

CITY OF ARNOLD, MISSOURI

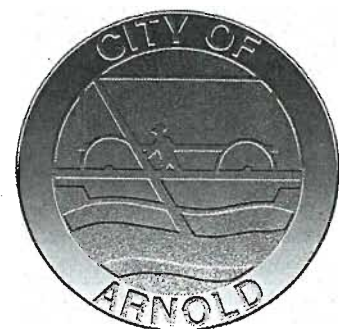
Comprehensive Annual Financial Report For The Fiscal Year Ended August 31, 2014



CITY OF ARNOLD, MISSOURI

Comprehensive Annual Financial Report
For The Fiscal Year Ended August 31, 2014

Prepared by the
Finance Department



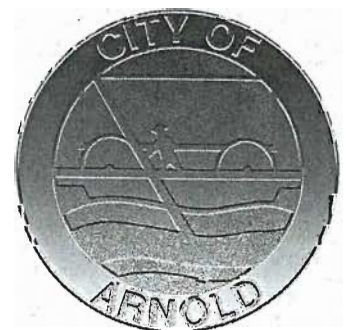
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FINANCIAL REPORT

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INTRODUCTION





City of Arnold

Ron Counts, Mayor

February 9, 2015

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, 2014, 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, 2014, 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, 2014, 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

Arnold, the largest city in Jefferson County serves a population of 20,808 residents in 8,090 households based on the 2010 Census and occupies an area of approximately 11.2 square miles. Residents are ideally located to commute to employment within the City, County 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, St. Louis and St. Charles counties along with the Metro-East (Illinois).

The Federal Reserve Bank of St Louis reports that as of August 2014, the seasonally-unadjusted unemployment rate for Jefferson County dropped to 6.0% from 6.5% in August 2013. By comparison, as of August 2014, the unemployment rate for the State of Missouri was 6.1% while August 2013 was 6.8%. The St Louis metropolitan statistical area which includes some Illinois counties was 6.6% as of August 2014 and 7.3% for the same period last year. The adjacent counties of St. Louis, Franklin, and Washington were reported at 6.5%, 6.0%, and 7.6% in August 2014, respectively. The August 2014 United States unemployment rate was 6.3%. 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 believes it is in a favorable situation for the future given the increase in the number of retail sales and services establishments and the growth in manufacturing jobs within the city.

The economic condition and outlook of the City has been stable in recent years. The residential real estate tax base for fiscal year 2014 showed modest growth of 1.0% above last year's levels. The City's residential stock, geographic location and variety of services have kept real estate marketable. While the potential for further retail and industrial development is favorable, the number of existing commercial vacancies has increased.

The City's tax structure relies primarily on sales taxes and gross receipts utility taxes. Utility tax receipts from the electric, gas, and cable companies continue to increase at a modest rate. The dip in telecommunications gross receipts tax has been attributed to the reduction in landlines as consumers continue to favor mobile services. City sales tax receipts for fiscal year 2014 remained strong, up 4.89% from 2013. After factoring in the EATS pass-through payments for the TIF projects and economic development set-aside, the City's net general sales tax receipts were 5.02% over the net tax for the prior fiscal year. We have projected a slight increase in gross sales tax for fiscal year 2015 and will re-evaluate as the fiscal year progresses.

The City desires to plan for the success of the City for decades to come. To encourage growth and stability, the City has established an economic development committee to actively seek out and support commercial development. In addition to the expanded Water Tower Shopping Center, 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.

In 2008, 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. ACC-TDD project funds were used to help with the construction of road improvements at Astra Way and Missouri State Roads and Lone Star Drive in past years. 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 December 2012, the council approved \$88 million in Chapter 100 Industrial Bonds in support of expansion to Metal Container Corporation, a subsidiary of Anheuser Busch-InBev. This expansion not only retained approximately 100 existing jobs but provided 25 additional positions. In December 2014, Anheuser Busch-InBev announced plans for a second expansion for Metal Container Corporation to add another 24,000 sq ft to their complex. The City will provide

Chapter 100 Industrial Bonds support for this project in addition to the state economic incentives offered. This expansion will provide an estimated 70 new manufacturing jobs and insure Metal Container Corporation's presence in the City well into the future. In January 2014, Superior Oil, a major supplier of industrial solvent and chemical products, relocated their plant to the City.

After the success with Watercolor Villas development within the city, the Missouri Housing Development Commission awarded funding for a second senior housing project. Richardson Villas containing forty-eight affordable senior housing units has been completed and is fully occupied.

Long-term Financial Planning

The annual budget serves as the foundation for the City's financial planning and control. Throughout the fiscal year, the Finance 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 Finance Review Committee for refining. With the assistance of this 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. 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

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 funded 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. The City has completed design work and will begin reconstruction of Michigan Avenue this spring using a grant for surface transportation improvement. Design work was begun on sidewalks for Tenbrook Road. The portion of the funds needed for the construction of these sidewalks is provided by a grant from the Save Routes to School program. In keeping with the City's focus on enhancing the leisure life provided residents, the City completed phase 2 of the paving project in Arnold City Park and constructed permanent structures for the Arnold Farmers Market.

In 2014, council approved the establishment of a small business development program. Commercial space was leased and furnished as a co-working space for small and start-up businesses. Corridor55 opened in September 2014 and is providing office space and support to local entrepreneurs.

The City will continue to seek alternative funding sources, such as grants, and analyzing City operations for areas of efficiency and cost effectiveness. The City will also seek to developing programs to enhance the services it offers to residents and to attract and support local business.


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, 2013. This is the 25th 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,



Bryan Richison
City Administrator



Deborah G. Lewis
Finance Director



Government Finance Officers Association

**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, 2013

Executive Director/CEO

CITY OF ARNOLD, MISSOURI
PRINCIPAL OFFICIALS

Ron Counts

Mayor

Council

Nancy Crisler
Jason Fulbright
Mary Elizabeth Coleman
Brian McArthur
Phil Amato
Paul Freese
Butch Cooley
Gary Plunk

Ward One
Ward One
Ward Two
Ward Two
Ward Three
Ward Three
Ward Four
Ward Four

Dan Kroupa

Treasurer

Todd Hamby

Judge

Robert Sweeney

City Attorney

Bryan Richison

City Administrator

Tammi Casey

City Clerk

Deborah Lewis

Finance Director

Robert Shockey

Chief of Police

Mary Holden

Community Development Director

Ed Blattner

Public Works Director

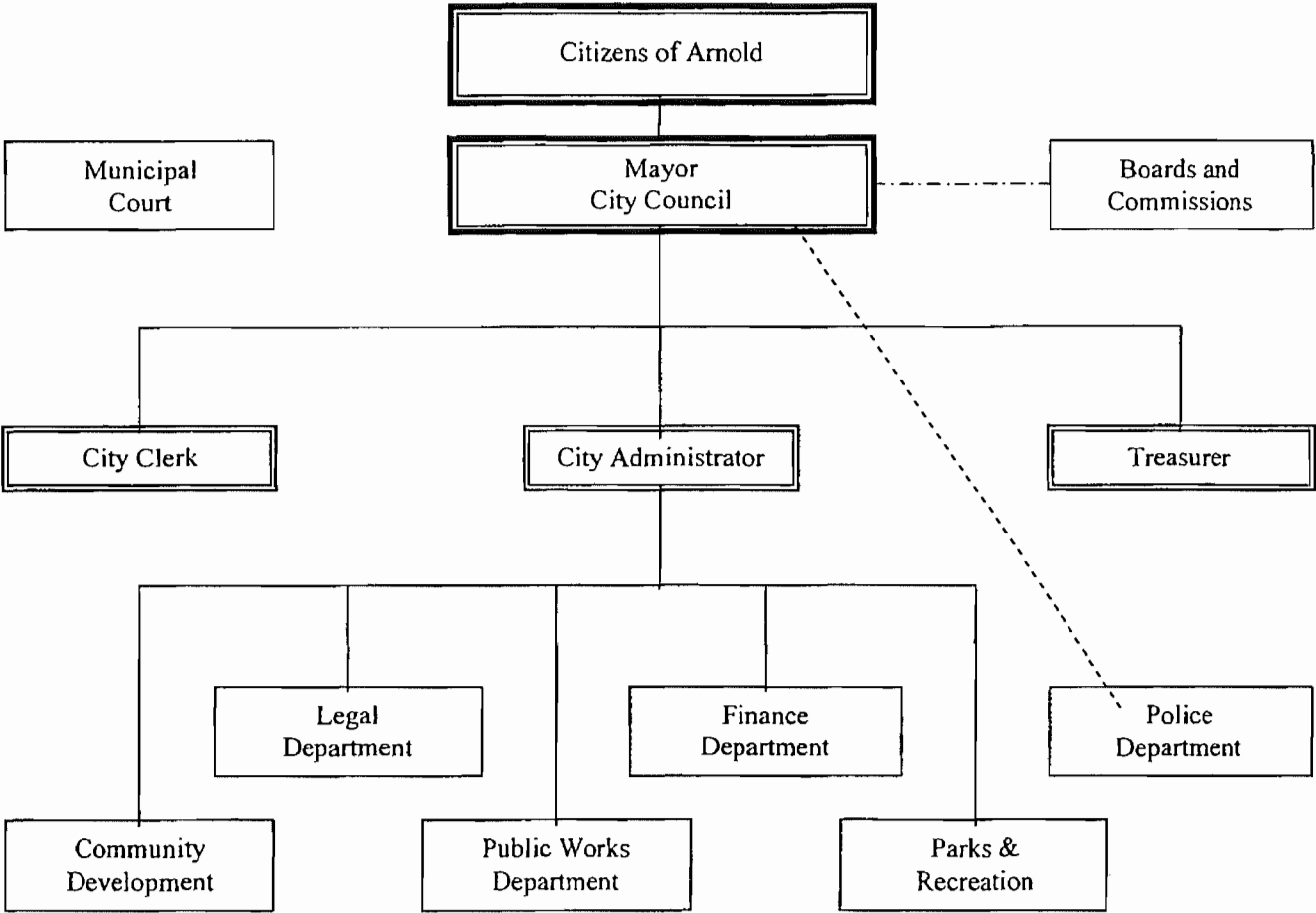
Greg Hall

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





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

INDEPENDENT AUDITOR'S REPORT

February 9, 2015

Honorable Mayor and Members of the City Council
CITY OF ARNOLD, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

15450 South Outer Forty Road, Suite 135, Chesterfield, Missouri 63017-2066, 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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of August 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Required Supplemental Information

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

Other Information

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

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial state-

ments or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 9, 2015, 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* in considering the City's internal control over financial reporting and compliance.

Hochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2014**

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, 2014. 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 and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$59,500,259 (*net position*). The City has a deficit unrestricted net position of \$22,384,990 due to \$31,294,329 in TIF bonds and notes outstanding at year-end for infrastructure assets not owned by the City.
- Governmental activities and business-type activities had a net position of \$40,515,413 and \$18,984,846, respectively, at fiscal year-end.
- The City's total net position decreased by \$564,679 during the fiscal year. The combined governmental activities decreasing by \$1,953,627 while the combined business-type activities increased by \$1,388,948.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$12,280,608, a decrease of \$1,241,229 in comparison with the prior year. Approximately 29% of this amount or \$3,608,130 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$5,121,204, or approximately 39% of total General Fund expenditures.
- The City's total outstanding long-term debt, including compensated absences, decreased by \$2,795,493 during the current fiscal year to a total of \$76,640,541. This decrease is attributable to the year's repayments. No new bonds were issued in the fiscal year.

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 supplemental information intended to furnish additional detail to support 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, in a manner similar to a private-sector company. The two government-wide statements, **Statement of Net Position** and **Statement of Activities**, report the City's net position and how it has 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 Position** presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position also provides information on the City's net investment in capital assets, restricted items, and unrestricted net position.

The **Statement of Activities** presents information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *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 (e.g., uncollected taxes and earned but unused vacation leave). 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.

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2014**

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety (police, courts, and justice services), public works, highways and streets, health and sanitation, tourism, 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 utility services provided by the City.

The government-wide financial statements include not only the City (known as the *primary government*), but also the legally separate Arnold Retail Corridor Transportation Development District (the District). The District is considered a component unit of the City. The District was 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 16 and 17 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 and storm water systems	Instances in which the City is the trustee or agent for someone else's resources, such as the retirement plan for City commissioned employees
Required financial statements	* Statement of net position * Statement of activities	* Balance Sheet * Statement of revenues, expenditures, and changes in fund balance	* Statement of net position * Statement of revenues, expenses, and changes in net position	* Statement of fiduciary net position * Statement of changes in fiduciary net position
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 groups related accounts together 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

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2014**

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*.

The City maintains five individual government funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Recreation Center Fund and Special Allocation Fund, which are considered major funds. Data for the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements in the other supplemental information section of this report.

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 18 through 21 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*. Typically, Internal Service Funds provide services that predominantly benefit governmental rather than performing business-type functions and are used to accumulate and allocate costs internally among an entity's various functions and departments.

The basic proprietary fund financial statements can be found on pages 22 through 25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 26 and 27 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 28 through 56 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 and pension information. Required supplemental information can be found on pages 57 through 64 of this report. Other supplemental information found on pages 65 through 70 contain comparative governmental funds statements and combining and individual statements for the nonmajor governmental funds.

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$59,500,259 at the close of the most recent fiscal year. This represents a decrease in net position of 0.94% or \$564,679 lower than fiscal 2013. (Table A-2)

At the end of the current fiscal year, the City had positive balances in seven categories of net position (net investment in capital assets; restricted for capital improvements; restricted for debt service; restricted for public safety; restricted for tax increment financing; restricted for tourism; and restricted for recreation) however, its unrestricted net position had a deficit balance of \$22,384,990.

Table A-2
City of Arnold's Net Position as of August 31, 2013 and 2014
(In thousands of dollars)

	<i>Governmental activities</i>		<i>Business-type activities</i>		<i>Total</i>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Current and other assets	\$ 18,495	17,601	5,224	6,267	23,719	23,868
Capital assets	79,958	77,541	41,167	40,591	121,125	118,132
Total assets	<u>98,453</u>	<u>95,142</u>	<u>46,391</u>	<u>46,858</u>	<u>144,844</u>	<u>142,000</u>
Total Deferred Outflows of Resources	<u>987</u>	<u>917</u>	<u>-</u>	<u>-</u>	<u>987</u>	<u>917</u>
Long-term debt outstanding	52,006	50,172	27,865	26,724	79,871	76,896
Other liabilities	4,965	5,372	930	1,149	5,895	6,521
Total liabilities	<u>56,971</u>	<u>55,544</u>	<u>28,795</u>	<u>27,873</u>	<u>85,766</u>	<u>83,417</u>
Net Investment in capital assets	62,496	60,954	13,383	13,867	75,879	74,821
Restricted for capital improvements	249	473	-	-	249	473
Restricted for debt service	3,049	3,049	588	527	3,637	3,576
Restricted for public safety	19	34	-	-	19	34
Restricted for tax increment financing	2,391	2,543	-	-	2,391	2,543
Restricted for tourism	42	110	-	-	42	110
Restricted for recreation	-	328	-	-	-	328
Unrestricted	<u>(25,777)</u>	<u>(26,976)</u>	<u>3,625</u>	<u>4,591</u>	<u>(22,152)</u>	<u>(22,385)</u>
Total net position	<u>\$ 42,469</u>	<u>40,515</u>	<u>17,596</u>	<u>18,985</u>	<u>60,065</u>	<u>59,500</u>

The largest portion of the City's net position, \$74,821,215 in 2014 (a decrease of approximately 1.4% from 2013), 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 position, \$7,064,034 represents resources that are subject to external restrictions on how they may be used. Of this amount, \$6,118,520 or over 87% is restricted by debt covenants while use of the remaining, \$945,514, is restricted by other governmental entities.

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2014**

The remaining category of the City's net position represents a deficit balance of *unrestricted net position* totaling \$22,384,990 in 2014. This represents an increase in the prior year's net position of \$232,339 or slightly over 1.05% and is due in part to a reduction in the outstanding TIF bonds and notes.

**Table A-3
Change in City's Net Positions for the Years Ended August 31, 2013 and 2014
(In thousands of dollars)**

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		<i>Percentage Change</i>
	2013	2014	2013	2014	2013	2014	2013 - 2014
Revenues							
Program revenues:							
Charges for services	\$ 3,121	2,862	5,023	4,903	8,144	7,765	(4.65) %
Operating grants	1,087	1,151	-	-	1,087	1,151	5.89
Capital grants	2,375	149	16	90	2,391	239	(90.00)
General revenues:							
Taxes	15,121	15,321	-	-	15,121	15,321	1.32
Investment income	48	22	241	218	289	240	(16.96)
Miscellaneous	190	130	12	2	202	132	(34.65)
Total revenues	<u>21,942</u>	<u>19,635</u>	<u>5,292</u>	<u>5,213</u>	<u>27,234</u>	<u>24,848</u>	(8.76)
Expenses							
General government	3,438	3,521	-	-	3,438	3,521	2.41
Public safety	5,699	5,564	-	-	5,699	5,564	(2.37)
Public works	653	507	-	-	653	507	(22.36)
Highways and streets	3,181	3,499	-	-	3,181	3,499	10.00
Parks and recreation	2,286	2,431	-	-	2,286	2,431	6.34
Health and sanitation	1,210	1,203	-	-	1,210	1,203	(0.58)
Economic development	132	121	-	-	132	121	(8.33)
Sewer system	-	-	4,138	4,111	4,138	4,111	(0.65)
Storm water system	-	-	608	596	608	596	(1.97)
Golf course	-	-	759	754	759	754	(0.66)
Interest on long-term debt	3,161	3,106	-	-	3,161	3,106	(1.74)
Total expenses	<u>19,760</u>	<u>19,952</u>	<u>5,505</u>	<u>5,461</u>	<u>25,265</u>	<u>25,413</u>	0.59
Excess (deficiency) before transfers	2,182	(317)	(213)	(248)	1,969	(565)	(128.69)
Transfers	(10)	(1,637)	10	1,637	-	-	-
Increase (decrease) in net position	2,172	(1,954)	(203)	1,389	1,969	(565)	(128.69)
Net position - September 1	40,297	42,469	17,799	17,596	58,096	60,065	3.39
Net position - August 31	<u>\$ 42,469</u>	<u>40,515</u>	<u>17,596</u>	<u>18,985</u>	<u>60,065</u>	<u>59,500</u>	(0.94) %

Governmental activities. Governmental activities decreased the City's net position by \$1,953,627. Key elements of this net decrease are as follows:

- The City transferred \$1,626,767 from the General Fund to subsidize operations at the Golf Course. An additional \$1,859,521 was transferred to the Arnold Recreation Center for the same purpose. Both amounts represent the elimination of accumulated due to/from interfund activity since the inception of these funds.
- Property tax revenues decreased by \$177,550 or 8.3% from fiscal 2013. Real property valuations dropped \$501,422 or 0.176%. Residential property values increased \$1,593,600 or 1% while commercial values

**CITY OF ARNOLD, MISSOURI
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FOR THE YEAR ENDED AUGUST 31, 2014**

decreased 2.15%. This was due in part to the completion of commercial construction within the TIF areas. The City elected to forgo a CPI increase in its property tax levy and left its fiscal year 2014 rate at the 2013 level.

- Sales tax revenues were \$266,884 or 2.76% higher than last year. This can be attributed to new retailers and improvement in the local economy.
- This year's gross receipts tax revenue was \$111,203 or 3.41% greater than prior year. While weather and rate increases provided a \$196,216 or 8.57% increase in electric and gas utility tax revenues, telephone utility tax revenues fell \$105,292 or 13.39% as consumers continue to eliminate residential landlines in favor of cellular service only. Cable TV provided the remaining increase in gross receipts tax.
- Overall charges for services revenue decreased 8.3% or \$258,958 as compared to 2013. This is due to a drop in Public Safety service fees of \$259,157 or 19.4%. The number of building permits issued in 2014 was down 6% or 36 permits from 2013. Building inspections completed were 2,431 in 2014 versus 2,899 in the prior year or a drop of more than 16.1%. These activities represent the majority of a \$93,167 or 30.87% reduction in permit fees. A moratorium imposed on the collection of automated traffic enforcement fines pending settlement of a statewide lawsuit and the slowing of payments on other court fines and fees resulted in a decrease of 18.5% or \$192,656 in court fines and costs.
- Capital Grants and Contributions were 93.7% or \$2,226,366 lower this fiscal year due to the completion of the Lone Star Drive Surface Transportation Program funded Astra Way, Highway 141 and Missouri State Road projects. Operating grants and contributions shows an increase of \$64,793 or almost 6.0% over last year. Approximately 72% of this increase or \$46,919 is attributable to additional funds from highway safety and other public safety programs.
- Due to a continuing low interest rate environment, investment income shows a decrease of \$25,844 or 53.6% during the current year.

Figure A-1

Sources of Revenue - Governmental Activities

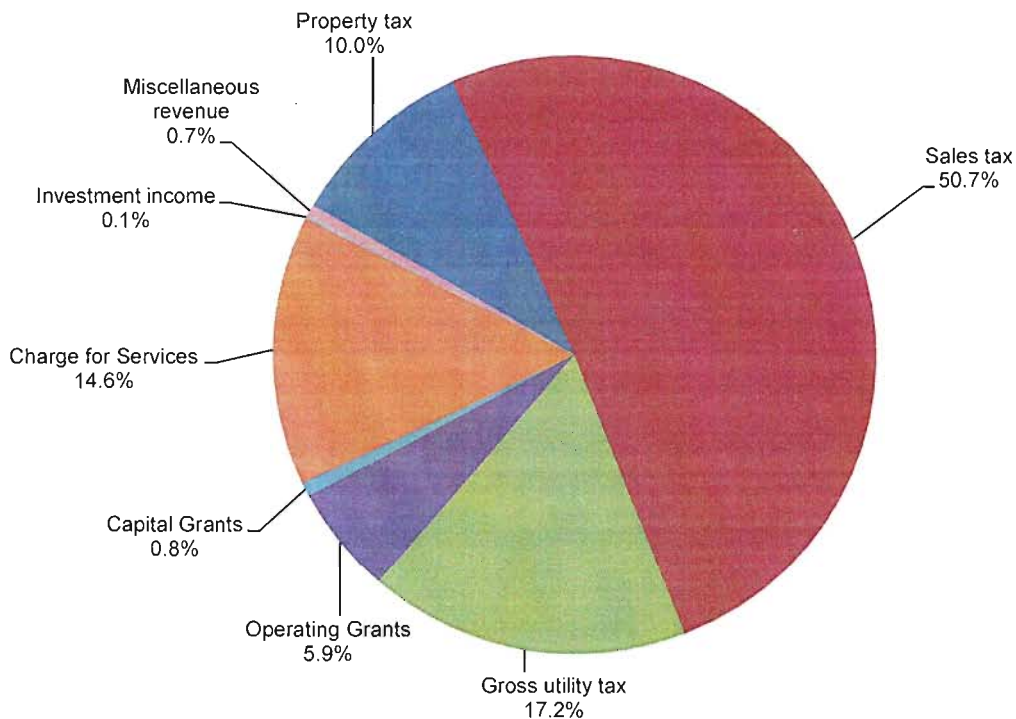


Figure A-2

Expenses by Function - Governmental Activities

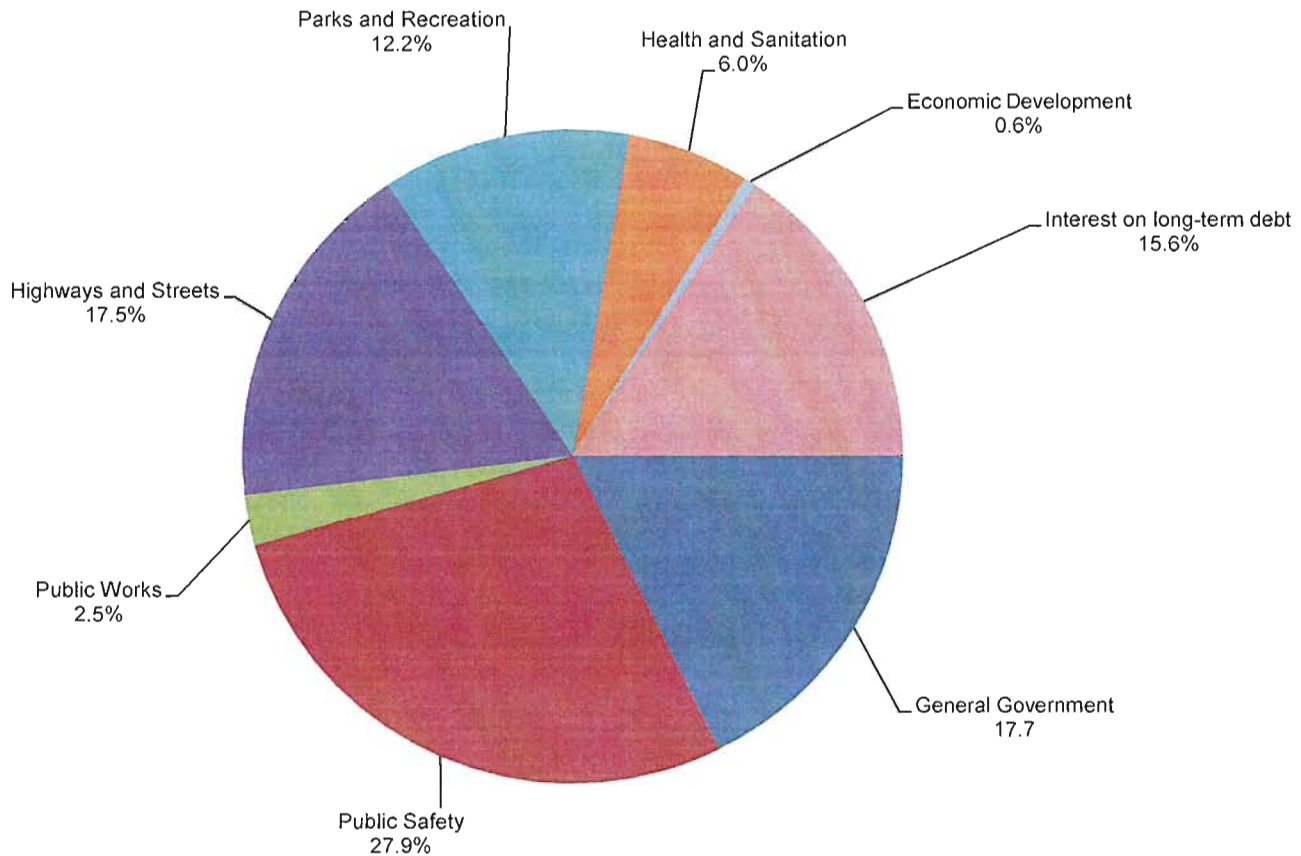


Table A-4 presents the cost of each of the City's seven governmental functions - general government including economic development, public safety (police, code enforcement, courts, and justice services), public works, highways and streets, parks and recreation (parks and recreation center), and health 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 \$19,952,272.
- However, the amount that our taxpayers paid for these activities through City taxes was \$13.8 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, 2014**

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

	Total Cost of Services		Percentage Change		Net Cost of Services		Percentage Change	
	2013	2014	2013 - 2014		2013	2014	2013 - 2014	
General government	\$ 3,438	3,521	2.36	%	\$ 2,936	3,036	3.29	%
Public safety	5,699	5,564	(2.43)		4,227	4,304	1.79	
Public works	653	507	(28.80)		(1,009)	507	150.25	
Highways and streets	3,181	3,499	10.00		1,566	2,395	52.94	
Parks and recreation	2,286	2,431	5.96		1,001	1,151	13.03	
Health and sanitation	1,210	1,203	(0.58)		1,163	1,169	0.51	
Economic development	132	121	(9.09)		132	122	(8.20)	
Interest on long-term debt	3,161	3,106	(1.74)		3,161	3,106	(1.74)	
Total	\$ 19,760	19,952	0.97	%	\$ 13,177	15,790	19.83	%

Business-type activities. Business activities increased the City's net position by \$1,388,948. The key element of this increase was the transfer of \$1,626,767 from the General Fund to the Golf Course fund to offset deficits incurred since its purchase. Other components are as follows:

- Charges for sewer services decreased by \$162,859 or approximately 4.1% during the current year. This is due to a reduction in usage as rates were the same as in the prior year. Although contracted sewer repairs increased \$418,833 as the City began implementing the irrigation and infiltration study recommendations, completion of this study dropped engineering costs \$477,545 from the prior year. Overall operating expenses show a slight decrease of \$26,745 or 0.65%.
- Storm water rates remain the same with charges for services decreasing \$4,351 or approximately 0.74% while cost of services decreased \$12,286 or 2.02% during the current year as no major in-house projects were begun.
- Charges for services increased \$47,530 or almost 11% at the City's public golf course this year over last but are still \$126,816 or 22.6% below revenues for fiscal year 2012. New leagues and tournaments provided \$40,076 in fees over last year. Memberships and daily admissions decreased \$10,246 or 17.2% and \$11,863 or 4.0% respectively while concessions including food, beverages and golf shop sales increased 3.7% or \$3,180. Operating expenses decreased \$5,301 or approximately 0.7% this year. A new pricing structure and marketing strategy has been adopted for fiscal year 2015.
- Investment income for all business-type activities decreased by \$22,319 or 9.3% 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, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As discussed previously, this year the City transferred \$1,859,521 to Arnold Recreation Center and \$1,626,767 to Pomme Creek Golf Course eliminating existing interfund receivables. These transfers account for the decrease in the City's General Fund of \$3,190,660 as compared with the prior year, leaving the General Fund with an ending fund balance of \$6,780,123. Of this amount \$522,442 represents prepaid items and is nonspendable. Additional amounts of \$572,734 and \$563,743 have been restricted for capital projects and debt service respectively. The City Council has committed

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2014**

portions of fund balance as follows: 1) \$192,075 for services and street improvements, 2) \$883,724 for sewer sub-district projects, 3) \$113,165 for greenway beautification, 4) \$281,567 for economic development, 5) \$9,066 for the pride in our City program and 6) \$33,477 in continued support of a city bus route. The remaining unassigned fund balance is \$3,608,130.

The Recreation Center Fund is strictly dedicated to the center's revenues and expenses. Revenues are generated through a ¼ cent general sales tax and user fees. The Recreation Center Fund reported an ending fund balance of \$328,253. Of this balance, prepaid items totaling \$12,194 are reported as nonspendable while the remaining \$316,059 is reported as restricted. As predicted prior to building the recreation center, sales tax receipts are 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 \$5,028,174 or an increase of \$151,721 or 3.1% above last year. Of this amount, 100% is restricted for debt service. In July 2009, bonds in the amount of \$28,485,000 were issued for the Arnold Commons TIF project. As of August 2014, \$25,615,000 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 2014, \$3,319,555 remains outstanding on the Arnold Crossroads and \$2,359,774 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 an unrestricted net position at the end of the fiscal year of \$4,529,722, a decrease of \$200,360 from prior year. The unrestricted net position for the Storm Water Fund is \$167,808, a decrease of \$128,681 from prior year. The Golf Fund ended the year with an unrestricted net position of (\$106,179), up \$1,295,740 from prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Results for the General Fund this year were lower than anticipated by \$2,026,462. Actual total revenues were \$637,526 above final budget while actual total expenditures were \$822,300 below budget. Transfers out to other funds totaling \$3,486,288 account for the remaining variance to budget.

Total tax revenue was over final estimated budget by \$480,769 or 4.5%. Sales tax revenues were \$39,340 or 0.64% higher than final budget. Gross receipts tax was \$386,690 or 13.9% higher than final budget. Electric utility tax budget estimate already adjusted upwards because of a public service commission approved rate increase was less than actual tax receipts by \$130,746 or 7.7%. This was due in part to higher consumer usage in the summer months. Motor fuel tax was \$54,739 or 11.5% above final budget.

Special assessment revenues were higher than anticipated by \$9,414 or 24.8%.

Although actual licenses and permits revenues were over budget, the final budget reflects a reduction in the number of building permits and inspections forecasted as the City becomes fully built-out. Merchant and other license revenues account for \$9,578 or 27% of this variance to budget.

An increase in bond forfeitures placed court fines over budget estimate by \$19,946 or 2.4%.

Intergovernmental revenues were \$94,199 or 46% over budget estimate due to year-end progress on the Surface Transportation Program Michigan Avenue project of \$34,710 or approximately 33.6% over budgeted amount. The balance is composed of revenue from various public safety grants.

Charges for service revenues were under budget estimate by \$35,157 or 31.9%. A \$50,800 over estimate in improvement plans accounts for this variance.

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FOR THE YEAR ENDED AUGUST 31, 2014**

General government actual expenditures were lower than final budget by \$208,139 or 7%. This was driven in part by lower than anticipated general and administrative expenses below estimate by \$141,074 including the opening of the small business co-working space in September 2014, a delay in the purchase of a new bus for the Jeffco Express the City committed to partially fund along with reduced subsidy for this local bus route and lower than anticipated expenditures for building repairs and utility costs. Attorney costs were below estimated budget by \$33,131 or 17% due to the elimination of weekly on-site office hours.

Public safety actual expenditures were under budget \$83,827 or 1.5% primarily due to police officer and community development planner vacancies. Labor drove dispatch costs \$3,946 over budget. The public works budget anticipated additional work on Melody Avenue improvements that did not occur. Highway and street expenditures were lower than estimated due lower than anticipated street repairs, asphalt and concrete expenditures.

Parks and Recreation wages were lower than final budget by \$54,504 or 47.5% of the variance with the balance in grass mowing and supply accounts. These variances were due in part to weather conditions.

Capital outlays ended the year under budget by \$179,039 or 34% due to slower than anticipated progress on the Tenbrook sidewalk project and savings on the Michigan Avenue project right-of-way acquisition costs.

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, 2014, amounted to \$118,132,381 (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 2.47% (governmental activities decreased 3.0% and a 1.4% decrease for business-type activities). (See table A-5)

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

- Increases in General Fund CWIP include continued work on Michigan Avenue (\$134,345), Melody Lane (\$72,885), Tenbrook Sidewalks (\$65,133) and remodeling of the Health Department (\$46,986).
- General Fund received vacant land donations of 18.32 acres valued at \$9,200 and a .24 acre parcel valued at \$1,400.
- Highway and streets purchased a pavement grinder (\$7,990) and a power pump mudjack (\$12,863) for work on street and sidewalk repairs along with two replacement truck beds (\$15,626). Parks purchased a new brush cutter (\$5,992) for park property maintenance.
- Several street and parks vehicles were retired including four dump trucks valued at \$250,369.
- The Sewer Fund purchased a GPS locator (\$9,495), sewer camera upgrades and new software (\$34,314) and new trenching (\$16,430) for their operations. Three new pick-ups (\$110,803) were purchased for operations use.
- The golf course purchased an aerator (\$15,850) for use on the greens and fairway.

For more detailed information about the City's capital assets, see note C to the financial statements, pages 36 and 38.

**CITY OF ARNOLD, MISSOURI
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FOR THE YEAR ENDED AUGUST 31, 2014**

**Table A-5
City's Capital Assets as of August 31, 2013 and 2014
(Net of depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities		Capital Assets	
	2013	2014	2013	2014	2013	2014
Land	\$ 27,766,805	27,816,002	3,516,553	3,516,553	31,283,358	31,332,555
Buildings	12,701,732	12,103,391	571,832	543,854	13,273,564	12,647,245
Treatment plants	-	-	71,580	98,599	71,580	98,599
Machinery and equipment	347,862	313,006	384,434	473,406	732,296	786,412
Automobiles and trucks	1,013,985	825,543	-	-	1,013,985	825,543
Infrastructure	38,005,395	36,037,999	-	-	38,005,395	36,037,999
Intangible	-	-	16,084,743	15,719,362	16,084,743	15,719,362
Storm water lines	-	-	128,209	272,547	128,209	272,547
Sewer lines	-	-	20,153,896	19,655,581	20,153,896	19,655,581
Construction in progress	122,496	445,344	256,307	311,194	378,803	756,538
Total	\$ 79,958,275	77,541,285	41,167,554	40,591,096	121,125,829	118,132,381

Long-term debt. At year-end the City had \$75,912,645 in bonds and notes outstanding - a decrease of 3.76% from last year - as shown in Table A-6. No new debt was issued in fiscal year 2014.

For more detailed information about the City's long-term liabilities, see note D in the notes to financial statements, pages 39 through 43.

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 \$35,185,812. The City currently has no general obligation debt outstanding.

**Table A-6
City's Outstanding Debt as of August 31, 2013 and 2014
(In millions of dollars)**

	Governmental		Business-type		Total		Percentage
	Activities		Activities				Change
	2013	2014	2013	2014	2013	2014	2013 - 2014
Revenue bonds and notes (backed by specific tax and fee revenues)	\$ 51,014	49,188	27,866	26,724	78,880	75,912	(3.76) %

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Economic Factors and Next Year's Budgets and Rates

- The unemployment rate, not seasonally adjusted, for Jefferson County for August 2014 was 6.0%, which is a decrease from a rate of 6.5% a year ago. This is lower than the state's average unemployment rate of 6.1% and lower than the national average rate of 6.3%, all rates not seasonally adjusted.
- The Consumer Price Index indicates that nationwide inflation has increased 1.7% over the August 2013 rate. Although unfavorable to the Northeast region (1.3%), inflationary trends for the Midwest region (1.6%) compare favorably to the South (1.7%) and West (2.1%) regions indices.

All of these factors were considered in preparing the City's budget for the 2015 fiscal year.

The property tax rate set to support the 2015 fiscal year budget is \$0.4012 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 remain unchanged for calendar 2015. 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 rate analysis will be completed and changes, if any, implemented along with the mid-year budget review process. 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 City of Arnold Finance Office, 2101 Jeffco Blvd., Arnold, MO, 63010.

CITY OF ARNOLD, MISSOURI

STATEMENT OF NET POSITION

AUGUST 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Transportation Development District
ASSETS				
Cash and investments	\$ 7,597,896	5,116,139	12,714,035	3,711,745
Receivables (net of allowances for uncollectibles):				
Taxes	3,030,442	-	3,030,442	-
Special assessments	1,086,705	-	1,086,705	-
Service fees	-	621,704	621,704	-
Intergovernmental	126,057	-	126,057	-
Miscellaneous	239,969	-	239,969	-
Internal balances	182	(182)	-	-
Prepaid items	543,636	2,822	546,458	-
Restricted assets:				
Cash and investments	3,658,725	526,619	4,185,344	-
Capital improvements sales tax receivable	473,203	-	473,203	-
Net pension asset	843,731	-	843,731	-
Capital assets:				
Land and construction in progress	28,261,346	3,827,747	32,089,093	-
Other capital assets, net of accumulated depreciation	49,279,939	36,763,349	86,043,288	-
Total Assets	<u>95,141,831</u>	<u>46,858,198</u>	<u>142,000,029</u>	<u>3,711,745</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	916,936	-	916,936	-
LIABILITIES				
Accounts payable	2,303,158	474,495	2,777,653	-
Accrued liabilities	244,563	128,996	373,559	-
Accrued interest payable	2,582,473	182,226	2,764,699	-
Unearned revenue	241,104	363,415	604,519	-
Noncurrent liabilities:				
Due within one year:				
Long-term debt	2,121,974	1,091,655	3,213,629	665,000
Due in more than one year:				
Long-term debt	47,794,347	25,632,565	73,426,912	17,005,000
Net pension obligation	40,335	-	40,335	-
Net OPEB obligation	215,400	-	215,400	-
Total Liabilities	<u>55,543,354</u>	<u>27,873,352</u>	<u>83,416,706</u>	<u>17,670,000</u>
NET POSITION				
Net investment in capital assets	60,954,323	13,866,892	74,821,215	-
Restricted for capital improvements	473,203	-	473,203	-
Restricted for debt service	3,049,366	526,603	3,575,969	1,878,830
Restricted for public safety	33,549	-	33,549	-
Restricted for tax increment financing	2,542,551	-	2,542,551	-
Restricted for tourism	110,509	-	110,509	-
Restricted for recreation	328,253	-	328,253	-
Restricted for transportation development	-	-	-	1,832,915
Unrestricted net position	(26,976,341)	4,591,351	(22,384,990)	(17,670,000)
Total Net Position	<u>\$ 40,515,413</u>	<u>18,984,846</u>	<u>59,500,259</u>	<u>(13,958,255)</u>

See notes to financial statements

CITY OF ARNOLD, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014

FUNCTIONS/PROGRAMS	Net Revenues (Expenses) And Changes In Net Position							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	\$ 3,521,130	474,475	-	10,600	(3,036,055)	-	(3,036,055)	-
Public safety	5,564,406	1,076,383	184,136	-	(4,303,887)	-	(4,303,887)	-
Public works	506,642	-	-	-	(506,642)	-	(506,642)	-
Highways and streets	3,499,006	-	965,602	138,100	(2,395,304)	-	(2,395,304)	-
Parks and recreation	2,430,932	1,279,638	15	-	(1,151,279)	-	(1,151,279)	-
Health and sanitation	1,202,951	31,859	1,660	-	(1,169,432)	-	(1,169,432)	-
Economic development	121,639	-	-	-	(121,639)	-	(121,639)	-
Interest on long-term debt	3,105,566	-	-	-	(3,105,566)	-	(3,105,566)	-
Total Governmental Activities	<u>19,952,272</u>	<u>2,862,355</u>	<u>1,151,413</u>	<u>148,700</u>	<u>(15,789,804)</u>	<u>-</u>	<u>(15,789,804)</u>	<u>-</u>
Business-type Activities								
Sewer system	4,111,479	3,834,801	-	89,460	-	(187,218)	(187,218)	-
Storm water	595,741	585,636	-	-	-	(10,105)	(10,105)	-
Golf	753,705	482,520	-	-	-	(271,185)	(271,185)	-
Total Business-type Activities	<u>5,460,925</u>	<u>4,902,957</u>	<u>-</u>	<u>89,460</u>	<u>-</u>	<u>(468,508)</u>	<u>(468,508)</u>	<u>-</u>
Total Primary Government	<u>\$ 25,413,197</u>	<u>7,765,312</u>	<u>1,151,413</u>	<u>238,160</u>	<u>(15,789,804)</u>	<u>(468,508)</u>	<u>(16,258,312)</u>	<u>-</u>
Component Unit								
Transportation development district	\$ 1,370,928	-	-	-	-	-	-	(1,370,928)
General Revenues								
Taxes:								
Property					1,959,557	-	1,959,557	-
Sales					9,943,752	-	9,943,752	2,237,580
Gross receipts					3,375,222	-	3,375,222	-
Miscellaneous					41,950	-	41,950	-
Investment income					22,368	218,439	240,807	1,899
Miscellaneous					115,861	1,550	117,411	-
Gain on sale of capital assets					14,234	700	14,934	-
Transfers					(1,636,767)	1,636,767	-	-
Total General Revenues And Transfers					<u>13,836,177</u>	<u>1,857,456</u>	<u>15,693,633</u>	<u>2,239,479</u>
CHANGE IN NET POSITION					(1,953,627)	1,388,948	(564,679)	868,551
NET POSITION, SEPTEMBER 1					42,469,040	17,595,898	60,064,938	(14,826,806)
NET POSITION, AUGUST 31					<u>\$ 40,515,413</u>	<u>18,984,846</u>	<u>59,500,259</u>	<u>(13,958,255)</u>

See notes to financial statements

CITY OF ARNOLD, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2014

	<u>General</u>	<u>Recreation Center</u>	<u>Special Allocation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 5,706,818	462,348	1,301,939	126,791	7,597,896
Receivables (net of allowances for uncollectibles):					
Taxes	1,527,467	246,203	1,231,776	24,996	3,030,442
Special assessments	1,086,705	-	-	-	1,086,705
Intergovernmental	126,057	-	-	-	126,057
Court	128,205	-	-	-	128,205
Miscellaneous	71,071	40,693	-	-	111,764
Due from other funds	150,264	-	158,836	1,000	310,100
Prepaid items	522,442	12,194	-	9,000	543,636
Restricted assets:					
Cash and investments	1,173,102	-	2,485,623	-	3,658,725
Capital improvements sales tax receivable	473,203	-	-	-	473,203
Total Assets	<u>\$ 10,965,334</u>	<u>761,438</u>	<u>5,178,174</u>	<u>161,787</u>	<u>17,066,733</u>
LIABILITIES					
Accounts payable	\$ 2,076,150	217,002	-	10,006	2,303,158
Accrued liabilities	234,165	9,585	-	813	244,563
Due to other funds	128,151	31,767	150,000	-	309,918
Unearned revenue	59,363	174,831	-	6,910	241,104
Total Liabilities	<u>2,497,829</u>	<u>433,185</u>	<u>150,000</u>	<u>17,729</u>	<u>3,098,743</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Special assessments	1,086,354	-	-	-	1,086,354
Court fines	127,825	-	-	-	127,825
Taxes	473,203	-	-	-	473,203
Total Deferred Inflows Of Resources	<u>1,687,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,687,382</u>
FUND BALANCES					
Nonspendable:					
Prepaid items	522,442	12,194	-	9,000	543,636
Restricted for:					
Capital projects	572,734	-	-	-	572,734
Debt service	563,743	-	2,485,623	-	3,049,366
Recreation Center	-	316,059	-	-	316,059
Public safety	-	-	-	33,549	33,549
Tax increment financing	-	-	2,542,551	-	2,542,551
Tourism	-	-	-	101,509	101,509
Committed for:					
Purchase of services and street improvements	192,075	-	-	-	192,075
Sewer subdistrict projects	883,724	-	-	-	883,724
Greenway beautification	113,165	-	-	-	113,165
Economic development	281,567	-	-	-	281,567
Pride in our City	9,066	-	-	-	9,066
City bus route	33,477	-	-	-	33,477
Unassigned	3,608,130	-	-	-	3,608,130
Total Fund Balances	<u>6,780,123</u>	<u>328,253</u>	<u>5,028,174</u>	<u>144,058</u>	<u>12,280,608</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 10,965,334</u>	<u>761,438</u>	<u>5,178,174</u>	<u>161,787</u>	<u>17,066,733</u>

CITY OF ARNOLD, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
AUGUST 31, 2014

Total Fund Balances - Governmental Funds	\$ 12,280,608
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 \$125,916,997 and the accumulated depreciation is \$48,375,712.	77,541,285
Certain assets and liabilities are not financial resources (uses) and, therefore, are not reported in the governmental funds.	
Net pension asset	843,731
Net pension obligation	(40,335)
Net OPEB obligation	(215,400)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	1,687,382
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	(2,582,473)
Accrued compensated absences	(727,896)
Certificates of participation outstanding	(18,070,000)
Tax increment revenue bonds outstanding	(25,615,000)
Tax increment revenue notes outstanding	(5,679,329)
Unamortized bond premium	(6,632)
Unamortized bond deferred charges	916,936
Unamortized bond discount	182,536
	182,536
Total Net Position Of Governmental Activities	\$ 40,515,413

CITY OF ARNOLD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

	General	Recreation Center	Special Allocation	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 11,158,074	1,255,500	3,298,133	148,747	15,860,454
Special assessments	47,414	-	-	-	47,414
Licenses and permits	652,512	-	-	-	652,512
Fines and court costs	847,185	-	-	-	847,185
Intergovernmental	298,735	-	-	24,648	323,383
Charges for services	74,913	1,230,174	-	50,151	1,355,238
Investment income	20,661	571	1,127	9	22,368
Miscellaneous	314,718	19,147	-	-	333,865
Total Revenues	<u>13,414,212</u>	<u>2,505,392</u>	<u>3,299,260</u>	<u>223,555</u>	<u>19,442,419</u>
EXPENDITURES					
Current:					
General government	2,748,614	-	7,500	120,416	2,876,530
Public safety	5,610,226	-	-	10,665	5,620,891
Public works	618,618	-	-	-	618,618
Highways and streets	1,401,373	-	-	-	1,401,373
Parks and recreation	583,560	1,737,390	-	-	2,320,950
Health and sanitation	1,203,039	-	-	-	1,203,039
Economic development	-	-	121,639	-	121,639
Capital outlay	348,711	-	-	-	348,711
Debt service:					
Principal	415,177	530,000	892,823	-	1,838,000
Interest	219,366	382,287	2,125,577	-	2,727,230
Total Expenditures	<u>13,148,684</u>	<u>2,649,677</u>	<u>3,147,539</u>	<u>131,081</u>	<u>19,076,981</u>
REVENUES OVER (UNDER) EXPEN- DITURES	<u>265,528</u>	<u>(144,285)</u>	<u>151,721</u>	<u>92,474</u>	<u>365,438</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	30,100	-	-	-	30,100
Transfers in	-	1,859,521	-	-	1,859,521
Transfers out	(3,486,288)	-	-	(10,000)	(3,496,288)
Total Other Financing Sources (Uses)	<u>(3,456,188)</u>	<u>1,859,521</u>	<u>-</u>	<u>(10,000)</u>	<u>(1,606,667)</u>
NET CHANGE IN FUND BALANCES	(3,190,660)	1,715,236	151,721	82,474	(1,241,229)
FUND BALANCES (DEFICIT), SEPTEM- BER 1	<u>9,970,783</u>	<u>(1,386,983)</u>	<u>4,876,453</u>	<u>61,584</u>	<u>13,521,837</u>
FUND BALANCES, AUGUST 31	<u>\$ 6,780,123</u>	<u>328,253</u>	<u>5,028,174</u>	<u>144,058</u>	<u>12,280,608</u>

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, 2014

Net Change In Fund Balances - Governmental Funds \$ (1,241,229)

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 (\$2,822,523) exceeded capital outlays over the capitalization threshold (\$410,799) in the current period. (2,411,724)

The net effect of various transactions involving capital assets:

Disposal of capital assets	(15,866)
Donated capital assets	10,600

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 113,802

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 position. Also, the governmental funds report the effect of 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.

Repayments:

Capital lease obligations payable	70,177	
Certificates of participation	875,000	
Tax increment revenue bonds	840,000	
Tax increment revenue notes	52,823	
Amortization	(83,070)	
Net Adjustment	1,754,930	1,754,930

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	(295,266)	
Net pension asset (obligation)	122,180	
Net pension obligation	176	
Accrued compensated absences	8,770	(164,140)

Change In Net Position Of Governmental Activities \$ (1,953,627)

CITY OF ARNOLD, MISSOURI
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
AUGUST 31, 2014

	Business-type Activities - Enterprise Funds			
	Sewer	Storm Water	Golf	Total
ASSETS				
Current Assets				
Cash and investments	\$ 4,945,823	170,116	200	5,116,139
Service fees (net of allowances for uncollectibles)	533,382	88,322	-	621,704
Due from other funds	265	-	-	265
Prepaid items	146	146	2,530	2,822
Total Current Assets	<u>5,479,616</u>	<u>258,584</u>	<u>2,730</u>	<u>5,740,930</u>
Noncurrent Assets				
Capital assets:				
Land and construction in progress	433,735	38,820	3,355,192	3,827,747
Other capital assets, net of accumulated depreciation	35,952,130	622,271	188,948	36,763,349
Total Capital Assets	<u>36,385,865</u>	<u>661,091</u>	<u>3,544,140</u>	<u>40,591,096</u>
Restricted cash and investments	200,642	-	325,977	526,619
Total Noncurrent Assets	<u>36,586,507</u>	<u>661,091</u>	<u>3,870,117</u>	<u>41,117,715</u>
Total Assets	<u>42,066,123</u>	<u>919,675</u>	<u>3,872,847</u>	<u>46,858,645</u>
LIABILITIES				
Current Liabilities				
Accounts payable	437,161	10,240	27,094	474,495
Accrued liabilities	58,759	31,608	38,629	128,996
Due to other funds	-	447	-	447
Accrued interest payable	139,040	-	43,186	182,226
Unearned revenue	314,934	48,481	-	363,415
Revenue bonds payable - current	441,667	-	120,000	561,667
Notes payable - current	529,988	-	-	529,988
Total Current Liabilities	<u>1,921,549</u>	<u>90,776</u>	<u>228,909</u>	<u>2,241,234</u>
Noncurrent Liabilities				
Revenue bonds payable	7,702,665	-	3,813,098	11,515,763
Notes payable	14,116,802	-	-	14,116,802
Total Noncurrent Liabilities	<u>21,819,467</u>	<u>-</u>	<u>3,813,098</u>	<u>25,632,565</u>
Total Liabilities	<u>23,741,016</u>	<u>90,776</u>	<u>4,042,007</u>	<u>27,873,799</u>
NET POSITION				
Net investment in capital assets	13,594,751	661,091	(388,950)	13,866,892
Restricted for debt service	200,634	-	325,969	526,603
Unrestricted	4,529,722	167,808	(106,179)	4,591,351
Total Net Position	<u>\$ 18,325,107</u>	<u>828,899</u>	<u>(169,160)</u>	<u>18,984,846</u>

CITY OF ARNOLD, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

	Business-type Activities - Enterprise Funds			Total
	Sewer	Storm Water	Golf	
OPERATING REVENUES				
Charges for services	\$ 3,834,801	585,636	482,520	4,902,957
OPERATING EXPENSES				
Cost of services	1,872,426	513,171	540,414	2,926,011
Administration	138,000	36,000	-	174,000
Depreciation and amortization	1,015,662	46,545	39,753	1,101,960
Total Operating Expenses	<u>3,026,088</u>	<u>595,716</u>	<u>580,167</u>	<u>4,201,971</u>
OPERATING INCOME (LOSS)	<u>808,713</u>	<u>(10,080)</u>	<u>(97,647)</u>	<u>700,986</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	217,207	1,197	35	218,439
Gain on sale of assets	700	-	-	700
Proceeds from insurance	-	-	1,550	1,550
Interest expense	<u>(1,085,391)</u>	<u>(25)</u>	<u>(173,538)</u>	<u>(1,258,954)</u>
Total Nonoperating Revenues (Expenses)	<u>(867,484)</u>	<u>1,172</u>	<u>(171,953)</u>	<u>(1,038,265)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANS- FERS	(58,771)	(8,908)	(269,600)	(337,279)
CAPITAL CONTRIBUTIONS	89,460	-	-	89,460
TRANSFER IN	<u>-</u>	<u>-</u>	<u>1,636,767</u>	<u>1,636,767</u>
CHANGE IN NET POSITION	30,689	(8,908)	1,367,167	1,388,948
NET POSITION, SEPTEMBER 1	<u>18,294,418</u>	<u>837,807</u>	<u>(1,536,327)</u>	<u>17,595,898</u>
NET POSITION, AUGUST 31	<u><u>\$ 18,325,107</u></u>	<u><u>828,899</u></u>	<u><u>(169,160)</u></u>	<u><u>18,984,846</u></u>

See notes to financial statements

CITY OF ARNOLD, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

	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	\$ 3,694,910	567,132	482,520	4,744,562
Payments to suppliers	(1,713,472)	(523,043)	(528,452)	(2,764,967)
Payments to employees	(131,571)	(33,519)	-	(165,090)
Other receipts	-	-	1,550	1,550
Net Cash Provided By (Used In) Operating Activities	<u>1,849,867</u>	<u>10,570</u>	<u>(44,382)</u>	<u>1,816,055</u>
Cash flows from noncapital financing activities:				
Due from other funds	869	17	-	886
Due to other funds	(61,788)	(45,442)	(1,307,502)	(1,414,732)
Transfer from other funds	-	-	1,636,767	1,636,767
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>(60,919)</u>	<u>(45,425)</u>	<u>329,265</u>	<u>222,921</u>
Cash flows from capital and related financing activities:				
Proceeds from disposition of assets	700	-	-	700
Purchase of capital assets	(266,041)	(162,858)	(15,686)	(444,585)
Principal payments on notes payable	(444,411)	-	-	(444,411)
Principal payments on bonds	(569,999)	-	(115,000)	(684,999)
Principal payments on capital lease	-	(3,460)	-	(3,460)
Interest expense	(981,153)	(25)	(173,538)	(1,154,716)
Net Cash Used In Capital And Related Financing Activities	<u>(2,260,904)</u>	<u>(166,343)</u>	<u>(304,224)</u>	<u>(2,731,471)</u>
Cash flows from investing activities:				
Investment income	217,207	1,197	35	218,439
Proceeds from sale of investments	262,242	-	345,483	607,725
Purchase of investments	(200,642)	-	(325,977)	(526,619)
Net Cash Provided By Investing Activities	<u>278,807</u>	<u>1,197</u>	<u>19,541</u>	<u>299,545</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(193,149)	(200,001)	200	(392,950)
CASH AND CASH EQUIVALENTS, SEPTEMBER 1	<u>5,138,972</u>	<u>370,117</u>	<u>-</u>	<u>5,509,089</u>
CASH AND CASH EQUIVALENTS, AUGUST 31	<u>\$ 4,945,823</u>	<u>170,116</u>	<u>200</u>	<u>5,116,139</u>

CITY OF ARNOLD, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)
FOR THE YEAR ENDED AUGUST 31, 2014

Business-type Activities - Enterprise Funds

	<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)	\$ 808,713	(10,080)	(97,647)	700,986
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,015,662	46,545	39,753	1,101,960
Miscellaneous receipts	-	-	1,550	1,550
(Increase) decrease in:				
Receivables	(145,089)	(18,740)	-	(163,829)
Prepaid items	54,617	(32)	5,525	60,110
Increase (decrease) in:				
Accounts payable	104,337	(9,840)	(2,679)	91,818
Accrued liabilities	6,429	2,481	9,116	18,026
Unearned revenues	5,198	236	-	5,434
Total Adjustments	<u>1,041,154</u>	<u>20,650</u>	<u>53,265</u>	<u>1,115,069</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,849,867</u>	<u>10,570</u>	<u>(44,382)</u>	<u>1,816,055</u>
Noncash operating, financing, and investing activities:				
Contributions of capital assets from developer	<u>\$ 89,460</u>	<u>-</u>	<u>-</u>	<u>89,460</u>

CITY OF ARNOLD, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION -
PENSION TRUST FUND
AUGUST 31, 2014

ASSETS

Mutual funds

\$ 9,943,483

NET POSITION

Held in trust for pension benefits

\$ 9,943,483

CITY OF ARNOLD, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - PENSION TRUST FUND
FOR THE YEAR ENDED AUGUST 31, 2014

ADDITIONS

Contributions:

Employer contributions	\$ 398,707
Employee contributions	167,870
Total Contributions	<u>566,577</u>

Investment income:

Net appreciation in fair value of investments, interest, and dividends	1,018,329
Less - Investment expense	<u>(56,668)</u>
Net Investment Income	<u>961,661</u>
Total Additions	1,528,238

DEDUCTIONS

Retirement benefits	<u>412,324</u>
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CHANGE IN NET POSITION

1,115,914

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

8,827,569

NET POSITION HELD IN TRUST FOR PENSION BENEFITS,
AUGUST 31

\$ 9,943,483

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 position 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 revenues in the year for which they are levied.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 ¼¢ 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.

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 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2014
General Fund	\$10,972
Sewer Fund	<u>7,055</u>
Total	<u>\$18,027</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 recorded as expenditures when consumed rather than purchased. 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.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 position. Bond premiums and discounts, are deferred and amortized over the life of the bond

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Long-term Obligations (Continued)

using the straight-line method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

14. Fund Balance Policies

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

Nonspendable -- The portion of fund 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance Policies (Continued)

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.

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.

15. 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 \$192,075 for the General Fund.

16. Use of Estimates

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

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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 possession 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 (FDIC).

As of August 31, 2014, 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.

As of August 31, 2014, the discretely presented component units' bank balances were entirely insured or collateralized with securities by the discretely presented component units or by their agents in the discretely presented component units' name.

2. Investments

As of August 31, 2014, the City had the following investments:

Investments	Fair Value	Maturities			Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	
Primary Government					
Certificates of deposit	\$ 2,943,000	-	2,453,000	490,000	N/A
Repurchase agreement	3,409,000	-	3,409,000	-	AAA
Government securities:					
Federal Home Loan Bank	1,000,312	-	-	1,000,312	AA
Federal Home Loan Mortgage Corporation	500,000	-	-	500,000	AA
Money market funds	4,524,030	4,524,030	-	-	Not rated
Total Primary Government	<u>12,376,342</u>	<u>4,524,030</u>	<u>5,862,000</u>	<u>1,990,312</u>	
Component Unit					
Certificates of deposit	245,000	-	245,000	-	N/A
Money market funds	3,441,541	3,441,541	-	-	Not rated
Total Component Unit	<u>3,686,541</u>	<u>3,441,541</u>	<u>245,000</u>	<u>-</u>	
Fiduciary Fund					
Mutual funds	9,943,483	9,943,483	-	-	N/A
Grand Total Investments	<u>\$ 26,006,366</u>	<u>17,909,054</u>	<u>6,107,000</u>	<u>1,990,312</u>	

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

2. Investments (Continued)

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 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 FDIC, 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, 2014

	<u>Balance August 31 2013</u>	<u>Transfers And Additions</u>	<u>Transfers And Deletions</u>	<u>Balance August 31 2014</u>
Governmental Activities				
Capital assets not being depreciated:				
Land and right-of-way	\$ 27,766,805	49,197	-	27,816,002
Construction in progress	122,496	323,856	1,008	445,344
Total Capital Assets Not Being Depreciated	<u>27,889,301</u>	<u>373,053</u>	<u>1,008</u>	<u>28,261,346</u>
Capital assets being depreciated:				
Buildings and other improvements	18,907,543	-	-	18,907,543
Automotive equipment	2,552,965	15,626	286,505	2,282,086
Machinery and equipment	2,246,092	32,720	-	2,278,812
Infrastructure	74,186,202	1,008	-	74,187,210
Total Capital Assets Being Depreciated	<u>97,892,802</u>	<u>49,354</u>	<u>286,505</u>	<u>97,655,651</u>
Less - Accumulated depreciation for:				
Buildings and other improvements	6,205,811	598,341	-	6,804,152
Automotive equipment	1,538,980	188,202	270,639	1,456,543
Machinery and equipment	1,898,230	67,576	-	1,965,806
Infrastructure	36,180,807	1,968,404	-	38,149,211
Total Accumulated Depreciation	<u>45,823,828</u>	<u>2,822,523</u>	<u>270,639</u>	<u>48,375,712</u>
Total Capital Assets Being Depreciated, Net	<u>52,068,974</u>	<u>(2,773,169)</u>	<u>15,866</u>	<u>49,279,939</u>
Governmental Activities Capital Assets, Net	<u>\$ 79,958,275</u>	<u>(2,400,116)</u>	<u>16,874</u>	<u>77,541,285</u>

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

	<u>For The Year Ended August 31 2014</u>
Governmental Activities	
General government	\$ 589,542
Public safety	70,080
Public works	25,091
Highways and streets	2,098,422
Parks and recreation	<u>39,388</u>
Total	<u>\$2,822,523</u>

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended August 31, 2014

	<u>Balance August 31 2013</u>	<u>Transfers And Additions</u>	<u>Transfers And Deletions</u>	<u>Balance August 31 2014</u>
Business-type Activities				
Capital assets not being depreciated:				
Land and right-of-way	\$ 3,516,553	-	-	3,516,553
Construction in progress	256,307	207,935	153,048	311,194
Total Capital Assets Not Being Depreciated	<u>3,772,860</u>	<u>207,935</u>	<u>153,048</u>	<u>3,827,747</u>
Capital assets being depreciated:				
Buildings	649,786	-	-	649,786
Treatment plants	479,616	43,984	-	523,600
Machinery and equipment	1,887,420	192,667	37,023	2,043,064
Intangibles	18,183,339	-	-	18,183,339
Storm water lines	144,152	152,648	-	296,800
Sewer lines	29,404,360	89,860	-	29,494,220
Total Capital Assets Being Depreciated	<u>50,748,673</u>	<u>479,159</u>	<u>37,023</u>	<u>51,190,809</u>
Less - Accumulated depreciation for:				
Buildings	77,954	27,978	-	105,932
Treatment plants	408,036	16,965	-	425,001
Machinery and equipment	1,502,986	103,695	37,023	1,569,658
Intangibles	2,098,596	365,381	-	2,463,977
Storm water lines	15,943	8,310	-	24,253
Sewer lines	9,250,464	588,175	-	9,838,639
Total Accumulated Depreciation	<u>13,353,979</u>	<u>1,110,504</u>	<u>37,023</u>	<u>14,427,460</u>
Total Capital Assets Being Depreciated, Net	<u>37,394,694</u>	<u>(631,345)</u>	<u>-</u>	<u>36,763,349</u>
Business-type Activities Capital Assets, Net	<u>\$ 41,167,554</u>	<u>(423,410)</u>	<u>153,048</u>	<u>40,591,096</u>

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

	<u>For The Year Ended August 31 2014</u>
Business-type Activities	
Sewer	\$1,026,358
Storm water	46,545
Golf	<u>37,601</u>
Total	<u>\$1,110,504</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, 2014			Balance August 31 2014	Amounts Due Within One Year
	Balance August 31 2013	Additions	Reductions		
Governmental Activities					
Certificates of participation	\$ 18,945,000	-	875,000	18,070,000	905,000
Plus - Premium	7,136	-	504	6,632	-
Tax increment revenue notes	5,732,152	-	52,823	5,679,329	150,000
Tax increment revenue bonds	26,455,000	-	840,000	25,615,000	885,000
Less - Discounts	(195,730)	-	(13,194)	(182,536)	-
Capital lease obligations	70,177	-	70,177	-	-
Compensated absences	736,666	175,397	184,167	727,896	181,974
	<u>\$ 51,750,401</u>	<u>175,397</u>	<u>2,009,477</u>	<u>49,916,321</u>	<u>2,121,974</u>
Total Governmen- tal Activities					
Business-type Activities					
Revenue bonds payable	\$ 12,656,666	-	684,999	11,971,667	561,667
Less - Discounts	(29,895)	-	(2,993)	(26,902)	-
Plus - Premiums	144,201	-	11,536	132,665	-
Capital lease obligations	3,460	-	3,460	-	-
MSD note payable	15,029,601	-	382,811	14,646,790	529,988
Notes payable	61,600	-	61,600	-	-
	<u>\$ 27,865,633</u>	<u>-</u>	<u>1,141,413</u>	<u>26,724,220</u>	<u>1,091,655</u>
Total Business- type Activities					
Component Unit					
Sales tax revenue bonds	<u>\$ 18,440,000</u>	<u>-</u>	<u>770,000</u>	<u>17,670,000</u>	<u>665,000</u>

Compensated absences are generally liquidated by the General Fund and the Recreation Center Fund. Certificates of participations 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.

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

For The Years Ended August 31	Governmental Activities		
	Principal	Interest	Total
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	990,000	496,014	1,486,014
2019	1,015,000	470,664	1,485,664
2020 - 2024	5,540,000	1,867,470	7,407,470
2025 - 2029	5,975,000	879,371	6,854,371
2030 - 2031	1,750,000	92,400	1,842,400
Total	<u>\$ 18,070,000</u>	<u>5,453,386</u>	<u>23,523,386</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, 2014 are as follows:

	<u>Date Issued</u>	<u>Date Of Maturity</u>	<u>Date Of Annual Principal Payment</u>	<u>Original Amount</u>	<u>Balance August 31 2014</u>
Triangle Redevelopment	07-10-2009	05-1-2028	May 1	\$28,485,000	\$25,615,000
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	2,359,774

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

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:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance August 31 2014</u>
Sewerage system - Series 2005	3.25 - 5.250	\$ 6,125,000	4,234,167
Sewerage system - Series 2006	3.60 - 5.250	2,875,000	1,832,500
Golf course - Series 2007	3.90 - 4.375	4,290,000	3,960,000
Sewerage system - Series 2007A	3.70 - 5.000	<u>2,475,000</u>	<u>1,945,000</u>
Total		<u>\$15,765,000</u>	<u>11,971,667</u>

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.

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.

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

Revenue bond debt service requirements to maturity are as follows:

For The Years Ended August 31	Business-type Activities		
	Principal	Interest	Total
2015	\$ 561,667	547,575	1,109,242
2016	685,000	520,015	1,205,015
2017	715,000	492,077	1,207,077
2018	745,000	460,671	1,205,671
2019	775,000	424,286	1,199,286
2020 - 2024	4,410,000	1,527,380	5,937,380
2025 - 2029	3,190,000	494,106	3,684,106
2030 - 2032	890,000	59,499	949,499
Total	<u>\$ 11,971,667</u>	<u>4,525,609</u>	<u>16,497,276</u>

MSD Note Payable

The City has notes payable to the Metropolitan St. Louis Sewer District for Lower Meramec River System Improvements. These notes are due in quarterly payments with interest ranging from 3.52% to 4.35%, maturing in 2032. Debt service requirements to maturity are as follows:

For The Years Ended August 31	Business-type Activities		
	Principal	Interest	Total
2015	\$ 529,988	624,708	1,154,696
2016	553,261	601,435	1,154,696
2017	577,556	577,140	1,154,696
2018	602,920	551,776	1,154,696
2019	629,397	525,299	1,154,696
2020 - 2024	3,586,763	2,186,717	5,773,480
2025 - 2029	4,446,977	1,326,503	5,773,480
2030 - 2033	3,719,928	307,959	4,027,887
Total	<u>\$ 14,646,790</u>	<u>6,701,537</u>	<u>21,348,327</u>

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

NOTE D - LONG-TERM DEBT (Continued)

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 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

The City has implemented GASB Statement No. 67 (GASB 67), *Financial Reporting for Pension Plans* for the fiscal year ended August 31, 2014. This statement replaces the requirements of GASB Statement No. 25 (GASB 25), *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan. GASB 67 requires plans to calculate a net pension liability (NPL) to be measured as the total pension liability less the amount of the pension Plan's fiduciary net position.

GASB Statement No. 68 (GASB 68), *Accounting and Reporting for Pensions*, is effective for periods beginning after June 15, 2014. This Statement will be implemented in fiscal year 2015, and will require employers and nonemployer contributing entities to report their NPL on their financial statements. Under current standards (GASB Statement No. 27 (GASB 27), *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*), the employer reports a net pension obligation (NPO) which allows the employer to amortize the past service cost of the pension liability over a period of time. Implementing GASB 68 will result in a change in the amount of the liability that will be reported and disclosures about that liability.

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

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

Neither of these new Statements affects the way that a government may choose to fund their pension obligations. While GASB 68 changes the amount of the pension liability that is reported on the financial statements, governments may continue to fund their plans by calculating an actuarially determined contribution and measuring their funded status as it relates to that actuarially determined contribution.

In order to provide the necessary disclosure that are required under the various GASB Statements, the disclosures below are separated into three sections: 1) **Plan Description and Provisions** offers disclosures about the Plan itself, description of the Plan and who is covered; an analysis of the membership of the various groups of the Plan as of the end of the fiscal year; and a discussion of benefits provided by the plan; 2) **Net Pension Liability and Disclosures Required by GASB 67** provides the information that is required by GASB 67, the calculation of the NPL; the actuarial assumptions and census data that were used in calculating that NPL; the discount rate that was used in the calculations; and the sensitivity of the NPL to changes in the discount rate; and 3) **Funding the Plan and the Actuarial Accrued Liability (AAL)** provides funding information based on the actuarially determined contribution, calculation of the annual pension cost (APC) and NPO, including current year calculations and three-year trend information; actuarial assumptions and census data that were used to calculate the NPO; and the funded status and funding progress of the plan.

A. 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, 2014, which is the date of the latest actuarial valuation available, was \$2,563,733 and the City's total payroll was \$6,885,432.

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.

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)

Membership in the Plan is comprised of the following:

<u>Group</u>	<u>August 31 2014</u>
Retirees and beneficiaries currently receiving benefits	4
Vested terminated employees entitled to benefits not yet receiving them	5
Vested active employees	46

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.

B. NPL and Disclosure Required by GASB 67

GASB 67 requires that pension plans disclose the NPL and other related disclosures; however, the reporting of the NPL in the financial statements of the employer and noncontributing employer entity are not required until implementation of GASB 68 in fiscal year 2015.

The components of the NPL (asset) as of August 31, 2014, are shown as follows:

Total pension liability	\$9,057,437
Plan fiduciary net pension	<u>9,943,483</u>
NPL (Asset)	(\$ <u>886,046</u>)

Additional information regarding changes in the NPL (asset) for the year ended August 31, 2014 can be found in the required supplemental information section of these financial statements.

Actuarial assumptions used in calculations of actuarially determined pension liability:

Actuarial assumptions:	
Valuation date	August 31, 2014
Investment rate of return	6.5%
Projected salary increases	6.5%
Inflation	2% - 3%

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

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

Mortality rates were based on the RP-2000 Mortality Tables with no further assumed improvements for mortality.

Actuarial valuations attempt to estimate costs associated with the pension system based on a number of demographic, economic, and retirement experience assumptions. To the extent assumptions are at variance to experience, this can result in actuarial gains and losses ultimately impacting contribution rates and the development of the actuarially required contribution.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of August 31, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate Of Return</u>
Fixed income	49.8%	2.1%
Equity securities	43.3	7.5 - 8.4
Debt securities	6.9	3.8

The above long-term expected real rate of returns represents best estimates of geometric rates of return for each major asset class included.

Discount Rate

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments. Therefore a blended rate incorporating a municipal bond rate is not needed. The assumed discount rate has been determined in accordance with the method prescribed by GASB 67.

The annual money-weighted rate of return on pension plan investments calculated as the internal rate of return on pension plan investments, net of pension plan investment expenses for the year ended August 31, 2014 was 11.47%. A money-weighted rate of return ex-

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)

presses investment performance, net of pension plan investment expense, adjusted for changing amounts actually invested.

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the retirement system, calculated using the discount rate determined above, as well as what the system's NPL would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Discount rate	5.5%	6.5	7.5
NPL (asset)	\$482,955	(886,046)	(2,021,230)

C. Funding the Plan and the Accrued Liability

This section includes information on the funding valuation, including the APC and NPO, as well as funded status and funding progress of the unfunded AAL for the Plan.

APC

The City's APC and net pension asset (NPA) for the current year were as follows:

ARC	\$321,337
Interest on NPA	<u>(47,551)</u>
APC	273,786
Actual contributions	<u>385,966</u>
Increase in NPA	112,180
NPA beginning of year	<u>731,551</u>
NPA End Of Year	<u>\$843,731</u>
Percentage of APC contributed	141%

**Valuation For
The Actuarial
Years Ended
August 31**

	<u>APC</u>	<u>Percentage Contributed</u>	<u>NPA End Of Year</u>
2014	\$273,786	141.0%	\$843,731
2013	311,005	100.4	731,551
2012	335,229	130.2	730,446

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

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

Funding Status and Progress

<u>Valuation For The Actuarial Year Ended August 31</u>	<u>Actuarial Value Of Assets</u>	<u>AAL</u>	<u>Excess Assets (Liabilities)</u>
2014	\$9,943,483	\$9,057,437	\$886,046

<u>Valuation For The Actuarial Year Ended August 31</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Excess Assets (Liabilities) As A Percentage Of Covered Payroll</u>
2014	109.8%	\$2,563,733	34.6%

Actuarial methods and assumptions:

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%

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.

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

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

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.

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 19.6% (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 (APC)

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

ARC	\$632,634
Interest on NPO	2,937
Adjustment to ARC	<u>(3,113)</u>
APC	632,458
Actual contributions	<u>632,634</u>
Increase in NPO	(176)
NPO beginning of year	<u>40,511</u>
NPO End Of Year	<u>\$ 40,335</u>

The ARC was determined as part of the February 28, 2011 and February 29, 2012 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 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 market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011 was 30 years for the General division. The amortization period as of February 29, 2012 was 18 years for the General division.

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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>	<u>Percentage Of APC Contributed</u>	<u>NPO</u>
2014	\$632,458	100.0%	\$40,335
2013	577,081	99.9	40,511
2012	567,432	98.3	40,096

Schedule of Funding Progress

For The Valuation Years Ended <u>February 28/29</u>	<u>Actuarial Value Of Assets</u>	<u>Entry Age Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Accrued Liability (UAL)</u>
2014	\$7,447,443	\$9,354,334	\$1,906,891
2013	6,756,086	9,148,966	2,392,880
2012	5,542,150	8,401,683	2,859,533

For The Valuation Years Ended <u>February 28/29</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAL As A Percentage Of Covered Payroll</u>
2014	80%	\$3,216,248	59%
2013	74	3,061,668	78
2012	66	3,130,901	91

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 employees hired prior to March 4, 2010 who have attained 10 years of service and are eligible to receive retirement benefits. 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 cost-sharing premium (\$497.43 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 2014
Amortization of past service cost	\$ 33,600
Normal cost	35,200
Interest to end of fiscal year	-
ARC	68,800
Interest on net OPEB obligation	6,500
Adjustment to ARC	<u>(10,100)</u>
Annual OPEB Cost	65,200
Contributions made	<u>(22,700)</u>
Increase In Net OPEB Obligation	42,500
Net OPEB obligation - Beginning of Year	<u>172,900</u>
Net OPEB Obligation - End of Year	<u>\$215,400</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 <u>August 31</u>	Actuarial Value Of Assets <u>(1)</u>	AAL <u>(2)</u>	UAAL <u>(1)-(2)</u>	Funded Ratio <u>(1)/(2)</u>	Covered Payroll <u>(3)</u>	UAAL As A Percentage Of Covered Payroll <u>(1-2)/(3)</u>
2013	\$ -	\$573,300	(\$573,300)	- %	\$6,342,192	9.0%
2011	-	508,300	(508,300)	-	6,438,860	7.9
2009	-	430,300	(430,300)	-	6,302,815	6.8

Schedule Of OPEB Costs And Employer Contributions

For The Year Ended <u>August 31</u>	Contribution Made	OPEB Cost		ARC		OPEB Liability
		Amount	Percent Contributed	Amount	Percent Contributed	
2013	\$22,700	\$65,200	33%	\$68,800	33%	\$215,400
2012	19,800	61,400	31	63,800	31	172,900
2011	13,500	62,300	21	63,800	21	131,300
2010	19,200	62,700	31	62,700	31	82,500
2009	23,700	62,700	38	62,700	38	39,000

Significant actuarial assumptions used in the valuation are as follows:

Valuation method	Projected unit cost method
Latest valuation date	August 31, 2013
Investment return	3.75% per annum
Amortization period	30 years for initial UAAL, open
Payroll increases	4% per annum
Mortality	RP2000 Mortality Table (employee and healthy annuitant tables)
Medical inflation rate	7.4% initial rate; 4.5% ultimate rate

NOTE G - INTERFUND ASSETS/LIABILITIES

Individual interfund assets and liabilities are as follows:

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - INTERFUND ASSETS/LIABILITIES (Continued)

Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>August 31 2014</u>
General Fund - Major Fund	Storm Water Fund - Major Fund	\$ 264
General Fund - Major Fund	Special Allocation Fund - Major Fund	150,000
Special Allocation Fund - Major Fund	Recreation Center Fund - Major Fund	31,767
Special Allocation Fund - Major Fund	General Fund - Major Fund	127,069
Sewer Fund - Major Fund	General Fund - Major Fund	82
Sewer Fund - Major Fund	Storm Water Fund - Major Fund	183
Tourism Fund - Nonmajor Fund	General Fund - Major Fund	<u>1,000</u>
Total		<u>\$310,365</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, 2015.

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 2014</u>
Golf Fund - Major Fund	Tourism Fund - Nonmajor Fund	\$ 10,000
Golf Fund - Major Fund	General Fund - Major Fund	1,626,767
Recreation Fund - Major Fund	General Fund - Major Fund	<u>1,859,521</u>
Total		<u>\$3,496,288</u>

Interfund transfers were used to: 1) use unrestricted revenues collected in the General Fund to finance other funds in accordance with budgetary authorization or 2) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them. During the fiscal year ended August 31, 2014, the City Council approved amounts to eliminate previous receivables and payables between the General, Recreation, and Golf Funds.

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 October 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, 2015.

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 \$535,667 for MIRMA's fiscal year ended June 30, 2015. 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, 2014, the City had construction commitments for sewer projects and storm water projects in the amount of \$47,816 and \$6,492, respectively.

NOTE M - CONDUIT DEBT

In December 2012, the City authorized to issue \$88,000,000, 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. At August 31, 2014 the principal amount payable was \$80,413,340.

NOTE N - RESTRICTED NET POSITION

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

NOTE O - 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 \$3,018,400 and \$3,298,133, respectively.

NOTE P - FINES AND COURT COSTS FOR TRAFFIC VIOLATIONS

RSMo 302.341.2 requires an accounting of the percentage of annual fines and court costs for traffic violations, including amended charges from any charged traffic violation, occurring within the City to total general operating revenue, to be included in the annual financial report. During the year, the amount of traffic fines, court costs, general operating revenue, and related percent amounted to \$760,864, \$11,427,295, and 6.66%, respectively, which is below the threshold of 30% identified in RSMo 302.341.2.

NOTE Q - DEFICIT BALANCES

The Golf Fund had a deficit in net position of \$169,160. This deficit will be offset by future revenues.

NOTE R - SUBSEQUENT EVENT

On November 4, 2014 voters approved to sell the City's Sewer System for \$13,200,000 to Missouri American Water Company, Inc.

NOTE S - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*, will require the City to record UAAL on the government-wide statement of net position. UAAL equals the difference between the total pension liability and the value of the assets set aside in a pension plan to pay benefits. GASB 68 may also require changes to the projection of benefit payments and the rate used to discount the projected benefit payments. GASB 68 will be effective for the City for the year ending August 31, 2015.

**REQUIRED SUPPLEMENTAL
INFORMATION**



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, 2014

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes				
Property	\$ 1,047,567	1,044,869	1,044,869	-
Sales	6,359,616	6,147,837	6,187,177	39,340
Public utility gross receipts	2,970,000	2,780,000	3,166,690	386,690
Motor fuel	530,000	475,000	529,739	54,739
Other	236,000	229,599	229,599	-
Total Taxes	<u>11,143,183</u>	<u>10,677,305</u>	<u>11,158,074</u>	<u>480,769</u>
Special Assessments	<u>55,000</u>	<u>38,000</u>	<u>47,414</u>	<u>9,414</u>
Licenses and Permits	<u>636,700</u>	<u>617,550</u>	<u>652,512</u>	<u>34,962</u>
Fines and Court Costs	<u>1,015,000</u>	<u>827,239</u>	<u>847,185</u>	<u>19,946</u>
Intergovernmental	<u>417,400</u>	<u>204,536</u>	<u>298,735</u>	<u>94,199</u>
Charges for Services	<u>115,110</u>	<u>110,070</u>	<u>74,913</u>	<u>(35,157)</u>
Investment Income	<u>22,000</u>	<u>15,050</u>	<u>20,661</u>	<u>5,611</u>
Miscellaneous				
Administration	181,500	181,500	181,500	-
Other	105,325	105,436	133,218	27,782
Total Miscellaneous	<u>286,825</u>	<u>286,936</u>	<u>314,718</u>	<u>27,782</u>
Total Revenues	<u>13,691,218</u>	<u>12,776,686</u>	<u>13,414,212</u>	<u>637,526</u>
EXPENDITURES				
General Government				
General and administrative	959,706	1,120,614	979,540	(141,074)
Mayor and council	132,439	127,626	122,182	(5,444)
Municipal court	199,669	189,749	187,761	(1,988)
Administrator	304,951	295,526	298,923	3,397
Treasurer	58,806	51,646	51,183	(463)
Finance	330,375	330,131	325,341	(4,790)
Collector of revenue	240,786	214,465	212,739	(1,726)
Attorney	194,000	194,000	160,869	(33,131)
Elections	11,250	12,812	12,812	-
Planning commission	228,400	203,196	197,936	(5,260)
IT Support	259,519	216,988	199,328	(17,660)
Total General Government	<u>2,919,901</u>	<u>2,956,753</u>	<u>2,748,614</u>	<u>(208,139)</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, 2014

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
EXPENDITURES (Continued)				
Public Safety				
Police	4,859,372	4,874,058	4,814,670	(59,388)
Police board	500	800	670	(130)
Dispatching	527,545	525,345	529,291	3,946
Building commission	296,603	293,850	265,595	(28,255)
Total Public Safety	<u>5,684,020</u>	<u>5,694,053</u>	<u>5,610,226</u>	<u>(83,827)</u>
Public Works	<u>739,533</u>	<u>723,856</u>	<u>618,618</u>	<u>(105,238)</u>
Highways and Streets	<u>1,553,857</u>	<u>1,579,726</u>	<u>1,401,373</u>	<u>(178,353)</u>
Parks and Recreation	<u>780,838</u>	<u>698,390</u>	<u>583,560</u>	<u>(114,830)</u>
Health and Sanitation				
Health department	77,986	71,071	65,392	(5,679)
Rabies control	158,153	152,757	144,865	(7,892)
Vector control	12,500	1,516	826	(690)
Solid waste	991,956	991,956	991,956	-
Total Health And Sanitation	<u>1,240,595</u>	<u>1,217,300</u>	<u>1,203,039</u>	<u>(14,261)</u>
Capital Outlay	<u>669,500</u>	<u>527,750</u>	<u>348,711</u>	<u>(179,039)</u>
Debt Service	<u>-</u>	<u>573,156</u>	<u>634,543</u>	<u>61,387</u>
Total Expenditures	<u>13,588,244</u>	<u>13,970,984</u>	<u>13,148,684</u>	<u>(822,300)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>102,974</u>	<u>(1,194,298)</u>	<u>265,528</u>	<u>1,459,826</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	30,100	30,100	-
Transfers out	-	-	(3,486,288)	(3,486,288)
Total Other Financing Sources (Uses)	<u>-</u>	<u>30,100</u>	<u>(3,456,188)</u>	<u>(3,486,288)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 102,974</u>	<u>(1,164,198)</u>	<u>(3,190,660)</u>	<u>(2,026,462)</u>
FUND BALANCE, SEPTEMBER 1			<u>9,970,783</u>	
FUND BALANCE, AUGUST 31			<u>\$ 6,780,123</u>	

CITY OF ARNOLD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - RECREATION CENTER FUND
FOR THE YEAR ENDED AUGUST 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Sales	\$ 1,278,000	1,278,000	1,255,500	(22,500)
Charges for services	1,343,000	1,186,883	1,230,174	43,291
Investment income	100	600	571	(29)
Miscellaneous	11,000	14,786	19,147	4,361
Total Revenues	<u>2,632,100</u>	<u>2,480,269</u>	<u>2,505,392</u>	<u>25,123</u>
EXPENDITURES				
Recreation center	1,818,051	1,871,286	1,737,390	(133,896)
Debt service	911,988	911,988	912,287	299
Total Expenditures	<u>2,730,039</u>	<u>2,783,274</u>	<u>2,649,677</u>	<u>(133,597)</u>
REVENUES UNDER EXPENDITURES	(97,939)	(303,005)	(144,285)	158,720
OTHER FINANCING SOURCES				
Transfer in	-	-	1,859,521	1,859,521
NET CHANGE IN FUND BALANCE	<u>\$ (97,939)</u>	<u>(303,005)</u>	1,715,236	<u>2,018,241</u>
FUND BALANCE (DEFICIT), SEPTEMBER 1			<u>(1,386,983)</u>	
FUND BALANCE, AUGUST 31			<u>\$ 328,253</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 998,000	825,460	914,688	89,228
Sales	1,461,000	1,459,500	2,383,445	923,945
Investment income	200	403	1,127	724
Total Revenues	<u>2,459,200</u>	<u>2,285,363</u>	<u>3,299,260</u>	<u>1,013,897</u>
EXPENDITURES				
General government	34,500	7,500	7,500	-
Economic development	107,500	127,749	121,639	(6,110)
Debt service	2,901,332	2,901,332	3,018,400	117,068
Total Expenditures	<u>3,043,332</u>	<u>3,036,581</u>	<u>3,147,539</u>	<u>110,958</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (584,132)</u></u>	<u><u>(751,218)</u></u>	151,721	<u><u>902,939</u></u>
FUND BALANCE, SEPTEMBER 1			<u>4,876,453</u>	
FUND BALANCE, AUGUST 31			<u><u>\$ 5,028,174</u></u>	

CITY OF ARNOLD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED AUGUST 31, 2014

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 accounting principles generally accepted in the United States of America 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, 2014, General Fund expenditures exceeded appropriations for the Administrator department by \$3,397, the Dispatching department by \$3,946, and debt service by \$61,387 and the Special Allocation Fund expenditures exceeded appropriations by \$110,958. These over expenditures were covered by additional current year revenues, available fund balance, or will be recovered by future years revenues.

CITY OF ARNOLD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2014

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RATIOS

Pension liability:	
Service cost	\$ 115,345
Interest	558,811
Plan participants' contributions	221,925
Liability loss (gain)	(111,790)
Benefit payments	<u>(468,992)</u>
Net Change In Total Pension Liability	315,299
Pension liability, beginning	<u>8,742,138</u>
 Pension Liability, Ending (a)	 <u><u>\$ 9,057,437</u></u>
 Plan fiduciary net position:	
Contributions - employer	\$ 393,625
Contributions - employees	221,925
Net investment income	1,018,329
Benefit payments	<u>(468,992)</u>
Net Change In Plan Fiduciary Net Position	1,164,887
Plan fiduciary net position, beginning	<u>8,778,596</u>
 Plan Fiduciary Net Position, Ending (b)	 <u><u>\$ 9,943,483</u></u>
 Net Pension Liability, Ending (a-b)	 <u><u>\$ (886,046)</u></u>
 Plan fiduciary net position as a percentage of pension liability	 109.78 %
 Covered employee payroll	 \$ 2,563,733
 Net pension liability as a percentage of covered employee payroll	 (34.56) %

SCHEDULE OF INVESTMENT RETURNS

Annual money-weighted rate of return, net of investment expense	<u><u>11.47 %</u></u>
-----------------------------------------------------------------	-----------------------

Note: GASB 67 required supplemental information is not available for fiscal years prior to 2014.

CITY OF ARNOLD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - FUNDING STATUS
AND PROGRESS - ENTRY AGE ACTUARIAL COST METHOD
FOR THE YEARS ENDED AUGUST 31

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 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	AAL	Excess Assets (Liabilities)	Funded Ratio	Covered Payroll	Excess Assets (Liabilities) As A Percentage Of Covered Payroll
2014	\$ 9,943,483	\$ 9,057,437	\$ 886,046	109.8 %	\$ 2,563,733	34.6 %
2013	8,827,569	8,640,783	186,786	102.2	2,118,338	8.8
2012	7,630,898	7,824,249	(193,351)	97.5	2,137,664	(9.0)
2011	6,480,543	6,928,857	(448,314)	93.5	2,095,229	(21.4)
2010	5,886,921	6,732,765	(845,844)	87.4	2,166,741	(39.0)
2009	6,354,541	7,841,718	(1,487,177)	81.0	2,133,648	(69.7)
2008	5,536,488	6,842,480	(1,305,992)	80.9	2,024,539	(64.5)
2007	5,508,469	6,767,281	(1,258,812)	81.4	2,154,441	(58.4)

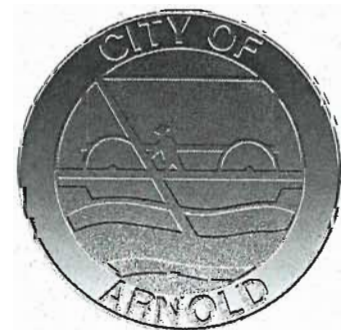
For The Years Ended August 31	Schedule of Employer Contributions		
	ARC	Actual Contribution	Percentage Contribution
2014	\$ 321,337	\$ 385,966	120.1 %
2013	358,484	302,110	84.3
2012	376,207	436,396	116.0
2011	387,774	497,394	128.3
2010	426,095	503,087	118.1
2009	391,668	579,665	148.0
2008	398,846	421,152	105.6

CITY OF ARNOLD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
POLICE PENSION PLAN TREND INFORMATION
FOR THE YEARS ENDED AUGUST 31

Valuation For The Actuarial Years Ended August 31	Pension Plan							Net Pension Asset End Of Year
	APC	Percentage Contributed	Net Pension Asset Beginning Of Year	Interest On Net Pension Asset	ARC	Actual Contribution	Increase (Decrease) In Net Pension Asset	
2014	\$ 273,786	141.0 %	\$ 731,551	\$ 47,551	\$ 321,337	\$ 385,966	\$ 112,180	\$ 843,731
2013	311,005	97.1	730,446	47,479	358,484	312,110	1,105	731,551
2012	335,299	130.2	629,349	40,908	376,207	436,396	101,097	730,446
2011	356,053	139.7	488,008	31,721	387,774	497,394	141,341	629,349
2010	395,649	127.2	380,570	30,446	426,095	503,087	107,438	488,008
2009	377,403	153.6	178,308	14,265	391,668	579,665	202,262	380,570
2008	387,290	108.7	144,446	11,556	398,846	421,152	33,862	178,308
2007	417,441	109.5	104,614	8,369	425,810	457,273	39,832	144,446

Note: Adjustment to ARC is zero.

**OTHER SUPPLEMENTAL
INFORMATION**



CITY OF ARNOLD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - GOVERNMENTAL FUNDS -
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2014 AND 2013

	2014	2013
ASSETS		
Cash and investments	\$ 7,597,896	7,819,423
Receivables (net of allowances for uncollectibles):		
Taxes	3,030,442	2,675,161
Special assessments	1,086,705	1,195,625
Intergovernmental	126,057	58,751
Court	128,205	129,851
Miscellaneous	111,764	101,542
Due from other funds	310,100	3,608,967
Prepaid items	543,636	470,321
Restricted assets:		
Cash and investments	3,658,725	3,659,956
Capital improvements sales tax receivable	473,203	248,606
Total Assets	\$ 17,066,733	19,968,203
 LIABILITIES		
Accounts payable	\$ 2,303,158	2,105,534
Accrued liabilities	244,563	238,265
Due to other funds	309,918	2,194,939
Unearned revenue	241,104	334,048
Total Liabilities	3,098,743	4,872,786
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue:		
Special assessments	1,086,354	1,195,625
Court fines	127,825	129,349
Taxes	473,203	248,606
Total Deferred Inflows Of Resources	1,687,382	1,573,580
 FUND BALANCES		
Nonspendable	543,636	470,321
Restricted	6,615,768	6,060,398
Committed	1,513,074	1,557,117
Assigned	-	530,792
Unassigned	3,608,130	4,903,209
Total Fund Balances	12,280,608	13,521,837
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	\$ 17,066,733	19,968,203

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, 2014 AND 2013

	2014	2013
REVENUES		
Taxes	\$ 15,860,454	16,422,424
Special assessments	47,414	208,907
Licenses and permits	652,512	730,422
Fines and court costs	847,185	1,039,805
Intergovernmental	323,383	2,503,248
Charges for services	1,355,238	1,363,277
Investment income	22,368	48,212
Miscellaneous	333,865	349,730
Total Revenues	19,442,419	22,666,025
 EXPENDITURES		
Current:		
General government	2,876,530	2,767,426
Public safety	5,620,891	5,489,942
Public works	618,618	556,904
Highways and streets	1,401,373	1,377,329
Parks and recreation	2,320,950	2,250,733
Health and sanitation	1,203,039	1,204,374
Economic development	121,639	132,250
Capital outlay	348,711	5,718,016
Debt service:		
Principal	1,838,000	1,866,476
Interest	2,727,230	2,758,930
Total Expenditures	19,076,981	24,122,380
 REVENUES OVER (UNDER) EXPENDITURES	365,438	(1,456,355)
 OTHER FINANCING SOURCES (USES)		
Sale of capital assets	30,100	315,725
Transfers in	1,859,521	-
Transfers out	(3,496,288)	(10,000)
Total Other Financing Sources (Uses)	(1,606,667)	305,725
 NET CHANGE IN FUND BALANCES	(1,241,229)	(1,150,630)
 FUND BALANCES, SEPTEMBER 1	13,521,837	14,672,467
 FUND BALANCES, AUGUST 31	\$ 12,280,608	13,521,837

CITY OF ARNOLD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2014

	<u>Special Revenue Funds</u>		
	<u>Tourism</u>	<u>Drug Forfeiture</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 93,242	33,549	126,791
Receivables:			
Taxes	24,996	-	24,996
Due from other funds	1,000	-	1,000
Prepaid items	9,000	-	9,000
	<u>9,000</u>	<u>-</u>	<u>9,000</u>
Total Assets	<u>\$ 128,238</u>	<u>33,549</u>	<u>161,787</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 10,006	-	10,006
Accrued liabilities	813	-	813
Unearned revenue	6,910	-	6,910
	<u>17,729</u>	<u>-</u>	<u>17,729</u>
Total Liabilities	<u>17,729</u>	<u>-</u>	<u>17,729</u>
 Fund Balances			
Nonspendable:			
Prepaid items	9,000	-	9,000
Restricted for:			
Public safety	-	33,549	33,549
Tourism	101,509	-	101,509
	<u>110,509</u>	<u>33,549</u>	<u>144,058</u>
Total Fund Balances	<u>110,509</u>	<u>33,549</u>	<u>144,058</u>
Total Liabilities And Fund Balances	<u>\$ 128,238</u>	<u>33,549</u>	<u>161,787</u>

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, 2014

	<u>Special Revenue Funds</u>		
	<u>Tourism</u>	<u>Drug Forfeiture</u>	<u>Totals</u>
REVENUES			
Taxes	\$ 148,747	-	148,747
Intergovernmental	-	24,648	24,648
Charges for services	50,151	-	50,151
Investment income	-	9	9
Total Revenues	<u>198,898</u>	<u>24,657</u>	<u>223,555</u>
EXPENDITURES			
Current:			
General government	120,416	-	120,416
Public safety	-	10,665	10,665
Total Expenditures	<u>120,416</u>	<u>10,665</u>	<u>131,081</u>
REVENUES OVER EXPENDITURES	78,482	13,992	92,474
OTHER FINANCING USES			
Transfers out	<u>(10,000)</u>	-	<u>(10,000)</u>
NET CHANGES IN FUND BALANCES	68,482	13,992	82,474
FUND BALANCES, SEPTEMBER 1	<u>42,027</u>	<u>19,557</u>	<u>61,584</u>
FUND BALANCES, AUGUST 31	<u><u>\$ 110,509</u></u>	<u><u>33,549</u></u>	<u><u>144,058</u></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, 2014

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Taxes:				
Sales	\$ 137,000	137,000	148,747	11,747
Charges for services	42,180	51,152	50,151	(1,001)
Total Revenues	179,180	188,152	198,898	10,746
 EXPENDITURES				
General government	125,595	129,841	120,416	(9,425)
 REVENUES OVER EXPENDITURES	53,585	58,311	78,482	20,171
 OTHER FINANCING USES				
Transfers out	(10,000)	(10,000)	(10,000)	-
 NET CHANGE IN FUND BALANCE	\$ 43,585	48,311	68,482	20,171
 FUND BALANCE, SEPTEMBER 1			42,027	
 FUND BALANCE, AUGUST 31			\$ 110,509	

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, 2014

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental	\$ -	24,648	24,648	-
Investment income	-	-	9	9
Total Revenues	-	24,648	24,657	9
EXPENDITURES				
Public safety	-	10,665	10,665	-
NET CHANGE IN FUND BALANCE	\$ -	13,983	13,992	9
FUND BALANCE, SEPTEMBER 1			19,557	
FUND BALANCE, AUGUST 31			\$ 33,549	

STATISTICS



CITY OF ARNOLD, MISSOURI
STATISTICAL SECTION

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required 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.	72 - 76
Revenue Capacity These schedules contain information to help the reader assess the City’s local revenue sources.	77 - 84
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.	85 - 88
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.	89 - 90
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.	91 - 93

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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	August 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net investment in capital assets	\$ 60,954,323	62,495,954	58,747,273	60,189,604	61,515,001	60,433,335	60,816,793	64,429,584	61,737,432	60,501,363
Restricted	6,537,431	5,750,389	5,795,745	6,511,773	6,468,111	6,129,354	2,524,622	1,250,000	1,389,706	2,059,448
Unrestricted	(26,976,341)	(25,777,303)	(24,245,868)	(22,961,899)	(20,707,866)	(18,506,005)	(13,295,644)	(11,268,830)	5,890,607	6,414,258
Total Governmental Activities Net Position	<u>\$ 40,515,413</u>	<u>42,469,040</u>	<u>40,297,150</u>	<u>43,739,478</u>	<u>47,275,246</u>	<u>48,056,684</u>	<u>50,045,771</u>	<u>54,410,754</u>	<u>69,017,745</u>	<u>68,975,069</u>
Business-type Activities										
Net investment in capital assets	\$ 13,866,892	13,383,043	13,366,162	12,568,136	11,847,340	10,925,826	11,615,431	13,812,089	12,963,653	11,501,918
Restricted	526,603	588,203	701,303	804,880	906,603	1,001,303	7,146,872	5,064,591	842,007	804,700
Unrestricted	4,591,351	3,624,652	3,732,210	4,347,127	4,873,833	4,777,204	(2,255,279)	(2,005,776)	1,434,544	1,593,564
Total Business-type Activities Net Position	<u>\$ 18,984,846</u>	<u>17,595,898</u>	<u>17,799,675</u>	<u>17,720,143</u>	<u>17,627,776</u>	<u>16,704,333</u>	<u>16,507,024</u>	<u>16,870,904</u>	<u>15,240,204</u>	<u>13,900,182</u>
Primary Government										
Net investment in capital assets	\$ 74,821,215	75,878,997	72,113,435	72,757,740	73,362,341	71,359,161	72,432,224	78,241,673	74,701,085	72,003,281
Restricted	7,064,034	6,338,592	6,497,048	7,316,653	7,374,714	7,130,657	9,671,494	6,314,591	2,231,713	2,864,148
Unrestricted	(22,384,990)	(22,152,651)	(20,513,658)	(18,614,772)	(15,834,033)	(13,728,801)	(15,550,923)	(13,274,606)	7,325,151	8,007,822
Total Primary Government Net Position	<u>\$ 59,500,259</u>	<u>60,064,938</u>	<u>58,096,825</u>	<u>61,459,621</u>	<u>64,903,022</u>	<u>64,761,017</u>	<u>66,552,795</u>	<u>71,281,658</u>	<u>84,257,949</u>	<u>82,875,251</u>

Source: Basic financial statements

GASB 63 and 65 were implemented in 2013.

CITY OF ARNOLD, MISSOURI
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	For The Years Ended August 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EXPENSES										
Governmental Activities										
General government	\$ 3,521,130	3,437,488	3,560,571	3,631,193	3,486,489	3,597,393	3,606,327	2,026,103	2,646,655	1,935,204
Public safety	5,564,406	5,699,347	5,557,136	5,513,045	5,498,118	5,383,461	5,037,988	5,162,582	5,141,027	4,824,236
Public works	506,642	652,774	471,241	449,991	396,500	372,884	1,544,873	3,648,054	2,025,478	1,049,519
Highways and streets	3,499,006	3,180,611	3,247,948	3,056,308	2,882,196	2,660,880	3,217,725	445,648	1,405,773	2,275,559
Parks and recreation	2,430,932	2,286,290	2,311,042	2,172,650	2,205,143	2,130,516	2,166,365	1,990,090	1,889,036	761,557
Health and sanitation	1,202,951	1,209,726	1,199,147	1,147,650	1,054,674	1,157,513	927,232	884,918	826,303	883,772
Economic development	121,639	132,250	84,948	3,111,127	3,413,600	335,457	4,445,699	16,554,301	-	-
Interest on long-term debt	3,105,566	3,161,479	3,182,550	3,310,085	3,366,950	2,948,229	2,752,694	1,584,135	656,208	749,147
Total Governmental Activities Expenses	19,952,272	19,759,965	19,614,583	22,392,049	22,303,670	18,586,333	23,698,903	32,295,831	14,590,480	12,478,994
Business-type Activities										
Sewer system	4,111,479	4,138,224	3,604,074	3,866,989	3,678,042	3,658,824	4,036,658	2,139,774	1,869,840	1,480,804
Storm water	595,741	608,027	638,757	559,128	622,227	388,188	256,127	127,061	37,899	-
Golf	753,705	759,006	783,657	747,928	712,700	670,794	670,153	427,304	-	-
Total Business-type Activities Expenses	5,460,925	5,505,257	5,026,488	5,174,045	5,012,969	4,717,806	4,962,938	2,694,139	1,907,739	1,480,804
Total Primary Government Expenses	25,413,197	25,265,222	24,641,071	27,566,094	27,316,639	23,304,139	28,661,841	34,989,970	16,498,219	13,959,798
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General government	474,475	473,810	467,566	449,918	627,522	610,250	560,900	526,293	346,148	378,591
Public safety	1,076,383	1,335,540	1,227,070	1,344,111	1,552,797	1,474,468	1,481,357	1,694,748	1,379,817	1,223,932
Parks and recreation	1,279,638	1,284,012	1,378,811	1,308,168	1,307,476	1,142,149	1,148,889	1,187,075	920,846	108,730
Health and sanitation	31,859	27,951	29,407	224,383	569,093	32,845	35,505	19,568	14,888	15,144
Operating grants and contributions	1,151,413	1,086,620	1,085,599	1,050,800	1,122,352	1,089,981	1,134,789	1,144,088	1,138,664	1,004,539
Capital grants and contributions	148,700	2,375,066	1,408,288	66,116	2,625,844	255,553	956,755	1,331,064	781,372	4,928,205
Total Governmental Activities Program Revenues	4,162,468	6,582,999	5,596,741	4,443,496	7,805,084	4,605,246	5,318,195	5,902,836	4,581,735	7,659,141
Business-type Activities										
Charges for services:										
Sewer system	3,834,801	3,997,660	3,795,399	3,951,341	3,816,409	3,383,075	2,969,723	2,685,117	2,492,669	1,153,188
Storm water	585,636	589,987	575,621	574,991	570,520	579,425	557,094	513,150	61,267	-
Golf	482,520	434,990	561,806	454,091	407,735	480,578	473,022	401,008	-	-
Operating grants and contributions	-	-	-	-	29,382	21,011	-	-	-	-
Capital grants and contributions	89,460	16,000	1,150	2,432	806,725	60,407	-	-	-	-
Total Business-type Activities Program Revenues	4,992,417	5,038,637	4,933,976	4,982,855	5,630,771	4,524,496	3,999,839	3,599,275	2,553,936	1,153,188
Total Primary Government Program Revenues	9,154,885	11,621,636	10,530,717	9,426,351	13,435,855	9,129,742	9,318,034	9,502,111	7,135,671	8,812,329
NET REVENUES (EXPENSES)										
Governmental activities	(15,789,804)	(13,176,966)	(14,017,842)	(17,948,553)	(14,498,586)	(13,981,087)	(18,380,708)	(26,392,995)	(10,008,745)	(4,819,853)
Business-type activities	(468,508)	(466,620)	(92,512)	(191,190)	617,802	(193,310)	(963,099)	905,136	646,197	(327,616)
Total Primary Government Net Revenues (Expenses)	(16,258,312)	(13,643,586)	(14,110,354)	(18,139,743)	(13,880,784)	(14,174,397)	(19,343,807)	(25,487,859)	(9,362,548)	(5,147,469)

(Continued)

CITY OF ARNOLD, MISSOURI

CHANGE IN NET POSITION (Continued)

LAST TEN FISCAL YEARS

	For The Years Ended August 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
GENERAL REVENUES AND OTHER CHANGE IN NET POSITION										
Governmental Activities										
Taxes:										
Property	1,959,557	2,137,107	1,856,713	1,956,378	1,767,838	1,448,479	1,125,304	992,520	949,500	863,007
Sales	9,943,752	9,676,868	9,266,574	8,934,269	8,492,485	7,619,458	7,018,675	6,860,615	6,771,832	6,745,540
Gross receipts	3,375,222	3,264,019	3,014,815	3,239,828	3,389,556	2,726,791	3,498,852	2,046,144	2,044,454	1,837,302
Miscellaneous	41,950	43,139	38,972	33,694	31,616	33,541	34,224	35,611	27,475	27,638
Investment income	22,368	48,212	74,002	86,446	83,444	131,284	290,449	364,016	242,701	387,852
Gain on sale of assets	14,234	66,936	57,673	28,128	20,085	-	800	504,457	143,126	18,312
Miscellaneous	115,861	122,575	92,531	144,042	22,812	42,447	2,091,921	1,294,524	221,895	110,114
Transfers	(1,636,767)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(44,500)	(144,683)	(349,562)	(105,134)
Total Governmental Activities General Revenues And Other Change In Net Position	13,836,177	15,348,856	14,391,280	14,412,785	13,797,836	11,992,000	14,015,725	11,953,204	10,051,421	9,884,631
Business-type Activities										
Investment income	218,439	240,758	252,864	273,557	295,641	380,619	554,719	585,981	344,263	102,858
Gain on sale of assets	700	8,801	-	-	-	-	-	-	-	-
Miscellaneous	1,550	3,284	-	-	-	-	-	-	-	-
Transfers	1,636,767	10,000	10,000	10,000	10,000	10,000	44,500	144,683	349,562	105,134
Total Business-type Activities General Revenues And Other Change In Net Position	1,857,456	262,843	262,864	283,557	305,641	390,619	599,219	730,664	693,825	207,992
Total Primary Government General Revenues And Other Change In Net Position	15,693,633	15,611,699	14,654,144	14,696,342	14,103,477	12,382,619	14,614,944	12,683,868	10,745,246	10,092,623
CHANGE IN NET POSITION										
Governmental activities	(1,953,627)	2,171,890	373,438	(3,535,768)	(700,750)	(1,989,087)	(4,364,983)	(14,439,791)	42,676	5,064,778
Business-type activities	1,388,948	(203,777)	170,352	92,367	923,443	197,309	(363,880)	1,635,800	1,340,022	(119,624)
Total Primary Government	\$ (564,679)	1,968,113	543,790	(3,443,401)	222,693	(1,791,778)	(4,728,863)	(12,803,991)	1,382,698	4,945,154

Source: Basic financial statements

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

	August 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Reserved	\$ -	-	-	-	2,176,044	2,139,403	2,584,017	6,271,895	1,608,446	1,261,317
Unreserved	-	-	-	-	8,318,041	6,844,666	7,105,178	(1,713,188)	2,410,889	3,531,012
Nonspendable	522,442	441,169	455,108	511,169	-	-	-	-	-	-
Restricted	1,136,477	1,136,421	1,136,361	563,726	-	-	-	-	-	-
Committed	1,513,074	1,557,117	4,410,590	1,395,119	-	-	-	-	-	-
Assigned	-	530,792	994,533	-	-	-	-	-	-	-
Unassigned	3,608,130	6,305,284	4,505,675	9,213,575	-	-	-	-	-	-
Total General Fund	<u>\$ 6,780,123</u>	<u>9,970,783</u>	<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>
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	21,194	29,152	29,126	10,285	-	-	-	-	-	-
Restricted	5,479,291	4,923,977	4,430,694	5,347,559	-	-	-	-	-	-
Unassigned	-	(1,402,075)	(1,289,620)	(1,318,166)	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 5,500,485</u>	<u>3,551,054</u>	<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>

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
REVENUES										
Taxes	\$15,860,454	16,422,424	14,738,118	14,939,098	14,551,361	12,279,968	12,209,618	10,866,182	10,753,278	10,439,176
Special assessments	47,414	208,907	55,981	111,477	95,886	161,495	551,076	306,798	428,599	319,133
Licenses and permits	652,512	730,422	637,167	555,788	522,881	615,026	590,067	648,771	501,547	554,273
Fines and court costs	847,185	1,039,805	902,336	1,105,288	1,216,172	1,131,240	1,122,605	1,177,581	1,060,849	797,176
Intergovernmental	323,383	2,503,248	1,557,334	263,517	458,470	138,593	2,592,876	1,910,417	337,205	3,389,943
Charges for services	1,355,238	1,363,277	1,455,029	1,549,582	2,132,339	1,375,957	1,395,577	1,326,128	937,009	203,181
Investment income	22,368	48,212	74,002	86,446	83,444	131,284	290,449	364,016	242,701	387,852
Miscellaneous	333,865	349,730	324,627	308,653	325,600	356,143	421,244	394,194	420,189	281,881
Total Revenues	19,442,419	22,666,025	19,744,594	18,919,849	19,386,153	16,189,706	19,173,512	16,994,087	14,681,377	16,372,615
EXPENDITURES										
General government	2,876,530	2,767,426	2,938,282	2,939,835	2,904,369	2,836,320	2,774,026	2,657,615	2,246,139	1,794,740
Public safety	5,620,891	5,489,942	5,438,986	5,452,098	5,513,458	5,530,890	5,087,615	5,124,954	4,790,213	4,446,103
Public works	618,618	556,904	460,444	542,848	505,578	424,779	414,040	3,583,152	1,997,244	5,848,333
Highways and streets	1,401,373	1,377,329	1,318,793	1,211,431	1,210,324	994,971	1,363,420	1,093,891	1,046,910	850,141
Parks and recreation	2,320,950	2,250,733	2,241,380	2,133,731	2,096,335	2,110,396	2,149,106	1,944,788	1,895,233	735,511
Health and sanitation	1,203,039	1,204,374	1,198,127	1,147,456	1,054,900	1,157,017	923,881	882,010	823,634	880,191
Economic development	121,639	132,250	84,948	3,111,127	3,413,600	335,457	4,445,699	16,554,301	-	-
Capital outlay	348,711	5,718,016	1,734,019	294,258	1,100,240	934,502	6,662,933	818,386	1,802,811	12,115,857
Debt service:										
Principal	1,838,000	1,866,476	1,009,055	1,554,964	1,261,679	820,284	612,946	547,723	858,743	1,374,896
Interest	2,727,230	2,758,930	2,686,033	2,762,969	2,603,519	2,041,283	924,959	721,577	927,996	756,741
Bond issue costs	-	-	218,681	155,551	125,000	796,889	244,699	-	-	-
Payments to escrow agent	-	-	1,843,000	414,390	-	-	-	-	-	-
Total Expenditures	19,076,981	24,122,380	21,171,748	21,720,658	21,789,002	17,982,788	25,603,324	33,928,397	16,388,923	28,802,513
REVENUES OVER (UNDER) EXPENDITURES	365,438	(1,456,355)	(1,427,154)	(2,800,809)	(2,402,849)	(1,793,082)	(6,429,812)	(16,934,310)	(1,707,546)	(12,429,898)
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	-	-
Premium/discount on issuance	-	-	(12,936)	8,564	-	(235,250)	(34,475)	-	-	-
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	30,100	315,725	57,673	28,128	20,085	-	800	504,457	23,626	314,257
Transfers in	1,859,521	-	-	-	25,000	-	20,000	166,567	-	1,596,205
Transfers out	(3,496,288)	(10,000)	(10,000)	(10,000)	(35,000)	(10,000)	(20,000)	(166,567)	-	(1,596,205)
Total Other Financing Sources (Uses)	(1,606,667)	305,725	376,354	3,746,185	4,107,450	4,034,981	11,522,024	17,345,136	623,626	714,257
NET CHANGES IN FUND BALANCES	\$(1,241,229)	(1,150,630)	(1,050,800)	945,376	1,704,601	2,241,899	5,092,212	410,826	(1,083,920)	(11,715,641)
Debt service as a percentage of noncapital expenditures	24.5 %	25.3	19.0	20.3	18.8	16.9	7.6	4.3	12.9	17.8

Source: Basic financial statements

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

FUNCTIONS/PROGRAMS	Program Revenues									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
General government	\$ 485,075	501,560	467,566	453,075	787,472	695,250	565,148	526,313	442,738	695,161
Public safety	1,260,519	1,472,757	1,362,136	1,435,487	1,731,838	1,555,561	1,541,132	1,746,508	1,455,527	1,262,782
Public works	-	1,661,672	453,885	-	156,522	73,840	584,512	204,576	475,087	640,969
Highways and streets	1,103,702	1,614,989	1,873,416	999,630	3,243,512	1,094,219	1,418,309	2,142,388	1,272,649	4,936,355
Parks and recreation	1,279,653	1,285,333	1,396,181	1,314,691	1,315,837	1,152,846	1,172,677	1,262,728	920,846	108,730
Health and sanitation	33,519	46,688	43,557	240,613	569,903	33,530	36,417	20,323	14,888	15,144
Total Governmen- tal Activities	<u>4,162,468</u>	<u>6,582,999</u>	<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>
Business-type Activities										
Sewer system	3,924,261	4,013,660	3,796,549	3,951,341	4,623,134	3,443,482	2,969,723	2,685,117	2,492,669	1,153,188
Storm water	585,636	589,987	575,621	577,423	599,902	600,436	557,094	513,150	61,267	-
Golf	482,520	434,990	561,806	454,091	407,735	480,578	473,022	401,008	-	-
Total Business- type Activities	<u>4,992,417</u>	<u>5,038,637</u>	<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>
Total Primary Government	<u>\$ 9,154,885</u>	<u>11,621,636</u>	<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>

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
2014	\$ 1,959,557	\$ 9,974,869	\$ 3,166,690	\$ 529,739	\$ 229,599	\$ 15,860,454
2013	2,137,107	10,456,039	3,075,765	525,885	227,628	16,422,424
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

Source: Required supplemental information and basic financial statements

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

Fiscal Year	General Sales Tax (1%)	Recreation Center Sales Tax (0.25%)	Jefferson County Shared Capital Improvement Sales Tax	Shared Vehicle Sales Tax	Hotel/Motel Sales Tax (5%)	Jurisdictional Sales Tax	Total Sales Tax
2014	\$ 5,216,383	\$ 1,255,500	\$ 722,580	\$ 248,214	\$ 148,746	\$ 2,383,446	\$ 9,974,869
2013	4,966,989	1,200,381	1,452,885	218,971	140,480	2,476,333	10,456,039
2012	4,893,553	1,179,379	680,650	211,150	140,148	2,178,961	9,283,841
2011	4,715,004	1,136,159	835,050	210,437	124,359	1,686,544	8,707,553
2010	4,472,382	1,081,040	905,185	195,398	152,768	1,932,029	8,738,802
2009	4,464,163	1,079,581	567,880	190,543	145,115	1,063,503	7,510,785
2008	4,470,311	1,081,113	645,083	210,498	151,090	348,603	6,906,698
2007	4,262,286	1,030,252	1,416,771	277,683	151,306	-	7,138,298
2006	4,413,425	1,066,625	1,142,674	255,104	149,108	-	7,026,936
2005	4,204,968	1,020,746	1,363,529	249,474	156,298	-	6,995,015

Source: Required supplemental information and basic financial statements

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
				Assessed Value	Estimated Actual Value		Total Assessed Value To Total Estimated Actual Value
2014	2013	276,950,700	7,382,457	284,333,157	1,228,943,555	0.397	23.1 %
2013	2012	277,940,900	6,893,679	284,834,579	1,227,103,131	0.397	23.2
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	0.397	23.0
2008	2007	244,660,300	5,698,063	250,358,363	1,096,031,833	0.425	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	0.420	23.0
2005	2004	188,897,200	5,223,038	194,120,238	835,396,989	0.440	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 SEVEN 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
2013	\$ 13,674,300	\$ 1,700,400	\$ 11,973,900	\$ 4,243,200	\$ 3,124,400	\$ 1,118,800	\$ 3,058,400	\$ 1,124,400	\$ 1,934,000
2012	14,201,400	1,700,400	12,501,000	4,231,500	3,124,400	1,107,100	3,058,500	1,124,400	1,934,100
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	10,697,000	3,188,500	3,124,400	64,100	1,227,500	1,124,400	103,100
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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
City of Arnold:										
General	0.397	0.397	0.397	0.397	0.397	0.425	0.420	0.420	0.440	0.440
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	0.532	0.533	0.505	0.505	0.499	0.496	0.530	0.530	0.510	0.500
Consolidated School No. 6 of Jefferson County	4.650	4.617	4.604	4.587	4.563	4.530	4.530	4.520	4.460	4.460
Rock Community Fire Protection District	0.931	0.707	0.712	0.716	0.715	0.707	0.710	0.710	0.940	0.940
Rock Township Ambulance District	0.210	0.210	0.132	0.136	0.127	0.123	0.120	0.120	0.130	0.150
The Junior College District of Jefferson County	0.340	0.339	0.336	0.336	0.336	0.334	0.330	0.330	0.350	0.350
The Jefferson County Library District	0.176	0.175	0.189	0.189	0.188	0.186	0.190	0.190	0.180	0.180
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 EIGHT YEARS AGO

Taxpayer	2014			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	1.66 %	\$ -	-	- %
Metal Container Corporation	3,781,800	2	1.33	3,618,300	4	1.67
THF Arnold Triangle Development, LLC	2,809,600	3	0.99	-	-	-
Schnucks	2,656,800	4	0.93	2,732,900	6	1.26
Water Tower, LLC	2,638,300	5	0.93	3,847,000	3	1.77
Target	2,496,000	6	0.88	2,496,000	9	1.15
Dierbergs Market	2,453,300	7	0.86	2,697,400	7	1.24
Convergy's Corporation	2,375,900	8	0.84	2,103,300	10	0.97
The Home Depot	2,245,700	9	0.79	-	-	-
Suellentrop Family Partnership, LP	2,080,000	10	0.73	-	-	-
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	<u>\$ 28,267,800</u>		<u>9.94 %</u>	<u>\$ 28,905,475</u>		<u>13.31 %</u>

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

Fiscal Year	Tax Levy Year	Net Tax Levy (1)	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections	Total Tax Collections	Total Collections As Percent Of Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As Percent Of Levy
2014	2013	\$ 1,040,624	\$ 1,011,172	97.2 %	\$ -	\$ 1,011,172	97.2 %	\$ 29,452	2.9 %
2013	2012	1,042,510	1,025,466	98.4	8,008	1,033,474	99.1	9,036	0.9
2012	2011	1,040,059	987,178	94.9	45,451	1,032,629	99.3	7,430	0.7
2011	2010	1,028,100	1,003,690	97.6	23,847	1,027,537	99.9	563	0.1
2010	2009	1,023,806	1,003,897	98.1	19,909	1,023,806	100.0	-	-
2009	2008	1,072,745	1,042,501	97.2	30,244	1,072,745	100.0	-	-
2008	2007	1,032,992	982,678	95.1	50,314	1,032,992	100.0	-	-
2007	2006	992,520	951,674	95.9	15,896	967,570	97.5	24,950	2.6
2006	2005	944,339	897,486	95.0	15,376	912,862	96.7	31,477	3.4
2005	2004	859,110	802,501	93.4	8,367	810,868	94.4	48,242	5.9

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

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			
2014	\$ -	\$ 18,076,632	\$ -	\$ -	\$ 31,111,793	\$ 12,077,430	\$ -	\$ 14,646,790	\$ 75,912,645	9.97 %	\$ 3,592
2013	70,177	18,952,136	-	-	31,991,422	12,770,972	3,460	15,091,201	78,879,368	10.43	3,754
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

(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, 2014

<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	\$ 14,159,600	9.82 %	\$ 1,390,473
Consolidated School No. 6 of Jefferson County	<u>40,450,000</u>	33.93	<u>13,724,685</u>
	54,609,600		15,115,158
City direct debt	<u>49,188,425</u>	100.00 %	<u>49,188,425</u>
Total Direct And Overlapping Debt	<u><u>\$ 103,798,025</u></u>		<u><u>\$ 64,303,583</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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt limit	\$ 35,185,812	36,029,611	36,369,775	36,055,771	35,520,119	34,691,869	33,081,629	30,513,314	28,247,720	25,534,112
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 35,185,812</u>	<u>36,029,611</u>	<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>
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

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Operating Expenses</u>	<u>Net Revenue Available For Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2014	\$ 4,052,708	\$ 2,010,426	\$ 2,042,282	\$ 696,536	\$ 401,703	\$ 1,098,239	1.86 %
2013	4,238,096	2,024,727	2,213,369	568,800	428,010	996,810	2.22
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

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	Jefferson County Unemployment Rate (3)
2014	21,134	39.1	\$ 761,119,876	\$ 36,014	11,567	6.0 %
2013	21,013	38.6	756,404,961	35,997	11,564	6.5
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	8.4
2010	20,609	40.1	682,446,426	33,114	11,767	9.5
2009	20,603	40.1	684,699,499	33,233	11,646	10.3
2008	20,589	34.9	705,873,276	34,284	11,535	7.4
2007	20,566	36.7	699,537,372	34,014	11,459	5.4
2006	20,413	36.7	628,393,792	30,784	11,459	5.6
2005	20,413	36.7	598,713,290	29,330	11,554	4.6

(1) Source: U.S. Census Bureau

(2) Source: Department of Commerce Bureau of Economic Analysis

(3) Source: Federal Reserve Economic Data

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

<u>Employer</u>	<u>2014</u>			<u>2006</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	811	1	4.04 %	1,100	1	5.47 %
Fox School District	785	2	3.91	-	-	-
Wal-Mart	382	3	1.90	328	3	1.63
Metal Container Corporation	250	4	1.24	188	6	0.94
LMC Industries	225	5	1.12	350	2	1.74
Kohl's Department Store	187	6	0.93	106	10	0.53
Target	153	7	0.76	-	-	-
Texas Roadhouse	150	8	0.75	136	8	0.68
Schnucks	148	9	0.74	230	4	1.14
Lowe's	147	10	0.73	-	-	-
Dierbergs	142	11	0.71	-	-	-
Sinclair & Rush	130	12	0.65	205	5	1.02
Home Depot	123	13	0.61	150	7	0.75
City of Arnold	117	14	0.58	-	-	-
Shop & Save	112	15	0.56	127	9	0.63
Total	<u>3,862</u>		<u>19.23 %</u>	<u>2,920</u>		<u>14.53 %</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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government:										
Legislative services	1	1	1	1	1	1	1	1	1	1
Administrative services	6	6	6	7	7	8	8	8	7	6
Maintenance of municipal property	2	2	-	-	-	-	1	1	1	1
Municipal court	2	2	2	2	2	2	2	2	2	1
Finance	4	4	4	4	4	4	4	4	4	3
Police:										
Officers	47	47	47	45	47	49	48	48	48	47
Administrative services	3	3	3	3	3	3	4	4	4	3
Dispatch	8	8	8	8	8	8	8	8	7	8
Public works:										
Administration	3	3	3	3	3	3	3	3	2	2
Street maintenance	10	9	8	9	8	8	8	8	8	8
Fleet	2	2	2	2	2	2	2	2	2	2
Building department:										
Administration	4	5	5	5	4	4	4	4	4	4
Inspectors	2	2	2	1	1	2	2	2	2	3
Engineers	1	1	1	1	1	1	1	1	1	1
Parks and recreation:										
Administration	3	6	4	3	1	3	3	3	3	3
Maintenance	12	10	6	6	6	6	6	6	4	4
Supervisors	2	1	1	1	1	1	2	2	2	2
Seasonal and part-time programs	13	12	-	-	-	-	-	-	-	-
Sewer:										
Maintenance	8	7	7	7	8	7	6	5	5	5
Storm water:										
Maintenance	5	5	5	5	4	4	2	2	-	-
Health department:										
Administration	1	1	1	1	1	1	1	1	1	1
Rabies controller	2	2	2	2	2	2	1	1	2	2
Golf course:										
Administration	1	3	2	2	2	2	2	2	-	-
Maintenance	2	5	1	1	1	1	1	1	-	-
Seasonal and part-time	5	2	-	-	-	-	-	-	-	-

Source: City payroll department records

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

FUNCTIONS/PROGRAMS	Fiscal Years									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police - patrol:										
Arrests	2,186	1,943	2,455	2,110	2,173	1,748	1,561	1,932	2,183	2,393
Traffic citations	8,105	8,075	10,451	9,345	9,263	13,740	7,178	9,657	8,039	12,028
Crime reports	14,074	12,230	14,552	13,996	14,417	14,970	15,598	15,741	15,072	15,999
Accident reports	712	603	730	798	776	912	1,048	964	1,009	1,095
Warrants	4,751	4,650	3,026	3,274	2,955	2,497	2,145	2,132	2,427	3,128
Public works:										
Road repair - tons of mix	4,100	4,500	1,252	806	2,248	1,684	511	816	N/A	N/A
Traffic control signs serviced	200	300	13	10	8	8	30	26	19	45
Weed violations issued - HW	150	186	164	238	181	159	117	172	140	138
Acres mowed and maintained	15	10	25	25	25	25	25	25	25	25
Parks and recreation: (2)										
Park program participants	1,944	1,443	2,591	-	-	-	-	-	-	-
Park pavilion rentals	537	511	535	-	-	-	-	-	-	-
Recreation Center memberships	3,434	4,019	3,433	-	-	-	-	-	-	-
Recreation Center program participants	5,766	6,885	6,624	-	-	-	-	-	-	-
Recreation Center room rentals	1,136	1,264	1,325	-	-	-	-	-	-	-
Member golf rounds	3,596	4,957	5,870	-	-	-	-	-	-	-
9-hole golf rounds	5,862	5,708	4,767	-	-	-	-	-	-	-
18-hole golf rounds	9,982	9,485	11,036	-	-	-	-	-	-	-
All other golf rounds	1,294	1,802	7,701	-	-	-	-	-	-	-
Planning and building:										
Site development/concept plans	24	23	21	22	21	23	25	43	67	43
Rezoning applications	3	2	3	3	4	1	6	6	5	4
Text amendments	1	2	4	3	1	4	5	8	3	-
Building permits issued	559	595	503	539	480	427	499	633	622	799
Building inspections completed	2,431	2,899	2,952	2,661	2,520	2,448	2,756	3,200	N/A	N/A
Finance and administration:										
Merchant licenses issued (1)	661	655	90	91	68	80	83	86	83	92
Payroll checks issued	5,138	5,081	4,977	4,842	4,995	4,799	4,677	4,548	4,151	3,209
Accounts payable processed	4,795	4,919	4,686	4,444	4,788	5,011	5,472	4,926	4,419	4,010
Requests for public records	32	53	35	71	34	25	44	49	34	8

Source: City records - various departments listed

(1) Note: Prior to 2013 merchant licenses only included merchants headquartered in the City. Starting in 2013 all merchants are included.

(2) Note: information prior to 2012 not available.

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

FUNCTIONS/PROGRAMS	Fiscal Years									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	31	31	31	31	31	29	29	29	29	29
Motorcycles	2	2	2	2	2	2	2	2	2	2
Public works:										
Miles of streets	80	80	80	80	80	80	80	81	81	77
Traffic lights and signals	6	6	6	6	6	6	6	3	3	3
Miles of sanitary sewers	112.1	112.1	112.1	112.1	112.1	112.1	107.6	98.5	98.5	96.3
Miles of storm sewers	8.0	8.0	7.5	7.5	7.5	7.5	7.5	7.4	7.4	7.4
Number of pumping stations	6	6	6	6	6	6	5	9	9	9
Parks and recreation:										
Number of parks	5	5	5	5	5	5	5	5	5	5
Acres of parks	488	488	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	2	2	2	2	3	3	3	3
Golf course	1	1	1	1	1	1	1	1	-	-

Source: City finance department records