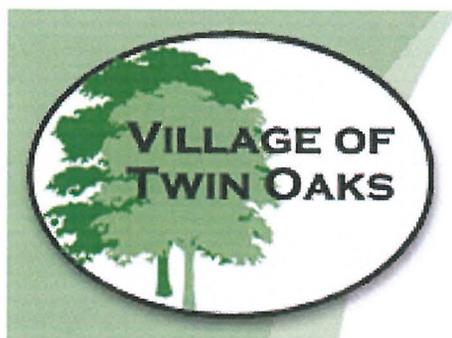


VILLAGE OF TWIN OAKS, MISSOURI



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2013

VILLAGE OF TWIN OAKS, MISSOURI

**Comprehensive Annual Financial Report
For The Fiscal Year Ended December 31, 2013**

Prepared by the Village Clerk/Controller

VILLAGE OF TWIN OAKS, MISSOURI
FINANCIAL REPORT

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VILLAGE OF TWIN OAKS, MISSOURI
FINANCIAL REPORT

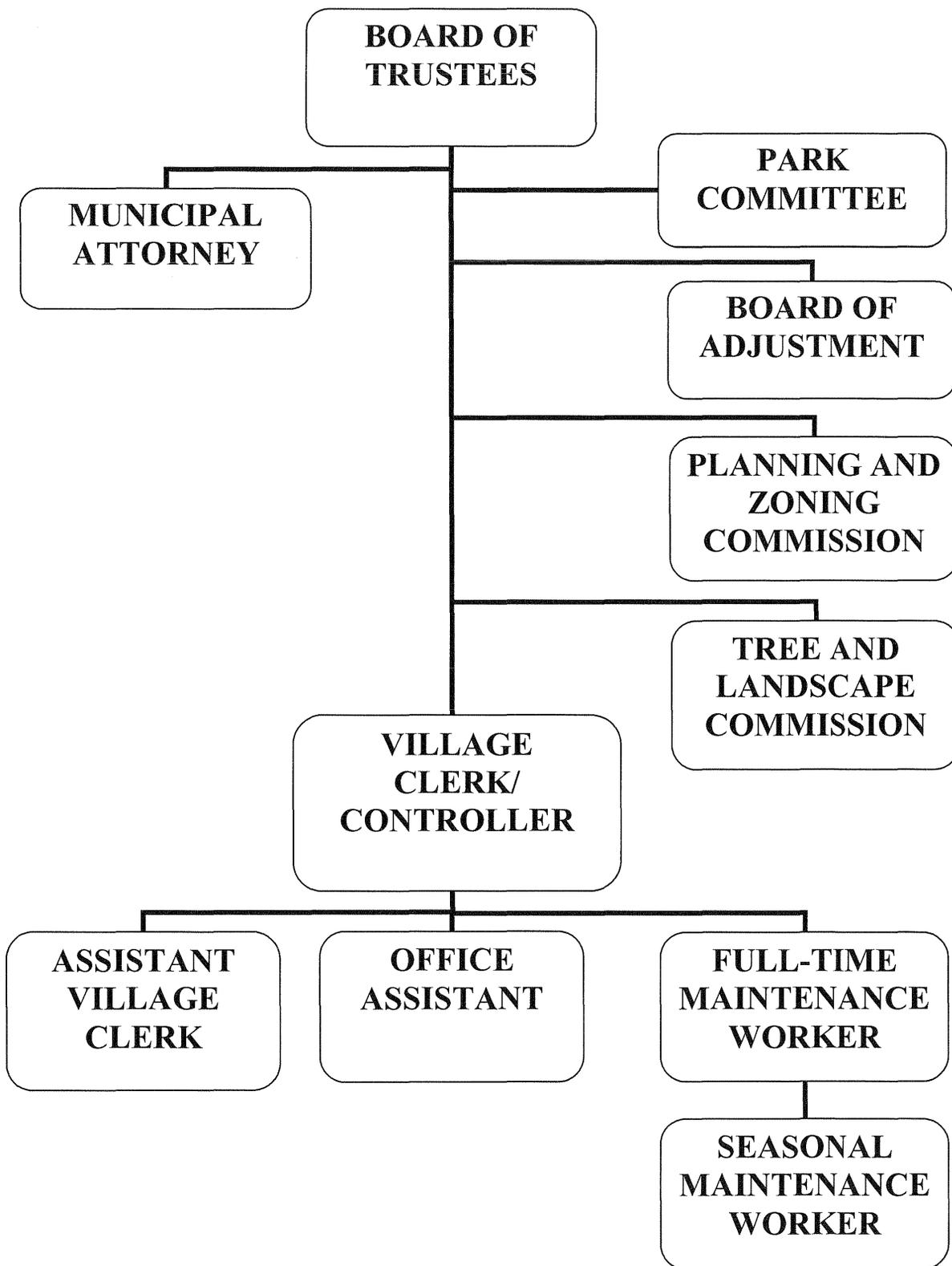
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SECTION I - INTRODUCTORY SECTION

VILLAGE OF TWIN OAKS, MISSOURI
PRINCIPAL OFFICIALS

<u>Elected Officials</u>	<u>Terms</u>
Dennis Whitmore Chairman	April 2013 - April 2015
Ray Slama Vice Chairman	April 2014 - April 2016
Jeff Graves Trustee	April 2014 - April 2016
Russ Fortune Trustee	April 2013 - April 2015
Mary Young Trustee	April 2013 - April 2015

VILLAGE OF TWIN OAKS, MISSOURI
ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**Village of Twin Oaks
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO



1393 Big Bend Road, Suite F • Twin Oaks, MO 63021
(636) 225-7873 • fax (636) 225-6547 • www.vil.twin-oaks.mo.us

June 25, 2014

The Honorable Chairman, Board of Trustees,
and Citizens of the Village of Twin Oaks, Missouri

The Comprehensive Annual Financial Report (CAFR) of the Village of Twin Oaks, Missouri (the Village) for the fiscal year ended December 31, 2013, is hereby submitted. This report was prepared by the Village Clerk/Controller and staff. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the Village. The financial statements and supporting schedules have been prepared in accordance with accounting principles generally accepted in the United States of America (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 Village.

To provide a reasonable basis for making these representations, management of the Village has established internal controls that are designed to protect the Village'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 the Management's 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 Village's MD&A can be found immediately following the independent auditor's report. This year's CAFR is the tenth year that the Village has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34.

PROFILE OF THE GOVERNMENT

The Village was incorporated in 1938 to stop the neighboring communities from annexing the Village. The Village is a small community with a population of 392, covering approximately 0.27 square miles.

In compliance with Missouri State Statutes, the duties of the Village are vested in the Board of Trustees consisting of five members. Trustees are elected at large and hold two year terms. Two Trustees run in the even numbered years and three trustees in the odd numbered years. The Chairman of the Board of Trustees is elected by the Trustees following the certification of the election results from the April general election each year.

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

ECONOMIC CONDITION

Within the current economic climate, the Village has been fortunate to see only a slight decrease in revenue during this period of economic slowdown. The breakdown of income for actual/budgeted is as follows: 1) tax income: \$990,146/\$978,625; 2) licenses and fees income \$58,737/\$59,900; 3) interest income \$7,027/ \$10,200; and 4) other income; \$182,957/\$216,840. Poor economic conditions lead to an 11% decrease in investment income; however, we did see a 2% growth in tax income over the past year. The Village has relied on sales tax from local businesses as our primary source of revenue electing not to assess property taxes to neither residential nor commercial properties in the past. However, a commercial property tax has been assessed since 2012.

Housing sales follow national trends and the Village has seen a decrease in the number of homes being sold throughout the community. Home values remain stable and the Village 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 Village has relied on Big Bend Square Shopping Center for a majority of its revenue. Following the completion of Highway 141, there has been an increased commercial development within the Village. Walgreen's opened a new store in 2005, Commerce Bank opened in 2006, Schnucks opened a new store in January 2007, and Shop N' Save opened a new store in November 2007. With the addition of the Schnucks and Shop N' Save, they now provide 90% of the Village's income.

LONG-TERM FINANCIAL PLANNING

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

The voters also passed a ½-cent sales tax for parks and stormwater. The Village utilizes these funds for improvements and general parks services.

RELEVANT FINANCIAL POLICIES

In 2013, the Village continued its policy of not assessing property taxes to residential properties. This helped Village residents to survive the effects of the current economic slowdown.

INDEPENDENT AUDIT

Village ordinances require an annual audit by independent certified public accountants. The certified public accounting firm of Hochschild, Bloom & Company LLP was selected by the Board of Trustees 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 Village for its CAFR for the fiscal year ended December 31, 2012. This was the seventh year the Village has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized CAFR. Such CAFR must satisfy both GAAP and applicable legal requirements.

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

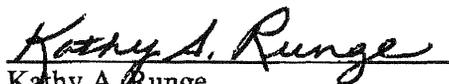
The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. The Village will continue to work toward receiving this award as a commitment to the Board of Trustees and the general public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

ACKNOWLEDGMENTS

The preparation of the CAFR on a timely basis was made possible by the dedicated service and cooperation of the entire staff of the Village. 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, Hochschild, Bloom & Company LLP, in formulating this report.

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

Respectfully submitted,


Kathy A. Runge
Village Clerk/Controller

SECTION II - FINANCIAL SECTION



Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITOR'S REPORT

June 25, 2014

Board of Trustees
VILLAGE OF TWIN OAKS, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **VILLAGE OF TWIN OAKS** (the Village), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's prepara-

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- 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

tion and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as listed in the table of contents, 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 supplemental 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The other supplemental information and introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental 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. Such 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 other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2014 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Hochschild, Bloom + Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF TWIN OAKS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

This section of the Village of Twin Oaks, Missouri's (the Village) financial report presents an easily readable analysis of the Village's financial activities based on currently known facts, decisions, and conditions. For a comprehensive understanding of the financial statements, please review the Village's financial statements, including the footnotes, that follow the management's discussion and analysis (MD&A).

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the total assets exceeded its liabilities for the most recent fiscal year by \$4,482,021.
- The cost of the governmental activities was \$890,148 in fiscal year 2013.
- As of the close of the current year, the governmental funds reported combined ending fund balances of \$1,738,546, an increase of \$263,481 in comparison to the prior year. Of this amount, \$631,922 or 36% is unassigned funds available for spending at the Village's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$631,922 or 134% of the General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required supplemental information, other supplemental information, and a report on internal controls and compliance in addition to the basic financial statements.

Government-wide financial statements. The first set of financial statements are the government-wide statements which report information about the Village as a whole using accounting methods similar to those used by private-sector business. The two government-wide statements, statement of net position and statement of activities, report the net position and how they have changed.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time increases and decreases in net position may serve as a useful indicator of whether or not the financial position of the Village is improving or deteriorating. The statement of net position also provides information on unrestricted and restricted net position and net investment in capital assets.

The statement of activities presents information showing how the net position changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of timing of related cash flows.

The statement of activities presents the various functions of the Village and the degree by which they are supported by charges for services, federal and state grants, tax revenues, and investment income.

VILLAGE OF TWIN OAKS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

The governmental activities of the Village include administration, sanitation and health, police, streets, parks, stormwater, and sewer lateral. The Village does not have any business-type activities.

Fund financial statements. The second set of statements are fund financial statements, which provide information about groupings of related accounts which are used to maintain control over resources for specific activities or objectives. The Village uses fund accounting to demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the Village's most significant funds - not the Village as a whole.

Governmental funds. Governmental funds tell how general governmental services were financed in the short-term as well as what financial resources remain available for future spending to finance Village programs.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near term in-flows and out-flows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the government-wide governmental activities.

The Village maintains individual governmental funds according to their type (General and Special Revenue Funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvements Fund, Parks/Stormwater Fund, and Road Fund which are considered to be major funds. Individual fund data for the nonmajor governmental fund is provided in the form of supplemental information.

Notes to financial statements. The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplemental information. In addition to the basic financial statements and notes to the financial statements, this report presents required supplemental information concerning the Village's budgetary comparisons for the major funds.

Other supplemental information. The individual fund schedule provides fund level detail for the nonmajor governmental fund.

VILLAGE OF TWIN OAKS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

FINANCIAL ANALYSIS OF THE VILLAGE

A condensed version of the statement of net position compared to the prior year follows:

	<u>December 31</u>		<u>2013 Change</u>	
	<u>2013</u>	<u>2012</u>	<u>Amount</u>	<u>Percent</u>
ASSETS				
Current and other assets	\$ 1,897,275	1,514,966	382,309	25 %
Capital assets, net of depreciation	2,731,259	2,645,403	85,856	3
Total Assets	<u>4,628,534</u>	<u>4,160,369</u>	<u>468,165</u>	11
LIABILITIES				
Current and other liabilities	142,375	24,263	118,112	487
Long-term liabilities	4,138	3,520	618	18
Total Liabilities	<u>146,513</u>	<u>27,783</u>	<u>118,730</u>	427
NET POSITION				
Net investment in capital assets	2,731,259	2,645,403	85,856	3
Restricted	1,099,489	936,429	163,060	17
Unrestricted	651,273	550,754	100,519	18
Total Net Position	<u>\$ 4,482,021</u>	<u>4,132,586</u>	<u>349,435</u>	8 %

VILLAGE OF TWIN OAKS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

A condensed version of the statement of activities compared to the prior year follows:

	For The Years		2013 Change	
	Ended December 31		Amount	Percent
	2013	2012		
REVENUE				
Program revenues:				
Charges for services	\$ 60,276	63,356	(3,080)	(5) %
Operating grants and contributions	145,713	24,353	121,360	498
Capital grants and contributions	8,200	-	8,200	100
General revenues:				
Taxes	984,170	977,669	6,501	1
Investment income	7,027	7,879	(852)	(11)
Other	34,197	24,889	9,308	37
Total Revenues	<u>1,239,583</u>	<u>1,098,146</u>	<u>141,437</u>	13
EXPENSES				
Administration	326,932	353,864	(26,932)	(8)
Sanitation and other health costs	53,698	53,438	260	-
Police	98,971	96,132	2,839	3
Streets	182,038	140,141	41,897	30
Parks	201,969	217,431	(15,462)	(7)
Stormwater	24,452	49,857	(25,405)	(51)
Sewer lateral	2,088	-	2,088	100
Total Expenses	<u>890,148</u>	<u>910,863</u>	<u>(20,715)</u>	(2)
CHANGE IN NET POSITION	349,435	187,283	162,152	87
NET POSITION, JANUARY 1	<u>4,132,586</u>	<u>3,945,303</u>	<u>187,283</u>	5
NET POSITION, DECEMBER 31	<u>\$ 4,482,021</u>	<u>4,132,586</u>	<u>349,435</u>	8 %

The increase in net position is largely due to fluctuations as noted in the above schedule. The most significant revenue is the tax revenue that depends largely on the economy and the Village's ability to collect on taxes. Streets expenses have increased as a result of increased capital expenditures and engineering costs.

The Village's property tax rates in 2013 and 2012 were \$0.337 per \$100 of assessed valuation and \$0.326 per \$100 of assessed valuation, respectively, for commercial real property.

VILLAGE OF TWIN OAKS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

You can think of the Village's net position (the difference between assets and liabilities) as one way to measure the Village's financial health or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors such as changes in the Village's property tax base, etc., to assess the overall health of the Village.

The General Fund has \$7,135 of nonspendable fund balance for prepaid items. The amount of nonspendable fund balance for prepaid items has been set aside on the internal records of the Village, but is included in unrestricted net position of the government-wide financial statement. The remaining balance of the Village's General Fund balance after subtracting the nonspendable amounts is \$631,922. The total General Fund balance at December 31, 2013 was \$639,057, an increase of \$100,421 from the previous year. The increase in fund balance was caused by higher amounts of tax revenues received in addition to lower expenditures during the year.

The Capital Improvements Fund balance at December 31, 2013 was \$826,362, an increase of \$87,316 from the previous year. The fund experienced a decrease in capital outlay costs.

The Parks/Stormwater Fund balance at December 31, 2013 was \$229,321, an increase of \$73,095. This fund experienced a significant rise in capital outlay costs, which was partially offset by grant revenue.

The Road Fund balance at December 31, 2013 was \$0. The Village only transferred enough money into this fund to cover current year costs.

BUDGETARY HIGHLIGHTS

The Village did not revise its budget during the fiscal year.

General Fund expenditures were \$74,670 or 13% under budgeted expenditures of \$546,541, primarily due to administration salaries and related costs coming in under budget by \$36,296 and municipal court costs of \$8,000 and capital outlay costs of \$8,000 being budgeted but not spent. Overall General Fund expenditures are \$19,658 or 4% below the December 31, 2012 year-end total of \$491,529. General Fund revenues were \$25,202 or 5% above the amount budgeted of \$547,090. Sales tax revenue was \$12,485 over budget and total other revenues were \$15,753 over budget. Overall General Fund revenues are \$41,341 or 8% above the December 31, 2012 year-end total of \$530,951.

CAPITAL ASSETS

During the year ended December 31, 2013, the Village added \$241,426 in capital assets. The Village has been required to report infrastructure as a capital asset since 2004 (previously reported as an expenditure when paid). The Village has elected not to report major general infrastructure retroactively. The balances were as follows:

VILLAGE OF TWIN OAKS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	For The Years	
	Ended December 31	
	2013	2012
Capital assets, net of depreciation		
Land and construction in progress	\$ 697,336	550,261
Buildings	110,073	114,659
Building improvements	64,840	67,264
Improvements other than buildings	764,064	750,861
Machinery and equipment	12,938	6,521
Furniture and fixtures	-	4,600
Infrastructure	<u>1,082,008</u>	<u>1,151,237</u>
Total Capital Assets, Net of Depreciation	<u>\$ 2,731,259</u>	<u>2,645,403</u>

Additional information on the Village's capital assets can be found in Note C of this report.

LONG-TERM DEBT

At December 31, 2013, the Village has only compensated absences as outstanding long-term debt obligations in the amount of \$4,138.

The Village's long-term debt balances were as follows:

	December 31	
	2013	2012
Compensated absences	<u>\$ 4,138</u>	<u>3,520</u>

Additional information can be found in Note D in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- General Fund tax revenues increased compared to 2012. Sales taxes totaled 81% of the Village's General Fund revenues. The General Fund sales tax revenue increased by 5% in 2013, compared to an increase of 2% in 2012.
- The 2014 budget was prepared with a commercial property tax rate of \$0.337 per \$100 of assessed valuation and a residential rate of \$0.00 per \$100 of assessed valuation.
- The Board is continuing to look at building a Village office on Village owned property and plans to set aside money and is researching ways to fund the project in the next few years.

**VILLAGE OF TWIN OAKS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents and taxpayers with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Village Clerk's office at 1393 Big Bend Road, Suite F, Twin Oaks, MO 63021, or telephone 636-225-7873.

VILLAGE OF TWIN OAKS, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 1,539,546
Accrued interest	88
Receivables:	
Intergovernmental	121,633
Other	14,903
Taxes	208,668
Prepaid items	7,135
Restricted assets - cash-security deposits	5,302
Capital assets:	
Land and construction in progress	697,336
Other capital assets, net of accumulated depreciation	2,033,923
Total Assets	<u>4,628,534</u>
LIABILITIES	
Accounts payable	131,557
Accrued payroll and withheld items	5,516
Security deposits	5,302
Noncurrent liabilities:	
Due within one year	1,035
Due in more than one year	3,103
Total Liabilities	<u>146,513</u>
NET POSITION	
Net investment in capital assets	2,731,259
Restricted for:	
Capital improvements	826,362
Parks/stormwater	229,321
Sewer lateral	43,806
Unrestricted	651,273
Total Net Position	<u>\$ 4,482,021</u>

VILLAGE OF TWIN OAKS, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) And Change In Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Administration	\$ 326,932	53,905	9,871	-	(263,156)
Sanitation and other health costs	53,698	-	-	-	(53,698)
Police	98,971	-	-	-	(98,971)
Streets	182,038	-	14,209	8,200	(159,629)
Parks	201,969	1,875	121,633	-	(78,461)
Stormwater	24,452	-	-	-	(24,452)
Sewer lateral	2,088	4,496	-	-	2,408
Total Governmental Activities	\$ 890,148	60,276	145,713	8,200	(675,959)
General Revenues					
Taxes:					
Sales tax					931,008
Other taxes					53,162
Investment income					7,027
Other					34,197
Total General Revenues					1,025,394
CHANGE IN NET POSITION					349,435
NET POSITION, JANUARY 1					4,132,586
NET POSITION, DECEMBER 31					\$ 4,482,021

See notes to financial statements

VILLAGE OF TWIN OAKS, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	<u>General</u>	<u>Capital Improvements</u>	<u>Parks/ Stormwater</u>	<u>Road</u>	<u>Other Governmental Fund - Sewer Lateral</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and investments	\$ 507,698	789,663	196,070	-	46,115	1,539,546
Accrued interest	88	-	-	-	-	88
Receivables:						
Intergovernmental	-	-	121,633	-	-	121,633
Other	14,903	-	-	-	-	14,903
Taxes	120,882	36,699	43,175	7,912	-	208,668
Prepaid items	7,135	-	-	-	-	7,135
Restricted assets:						
Cash - security deposits	5,302	-	-	-	-	5,302
Due from other funds	7,912	-	-	-	-	7,912
	<u>663,920</u>	<u>826,362</u>	<u>360,878</u>	<u>7,912</u>	<u>46,115</u>	<u>1,905,187</u>
Total Assets	<u>\$ 663,920</u>	<u>826,362</u>	<u>360,878</u>	<u>7,912</u>	<u>46,115</u>	<u>1,905,187</u>
LIABILITIES						
Accounts payable	\$ -	-	131,557	-	-	131,557
Accrued payroll and withheld items	5,516	-	-	-	-	5,516
Security deposits	5,302	-	-	-	-	5,302
Due to other funds	-	-	-	7,912	-	7,912
	<u>10,818</u>	<u>-</u>	<u>131,557</u>	<u>7,912</u>	<u>-</u>	<u>150,287</u>
Total Liabilities	<u>10,818</u>	<u>-</u>	<u>131,557</u>	<u>7,912</u>	<u>-</u>	<u>150,287</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - taxes	14,045	-	-	-	2,309	16,354
	<u>14,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,309</u>	<u>16,354</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	7,135	-	-	-	-	7,135
Restricted for:						
Capital improvements	-	826,362	-	-	-	826,362
Parks/stormwater	-	-	229,321	-	-	229,321
Sewer lateral	-	-	-	-	43,806	43,806
Unassigned	631,922	-	-	-	-	631,922
	<u>639,057</u>	<u>826,362</u>	<u>229,321</u>	<u>-</u>	<u>43,806</u>	<u>1,738,546</u>
Total Fund Balances	<u>639,057</u>	<u>826,362</u>	<u>229,321</u>	<u>-</u>	<u>43,806</u>	<u>1,738,546</u>
	<u>\$ 663,920</u>	<u>826,362</u>	<u>360,878</u>	<u>7,912</u>	<u>46,115</u>	<u>1,905,187</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 663,920</u>	<u>826,362</u>	<u>360,878</u>	<u>7,912</u>	<u>46,115</u>	<u>1,905,187</u>

VILLAGE OF TWIN OAKS, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013

Total Fund Balances - Governmental Funds	\$ 1,738,546
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$3,521,608 and the accumulated depreciation is \$790,349.	2,731,259
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	16,354
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Compensated absences	<u>(4,138)</u>
Total Net Position Of Governmental Activities	<u><u>\$ 4,482,021</u></u>

VILLAGE OF TWIN OAKS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General</u>	<u>Capital Improvements</u>	<u>Parks/ Stormwater</u>	<u>Road</u>	<u>Other Governmental Fund - Sewer Lateral</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 464,311	230,349	270,999	24,487	-	990,146
Licenses and fees	58,737	-	-	-	-	58,737
Intergovernmental	-	-	121,633	8,200	-	129,833
Investment income - interest	2,491	3,392	903	-	241	7,027
Permits	2,685	-	-	-	-	2,685
Other revenues	44,068	-	1,875	-	-	45,943
Sewer lateral fees	-	-	-	-	4,496	4,496
Total Revenues	<u>572,292</u>	<u>233,741</u>	<u>395,410</u>	<u>32,687</u>	<u>4,737</u>	<u>1,238,867</u>
EXPENDITURES						
Current:						
Administration	319,616	-	-	-	-	319,616
Sanitation and other health costs	53,284	-	-	-	-	53,284
Police	98,971	-	-	-	-	98,971
Streets	-	-	-	113,453	-	113,453
Parks	-	-	147,683	-	-	147,683
Stormwater	-	-	17,400	-	-	17,400
Sewer lateral	-	-	-	-	2,088	2,088
Capital outlay	-	-	157,232	65,659	-	222,891
Total Expenditures	<u>471,871</u>	<u>-</u>	<u>322,315</u>	<u>179,112</u>	<u>2,088</u>	<u>975,386</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>100,421</u>	<u>233,741</u>	<u>73,095</u>	<u>(146,425)</u>	<u>2,649</u>	<u>263,481</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	146,425	-	146,425
Transfers out	-	(146,425)	-	-	-	(146,425)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(146,425)</u>	<u>-</u>	<u>146,425</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	100,421	87,316	73,095	-	2,649	263,481
FUND BALANCES, JANUARY 1	<u>538,636</u>	<u>739,046</u>	<u>156,226</u>	<u>-</u>	<u>41,157</u>	<u>1,475,065</u>
FUND BALANCES, DECEMBER 31	<u>\$ 639,057</u>	<u>826,362</u>	<u>229,321</u>	<u>-</u>	<u>43,806</u>	<u>1,738,546</u>

See notes to financial statements

VILLAGE 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, 2013

Net Change In Fund Balances - Governmental Funds	\$ 263,481
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$241,426) exceeded depreciation (\$151,170) in the current period.	90,256
The net effect of various other transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(4,400)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	716
Compensated absences reduce net position on the statement of activities, but do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(618)</u>
Change In Net Position Of Governmental Activities	<u><u>\$ 349,435</u></u>

VILLAGE OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **VILLAGE OF TWIN OAKS, MISSOURI** (the Village) was incorporated May 17, 1938. The Village operates under a Board of Trustees form of government and provides various services including legislative, police protection, streets, sanitation and health services, public improvements, planning and zoning, parks, and general administrative services. The more significant accounting policies consistently applied by the Village in the preparation of the accompanying financial statements are summarized below:

1. Reporting Entity

The financial statements of the Village include the financial activities of the Village and any component units, entities which are financially accountable to the Village. The Village does not currently have any component units.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

3. 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 and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligible requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However,

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Their expenditures are generally recognized when the related fund liability is incurred.

Taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payment-in-lieu of taxes and other charges and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions including special assessments, if any. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The Village reports the following major governmental funds:

General Fund -- This fund is the primary operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvements Fund -- This fund is a Special Revenue Fund used to account for financial resources 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.

Parks/Stormwater Fund -- This fund is a Special Revenue Fund used 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 -- This fund is a Special Revenue Fund used 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 taxes.

4. Property Taxes

Property taxes may be levied annually in September based on the assessed valuation of all real and personal property located in the Village as of the previous January 1. Taxes are billed in Oc-

VILLAGE OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Property Taxes (Continued)

tober and are due and collectible on December 31. All unpaid taxes become delinquent on January 1 of the following year and attach as an enforceable lien on the property at that date. The Village levies a tax on the assessed value of commercial real property located within the Village.

Property tax revenue is recognized to the extent it is collected within 60 days after year-end in the fund financial statements. Property taxes not collected within 60 days of year-end are deferred for fund financial statements but are recognized as revenue in the government-wide financial statements.

5. Transfers

Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund. Interfund transfers may be used to: 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance capital improvements and other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

6. Capital Assets

Capital assets, which include building improvements, improvements other than buildings, machinery and equipment, furniture and fixtures, and infrastructure are reported in the governmental activities of the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$1,500 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Prior to January 1, 2004 governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since January 1, 2004 are recorded at cost.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's life are not capitalized.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Asset	Years
Buildings and building improvements	40
Improvements other than buildings	15
Machinery and equipment	3 - 10
Furniture and fixtures	7
Infrastructure	20

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

8. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation. The liability for these compensated absences is recorded as a liability in the government-wide financial statements. In the fund financial statements, compensated absences are reported in governmental funds only if they have matured. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

9. Restricted Assets

Certain General Fund monies are classified as restricted assets on the balance sheet because their use is limited to refunding cable security deposits paid.

10. Investments

State statutes and Village policies authorize the Village to invest in obligations of the U.S. Treasury, agencies, and instrumentalities and certain commercial paper. Investments consisting of certificates of deposit are stated at cost, which approximates fair value.

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not currently have any deferred outflows.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts have become available.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

13. Risk Management

The Village 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 Village 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 Village. Claims have not exceeded coverage in the last three years.

14. Fund Balance Policies

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action by ordinance of the Board of Trustees, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the Village intends to use for a specific purpose as determined by the Village controller to which the Board of Trustees has designated authority per the Villages fund balance policy.

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the Village will spend the most restricted amounts before the least restricted.

VILLAGE OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - BANK DEPOSITS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned or the Village will not be able to recover collateral securities in the possession of an outside party.

The Village'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 Village's cash not insured by the Federal Deposit Insurance Corporation. As of December 31, 2013, the Village's bank deposits totaled \$1,537,031. The bank balances were covered by federal depository insurance in the amount of \$555,713 and \$981,318 was covered by collateral pledged in the name of the Village and held by the pledging bank's trust department or agent.

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

	For The Year Ended December 31, 2013			
	Balance December 31 2012	Transfers And Additions	Transfers And Deletions	Balance December 31 2013
Capital assets not being depreciated:				
Land	\$ 548,441	-	-	548,441
Construction in progress	1,820	147,075	-	148,895
Total Capital Assets Not Being Depreciated	<u>550,261</u>	<u>147,075</u>	<u>-</u>	<u>697,336</u>
Capital assets being depreciated:				
Buildings	126,125	-	-	126,125
Building improvements	93,641	-	-	93,641
Improvements other than buildings	1,074,714	84,435	-	1,159,149
Machinery and equipment	37,306	9,916	-	47,222
Furniture and fixtures	19,553	-	6,000	13,553
Infrastructure	1,384,582	-	-	1,384,582
Total Capital Assets Being Depreciated	<u>2,735,921</u>	<u>94,351</u>	<u>6,000</u>	<u>2,824,272</u>
Less - Accumulated depreciated for:				
Buildings	11,466	4,586	-	16,052
Building improvements	26,377	2,424	-	28,801
Improvements other than buildings	323,853	71,232	-	395,085
Machinery and equipment	30,785	3,499	-	34,284
Furniture and fixtures	14,953	200	1,600	13,553
Infrastructure	233,345	69,229	-	302,574
Total Accumulated Depreciation	<u>640,779</u>	<u>151,170</u>	<u>1,600</u>	<u>790,349</u>
Total Capital Assets Being Depreciated, Net	<u>2,095,142</u>	<u>(56,819)</u>	<u>4,400</u>	<u>2,033,923</u>
Total Capital Assets, Net	<u>\$ 2,645,403</u>	<u>90,256</u>	<u>4,400</u>	<u>2,731,259</u>

VILLAGE OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

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

	For The Year Ended December 31 2013
Administration	\$ 7,112
Parks	67,880
Stormwater	7,052
Streets	<u>69,126</u>
Total	<u>\$151,170</u>

NOTE D - LONG-TERM DEBT

A summary of the changes in long-term liabilities is as follows:

	For The Year Ended December 31, 2013				Amount Due Within One Year
	Balance December 31 2012	Additions	Reductions	Balance December 31 2013	
	Compensated absences	\$ 3,520	8,027	7,409	

Compensated absences are generally liquidated by the General Fund.

NOTE E - OPERATING LEASES

The Village is obligated under leases for office facilities and equipment, which are accounted for as operating leases. Total costs under these leases were \$30,130 for the year ended December 31, 2013.

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

For The Years Ended December 31	Real Estate	Equipment
2014	\$ 25,528	3,180
2015	25,800	3,180
2016	4,300	795

VILLAGE OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - COMMITMENTS AND CONTINGENCIES

The Village contracted the St. Louis County Police Department to provide services. Payments for services for the year ended December 31, 2013 amounted to \$98,971. This amount can be adjusted when both parties agree that special circumstances arise which require additional related costs.

The Village contracted with a company for construction related to a park comfort station. As of December 31, 2013, the City has an amount of \$14,216 remaining on the project.

NOTE G - INTERFUND TRANSFERS

Interfund transfers are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>For The Year Ended December 31 2013</u>
Road Fund	Capital Improvements Fund	<u>\$ 146,425</u>

Interfund transfers were used to move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them.

NOTE H - INTERFUND ASSETS/ LIABILITIES

Interfund assets and liabilities are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>December 31 2013</u>
General Fund	Road Fund	<u>\$ 7,912</u>

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2014.

VILLAGE OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - PENSION PLAN

1. Plan Description

The Village participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by State Statute, Section 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 Internal Revenue Code Section 401(a) and it is tax exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

2. Funding Policy

The Village's full-time employees contribute 4% of their gross pay to the pension plan. The Village is required to contribute at an actuarially determined rate; the current rate is 7.7% (general) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the Village. The contribution provisions of the Village are established by State Statute.

3. Annual Pension Cost (APC)

The Village's APC and net pension obligation (NPO) for the current year were as follows:

Annual required contribution (ARC)	\$12,520
Interest on NPO	-
Adjustment to ARC	-
APC	<u>12,520</u>
Actual contributions	<u>12,520</u>
Increase (decrease) in NPO	-
NPO, beginning of year	<u>-</u>
NPO, End Of Year	<u>\$ -</u>

The ARC was determined as part of the February 28, 2011 and February 28, 2012 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2013 included: a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually; b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division attributable to seniority/merit; d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back zero years for men and zero

VILLAGE OF TWIN OAKS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - PENSION PLAN (Continued)

3. Annual Pension Cost (APC) (Continued)

years for women; and e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of February 28, 2011 was 25 years for the General Division. The amortization period as of February 28, 2012 was 24 years for the General division.

Three-year Trend Information

For The Plan Years Ended June 30	APC	Percentage Of APC Contributed	NPO
2013	\$ 12,520	100 %	\$ -
2012	12,946	100	-
2011	11,264	100	-

Schedule of Funding Progress

For The Actuarial Valuation Years Ended February 29/28	Actuarial Value Of Assets	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)
2013	\$ 128,236	175,899	47,663
2012	96,134	156,285	60,151
2011	68,244	121,408	53,164

For The Actuarial Valuation Years Ended February 29/28	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage Of Covered Payroll
2013	73 %	\$ 169,278	28 %
2012	62	170,881	35
2011	56	148,771	36

NOTE I - PENSION PLAN (Continued)

3. Annual Pension Cost (APC) (Continued)

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, contact the LAGERS' office in Jefferson City, MO.

NOTE J - RESTRICTED NET POSITION

The government-wide statement of net position reports \$1,099,489 of restricted net position which is restricted by enabling legislation.

NOTE K - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB 68, *Accounting and Financial Reporting for Pensions*, will require the Village to record UAAL on the government-wide statement of net position. UAAL equals the difference between the total pension liability and the value of assets set aside in a pension plan to pay benefits. GASB 68 may also require changes to the projection of benefit payments and the rate used to discount the projected benefit payments. GASB 68 will be effective for the Village for the year ending December 31, 2015.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

VILLAGE OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes:			
Sales tax and sales tax interest	\$ 417,175	429,660	12,485
Motor vehicle sales tax	3,875	4,278	403
Cigarette tax	1,100	1,025	(75)
Property tax	24,000	29,348	5,348
Total Taxes	446,150	464,311	18,161
Licenses and fees:			
Merchants licenses	49,000	47,970	(1,030)
Liquor licenses	3,500	3,250	(250)
Cable franchise fee	7,400	7,517	117
Total Licenses And Fees	59,900	58,737	(1,163)
Fines and forfeitures	8,000	-	(8,000)
Investment income - interest	3,200	2,491	(709)
Permits:			
Administrative permits	925	735	(190)
Occupancy permits	600	1,950	1,350
Total Permits	1,525	2,685	1,160
Other revenues:			
Miscellaneous revenue	13,800	29,552	15,752
Tower lease agreements	14,515	14,516	1
Total Other Revenues	28,315	44,068	15,753
Total Revenues	547,090	572,292	25,202

(Continued)

VILLAGE OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Original And Final Budget	Actual	Over (Under) Budget
EXPENDITURES			
Administration:			
Salaries and related costs:			
Salaries	155,845	127,723	(28,122)
Payroll taxes and benefits	36,548	28,374	(8,174)
Total Salaries And Related Costs	192,393	156,097	(36,296)
Professional fees:			
Legal fees	50,000	46,867	(3,133)
Engineering	2,000	468	(1,532)
Audit	9,700	9,670	(30)
Total Professional Fees	61,700	57,005	(4,695)
Office expenditures and related costs:			
Rental	38,400	33,661	(4,739)
Office supplies	6,000	4,525	(1,475)
Telephone	5,500	5,841	341
Postage	1,500	685	(815)
Printing	1,500	734	(766)
Accounting	4,300	6,337	2,037
Total Office Expenditures And Related Costs	57,200	51,783	(5,417)
Other expenditures:			
Codification	4,000	8,134	4,134
Land/property maintenance	14,450	17,367	2,917
Dues, education, and travel	11,449	6,921	(4,528)
Public hearings and notices	800	382	(418)
Election	200	177	(23)
Insurance	16,500	13,363	(3,137)
Miscellaneous	11,715	8,387	(3,328)
Municipal court	8,000	-	(8,000)
Total Other Expenditures	67,114	54,731	(12,383)
Total Administration	378,407	319,616	(58,791)

(Continued)

VILLAGE OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Original And Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)			
Sanitation and other health costs:			
Trash collection	44,184	44,293	109
Outside labor	16,450	8,991	(7,459)
Total Sanitation And Other Health Costs	60,634	53,284	(7,350)
Police	99,500	98,971	(529)
Capital outlay	8,000	-	(8,000)
Total Expenditures	546,541	471,871	(74,670)
NET CHANGE IN FUND BALANCE	\$ 549	100,421	99,872
FUND BALANCE, JANUARY 1		538,636	
FUND BALANCE, DECEMBER 31		\$ 639,057	

VILLAGE OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL IMPROVEMENTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Sales tax	\$ 233,165	230,349	(2,816)
Investment income - interest	3,800	3,392	(408)
Total Revenues	<u>236,965</u>	<u>233,741</u>	<u>(3,224)</u>
EXPENDITURES			
Capital outlay	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
REVENUES OVER EXPENDITURES	226,965	233,741	6,776
OTHER FINANCING USES			
Transfers out	<u>(195,208)</u>	<u>(146,425)</u>	<u>(48,783)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 31,757</u>	87,316	<u>55,559</u>
FUND BALANCE, JANUARY 1		<u>739,046</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 826,362</u>	

VILLAGE OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
PARKS/STORMWATER SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Sales tax	\$ 274,300	270,999	(3,301)
Intergovernmental	155,000	121,633	(33,367)
Investment income - interest	900	903	3
Other revenues - nonrefundable reservation	2,000	1,875	(125)
Total Revenues	<u>432,200</u>	<u>395,410</u>	<u>(36,790)</u>
EXPENDITURES			
Parks:			
Salaries	23,266	22,098	(1,168)
Utilities	12,000	10,973	(1,027)
Maintenance and improvements	64,425	65,898	1,473
Engineering	18,000	19,133	1,133
Events and entertainment	33,200	28,659	(4,541)
Tools and supplies	1,200	922	(278)
Capital outlay	192,500	157,232	(35,268)
Total Parks	<u>344,591</u>	<u>304,915</u>	<u>(39,676)</u>
Stormwater:			
Repairs and maintenance	36,000	3,040	(32,960)
Engineering	50,000	14,360	(35,640)
Total Stormwater	<u>86,000</u>	<u>17,400</u>	<u>(68,600)</u>
Total Expenditures	<u>430,591</u>	<u>322,315</u>	<u>(108,276)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,609</u>	73,095	<u>71,486</u>
FUND BALANCE, JANUARY 1		<u>156,226</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 229,321</u>	

VILLAGE OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - ROAD SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Gasoline tax	\$ 10,000	9,931	(69)
Road tax	15,010	14,556	(454)
Investment income - interest	2,000	-	(2,000)
Grant	9,100	8,200	(900)
Total Revenues	36,110	32,687	(3,423)
EXPENDITURES			
Streets:			
Salaries	34,898	32,003	(2,895)
Street lights	7,500	8,700	1,200
Street maintenance and landscaping	70,920	43,793	(27,127)
Street engineering	5,000	5,000	-
Snow removal	25,000	23,847	(1,153)
Tools and supplies	-	110	110
Capital outlay	88,000	65,659	(22,341)
Total Expenditures	231,318	179,112	(52,206)
REVENUES UNDER EXPENDITURES	(195,208)	(146,425)	48,783
OTHER FINANCING SOURCES			
Transfers in	195,208	146,425	(48,783)
NET CHANGE IN FUND BALANCE	\$ -	-	-
FUND BALANCE, JANUARY 1		-	
FUND BALANCE, DECEMBER 31		\$ -	

VILLAGE OF TWIN OAKS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

Budgetary Data

The Village follows these procedures in establishing the budgetary data:

- a. Formal budgetary integration is employed as a management control device. This budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America except capital leases and related capital outlay are not budgeted.
- b. The budget includes proposed expenditures and the means of financing them.
- c. The legal level of budgetary control is at the line item level.
- d. Trustee approval is required for budget amendments.
- e. Appropriations lapse at the end of the year.

OTHER SUPPLEMENTAL INFORMATION SECTION

VILLAGE OF TWIN OAKS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER LATERAL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Investment income - interest	\$ 300	241	(59)
Sewer lateral fees	4,900	4,496	(404)
Total Revenues	5,200	4,737	(463)
EXPENDITURES			
Sewer lateral improvements	5,200	2,088	(3,112)
NET CHANGE IN FUND BALANCE	\$ -	2,649	2,649
FUND BALANCE, JANUARY 1		41,157	
FUND BALANCE, DECEMBER 31		\$ 43,806	

SECTION III - STATISTICAL SECTION

VILLAGE OF TWIN OAKS, MISSOURI
STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the Village’s financial performance and well-being have changed over time.	41 - 46
Revenue Capacity These schedules contain information to help the reader assess the Village’s local revenue sources. Given the limited number of businesses, it would not be possible to break out sales tax information on industries because of the confidentiality of individual businesses.	47 - 49
Debt Capacity These schedules present information to help the reader assess the affordability of the Village’s current levels of outstanding debt and the Village’s ability to issue additional debt in the future. Since the Village has not had any long-term debt, these schedules are generally not applicable.	50 - 51
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village’s financial activities take place.	52 - 53
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village’s financial report relates to the services the Village provides and the activities it performs.	54 - 56

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

VILLAGE OF TWIN OAKS, MISSOURI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net investment in capital										
assets										
Restricted	\$ 2,731,259	2,645,403	2,738,040	2,432,026	2,110,038	1,945,913	1,118,324	934,438	888,488	819,689
Unrestricted	1,099,489	936,429	711,275	794,485	812,181	650,731	701,137	508,244	424,283	208,527
	<u>651,273</u>	<u>550,754</u>	<u>495,988</u>	<u>523,856</u>	<u>605,464</u>	<u>525,754</u>	<u>396,852</u>	<u>397,517</u>	<u>460,105</u>	<u>499,965</u>
Total Governmental Activities Net Position	<u>\$ 4,482,021</u>	<u>4,132,586</u>	<u>3,945,303</u>	<u>3,750,367</u>	<u>3,527,683</u>	<u>3,122,398</u>	<u>2,216,313</u>	<u>1,840,199</u>	<u>1,772,876</u>	<u>1,528,181</u>

Source: Basic Financial Statements

VILLAGE OF TWIN OAKS, MISSOURI
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	For The Years Ended December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES										
Administration	\$ 326,932	353,864	386,811	417,958	361,315	293,951	334,081	269,520	244,780	227,132
Sanitation and other health costs	53,698	53,438	56,745	55,790	53,926	52,056	50,101	49,183	42,393	46,124
Police	98,971	96,132	98,676	97,348	96,438	93,236	90,252	86,596	83,334	79,649
Streets	182,038	140,141	143,749	103,645	61,504	54,583	43,972	63,481	79,329	43,909
Parks	201,969	217,431	170,017	124,971	157,231	149,385	116,529	141,568	155,878	123,052
Stormwater	24,452	49,857	11,837	6,468	10,231	6,390	5,200	13,246	16,628	118,830
Sewer lateral	2,088	-	-	2,000	8	9,410	-	-	1,150	-
Interest on long-term debt	-	-	133	301	461	667	557	-	-	-
Total Expenses	890,148	910,863	867,968	808,481	741,114	659,678	640,692	623,594	623,492	638,696
PROGRAM REVENUES										
Charges for services:										
Administration	53,905	55,962	55,156	56,145	49,931	50,333	40,769	32,635	27,529	28,701
Parks	1,875	2,499	1,250	-	-	-	-	-	-	-
Sewer lateral	4,496	4,895	4,847	4,662	5,007	-	1,554	4,856	4,528	-
Operating grants and contributions	145,713	24,353	23,200	13,871	17,421	13,940	15,262	15,211	57,636	15,066
Capital grants and contributions	8,200	-	-	-	5,788	426,038	71,588	42,512	-	-
Total Program Revenues	214,189	87,709	84,453	74,678	78,147	490,311	129,173	95,214	89,693	43,767
NET REVENUES (EXPENSES)	(675,959)	(823,154)	(783,515)	(733,803)	(662,967)	(169,367)	(511,519)	(528,380)	(533,799)	(594,929)
GENERAL REVENUES AND OTHER										
CHANGE IN NET POSITION										
Taxes	984,170	977,669	941,298	912,168	1,020,640	1,022,816	805,020	544,508	720,461	557,580
Investment income	7,027	7,879	10,981	16,418	21,885	26,316	48,415	28,225	12,283	12,741
Other	34,197	24,889	26,172	27,901	25,727	26,320	34,198	22,970	45,750	10,737
Total General Revenues And Other Change In Net Position	1,025,394	1,010,437	978,451	956,487	1,068,252	1,075,452	887,633	595,703	778,494	581,058
CHANGE IN NET POSITION	\$ 349,435	187,283	194,936	222,684	405,285	906,085	376,114	67,323	244,695	(13,871)

Source: Basic Financial Statements

VILLAGE OF TWIN OAKS, MISSOURI
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved	\$ -	-	-	6,733	6,684	6,417	2,888	5,983	6,370	-
Unreserved	-	-	-	521,911	603,548	521,595	399,032	394,872	457,265	499,965
Nonspendable	7,135	6,566	6,957	-	-	-	-	-	-	-
Unassigned	631,922	532,070	492,257	-	-	-	-	-	-	-
Total General Fund	<u>\$ 639,057</u>	<u>538,636</u>	<u>499,214</u>	<u>528,644</u>	<u>610,232</u>	<u>528,012</u>	<u>401,920</u>	<u>400,855</u>	<u>463,635</u>	<u>499,965</u>
All Other Governmental Funds										
Special revenue - unreserved	\$ -	-	-	794,485	812,181	650,731	701,137	508,244	424,283	208,527
Special revenue - restricted	1,099,489	936,429	711,275	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 1,099,489</u>	<u>936,429</u>	<u>711,275</u>	<u>794,485</u>	<u>812,181</u>	<u>650,731</u>	<u>701,137</u>	<u>508,244</u>	<u>424,283</u>	<u>208,527</u>

Source: Basic Financial Statements

GASB Statement No. 54 was implemented in 2011.

VILLAGE OF TWIN OAKS, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	For The Years Ended December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES										
Taxes	\$ 990,146	968,767	948,261	919,406	1,028,068	1,031,720	815,320	554,913	729,819	568,286
Licenses and fees	58,737	59,974	59,575	61,033	54,522	48,676	40,851	34,641	31,027	27,847
Intergovernmental	129,833	10,240	-	-	9,760	426,038	-	-	-	-
Investment income - interest	7,027	7,879	10,981	16,418	21,885	26,316	48,415	28,225	12,283	12,741
Permits	2,685	3,365	2,315	1,745	1,430	1,880	4,880	2,800	2,115	1,030
Other revenues	45,943	27,388	36,925	27,901	25,727	26,320	61,486	65,482	88,415	10,737
Sewer lateral fees	4,496	4,895	4,847	4,662	5,007	4,813	1,554	4,856	4,528	4,184
Total Revenues	<u>1,238,867</u>	<u>1,082,508</u>	<u>1,062,904</u>	<u>1,031,165</u>	<u>1,146,399</u>	<u>1,565,763</u>	<u>972,506</u>	<u>690,917</u>	<u>868,187</u>	<u>624,825</u>
EXPENDITURES										
Administration	319,616	340,640	370,316	437,010	338,139	294,274	328,064	266,293	245,036	224,525
Sanitation and other health costs	53,284	52,939	57,999	55,311	53,926	52,056	50,101	49,183	42,393	46,124
Police	98,971	96,132	98,676	97,348	96,438	93,236	90,252	86,596	83,334	79,649
Streets	113,453	73,340	77,069	79,166	52,756	153,344	38,920	58,430	74,277	54,034
Parks	147,683	137,773	119,489	143,832	126,584	91,281	109,774	119,405	170,864	176,570
Stormwater	17,400	42,805	4,785	1,530	7,406	18,504	2,375	10,421	71,707	118,830
Sewer lateral	2,088	-	-	2,000	8	9,410	-	-	1,150	-
Capital outlay	222,891	74,303	444,148	311,628	224,848	775,129	168,096	79,408	-	-
Debt service:										
Principal	-	-	2,929	2,323	2,163	2,176	1,411	-	-	-
Interest	-	-	133	301	461	667	557	-	-	-
Total Expenditures	<u>975,386</u>	<u>817,932</u>	<u>1,175,544</u>	<u>1,130,449</u>	<u>902,729</u>	<u>1,490,077</u>	<u>789,550</u>	<u>669,736</u>	<u>688,761</u>	<u>699,732</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>263,481</u>	<u>264,576</u>	<u>(112,640)</u>	<u>(99,284)</u>	<u>243,670</u>	<u>75,686</u>	<u>182,956</u>	<u>21,181</u>	<u>179,426</u>	<u>(74,907)</u>
OTHER FINANCING SOURCES (USES)										
Capital lease	-	-	-	-	-	-	11,002	-	-	-
Transfers in	146,425	48,909	46,659	157,362	-	-	80,211	43,384	132,161	206,351
Transfers out	(146,425)	(48,909)	(46,659)	(157,362)	-	-	(80,211)	(43,384)	(132,161)	(206,351)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,002</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>\$ 263,481</u>	<u>264,576</u>	<u>(112,640)</u>	<u>(99,284)</u>	<u>243,670</u>	<u>75,686</u>	<u>193,958</u>	<u>21,181</u>	<u>179,426</u>	<u>(74,907)</u>
Debt service as a percentage of noncapital expenditures	- %	-	0.4	0.4	0.3	0.2	-	-	-	-

Source: Basic Financial Statements

VILLAGE OF TWIN OAKS, MISSOURI
PROGRAM REVENUES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
Administration	\$ 63,776	55,962	55,156	56,145	49,931	45,520	42,323	37,491	32,057	28,701
Streets	22,409	14,113	13,697	13,871	19,237	439,978	42,550	57,723	39,971	15,066
Parks	123,508	12,739	10,753	-	3,972	-	44,300	-	17,665	-
Sewer lateral	4,496	4,895	4,847	4,662	5,007	4,813	-	-	-	-
Total Govern- mental Activities	<u>\$ 214,189</u>	<u>87,709</u>	<u>84,453</u>	<u>74,678</u>	<u>78,147</u>	<u>490,311</u>	<u>129,173</u>	<u>95,214</u>	<u>89,693</u>	<u>43,767</u>

Source: Basic Financial Statements

VILLAGE OF TWIN OAKS, MISSOURI
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Gasoline Tax</u>	<u>Road Tax</u>	<u>Property Tax</u>	<u>Other</u>	<u>Total</u>
2013	\$ 936,311	\$ 9,931	\$ 14,556	\$ 29,348	\$ -	\$ 990,146
2012	932,288	9,978	14,453	12,048	-	968,767
2011	919,783	9,938	18,540	-	-	948,261
2010	892,796	10,243	16,367	-	-	919,406
2009	1,002,135	9,984	11,405	-	4,544	1,028,068
2008	1,001,028	10,233	15,565	-	4,894	1,031,720
2007	784,677	10,554	14,160	-	5,929	815,320
2006	526,382	10,368	12,046	-	6,117	554,913
2005	691,501	12,196	13,413	-	12,709	729,819
2004	532,394	10,527	12,345	-	13,020	568,286

VILLAGE OF TWIN OAKS, MISSOURI
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)
LAST TEN FISCAL YEARS

	December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Village of Twin Oaks, Missouri	\$ 0.337	0.326	-	-	-	-	-	-	-	0.2100
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	0.2000	0.2000	0.2000	0.2000	0.1900	0.1900	0.1900	0.1900	0.1900	0.2550
County Park Maintenance	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0350	0.0350	0.0450
County Bond Retirement	0.0280	0.0280	0.0280	0.0280	0.0280	0.0630	0.0630	0.0630	0.0630	-
Roads and Bridges	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050
County Health	0.1400	0.1400	0.1400	0.1400	0.1500	0.1500	0.1500	0.1650	0.1650	0.1650
St. Louis Community College	0.2200	0.2200	0.2200	0.2179	0.2136	0.2013	0.2003	0.2233	0.2231	0.2368
Special School District	1.2400	1.0123	1.0125	0.9950	0.9384	0.9184	0.9084	0.8235	0.8399	0.9051
Metro Zoo	0.2797	0.2684	0.2671	0.2546	0.2493	0.2344	0.2330	0.2611	0.2654	0.2756
County Library	0.2500	0.1730	0.1630	0.1565	0.1380	0.1440	0.1400	0.1500	0.1500	0.1500
Sheltered Workshop	0.0890	0.0840	0.0840	0.0790	0.0740	0.0690	0.0700	0.0900	0.0900	0.8500
MSD-Extension	0.0196	0.0186	0.0185	0.0180	-	-	0.0167	0.0187	0.0186	0.0186
Valley Park School District	5.6526	5.0587	4.9435	4.7174	4.5653	4.2722	4.1311	4.5613	4.7532	4.9540
Metro Sewer District	-	-	-	-	-	-	0.0700	0.0687	0.0687	0.0687
Valley Park Fire District	1.2780	1.1950	1.1530	1.1310	1.0230	1.0130	1.0040	1.1945	1.1209	1.2400
West County Fire District	0.0961	0.8960	0.8980	0.9130	0.7190	0.7260	0.7730	0.7820	0.8440	0.9540
Parkway School District	4.0743	3.9361	3.6761	3.5672	3.4100	3.2300	3.2300	3.4270	4.3544	3.6102

(1) Source: St. Louis County Collector (rates stated per \$100 assessed valuation)

VILLAGE OF TWIN OAKS, MISSOURI
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Railroads And Utilities (2)</u>	<u>Total</u>		<u>Direct Tax Rate</u>
				<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
2013	\$ 13,118,659	\$ 1,295,160	\$ 127,978	\$ 14,541,797	\$ 54,931,683	\$ 0.337
2012	13,802,015	1,310,830	128,955	15,241,800	58,217,489	0.326
2011	14,091,252	1,498,310	132,753	15,722,315	59,636,241	-
2010	14,316,865	1,807,220	132,272	16,256,357	61,417,961	-
2009	14,252,783	2,219,070	131,272	16,603,125	62,314,152	-
2008	12,576,490	2,522,500	131,183	15,230,173	59,741,275	-
2007	12,349,910	1,484,080	136,337	13,970,327	51,502,194	-
2006	9,727,570	1,521,430	142,072	11,391,072	46,719,701	-
2005	9,329,200	1,469,830	146,597	10,945,627	44,821,650	-
2004	7,784,840	1,404,580	164,099	9,353,519	37,830,883	0.210

(1) Source: St. Louis County Assessor (rates stated per \$100 assessed valuation)

(2) Beginning in 2009, the real estate position of railroads and utilities is included with the real estate category.

VILLAGE OF TWIN OAKS, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Original Tax Levy</u>	<u>Net Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent Collected As Current</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections As Percent Of Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Portion Of Tax Levy Delinquent</u>
2013	\$ 28,082	\$ 27,661	\$ 13,690	49 %	\$ 347	\$ 14,037	51 %	\$ 13,624	49 %
2012	27,773	27,749	12,048	43	15,667	27,715	100	34	-
2011	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-
2004	6,624	6,624	6,624	100	-	6,624	100	-	-

(1) Source: St. Louis County Collector's office

VILLAGE OF TWIN OAKS, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2013

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share Of Overlapping Debt</u>
St. Louis County	\$ 13,425,000	0.01 %	\$ 1,343
Parkway School District	147,033,678	0.01	14,703
Valley Park School District	7,805,000	0.10	7,805
West County Fire Protection District	17,975,000	0.11	19,773
			<u>43,623</u>
Village direct debt	-	100.00 %	-
Total Direct And Overlapping Debt			<u><u>\$ 43,623</u></u>

Source: Information was obtained by contacting the Taxing Jurisdiction and the St. Louis County Collector's office. The percentage applicable to the Village is based on the jurisdiction's assessed value within the boundaries of the Village.

VILLAGE OF TWIN OAKS, MISSOURI
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

<u>Fiscal Years</u>	<u>Capital Lease</u>
2013	\$ -
2012	-
2011	-
2010	2,929
2009	5,252
2008	7,415
2007	9,591
2006	-
2005	-
2004	-

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

VILLAGE OF TWIN OAKS, MISSOURI
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Median Age (1)</u>	<u>Personal Income (1)</u>	<u>Per Capita Income (1)</u>	<u>Unemployment Rate</u>
2013	392	49.0	\$ 13,580,000	\$ 35,831	0.60 %
2012	392	49.0	13,580,000	35,831	0.60
2011	392	49.0	13,580,000	35,831	0.60
2010	392	49.0	13,580,000	35,831	0.60
2009	354	46.3	11,793,864	33,316	0.60
2008	354	46.3	11,793,864	33,316	0.60
2007	354	46.3	11,793,864	33,316	0.60
2006	354	46.3	11,793,864	33,316	0.60
2005	354	46.3	11,793,864	33,316	0.60
2004	354	46.3	11,793,864	33,316	0.60

(1) Source: U.S. Bureau of Census

VILLAGE OF TWIN OAKS, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO

<u>Employer</u>	<u>2013</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total Village Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total Village Employment</u>
Schnucks Market	110	1	23 %	138	1	26 %
Shop N' Save	71	2	15	110	2	21
Dairy Queen	37	3	8	43	3	8
Krieger's Pub & Grill	35	4	7	30	7	5
Imo's Pizza	31	5	6	31	5	6
Walgreens Pharmacy	24	6	5	31	6	6
Hardees	24	7	5	14	9	3
Nicoletti's	22	8	5	35	4	7
Pizza Hut	16	9	3	23	8	4
Subway	12	10	2	12	10	2
Total	<u>382</u>		<u>79 %</u>	<u>467</u>		<u>88 %</u>

Source: Village Business License Applications for 2013

Note: The Village now includes employment data on annual business license applications. 2006 is the oldest available.
Total persons employed in the Village for 2013 is 483 persons.

VILLAGE OF TWIN OAKS, MISSOURI
FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Administration:										
Village clerk	1	1	1	1	1	1	1	1	1	1
Assistant clerk	1	1	1	1	1	1	1	1	1	1
Accounting clerk	1	1	1	1	1	1	1	1	-	-
Streets/parks:										
Maintenance/landscaping	1	1	1	1	1	1	1	-	-	-

Source: Annual Budget Document and Payroll Records

VILLAGE OF TWIN OAKS, MISSOURI
OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Administration:										
Village clerk (1):										
Site development/concept plans	1	2	-	-	-	1	-	1	2	1
Rezoning applications	-	-	-	1	-	-	-	-	-	-
Text amendments	-	-	-	-	-	-	-	2	-	-
Building permits	11	17	12	13	7	15	21	19	2	2
Building/housing inspections	13	7	10	10	8	10	19	8	12	5
Assistant clerk (2):										
Accounts payable processed	673	674	692	578	621	519	768	423	416	423
Payroll checks authorized	172	184	181	177	167	276	154	228	177	172
Public records requested	6	1	9	2	1	1	1	6	3	N/A
Collector (3):										
Business licenses issued	34	35	35	34	31	31	31	27	23	20
Liquor licenses issued	14	14	14	14	12	12	12	9	9	6
Sewer lateral fees collected	161	164	163	156	165	165	163	157	152	148
Streets/parks:										
Maintenance/landscaping	1	1	1	1	1	1	1	N/A	N/A	N/A

(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

VILLAGE OF TWIN OAKS, MISSOURI
CAPITAL ASSETS STATISTICS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Parks:										
Number of parks	1	1	1	1	1	1	1	1	1	1
Acres of parks	11	11	11	11	11	11	11	9	9	9
Streets:										
Miles of streets	3	3	3	3	3	3	3	3	2	2
Street lights and signals	52	52	52	52	52	51	38	38	38	32

Source: Office records

**SECTION IV - INTERNAL CONTROL AND
COMPLIANCE SECTION**



Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

June 25, 2014

Board of Trustees
VILLAGE OF TWIN OAKS, MISSOURI

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **VILLAGE OF TWIN OAKS** (the Village), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 25, 2014.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of

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deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hochschild, Bloom + Company LLP

CERTIFIED PUBLIC ACCOUNTANTS