

City of Arnold, Missouri Comprehensive Annual Financial Report

for the Fiscal Year ended August 31, 2012



40th ANNIVERSARY
1972 - 2012

CITY OF ARNOLD, MISSOURI

**Comprehensive Annual Financial Report
For The Fiscal Year Ended August 31, 2012**

Prepared by the Finance Department

CITY OF ARNOLD, MISSOURI
FINANCIAL REPORT

	Page
SECTION I - INTRODUCTORY SECTION	
Letter of Transmittal	i
GFOA Certificate of Achievement	vi
Principal Officials	vii
Organization Chart	viii
SECTION II - FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	18
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Assets (Deficit) - Proprietary Funds	21
Statement of Revenues, Expenses, and Changes in Net Assets (Deficit) - Proprietary Funds	22
Statement of Cash Flows - Proprietary Funds	23
Statement of Fiduciary Net Assets - Pension Trust Fund	25
Statement of Changes in Fiduciary Net Assets - Pension Trust Fund	26
Notes to Financial Statements	27
Required Supplemental Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Budget and Actual:	
General Fund	56
Recreation Center Fund	58
Special Allocation Fund	59
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Budget and Actual	60
Other Supplemental Information:	
Governmental Funds - Comparative Balance Sheets	61
Governmental Funds - Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances	62
Combining Balance Sheet - Nonmajor Governmental Funds	63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	64

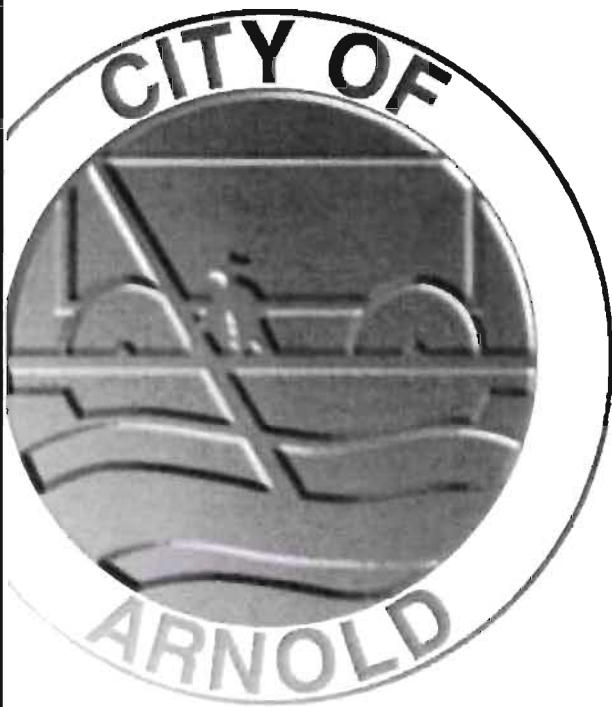
SECTION II - FINANCIAL SECTION (Continued)

Other Supplemental Information (Continued):

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - Tourism Fund	65
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - Drug Forfeiture Fund	66

SECTION III - STATISTICAL SECTION

Net Assets by Component - Last Ten Fiscal Years	68
Changes in Net Assets - Last Ten Fiscal Years	69
Fund Balances of Governmental Funds - Last Ten Fiscal Years	71
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	72
Program Revenues by Functions/Programs - Last Ten Fiscal Years	73
Tax Revenues by Source, Governmental Funds - Last Ten Fiscal Years	74
Sales Tax Revenue - Governmental Funds - Last Eight Fiscal Years	75
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	76
Assessed Values for Tax Increment Financing Districts - Last Five Fiscal Years	77
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Fiscal Years	78
Principal Taxpayers - Current Year and Six Years Ago	79
Property Tax Levies and Collections - Last Ten Fiscal Years	80
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	81
Direct and Overlapping Governmental Activities Debt	82
Legal Debt Margin Information - Last Ten Fiscal Years	83
Revenue Bond Coverage - Sewer Fund - Last Ten Fiscal Years	84
Demographic and Economic Statistics - Last Ten Fiscal Years	85
Principal Employers - Current Year and Ten Years Ago	86
Full-time Equivalent City Government Employees by Functions/Programs - Last Ten Fiscal Years	87
Operating Indicators by Functions/Programs - Last Ten Fiscal Years	88
Capital Assets Statistics by Functions/Programs - Last Ten Fiscal Years	89



Introduction

for the Fiscal Year ended August 31, 2012



City of Arnold

Ron Counts, Mayor

February 21, 2013

To the Honorable Mayor, Members of the City Council,
and Citizens of the City of Arnold:

State law and local ordinances require that all general-purpose local governments publish a complete set of financial statements presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the comprehensive annual financial report of the City of Arnold, Missouri (the City) for the fiscal year ended August 31, 2012, is hereby submitted.

The comprehensive annual financial report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Hochschild, Bloom & Company LLP audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended August 31, 2012, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended August 31, 2012, are fairly presented in conformity with U.S. generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

City Hall
2101 Jeffco Blvd.
Arnold, MO 63010
636/296-2100

Parks and Recreation
1695 Missouri State Rd.
Arnold, MO 63010
636/282-2380

Public Works
2912 Arnold Tenbrook
Arnold, MO 63010
636/282-2386

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of 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 City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Incorporated in 1972 as a city of the third class, the City is located on the eastern border of the State of Missouri, south of the Meramec River at its confluence with the Mississippi River. The City has operated under the mayor-council-city administrator form of government since its inception. Policymaking and legislative authority are vested in a governing council consisting of the mayor and eight council members. The mayor and council are elected on a nonpartisan basis. The mayor is elected to serve a four-year term. Council members serve two-year staggered terms, with four council members elected every year. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the city administrator, police chief, and city attorney. The city administrator is responsible for carrying out the policies and ordinances of the governing council, hiring employees, and overseeing the day-to-day operations of the City.

The City provides a range of services, including police protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. Trash, snow removal, sewer, and storm water system services are provided through the City. The City's recreation center operates as a department of the City, but is reported as a separate governmental fund. The sewer and storm water system services and golf course are reported separately as proprietary funds in the City's financial statements.

Local Economy

The City occupies an area of approximately 11.2 square miles and based on the 2010 Census, serves a population of 20,808 residents, who are ideally located to commute to employment within the City and throughout the surrounding Metropolitan St. Louis area. Interstate Highway 55, U.S. Highway 61-67, and State Highways 141 and 231 provide access to St. Louis City, Jefferson, St. Louis and St. Charles counties along with the Metro-East (Illinois).

During the past ten years, the monthly unemployment rate for Jefferson County rose from an initial low of 1.9% (1999) to a decade high of 10.1% (2009). The Federal Reserve Bank of St. Louis reports that as of August 2012, the unemployment rate for Jefferson County has dropped to 7.2% from 8.7% in August 2011. By comparison, as of August 2012, the unemployment rate for the State of Missouri was 7.1% down from 9.0% in August 2011. The adjacent counties of St. Louis, Franklin, and Washington were reported at 6.9%, 7.9%, and 11.1% in August 2012, respectively. Economists predict unemployment will continue to recover slowly within the nation and region but vary widely on when or if it will level off at the pre-recession rate. The City continues to believe it is in

a favorable situation for the coming year given the number of new retail sales and services establishments that have opened or will open for business within the next year bringing several hundred jobs to the City.

The economic condition and outlook of the City has been stable in recent years. Even with the Metropolitan area's somewhat sluggish residential and commercial markets, the real estate tax base for fiscal year 2012 showed growth of 1.198% above last year's levels. The City's housing stock, geographic location and variety of services have kept real estate marketable. Commercial vacancies remain modest while the potential for further retail and industrial development appears favorable within the next five years. Recent construction of major commercial and industrial developments is proof of the economic vitality of the area.

The City's tax structure relies primarily on sales taxes and gross receipts utility taxes. Utility tax receipts from the electric, gas, and telecommunications companies continue to increase at a modest rate. City sales tax receipts for fiscal year 2012 remained strong. After factoring in the EATS pass-through payments for the TIF projects, the City's general sales tax receipts were 3.78% over the prior fiscal year. We have projected a 5% increase in sales tax for fiscal year 2013 as compared to fiscal year 2012.

The City desires to plan for the success of the City for decades to come. To encourage growth and stability, the City has actively sought out and supported commercial development. In addition to the expanded Water Tower Shopping Center, city council supported the development of two TIF areas; the "Arnold Commons" and the "Arnold Crossroads" redevelopment projects now both nearing build-out. The Arnold Commons redevelopment project produced a new quality 225,000 square-foot shopping center located on approximately 40 acres in the southwest quadrant of Interstate 55 and Highway 141. The Arnold Crossroads redevelopment area includes the revitalization and modification of an existing shopping center located in the heart of the City.

The City established the Arnold Retail Corridor Transportation Development District (ARC-TDD) to accommodate anticipated changes in traffic patterns and density because of the TIF and other developments. The ARC-TDD is included in the basis financial statements as a distinctly presented component unit. Separate financial statements may be obtained from the city's finance department.

In addition to recent retail activities, in December 2012 the City authorized the issuance of Chapter 100 Industrial Bonds for over \$80 million in support of an expansion of the Metal Container Corporation, a subsidiary of Anheuser Busch. This expansion, with a 2013 estimated completion, not only retains approximately 100 existing jobs but will provide for at least 25 additional positions. Superior Oil, a major supplier of industrial solvent and chemical products, has submitted plans for their 2013 relocation to the City.

After the success of the fifty unit Watercolor Villas development within the city, the Missouri Housing Development Commission recently awarded funding to

Arapaho Development for another affordable senior housing project which will contain forty-eight units.

Long-term Financial Planning

The annual budget serves as the foundation for the City's financial planning and control. Throughout the fiscal year, the Budget Review Committee meets to monitor trends in monthly revenue and expenditure activity, prioritize capital needs, review financial policies and work with staff to develop fees for services. All departments of the City are required to submit requests for appropriations to the city administrator and finance director. These requests are used as a starting point for developing a proposed budget. Initial draft budget documents are presented to the Budget Review Committee for refining. With the assistance of the Budget Review Committee, the city administrator and finance director present the proposed budget to the mayor and city council for review in July prior to adoption. The city council is required to hold a public hearing on the proposed budget and to adopt a final budget prior to September 1. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The city administrator has the authority to make transfers of appropriations between line items within individual departments. Transfers of appropriations between departments, however, require approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the financial statements for the governmental funds.

Due to the General Fund's reliance on sales tax revenue, the City has adopted a Fund Balance Policy that anticipates a target unassigned fund balance of not less than 34% of annual operating revenues for the fiscal year and requires a plan of action to restore the balance if it falls below this level. This year the City took advantage of the favorable bond market year to refund the existing Recreation Center Series 2003 Bonds with bonds providing a lower interest rate. The City has and will continue to demonstrate its ability to compress government expenditures to accommodate this tighter economy and any temporary downturns in revenue.

Major Initiatives

The City's new Comprehensive Plan adopted by the city council in January 2012 received the Missouri Chapter of the American Planning Association's outstanding award for Comprehensive Plan of the Year. A comprehensive plan is a tool used by communities to strategize for the orderly development and redevelopment of a City.

Following the Comprehensive Plan's blueprint or guideline, the City utilizing federal surface transportation improvement and ARC-TDD funds along with City funds, completed construction on a modern roundabout at the Astra Way and Old Missouri State Road intersection and the reconfiguration of Highway 141 at Astra Way to improve traffic flow. ARC-TDD and City monies are funding the construction of a new road that will eventually provide relief to Highway 61-67

and connect Highway 141 with Michigan Avenue in the heart of the Water Tower Shopping Center. In keeping with the City's focus on enhancing the leisure life provided residents, the City purchased property to expand Ferd B. Lang Park, rebuilt the boat ramp and pave trails at Arnold City Park.

The City's Economic Development Committee is responsible for motivating the retail, commercial, and industrial development of the City. In spring 2012, the Farmer's Market became a reality. Given its success, it is anticipated the Market will continue to grow in the coming years providing small local businesses additional sales opportunities. Other projects include the business outreach program, marketing, and advancement of the City.

The City will continue to seek alternative funding sources, such as grants, and analyzing City operations for areas of efficiency and cost effectiveness.

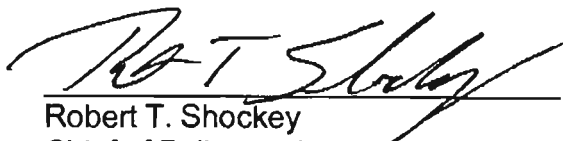
Awards and Acknowledgements


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended August 31, 2011. This is the 23rd consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,


Robert T. Shockey
Chief of Police and
City Administrator


Deborah G. Lewis
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Arnold
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
August 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Mouill

President

Jeffrey R. Emer

Executive Director

CITY OF ARNOLD, MISSOURI
PRINCIPAL OFFICIALS

Ron Counts

Mayor

Council

Doris Borgelt

Ward One

Christine Lang

Ward One

William Moritz

Ward Two

Michelle Hohmeier

Ward Two

Phil Amato

Ward Three

Paul Freese

Ward Three

Kenneth Moss

Ward Four

Sandra Kownacki

Ward Four

Diane Waller

City Clerk

Dan Kroupa

Treasurer

Todd Hamby

Judge

Robert Sweeney

City Attorney

Robert Shockey

City Administrator

Deborah Lewis

Finance Director

Robert Shockey

Chief of Police

Mary Holden

Community Development Director

Bryson Baker

Public Works Director

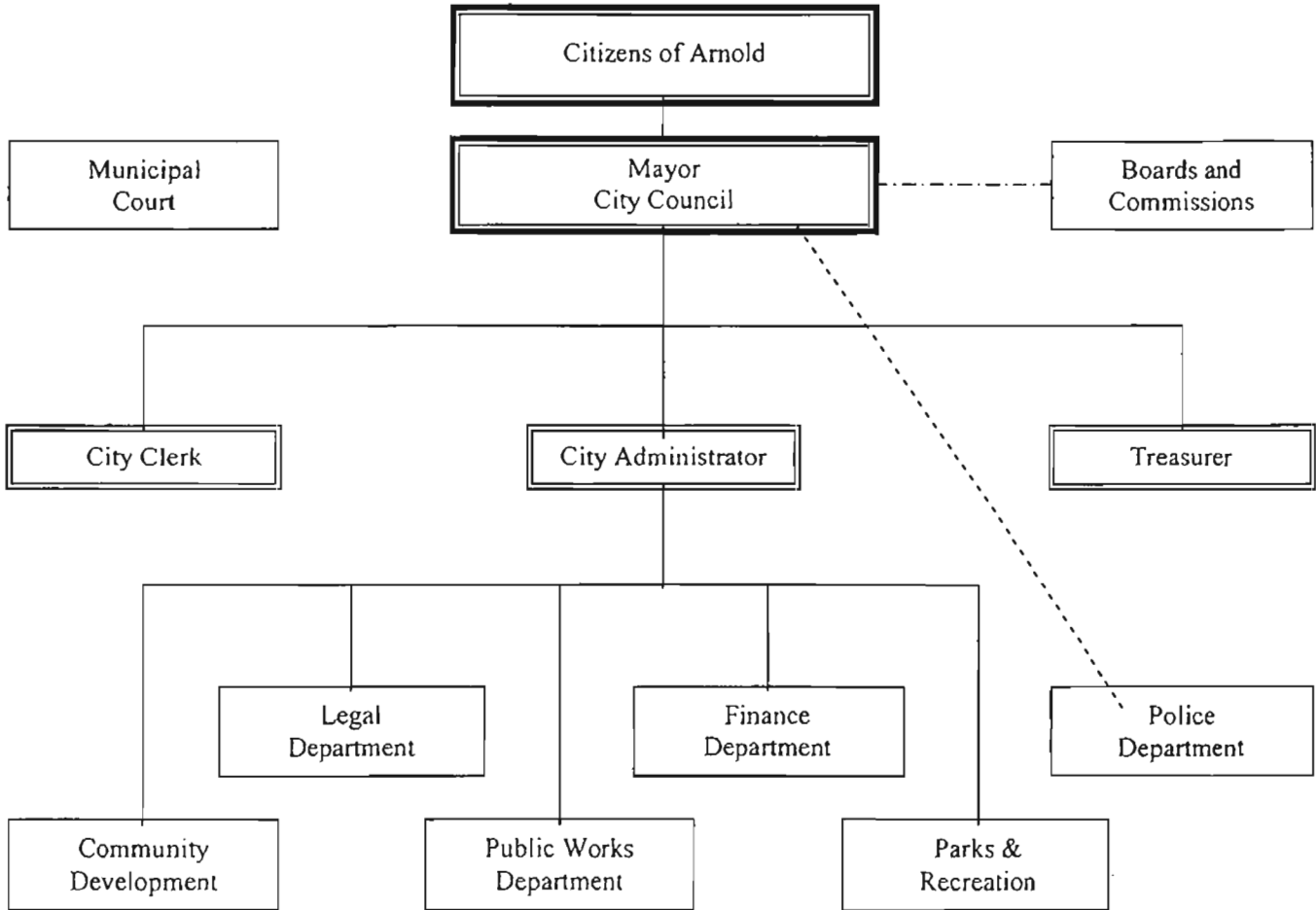
Greg Hall

Director of Administration

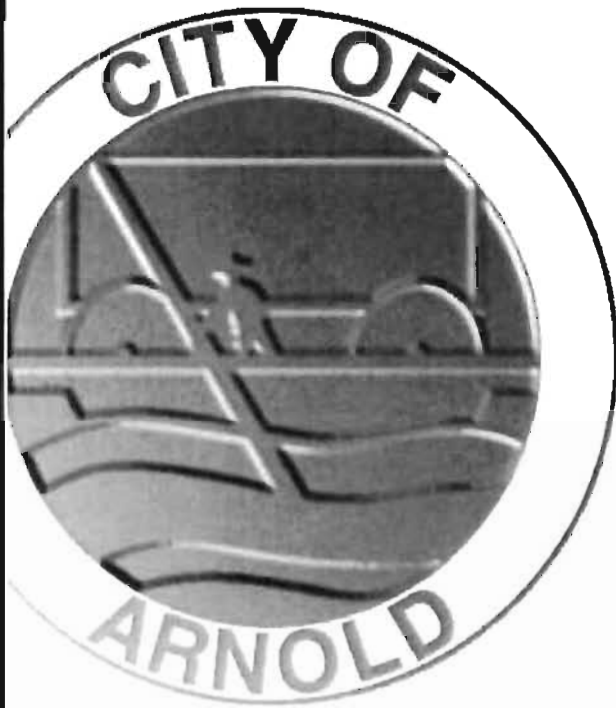
Susie Boone

Parks and Recreation Director

Organization Chart



Missouri law governing third class cities provides for direct supervision of the police chief by the Mayor.



Financial

for the Fiscal Year ended August 31, 2012



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

INDEPENDENT AUDITORS' REPORT

February 14, 2013

Honorable Mayor and City Council
CITY OF ARNOLD, MISSOURI

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF ARNOLD, MISSOURI** (the City) as of and for the year ended August 31, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of August 31, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

16100 Chesterfield Parkway W., Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055

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

www.hbcpl.com

PrimeGlobal | An Association of Independent Accounting Firms

In accordance with *Government Auditing Standards*, we have also issued a report dated February 14, 2013, on our consideration of the City'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

U.S. generally accepted accounting principles 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 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 U.S. generally accepted auditing standards, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, other supplemental information, as listed in the table contents, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the 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.

Hochschild, Bloom & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2012**

As management of the City of Arnold, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended August 31, 2012. Please read this narrative in conjunction with the letter of transmittal, the basic financial statements, and the accompanying notes to financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$62,003,411 (net assets). The City has a deficit unrestricted net assets totaling \$19,298,165 due to \$33,014,485 in TIF bonds and notes outstanding at year-end for infrastructure assets not owned by the City.
- Governmental activities and business-type activities had net assets of \$44,112,916 and \$17,890,495, respectively, at fiscal year-end.
- The City's total net assets increased by \$543,790 during the fiscal year, with the combined governmental activities increasing by \$373,438 while the combined business-type activities increased by \$170,352.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,672,467, a decrease of \$1,050,800 in comparison to the prior year. A key factor in this decrease was the use of the Recreation Center's restricted debt service reserve for refunding the related Series 2003 bond issue.
- The City's total debt, including compensated absences, decreased by \$4,054,584 during the current fiscal year to a total of \$80,947,402. This decrease is attributable to repayments and the refunding of the Recreation Center Series 2003 Bonds.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required and additional supplementary information in addition to the basic financial statements themselves.

Table A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with broad information about the City's finances, similar to those used by private-sector companies. The two government-wide statements, **Statement of Net Assets** and **Statement of Activities**, report the City's net assets and how they have changed. In the government-wide statements, a distinction is made between governmental-type activities and business-type activities. Governmental-type activities are those activities that are normally associated with the operation of a government such as health, highways, public safety, and parks. Business-type activities are those activities of a government that are designed to be self-supporting.

The **Statement of Net Assets** presents information on all of the City's assets and liabilities, with the differences between the two reported as net assets. Increases and decreases in net assets may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating. The statement of net assets also provides information on unrestricted and restricted net assets and net assets invested in capital assets, net of related debt.

The **Statement of Activities** presents information on how the City's net assets 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 the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base or the condition of the City's roadway network.

The governmental activities of the City include general government, public safety (police, courts, justice services), public works, highways and streets, health and sanitation, parks and recreation (including the Recreation Center), economic development as well as interest and fiscal charges. The business-type activities include the golf course and the sewer and storm water system services provided by the City.

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2012**

The Arnold Retail Corridor Transportation Development District (the District) is considered a component unit of the City. The District is organized to construct public infrastructure improvement projects to serve new transportation redevelopment projects in the City. The District's financial activity is discretely presented in the City's basic financial statements.

The government-wide financial statements can be found on pages 15 and 16 of this report.

**Table A-1
Major Features of City of Arnold's Government-wide
and Fund Financial Statements**

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks and recreation	Activities the City operates similar to private businesses: golf course, sewer system, and storm water system	Instances in which the City is the trustee or agent for someone else's resources, such as the retirement plan for City employees
Required financial statements	* Statement of net assets * Statement of activities	* Balance Sheet * Statement of revenues, expenditures, and changes in fund balance	* Statement of net assets * Statement of revenues, expenses, and changes in net assets	* Statement of fiduciary net assets * Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Fund financial statements. A *fund* is an accounting device that the City uses to keep track of specific sources of funding and spending for particular purposes. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *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 fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable 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 financing 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 *governmental activities*.

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2012**

The City adopts annual appropriated budgets for its General Fund, Recreation Center Fund, Special Allocation Fund, Tourism Fund, and Drug Forfeiture Fund. Budgetary comparison statements have been provided for each fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 17 through 20 of this report.

Proprietary funds. Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information, only with more detail. The City maintains three *Enterprise Funds*, which are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses Enterprise Funds to account for its sewer and storm water utility systems and the Pomme Creek Golf Course. The City does not utilize the second type of proprietary fund, the *Internal Service Fund*. These funds are an accounting device used to accumulate and allocate costs internally among the entity's various functions and departments.

The basic proprietary fund financial statements can be found on pages 21 through 24 of this report.

Fiduciary funds. The City is the trustee, or *fiduciary*, for its police employees' pension plan. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 25 and 26 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 27 through 55 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information* concerning budgetary presentations of budget to actual amounts. Required supplemental information can be found on pages 56 through 60 of this report. Other supplemental information found on pages 61 through 66 contain comparative governmental funds statements and combining and individual statements for the nonmajor governmental funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$62,003,411 at the close of the most recent fiscal year. This represents an increase in net assets of 0.9% or \$543,790 over fiscal 2011. (Table A-2)

At the end of the current fiscal year, the City had positive balances in five categories of net assets (invested in capital assets, net of related debt; restricted for capital improvements; restricted for debt service; restricted for public safety; and restricted for tax increment financing) however, its unrestricted net assets had a deficit balance of \$19,298,165.

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2012**

Table A-2
City's Net Assets as of August 31, 2011 and 2012
(In thousands of dollars)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>activities</i>		<i>activities</i>			
	2011	2012	2011	2012	2011	2012
Assets						
Current and other assets	\$ 22,378	22,311	7,750	6,983	30,128	29,294
Capital assets	80,923	79,870	41,666	41,224	122,589	121,094
Total assets	<u>103,301</u>	<u>102,181</u>	<u>49,416</u>	<u>48,207</u>	<u>152,717</u>	<u>150,388</u>
Liabilities						
Long-term debt outstanding	55,351	52,674	29,813	28,445	85,164	81,119
Other liabilities	4,210	5,394	1,883	1,872	6,093	7,266
Total liabilities	<u>59,561</u>	<u>58,068</u>	<u>31,696</u>	<u>30,317</u>	<u>91,257</u>	<u>88,385</u>
Net assets invested in capital assets, net of related debt	60,190	61,438	12,568	13,366	72,758	74,804
Restricted for capital improvements	600	801	-	-	600	801
Restricted for debt service	4,311	3,049	805	701	5,116	3,750
Restricted for public safety	38	25	-	-	38	25
Restricted for tax increment financing	1,563	1,921	-	-	1,563	1,921
Unrestricted	<u>(22,962)</u>	<u>(23,121)</u>	<u>4,347</u>	<u>3,823</u>	<u>(18,615)</u>	<u>(19,298)</u>
Total net assets	<u>\$ 43,740</u>	<u>44,113</u>	<u>17,720</u>	<u>17,890</u>	<u>61,460</u>	<u>62,003</u>

The largest portion of the City's net assets, \$74,804,528 in 2012 (an increase of approximately 2.8% from 2011), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's 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.

An additional portion of the City's net assets, \$6,497,048 represents resources that are subject to external restrictions on how they may be used. Of this amount, \$3,750,048 or over 57% is restricted by debt covenants while use of the remaining, \$2,747,000, is restricted by other governmental entities.

The remaining category of the City's net assets represents a deficit balance of *unrestricted net assets* totaling \$19,298,165 in 2012. This increase in the deficit balance (\$683,393) over 2011 is due in part to the outstanding TIF bonds and notes.

CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2012

Table A-3
Change in City's Net Assets for the Years Ended August 31, 2011 and 2012
(In thousands of dollars)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>		<i>Change</i>
	<i>Activities</i>		<i>Activities</i>				<i>2011-2012</i>
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	
Revenues							
Program revenues:							
Charges for services	\$ 3,327	3,103	4,980	4,933	8,307	8,036	(3.26) %
Operating grants	1,051	1,086	-	-	1,051	1,086	3.33
Capital grants	66	1,408	2	1	68	1,409	1,972.06
General revenues							
Taxes	14,165	14,177	-	-	14,165	14,177	0.08
Investment income	86	74	274	253	360	327	(9.17)
Miscellaneous	172	150	-	-	172	150	(12.79)
Total revenues	<u>18,867</u>	<u>19,998</u>	<u>5,256</u>	<u>5,187</u>	<u>24,123</u>	<u>25,185</u>	4.40
Expenses							
General government	3,631	3,561	-	-	3,631	3,561	(1.93)
Public safety	5,513	5,557	-	-	5,513	5,557	0.80
Public works	450	471	-	-	450	471	4.67
Highways and streets	3,056	3,248	-	-	3,056	3,248	6.28
Parks and recreation	2,173	2,311	-	-	2,173	2,311	6.35
Health and sanitation	1,148	1,199	-	-	1,148	1,199	4.44
Economic development	3,111	85	-	-	3,111	85	(97.27)
Sewer system	-	-	3,867	3,604	3,867	3,604	(6.80)
Storm water system	-	-	559	639	559	639	14.31
Golf course	-	-	748	784	748	784	4.81
Interest on long-term debt	3,310	3,183	-	-	3,310	3,183	(3.84)
Total expenses	<u>22,392</u>	<u>19,615</u>	<u>5,174</u>	<u>5,027</u>	<u>27,566</u>	<u>24,642</u>	(10.61)
Excess (deficiency) before transfers	(3,525)	383	82	160	(3,443)	543	115.77
Transfers	(10)	(10)	10	10	-	-	-
Increase (decrease) in net assets	(3,535)	373	92	170	(3,443)	543	115.77
Net assets - September 1	<u>47,275</u>	<u>43,740</u>	<u>17,628</u>	<u>17,720</u>	<u>64,903</u>	<u>61,460</u>	(5.30)
Net assets - August 31	<u>\$ 43,740</u>	<u>44,113</u>	<u>17,720</u>	<u>17,890</u>	<u>61,460</u>	<u>62,003</u>	0.88 %

Governmental activities. Governmental activities increased the City's net assets by \$373,438. Key elements of this net increase are as follows:

- Property tax revenues decreased by \$99,665 or 5.1% from fiscal 2011. The City elected not to increase the property tax rate to offset a 0.38% drop in adjusted valuations.
- Sales tax revenues were \$332,305 or 3.7% higher than last year. This can be attributed to an upturn in the local economy.
- This year's gross receipts tax revenue was \$225,013 or 6.9% lower due in part to a one-time settlement of mobile telephone services lawsuit (\$176,725) with T-Mobile telecommunications received last year.

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2012**

- Overall charges for services revenue registered a decrease of 6.7% or \$223,726 as compared to 2011. Charges for General Government services were higher than the prior year by \$17,648 or 3.9%. This can be attributed to as increase in the number of business licenses issued. Although there was an increase in permits, plan approvals and grading fees of 38% or \$64,988 this was offset by a reduction of \$156,970 or 14.1% in automated traffic enforcement fines and other court fines & fees resulting in Public Safety service fees below last year by \$117,041 or 8.7%. Health and sanitation service revenue decreased 86.9% or \$194,976 due to the continued reinstatement of no-fee trash collection for residents.
 - Funding from the Surface Transportation Program and other sources for construction on Astra Way, Highway 141 and Missouri State Road accounts for an increase of \$1,342,172 in capital grants and contributions as compared to prior year. Operating grants and contributions shows an increase of \$34,799 or 3.3% due to the partial funding of the Cops in School program for fiscal 2012.
 - Investment income shows a decrease of \$12,444 or 14.4% during the current year. This is a reflection of the current interest rates available.
 - The lack of additional economic development activities in the form of new TIF notes for the Arnold Crossroads project is the key factor driving the lowered overall expenses in 2012, \$19,614,583, as compared to \$22,392,049 in 2011, a change of 12.4% or \$2,777,466.
-

Figure A-1

Sources of Revenue - Governmental Activities

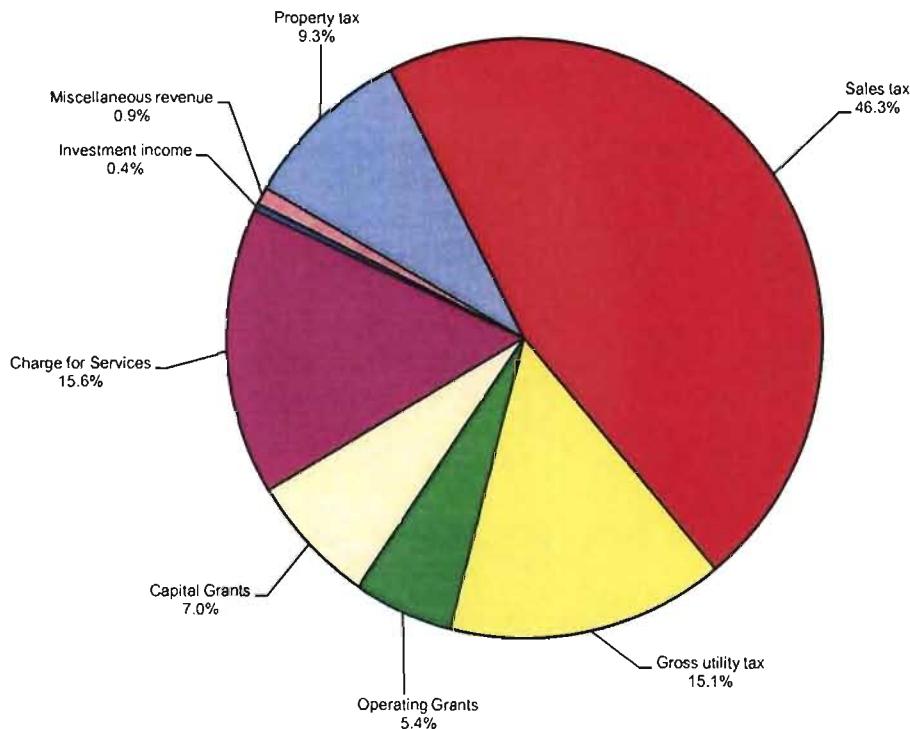


Figure A-2

Expenses by Function - Governmental Activities

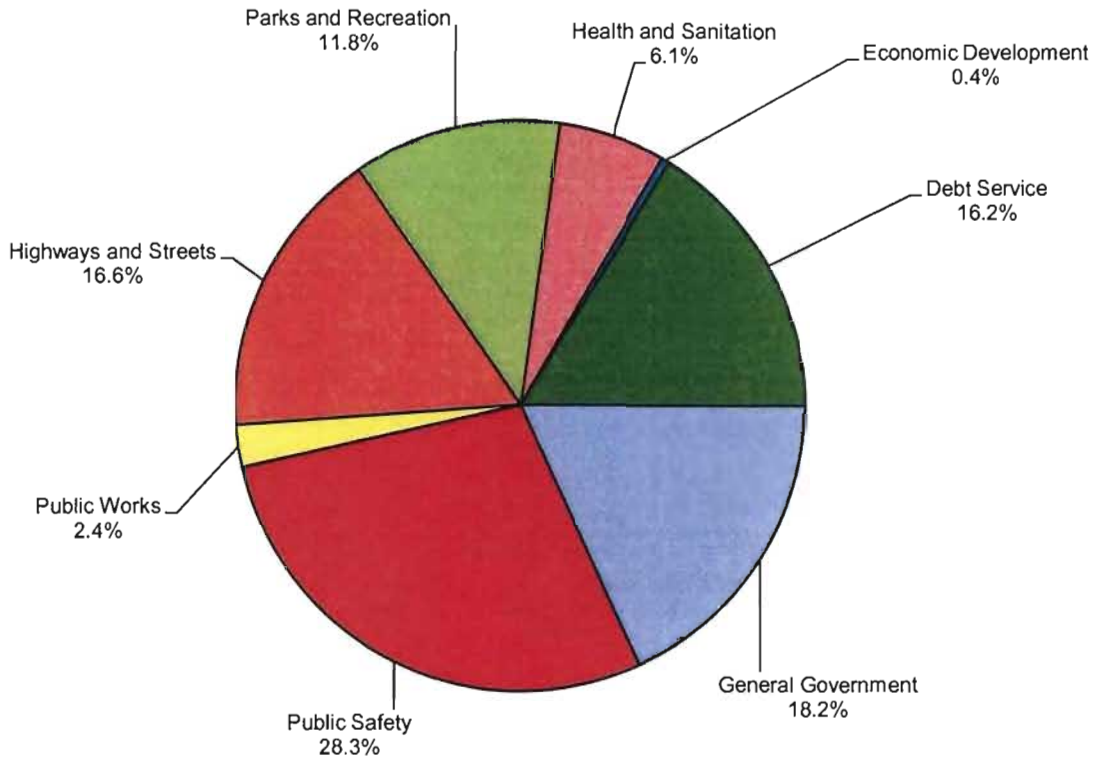


Table A-4 presents the cost of each of the City's seven governmental functions - general government including economic development, public safety (police, code enforcement, courts, and justice services), public works, highways and streets, parks and recreation (parks and recreation center), and health and sanitation - as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

- The cost of all governmental activities this year was \$19,614,583.
- However, the amount that our taxpayers paid for these activities through City taxes was \$14.2 million. Some of the costs were paid by:
 - Those who directly benefited from the programs,
 - Issuance of debt in conjunction or
 - Other governments and organizations that subsidized certain programs with grants and contributions.

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2012**

**Table A-4
Net Cost of the City's Governmental Activities
(In thousands of dollars)**

	<u>Total Cost Of Services</u>				<u>Net Cost Of Services</u>		
	<u>2011</u>	<u>2012</u>	<u>Change 2011-2012</u>		<u>2011</u>	<u>2012</u>	<u>Change 2011-2012</u>
General government	\$ 3,631	3,561	(1.93) %	\$ 3,178	3,093	(2.67) %	
Public safety	5,513	5,557	0.80	4,077	4,195	2.89	
Public works	450	471	4.67	450	17	(96.22)	
Highways and streets	3,056	3,248	6.28	2,057	1,374	(33.20)	
Parks and recreation	2,173	2,311	6.35	858	915	6.64	
Health and sanitation	1,148	1,199	4.44	907	1,156	27.45	
Economic development	3,111	85	(97.27)	3,111	85	(97.27)	
Interest on long-term debt	3,310	3,183	(3.84)	3,310	3,183	(3.84)	
Total	\$ 22,392	19,615	(12.14) %	\$ 17,948	14,018	(21.90) %	

Business-type activities. Business activities increased the City's net assets by \$170,352. Key elements of this increase are as follows:

- Charges for sewer services decreased by \$155,942 or 3.9% during the current year. Sewer usage rates remain the same as the prior year. Operating expenses decreased \$216,158 or 8.1% as phase 3 of a three-year city-wide sewer irrigation and infiltration study was delayed. Depreciation expense was lower than last year by \$7,861 or 0.98%.
- Storm water rates remain the same with charges for services increasing a scant \$630 or 0.11% while cost of services increased \$80,014 or 14.3%. Work on meeting the Missouri Department of Natural Resources M-4 compliance requirements increased engineering services by \$23,890 over last year. Building repairs increased \$21,687 for roof replacement. Depreciation expense increased \$10,129 or 23% this year as compared to last year.
- Charges for services increased \$107,715 or 23.7% at the City's public golf course this year. Due to rate restructuring, membership revenue is down \$18,329 or 22.6% while daily admissions increased \$118,490 or 46.3%. Concessions including food, beverages, and golf shop sales increased 57% or \$41,856. This year's miscellaneous revenue was lower \$35,772 due to a one-time reimbursement for cart path damages received last year. Operating expenses increased \$37,756 or 6.7% this year. Of this amount, an increase of \$18,397 or 26.9% in part-time staffing costs and \$21,568 or an increase of 54% in concession products were needed to meet demand. Depreciation expense increased \$4,449 or 11.2% over last year.
- Investment income for all business-type activities decreased by \$20,693 or 7.6% due to the low interest rates available on City approved investment instruments.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2012

As of the end of the current fiscal year, the City's General Fund reported an ending fund balance of \$11,502,267, a decrease of \$181,322 in comparison with the prior year. Of this amount \$455,108 represents prepaid expenditures and is nonspendable and \$572,616 and \$563,745 have been restricted for capital projects and debt service, respectively. The City Council has committed portions of fund balance as follows: 1) \$3,099,873 for services and street improvements, 2) \$898,574 for the construction of sewer sub-districts, 3) \$113,164 for greenway beautification, 4) \$217,190 for economic development, 5) \$9,066 for the pride in our City program, 6) \$15,104 in support of a city bus route and 7) \$57,619 for neighborhood improvement district projects. The City Council has assigned \$994,533 for the subsequent year's budget. The remaining unassigned fund balance is \$4,505,675.

The Recreation Center Fund has completed its seventh full year of operations. This fund is strictly dedicated to recreation center revenues and expenditures. Revenues are generated through a ¼ cent general sales tax and user fees. The Recreation Center Fund reported an ending fund balance (deficit) of \$1,261,577. Of this balance, prepaid expenditures totaling \$8,629 are reported as nonspendable and (\$1,270,206) is reported as unassigned. Fund balance for this year is \$1,288,086 lower than last year due to the release of the debt service reserve and its use in the refunding of the Recreation Center Series 2003 Bonds. As predicted prior to building the recreation center, sales tax receipts have been sufficient to cover debt service. User fees although not adequate to cover operating expenditures, are set at a price point affordable for the vast majority of city residents and reviewed annually.

The Special Allocation Fund reports activities related to the City's Arnold Commons and Crossroads TIF projects. Revenues are received from incremental property and sales tax generated within the project area. These funds are then used to retire the related project debt. The Special Allocation Fund reported an ending fund balance of \$4,405,607 or an increase of \$357,399 or 8.8% above last year. Of this amount, 100% is restricted. In July 2009, bonds in the amount of \$28,485,000 were issued for the Arnold Commons TIF project. As of August 2012, \$27,225,000 remains outstanding on these bonds. In October 2009, notes in the amount of \$3,319,555 were issued for the Arnold Crossroads TIF project. Additional notes in the amount of \$3,000,000 were issued May 2011 for the Arnold Crossroads Sub-Area #1 TIF project. As of August 2012, \$3,319,555 remains outstanding on the Arnold Crossroads and \$2,469,930 on the Arnold Crossroads Sub-Area #1 projects.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Sewer Fund has unrestricted net assets at the end of the fiscal year of \$4,480,719, a decrease of \$192,222 from prior year. The balance of unrestricted net assets for the Storm Water Fund amounted to \$291,261, a decrease of \$71,231 from prior year. The Golf Fund ended the year with an unrestricted net asset balance of (\$948,950), down \$260,644 from prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Results for the General Fund this year were better than anticipated by \$769,839. Actual total revenues were \$166,931 above final budget while actual total expenditures were \$102,908 below budget.

Total tax revenue was \$101,054 below final budget. Actual sales tax revenues were \$19,703 or 0.34% higher than final budget. Gross receipts tax was \$134,271 or 4.5% below budget. Actual revenue was lower than anticipated across all utilities except for cable TV. Telephone revenue was under final budget by \$110,631 or 13%. Motor fuel tax was \$13,081 or 2.5% above final budget. Although fuel prices fluctuated during the fiscal year, we did not see a drop in consumption as anticipated.

General government actual expenditures were lower than final budget by \$25,327 or 0.9%. This was driven in part by savings in unemployment claims and a delay in starting the outdoor signage project. Public safety actual expenditures were under budget \$24,282 or 0.45% primarily due to police officer vacancies. The roof replacement at the public works facility accounts for actual expenditures exceeding the public works budget by \$19,618. Highway and street expenditures were below budget \$60,019 or 4.3% was due to the delay in the City-wide Crack Seal Project funded by City Council. Parks and Recreation labor was lower than final budget by \$57,859 or 53.4% with the balance of the variance in programs, supplies and other accounts. These variances were due in part to weather conditions and the reinstatement of summer enrichment programs through the school district. Capital outlays ended the year above budget by \$101,670 or 6.23% due to weather conditions and the incentive offered the contractor for completion of the Astra Way projects.

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2012**

The transfer out budget variance of \$500,000 represents the General Fund repayment of an advance from the Sewer Fund for property at 1765 Dixon. This purchase was made in anticipation of the Recreation Center construction.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of August 31, 2012, amounted to \$121,093,623 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, and bridges. The decrease in the City's investment in capital assets for the current fiscal year was 1.2% (governmental activities decreased 1.3% and a 1.1% decrease for business-type activities). (See table A-5)

Capital asset events occurring during the fiscal year included the following:

- Land was purchased to extend the back of Ferd B. Lang Park to Ozark Drive (\$70,000).
- Additions were made to construction in progress (CIP) for the Astra Way at Hwy 141 (\$757,900) and at Missouri State Road (\$332,138) projects, the Lone Star connector road project (\$345,489), engineering work for Richardson Road at Old Lemay Ferry (\$5,913), improvements to the Ridgecrest property (\$8,069) and Judy Drive NID (\$1,147).
- Church Road and Old Lemay Ferry improvements were moved from CIP totaling \$4,753,280 to infrastructure.
- Work on Arnold City Park trails \$43,285 and the 911 Memorial \$4,716 was completed and removed from CIP.
- A replacement vehicle (\$23,376) was purchased for the Public Works Director with the cost allocated among General, Sewer and Storm Water funds.
- Highway and streets purchased a compact track skid steer (\$56,484).
- Parks and Recreation purchased a replacement turn mower (\$6,599).
- Health Department purchased a replacement pickup truck (\$24,562) for use in animal control.
- Extensive remodeling of the Community Building is underway. Costs are being allocated equally among the General, Sewer, and Storm Water Funds. CIP was increased for each fund by \$27,785.
- The drop tunnel (\$10,130,020) connecting the City sewer system to the Metropolitan Sewer District waste water treatment plant was moved from CIP. Engineering work (\$1,150) on the Black Oak Trail sewer subdistrict was started and added to CIP.
- The Six Roads South storm water project was removed from to CIP (\$6,210) while work on Jere Lane was added (\$11,836).
- The completed salt dome (\$252,995) was moved from Storm Water CIP.
- The golf course made additional improvements to its cart path (\$2,507).

For more detailed information about the City's capital assets, see Note C to the financial statements, pages 36 and 37.

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2012**

**Table A-5
City's Capital Assets as of August 31, 2011 and 2012
(Net of depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities		Capital Assets	
	2011	2012	2011	2012	2011	2012
Land	\$ 27,126,645	27,196,645	3,514,046	3,516,553	30,640,691	30,713,198
Buildings	13,696,795	13,145,147	129,690	365,632	13,826,485	13,510,779
Treatment plants	-	-	103,554	87,567	103,554	87,567
Machinery and equipment	305,256	305,607	412,076	305,646	717,332	611,253
Automotive equipment	684,904	487,877	-	-	684,904	467,877
Infrastructure	33,942,887	36,833,981	-	-	33,942,887	36,833,981
Intangibles	-	-	15,992,917	15,645,245	15,992,917	15,645,245
Storm water lines	-	-	126,231	133,976	126,231	133,976
Sewer lines	-	-	10,957,621	20,703,131	10,957,621	20,703,131
Construction in progress	5,166,204	1,900,757	10,430,222	465,859	15,596,426	2,366,616
Total	\$ 80,922,691	79,870,014	41,666,357	41,223,609	122,589,048	121,093,623

Long-term debt. At year-end the City had \$80,254,661 in bonds and notes outstanding - a decrease of 4.88% from last year - as shown in Table A-6. Governmental activity debt for fiscal year 2012 was composed of the refunding the Recreation Center Revenue Bond Series 2003 in the amount of \$13,250,000 with the issuance of Certificates of Participation Bonds Series 2012 for \$12,965,000.

For more detailed information about the City's long-term liabilities, see Note D in the notes to financial statements, pages 38 through 44.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is \$36,369,775. The City currently has no general obligation debt outstanding.

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2012**

**Table A-6
City's Outstanding Debt as of August 31, 2011 and 2012
(In millions of dollars)**

	Governmental		Business-type		Total		Change
	Activities		Activities				
	2011	2012	2011	2012	2011	2012	2011-2012
Revenue bonds and notes backed by specific tax and fee revenues)	\$ 54,557	51,810	29,813	28,445	84,370	80,255	(4.88) %

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate, not seasonally adjusted, for Jefferson County for August 2012 was 7.2%, which is a decrease from a rate of 8.7% a year ago. This is higher than the state's average unemployment rate of 7.1% and lower than the national average rate of 8.2%, all rates not seasonally adjusted.
- The Consumer Price Index indicates that nationwide inflation has increased 1.7% over the August 2011 rate. Inflationary trends for the Midwest region (1.8%) compare unfavorably to the South region (1.6%) but lower than the West region (2.1%) indices.

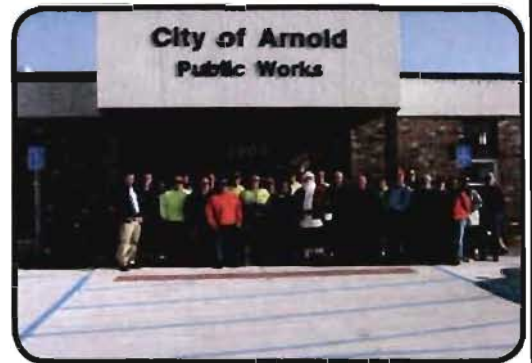
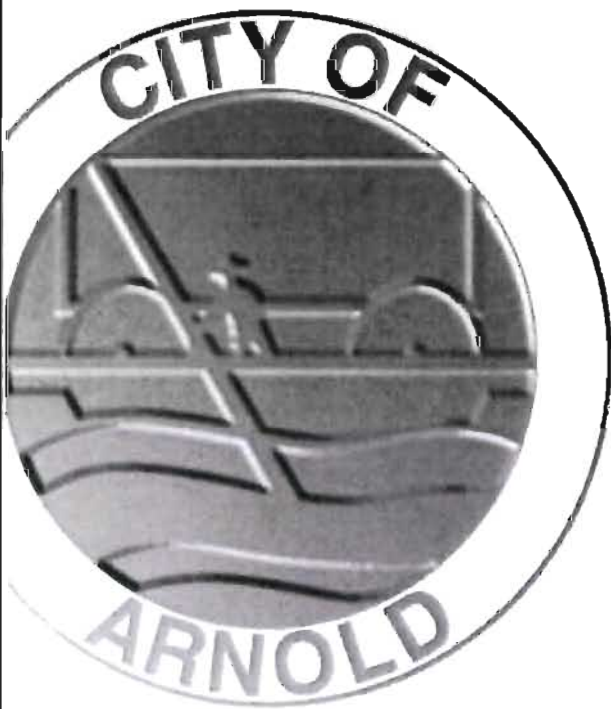
All of these factors were considered in preparing the City's budget for the 2013 fiscal year.

The property tax rate set to support the 2013 fiscal year budget is \$0.3973 per \$100 of assessed value. The local sales tax rate is anticipated to remain at 1¼%, with 1% allocated for General Fund operations and ¼% allocated to the Recreation Center Fund.

The City's sewer base and usage rate was unchanged for calendar 2013. City policy dictates rates are to be reviewed annually to assure they remain sufficient to cover the capital costs and replacement of the aging system. It is anticipated the results of this year's review will be implemented before mid-calendar year. Storm water fees remain at \$3 per month per equivalent residential unit.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 2101 Jeffcott Blvd., Arnold, MO, 63010.



Financial Statements

for the Fiscal Year ended August 31, 2012

CITY OF ARNOLD, MISSOURI

STATEMENT OF NET ASSETS

AUGUST 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Transportation Development District
ASSETS				
Cash and investments	\$ 9,749,675	6,276,266	16,025,941	5,518,867
Receivables (net of allowances for uncollectibles):				
Taxes	2,103,174	-	2,103,174	-
Special assessments	1,376,704	-	1,376,704	-
Service fees	-	489,477	489,477	-
Intergovernmental	859,246	-	859,246	-
Miscellaneous	257,909	-	257,909	-
Internal balances	1,150,642	(1,150,642)	-	-
Prepaid items	484,234	2,894	487,128	-
Bond issue costs	1,124,493	251,795	1,376,288	-
Restricted assets:				
Cash and investments	3,672,651	1,114,045	4,786,696	-
Capital improvements sales tax receivable	801,306	-	801,306	-
Net pension asset	730,446	-	730,446	-
Capital assets:				
Land and construction in progress	29,097,402	3,982,412	33,079,814	-
Other capital assets, net of accumulated depreciation	50,772,612	37,241,197	88,013,809	-
Total Assets	<u>102,180,494</u>	<u>48,207,444</u>	<u>150,387,938</u>	<u>5,518,867</u>
LIABILITIES				
Accounts payable	2,752,775	1,197,405	3,950,180	-
Accrued liabilities	242,162	105,603	347,765	-
Accrued interest payable	1,967,728	188,395	2,156,123	-
Unearned revenue	430,951	380,710	811,661	-
Noncurrent liabilities:				
Due within one year:				
Long-term debt	1,637,327	1,107,584	2,744,911	665,000
Due in more than one year:				
Long-term debt	50,865,239	27,337,252	78,202,491	18,455,000
Net pension obligation	40,096	-	40,096	-
Net OPEB obligation	131,300	-	131,300	-
Total Liabilities	<u>58,067,578</u>	<u>30,316,949</u>	<u>88,384,527</u>	<u>19,120,000</u>
NET ASSETS				
Invested in capital assets, net of related debt	61,438,366	13,366,162	74,804,528	-
Restricted for capital improvements	801,306	-	801,306	-
Restricted for debt service	3,048,745	701,303	3,750,048	1,877,765
Restricted for public safety	25,087	-	25,087	-
Restricted for tax increment financing	1,920,607	-	1,920,607	-
Restricted for transportation development	-	-	-	3,641,102
Unrestricted	(23,121,195)	3,823,030	(19,298,165)	(19,120,000)
Total Net Assets	<u>\$ 44,112,916</u>	<u>17,890,495</u>	<u>62,003,411</u>	<u>(13,601,133)</u>

See notes to financial statement:

CITY OF ARNOLD, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2012

FUNCTIONS/PROGRAMS	Net Revenues (Expenses) And Changes In Net Assets							Component Unit Transportation Development District
	Expenses	Program Revenues			Primary Government			
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 3,560,571	467,566	-	-	(3,093,005)	-	(3,093,005)	-
Public safety	5,557,136	1,227,070	135,066	-	(4,195,000)	-	(4,195,000)	-
Public works	471,241	-	-	453,885	(17,356)	-	(17,356)	-
Highways and streets	3,247,948	-	919,013	954,403	(1,374,532)	-	(1,374,532)	-
Parks and recreation	2,311,042	1,378,811	17,370	-	(914,861)	-	(914,861)	-
Health and sanitation	1,199,147	29,407	14,150	-	(1,155,590)	-	(1,155,590)	-
Economic development	84,948	-	-	-	(84,948)	-	(84,948)	-
Interest on long-term debt	3,182,550	-	-	-	(3,182,550)	-	(3,182,550)	-
Total Governmental Activities	<u>19,614,583</u>	<u>3,102,854</u>	<u>1,085,599</u>	<u>1,408,288</u>	<u>(14,017,842)</u>	<u>-</u>	<u>(14,017,842)</u>	<u>-</u>
Business-type Activities								
Sewer system	3,604,074	3,795,399	-	1,150	-	192,475	192,475	-
Storm water	638,757	575,621	-	-	-	(63,136)	(63,136)	-
Golf	783,657	561,806	-	-	-	(221,851)	(221,851)	-
Total Business-type Activities	<u>5,026,488</u>	<u>4,932,826</u>	<u>-</u>	<u>1,150</u>	<u>-</u>	<u>(92,512)</u>	<u>(92,512)</u>	<u>-</u>
Total Primary Government	<u>\$ 24,641,071</u>	<u>8,035,680</u>	<u>1,085,599</u>	<u>1,409,438</u>	<u>(14,017,842)</u>	<u>(92,512)</u>	<u>(14,110,354)</u>	<u>-</u>
Component Unit								
Transportation development district	<u>\$ 1,637,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,637,753)</u>
General Revenues								
Taxes:								
Property					1,856,713	-	1,856,713	-
Sales					9,266,574	-	9,266,574	2,044,826
Gross receipts					3,014,815	-	3,014,815	-
Miscellaneous					38,972	-	38,972	-
Investment income					74,002	252,864	326,866	1,483
Miscellaneous					92,531	-	92,531	-
Gain on sale of capital assets					57,673	-	57,673	-
Transfers					(10,000)	10,000	-	-
Total General Revenues And Transfers					<u>14,391,280</u>	<u>262,864</u>	<u>14,654,144</u>	<u>2,046,309</u>
CHANGES IN NET ASSETS					<u>373,438</u>	<u>170,352</u>	<u>543,790</u>	<u>408,556</u>
NET ASSETS, SEPTEMBER 1					<u>43,739,478</u>	<u>17,720,143</u>	<u>61,459,621</u>	<u>(14,009,689)</u>
NET ASSETS, AUGUST 31					<u>\$ 44,112,916</u>	<u>17,890,495</u>	<u>62,003,411</u>	<u>(13,601,133)</u>

See notes to financial statements

CITY OF ARNOLD, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2012

	General	Recreation Center	Special Allocation	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 7,584,791	551,078	1,588,719	25,087	9,749,675
Receivables (net of allowances for uncollectibles):					
Taxes	1,470,362	235,426	376,835	20,551	2,103,174
Special assessments	1,376,704	-	-	-	1,376,704
Intergovernmental	859,246	-	-	-	859,246
Court	179,284	-	-	-	179,284
Miscellaneous	44,850	33,775	-	-	78,625
Due from other funds	2,975,451	-	128,895	-	3,104,346
Prepaid items	455,108	8,629	-	20,497	484,234
Restricted assets:					
Cash and investments	1,187,651	-	2,485,000	-	3,672,651
Capital improvements sales tax receivable	801,306	-	-	-	801,306
Total Assets	\$ 16,934,753	828,908	4,579,449	66,135	22,409,245
 LIABILITIES AND FUND BALANCES (DEFICIT)					
Liabilities					
Accounts payable	\$ 2,576,201	150,073	23,842	2,659	2,752,775
Accrued liabilities	231,797	9,540	-	825	242,162
Due to other funds	94,329	1,678,981	150,000	30,394	1,953,704
Deferred revenue	2,530,159	251,891	-	6,087	2,788,137
Total Liabilities	5,432,486	2,090,485	173,842	39,965	7,736,778
 Fund Balances (Deficit)					
Nonspendable:					
Prepaid items	455,108	8,629	-	20,497	484,234
Restricted for:					
Capital projects	572,616	-	-	-	572,616
Debt service	563,745	-	2,485,000	-	3,048,745
Public safety	-	-	-	25,087	25,087
Tax increment financing	-	-	1,920,607	-	1,920,607
Committed for:					
Purchase of services and street improvements	3,099,873	-	-	-	3,099,873
Sewer subdistrict projects	898,574	-	-	-	898,574
Greenway beautification	113,164	-	-	-	113,164
Economic development	217,190	-	-	-	217,190
Pride in our City	9,066	-	-	-	9,066
City bus route	15,104	-	-	-	15,104
Neighborhood improvement district projects	57,619	-	-	-	57,619
Assigned for:					
Subsequent year's budget	994,533	-	-	-	994,533
Unassigned	4,505,675	(1,270,206)	-	(19,414)	3,216,055
Total Fund Balances (Deficit)	11,502,267	(1,261,577)	4,405,607	26,170	14,672,467
Total Liabilities And Fund Balances (Deficit)	\$ 16,934,753	828,908	4,579,449	66,135	22,409,245

See notes to financial statements

CITY OF ARNOLD, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
AUGUST 31, 2012

Total Fund Balances - Governmental Funds	\$ 14,672,467
Amounts reported for governmental activities in the statement of net assets 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 \$123,493,019 and the accumulated depreciation is \$43,623,005.	79,870,014
Certain assets and liabilities are not financial resources (uses) and, therefore, are not reported in the governmental funds.	
Net pension asset	730,446
Net pension obligation	(40,096)
Net OPEB obligation	(131,300)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	2,357,186
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued interest payable	(1,967,728)
Accrued compensated absences	(692,741)
Capital lease obligations payable outstanding	(279,320)
Certificates of participation outstanding	(19,775,000)
Tax increment revenue bonds outstanding	(27,225,000)
Tax increment revenue notes outstanding	(5,789,485)
Unamortized bond premium	(7,640)
Unamortized bond deferred charges	1,057,696
Unamortized bond discount	208,924
Unamortized bond issuance cost	1,124,493
	1,124,493
Total Net Assets Of Governmental Activities	\$ 44,112,916

CITY OF ARNOLD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2012

	<u>General</u>	<u>Recreation Center</u>	<u>Special Allocation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 10,428,277	1,179,379	2,990,314	140,148	14,738,118
Special assessments	55,981	-	-	-	55,981
Licenses and permits	637,167	-	-	-	637,167
Fines and court costs	902,336	-	-	-	902,336
Intergovernmental	1,544,465	-	-	12,869	1,557,334
Charges for services	115,011	1,298,228	-	41,790	1,455,029
Investment income	36,415	37,230	343	14	74,002
Miscellaneous	301,369	23,258	-	-	324,627
Total Revenues	<u>14,021,021</u>	<u>2,538,095</u>	<u>2,990,657</u>	<u>194,821</u>	<u>19,744,594</u>
EXPENDITURES					
Current:					
General government	2,806,147	-	34,500	97,635	2,938,282
Public safety	5,413,009	-	-	25,977	5,438,986
Public works	460,444	-	-	-	460,444
Highways and streets	1,318,793	-	-	-	1,318,793
Parks and recreation	525,763	1,715,617	-	-	2,241,380
Health and sanitation	1,198,127	-	-	-	1,198,127
Economic development	-	-	84,948	-	84,948
Capital outlay	1,734,019	-	-	-	1,734,019
Debt service:					
Principal	563,237	-	445,818	-	1,009,055
Interest	240,477	377,564	2,067,992	-	2,686,033
Bond issuance costs	-	218,681	-	-	218,681
Payments to escrow agent	-	1,843,000	-	-	1,843,000
Total Expenditures	<u>14,260,016</u>	<u>4,154,862</u>	<u>2,633,258</u>	<u>123,612</u>	<u>21,171,748</u>
REVENUES OVER (UNDER) EXPEN- DITURES	<u>(238,995)</u>	<u>(1,616,767)</u>	<u>357,399</u>	<u>71,209</u>	<u>(1,427,154)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt	-	12,965,000	-	-	12,965,000
Discount on issuance of long-term debt	-	(12,936)	-	-	(12,936)
Refunding of long-term debt	-	(12,733,383)	-	-	(12,733,383)
Proceeds from insurance premium	-	110,000	-	-	110,000
Sale of capital assets	57,673	-	-	-	57,673
Transfers out	-	-	-	(10,000)	(10,000)
Total Other Financing Sources (Uses)	<u>57,673</u>	<u>328,681</u>	<u>-</u>	<u>(10,000)</u>	<u>376,354</u>
NET CHANGE IN FUND BALANCES	<u>(181,322)</u>	<u>(1,288,086)</u>	<u>357,399</u>	<u>61,209</u>	<u>(1,050,800)</u>
FUND BALANCES (DEFICIT), SEPTEMBER 1	<u>11,683,589</u>	<u>26,509</u>	<u>4,048,208</u>	<u>(35,039)</u>	<u>15,723,267</u>
FUND BALANCES (DEFICIT), AUGUST 31	<u>\$ 11,502,267</u>	<u>(1,261,577)</u>	<u>4,405,607</u>	<u>26,170</u>	<u>14,672,467</u>

See notes to financial statements

CITY OF ARNOLD, 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 AUGUST 31, 2012

Net Change In Fund Balances - Governmental Funds \$ (1,050,800)

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 is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$2,753,128) exceeded capital outlays over the capitalization threshold (\$1,700,451) in the current period. (1,052,677)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 202,635

The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, the governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued:

Certificates of participation	(12,965,000)
Discount	12,936
Deferred charges on refunding	776,383
Issuance costs	218,681

Repayments:

Capital lease obligations payable	233,237
Certificates of participation	14,020,000
Tax increment revenue bonds	390,000
Tax increment revenue notes	55,818
Amortization	<u>(102,660)</u>

Net Adjustment 2,639,395

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Accrued interest on bonds	(388,173)
Net pension asset	93,777
Net pension obligation	(9,591)
Accrued compensated absences	<u>(61,128)</u>
	<u>(365,115)</u>

Change In Net Assets Of Governmental Activities \$ 373,438

CITY OF ARNOLD, MISSOURI
STATEMENT OF NET ASSETS (DEFICIT) - PROPRIETARY FUNDS
AUGUST 31, 2012

	Business-type Activities - Enterprise Funds			
	Sewer	Storm Water	Golf	Total
ASSETS				
Current Assets				
Cash and investments	\$ 5,884,278	391,988	-	6,276,266
Service fees (net of allowances for uncollectibles)	425,413	64,064	-	489,477
Due from other funds	1,166	-	-	1,166
Prepaid items	191	138	2,565	2,894
Total Current Assets	<u>6,311,048</u>	<u>456,190</u>	<u>2,565</u>	<u>6,769,803</u>
Noncurrent Assets				
Capital assets:				
Land and construction in progress	503,687	123,533	3,355,192	3,982,412
Other capital assets, net of accumulated depreciation	36,581,645	453,377	206,175	37,241,197
Total Capital Assets	<u>37,085,332</u>	<u>576,910</u>	<u>3,561,367</u>	<u>41,223,609</u>
Restricted cash and investments	721,973	-	392,072	1,114,045
Bond issue costs	167,708	-	84,087	251,795
Total Noncurrent Assets	<u>37,975,013</u>	<u>576,910</u>	<u>4,037,526</u>	<u>42,589,449</u>
Total Assets	<u>44,286,061</u>	<u>1,033,100</u>	<u>4,040,091</u>	<u>49,359,252</u>
LIABILITIES				
Current Liabilities				
Accounts payable	1,147,326	27,572	22,507	1,197,405
Accrued liabilities	45,668	27,331	32,604	105,603
Due to other funds	155,559	60,996	935,253	1,151,808
Accrued interest payable	143,112	-	45,283	188,395
Unearned revenues	331,680	49,030	-	380,710
Revenue bonds payable - current	521,667	-	110,000	631,667
Capital lease payable - current	-	10,145	-	10,145
Notes payable - current	465,772	-	-	465,772
Total Current Liabilities	<u>2,810,784</u>	<u>175,074</u>	<u>1,145,647</u>	<u>4,131,505</u>
Noncurrent Liabilities				
Revenue bonds payable	8,816,563	-	4,043,794	12,860,357
Capital lease payable	-	3,460	-	3,460
Notes payable	14,473,435	-	-	14,473,435
Total Noncurrent Liabilities	<u>23,289,998</u>	<u>3,460</u>	<u>4,043,794</u>	<u>27,337,252</u>
Total Liabilities	<u>26,100,782</u>	<u>178,534</u>	<u>5,189,441</u>	<u>31,468,757</u>
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	13,329,226	563,305	(526,369)	13,366,162
Restricted for debt service	375,334	-	325,969	701,303
Unrestricted	4,480,719	291,261	(948,950)	3,823,030
Total Net Assets (Deficit)	<u>\$ 18,185,279</u>	<u>854,566</u>	<u>(1,149,350)</u>	<u>17,890,495</u>

CITY OF ARNOLD, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS (DEFICIT) - PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2012

	Business-type Activities - Enterprise Funds			Total
	Sewer	Storm Water	Golf	
OPERATING REVENUES				
Charges for services	\$ 3,795,399	575,621	561,806	4,932,826
OPERATING EXPENSES				
Cost of services	1,509,755	542,971	557,462	2,610,188
Administration	138,000	36,000	-	174,000
Depreciation and amortization	795,845	59,129	44,091	899,065
Total Operating Expenses	<u>2,443,600</u>	<u>638,100</u>	<u>601,553</u>	<u>3,683,253</u>
OPERATING INCOME (LOSS)	<u>1,351,799</u>	<u>(62,479)</u>	<u>(39,747)</u>	<u>1,249,573</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	251,709	1,077	78	252,864
Interest expense	(1,160,474)	(657)	(182,104)	(1,343,235)
Total Nonoperating Revenues (Expenses)	<u>(908,765)</u>	<u>420</u>	<u>(182,026)</u>	<u>(1,090,371)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANS- FERS	443,034	(62,059)	(221,773)	159,202
CAPITAL CONTRIBUTIONS	1,150	-	-	1,150
TRANSFER IN	-	-	10,000	10,000
CHANGE IN NET ASSETS	444,184	(62,059)	(211,773)	170,352
NET ASSETS (DEFICIT), SEPTEMBER 1	<u>17,741,095</u>	<u>916,625</u>	<u>(937,577)</u>	<u>17,720,143</u>
NET ASSETS (DEFICIT), AUGUST 31	<u>\$ 18,185,279</u>	<u>854,566</u>	<u>(1,149,350)</u>	<u>17,890,495</u>

CITY OF ARNOLD, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2012

	Business-type Activities - Enterprise Funds			
	Sewer	Storm Water	Golf	Total
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows from operating activities:				
Receipts from customers and users	\$ 3,875,636	586,578	559,406	5,021,620
Payments to suppliers	(1,268,845)	(843,808)	(547,364)	(2,660,017)
Payments to employees	(131,897)	(38,149)	-	(170,046)
Net Cash Provided By (Used In) Operating Activities	<u>2,474,894</u>	<u>(295,379)</u>	<u>12,042</u>	<u>2,191,557</u>
Cash flows from noncapital financing activities:				
Due from other funds	(547)	33,856	-	33,309
Due to other funds	55,058	7,767	245,431	308,256
Advance to other funds	500,009	-	-	500,009
Transfer from other funds	-	-	10,000	10,000
Net Cash Provided By Non- capital Financing Activities	<u>554,520</u>	<u>41,623</u>	<u>255,431</u>	<u>851,574</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(383,858)	(58,502)	(2,670)	(445,030)
Principal payments on notes payable	(551,350)	-	-	(551,350)
Principal payments on bonds	(694,583)	-	(105,000)	(799,583)
Principal payments on capital lease	-	(9,799)	-	(9,799)
Interest expense	(1,171,667)	(657)	(182,104)	(1,354,428)
Net Cash Used In Capital And Related Financing Activities	<u>(2,801,458)</u>	<u>(68,958)</u>	<u>(289,774)</u>	<u>(3,160,190)</u>
Cash flows from investing activities:				
Investment income	251,709	1,077	78	252,864
Proceeds from sale of investments	827,257	-	414,295	1,241,552
Purchase of investments	(721,973)	-	(392,072)	(1,114,045)
Net Cash Provided By Investing Activities	<u>356,993</u>	<u>1,077</u>	<u>22,301</u>	<u>380,371</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	584,949	(321,637)	-	263,312
CASH AND CASH EQUIVALENTS, SEPTEMBER 1	<u>5,299,329</u>	<u>713,625</u>	<u>-</u>	<u>6,012,954</u>
CASH AND CASH EQUIVALENTS, AUGUST 31	<u>\$ 5,884,278</u>	<u>391,988</u>	<u>-</u>	<u>6,276,266</u>

See notes to financial statements

(Continued)

CITY OF ARNOLD, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)
FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Sewer</u>	<u>Storm Water</u>	<u>Golf</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 1,351,799	(62,479)	(39,747)	1,249,573
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	795,845	59,129	44,091	899,065
(Increase) decrease in:				
Receivables	32,051	9,753	-	41,804
Prepaid items	130	74	46	250
Increase (decrease) in:				
Accounts payable	240,780	(300,911)	1,476	(58,655)
Accrued liabilities	6,103	(2,149)	8,576	12,530
Unearned revenues	48,186	1,204	(2,400)	46,990
Total Adjustments	<u>1,123,095</u>	<u>(232,900)</u>	<u>51,789</u>	<u>941,984</u>
Net Cash Provided By (Used in) Operating Activities	<u>\$ 2,474,894</u>	<u>(295,379)</u>	<u>12,042</u>	<u>2,191,557</u>
Noncash operating, financing, and investing activities:				
Contributions of capital assets from developer	<u>\$ 1,150</u>	<u>-</u>	<u>-</u>	<u>1,150</u>

CITY OF ARNOLD, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS -
PENSION TRUST FUND
AUGUST 31, 2012

ASSETS

Mutual funds	<u>\$ 7,630,898</u>
--------------	---------------------

NET ASSETS

Held in trust for pension benefits	<u>\$ 7,630,898</u>
------------------------------------	---------------------

CITY OF ARNOLD, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY
NET ASSETS - PENSION TRUST FUND
FOR THE YEAR ENDED AUGUST 31, 2012

ADDITIONS

Contributions:

Employer contributions	\$ 436,396
Employee contributions	210,765
Total Contributions	<u>647,161</u>

Investment income:

Net appreciation in fair value of investments, interest, and dividends	591,564
Less - Investment expense	<u>(41,614)</u>
Net Investment Income	549,950
Total Additions	<u>1,197,111</u>

DEDUCTIONS

Retirement benefits	<u>46,756</u>
---------------------	---------------

CHANGE IN NET ASSETS

1,150,355

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, SEP-
TEMBER 1

6,480,543

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS,
AUGUST 31

\$ 7,630,898

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the **CITY OF ARNOLD, MISSOURI** (the City) in the preparation of the accompanying financial statements are summarized below:

1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units, entities which are financially accountable to the City. The Arnold Retail Corridor Transportation Development District (the District) was created on March 12, 2008. A majority of the directors of the District are appointed by the Mayor of the City and confirmed by the City Council. The District is also included in the City's reporting entity because of the City's ability to impose its will on the District as the City provides administrative support to the District. The District is organized for the purpose of constructing certain transportation related projects in the City. The District is a component unit of the City and is discretely presented as such in the basic financial statements. Separate financial statements of the District may be obtained from the City's Finance Director.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 and contributions 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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise 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, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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. For this purpose, the City 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, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due (i.e., matured).

Property 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fixed period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

Recreation Center Fund -- This fund is used exclusively for the revenues and expenditures related to the operations of the recreation center. The fund includes the $\frac{1}{4}\%$ parks and recreation center sales tax which is deposited into this fund and used for bi-annual bond payments.

Special Allocation Fund -- This fund is used exclusively for the revenues and expenditures related to the tax increment financing districts.

The other governmental funds of the City are considered nonmajor. They are Special Revenue Funds which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The City reports the following major proprietary funds:

Sewer Fund -- This fund is used to account for operations of the sewer department.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Storm Water Fund -- This fund is used to account for operations of the storm water department.

Golf Fund -- This fund is used to account for operations of the golf course.

Additionally, the City reports the following fund type:

Pension Trust Fund -- This fund is used to account for assets held in a trustee capacity for the City's eligible employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and Enterprise Funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's sewer function and various other functions of the City. 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 contribution; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise Funds are charges for services. Operating expenses for the Enterprise Funds include the cost of services, administration expenses, and depreciation and amortization. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. Cash, Cash Equivalents, and Investments

For cash flow statement purposes, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. The Pension Trust Fund is also authorized to invest in corporate

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Cash, Cash Equivalents, and Investments (Continued)

common or preferred stocks, bonds and mortgages, real or personal property, and other evidence of indebtedness or ownership, but excluding any debt of the City itself and individual insurance policies. Investments are stated at fair value.

5. Deposit Administration Contracts

Deposit administration contracts are pooled funds maintained by Great-West Life & Annuity Insurance Company and are carried at contract value. Contract value consist of contributions made under the contract plus investment income, less funds used to pay benefits, and investment expenses.

6. Allowance for Doubtful Accounts

The allowance for uncollectible receivables is as follows:

	August 31 2012
General Fund	\$10,600
Enterprise Fund	<u>7,055</u>
Total	<u>\$17,655</u>

7. Due To/From Other Funds

Current portions of long-term interfund loans receivable (reported in “due from” asset accounts) are considered “available spendable resources” and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as “internal balances”.

8. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are equally offset by fund balance which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

9. Restricted Assets

Certain cash and investments set aside for the repayment of various long-term bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Restricted Assets (Continued)

Certain capital improvement sales tax receivables are classified as restricted assets on the balance sheet because their use and availability is limited by the sales tax agreement with Jefferson County. The funds are to be used for capital improvements to publicly maintained roads and become available upon the City's request for reimbursement of expenditures on approved projects.

10. Capital Assets

Capital assets, which include property, equipment, intangibles, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Intangible assets include the right to use other governmental entity's operating facilities and/or land. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

Assets	Years
Buildings, treatment plants, and other improvements	10 - 30
Automotive equipment	3 - 5
Machinery and equipment	3 - 15
Sewer lines and storm water lines	50
Infrastructure	30
Intangibles	50

11. Compensated Absences

City employees generally earn vacation at the rate of 0.83 working days per month or 10 days per year. Regular full-time employees having completed 6 years of service earned vacation leave at the rate of 1.25 days per month or 15 days per year. Regular full-time employees having completed 15 years of service earned vacation leave at the rate of 1.67 working days per month or 20 days per year. Regular full-time employees who are separated from service are compensated for vacation accrued up to the date of separation. Comp time accrued is also paid upon the date of separation. Sick leave vests after 10 years of service at a rate of \$50 per day and is payable to the employee upon termination. All vacation pay, sick leave, and comp time is accrued when incurred in the government-wide and proprietary fund financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt services expenditures.

13. 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 balances 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 (ordinance) of the City Council, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose, as determined by the applicable City Council officials to which the City Council has designated authority. Intent can be expressed by the City Council in the form of a motion. Action by the City Council must occur prior to year-end.

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

When an expenditure is incurred in governmental funds which may be paid using either restricted or unrestricted resources, the City's policy is to pay the expenditure from the restricted fund balance and then from less restrictive classification - committed, assigned, and then unassigned fund balances.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Fund Balance Policies (Continued)

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unassigned fund balance of not less than 34% of annual operating revenues for the fiscal year. Should the balance fall below the 34%, the City will identify a plan to restore the fund balance to its targeted amount. Should the fund balance exceed the 34%, City Council may consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and which will not require additional future outlays for maintenance, additional staffing, or other recurring expenditures.

14. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental fund types. Since appropriations lapse at year-end, the subsequent fiscal year's budget specifically provides for reappropriation of outstanding encumbrances to honor the prior commitments. Encumbrances do not constitute current year expenditures or liabilities. Encumbrances outstanding at year-end were \$3,099,873 for the General Fund.

15. Deferred Revenues

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them. In subsequent periods, when both the revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

16. Use of Estimates

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

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS

1. Deposits

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 posses-

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

1. Deposits (Continued)

sion of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of August 31, 2012, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of August 31, 2012, the City had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>			<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	
Primary Government					
Certificates of deposit	\$ 4,168,000	-	2,943,000	1,225,000	N/A
Repurchase agreement	4,419,000	-	4,419,000	-	AAA
Guaranteed investment contract	174,700	-	-	174,700	Not rated
Money market funds	6,017,448	6,017,448	-	-	Not rated
Total Primary Government	<u>14,779,148</u>	<u>6,017,448</u>	<u>7,362,000</u>	<u>1,399,700</u>	
Component Unit					
Money market funds	<u>5,518,867</u>	<u>5,518,867</u>	<u>-</u>	<u>-</u>	Not rated
Fiduciary Fund					
Mutual funds	<u>7,630,898</u>	<u>7,630,898</u>	<u>-</u>	<u>-</u>	N/A
Grand Total Investments	<u>\$ 27,928,913</u>	<u>19,167,213</u>	<u>7,362,000</u>	<u>1,399,700</u>	

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with its investment policy, the City minimizes credit risk by diversifying the portfolio to reduce potential losses on individual securities.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. In accordance with its investment policy, the City minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

2. Investments (Continued)

ongoing operations, therefore avoiding the need to sell securities on the open market prior to maturity and investing primarily in shorter term securities.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. In accordance with its investment policy, the City minimizes concentration of credit risk by diversifying the investment portfolio.

Custodial Credit Risk

For deposits, custodial credit risk 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 fully able to recover collateral securities in the possession of an outside party. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution.

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial risk by diversifying the investment portfolio.

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended August 31, 2012

	Balance August 31 2011	Transfers And Additions	Transfers And Deletions	Balance August 31 2012
Governmental Activities				
Capital assets not being depreciated:				
Land and right-of-way	\$ 27,126,645	70,000	-	27,196,645
Construction in progress	5,166,204	1,535,834	4,801,281	1,900,757
Total Capital Assets Not Being Depreciated	<u>32,292,849</u>	<u>1,605,834</u>	<u>4,801,281</u>	<u>29,097,402</u>
Capital assets being depreciated:				
Buildings and other improvements	18,707,309	43,285	-	18,750,594
Automotive equipment	1,859,912	36,250	-	1,896,162
Machinery and equipment	2,079,709	63,083	-	2,142,792
Infrastructure	66,852,789	4,753,280	-	71,606,069
Total Capital Assets Being Depreciated	<u>89,499,719</u>	<u>4,895,898</u>	<u>-</u>	<u>94,395,617</u>
Less - Accumulated depreciation for:				
Buildings and other improvements	5,010,514	594,933	-	5,605,447
Automotive equipment	1,175,008	233,277	-	1,408,285
Machinery and equipment	1,774,453	62,732	-	1,837,185
Infrastructure	32,909,902	1,862,186	-	34,772,088
Total Accumulated Depreciation	<u>40,869,877</u>	<u>2,753,128</u>	<u>-</u>	<u>43,623,005</u>
Total Capital Assets Being Depreciated, Net	<u>48,629,842</u>	<u>2,142,770</u>	<u>-</u>	<u>50,772,612</u>
Governmental Activities Capital Assets, Net	<u>\$ 80,922,691</u>	<u>3,748,604</u>	<u>4,801,281</u>	<u>79,870,014</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

	For The Year Ended August 31 2012
Governmental Activities	
General government	\$ 589,478
Public safety	181,363
Public works	25,430
Highways and streets	1,929,337
Parks and recreation	27,110
Health and sanitation	<u>410</u>
Total	<u>\$2,753,128</u>

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended August 31, 2012

	<u>Balance August 31 2011</u>	<u>Transfers And Additions</u>	<u>Transfers And Deletions</u>	<u>Balance August 31 2012</u>
Business-type Activities				
Capital assets not being depreciated:				
Land and right-of-way	\$ 3,514,046	2,507	-	3,516,553
Construction in progress	10,430,222	431,985	10,396,348	465,859
Total Capital Assets Not Being Depreciated	<u>13,944,268</u>	<u>434,492</u>	<u>10,396,348</u>	<u>3,982,412</u>
Capital assets being depreciated:				
Buildings	163,907	252,995	-	416,902
Treatment plants	479,616	-	-	479,616
Machinery and equipment	1,771,972	11,688	-	1,783,660
Intangibles	17,383,605	-	-	17,383,605
Storm water lines	130,819	13,333	-	144,152
Sewer lines	19,236,401	10,130,020	-	29,366,421
Total Capital Assets Being Depreciated	<u>39,166,320</u>	<u>10,408,036</u>	<u>-</u>	<u>49,574,356</u>
Less - Accumulated depreciation for:				
Buildings	34,217	17,053	-	51,270
Treatment plants	376,062	15,987	-	392,049
Machinery and equipment	1,359,896	118,118	-	1,478,014
Intangibles	1,390,688	347,672	-	1,738,360
Storm water lines	4,588	5,588	-	10,176
Sewer lines	8,278,780	384,510	-	8,663,290
Total Accumulated Depreciation	<u>11,444,231</u>	<u>888,928</u>	<u>-</u>	<u>12,333,159</u>
Total Capital Assets Being Depreciated, Net	<u>27,722,089</u>	<u>9,519,108</u>	<u>-</u>	<u>37,241,197</u>
Business-type Activities Capital Assets, Net	<u>\$ 41,666,357</u>	<u>9,953,600</u>	<u>10,396,348</u>	<u>41,223,609</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

	<u>For The Year Ended August 31 2012</u>
Business-type Activities	
Sewer	\$793,659
Storm water	59,129
Golf	<u>36,140</u>
Total	<u>\$888,928</u>

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT

Long-term debt activity was as follows:

	For The Year Ended August 31, 2012			Balance August 31 2012	Amounts Due Within One Year
	Balance August 31 2011	Additions	Reductions		
Governmental Activities					
Certificates of participation	\$ 20,830,000	12,965,000	14,020,000	19,775,000	830,000
Plus - Premium	345,516	-	337,876	7,640	-
Less - Deferred charges	(382,480)	(708,608)	(33,392)	(1,057,696)	-
Tax increment revenue notes	5,845,303	-	55,818	5,789,485	-
Tax increment revenue bonds	27,615,000	-	390,000	27,225,000	425,000
Less - Discounts	(208,647)	(12,936)	(12,659)	(208,924)	-
Capital lease obligations	512,557	-	233,237	279,320	209,142
Compensated absences	631,613	219,031	157,903	692,741	173,185
	<u>\$ 55,188,862</u>	<u>12,462,487</u>	<u>15,148,783</u>	<u>52,502,566</u>	<u>1,637,327</u>
Business-type Activities					
Revenue bonds payable	\$ 14,169,250	-	799,583	13,369,667	631,667
Less - Discounts	(37,362)	-	(3,981)	(33,381)	-
Plus - Premiums	167,275	-	11,537	155,738	-
Capital lease obligations	23,404	-	9,799	13,605	10,145
MSD note payable	15,210,557	-	446,050	14,764,507	465,772
Notes payable	280,000	-	105,300	174,700	-
	<u>\$ 29,813,124</u>	<u>-</u>	<u>1,368,288</u>	<u>28,444,836</u>	<u>1,107,584</u>
Component Unit					
Sales tax revenue bonds	<u>\$ 19,655,000</u>	<u>-</u>	<u>535,000</u>	<u>19,120,000</u>	<u>665,000</u>

Compensated absences are generally liquidated by the General Fund and the Recreation Center Fund. Leasehold revenue bonds are generally liquidated by the General Fund and the Recreation Center Fund. Revenue bonds are generally liquidated by the Sewer Fund and the Golf Fund. Tax increment revenue notes and bonds are generally liquidated by the Special Allocation Fund. Capital lease obligations are generally liquidated by the General Fund and the Storm Water Fund. Notes payable are generally liquidated by the Sewer Fund.

Governmental Activities

Certificates of Participation

In October 2010 the City issued \$7,140,000 in certificates of participation (Series 2010). These bonds were used to finance various road improvements and to refund the Series 2007B revenue bonds. The bonds bear interest ranging from 2% to 4% and are due November 1, 2027.

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

In June 2012, the City issued \$12,965,000 of Certificates of Participation (Series 2012) to refund the Series 2003 Certificates of Participation. The Series 2012 bonds bear interest ranging from 2% to 3.5% and are due August 15, 2031. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. As a result the old debt is considered to be defeased and the liability for this debt issue has been removed from the City's financial statements. As of August 31, 2012, \$13,250,000 is the remaining amount of the old debt which is in an irrevocable trust which is considered defeased. The City decreased its aggregated debt service payments by \$547,693 over 19 years which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$760,255.

Certificates of participation debt service requirements to maturity are as follows:

For The Years Ended August 31	Governmental Activities		
	Principal	Interest	Total
2013	\$ 830,000	610,814	1,440,814
2014	875,000	594,164	1,469,164
2015	905,000	574,864	1,479,864
2016	935,000	547,564	1,482,564
2017	960,000	525,039	1,485,039
2018 - 2022	5,225,000	2,192,057	7,417,057
2023 - 2027	6,105,000	1,302,141	7,407,141
2028 - 2031	3,940,000	311,720	4,251,720
Total	<u>\$ 19,775,000</u>	<u>6,658,363</u>	<u>26,433,363</u>

Tax Increment Revenue Bonds and Notes

The City has tax increment revenue bonds and notes which are special limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property and incremental increases in economic activity taxes from the project areas. The bonds and notes do not constitute a general obligation of the City. Bonds and notes outstanding at August 31, 2012 are as follows:

	Date Issued	Date Of Maturity	Date Of Annual Principal Payment	Original Amount	Balance August 31 2012
Triangle Redevelopment	07-10-2009	05-1-2028	May 1	\$28,485,000	\$27,225,000
Arnold Crossroads (Series B)	10-15-2009	07-6-2028	November 1	3,319,555	3,319,555
Arnold Crossroads (Series A)	05-20-2011	07-6-2028	May 1	3,000,000	2,469,930

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

Capital Lease Obligations

During 2009 and 2010, the City entered into various lease agreements as lessee for financing the acquisition of equipment and vehicles.

The assets acquired through capital leases are as follows:

	Governmental Activities
	<u>August 31 2012</u>
Automotive equipment	\$811,068
Machinery and equipment	<u>36,000</u>
	847,068
Less - Accumulated depreciation	<u>517,405</u>
Net Book Value	<u>\$329,663</u>

The future minimum capital lease obligations and the net present value of these minimum lease payments as of August 31, 2012 were as follows:

<u>For The Years Ended August 31</u>	Governmental Activities
2013	\$215,550
2014	<u>70,684</u>
Total Minimum Lease Payments	286,234
Less - Amount representing interest	<u>6,914</u>
Present Value Of Minimum Lease Payments	<u>\$279,320</u>

Business-type Activities

Revenue Bonds Payable

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt services. Revenue bonds outstanding at year-end are as follows:

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance August 31 2012</u>
Sewerage system - Series 1992	4.25 - 6.550%	\$ 1,270,000	36,667
Sewerage system - Series 1993	3.40 - 5.400	1,135,000	157,167
Sewerage system - Series 2005	3.25 - 5.250	6,125,000	4,757,500
Sewerage system - Series 2006	3.60 - 5.250	2,875,000	2,098,333
Golf course - Series 2007	3.90 - 4.375	4,290,000	4,185,000
Sewerage system - Series 2007A	3.70 - 5.000	<u>2,475,000</u>	<u>2,135,000</u>
Total		<u>\$18,170,000</u>	<u>13,369,667</u>

The revenue bonds dated June 1, 1992 maturing after January 1, 2002 may be called for redemption and payment prior to maturity in whole or in part on each June 1 and December 1 commencing June 1, 2002, at redemption prices set forth below (expressed as percentages of principal amount) plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
June 1, 2002 and December 1, 2002	102%
June 1, 2003 and December 1, 2003	101
June 1, 2005 and thereafter	100

The revenue bonds dated June 1, 1993 maturing after January 1, 2005 may be called for redemption and payment prior to maturity in whole or in part on each June 1 and December 1 commencing June 1, 2005, at redemption prices set forth below (expressed as percentages of principal amount) plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
June 1, 2003 and December 1, 2003	102%
June 1, 2005 and December 1, 2005	101
June 1, 2005 and thereafter	100

The revenue bonds dated November 1, 2005 maturing on July 1, 2016; July 1, 2017; July 2, 2021; and thereafter may be called for redemption and payment prior to maturity in whole or in part on each June 1 and December 1 commencing December 1, 2015, at the redemption price of 100% of the principal amount plus accrued interest thereon to the date of redemption.

The revenue bonds dated April 2006 maturing on July 1, 2020 and thereafter may be called for redemption and payment prior to maturity in whole or in part on each June 1 and December 1 commencing June 1, 2016, at the redemption price of 100% of the principal amount plus accrued interest thereon to the date of redemption.

NOTE D - LONG-TERM DEBT (Continued)

The revenue bonds dated February 1, 2007 maturing on December 1, 2018 and thereafter may be called for redemption and payment prior to maturity in whole or in part on or after December 1, 2017, at the redemption price of 100% of the principal amount plus accrued interest thereon to the date of redemption.

The revenue bonds dated November 1, 2007 maturing on November 1, 2019 and thereafter may be called for redemption and payment prior to maturity in whole or in part on or after November 1, 2017, at the redemption price of 100% of the principal amount plus accrued interest thereon to the date of redemption.

The revenue bonds dated November 1, 2007 maturing on November 1, 2019 may be called for redemption and payment prior to maturity in whole or in part on November 1, 2018 and 2019 and those maturing November 1, 2027 may be called for redemption and payment prior to maturity in whole or in part on each November 1 of the years 2020 through 2027, at the redemption price of 100% of the principal amount plus accrued interest thereon to the date of redemption.

The bond ordinances required that the City establish rates and charges for its sewer services, such that the revenues derived from the sewage system are sufficient to provide for the payment of principal and interest on the revenue bonds and for the operation and maintenance of the sewage system.

Revenue bond debt service requirements to maturity are as follows:

For The Years Ended August 31	Business-type Activities		
	Principal	Interest	Total
2013	\$ 631,667	608,681	1,240,348
2014	698,000	576,961	1,274,961
2015	630,000	547,575	1,177,575
2016	685,000	520,015	1,205,015
2017	715,000	492,077	1,207,077
2018 - 2022	4,055,000	1,924,902	5,979,902
2023 - 2027	4,340,000	875,280	5,215,280
2028 - 2032	1,615,000	165,760	1,780,760
Total	<u>\$ 13,369,667</u>	<u>5,711,251</u>	<u>19,080,918</u>

Capital Lease Obligations

During 2010 the City entered into a lease agreement as lessee for financing the acquisition of a vehicle.

The assets acquired through capital leases are as follows:

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

	Business-type Activities
	August 31 2012
Automotive equipment	\$ 40,607
Less - Accumulated depreciation	20,303
Net Book Value	\$ 20,304

The future minimum capital lease obligations and the net present value of these minimum lease payments as of August 31, 2012 were as follows:

For The Years Ended August 31	Business-type Activities
2013	\$ 10,457
2014	3,485
Total Minimum Lease Payments	13,942
Less - Amount representing interest	337
Present Value Of Minimum Lease Payments	\$ 13,605

MSD Note Payable

The City has a note payable to the Metropolitan St. Louis Sewer District for Lower Meramec River System Improvements. The note is due in quarterly payments with an interest rate of 4.35%, maturing October 2032. Debt service requirements to maturity are as follows:

For The Years Ended August 31	Business-type Activities		
	Principal	Interest	Total
2013	\$ 465,772	634,727	1,100,499
2014	486,366	614,132	1,100,498
2015	507,871	592,628	1,100,499
2016	530,326	570,173	1,100,499
2017	553,775	546,724	1,100,499
2018 - 2022	3,158,531	2,343,964	5,502,495
2023 - 2027	3,921,336	1,581,158	5,502,494
2028 - 2032	4,868,365	634,129	5,502,494
2033	272,165	2,960	275,125
Total	\$ 14,764,507	7,520,595	22,285,102

NOTE D - LONG-TERM DEBT (Continued)

Notes Payable

	August 31 <u>2012</u>
SRF - 1992, no interest	\$ 55,000
SRF - 1993, no interest	<u>119,700</u>
Total	<u>\$174,700</u>

In conjunction with the bonds dated June 1, 1992, a reserve account has been established with a no-interest loan funded with federal capitalization grants and matching funds from the State of Missouri. When fully funded, this loan (reserve account) will be funded in an amount equal to 50% of the outstanding principal amount of such bonds. The reserve account is held in trust. As the principal amount of such bonds is repaid, the amounts held in the reserve account will be reduced such that the reserve account will equal 50% of the remaining principal balance of such bonds.

In conjunction with the bonds dated August 1, 1993; November 1, 2005; and April 1, 2006, reserve accounts have been established with a no interest loan funded with federal capitalization grants and matching funds from the State of Missouri. When fully funded, these loans (reserve accounts) will be funded in an amount equal to 70% of the outstanding principal amount of such bonds. The reserve accounts are held in trust. As the principal amount of such bonds is repaid, the amounts held in the reserve account will be reduced such that the reserve account will equal 70% of the remaining principal balance of such bonds.

The City is in compliance with significant requirements regarding deposits and debt service payments.

Component Unit

Sales Tax Revenue Bonds

The District issued \$20,025,000 of sales tax revenue bonds on April 1, 2010 for the purpose of providing funds to finance additional costs of the Transportation Project Fund, the Debt Service Reserve Fund for the Series 2010 bonds, pay the costs of issuance of the Series 2010 bonds, and to advance refund the 2008A and 2009 sales tax revenue notes. The sales tax revenue bonds bear interest ranging from 5.7% to 6.65%.

The bonds and the interest, which are special limited obligations of the District, are payable solely from the pledged revenues appropriated by the District and held by the Trustee under the indenture. The bonds and interest do not constitute a debt of the District, the City, the Arnold Triangle Transportation Development District, the Missouri Highways and Transportation Commission, the State, or any political subdivision thereof.

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS

The City maintains a single-employer, defined benefit pension plan (City of Arnold, Missouri Police Pension Plan) which covers all members of the organized police force and participates in the state-wide Missouri Local

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

Government Retirement System, an agent multiple-employer, defined benefit pension plan which covers all of the City's full-time employees except for members of the police force.

1. City of Arnold, Missouri Police Pension Plan

Plan Description and Provisions

The Plan is a single-employer, defined benefit pension plan that covers all of the City's full-time police employees. The Plan was created and is governed by City Ordinance. The payroll for employees covered by the Plan for the year ended August 31, 2012, which is the date of the latest actuarial valuation available, was \$2,137,664 and the City's total payroll was \$6,681,461.

The Plan does not issue a separate stand-alone financial report. The financial information is included as a Trust Fund in the City's basic financial statements. Information about the Plan is provided in a summary plan description.

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Membership in the Plan is comprised of the following:

<u>Group</u>	<u>August 31 2012</u>
Retirees and beneficiaries currently receiving benefits	1
Vested terminated employees and active employees	50

Employees attaining the age of 55 who have completed five or more years of service are entitled to benefits based upon average earnings and years of service. The Plan also provides early retirement, death, and disability.

City Ordinance requires each member to contribute 8½% of gross salary. The Ordinance requires the City to contribute the actuarially computed amounts, which together with employee contributions and investment income, will cover the costs of the Plan. The aggregate actuarial cost method does not identify and separately amortize unfunded actuarial liabilities.

Funding Status and Progress - Entry Age Actuarial Cost Method

The City uses the aggregate actuarial cost method for determining contributions. This actuarial method does not directly calculate the actuarial accrued liability. The purpose of presenting the actuarial accrued liability using the entry age method is to provide information that serves as a

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

1. City of Arnold, Missouri Police Pension Plan (Continued)

surrogate for the funded status and funding progress of the City. The following schedule of funding progress is presented using the entry age actual cost method:

Pension Plan			
Valuation For The Actuarial Years Ended August 31	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)
2012	\$7,630,898	\$ 7,824,249	\$ 193,351
2011	6,480,543	6,928,857	448,314
2010	5,886,921	6,732,765	845,844
2009	6,354,541	7,841,718	1,487,177
2008	5,536,488	6,842,480	1,305,992
2007	5,508,469	6,767,281	1,258,812

Pension Plan			
Valuation For The Actuarial Years Ended August 31	Funded Ratio	Covered Payroll	UAAL As A Percentage Of Covered Payroll
2012	97.5%	\$2,137,664	9.0%
2011	93.5	2,095,229	21.4
2010	87.4	2,166,741	39.0
2009	81.0	2,133,648	69.7
2008	80.9	2,024,539	64.5
2007	81.4	2,154,441	58.4

Schedule Of Employer Contributions			
For The Years Ended August 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2012	\$376,207	\$436,396	116.0%
2011	387,774	497,394	128.3
2010	426,095	503,087	118.1
2009	391,668	579,665	148.0
2008	398,846	421,152	105.6
2007	425,810	457,273	107.4

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

1. City of Arnold, Missouri Police Pension Plan (Continued)

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Actuarial cost method	Aggregate actuarial cost method
Amortization method	Using assumed rate of 8% over 2 to 18 years
Amortization period	Closed
Asset valuation method	At contract value and market value
Actuarial assumptions:	
Investment rate of return	6.5%
Pre-retirement	6.5%
Post-retirement	6.5%
Projected salary increases	4.5%
Inflation rate	2% - 3%

Annual Pension Cost

Current year annual pension costs (APC) for the Plan are shown below. Annual required contributions (ARC) were made by the Plan. The Plan does not have a net pension obligation (NPO).

Trend Information

The historical trend information about the Plan is presented herewith to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparison with other Public Employee Retirement Systems (PERS). The information provided is the latest information available.

Pension Plan			
Valuation For The Actuarial Years Ended August 31	<u>APC</u>	<u>Percentage Contributed</u>	<u>Net Pension Asset End Of Year</u>
2012	\$335,299	130.2%	\$730,446
2011	356,053	139.7	629,349
2010	395,649	127.2	488,008
2009	377,403	153.6	380,570
2008	387,290	108.7	178,308
2007	417,441	109.5	144,446

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

1. City of Arnold, Missouri Police Pension Plan (Continued)

Valuation For The Actuarial Years Ended <u>August 31</u>	Net Pension Asset Beginning Of Year	Interest On Net Pension Asset	<u>ARC</u>
2012	\$629,349	\$40,908	\$376,207
2011	488,008	31,721	387,774
2010	380,570	30,446	426,095
2009	178,308	14,265	391,668
2008	144,446	11,556	398,846
2007	104,614	8,369	425,810

Note: Adjustment to ARC is zero.

Pension Plan			
Valuation For The Actuarial Years Ended <u>August 31</u>	Actual <u>Contribution</u>	Increase (Decrease) In Net <u>Pension Asset</u>	Net Pension Asset <u>End Of Year</u>
2012	\$436,396	\$101,097	\$730,446
2011	497,394	141,341	629,349
2010	503,087	107,438	488,008
2009	579,665	202,262	380,570
2008	421,152	33,862	178,308
2007	457,273	39,832	144,446

2. Missouri Local Government Employees Retirement System (LAGERS)

Plan Description

The City participates in 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 the 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.

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

2. Missouri Local Government Employees Retirement System (LAGERS) (Continued)

Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required by state statute to contribute at an actuarially determined rate; the current rate is 17.6% (general) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

Annual Pension Cost

The City's APC and NPO for the current year were as follows:

ARC	\$566,912
Interest on NPO	2,212
Adjustment to ARC	<u>(1,692)</u>
APC	567,432
Actual contributions	<u>557,841</u>
Increase (decrease) in NPO	9,591
NPO beginning of year	<u>30,505</u>
NPO End Of Year	<u>\$ 40,096</u>

The ARC was determined as part of the February 28, 2009 and/or February 28, 2010 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 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 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 fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2009 was 30 years for the General division. The amortization period as of February 28, 2010 was 30 years for the General division.

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

2. Missouri Local Government Employees Retirement System (LAGERS) (Continued)

Trend Information

Three-year Trend Information

For The Plan Years Ended <u>June 30</u>	<u>APC</u>	Percentage Of APC <u>Contributed</u>	<u>NPO</u>
2012	\$567,432	98.3%	\$40,096
2011	525,951	94.2	30,505
2010	491,462	100	-

Schedule of Funding Progress

For The Valuation Years Ended <u>February 28</u>	Actuarial Value Of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (UAL)
2012	\$5,542,150	\$8,401,683	\$2,859,533
2011	4,796,208	7,969,549	3,173,341
2010	5,451,965	8,358,071	2,906,106

For The Valuation Years Ended <u>February 28</u>	Funded Ratio	Annual Covered Payroll	UAL As A Percentage Of Covered Payroll
2012	66%	\$3,130,901	91%
2011	60	2,934,116	108
2010	65	3,060,973	95

Note: The above assets and AAL 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, please contact the LAGERS' office in Jefferson City, MO.

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City provides healthcare benefits to non-uniformed employees who are eligible to retire once they have attained age 55 plus 5 years of service or age 60 and police who are eligible to retire once they have attained age 50 plus 5 years of service or age 55. The City pays the monthly group health insurance premium for the individual. Retirees must contribute the COBRA premium (\$430.67 per month) to retain coverage. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the ARC of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45 (GASB 45). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities.

The City sponsors and administers a single-employer OPEB plan that does not issue a separate stand-alone financial report. The OPEB obligation is generally liquidated by the General Fund.

The City's annual OPEB cost for the most recent actuarial valuation and the related information are as follows:

	For The Year Ended August 31 2011
Amortization of past service cost	\$ 29,300
Normal cost	34,500
Interest to end of fiscal year	-
ARC	63,800
Interest on net OPEB obligation	3,300
Adjustment to ARC	(4,800)
Annual OPEB Cost	62,300
Contributions made	(13,500)
Increase In Net OPEB Obligation	48,800
Net OPEB obligation - Beginning of Year	<u>82,500</u>
Net OPEB Obligation - End of Year	<u>\$131,300</u>

The Plan was established by City Ordinance, which assigned the authority to establish and amend plan benefit provisions to the City. The contribution requirements of the City and plan members are established and may be amended by the City.

Fiscal year 2009 was the year of implementation of GASB 45 and the City has elected to have actuarial valuations performed bi-annually.

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Required Supplemental Information

Schedule Of Funding Progress						
Actuarial Valuation Date	Actuarial Value Of Assets	AAL	Unfunded Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL As A Percentage Of Covered Payroll
August 31	(1)	(2)	(1)-(2)	(1)/(2)	(3)	(1-2)/(3)
2011	\$ -	\$508,300	(\$508,300)	- %	\$6,438,860	7.9%
2009	-	430,300	(430,300)	-	6,302,815	6.8

Schedule Of Employer Contributions			
For The Years Ended August 31	ARC	Contribution Made	Percent Contributed
2011	\$63,800	\$13,500	21.2%
2010	62,700	19,200	30.6
2009	62,700	23,700	37.8

Significant actuarial assumptions used in the valuation are as follows:

Valuation method	Projected unit cost method
Latest valuation date	August 31, 2011
Investment return	4% per annum
Amortization period	30 years for initial UAAL, open
Payroll increases	4% per annum
Mortality	RP2000 Mortality Table (employee and healthy annuitant tables)
Healthcare cost trend rate	8.0% initial rate; 4.4% alternate rate
Inflation rate	4.7% to 7.2%

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - INTERFUND ASSETS/LIABILITIES

Individual interfund assets and liabilities are as follows:

Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>August 31 2012</u>
General Fund - Major Fund	Recreation Center Fund - Major Fund	\$1,655,398
General Fund - Major Fund	Sewer Fund - Major Fund	155,559
General Fund - Major Fund	Golf Fund - Major Fund	935,253
General Fund - Major Fund	Storm Water Fund - Major Fund	59,830
General Fund - Major Fund	Special Allocation Fund - Major Fund	150,000
General Fund - Major Fund	Tourism Fund - Nonmajor Fund	19,411
Special Allocation Fund - Major Fund	Recreation Center Fund - Major Fund	23,583
Special Allocation Fund - Major Fund	General Fund - Major Fund	94,329
Special Allocation Fund - Major Fund	Tourism Fund - Nonmajor Fund	10,983
Sewer Fund - Major Fund	Storm Water Fund - Major Fund	<u>1,166</u>
Total		<u>\$3,105,512</u>

The outstanding balances between funds result mainly from the time lag between dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in accounting system, and 3) payments between funds are made. All interfund balances are expected to be repaid during the fiscal year ending August 31, 2013.

NOTE H - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>For The Year Ended August 31 2012</u>
Golf Fund - Major Fund	Tourism Fund - Nonmajor Fund	<u>\$10,000</u>

Interfund transfers were used to reimburse one fund for expenses that should have been paid out of a different fund.

NOTE I - PROPERTY TAXES

Property taxes are recorded as revenue in the fiscal year in which they are levied. Taxes levied and uncollected are carried as an asset of the General Fund. An allowance has been established for the estimated uncollectible property taxes.

NOTE I - PROPERTY TAXES (Continued)

The City's property tax calendar is as follows:

- a. Property is assessed by the County on January 1 each year.
- b. The tax levy ordinance is adopted and filed with the county clerk on or before September 1.
- c. Property taxes are due to be collected on or before December 31.
- d. Property taxes attach as an enforceable lien on property as of January 1.

NOTE J - INSURANCE

The City is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a statewide governmental self-insurance pool which provides property, liability, and workers' compensation coverages to its participating members in a single comprehensive multiline package. The various lines of coverage are not available individually and the membership is limited to municipalities and municipally owned utilities. The City's policy covers all real and personal property owned by the City except sewer lines. The policy is for replacement cost and expires June 30, 2013.

MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. The City paid an assessment totaling \$521,485 for MIRMA's fiscal year ended June 30, 2013. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

NOTE K - INTERFUND ADMINISTRATION FEE

During the year the Sewer Fund and the Storm Water Fund paid \$138,000 and \$36,000 respectively, to the General Fund for administrative costs incurred by the General Fund relating to the various operations of the Funds. These fees are included in miscellaneous revenue in the General Fund.

NOTE L - CONTINGENCIES AND COMMITMENTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is subject to various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of most of these matters will not have material adverse effect on the financial condition of the City.

NOTE L - CONTINGENCIES AND COMMITMENTS (Continued)

At August 31, 2012, the City had construction commitments for sewer projects and storm water projects in the amount of \$331,491 and \$15,795, respectively.

NOTE M - RESTRICTED NET ASSETS

The government-wide statement of net assets does not report any restricted net assets which are restricted by enabling legislation.

NOTE N - TAX INCREMENT REVENUES PLEDGED

The City has pledged a portion of future tax revenues to repay tax increment revenue bonds and notes to finance certain improvements in the City. The bonds and notes are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved areas. Incremental taxes were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds and notes per Note D is payable through July 2028. For the current year, principal and interest paid and total incremental tax revenues were \$2,513,810 and \$2,990,314, respectively.

NOTE O - DEFICIT BALANCES

The Recreation Center Fund and Golf Fund had deficits in fund balances/net assets of \$1,261,577 and \$1,149,350, respectively. These deficits will be offset by future revenues.

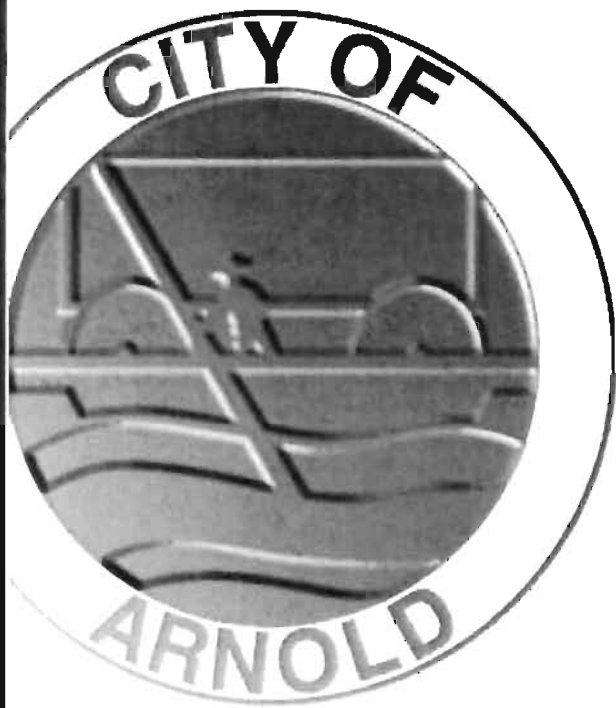
NOTE P - SUBSEQUENT EVENT

In December 2012, the City authorized to issue \$85,000,000, industrial revenue bonds, to provide funds for the purpose of carrying out industrial development projects by the City providing a loan to a private corporation pursuant to a loan agreement between the City and the private corporation. The loan agreement calls for the private corporation to repay the loans in the principal amount of the bonds plus any interest thereon. Upon repayment of the bonds, ownership of the acquired facilities transfers to the corporation. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

NOTE Q - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 63, (GASB 63), *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. GASB 63 will be effective for the City for the fiscal year ending August 31, 2013. The City, however, has not yet completed its assessment of the statement.

THIS PAGE INTENTIONALLY LEFT BLANK



Required Supplemental Information

for the Fiscal Year ended August 31, 2012

CITY OF ARNOLD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2012

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes				
Property	\$ 1,067,625	1,044,927	1,045,360	433
Sales	5,972,376	5,765,650	5,785,353	19,703
Public utility gross receipts	3,065,000	2,985,000	2,850,729	(134,271)
Motor fuel	530,000	520,000	533,081	13,081
Other	198,500	213,754	213,754	-
Total Taxes	<u>10,833,501</u>	<u>10,529,331</u>	<u>10,428,277</u>	<u>(101,054)</u>
Special Assessments	<u>100,000</u>	<u>75,000</u>	<u>55,981</u>	<u>(19,019)</u>
Licenses and Permits	<u>521,450</u>	<u>604,650</u>	<u>637,167</u>	<u>32,517</u>
Fines and Court Costs	<u>1,061,050</u>	<u>952,000</u>	<u>902,336</u>	<u>(49,664)</u>
Intergovernmental	<u>2,569,090</u>	<u>1,276,741</u>	<u>1,544,465</u>	<u>267,724</u>
Charges for Services	<u>92,790</u>	<u>94,117</u>	<u>115,011</u>	<u>20,894</u>
Investment Income	<u>30,650</u>	<u>29,500</u>	<u>36,415</u>	<u>6,915</u>
Miscellaneous				
Administration	174,000	174,000	181,500	7,500
Other	73,450	118,751	119,869	1,118
Total Miscellaneous	<u>247,450</u>	<u>292,751</u>	<u>301,369</u>	<u>8,618</u>
Total Revenues	<u>15,455,981</u>	<u>13,854,090</u>	<u>14,021,021</u>	<u>166,931</u>
EXPENDITURES				
General Government				
General and administrative	1,156,915	1,164,839	1,150,688	(14,151)
Mayor and council	117,007	117,214	114,142	(3,072)
Municipal court	198,668	187,572	184,247	(3,325)
Administrator	292,889	385,947	384,973	(974)
Treasurer	54,041	50,951	48,435	(2,516)
Finance	301,529	301,558	300,758	(800)
Collector of revenue	199,086	187,682	187,126	(556)
Attorney	184,000	219,000	221,819	2,819
Elections	7,500	7,358	7,358	-
Planning commission	224,881	209,353	206,601	(2,752)
Total General Government	<u>2,736,516</u>	<u>2,831,474</u>	<u>2,806,147</u>	<u>(25,327)</u>

(Continued)

CITY OF ARNOLD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued)				
Public Safety				
Police	4,671,440	4,623,728	4,589,373	(34,355)
Police board	1,000	525	525	-
Dispatching	477,110	483,364	499,802	16,438
Building commission	326,930	329,674	323,309	(6,365)
Total Public Safety	<u>5,476,480</u>	<u>5,437,291</u>	<u>5,413,009</u>	<u>(24,282)</u>
Public Works	<u>446,615</u>	<u>440,826</u>	<u>460,444</u>	<u>19,618</u>
Highways and Streets	<u>1,998,593</u>	<u>1,378,812</u>	<u>1,318,793</u>	<u>(60,019)</u>
Parks and Recreation	<u>639,850</u>	<u>634,075</u>	<u>525,763</u>	<u>(108,312)</u>
Health and Sanitation				
Health department	72,415	65,222	64,424	(798)
Rabies control	136,942	134,904	135,007	103
Vector control	15,020	6,820	6,365	(455)
Solid waste	949,917	992,331	992,331	-
Total Health And Sanitation	<u>1,174,294</u>	<u>1,199,277</u>	<u>1,198,127</u>	<u>(1,150)</u>
Capital Outlay	<u>2,900,732</u>	<u>1,632,349</u>	<u>1,734,019</u>	<u>101,670</u>
Debt Service	<u>808,820</u>	<u>808,820</u>	<u>803,714</u>	<u>(5,106)</u>
Total Expenditures	<u>16,181,900</u>	<u>14,362,924</u>	<u>14,260,016</u>	<u>(102,908)</u>
REVENUES UNDER EXPENDITURES	<u>(725,919)</u>	<u>(508,834)</u>	<u>(238,995)</u>	<u>269,839</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	57,673	57,673	-
Transfers out	-	(500,000)	-	500,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>(442,327)</u>	<u>57,673</u>	<u>500,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (725,919)</u>	<u>(951,161)</u>	<u>(181,322)</u>	<u>769,839</u>
FUND BALANCE, SEPTEMBER 1			<u>11,683,589</u>	
FUND BALANCE, AUGUST 31			<u>\$ 11,502,267</u>	

CITY OF ARNOLD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE (DEFICIT)-
BUDGET AND ACTUAL - RECREATION CENTER FUND
FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
REVENUES				
Taxes:				
Sales	\$ 1,125,000	1,162,500	1,179,379	16,879
Charges for services	1,349,000	1,337,250	1,298,228	(39,022)
Investment income	20,000	36,000	37,230	1,230
Miscellaneous	21,500	23,906	23,258	(648)
Total Revenues	<u>2,515,500</u>	<u>2,559,656</u>	<u>2,538,095</u>	<u>(21,561)</u>
EXPENDITURES				
Recreation center	1,638,488	1,791,532	1,715,617	(75,915)
Debt service	1,061,514	2,921,540	2,439,245	(482,295)
Total Expenditures	<u>2,700,002</u>	<u>4,713,072</u>	<u>4,154,862</u>	<u>(558,210)</u>
REVENUES UNDER EXPENDI- TURES	<u>(184,502)</u>	<u>(2,153,416)</u>	<u>(1,616,767)</u>	<u>536,649</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	12,965,000	12,965,000	-
Discount on issuance of long-term debt	-	(12,936)	(12,936)	-
Refunding of long-term debt	-	(10,887,377)	(12,733,383)	(1,846,006)
Proceeds from insurance premium	-	110,000	110,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,174,687</u>	<u>328,681</u>	<u>(1,846,006)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (184,502)</u>	<u>21,271</u>	<u>(1,288,086)</u>	<u>(1,309,357)</u>
FUND BALANCE, SEPTEMBER 1			<u>26,509</u>	
FUND BALANCE (DEFICIT), AUGUST 31			<u>\$ (1,261,577)</u>	

CITY OF ARNOLD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL ALLOCATION FUND
FOR THE YEAR ENDED AUGUST 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
REVENUES				
Taxes:				
Property	\$ 855,850	811,353	811,353	-
Sales	1,310,000	1,392,000	2,178,961	786,961
Investment income	200	200	343	143
Total Revenues	<u>2,166,050</u>	<u>2,203,553</u>	<u>2,990,657</u>	<u>787,104</u>
EXPENDITURES				
General government	25,000	35,000	34,500	(500)
Economic development	-	-	84,948	84,948
Debt service	2,208,226	2,300,000	2,513,810	213,810
Total Expenditures	<u>2,233,226</u>	<u>2,335,000</u>	<u>2,633,258</u>	<u>298,258</u>
NET CHANGE IN FUND BALANCE	<u>\$ (67,176)</u>	<u>(131,447)</u>	357,399	<u>488,846</u>
FUND BALANCE, SEPTEMBER 1			<u>4,048,208</u>	
FUND BALANCE, AUGUST 31			<u>\$ 4,405,607</u>	

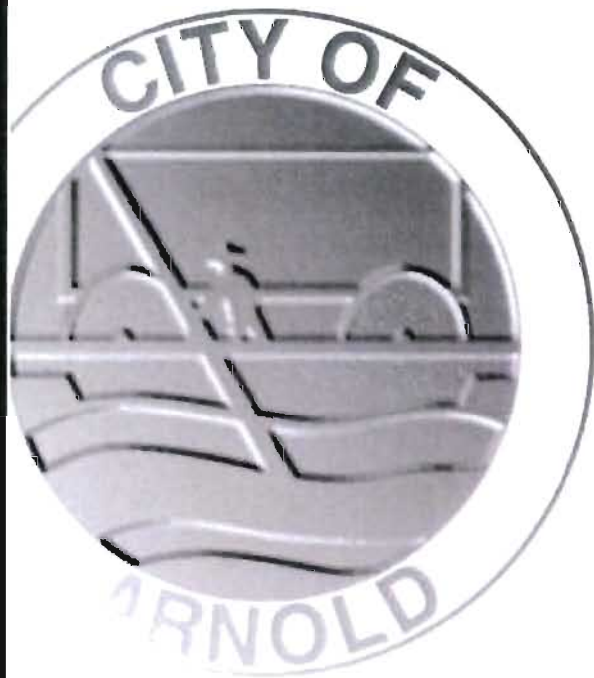
CITY OF ARNOLD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2012

Budgetary Data

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. On or before July 8, all departments submit requests for appropriations to the City's budget committee so that a budget may be prepared.
- b. During August the operating budget is presented to the City Council for review. The operating budget includes proposed expenditures for all funds.
- c. Public hearing meetings are held to obtain taxpayer comments.
- d. Prior to September 1 the budget is adopted by the City Council.
- e. Budgets are adopted on a basis generally consistent with U.S. generally accepted accounting principles except that budgets do not include economic development and debt proceeds related to the tax increment financing projects and refunding of long-term debt. Expenditures modified for some year-end accruals may not legally exceed budgeted appropriations at the department level.
- f. Budget amendments at the department level must be approved by the City Council. Management may authorize transfers of appropriations within a department. Current year includes budget amendments.
- g. Appropriations lapse at year-end.

For the year ended August 31, 2012, General Fund expenditures exceeded appropriations for the public works department by \$19,618 and capital outlay by \$101,670. The Special Allocation Fund and Tourism Fund expenditures exceeded appropriations by \$298,258 and \$4,671, respectively. These over expenditures were covered by additional current year revenues, available fund balance, or will be recovered by future years' revenues.



Other Supplemental Information

for the Fiscal Year ended August 31, 2012

CITY OF ARNOLD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - GOVERNMENTAL
FUNDS - COMPARATIVE BALANCE SHEETS
AUGUST 31

	2012	2011
ASSETS		
Cash and investments	\$ 9,749,675	8,879,468
Receivables (net of allowances for uncollectibles):		
Taxes	2,103,174	2,266,805
Special assessments	1,376,704	1,420,044
Intergovernmental	859,246	90,713
Court	179,284	126,155
Miscellaneous	78,625	103,348
Due from other funds	3,104,346	2,771,646
Prepaid items	484,234	521,454
Restricted assets:		
Cash and investments	3,672,651	6,192,108
Capital improvements sales tax receivable	801,306	599,923
Total Assets	\$ 22,409,245	22,971,664
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 2,752,775	2,003,357
Accrued liabilities	242,162	187,702
Due to other funds	1,953,704	1,962,569
Deferred revenue	2,788,137	2,594,760
Advance from other funds	-	500,009
Total Liabilities	7,736,778	7,248,397
 Fund Balances		
Nonspendable	484,234	521,454
Restricted	5,567,055	5,911,285
Committed	4,410,590	1,395,119
Assigned	994,533	-
Unassigned	3,216,055	7,895,409
Total Fund Balances	14,672,467	15,723,267
Total Liabilities And Fund Balances	\$ 22,409,245	22,971,664

CITY OF ARNOLD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - GOVERNMENTAL
FUNDS - COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED AUGUST 31

	2012	2011
REVENUES		
Taxes	\$ 14,738,118	14,939,098
Special assessments	55,981	111,477
Licenses and permits	637,167	555,788
Fines and court costs	902,336	1,105,288
Intergovernmental	1,557,334	263,517
Charges for services	1,455,029	1,549,582
Investment income	74,002	86,446
Miscellaneous	324,627	308,653
Total Revenues	19,744,594	18,919,849
 EXPENDITURES		
Current:		
General government	2,938,282	2,939,835
Public safety	5,438,986	5,452,098
Public works	460,444	542,848
Highways and streets	1,318,793	1,211,431
Parks and recreation	2,241,380	2,133,731
Health and sanitation	1,198,127	1,147,456
Economic development	84,948	3,111,127
Capital outlay	1,734,019	294,258
Debt service:		
Principal	1,009,055	1,554,964
Interest	2,686,033	2,762,969
Bond issuance costs	218,681	155,551
Payments to escrow agent	1,843,000	414,390
Total Expenditures	21,171,748	21,720,658
 REVENUES UNDER EXPENDITURES	(1,427,154)	(2,800,809)
 OTHER FINANCING SOURCES (USES)		
Issuance of long-term debt	12,965,000	10,140,000
Premium (discount) on issuance of long-term debt	(12,936)	8,564
Refunding of long-term debt	(12,733,383)	(6,420,507)
Proceeds from insurance premium	110,000	-
Sale of capital assets	57,673	28,128
Transfers out	(10,000)	(10,000)
Total Other Financing Sources (Uses)	376,354	3,746,185
 NET CHANGE IN FUND BALANCES	(1,050,800)	945,376
 FUND BALANCES, SEPTEMBER 1	15,723,267	14,777,891
 FUND BALANCES, AUGUST 31	\$ 14,672,467	15,723,267

CITY OF ARNOLD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2012

	Special Revenue Funds		
	Tourism	Drug Forfeiture	Totals
ASSETS			
Cash and investments	\$ -	25,087	25,087
Receivables:			
Taxes	20,551	-	20,551
Prepaid items	20,497	-	20,497
Total Assets	\$ 41,048	25,087	66,135
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 2,659	-	2,659
Accrued liabilities	825	-	825
Due to other funds	30,394	-	30,394
Deferred revenue	6,087	-	6,087
Total Liabilities	39,965	-	39,965
 Fund Balances			
Nonspendable:			
Prepaid items	20,497	-	20,497
Restricted for:			
Public safety	-	25,087	25,087
Unassigned	(19,414)	-	(19,414)
Total Fund Balances	1,083	25,087	26,170
Total Liabilities And Fund Balances	\$ 41,048	25,087	66,135

CITY OF ARNOLD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2012

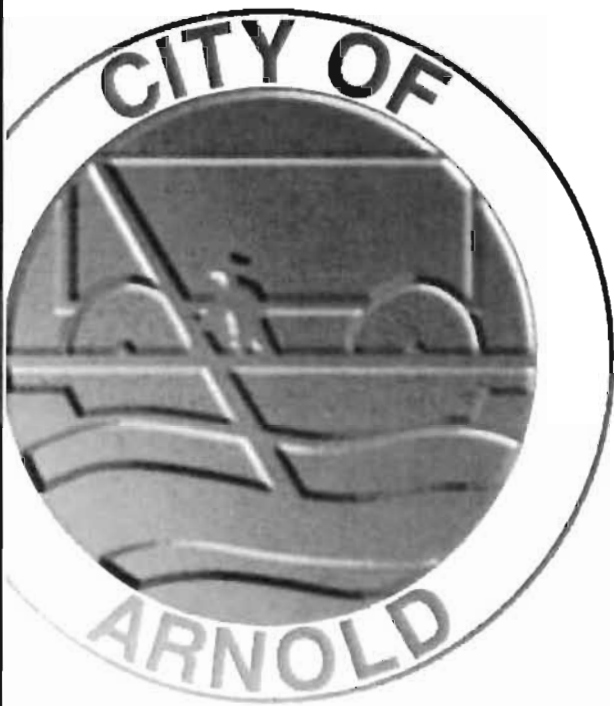
	<u>Special Revenue Funds</u>		
	<u>Tourism</u>	<u>Drug Forfeiture</u>	<u>Totals</u>
REVENUES			
Taxes	\$ 140,148	-	140,148
Intergovernmental	-	12,869	12,869
Charges for services	41,790	-	41,790
Investment income	-	14	14
Total Revenues	<u>181,938</u>	<u>12,883</u>	<u>194,821</u>
EXPENDITURES			
Current:			
General government	97,635	-	97,635
Public safety	-	25,977	25,977
Total Expenditures	<u>97,635</u>	<u>25,977</u>	<u>123,612</u>
REVENUES OVER (UNDER) EXPENDITURES	84,303	(13,094)	71,209
OTHER FINANCING USES			
Transfers out	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>
NET CHANGE IN FUND BALANCES	74,303	(13,094)	61,209
FUND BALANCES (DEFICIT), SEPTEMBER 1	<u>(73,220)</u>	<u>38,181</u>	<u>(35,039)</u>
FUND BALANCES, AUGUST 31	<u>\$ 1,083</u>	<u>25,087</u>	<u>26,170</u>

CITY OF ARNOLD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - TOURISM FUND
FOR THE YEAR ENDED AUGUST 31, 2012

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes:				
Sales	\$ 108,000	118,000	140,148	22,148
Charges for services	66,000	41,790	41,790	-
Total Revenues	174,000	159,790	181,938	22,148
 EXPENDITURES				
General government	147,676	92,964	97,635	4,671
 REVENUES OVER EXPENDITURES	26,324	66,826	84,303	17,477
 OTHER FINANCING USES				
Transfers out	(10,000)	(10,000)	(10,000)	-
 NET CHANGE IN FUND BALANCE	\$ 16,324	56,826	74,303	17,477
 FUND BALANCE (DEFICIT), SEPTEMBER 1			(73,220)	
 FUND BALANCE, AUGUST 31			\$ 1,083	

CITY OF ARNOLD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - DRUG FORFEITURE FUND
FOR THE YEAR ENDED AUGUST 31, 2012

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 11,000	12,869	12,869	-
Investment income	-	-	14	14
Total Revenues	11,000	12,869	12,883	14
EXPENDITURES				
Public safety	21,488	25,988	25,977	(11)
NET CHANGE IN FUND BALANCE	\$ (10,488)	(13,119)	(13,094)	25
FUND BALANCE, SEPTEMBER 1			38,181	
FUND BALANCE, AUGUST 31			\$ 25,087	



Statistics

for the Fiscal Year ended August 31, 2012

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

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	68 - 72
Revenue Capacity These schedules contain information to help the reader assess the City’s local revenue sources.	73 - 80
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.	81 - 84
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	85 - 86
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	87 - 89

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

CITY OF ARNOLD, MISSOURI
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS

	August 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
Invested in capital assets, net of related debt	\$ 61,438,366	60,189,604	61,515,001	60,433,335	60,816,793	64,429,584	61,737,432	60,501,363	43,980,742	36,551,411
Restricted	5,795,745	6,511,773	6,468,111	6,129,354	2,524,622	1,250,000	1,389,706	2,059,448	2,422,228	1,902,327
Unrestricted	(23,121,195)	(22,961,899)	(20,707,866)	(18,506,005)	(13,295,644)	(11,268,830)	5,890,607	6,414,258	17,507,321	22,394,361
Total Governmental Activities Net Assets	\$ 44,112,916	43,739,478	47,275,246	48,056,684	50,045,771	54,410,754	69,017,745	68,975,069	63,910,291	60,848,099
Business-type Activities										
Invested in capital assets, net of related debt	\$ 13,366,162	12,568,136	11,847,340	10,925,826	11,615,431	13,812,089	12,963,653	11,501,918	11,258,683	10,941,507
Restricted	701,303	804,880	906,603	1,001,303	7,146,872	5,064,591	842,007	804,700	1,299,950	300,905
Unrestricted	3,823,030	4,347,127	4,873,833	4,777,204	(2,255,279)	(2,005,776)	1,434,544	1,593,564	1,461,173	2,827,318
Total Business-type Activities Net Assets	\$ 17,890,495	17,720,143	17,627,776	16,704,333	16,507,024	16,870,904	15,240,204	13,900,182	14,019,806	14,069,730
Primary Government										
Invested in capital assets, net of related debt	\$ 74,804,528	72,757,740	73,362,341	71,359,161	72,432,224	78,241,673	74,701,085	72,003,281	55,239,425	47,492,918
Restricted	6,497,048	7,316,653	7,374,714	7,130,657	9,671,494	6,314,591	2,231,713	2,864,148	3,722,178	2,203,232
Unrestricted	(19,298,165)	(18,614,772)	(15,834,033)	(13,728,801)	(15,550,923)	(13,274,606)	7,325,151	8,007,822	18,968,494	25,221,679
Total Primary Government Net Assets	\$ 62,003,411	61,459,621	64,903,022	64,761,017	66,552,795	71,281,658	84,257,949	82,875,251	77,930,097	74,917,829

Source: Basic financial statements

CITY OF ARNOLD, MISSOURI

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

	For The Years Ended August 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES										
Governmental Activities										
General government	\$ 3,560,571	3,631,193	3,486,489	3,597,393	3,606,327	2,026,103	2,646,655	1,935,204	2,092,831	1,760,587
Public safety	5,557,136	5,513,045	5,498,118	5,383,461	5,037,988	5,162,582	5,141,027	4,824,236	4,448,556	4,192,120
Public works	471,241	449,991	396,500	372,884	1,544,873	3,648,054	2,025,478	1,049,519	837,772	1,020,872
Highways and streets	3,247,948	3,056,308	2,882,196	2,660,880	3,217,725	445,648	1,405,773	2,275,559	845,437	1,191,238
Parks and recreation	2,311,042	2,172,650	2,205,143	2,130,516	2,166,365	1,990,090	1,889,036	761,557	585,666	563,526
Health and sanitation	1,199,147	1,147,650	1,054,674	1,157,513	927,232	884,918	826,303	883,772	985,793	986,340
Economic development	84,948	3,111,127	3,413,600	335,457	4,445,699	16,554,301	-	-	-	-
Interest on long-term debt	3,182,550	3,310,085	3,366,950	2,948,229	2,752,694	1,584,135	656,208	749,147	779,696	290,267
Total Governmental Activities Expenses	19,614,583	22,392,049	22,303,670	18,586,333	23,698,903	32,295,831	14,590,480	12,478,994	10,575,751	10,004,950
Business-type Activities										
Sewer system	3,604,074	3,866,989	3,678,042	3,658,824	4,036,658	2,139,774	1,869,840	1,480,804	1,526,476	1,459,541
Storm water	638,757	559,128	622,227	388,188	256,127	127,061	37,899	-	-	-
Golf	783,657	747,928	712,700	670,794	670,153	427,304	-	-	-	-
Total Business-type Activities Expenses	5,026,488	5,174,045	5,012,969	4,717,806	4,962,938	2,694,139	1,907,739	1,480,804	1,526,476	1,459,541
Total Primary Government Expenses	24,641,071	27,566,094	27,316,639	23,304,139	28,661,841	34,989,970	16,498,219	13,959,798	12,102,227	11,464,491
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General government	467,566	449,918	627,522	610,250	560,900	526,293	346,148	378,591	332,215	307,012
Public safety	1,227,070	1,344,111	1,552,797	1,474,468	1,481,357	1,694,748	1,379,817	1,223,932	963,583	801,586
Parks and recreation	1,378,811	1,308,168	1,307,476	1,142,149	1,148,889	1,187,075	920,846	108,730	177,910	93,075
Health and sanitation	29,407	224,383	569,093	32,845	35,505	19,568	14,888	15,144	16,057	14,763
Operating grants and contributions	1,085,599	1,050,800	1,122,352	1,089,981	1,134,789	1,144,088	1,138,664	1,004,539	1,002,252	1,071,808
Capital grants and contributions	1,408,288	66,116	2,625,844	255,553	956,755	1,331,064	781,372	4,928,205	928,132	1,423,045
Total Governmental Activities Program Revenues	5,596,741	4,443,496	7,805,084	4,605,246	5,318,195	5,902,836	4,581,735	7,659,141	3,420,149	3,711,289
Business-type Activities										
Charges for services:										
Sewer system	3,795,399	3,951,341	3,816,409	3,383,075	2,969,723	2,685,117	2,492,669	1,153,188	1,207,243	1,147,048
Storm water	575,621	574,991	570,520	579,425	557,094	513,150	61,267	-	-	-
Golf	561,806	454,091	407,735	480,578	473,022	401,008	-	-	-	-
Operating grants and contributions	-	-	29,382	21,011	-	-	-	-	-	-
Capital grants and contributions	1,150	2,432	806,725	60,407	-	-	-	-	-	-
Total Business-type Activities Program Revenues	4,933,976	4,982,855	5,630,771	4,524,496	3,999,839	3,599,275	2,553,936	1,153,188	1,207,243	1,147,048
Total Primary Government Program Revenues	10,530,717	9,426,351	13,435,855	9,129,742	9,318,034	9,502,111	7,135,671	8,812,329	4,627,392	4,858,337
NET REVENUES (EXPENSES)										
Governmental activities	(14,017,842)	(17,948,553)	(14,498,586)	(13,981,087)	(18,380,708)	(26,392,995)	(10,008,745)	(4,819,853)	(7,155,602)	(6,293,661)
Business-type activities	(92,512)	(191,190)	617,802	(193,310)	(963,099)	905,136	646,197	(327,616)	(319,233)	(312,493)
Total Primary Government Net Revenues (Expenses)	(14,110,354)	(18,139,743)	(13,880,784)	(14,174,397)	(19,343,807)	(25,487,859)	(9,362,548)	(5,147,469)	(7,474,835)	(6,606,154)

CITY OF ARNOLD, MISSOURI

CHANGES IN NET ASSETS (Continued)

LAST TEN FISCAL YEARS

	For The Years Ended August 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental Activities										
Taxes:										
Property	1,856,713	1,956,378	1,767,838	1,448,479	1,125,304	992,520	949,500	863,007	838,929	818,986
Sales	9,266,574	8,934,269	8,492,485	7,619,458	7,018,675	6,860,615	6,771,832	6,745,540	7,368,939	6,040,919
Gross receipts	3,014,815	3,239,828	3,389,556	2,726,791	3,498,852	2,046,144	2,044,454	1,837,302	1,781,808	1,729,838
Miscellaneous	38,972	33,694	31,616	33,541	34,224	35,611	27,475	27,638	25,835	26,398
Investment income	74,002	86,446	83,444	131,284	290,449	364,016	242,701	387,852	276,247	172,335
Gain on sale of assets	57,673	28,128	20,085	-	800	504,457	143,126	18,312	-	-
Miscellaneous	92,531	144,042	22,812	42,447	2,091,921	1,294,524	221,895	110,114	118,141	188,815
Transfers	(10,000)	(10,000)	(10,000)	(10,000)	(44,500)	(144,683)	(349,562)	(105,134)	(192,105)	(141,868)
Total Governmental Activities General Revenues And Other Changes In Net Assets	14,391,280	14,412,785	13,797,836	11,992,000	14,015,725	11,953,204	10,051,421	9,884,631	10,217,794	8,835,423
Business-type Activities										
Investment income	252,864	273,557	295,641	380,619	554,719	585,981	344,263	102,858	77,204	82,407
Transfers	10,000	10,000	10,000	10,000	44,500	144,683	349,562	105,134	192,105	141,868
Total Business-type Activities General Revenues And Other Changes In Net Assets	262,864	283,557	305,641	390,619	599,219	730,664	693,825	207,992	269,309	224,275
Total Primary Government General Revenues And Other Changes In Net Assets	14,654,144	14,696,342	14,103,477	12,382,619	14,614,944	12,683,868	10,745,246	10,092,623	10,487,103	9,059,698
CHANGES IN NET ASSETS										
Governmental activities	373,438	(3,535,768)	(700,750)	(1,989,087)	(4,364,983)	(14,439,791)	42,676	5,064,778	3,062,192	2,541,762
Business-type activities	170,352	92,367	924,443	197,309	(363,880)	1,635,800	1,340,022	(119,624)	(49,924)	(88,218)
Total Primary Government	\$ 543,790	(3,443,401)	222,693	(1,791,778)	(4,728,863)	(12,803,991)	1,382,698	4,945,154	3,012,268	2,453,544

Source: Basic financial statements

CITY OF ARNOLD, MISSOURI
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	August 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Reserved	\$ -	-	2,176,044	2,139,403	2,584,017	6,271,895	1,608,446	1,261,317	13,331,864	4,875,576
Unreserved	-	-	8,318,041	6,844,666	7,105,178	(1,713,188)	2,410,889	3,531,012	4,876,738	17,892,272
Nonspendable	455,108	511,169	-	-	-	-	-	-	-	-
Restricted	1,136,361	563,726	-	-	-	-	-	-	-	-
Committed	4,410,590	1,395,119	-	-	-	-	-	-	-	-
Assigned	994,533	-	-	-	-	-	-	-	-	-
Unassigned	4,505,675	9,213,575	-	-	-	-	-	-	-	-
Total General Fund	<u>\$ 11,502,267</u>	<u>11,683,589</u>	<u>10,494,085</u>	<u>8,984,069</u>	<u>9,689,195</u>	<u>4,558,707</u>	<u>4,019,335</u>	<u>4,792,329</u>	<u>18,208,602</u>	<u>22,767,848</u>
All Other Governmental Funds										
Reserved	\$ -	-	5,358,284	4,998,863	1,702,485	1,305,838	1,250,000	1,250,000	-	-
Unreserved, reported in:										
Special Revenue Funds	-	-	(1,074,478)	(828,954)	(479,601)	(44,678)	139,706	450,632	-	-
Nonspendable	29,126	10,285	-	-	-	-	-	-	-	-
Restricted	4,430,694	5,347,559	-	-	-	-	-	-	-	-
Unassigned	(1,289,620)	(1,318,166)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 3,170,200</u>	<u>4,039,678</u>	<u>4,283,806</u>	<u>4,169,909</u>	<u>1,222,884</u>	<u>1,261,160</u>	<u>1,389,706</u>	<u>1,700,632</u>	<u>-</u>	<u>-</u>

Source: Basic financial statements

For fiscal year 2011 GASB 54 was implemented.

Note: No other governmental funds prior to 2005.

CITY OF ARNOLD, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	For The Years Ended August 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
REVENUES										
Taxes	\$14,738,118	14,939,098	14,551,361	12,279,968	12,209,618	10,866,182	10,753,278	10,439,176	10,969,016	9,542,169
Special assessments	55,981	111,477	95,886	161,495	551,076	306,798	428,599	319,133	440,386	475,833
Licenses and permits	637,167	555,788	522,881	615,026	590,067	648,771	501,547	554,273	515,179	444,745
Fines and court costs	902,336	1,105,288	1,216,172	1,131,240	1,122,605	1,177,581	1,060,849	797,176	631,699	501,000
Intergovernmental	1,557,334	263,517	458,470	138,593	2,592,876	1,910,417	337,205	3,389,943	711,340	1,107,081
Charges for services	1,455,029	1,549,582	2,132,339	1,375,957	1,395,577	1,326,128	937,009	203,181	156,760	119,825
Investment income	74,002	86,446	83,444	131,284	290,449	364,016	242,701	387,852	276,247	172,335
Miscellaneous	324,627	308,653	325,600	356,143	421,244	394,194	420,189	281,881	310,048	339,681
Total Revenues	<u>19,744,594</u>	<u>18,919,849</u>	<u>19,386,153</u>	<u>16,189,706</u>	<u>19,173,512</u>	<u>16,994,087</u>	<u>14,681,377</u>	<u>16,372,615</u>	<u>14,010,675</u>	<u>12,702,669</u>
EXPENDITURES										
General government	2,938,282	2,939,835	2,904,369	2,836,320	2,774,026	2,657,615	2,246,139	1,794,740	1,976,501	1,910,074
Public safety	5,438,986	5,452,098	5,513,458	5,530,890	5,087,615	5,124,954	4,790,213	4,446,103	4,045,557	3,915,183
Public works	460,444	542,848	505,578	424,779	414,040	3,583,152	1,997,244	5,848,333	2,770,280	2,705,462
Highways and streets	1,318,793	1,211,431	1,210,324	994,971	1,363,420	1,093,891	1,046,910	850,141	787,401	1,143,693
Parks and recreation	2,241,380	2,133,731	2,096,335	2,110,396	2,149,106	1,944,788	1,895,233	735,511	666,321	549,509
Health and sanitation	1,198,127	1,147,456	1,054,900	1,157,017	923,881	882,010	823,634	880,191	975,528	983,565
Economic development	84,948	3,111,127	3,413,600	335,457	4,445,699	16,554,301	-	-	-	-
Capital outlay	1,734,019	294,258	1,100,240	934,502	6,662,933	818,386	1,802,811	12,115,857	5,449,754	2,338,215
Debt service:										
Principal	1,009,055	1,554,964	1,261,679	820,284	612,946	547,723	858,743	1,374,896	1,111,207	840,243
Interest	2,686,033	2,762,969	2,603,519	2,041,283	924,959	721,577	927,996	756,741	787,372	264,736
Bond issue costs	218,681	155,551	125,000	796,889	244,699	-	-	-	-	391,364
Payments to escrow agent	1,843,000	414,390	-	-	-	-	-	-	-	-
Total Expenditures	<u>21,171,748</u>	<u>21,720,658</u>	<u>21,789,002</u>	<u>17,982,788</u>	<u>25,603,324</u>	<u>33,928,397</u>	<u>16,388,923</u>	<u>28,802,513</u>	<u>18,569,921</u>	<u>15,042,044</u>
REVENUES UNDER EXPENDITURES	<u>(1,427,154)</u>	<u>(2,800,809)</u>	<u>(2,402,849)</u>	<u>(1,793,082)</u>	<u>(6,429,812)</u>	<u>(16,934,310)</u>	<u>(1,707,546)</u>	<u>(12,429,898)</u>	<u>(4,559,246)</u>	<u>(2,339,375)</u>
OTHER FINANCING SOURCES (USES)										
Issuance of long-term debt	12,965,000	10,140,000	3,319,555	28,485,000	11,555,699	16,554,301	-	-	-	16,380,000
Premium/discount on issuance	(12,936)	8,564	-	(235,250)	(34,475)	-	-	-	-	496,132
Refunding of long-term debt	(12,733,383)	(6,420,507)	-	(24,236,569)	-	-	-	-	-	-
Issuance of capital lease	-	-	777,810	31,800	-	286,378	600,000	400,000	-	-
Proceeds from insurance premium	110,000	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	57,673	28,128	20,085	-	800	504,457	23,626	314,257	-	-
Transfers in	-	-	25,000	-	20,000	166,567	-	1,596,205	-	-
Transfers out	(10,000)	(10,000)	(35,000)	(10,000)	(20,000)	(166,567)	-	(1,596,205)	-	-
Total Other Financing Sources (Uses)	<u>376,354</u>	<u>3,746,185</u>	<u>4,107,450</u>	<u>4,034,981</u>	<u>11,522,024</u>	<u>17,345,136</u>	<u>623,626</u>	<u>714,257</u>	<u>-</u>	<u>16,876,132</u>
NET CHANGES IN FUND BALANCES	<u>\$ (1,050,800)</u>	<u>945,376</u>	<u>1,704,601</u>	<u>2,241,899</u>	<u>5,092,212</u>	<u>410,826</u>	<u>(1,083,920)</u>	<u>(11,715,641)</u>	<u>(4,559,246)</u>	<u>14,536,757</u>
Debt service as a percentage of noncapital expenditures	19.0 %	20.3	18.8	16.9	7.6	4.3	12.9	17.8	16.8	9.7

Source: Basic financial statements

CITY OF ARNOLD, MISSOURI
PROGRAM REVENUES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	Program Revenues									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
General government	\$ 467,566	453,075	787,472	695,250	565,148	526,313	442,738	695,161	496,567	839,186
Public safety	1,362,136	1,435,487	1,731,838	1,555,561	1,541,132	1,746,508	1,455,527	1,262,782	1,058,680	1,118,463
Public works	453,885	-	156,522	73,840	584,512	204,576	475,087	640,969	265,539	207,638
Highways and streets	1,873,416	999,630	3,243,512	1,094,219	1,418,309	2,142,388	1,272,649	4,936,355	1,405,396	1,415,564
Parks and recreation	1,396,181	1,314,691	1,315,837	1,152,846	1,172,677	1,262,728	920,846	108,730	177,910	115,675
Health and sanitation	43,557	240,613	569,903	33,530	36,417	20,323	14,888	15,144	16,057	14,763
Total Governmental Activities	<u>5,596,741</u>	<u>4,443,496</u>	<u>7,805,084</u>	<u>4,605,246</u>	<u>5,318,195</u>	<u>5,902,836</u>	<u>4,581,735</u>	<u>7,659,141</u>	<u>3,420,149</u>	<u>3,711,289</u>
Business-type Activities										
Sewer system	3,796,549	3,951,341	4,623,134	3,443,482	2,969,723	2,685,117	2,492,669	1,153,188	1,207,243	1,147,048
Storm water	575,621	577,423	599,902	600,436	557,094	513,150	61,267	-	-	-
Golf	561,806	454,091	407,735	480,578	473,022	401,008	-	-	-	-
Total Business- type Activities	<u>4,933,976</u>	<u>4,982,855</u>	<u>5,630,771</u>	<u>4,524,496</u>	<u>3,999,839</u>	<u>3,599,275</u>	<u>2,553,936</u>	<u>1,153,188</u>	<u>1,207,243</u>	<u>1,147,048</u>
Total Primary Government	<u>\$ 10,530,717</u>	<u>9,426,351</u>	<u>13,435,855</u>	<u>9,129,742</u>	<u>9,318,034</u>	<u>9,502,111</u>	<u>7,135,671</u>	<u>8,812,329</u>	<u>4,627,392</u>	<u>4,858,337</u>

Source: Basic financial statements

CITY OF ARNOLD, MISSOURI
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Fiscal Year	Property Taxes	Sales Taxes	Public Utility Gross Receipts Taxes	Motor Fuel Taxes	Other Taxes	Total
2012	\$ 1,856,713	\$ 9,283,841	\$ 2,850,729	\$ 533,081	\$ 213,754	\$ 14,738,118
2011	1,956,378	9,115,555	3,107,237	553,861	206,067	14,939,098
2010	1,767,838	8,738,803	3,274,363	561,099	209,258	14,551,361
2009	1,448,479	7,510,784	2,565,201	552,562	202,942	12,279,968
2008	1,125,304	6,906,699	3,411,545	569,799	196,271	12,209,618
2007	992,520	7,138,297	1,961,536	583,495	190,334	10,866,182
2006	949,500	7,026,936	2,044,454	565,520	166,868	10,753,278
2005	863,007	6,995,014	1,837,302	583,207	160,646	10,439,176
2004	838,929	7,618,703	1,781,808	578,703	150,873	10,969,016
2003	818,986	6,286,576	1,729,837	559,479	147,291	9,542,169

Source: Required supplemental information and basic financial statements

CITY OF ARNOLD, MISSOURI
SALES TAX REVENUE - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS

Fiscal Year	General Sales Tax (1%)	Recreation Center Sales Tax (.25%)	Jefferson County Shared Capital Improvement Sales Tax	Shared Vehicle Sales Tax	Hotel/Motel Sales Tax (5%)	Jurisdictional Sales Tax	Total Sales Tax
2012	\$ 5,202,166	\$ 1,258,532	\$ 680,650	\$ 211,150	\$ 225,810	\$ 1,705,533	\$ 9,283,841
2011	5,016,503	1,211,533	835,050	210,437	199,675	1,642,357	9,115,555
2010	4,835,105	1,171,721	905,185	195,399	152,768	1,478,625	8,738,803
2009	4,682,730	1,134,223	567,880	190,543	145,115	790,293	7,510,784
2008	4,537,417	1,097,889	620,634	210,498	151,090	289,171	6,906,699
2007	4,262,286	1,030,252	1,416,770	277,683	151,306	-	7,138,297
2006	4,413,425	1,066,625	1,142,674	255,104	149,108	-	7,026,936
2005	4,204,968	1,020,746	1,363,528	249,474	156,298	-	6,995,014

Source: Required supplemental information and basic financial statements

Note: Information prior to 2005 is not available.

CITY OF ARNOLD, MISSOURI
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Calendar Year	Real Property	Railroads And Utilities	Total		Total Direct Tax Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
				Assessed Value	Estimated Actual Value		
2012	2011	\$ 277,026,900	\$ 7,018,823	\$ 284,045,723	\$ 1,221,808,487	0.397	23.2 %
2011	2010	274,310,100	6,370,930	280,681,030	1,188,269,463	0.397	23.6
2010	2009	267,251,900	6,042,845	273,294,745	1,180,555,245	0.397	23.1
2009	2008	257,603,500	5,639,930	263,243,430	1,144,071,678	0.425	23.0
2008	2007	244,660,300	5,698,063	250,358,363	1,096,031,833	0.420	22.8
2007	2006	221,014,200	5,640,294	226,654,494	990,383,737	0.420	22.9
2006	2005	211,786,300	5,511,854	217,298,154	943,764,731	0.440	23.0
2005	2004	188,897,200	5,223,038	194,120,238	835,396,989	0.440	23.2
2004	2003	184,774,900	5,254,233	190,029,133	814,846,655	0.450	23.3
2003	2002	179,072,600	5,166,281	184,238,881	793,026,020	0.450	23.2

Notes:

Property has an assessed value to estimated actual value as follows: commercial real estate 32%, residential real estate 19%, agricultural real estate 12%, and personal property 33-1/3%.

The City does not collect tax on personal property and such data is, therefore, not included.

Data for real property owned by exempt organizations is not included as it is not available.

Source: Jefferson County Assessor

CITY OF ARNOLD, MISSOURI
ASSESSED VALUES FOR TAX INCREMENT FINANCING DISTRICTS
LAST FIVE FISCAL YEARS

Tax Year	Triangle TIF			Crossroads TIF			Crossroads Sub Area #1 TIF		
	Assessed Value	Base Assessed Value	Abated Assessed	Assessed Value	Base Assessed Value	Abated Assessed	Assessed Value	Base Assessed Value	Abated Assessed
2011	\$ 14,137,200	\$ 1,700,400	\$ 12,436,800	\$ 3,998,400	\$ 3,124,400	\$ 874,000	\$ 3,058,500	\$ 1,124,400	\$ 1,934,100
2010	12,397,400	1,700,400	12,510,500	3,188,500	3,124,400	171,600	1,227,500	1,124,400	574,500
2009	12,397,400	1,700,400	10,697,000	3,188,500	3,124,400	64,100	1,227,500	1,124,400	103,100
2008	7,187,300	1,700,400	5,486,900	3,044,600	3,101,600	(57,000)	1,312,800	1,147,200	165,600
2007	2,936,100	1,855,300	1,080,800	3,325,100	3,197,100	128,000	1,312,800	1,147,200	165,600

Source: Jefferson County Assessor

Note: Information prior to 2007 is unavailable.

CITY OF ARNOLD, MISSOURI
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	For The Years Ended August 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
City of Arnold:										
General Fund	0.397	0.397	0.397	0.425	0.420	0.420	0.440	0.440	0.450	0.450
Overlapping governments:										
State of Missouri	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Jefferson County	0.505	0.505	0.499	0.496	0.530	0.530	0.510	0.500	0.520	0.520
Consolidated School No. 6 of Jefferson County	4.604	4.587	4.563	4.530	4.530	4.520	4.460	4.460	4.600	3.530
Rock Community Fire Protection District	0.712	0.716	0.715	0.707	0.710	0.710	0.940	0.940	0.970	0.960
Rock Township Ambulance District	0.132	0.136	0.127	0.123	0.120	0.120	0.130	0.150	0.230	0.220
The Junior College District of Jefferson County	0.336	0.336	0.336	0.334	0.330	0.330	0.350	0.350	0.350	0.350
The Jefferson County Library District	0.189	0.189	0.188	0.186	0.190	0.190	0.180	0.180	0.190	0.190
Surtax-Commercial Only	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240

Source: Jefferson County Assessor (rates stated per \$100 assessed valuation)

CITY OF ARNOLD, MISSOURI
PRINCIPAL TAXPAYERS
CURRENT YEAR AND SIX YEARS AGO

Taxpayer	2012			2006		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
Wal-Mart Real Estate Business Trust 55	\$ 4,730,400	1	1.67 %	\$ -	-	- %
Metal Container Corporation	3,835,600	2	1.35	3,618,300	4	1.67
THF Arnold Triangle Development, LLC	3,700,400	3	1.30	-	-	-
Schnucks	2,964,500	4	1.04	2,732,900	6	1.26
Water Tower, LLC	2,638,300	5	0.93	3,847,000	3	1.77
The Home Depot	2,542,600	6	0.90	2,542,600	8	1.17
Target	2,496,000	7	0.88	2,496,000	9	1.15
Dierberg's Market	2,453,300	8	0.86	-	-	-
Suellentrop Family Partnership, LP	2,401,700	9	0.85	2,697,400	7	1.24
Convergy's Corporation	2,375,900	10	0.84	2,103,300	10	0.97
Ameren	-	-	-	4,569,211	1	2.10
Southwestern Bell Telephone	-	-	-	3,990,064	2	1.84
Greater Missouri Builders	-	-	-	2,851,300	5	1.31
Total	\$ 30,138,700		10.62 %	\$ 31,448,075		14.48 %

Note: Amounts prior to 2006 are not available.

Source: Jefferson County Assessor

CITY OF ARNOLD, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Tax Levy Year</u>	<u>Net Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent Collected As Current</u>	<u>Delinquent Tax Collections (2)</u>	<u>Total Tax Collections</u>	<u>Total Collections As Percent Of Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes As Percent Of Levy</u>
2012	2011	\$ 1,040,059	\$ 987,178	94.9 %	\$ -	\$ 987,178	94.9 %	\$ 52,881	5.4 %
2011	2010	1,028,100	1,003,690	97.6	15,971	1,019,661	99.2	24,410	2.4
2010	2009	1,023,806	1,003,897	98.1	47,468	1,051,365	102.7	19,909	1.9
2009	2008	1,072,745	1,042,501	97.2	40,187	1,082,688	100.9	30,244	2.8
2008	2007	1,032,992	982,678	95.1	14,224	996,902	96.5	50,314	5.0
2007	2006	992,520	951,674	95.9	14,046	965,720	97.3	40,846	4.1
2006	2005	944,339	897,486	95.0	8,619	906,105	96.0	57,677	6.1
2005	2004	859,110	802,501	93.4	15,718	818,219	95.2	23,218	2.7
2004	2003	834,414	809,603	97.0	14,358	823,961	98.7	24,812	3.0
2003	2002	814,105	759,996	93.4	59,237	819,233	100.6	36,228	4.4

(1) Originally adjusted for strike offs and additions by the Board of Equalization after 1978.

(2) Data for delinquent tax collection, excluding penalties and interest, is not available by levy year.

Source: Jefferson County Collector's office

CITY OF ARNOLD, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Percentage Of Personal Income (1)	Per Capita
	Capital Lease Obligations	Certificates Of Participation	Leasehold Revenue Bonds	Revenue Bonds	Tax Increment Revenue Notes And Bonds	Revenue Bonds	Capital Lease Obligations	Notes Payable			
2012	\$ 279,320	\$ 19,775,000	\$ -	\$ -	\$ 33,014,485	\$ 13,369,667	\$ 13,605	\$ 14,939,207	\$ 81,391,284	11.26 %	\$ 3,906
2011	512,557	7,140,000	13,690,000	-	33,460,303	14,169,250	23,404	15,490,557	84,486,071	11.71	4,060
2010	768,269	-	14,090,000	6,670,000	31,359,555	14,750,416	47,135	16,120,537	83,805,912	12.28	4,066
2009	217,138	-	14,455,000	6,895,000	28,485,000	15,363,416	47,502	16,521,497	81,984,553	11.97	3,979
2008	455,622	-	14,790,000	7,110,000	21,000,000	15,941,166	79,603	22,780,378	82,156,769	11.64	3,990
2007	763,568	-	15,095,000	-	16,554,301	13,949,166	-	4,732,255	51,094,290	7.63	2,460
2006	749,910	-	15,370,000	-	-	10,120,833	-	842,007	27,082,750	4.31	1,327
2005	328,654	440,000	15,610,000	-	-	1,285,775	-	804,700	18,469,129	3.08	905
2004	48,550	650,000	16,655,000	-	-	1,410,275	-	875,700	19,639,525	3.48	975
2003	239,757	855,000	17,370,000	-	-	1,676,775	-	942,100	21,083,632	3.82	1,052

(1) See Demographics and Economic Statistics Table

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

CITY OF ARNOLD, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AUGUST 31, 2012

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share Of Overlapping Debt</u>
The Junior College District of Jefferson County	\$ -	12.30 %	\$ -
Consolidated School No. 6 of Jefferson County	<u>58,968,222</u>	42.25	<u>24,914,074</u>
	58,968,222		24,914,074
City direct debt	<u>81,391,284</u>	100.00 %	<u>81,391,284</u>
Total Direct And Overlapping Debt	<u><u>\$ 140,359,506</u></u>		<u><u>\$ 106,305,358</u></u>

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

CITY OF ARNOLD, MISSOURI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Years									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit	\$ 36,369,775	36,055,771	35,520,119	34,691,869	33,081,629	30,513,314	28,247,720	25,534,112	25,363,969	25,018,687
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 36,369,775</u>	<u>36,055,771</u>	<u>35,520,119</u>	<u>34,691,869</u>	<u>33,081,629</u>	<u>30,513,314</u>	<u>28,247,720</u>	<u>25,534,112</u>	<u>25,363,969</u>	<u>25,018,687</u>
Total Net Debt Applicable To The Limit As Percentage Of Debt Limit	-	%	-	-	-	-	-	-	-	-

Note: Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

CITY OF ARNOLD, MISSOURI
REVENUE BOND COVERAGE - SEWER FUND
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	\$ 4,047,108	\$ 1,647,755	\$ 2,399,353	\$ 694,583	\$ 459,280	\$ 1,153,863	2.08 %
2011	4,224,198	1,856,052	2,368,146	581,166	493,791	1,074,957	2.20
2010	4,111,457	1,619,273	2,492,184	613,000	514,379	1,127,379	2.21
2009	3,759,692	1,582,342	2,177,350	577,750	598,187	1,175,937	1.85
2008	3,500,245	1,647,077	1,853,168	483,000	532,153	1,015,153	1.83
2007	3,252,639	1,091,186	2,161,453	461,667	485,881	947,548	2.28
2006	2,836,932	1,004,157	1,832,775	164,942	317,806	482,748	3.80
2005	1,256,046	865,901	390,145	124,500	85,290	209,790	1.86
2004	1,284,447	932,011	352,436	266,500	99,837	366,337	0.96
2003	1,229,455	890,951	338,504	249,250	113,113	362,363	0.93

Source: Basic financial statements

Note: Operating expenses do not include interest, depreciation or amortization expenses.

CITY OF ARNOLD, MISSOURI
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Median Age (2)	Personal Income (1)	Per Capita Income (2)	School Enrollment	Unemployment Rate (3)
2012	20,837	42.1	\$ 722,647,997	\$ 34,681	11,614	7.2 %
2011	20,808	39.9	721,642,248	34,681	11,690	8.8
2010	20,609	40.1	682,446,426	33,114	11,767	9.3
2009	20,603	40.1	684,699,499	33,233	11,646	9.5
2008	20,589	34.9	705,873,276	34,284	11,535	6.4
2007	20,566	36.7	699,537,372	34,014	11,459	5.3
2006	20,413	36.7	628,393,792	30,784	11,459	4.8
2005	20,413	36.7	598,713,290	29,330	11,554	4.3
2004	20,146	34.9	563,604,496	27,976	11,019	3.1
2003	20,049	34.9	551,748,480	27,520	11,019	3.1

(1) Source: SETA - Office of Social and Economic Trend Analysis

(2) Source: Census Bureau

(3) Source: Missouri Department of Labor

CITY OF ARNOLD, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

<u>Employer</u>	<u>2012</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent Of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent Of Total City Employment</u>
Convergy's Corporation	1,120	1	5.57 %	950	1	4.73 %
Wal-Mart	411	2	2.05	282	2	1.40
Metal Container Corporation	177	3	0.88	197	5	0.98
Target	168	4	0.84	119	10	0.59
Schnucks	157	5	0.78	200	4	1.00
LMC Industries	150	6	0.75	280	3	1.39
Texas Roadhouse	150	7	0.75	-	-	-
Sinclair & Rush	150	8	0.75	136	8	0.68
Dierberg's	135	9	0.67	-	-	-
Home Depot	120	10	0.60	163	6	0.81
Shop 'n Save	-	-	-	161	7	0.80
Kohl's Department Store	-	-	-	125	9	0.62
Total	<u>2,738</u>		<u>13.64 %</u>	<u>2,613</u>		<u>13.00 %</u>

Source: City Clerk's office

CITY OF ARNOLD, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	Full-Time Equivalent Employees As Of August 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government:										
Legislative services	1	1	1	1	1	1	1	1	1	1
Administrative services	6	7	7	8	8	8	7	6	5	5
Maintenance of municipal property	-	-	-	-	1	1	1	1	1	1
Municipal court	2	2	2	2	2	2	2	1	1	1
Finance	4	4	4	4	4	4	4	3	3	3
Police:										
Officers	47	45	47	49	48	48	48	47	46	44
Administrative services	3	3	3	3	4	4	4	3	4	4
Dispatch	8	8	8	8	8	8	7	8	8	8
Public works:										
Administration	3	3	3	3	3	3	2	2	2	2
Street maintenance	8	9	8	8	8	8	8	8	8	9
Fleet	2	2	2	2	2	2	2	2	2	2
Building department:										
Administration	5	5	4	4	4	4	4	4	3	3
Inspectors	2	1	1	2	2	2	2	3	3	3
Engineers	1	1	1	1	1	1	1	1	1	-
Parks and recreation:										
Administration	4	3	1	3	3	3	3	3	2	2
Maintenance	6	6	6	6	6	6	4	4	4	3
Supervisors	1	1	1	1	2	2	2	2	-	-
Sewer:										
Maintenance	7	7	8	7	6	5	5	5	5	4
Storm water:										
Maintenance	5	5	4	4	2	2	-	-	-	-
Health department:										
Administration	1	1	1	1	1	1	1	1	1	2
Rabies controller	2	2	2	2	1	1	2	2	2	2
Golf course:										
Administration	2	2	2	2	2	2	-	-	-	-
Maintenance	1	1	1	1	1	1	-	-	-	-

Source: City payroll department records

CITY OF ARNOLD, MISSOURI
OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	Fiscal Years									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Police - patrol:										
Arrests	2,455	2,110	2,173	1,748	1,561	1,932	2,183	2,393	2,120	1,998
Traffic citations	10,451	9,345	9,263	13,740	7,178	9,657	8,039	12,028	9,764	8,312
Crime reports	14,552	13,996	14,417	14,970	15,598	15,741	15,072	15,999	15,519	14,753
Accident reports	730	798	776	912	1,048	964	1,009	1,095	1,020	983
Warrants	3,026	3,274	2,955	2,497	2,145	2,132	2,427	3,128	N/A	N/A
Public works:										
Road repair - tons of mix	1,252	806	2,248	1,684	511	816	N/A	N/A	N/A	N/A
Traffic control signs serviced	13	10	8	8	30	26	19	45	N/A	N/A
Weed violations issued - HW	164	238	181	159	117	172	140	138	102	95
Acres mowed and maintained	25	25	25	25	25	25	25	25	25	25
Planning and building:										
Site development/concept plans	21	22	21	23	25	43	67	43	67	57
Rezoning applications	3	3	4	1	6	6	5	4	3	4
Text amendments	4	3	1	4	5	8	3	-	1	-
Building permits issued	503	539	480	427	499	633	622	799	736	701
Building inspections completed	2,952	2,661	2,520	2,448	2,756	3,200	N/A	N/A	N/A	N/A
Finance and administration:										
Merchant licenses issued	90	91	68	80	83	86	83	92	89	82
Payroll checks issued	4,977	4,842	4,995	4,799	4,677	4,548	4,151	3,209	3,065	3,069
Accounts payable processed	4,686	4,444	4,788	5,011	5,472	4,926	4,419	4,010	3,975	3,899
Requests for public records	35	71	34	25	44	49	34	8	8	5

Source: City records - various departments listed

CITY OF ARNOLD, MISSOURI
CAPITAL ASSETS STATISTICS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	Fiscal Years									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	31	31	31	29	29	29	29	29	29	29
Public works:										
Miles of streets	80	80	80	80	80	81	81	77	77	77
Traffic lights and signals	6	6	6	6	6	3	3	3	3	3
Miles of sanitary sewers	242.0	242.0	242.0	242.0	233.0	98.5	98.5	96.3	96.3	96.3
Miles of storm sewers	7.5	7.5	7.5	7.5	7.5	7.4	7.4	7.4	7.4	7.4
Number of pumping stations	6	6	6	6	5	9	9	9	9	9
Parks and recreation:										
Number of parks	5	5	5	5	5	5	5	5	5	5
Acres of parks	485	485	485	485	485	485	485	485	485	485
Tennis courts	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Swimming pools	2	2	1	2	3	3	3	3	1	1
Golf course	1	1	1	1	1	1	-	-	-	-

Source: City finance department records