees	3
TOTAL	<u>12</u>

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

Net Pension Liability (Asset) - The employer's net pension liability (asset) was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2025.

Actuarial assumptions - The total pension liability in the February 28, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage; 2.25% price
Salary increase	2.75% to 6.75% including inflation
Investment rate of return	7.00%

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of PubS-2010 Employee Mortality Table for males and females of Police, Fire, and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2025 valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 28, 2020.

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 9 - PENSION PLAN (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	39.0%	3.39%
Alpha	5.0	1.76
Real Assets	33.0	2.68
Fixed Income	23.0	3.54
Strategic Assets	7.0	2.83
Cash/Leverage	(7.0)	(0.86)

Discount rate - The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances as of December 31, 2024	\$ 527,466	\$ 576,524	\$ (49,058)
Changes for the year:			
Service costs	17,514	-	17,514
Interest	36,262	-	36,262
Difference between expected and actual experience	12,875	-	12,875
Change in assumptions	-	-	-
Contributions - employer	-	10,160	(10,160)
Contributions - employee	-	4,974	(4,974)
Net investment income	-	42,659	(42,659)
Benefit payments	(36,723)	(36,723)	-
Administrative expense	-	(1,383)	1,383
Other (net transfers)	-	7,626	(7,626)
Net changes	29,928	27,313	2,615
Balances as of December 31, 2025	\$ 557,394	\$ 603,837	\$ (46,443)

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 9 - PENSION PLAN (Continued)

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 7.0%, as well as what the employer's Net Pension Liability (Asset) would be using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability (asset)	\$ 24,468	\$ (46,443)	\$ (105,122)

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

For the year ended June 30, 2025 the employer recognized pension expense of \$6,437. The employer reported deferred outflows and inflows of resources related to the pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 688	\$ -
Net difference between projected and actual earnings on pension plan investments	16,150	-
Employer contributions subsequent to the measurement date	6,437	-
Total	<u>\$ 23,275</u>	<u>\$ -</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 ending December 31</u>	
2026	\$ 12,133
2027	4,203
2028	1,068
2029	(566)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 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, 2025 amount to \$157,121. This amount can be adjusted when both parties agree that special circumstances arise which require additional related costs. As part of this agreement, the City receives a portion of any fines for violations issued within the City limits.

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.

NOTE 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. The City also maintains insurance coverage for loss of tax revenue that results from businesses within the City suspending operations due to direct physical loss or damage. Recoveries are limited to a deductible of \$1,000 per event, as well as to losses of certain larger stores. Losses are capped in the aggregate at \$925,000.

NOTE 12 - IMPLEMENTATION OF ACCOUNTING STANDARDS

The City implemented GASB Statement No. 102, *Certain Risk Disclosures*, effective for the fiscal year beginning July 1, 2024. This Statement requires disclosure of certain concentrations and constraints that make a government vulnerable to the risk of a significant financial impact.

A concentration or constraint is disclosed if:

- It was known prior to the issuance of the financial statements,
- It exposes the government to a substantial impact,
- And an associated event has occurred, begun to occur, or is more likely than not to occur within 12 months of the financial statement issuance date.

The Government has disclosed relevant risks in accordance with the Statement's requirements. The adoption of GASB Statement No. 102 did not materially impact the financial statements.

CITY OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

	YEAR ENDED DECEMBER 31, 2025			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 717,500	\$ 717,500	\$ 739,084	\$ 21,584
Intergovernmental	16,000	16,000	10,398	(5,602)
Fines and court costs	-	-	2,680	2,680
Licenses and fees	136,700	136,700	125,961	(10,739)
Other revenue	1,000	1,000	9,784	8,784
Investment income - interest	50,000	50,000	82,050	32,050
Total revenues	921,200	921,200	969,957	48,757
EXPENDITURES				
Current:				
General government	433,580	441,580	442,272	(692)
Resident services	80,700	80,700	77,575	3,125
Public safety	156,845	157,145	157,121	24
Total expenditures	671,125	679,425	676,968	2,457
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	250,075	241,775	292,989	51,214
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(85,700)	(85,700)	(85,700)	-
Total other financing sources (uses)	(85,700)	(85,700)	(85,700)	-
CHANGE IN FUND BALANCE	164,375	156,075	207,289	\$ 51,214
FUND BALANCE - BEGINNING OF YEAR	1,207,594	1,207,594	1,207,594	
FUND BALANCE - END OF YEAR	\$ 1,371,969	\$ 1,363,669	\$ 1,414,883	

CITY OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD FUND

	YEAR ENDED DECEMBER 31, 2025			VARIANCE WITH FINAL BUDGET
	BUDGET		ACTUAL	POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 52,261	\$ 7,261
Other revenue	-	-	8,810	8,810
Total revenues	45,000	45,000	61,071	16,071
EXPENDITURES				
Current:				
Streets	139,800	139,800	109,320	30,480
Capital outlay	220,000	387,500	397,539	(10,039)
Total expenditures	359,800	527,300	506,859	20,441
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(314,800)	(482,300)	(445,788)	36,512
OTHER FINANCING SOURCES				
Transfers in (out)	275,800	310,000	310,000	-
CHANGE IN FUND BALANCE	(39,000)	(172,300)	(135,788)	\$ 36,512
FUND BALANCE - BEGINNING OF YEAR	91,029	91,029	91,029	
FUND BALANCE - END OF YEAR	\$ 52,029	\$ (81,271)	\$ (44,759)	

CITY OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PARKS AND STORM WATER FUND

	YEAR ENDED DECEMBER 31, 2025			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 380,000	\$ 380,000	\$ 394,846	\$ 14,846
Other revenue	3,200	3,200	3,930	730
Total revenues	383,200	383,200	398,776	15,576
EXPENDITURES				
Current:				
Parks	195,550	219,550	214,955	4,595
Capital outlay	125,000	256,500	261,055	(4,555)
Total expenditures	320,550	476,050	476,010	40
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	62,650	(92,850)	(77,234)	15,616
OTHER FINANCING USES				
Transfers in (out)	-	-	-	-
CHANGE IN FUND BALANCE	62,650	(92,850)	(77,234)	\$ 15,616
FUND BALANCE - BEGINNING OF YEAR	551,907	551,907	551,907	
FUND BALANCE - END OF YEAR	\$ 614,557	\$ 459,057	\$ 474,673	

CITY OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

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 ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability										
Service cost	\$ 17,514	\$ 18,908	\$ 17,386	\$ 17,686	\$ 20,219	\$ 20,537	\$ 17,494	\$ 15,236	\$ 12,275	\$ 9,923
Interest on the total pension liability	36,262	33,957	32,494	30,267	30,431	27,559	23,606	19,509	17,281	13,817
Change of benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	12,875	7,140	(6,497)	2,449	(12,414)	1,109	13,320	21,117	(274)	18,003
Changes of assumptions	-	-	-	-	(11,923)	-	-	-	-	4,879
Benefit payments, including refunds	(36,723)	(16,402)	(29,840)	(7,413)	(17,280)	(1,863)	(932)	-	-	-
Net change in total pension liability	<u>29,928</u>	<u>43,603</u>	<u>13,543</u>	<u>42,989</u>	<u>9,033</u>	<u>47,342</u>	<u>53,488</u>	<u>55,862</u>	<u>29,282</u>	<u>46,622</u>
Total pension liability - beginning	<u>527,466</u>	<u>483,863</u>	<u>470,320</u>	<u>427,331</u>	<u>418,298</u>	<u>370,956</u>	<u>317,468</u>	<u>261,606</u>	<u>232,324</u>	<u>185,702</u>
Total pension liability - ending	<u>\$ 557,394</u>	<u>\$ 527,466</u>	<u>\$ 483,863</u>	<u>\$ 470,320</u>	<u>\$ 427,331</u>	<u>\$ 418,298</u>	<u>\$ 370,956</u>	<u>\$ 317,468</u>	<u>\$ 261,606</u>	<u>\$ 232,324</u>
Plan Fiduciary Net Position										
Contributions-employer	\$ 10,160	\$ 14,024	\$ 16,035	\$ 15,957	\$ 15,703	\$ 14,882	\$ 15,076	\$ 11,385	\$ 9,915	\$ 9,154
Contributions-employee	4,974	7,050	7,558	6,545	6,090	6,108	6,776	5,516	5,048	4,605
Net investment income	42,659	29,908	21,280	395	119,600	4,828	23,191	34,594	28,434	(791)
Benefit payments, including refunds	(36,723)	(16,402)	(29,840)	(7,413)	(17,280)	(1,863)	(932)	-	-	-
Pension plan administrative expense	(1,383)	(1,338)	(1,675)	(1,105)	(925)	(1,076)	(967)	(683)	(590)	(505)
Other (net transfer)	7,626	1,747	(7,134)	9,512	(3,258)	(53)	260	(410)	(325)	(227)
Net change in plan fiduciary net position	<u>27,313</u>	<u>34,989</u>	<u>6,224</u>	<u>23,891</u>	<u>119,930</u>	<u>22,826</u>	<u>43,404</u>	<u>50,402</u>	<u>42,482</u>	<u>12,236</u>
Plan fiduciary net position - beginning	<u>576,524</u>	<u>541,535</u>	<u>535,311</u>	<u>511,420</u>	<u>391,490</u>	<u>368,664</u>	<u>325,260</u>	<u>274,858</u>	<u>232,376</u>	<u>220,140</u>
Plan fiduciary net position - ending	<u>\$ 603,837</u>	<u>\$ 576,524</u>	<u>\$ 541,535</u>	<u>\$ 535,311</u>	<u>\$ 511,420</u>	<u>\$ 391,490</u>	<u>\$ 368,664</u>	<u>\$ 325,260</u>	<u>\$ 274,858</u>	<u>\$ 232,376</u>
Employer net pension liability (asset)	<u>\$ (46,443)</u>	<u>\$ (49,058)</u>	<u>\$ (57,672)</u>	<u>\$ (64,991)</u>	<u>\$ (84,089)</u>	<u>\$ 26,808</u>	<u>\$ 2,292</u>	<u>\$ (7,792)</u>	<u>\$ (13,252)</u>	<u>\$ (52)</u>
Plan fiduciary net position as a percentage of the total pension liability	108.3 %	109.3 %	111.9 %	113.8 %	119.7 %	93.6 %	99.4 %	102.5 %	105.1 %	100.0 %
Covered payroll	\$ 172,829	\$ 134,246	\$ 185,212	\$ 144,650	\$ 166,704	\$ 172,159	\$ 167,964	\$ 132,538	\$ 123,921	\$ 90,810
Employer's net pension liability (asset) as a percentage of covered payroll	(26.9) %	(36.5) %	(31.1) %	(44.9) %	(50.4) %	15.6 %	1.4 %	(5.9) %	(10.7) %	(0.1) %

Notes to schedule:

Amounts presented for the year end were determined as of June 30, the measurement date.

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

Year ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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
2020	13,373	13,373	-	131,111	10.2
2021	18,219	18,219	-	175,183	10.4
2022	15,071	15,071	-	167,456	9.0
2023	15,716	15,716	-	196,453	8.0
2024	10,598	10,598	-	134,153	7.9
2025	12,075	12,075	-	143,751	8.4

Notes to Schedule of Contributions

Valuation date: 02/28/25

Notes: The roll-forward of total pension liability from February 28, 2025 to June 30, 2025 reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal and Modified Terminal Funding
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed fair value; 20% corridor
Inflation	
Salary increases	2.75% - 6.75% including wage inflation
Investment rate of return	7.0%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of PubS-2010 Employee Mortality Table for males and females of Police, Fire, and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other information: None

SUPPLEMENTAL INFORMATION

CITY OF TWIN OAKS, MISSOURI
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND

	YEAR ENDED DECEMBER 31, 2025		
	BUDGET		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	
REVENUES			
Taxes	\$ 320,000	\$ 320,000	\$ 335,619
EXPENDITURES			
Capital outlay	45,000	80,000	24,678
Debt service	142,801	142,801	142,786
Total expenditures	187,801	222,801	167,464
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	132,199	97,199	168,155
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(190,100)	(224,300)	(224,300)
CHANGE IN FUND BALANCE	(57,901)	(127,101)	(56,145)
FUND BALANCE - BEGINNING OF YEAR	558,512	558,512	558,512
FUND BALANCE - END OF YEAR	\$ 500,611	\$ 431,411	\$ 502,367

CITY OF TWIN OAKS, MISSOURI
BUDGETARY COMPARISON SCHEDULE
SEWER LATERAL FUND

	YEAR ENDED DECEMBER 31, 2025			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
REVENUES				
Sewer lateral fees	\$ 4,700	\$ 4,700	\$ 4,577	\$ (123)
Investment income - interest	300	300	968	668
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,545</u>	<u>545</u>
EXPENDITURES				
Sewer lateral program	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	5,545	<u>\$ 5,545</u>
FUND BALANCE - BEGINNING OF YEAR	<u>52,433</u>	<u>52,433</u>	<u>52,433</u>	
FUND BALANCE - END OF YEAR	<u>\$ 52,433</u>	<u>\$ 52,433</u>	<u>\$ 57,978</u>	

STATISTICAL SECTION

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

Contents

Financial Trends	PAGES
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	40-44
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources.	45-48
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	49-51
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment which the City's financial activities take place.	52-53
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how information in the City's financial report relates to the services the City provides and the activities it performs.	54-56

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities:										
Net investment										
in capital assets	\$ 4,755,724	\$ 4,263,422	\$4,006,557	\$ 3,919,667	\$3,913,317	\$4,042,101	\$ 4,161,309	\$3,880,501	\$3,891,184	\$ 3,613,872
Restricted	1,081,461	1,211,910	1,211,750	1,135,107	1,039,335	919,682	779,353	1,074,064	1,116,254	1,323,704
Unrestricted	<u>1,389,356</u>	<u>1,322,588</u>	<u>915,364</u>	<u>760,280</u>	<u>551,272</u>	<u>493,680</u>	<u>502,110</u>	<u>560,089</u>	<u>639,436</u>	<u>683,065</u>
Total governmental activities net position	<u>\$ 7,226,541</u>	<u>\$ 6,797,920</u>	<u>\$6,133,671</u>	<u>\$ 5,815,054</u>	<u>\$5,503,924</u>	<u>\$5,455,463</u>	<u>\$ 5,442,772</u>	<u>\$5,514,654</u>	<u>\$5,646,874</u>	<u>\$ 5,620,641</u>

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENSES										
Governmental activities:										
General government	\$ 520,886	\$ 443,175	\$ 460,079	\$ 437,898	\$ 439,253	\$ 454,102	\$ 517,194	\$ 534,743	\$ 438,161	\$ 490,778
Sanitation and other health costs	77,575	64,699	60,969	44,820	51,401	46,030	44,272	43,260	46,060	51,011
Public safety	158,456	151,706	147,699	143,109	138,617	135,475	131,638	121,181	107,921	107,720
Streets	218,589	245,160	258,901	248,014	260,563	236,081	273,875	244,664	247,629	224,846
Parks	312,633	254,839	238,496	270,028	249,042	190,819	248,791	284,402	240,828	227,136
Stormwater	13,126	14,539	14,539	14,539	14,539	14,539	14,539	14,539	9,888	19,178
Sewer lateral	-	619	5,063	6,470	20,943	3,993	1,923	-	3,836	3,960
Interest	34,551	38,764	42,683	46,805	50,417	53,992	57,292	60,765	46,529	-
Total governmental	1,335,816	1,213,501	1,228,429	1,211,683	1,224,775	1,135,031	1,289,524	1,303,554	1,140,852	1,124,629
PROGRAM REVENUE										
Governmental activities:										
Charges for services										
General government	125,961	119,604	111,930	96,303	88,246	84,195	67,917	86,538	91,865	63,261
Public safety	2,680	4,182	2,481	-	-	-	-	-	-	-
Parks	3,930	2,550	3,050	3,400	3,900	400	100	600	400	1,090
Sewer lateral	4,577	4,643	4,693	4,760	4,879	3,799	4,248	4,658	4,783	2,170
Operating grants and contributions	62,659	50,797	52,641	83,947	77,867	42,763	26,971	32,021	30,786	15,555
Capital grants and contributions	-	10,000	-	-	-	-	30,197	-	-	-
Total governmental activities program revenue	199,807	191,776	174,795	188,410	174,892	131,157	129,433	123,817	127,834	82,076
NET EXPENSES	<u>(1,136,009)</u>	<u>(1,021,725)</u>	<u>(1,053,634)</u>	<u>(1,023,273)</u>	<u>(1,049,883)</u>	<u>(1,003,874)</u>	<u>(1,160,091)</u>	<u>(1,179,737)</u>	<u>(1,013,018)</u>	<u>(1,042,553)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes	1,463,018	1,571,069	1,317,095	1,300,024	1,076,950	958,748	1,061,089	921,231	1,016,914	965,901
Investment income	83,018	56,926	36,785	19,731	1,674	2,947	7,704	6,038	7,580	7,652
Other miscellaneous revenue	18,594	57,979	18,371	14,648	19,720	54,870	19,416	120,248	14,757	14,727
Total governmental activities	1,564,630	1,685,974	1,372,251	1,334,403	1,098,344	1,016,565	1,088,209	1,047,517	1,039,251	988,280
CHANGE IN NET POSITION	<u>\$ 428,621</u>	<u>\$ 664,249</u>	<u>\$ 318,617</u>	<u>\$ 311,130</u>	<u>\$ 48,461</u>	<u>\$ 12,691</u>	<u>\$ (71,882)</u>	<u>\$ (132,220)</u>	<u>\$ 26,233</u>	<u>\$ (54,273)</u>

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities:										
General government	\$ 125,961	\$ 119,604	\$ 111,930	\$ 136,642	\$ 88,246	\$ 84,195	\$ 67,917	\$ 86,538	\$ 91,865	\$ 63,261
Public safety	2,680	4,182	2,481	-	-	-	-	-	-	-
Streets	62,659	50,797	-	43,608	37,913	42,763	57,168	32,021	30,786	15,555
Parks	3,930	12,550	3,050	3,400	3,900	400	100	600	400	1,090
Sewer lateral	<u>4,577</u>	<u>4,643</u>	<u>4,693</u>	<u>4,760</u>	<u>4,879</u>	<u>3,799</u>	<u>4,248</u>	<u>4,658</u>	<u>4,783</u>	<u>2,170</u>
Total governmental activities revenues	<u>\$ 199,807</u>	<u>\$ 191,776</u>	<u>\$ 122,154</u>	<u>\$ 188,410</u>	<u>\$ 134,938</u>	<u>\$ 131,157</u>	<u>\$ 129,433</u>	<u>\$ 123,817</u>	<u>\$ 127,834</u>	<u>\$ 82,076</u>

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Nonspendable - prepaid items	\$ 10,412	\$ 8,000	\$ 8,000	\$ 7,400	\$ 7,400	\$ 6,916	\$ 7,057	\$ 7,057	\$ 8,357	\$ 12,063
Committed	-	-	-	-	200,087	100,010	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	38,800
Unassigned	1,404,471	1,199,594	842,627	714,790	342,600	410,818	495,236	555,298	623,672	602,267
Total General Fund	<u>\$ 1,414,883</u>	<u>\$ 1,207,594</u>	<u>\$ 850,627</u>	<u>\$ 722,190</u>	<u>\$ 550,087</u>	<u>\$ 517,744</u>	<u>\$ 502,293</u>	<u>\$ 562,355</u>	<u>\$ 632,029</u>	<u>\$ 653,130</u>
All Other Governmental Funds:										
Nonspendable - prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -
Restricted:										
Capital improvements	502,367	558,512	774,120	700,450	658,610	590,701	458,445	503,433	589,782	762,485
Parks and stormwater	474,673	551,907	389,158	383,293	327,751	257,946	231,363	509,480	470,276	508,822
Sewer lateral repair program	57,978	52,433	47,843	47,808	49,428	65,448	65,427	61,151	56,196	52,397
Road	-	-	629	3,556	3,546	587	24,118	-	-	-
Assigned:										
Road	-	91,029	-	-	-	-	-	-	-	-
Unassigned	(44,759)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 990,259</u>	<u>\$ 1,253,881</u>	<u>\$ 1,211,750</u>	<u>\$ 1,135,107</u>	<u>\$ 1,039,335</u>	<u>\$ 919,682</u>	<u>\$ 779,353</u>	<u>\$ 1,074,064</u>	<u>\$ 1,116,254</u>	<u>\$ 1,323,704</u>

CITY OF TWIN OAKS, MISSOURI

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Taxes	\$ 1,469,549	\$ 1,571,798	\$ 1,300,242	\$ 1,299,644	\$ 1,082,056	\$ 967,491	\$ 1,054,919	\$ 927,401	\$ 1,018,924	\$ 1,132,991
Intergovernmental	62,659	63,695	48,254	83,947	77,867	42,763	26,971	32,021	30,786	1,644
Licenses and permits	125,961	119,604	108,930	96,303	86,746	82,695	67,917	76,322	76,560	60,179
Fines and court costs	2,680	4,182	2,481	-	-	-	-	-	-	-
Charges for services	3,930	2,550	6,050	3,400	5,400	1,900	100	10,816	15,705	2,300
Sewer lateral fees	4,577	4,643	4,693	4,760	4,879	3,799	4,248	4,658	4,783	4,780
Other revenues	18,594	18,586	14,176	14,648	19,720	49,819	49,613	120,248	14,757	16,270
Investment income - interest	83,018	56,926	40,980	19,731	1,674	7,998	7,704	6,038	7,580	7,113
Total revenues	<u>1,770,968</u>	<u>1,841,984</u>	<u>1,525,806</u>	<u>1,522,433</u>	<u>1,278,342</u>	<u>1,156,465</u>	<u>1,211,472</u>	<u>1,177,504</u>	<u>1,169,095</u>	<u>1,225,277</u>
Expenditures										
General government	453,657	387,903	402,811	392,665	380,925	378,688	444,979	423,453	426,145	423,271
Sanitation	66,190	64,699	60,969	44,820	51,401	46,030	44,272	43,260	46,060	47,740
Public safety	157,121	150,738	146,757	142,167	137,675	133,110	128,621	118,164	104,779	102,460
Streets	109,320	159,770	135,519	162,093	143,705	137,630	184,992	150,808	133,424	127,510
Parks	214,955	156,602	161,271	184,756	152,192	100,767	168,271	187,208	155,694	154,281
Stormwater	-	-	-	-	-	-	-	-	-	41,913
Sewer lateral	-	619	-	-	-	-	-	-	-	-
Capital outlay	683,272	419,162	270,613	185,271	117,662	61,688	452,482	223,688	2,060,151	91,952
Debt service:										
Principal	107,165	102,992	98,993	95,149	91,455	87,889	84,490	81,209	40,460	-
Interest	35,621	39,794	43,793	47,637	51,331	54,883	58,138	61,578	30,933	-
Total expenditures	<u>1,827,301</u>	<u>1,482,279</u>	<u>1,320,726</u>	<u>1,254,558</u>	<u>1,126,346</u>	<u>1,000,685</u>	<u>1,566,245</u>	<u>1,289,368</u>	<u>2,997,646</u>	<u>989,127</u>
Excess of revenues over (under) expenditures	<u>(56,333)</u>	<u>359,705</u>	<u>205,080</u>	<u>267,875</u>	<u>151,996</u>	<u>155,780</u>	<u>(354,773)</u>	<u>(111,864)</u>	<u>(1,828,551)</u>	<u>236,150</u>
Other Financing Sources (Uses)										
Transfers in	310,000	571,000	184,500	249,700	153,920	142,787	287,953	162,094	215,352	160,884
Transfers out	(310,000)	(571,000)	(184,500)	(249,700)	(153,920)	(142,787)	(287,953)	(162,094)	(215,352)	(160,884)
Insurance proceeds	-	39,393	-	-	-	-	-	-	-	-
Proceeds from the issuance of debt	-	-	-	-	-	-	-	-	1,600,000	-
Total other financing sources (uses)	<u>-</u>	<u>39,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,600,000</u>	<u>-</u>
Net changes in fund balances	<u>\$ (56,333)</u>	<u>\$ 399,098</u>	<u>\$ 205,080</u>	<u>\$ 267,875</u>	<u>\$ 151,996</u>	<u>\$ 155,780</u>	<u>\$ (354,773)</u>	<u>\$ (111,864)</u>	<u>\$ (228,551)</u>	<u>\$ 236,150</u>
Debt service as a percentage of noncapital expenditures	12.0%	13.3%	13.2%	13.0%	13.2%	14.9%	12.6%	12.5%	7%	-

CITY OF TWIN OAKS, MISSOURI
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

Fiscal Year	Sales and Use Tax	Property Tax	Other	Total
2025	\$ 1,413,482	\$ 51,291	\$ 4,776	\$ 1,469,549
2024	1,521,900	43,504	6,394	1,571,798
2023	1,270,706	21,119	8,417	1,300,242
2022	1,249,621	42,214	7,809	1,299,644
2021	1,031,441	41,029	9,586	1,082,056
2020	902,510	51,731	13,250	967,491
2019	1,017,501	25,741	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	1,108,442	23,543	1,006	1,132,991

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

Fiscal Year				Total		Direct Tax Rate
	Real Property	Personal Property	Railroads And Utilities (1)	Assessed Value	Estimated Actual Value	
2025	\$ 25,873,250	\$ 3,519,850	\$ 313,420	\$ 29,706,520	\$ 124,353,092	\$ 0.386
2024	22,358,395	3,027,475	316,769	25,702,639	108,940,709	0.461
2023	22,233,850	3,114,833	285,099	25,633,282	108,808,167	0.461
2022	20,738,440	2,920,987	107,586	23,767,013	96,378,790	0.433
2021	21,045,050	2,307,450	124,763	23,477,263	96,378,790	0.419
2020	18,450,010	2,046,000	117,139	20,613,149	80,756,416	0.385
2019	23,357,290	1,352,168	111,885	24,821,343	96,680,997	0.340
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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City of Twin Oaks - Basic Rate	\$ 0.386	\$ 0.461	\$ 0.461	\$ 0.433	\$ 0.419	\$ 0.385	\$ 0.340	\$ 0.322	\$ 0.302	\$ 0.312
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	0.1490	0.1630	0.1650	0.1650	0.1760	0.1760	0.1980	0.1980	0.0300	0.0300
Co. Park Maintenance	0.0330	0.0360	0.0400	0.0400	0.0420	0.0420	0.0470	0.0470	0.0490	0.0490
Co. Bond Retirement	0.0500	0.0500	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190
Roads and Bridges	0.0690	0.0750	0.0830	0.0830	0.0880	0.0880	0.0990	0.0990	0.1030	0.1030
Co. Health Fund	0.0910	0.1000	0.1110	0.1110	0.1180	0.1180	0.1330	0.1330	0.1370	0.1370
St. Louis Community College	0.2442	0.2628	0.2787	0.2787	0.1987	0.1986	0.2129	0.2112	0.2185	0.2126
Special School District	0.8993	0.9648	1.0495	1.0158	1.1077	1.1077	1.1980	1.1912	1.2409	1.2348
Metro Zoo	0.2196	0.2347	0.2528	0.2455	0.2532	0.2549	0.2724	0.2694	0.2795	0.2777
County Library	0.1710	0.1870	0.2060	0.2060	0.2350	0.2120	0.2590	0.2530	0.2630	0.2590
Sheltered Workshops	0.0590	0.0640	0.0700	0.0710	0.0750	0.0750	0.0890	0.0870	0.0900	0.0880
MSD-Extension	0.1676	0.0997	0.1053	0.1041	0.1078	0.1077	0.1170	0.1159	0.1196	0.0195
Valley Park School District (1)	3.9474	4.1965	4.6373	4.6462	4.9326	4.8519	5.5600	5.4288	5.6642	5.4965
Valley Park Fire District (1)	1.4980	1.5989	1.7567	1.7527	1.8025	1.5980	1.1600	1.1390	1.2076	1.1860
Total Overlapping Governments	<u>7.6281</u>	<u>8.0624</u>	<u>8.8043</u>	<u>8.7680</u>	<u>9.1855</u>	<u>8.8788</u>	<u>9.3943</u>	<u>9.2215</u>	<u>9.4513</u>	<u>9.1421</u>
Total city and overlapping governments	<u>\$ 8.014</u>	<u>\$ 8.523</u>	<u>\$ 9.265</u>	<u>\$ 9.201</u>	<u>\$ 9.605</u>	<u>\$ 9.264</u>	<u>\$ 9.734</u>	<u>\$ 9.544</u>	<u>\$ 9.753</u>	<u>\$ 9.454</u>

(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	0.7970	0.8670	1.0490	1.0560	1.1060	1.1070	1.2490	1.2450	1.2920	1.2941
Parkway School District	3.1636	3.3654	3.6481	3.6390	3.8330	3.7661	5.2247	4.8758	4.7419	4.6796

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.

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

Fiscal Year	Tax Levy	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections	Total Tax Collections	Total Collections As Percent Of Levy
2025	\$ 43,422	\$ 5,552	12.79 %	\$ -	\$ 5,552	12.79 %
2024	42,208	26,981	63.92	15,227	42,208	100.00
2023	41,488	24,697	59.53	16,791	41,488	100.00
2022	41,986	31,893	75.96	10,093	41,986	100.00
2021	41,250	11,300	27.39	29,950	41,250	100.00
2020	39,492	1,624	4.11	37,868	39,492	100.00
2019	28,539	2,269	7.95	26,270	28,539	100.00
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

Source: St. Louis County Collector's Office

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

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

Governmental Activities:

<u>Fiscal Year</u>	<u>Certificates of Participation</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2025	\$ 810,185	\$ 810,185	1.1 %	\$ 1,339
2024	917,350	917,350	2.1	1,516
2023	1,020,342	1,020,342	2.3	1,687
2022	1,119,454	1,119,454	2.8	1,850
2021	1,214,484	1,214,484	3.2	2,007
2020	1,305,939	1,305,939	6.8	3,331
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	-	-	-	-

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, 2025

<u>City of Twin Oaks</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable To City Of Twin Oaks</u>	<u>Amount Applicable To City Of Twin Oaks</u>
Direct	\$ 810,185	100.00 %	\$ 810,185
Overlapping:			
St. Louis County	49,860,000	0.01	4,986
Parkway School District	270,995,000	0.10	270,995
Valley Park School District	27,385,000	7.50	2,053,875
Valley Park Fire Protection District	8,873,481	4.70	417,054
West County Fire Protection District	-	0.50	-
Total Overlapping Debt			<u>2,746,910</u>
Total Direct And Overlapping Debt			<u><u>\$ 3,557,095</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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Assessed Value	\$ 29,706,320	\$ 25,702,639	\$ 25,633,282	\$ 23,767,013	\$ 22,786,413	\$20,613,619	\$ 24,821,343	\$ 16,145,175	\$ 16,685,731	\$ 15,544,130
Debt limit (10% of assessed value)	2,970,632	2,570,264	2,563,328	2,376,701	2,278,641	2,061,362	2,482,134	1,614,518	1,668,573	1,554,413
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 2,970,632</u>	<u>\$ 2,570,264</u>	<u>\$ 2,563,328</u>	<u>\$ 2,376,701</u>	<u>\$ 2,278,641</u>	<u>\$ 2,061,362</u>	<u>\$ 2,482,134</u>	<u>\$ 1,614,518</u>	<u>\$ 1,668,573</u>	<u>\$ 1,554,413</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 Year	Population (1)	Median Age (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (2)	Unemployment Rate (3)
2025	605	42.5	\$ 72,691,355	\$ 120,151	1.3 %
2024	605	42.5	44,520,740	73,588	3.1
2023	605	42.5	43,497,080	71,896	3.4
2022	605	42.9	40,368,020	66,724	2.5
2021	605	42.9	37,634,025	62,205	3.0
2020	392	49.0	19,244,848	49,094	5.1
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

Sources:

- (1) 2015 to 2020 reflects 2010 Census, US Census Bureau
2021 to 2024 reflect the 2020 census
- (2) American Community Survey 5-Year Estimates
- (3) U.S. Bureau of Labor Statistics - St. Louis Metro Area

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

<u>Employer</u>	<u>2025</u>			<u>2016</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Schnucks Market	118	1	30 %	110	1	29 %
Bartolino's	93	2	24			
1356 Pub	48	3	12			
Dairy Queen	32	5	8	37	3	10
Walgreens Pharmacy	23	4	6	24	6	6
Imo's Pizza	20	6	5	31	5	8
Sauce on the Side	17	7	4			
Westlake Ace Hardware	15	9	4			
Aldi's	13	8	3			
Carretta's Mexican	12	10	3			
Shop N Save				71	2	19
Krieger's Pub & Grill				35	4	9
Hardees				24	6	6
Nicoletti's				22	8	6
Pizza Hut				16	9	4
Subway				12	10	3

Source: City Business License Applications

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	-	-	-	-	-	-	-	-	-	-
Streets/parks:										
Maintenance/landscaping	2	2	2	2	2	2	2	2	1	1
Total	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>3</u>

Source: Annual Budget Document and Payroll Records

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>General government:</u>										
City clerk (1):										
Site development/concept plans	-	-	-	-	1	1	1	1	1	2
Rezoning applications	-	-	-	-	-	-	-	-	-	1
Text amendments	5	5	5	5	3	2	4	-	-	-
Building permits	11	12	5	11	7	4	8	5	10	5
Building/housing inspections	72	98	103	84	155	78	13	6	9	15
Administrative assistant (2):										
Accounts payable processed	658	630	600	575	644	557	591	609	582	590
Payroll checks authorized	187	187	190	191	188	188	194	215	226	196
Public records requested	7	7	6	3	5	7	1	3	1	1
Collector (3):										
Business licenses issued	44	44	41	41	40	38	39	39	38	36
Liquor licenses issued	22	21	13	11	13	12	13	14	14	14
Sewer lateral fees collected (4)	163	166	169	151	192	176	176	176	176	165
<u>Streets/parks:</u>										
Maintenance/landscaping	1	1	1	1	1	1	1	1	1	1

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

(2) Source: Annual Budget Document and Payroll Records

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

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

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

<u>Function/Program</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</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	53	53	53	53	53	53	52	52	52	52

Source: Office records