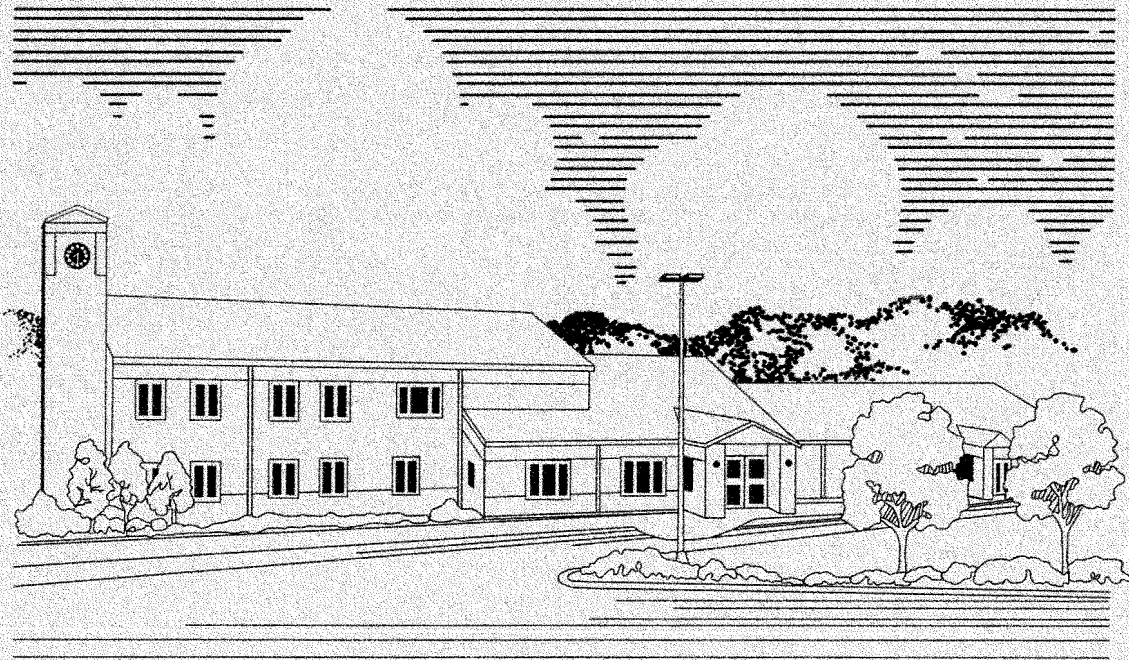


# **CITY OF ARNOLD, MISSOURI**

## Comprehensive Annual Financial Report For The Fiscal Year Ended August 31, 2019



# **CITY OF ARNOLD, MISSOURI**

Comprehensive Annual Financial Report  
For The Fiscal Year Ended August 31, 2019

Prepared by the  
Finance Department



**CITY OF ARNOLD, MISSOURI**  
**FINANCIAL REPORT**

---

	<b>Page</b>
<b>SECTION I - INTRODUCTORY SECTION</b>	
Letter of Transmittal	i
GFOA Certificate of Achievement	vii
Principal Officials	viii
Organization Chart	ix
<b>SECTION II - FINANCIAL SECTION</b>	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Net Position - Pension Trust Fund	26
Statement of Changes in Fiduciary Net Position - Pension Trust Fund	27
Notes to Financial Statements	28
Required Supplemental Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
General Fund	58
Recreation Center Fund	60
Special Allocation Fund	61
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	62
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Police Pension Plan	63
Schedule of Pension Contributions - Police Pension Plan - Last Ten Fiscal Years	64
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - LAGERS	65
Schedule of Pension Contributions - LAGERS - Last Ten Fiscal Years	66
Schedule of Changes in Total OPEB Liability and Related Ratios	67

	<b>Page</b>
<b>SECTION II - FINANCIAL SECTION (Continued)</b>	
Other Supplemental Information:	
Governmental Funds - Comparative Balance Sheets	68
Governmental Funds - Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances	69
Combining Balance Sheet - Nonmajor Governmental Funds	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Tourism Fund	72
Drug Forfeiture Fund	73
 <b>SECTION III - STATISTICAL SECTION</b>	
Net Position by Component - Last Ten Fiscal Years	75
Change in Net Position - Last Ten Fiscal Years	76
Fund Balances of Governmental Funds - Last Ten Fiscal Years	78
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	79
Program Revenues by Functions/Programs - Last Ten Fiscal Years	80
Tax Revenues by Source - Governmental Funds - Last Ten Fiscal Years	81
Sales Tax Revenue - Governmental Funds - Last Ten Fiscal Years	82
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	83
Assessed Values for Tax Increment Financing Districts - Last Ten Fiscal Years	84
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Fiscal Years	85
Principal Taxpayers - Current Year and Nine Years Ago	86
Property Tax Levies and Collections - Last Ten Fiscal Years	87
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	88
Direct and Overlapping Governmental Activities Debt	89
Legal Debt Margin Information - Last Ten Fiscal Years	90
Demographic and Economic Statistics - Last Ten Fiscal Years	91
Principal Employers - Last Year and Eight Years Ago	92
Full-time Equivalent City Government Employees by Functions/Programs - Last Ten Fiscal Years	93
Operating Indicators by Functions/Programs - Last Ten Fiscal Years	94
Capital Assets Statistics by Functions/Programs - Last Ten Fiscal Years	95
Triangle TIF Fund Deposited - Last Ten Fiscal Years	96
Historic Collections of PILOTS and Economic Tax Revenues - Last Ten Fiscal Years	97
General Fund Revenue Sources - Last Five Fiscal Years	98

## INTRODUCTION





February 4, 2020

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, 2019, 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, 2019, 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, 2019, are fairly presented in conformity with U.S. generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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 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 storm water system 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 21,073 residents in 8,318 households based on [www.census.gov](http://www.census.gov) estimates as of July 1, 2018 and occupies an area of approximately 11.58 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 economic condition and outlook of the City of Arnold continues to remain stable. The City believes it is in a favorable situation for the future given the continued increase in the number of retail sales and services establishments and the growth in manufacturing jobs within the city.

In November 2019, the Federal Reserve Bank of St Louis reported that as of August 2019, the seasonally-unadjusted unemployment rate for Jefferson County is at 3.0% down 0.1 percentage points from 3.1% in August 2018. By comparison, as of August 2019, the unemployment rate for the State of Missouri was 3.4% while August 2018 was 3.3%. The St Louis metropolitan statistical area which includes some Illinois counties was 3.3% as of August 2019 and 3.6% for the same period last year. The adjacent counties of St. Louis, Franklin, and Washington were reported at 3.2%, 3.2%, and 4.2% in August 2019, respectively. From a high of 10.6% in January 2010, the August 2019 United States civilian unemployment rate of 3.8% has rebounded past its pre-recession level (August 2007; 4.6%).

The residential real estate tax base for fiscal year 2019 showed an increase of approximately 1.11% over last year's levels. The City's residential stock, geographic location and variety of services have kept real estate marketable. Although the City is

close to being built-out, newer projects still underway include the development of 144 residential units on the former Ott property and expansion of the Strawberry Ridge subdivision called The Enclave at Strawberry Ridge to include 12 villas. Additionally, an approximately 70,000 square foot senior living facility is being constructed by Cedarhurst featuring 63 assisted living apartments and 20 memory care apartments. The appraised value of commercial real estate within the City increased 9.23% during the same period. While the potential for further retail and industrial development remains favorable, the number of existing commercial vacancies and corresponding days dormant has increased in older developments.

The City's revenue 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. A continued dip in telecommunications gross receipts tax has been attributed to changes in telecom marketing strategies and a shift by consumers to mobile services over landline services. City general sales tax receipts for fiscal year 2019 were generally flat with a slight decrease of 1.31% compared to 2018. 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 2.18% over the net tax for the prior fiscal year. We have projected a 5.5% increase in gross sales tax for fiscal year 2020 and will re-evaluate as the fiscal year progresses.

Due to the state of the local economy and its financial policies and practices, the City of Arnold received a credit rating of A+/Stable from Standard & Poor's in 2010. This rating was reviewed and reaffirmed in 2015, 2017 and 2019.

### **Long-term Financial Planning**

The annual budget serves as the foundation for the City's financial planning and control. The City bases its revenue and expenditure assumptions on historical data and trends, with future costs derived from basic inflationary cost assumptions and known costs. Throughout the fiscal year, the city administrator meets to monitor trends in monthly revenue and expenditure activity, prioritize capital needs, review financial policies and work with mayor and council to develop fees for services. Actual revenue results for the past five years are analyzed for any developing trends and to aid in forecasting funding for the new budget year. 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 expenditure budget based on the anticipated revenues forecasted.

Initial draft budget documents are refined through a series of reviews attended by the mayor, staff and interested councilpersons. Based on discussion during these meetings and according to City policy, 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).

During the year, 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.

### **Major Budget and other Initiatives**

The City desires to plan for its success 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 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 Triangle and Arnold Crossroads TIFs and other future developments. ARC-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 basic financial statements as a distinctly presented component unit. Separate financial statements may be obtained from the City's finance department.

In December 2015, the City issued additional Chapter 100 Industrial Bonds in support of a second expansion of the Metal Container Corporation facility with a maximum principal amount of \$150 million adding another 24,000 sq. ft. to their complex. In addition to the Chapter 100 Industrial Bonds, the state has offered economic incentives to support this project. This expansion provides an estimated 70 new manufacturing jobs and insures Metal Container Corporation's presence in the City well into the future.

Additionally, in May 2019 the City issued new Chapter 100 bonds, with a maximum principal amount of \$10 million, for the construction of an approximately 70,000 square foot senior living facility by Cedarhurst of Arnold Real Estate, LLC.

Construction was completed in 2018 on the Tenbrook Road sidewalk project funded in part by a grant from the Safe Routes to School program. The City received notice of a federal congestion mitigation air quality grant award in October 2015 for improvements to the Jeffco-Tenbrook intersection and has completed easement acquisitions. This project, which was substantially completed in 2019, was constructed in tandem with the Tenbrook sidewalks project. The project is expected to be fully completed and closed out in fiscal 2020.

In January 2016, city council established a five-year street and road improvement plan by earmarking \$2.5 million in sewer system sale proceeds as funding. In year two, commercial streets; sections of Arnold Tenbrook, the Richardson Road intersection at St. John's Crossing and Manufacturer's Drive were replaced. The City completed asphalt overlay of approximately 132,000 square yards of residential streets in 2019. A new Director of Public Works started in 2020 and is studying additional projects.

In keeping with the City's focus on enhancing the leisure life provided residents, the City completed the construction of an additional permanent structure at the Arnold Farmers Market in Arnold City Park. The City continues to acquire where possible additional properties to expand the footprint of the Arnold City Park. Construction of the Jim Edwards Archery Park, with partial funding from the Missouri Department of Conservation, was completed in 2018. A new larger dog park with added amenities and features in Ferd B. Lang Park was completed in 2019 and replaces the existing dog areas in both Ferd B. Lang and Arnold City Park.

In 2014, council approved the establishment of a small business development program. Corridor55 opened in September 2014 providing co-working office space and support for fledgling local entrepreneurs. The Arnold Chamber of Commerce has relocated to Corridor55. While space is still available in the common areas for use, occupancy of all designated offices remains at 100% with a growing waiting list.

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 develop programs to enhance the services it offers to residents and to attract and support local business.

In 2016, the Arnold Community Foundation was established as an agency of the city to promote the general welfare by enriching the quality of life for its residents. The Foundation Board finalized its bylaws in 2017 and has the stated goals of: supporting community benefit activities, helping to support improvements in Parks & Recreation, and coordinating community beautification projects.

Technological improvements continue to play an important role in this year's activities. Current projects include an enhanced security system for the recreation center, installation of budgeting and analysis software and an internal study of the adequacy of the current accounting software, asset management and community development related systems.

There were nine houses identified in 2019 that do qualify for FEMA flood buyout grants (from prior years' flooding). These houses are going through the appropriate processes toward finalization. If finalized the intent is that these properties will be demolished and the land potentially added to existing City property. Also, the City purchased several properties in the Melody Lane / Key West Drive areas as part of a storm water upgrade project that is planned for 2020.

### **Relevant Financial Policies**

The City of Arnold has an established set of financial policies under which it operates. The most recently adopted is its Fund Balance Policy. Due to the General Fund's reliance on sales tax revenue, the City's Fund Balance Policy anticipates a target unassigned fund balance of not less than 34% or four months of annual operating revenues for the fiscal year and requires a plan of action to restore the balance if it falls below this level. For fiscal 2019, the General Fund unassigned fund balance of \$5,271,555 is approximately 38.5% of total revenues.

### **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, 2018. This is the 30<sup>th</sup> 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

  
\_\_\_\_\_  
Bill Lehmann  
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, 2018**

*Christopher P. Morrill*

Executive Director/CEO

**CITY OF ARNOLD, MISSOURI**  
**PRINCIPAL OFFICIALS**

---

Ron Counts

Mayor

**Council**

EJ Fleischmann  
Jason Fulbright  
Tim Seidenstricker  
Brian McArthur  
Mark Hood  
Vern Sullivan  
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

Bill Lehmann

Finance Director

Robert Shockey

Chief of Police

David Bookless

Community Development Director

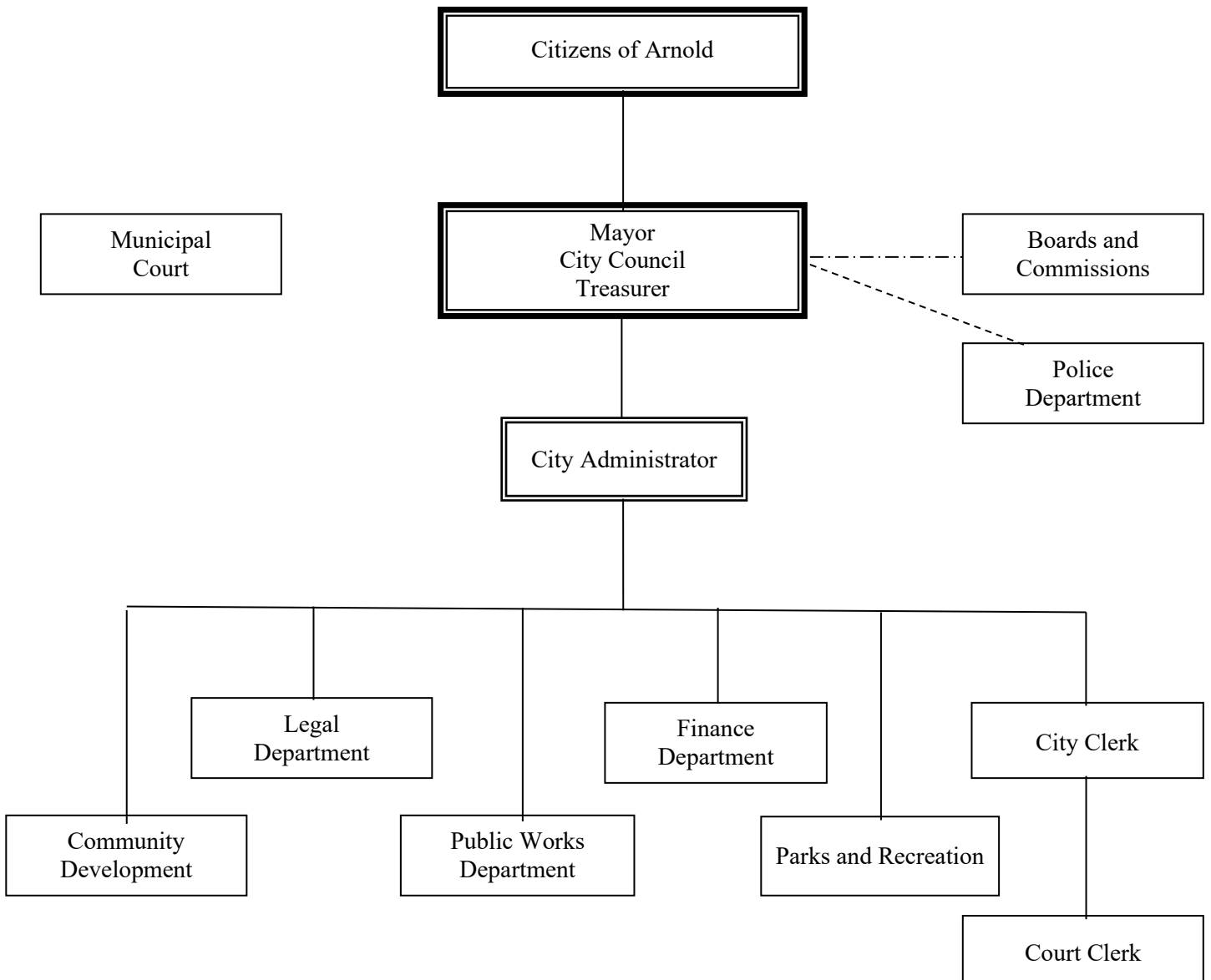
Judy Wagner

Public Works Director

Dickie Brown

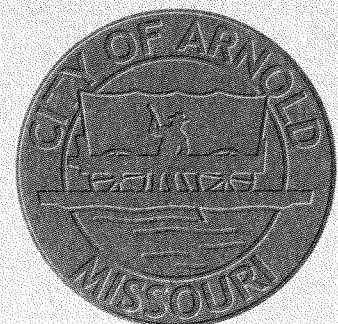
Parks and Recreation Director

# City of Arnold Organization Chart



THIS PAGE INTENTIONALLY LEFT BLANK

**FINANCIAL**







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

## INDEPENDENT AUDITOR'S REPORT

February 4, 2020

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

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

[www.hbclp.com](http://www.hbclp.com)

 **PrimeGlobal** | An Association of  
Independent Accounting Firms

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, 2019, 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.

## **Other Matters**

### *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.

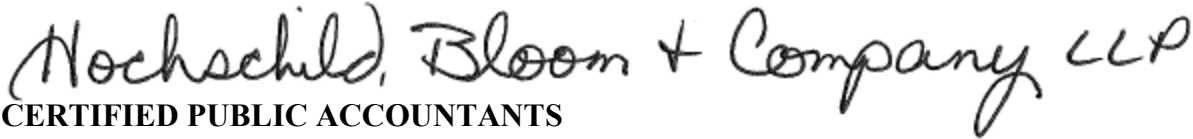
The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic

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

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

#### **OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 4, 2020, 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 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.

  
CERTIFIED PUBLIC ACCOUNTANTS  
*Washington, Missouri*

# CITY OF ARNOLD, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2019

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, 2019. 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 and deferred inflows of resources at the close of the most recent fiscal year by \$60,390,667 (*net position*). The City has a deficit unrestricted net position of \$13,242,418 due to \$25,430,129 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 \$55,312,288 and \$5,078,379, respectively, at fiscal year-end. The City's total net position increased by \$280,256 during the fiscal year. The combined governmental activities increased by \$218,816 while the combined business-type activities increased by \$61,440.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$16,152,786, a decrease of \$761,277 in comparison with the prior year. Approximately 32.2% of this amount or \$5,199,320 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 \$10,772,199, or approximately 74.7% of total General Fund expenditures.
- The City's total outstanding long-term debt, including compensated absences, decreased by \$3,125,938 during the current fiscal year to a total of \$38,920,149. In December 2016, Series 2016 of Tax Increment Revenue Bonds (TIF) were issued to refund the Series 2009 TIF bonds. The Series 2017 Leasehold Revenue Bonds were issued in August 2017 refunding the Series 2010 Leasehold Revenue Bonds. In May 2019 the Series 2019 Certificates of Participation were issued to refund the Series 2012 Certificates of Participation.

## 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

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2019**

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.

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 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.

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

	<u>Government-wide Statements</u>	<u>Fund Statements</u>		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
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 and storm water system	Instances in which the City is the trustee or agent for someone else's resources, such as the retirement plan for City 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

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2019**

---

statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains five individual government funds. Information is presented separately in the governmental 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 non-major 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.

**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. With the disposal of the sewer system, the City maintains two *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 storm water utility system and the Arnold City 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.

**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.

**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.

**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, pension and OPEB data. Other supplemental information contains comparative governmental funds statements and combining and individual statements for the non-major governmental funds.

**CITY OF ARNOLD, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

**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 and deferred inflows of resources by \$60,390,667 at the close of the most recent fiscal year. This represents an increase in net position of 0.47% or \$280,256 higher than fiscal 2018. (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 pension) however, its unrestricted net position had a deficit balance of \$13,242,418.

**Table A-2**  
**City of Arnold's Net Position as of August 31, 2018 and 2019**  
*(In thousands of dollars)*

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	2018	2019	2018	2019	2018	2019
<b>Assets</b>						
Current and other assets	\$ 23,103	23,672	669	788	23,772	24,460
Capital assets	73,972	71,413	4,559	4,569	78,531	75,982
<b>Total assets</b>	<u>97,075</u>	<u>95,085</u>	<u>5,228</u>	<u>5,357</u>	<u>102,303</u>	<u>100,442</u>
<b>Total Deferred Outflows of Resources</b>	<u>4,823</u>	<u>4,822</u>	<u>50</u>	<u>25</u>	<u>4,873</u>	<u>4,847</u>
<b>Liabilities</b>						
Long-term debt outstanding	42,590	39,853	12	51	42,602	39,904
Other liabilities	3,422	3,778	183	185	3,605	3,963
<b>Total liabilities</b>	<u>46,012</u>	<u>43,631</u>	<u>195</u>	<u>236</u>	<u>46,207</u>	<u>43,867</u>
<b>Total Deferred Inflows of Resources</b>	<u>793</u>	<u>964</u>	<u>66</u>	<u>68</u>	<u>859</u>	<u>1,032</u>
<b>Net Position</b>						
Net Investment in capital assets	61,364	59,607	4,559	4,518	65,923	64,125
Restricted for capital improvements	2,422	3,990	-	-	2,422	3,990
Restricted for debt service	1,422	1,429	-	-	1,422	1,429
Restricted for public safety	33	35	-	-	33	35
Restricted for tax increment financing	2,750	3,182	-	-	2,750	3,182
Restricted for tourism	217	257	-	-	217	257
Restricted for pension	1,051	614	-	-	1,051	614
Unrestricted	<u>(14,166)</u>	<u>(13,802)</u>	<u>458</u>	<u>560</u>	<u>(13,708)</u>	<u>(13,242)</u>
<b>Total net position</b>	<u>\$ 55,093</u>	<u>55,312</u>	<u>5,017</u>	<u>5,078</u>	<u>60,110</u>	<u>60,390</u>

The largest portion of the City's net position, \$64,125,009 in 2019 (a decrease of approximately 2.73% from 2018), 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

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2019**

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, \$9,508,076 represents resources that are subject to external restrictions on how they may be used. Of this amount, \$4,611,385 or 48.5% is restricted by debt covenants while use of the remaining, \$4,896,691, is restricted by other governmental entities.

The remaining category of the City's net position represents a deficit balance of *unrestricted net position* totaling \$13,242,418 in 2019. This represents a decreased deficit balance change as compared to the prior year's unrestricted net position of \$13,708,169 or almost 3.4%.

**Table A-3  
Change in City's Net Positions for the Years Ended August 31, 2018 and 2019  
(In thousands of dollars)**

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>		<i>Percentage</i>	
	<i>Activities</i>		<i>Activities</i>				<i>Change</i>	
	2018	2019	2018	2019	2018	2019	2018-2019	
<b>Revenues</b>								
Program revenues:								
Charges for services	\$ 2,476	2,760	1,012	787	3,488	3,547	1.69	%
Operating grants	1,451	1,168	-	-	1,451	1,168	(19.51)	
Capital grants	503	88	3	-	506	88	(82.57)	
General revenues:								
Taxes	17,788	17,606	-	-	17,788	17,606	(1.02)	
Investment income	26	89	-	-	26	89	243.28	
Miscellaneous	129	225	-	-	129	225	75.30	
<b>Total revenues</b>	<u>22,373</u>	<u>21,936</u>	<u>1,015</u>	<u>787</u>	<u>23,388</u>	<u>22,723</u>	(2.84)	
<b>Expenses</b>								
General government	3,985	3,980	-	-	3,985	3,980	(0.12)	
Public safety	6,145	7,229	-	-	6,145	7,229	17.63	
Public works	1,239	1,551	-	-	1,239	1,551	25.21	
Highways and streets	3,415	3,124	-	-	3,415	3,124	(8.49)	
Parks and recreation	2,696	2,596	-	-	2,696	2,596	(3.70)	
Health and sanitation	662	471	-	-	662	471	(28.90)	
Economic Development	116	119	-	-	116	119	2.94	
Storm Water system	-	-	531	489	531	489	(7.99)	
Golf Course	-	-	560	579	560	579	3.36	
Interest on long-term debt	2,338	2,305	-	-	2,338	2,305	(1.45)	
<b>Total expenses</b>	<u>20,596</u>	<u>21,375</u>	<u>1,091</u>	<u>1,068</u>	<u>21,687</u>	<u>22,443</u>	3.49	
Excess (deficiency) before special items and transfers	1,777	561	(76)	(281)	1,701	280	(83.47)	
Transfers	(92)	(342)	92	342	-	-	-	
<b>Increase (decrease) in net position</b>	1,685	219	16	61	1,701	280	(83.47)	
Net Position - September 1	<u>53,408</u>	<u>55,093</u>	<u>5,001</u>	<u>5,017</u>	<u>58,409</u>	<u>60,110</u>	2.91	
<b>Net position - August 31</b>	<u>\$ 55,093</u>	<u>55,312</u>	<u>5,017</u>	<u>5,078</u>	<u>60,110</u>	<u>60,390</u>	0.47	%



**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2019**

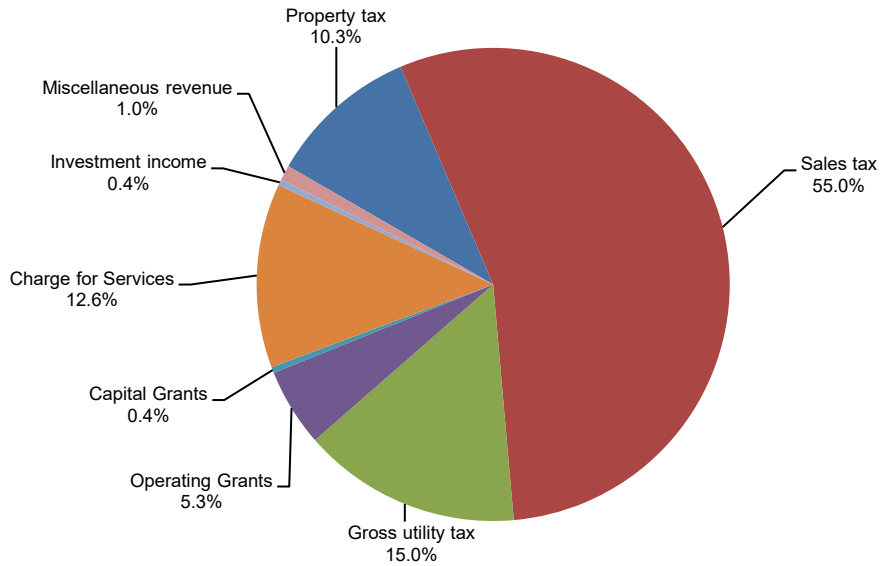
---

**Governmental activities.** Governmental activities increased the City's net position by \$218,816. Key elements of this net increase are as follows:

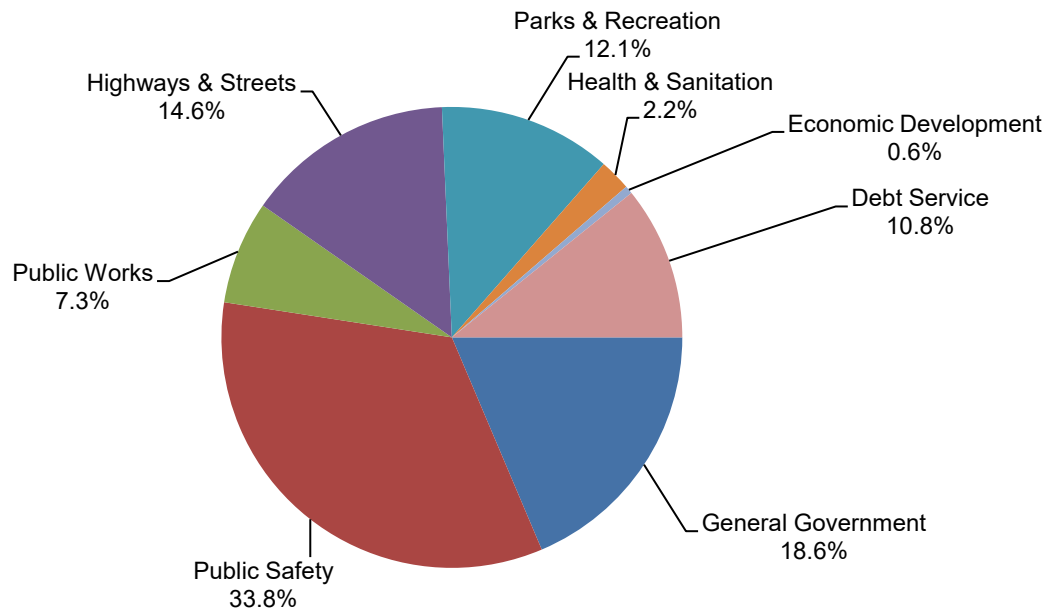
- Real property assessed valuations increased \$1,347,369 or slightly over 0.43%. Residential property values increased \$1,497,800 or 0.83% while commercial values including railroads & utilities decreased \$146,600 or 0.12%. In compliance with the Hancock Amendment, the City decreased its property tax levy from 0.3911 cents/\$100 in assessed valuation, in 2018, to 0.3837 cents for fiscal year 2019. Triangle TIF District revenues were up by \$22,598. General Fund property tax revenues also increased approximately 1.04% or \$11,721.
- Sales tax revenues were \$220,405 or 1.86% higher than last year. Sales tax within the TIF Districts increased \$270,664 or slightly more than 10.72%. Tourism tax received from the local hotels decreased \$4,827 or 3.0%.
- Overall gross receipts tax revenues decreased \$381,077 or approximately 10.42% for the year. Goss receipts tax on waste water treatment showed an increase in revenue over last year of \$17,482 or 7.0%. Cable TV fees increased by 2.7% or 4,302 as traditional cable and other similar services continue to be flat ground against new streaming services available. Gas utility tax revenues show a decrease of \$1,700 or 0.39%, while electric utility tax revenues decreased \$307,574 or 12.96% below last year primarily due to fluctuations in temperature from 2018 to 2019. Variance swings in electric and gas revenues occur each year based on the weather that the area experiences. Telephone utility tax continued to decline showing a drop of \$93,592 or 21.33% which is consistent with the established trend as telecom companies change pricing strategies and consumers continue to eliminate residential landlines in favor of cellular service only.
- Overall charges for services were greater than 2018 by \$283,589 or 0.11%. Fees for general government increased 534.1% or \$745,673 primarily due to an ordinance that changed how business license fees are calculated Public safety revenues decreased by \$215,463 or 21.3%. Of this amount, court fines and costs account for \$169,992 of the increase or 78.9% of the total decrease and approximately 23.5% under last year's court revenues. Parks and recreation revenue decreased approximately 15.4% or \$186,993 primarily due to a decrease in membership fee revenues. Membership revenues decreased by \$81,341 or 22.7%, pool daily admissions decreased by \$5,320 or 6.27% and correspondingly concessions decreased by \$2,762 or 8.6%. Health and sanitation revenues dropped by \$59,628 or 53.5% due to City no longer billing for trash which is now being billed directly by the contracted trash company.
- Capital grants and contributions decreased by \$414,146 or 82.4% lower this fiscal year due to having received large grants last year for sidewalks and an archery park. Operating grants and contributions showed a decrease of \$283,297 or approximately 19.5% less than last year. Fiscal year 2018 included grant funds received from FEMA & SEMA for the 2015 and 2016 flood events. No such grants were received in 2019.
- The City transferred \$341,886 from the General Fund to subsidize operations at the golf course. This was due to substantial flooding in fiscal year 2019 that prevented the golf course from fully opening and generating the expected amount of daily fees and memberships plus other ancillary revenue from the pro shop. Additionally, there were extraordinary expenses to rehabilitate the golf course fairways and greens after the flood waters receded.

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2019**

**Figure A-1  
Sources of Revenue - Governmental Activities**



**Figure A-2  
Expenses by Function - Governmental Activities**



**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2019**

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 \$21,375,230.
- However, the amount that our taxpayers paid for these activities through City taxes was \$17.48 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.

**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	
	2018	2019	2018-2019		2018	2019	2018-2019	
General government	\$ 3,985	3,980	(0.12)	%	\$ 3,467	3,027	(12.68)	%
Public safety	6,145	7,229	17.63		4,736	6,335	33.76	
Public works	1,239	1,551	25.21		1,219	1,531	25.57	
Highways and streets	3,415	3,124	(8.52)		2,387	2,054	(13.94)	
Parks and recreation	2,696	2,596	(3.70)		1,352	1,569	16.08	
Health and sanitation	662	471	(28.74)		549	419	(23.70)	
Economic development	116	119	2.94		116	119	2.95	
Interest on long-term debt	2,338	2,305	(1.45)		2,338	2,305	(1.43)	
<b>Total</b>	<b>\$ 20,596</b>	<b>21,375</b>	<b>3.79</b>	<b>%</b>	<b>\$ 16,164</b>	<b>17,359</b>	<b>7.39</b>	<b>%</b>

**Business-type activities.** Business activities increased the City's net position by \$61,440. The key element of this increase was the transfer of \$341,886 from General Fund to subsidize the Arnold City Golf Course as previously mentioned. Other components are as follows:

- Storm water rates remain the same with charges for services increasing \$8,398 or approximately 1.43% while cost of services decreased \$42,284 or approximately 7.97% during the current year. No major in-house projects were begun this year. Part of the expense decrease is due, in part, to the retirement of the Public Works Director in May 2018. This position was vacant for all of fiscal year 2019. 25% of that position's salary was charged to the Storm Water Fund.
- Charges for services decreased \$234,245 or approximately 54.9% at the City's public golf course this year over last due to extended flooding causing total or partial closure during the primary golf season. Operating expenses increased \$18,766 or approximately 3.36%. Personnel costs were approximately 6.8% or \$20,592 lower than last year primarily due to the aforementioned flooding. A decrease in supply cost of \$18,844 or 16.4% is attributable to flooding in 2019 that affected the ability of the golf course to operating at full capacity.

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2019**

---

**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 funds totaling \$341,886 from the General Fund to business activities to eliminate the negative cash position in the Golf Fund. These transfers along with other costs incurred account for the decrease in the City's General Fund of \$966,118 as compared with the prior year, leaving the General Fund with an ending fund balance of \$11,296,358. Of this amount \$524,139 represents prepaid items and is nonspendable. An additional amount of \$20 has been restricted for debt service. The City Council has committed portions of fund balance as follows: 1) \$713,294 for services and street improvements, 2) \$883,724 for sewer sub-district projects, 3) \$113,165 for greenway beautification, 4) \$593,778 for economic development, 5) \$9,066 for the pride in our City program, 6) \$4,746 in continued support of a city bus route, and 7) \$850,420 for the remaining two years of the five-year residential street improvement project. Assigned for use in the future budget is \$2,332,451 which includes the Melody Lane and Jeffco-Tenbrook sidewalk and intersection projects. The remaining unassigned fund balance is \$5,271,555.

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 \$(72,235). As predicted prior to building the recreation center, sales tax receipts are intended to be sufficient to cover debt service. User fees, although not adequate to cover operating expenditures, are set at a price point affordable for the vast majority of city residents and reviewed annually.

The Special Allocation Fund reports activities related to the City's Arnold Commons and Crossroads TIF projects. Revenues are received from incremental property and sales tax generated within the project area. These funds are then used to retire the related project debt. The Special Allocation Fund reported an ending fund balance of \$4,611,365 or an increase of \$439,402 or approximately 10.53% above last year. All of this amount is restricted for debt service. In December 2016, the City refunded the Series 2009 Triangle TIF bonds and issued Series 2016 bonds in the amount of \$27,674,501 for the Arnold Commons TIF project. As of August 2019, \$22,549,501 remains outstanding on the Series 2016 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 2019, \$1,002,273 remains outstanding on the Arnold Crossroads and \$1,878,355 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 unrestricted net position for the Storm Water Fund is \$621,472, an increase of \$143,545 from prior year. The Golf Fund ended the year with an unrestricted net position of (\$61,433), down \$41,554 from prior year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Results for the General Fund this year were greater than anticipated by \$2,259,694. Actual total revenues were \$1,895,561 lower than final budget primarily due to expected road project reimbursements being pushed into the following fiscal year while actual total expenditures were \$4,108,529 lower than final budget. Transfers to/from other funds and insurance proceeds totaling \$46,726 account for the remaining variance to budget.

Total tax revenue was below final estimated budget by \$1,762,114 or approximately 13.51%. Property tax revenues were \$41,799 above final budget or 3.80%. Sales tax revenues were \$1,584,326 or 20.35% lower than final budget due to the aforementioned delayed road project reimbursements. Gross receipts tax was \$272,583 or 8.05% lower than final budget. Electrical and gas consumption were under final budget by \$233,405 or 10.15% and under final budget by \$5,437 or 1.23% respectively. Telephone tax fell short of final budget expectations by \$74,868 or approximately 17.8%. Sewer utility tax receipts were over final budget expectations by \$41,128 or 18.3%. Motor fuel tax was \$17,402 over final budget or 3.19%.

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2019**

---

Licenses and permits ended the fiscal year higher than final budget by approximately 36.3% or \$345,694. Licenses to do business in the City were \$193,972 or 32.3% over final budget. The budget is usually adjusted at mid-year based on the number of permits issued but due a change in the calculation used on the business license form the total number was not readily able to be forecasted. Construction season picked up and building, mechanical and existing structure permits exceeded projected estimates by \$102,645 or almost 99%. Animal licenses exceeded final budget by \$28,156 or approximately 165%. These increases are attributed to positive changes in the economy. Owners/operators have the confidence to begin or expand business and consumers have additional discretionary income to support home improvements and animals.

Fines and court costs were under final estimated budget by \$146,413 or 20.9%. Fines were under final budget by 21.2% or \$135,501. Court costs were also under final estimated budget \$10,914 or 18.2%.

Intergovernmental revenues were below final budget by \$511,870 or 74.2%.

Charges for service revenues were over final estimated budget by \$23,896 or approximately 24.7%.

Miscellaneous revenues were above final budget by \$73,524 or 80.4%.

General government actual expenditures were under the final budget by just over 7.8% or \$271,150. This was due to several factors including telephone expense being under final budget by \$36,743 or 20.4%; data processing was \$14,540 or 10.4% under final budget; beautification was \$54,654 under final budget or 91.1% due to planned projects being delayed.

Public safety actual expenditures were under final budget \$353,566 or 5.13%. Of this variance, \$280,263 or 79.2% occurred in the police budget primarily due to the addition of several budgeted officers throughout the year as opposed to early in the year. Dispatch was over the adjusted final budget by \$17,995 or 4.7%.

The public works budget shows a favorable variance of \$256,411 or 32.81% primarily due to road project delays.

Highway and street expenditures were lower than estimated by \$628,465 or 38.6% due to road project delays.

Parks and recreation expenses were lower than final budget by \$228,017 or 22.2% primarily due to flooding events which caused cancellation of certain planned events most notably the annual 4<sup>th</sup> of July celebration and site work for a practice field. Park programs were \$74,211 (31.18%) under final budget. Land and building were under final budget by \$29,802 (43.8%).

Total health and sanitation expenses finished 2019 under final budget by \$59,971 or 13.1% primarily due to a resolution passed in 2017 which transitions the cost of solid waste pickup from the City to the solid waste customers over a six-year period.

Capital outlays finished under final budget by \$2,310,278 or 60.5% primarily due to delays in scheduled road projects.

Debt service variance was under final budget by \$671 or less than 1%.

## **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, 2019, amounted to \$75,982,851 (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 3.32% (governmental activities decreased 3.46% and a 1.04% decrease for business-type activities). (See table A-5)

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

- General Fund included replacing carpeting in city hall (\$12,633), fencing and plumbing for the new dog park (\$25,577), a new aerating fountain for Arnold City Park (\$9,700), and a K9 unit police dog (\$9,975). Additionally,

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2019**

\$6,295 was paid toward the purchase and construction of two steel buildings for use by the public works and parks departments. Construction is expected to be completed in 2020. Acquisitions were made for two properties for land and right of way (\$7,000).

- As part of the annual police vehicle replacement program, six police cars were purchased (\$243,576), five vehicles were retired (fully depreciated) and five vehicles were transferred to other departments (at fully depreciated value); one to the parks, three to the building department and one to the recreation center. One police SUV was retired due to an accident. Book value at the time was \$9,081 which was offset by insurance proceeds of \$15,740.
- Highway & streets completed sidewalks on Tenbrook Road (\$450,806),
- The Parks/Golf Course purchased a 360-degree cut mower (\$56,634) and an industrial walk behind mower (\$5,794).

For more detailed information about the City's capital assets, see note C in the notes to the financial statements.

**Table A-5  
City's Capital Assets as of August 31, 2018 and 2019  
(Net of depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities		Capital Assets	
	2018	2019	2018	2019	2018	2019
Land	\$ 28,872,190	28,879,190	3,363,160	3,363,160	32,235,350	32,242,350
Buildings	10,633,981	10,091,868	321,162	306,535	10,955,143	10,398,403
Machinery and Equipment	545,884	457,849	57,486	103,625	603,370	561,474
Automobiles and trucks	927,784	849,333	-	-	927,784	849,333
Infrastructure	32,178,772	30,656,948	-	-	32,178,772	30,656,948
Storm Water lines	-	-	817,083	796,141	817,083	796,141
Construction in progress	813,681	478,202	-	-	813,681	478,202
<b>Total</b>	<b>\$ 73,972,292</b>	<b>71,413,390</b>	<b>4,558,891</b>	<b>4,569,461</b>	<b>78,531,183</b>	<b>75,982,851</b>

**Long-term debt.** At year-end the City had \$38,001,225 in bonds and notes outstanding - a decrease of 7.9% from last year - as shown in Table A-6.

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

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 \$38,896,083. The City currently has no general obligation debt outstanding.

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2019**

**Table A-6  
City's Outstanding Debt as of August 31, 2018 and 2019  
(In thousands of dollars)**

	Governmental		Business-type		Total		Percentage
	Activities		Activities				Change
	2018	2019	2018	2019	2018	2019	2018-2019
Revenue bonds and notes (backed by specific tax and fee revenues)	\$ 41,261	37,950	-	51	41,261	38,001	(7.90) %

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate, not seasonally adjusted, for Jefferson County for August 2019 was 3.0%, which is a decrease from a rate of 3.2% a year ago. This is lower than the national and state's average unemployment rate of 3.8% and 3.4% respectively, all rates not seasonally adjusted.
- The Consumer Price Index (CPI-U) for All Urban Consumers indicates that nationwide inflation has increased 1.7% over the August 2018 rate. Inflationary trends for the Midwest region (1.5%) compare favorably to the Northeast (1.5%), South (1.4%) and West (2.6%) regions indices.

All of these factors were considered in preparing the City's budget for the 2019 fiscal year.

The property tax rate set to support the 2019 fiscal year budget is \$0.3837 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.

Storm water fees remain at \$3 per month per equivalent residential unit.

Incorporated into the budget for fiscal year 2019 is the third year of City's first bargaining agreement with the Fraternal Order of Police. This four-year agreement provides for annual wage increases and other changes for commissioned and other personnel.

**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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Transportation Development District
<b>ASSETS</b>				
Cash and investments	\$ 12,331,107	570,780	12,901,887	3,898,861
Receivables (net of allowances for uncollectibles):				
Taxes	3,718,318	-	3,718,318	-
Special assessments	1,114,948	-	1,114,948	-
Service fees	312,116	210,760	522,876	-
Intergovernmental	4,054	-	4,054	-
Miscellaneous	199,803	1,500	201,303	-
Prepaid items	524,139	5,902	530,041	-
Restricted assets:				
Cash and investments	1,454,703	-	1,454,703	-
Capital improvements sales tax receivable	3,990,422	-	3,990,422	-
Internal balances	3,337	(3,337)	-	-
Net pension asset	18,456	2,259	20,715	-
Capital assets:				
Land and construction in progress	29,357,392	3,363,160	32,720,552	-
Other capital assets, net of accumulated depreciation	42,055,998	1,206,301	43,262,299	-
Total Assets	<u>95,084,793</u>	<u>5,357,325</u>	<u>100,442,118</u>	<u>3,898,861</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	2,772,714	-	2,772,714	-
Deferred amounts related to OPEB	36,938	-	36,938	-
Deferred amounts related to pensions	2,012,500	25,223	2,037,723	-
Total Deferred Outflows Of Resources	<u>4,822,152</u>	<u>25,223</u>	<u>4,847,375</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	2,006,065	59,447	2,065,512	-
Accrued liabilities	150,468	35,284	185,752	-
Accrued interest payable	1,473,652	-	1,473,652	-
Unearned revenue	147,494	90,084	237,578	-
Noncurrent liabilities:				
Due within one year:				
Long-term debt	3,539,731	10,346	3,550,077	1,340,000
Due in more than one year:				
Long-term debt	35,329,297	40,775	35,370,072	10,510,000
Total OPEB liability	517,227	-	517,227	-
Net pension liability	467,111	-	467,111	-
Total Liabilities	<u>43,631,045</u>	<u>235,936</u>	<u>43,866,981</u>	<u>11,850,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts related to OPEB	13,738	-	13,738	-
Deferred amounts related to pensions	949,874	68,233	1,018,107	-
Total Deferred Inflows Of Resources	<u>963,612</u>	<u>68,233</u>	<u>1,031,845</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	59,606,669	4,518,340	64,125,009	-
Restricted for capital improvements	3,990,422	-	3,990,422	-
Restricted for debt service	1,428,859	-	1,428,859	1,893,747
Restricted for public safety	34,977	-	34,977	-
Restricted for tax increment financing	3,182,526	-	3,182,526	-
Restricted for tourism	257,321	-	257,321	-
Restricted for transportation development	-	-	-	957,224
Restricted for pension	613,971	-	613,971	-
Unrestricted net position	(13,802,457)	560,039	(13,242,418)	(10,802,110)
Total Net Position	<u>\$ 55,312,288</u>	<u>5,078,379</u>	<u>60,390,667</u>	<u>(7,951,139)</u>



**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

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	
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General government	\$ 3,980,145	885,280	-	67,578	(3,027,287)	-	(3,027,287)	-
Public safety	7,228,748	795,822	98,063	-	(6,334,863)	-	(6,334,863)	-
Public works	1,551,332	-	-	20,624	(1,530,708)	-	(1,530,708)	-
Highways and streets	3,124,045	-	1,069,848	-	(2,054,197)	-	(2,054,197)	-
Parks and recreation	2,596,256	1,026,853	-	-	(1,569,403)	-	(1,569,403)	-
Health and sanitation	470,807	51,915	-	-	(418,892)	-	(418,892)	-
Economic development	119,421	-	-	-	(119,421)	-	(119,421)	-
Interest and fiscal charges on long-term debt	2,304,476	-	-	-	(2,304,476)	-	(2,304,476)	-
Total Governmental Activities	<u>21,375,230</u>	<u>2,759,870</u>	<u>1,167,911</u>	<u>88,202</u>	<u>(17,359,247)</u>	<u>-</u>	<u>(17,359,247)</u>	<u>-</u>
<b>Business-type Activities</b>								
Storm water	488,586	594,657	-	-	-	106,071	106,071	-
Golf	578,816	192,299	-	-	-	(386,517)	(386,517)	-
Total Business-type Activities	<u>1,067,402</u>	<u>786,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(280,446)</u>	<u>(280,446)</u>	<u>-</u>
Total Primary Government	<u>\$ 22,442,632</u>	<u>3,546,826</u>	<u>1,167,911</u>	<u>88,202</u>	<u>(17,359,247)</u>	<u>(280,446)</u>	<u>(17,639,693)</u>	<u>-</u>
<b>Component Unit</b>								
Transportation development district	<u>\$ 1,583,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,583,737)</u>
<b>General Revenues</b>								
Taxes:								
Property					2,247,853	-	2,247,853	-
Sales					12,047,156	-	12,047,156	2,970,318
Gross receipts					3,276,670	-	3,276,670	-
Miscellaneous					34,601	-	34,601	-
Investment income					88,819	-	88,819	61,472
Miscellaneous					224,850	-	224,850	-
<b>Transfers</b>					(341,886)	341,886	-	-
Total General Revenues And Transfers					<u>17,578,063</u>	<u>341,886</u>	<u>17,919,949</u>	<u>3,031,790</u>
<b>CHANGE IN NET POSITION</b>					218,816	61,440	280,256	1,448,053
NET POSITION, SEPTEMBER 1					<u>55,093,472</u>	<u>5,016,939</u>	<u>60,110,411</u>	<u>(9,399,192)</u>
NET POSITION, AUGUST 31					<u>\$ 55,312,288</u>	<u>5,078,379</u>	<u>60,390,667</u>	<u>(7,951,139)</u>

**CITY OF ARNOLD, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**AUGUST 31, 2019**

	<b>General</b>	<b>Recreation Center</b>	<b>Special Allocation</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ 10,766,851	-	1,272,540	291,716	12,331,107
Receivables (net of allowances for uncollectibles):					
Taxes	1,668,729	288,317	1,729,163	32,109	3,718,318
Special assessments	1,114,948	-	-	-	1,114,948
Service fees	312,116	-	-	-	312,116
Intergovernmental	4,054	-	-	-	4,054
Court	90,340	-	-	-	90,340
Miscellaneous	69,561	39,902	-	-	109,463
Due from other funds	143,571	-	180,823	-	324,394
Prepaid items	524,139	-	-	-	524,139
Restricted assets:					
Cash and investments	25,864	-	1,428,839	-	1,454,703
Capital improvements sales tax receivable	3,990,422	-	-	-	3,990,422
Total Assets	<u>\$ 18,710,595</u>	<u>328,219</u>	<u>4,611,365</u>	<u>323,825</u>	<u>23,974,004</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,838,616	160,922	-	6,527	2,006,065
Accrued liabilities	145,208	5,260	-	-	150,468
Due to other funds	144,659	176,398	-	-	321,057
Unearned revenue	89,620	57,874	-	-	147,494
Total Liabilities	<u>2,218,103</u>	<u>400,454</u>	<u>-</u>	<u>6,527</u>	<u>2,625,084</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue:					
Special assessments	1,115,867	-	-	-	1,115,867
Court fines	89,845	-	-	-	89,845
Taxes	3,990,422	-	-	-	3,990,422
Total Deferred Inflows Of Resources	<u>5,196,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,196,134</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	524,139	-	-	-	524,139
Restricted for:					
Debt service	20	-	1,428,839	-	1,428,859
Public safety	-	-	-	34,977	34,977
Tax increment financing	-	-	3,182,526	-	3,182,526
Tourism	-	-	-	257,321	257,321
Committed for:					
Purchase of services and street improvements	713,294	-	-	-	713,294
Sewer sub district projects	883,724	-	-	-	883,724
Greenway beautification	113,165	-	-	-	113,165
Economic development	593,778	-	-	-	593,778
Pride in our City	9,066	-	-	-	9,066
City bus route	4,746	-	-	-	4,746
Street improvements	850,420	-	-	-	850,420
Community foundation	-	-	-	25,000	25,000
Assigned for:					
Subsequent year's budget	2,332,451	-	-	-	2,332,451
Unassigned	5,271,555	(72,235)	-	-	5,199,320
Total Fund Balances	<u>11,296,358</u>	<u>(72,235)</u>	<u>4,611,365</u>	<u>317,298</u>	<u>16,152,786</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 18,710,595</u>	<u>328,219</u>	<u>4,611,365</u>	<u>323,825</u>	<u>23,974,004</u>

**CITY OF ARNOLD, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**AUGUST 31, 2019**

---

Total Fund Balances - Governmental Funds	\$ 16,152,786
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$133,686,420 and the accumulated depreciation is \$62,273,030.	71,413,390
Certain assets and liabilities are not financial resources (uses) and, therefore, are not reported in the governmental funds.	
Net pension asset	18,456
Net pension liability	(467,111)
Deferred outflows related to pensions	2,012,500
Deferred inflows related to pensions	(949,874)
Total OPEB liability	(517,227)
Deferred outflows related to OPEB	36,938
Deferred inflows related to OPEB	(13,738)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	5,196,134
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued interest payable	(1,473,652)
Accrued compensated absences	(918,924)
Certificates of participation outstanding	(11,710,000)
Tax increment revenue bonds outstanding	(22,549,501)
Tax increment revenue notes outstanding	(2,880,628)
Unamortized bond premium	(910,241)
Unamortized bond deferred charges	2,772,714
Unamortized bond discount	100,266
	100,266
Total Net Position Of Governmental Activities	\$ 55,312,288

**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

	<u>General</u>	<u>Recreation Center</u>	<u>Special Allocation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 11,282,886	1,412,408	4,060,208	171,154	16,926,656
Special assessments	63,701	-	-	-	63,701
Licenses and permits	1,296,644	-	-	-	1,296,644
Fines and court costs	553,587	-	-	-	553,587
Intergovernmental	177,848	-	-	8,417	186,265
Charges for services	120,816	920,490	-	-	1,041,306
Investment income	44,521	2,045	42,253	-	88,819
Miscellaneous	164,974	7,539	-	-	172,513
Total Revenues	<u>13,704,977</u>	<u>2,342,482</u>	<u>4,102,461</u>	<u>179,571</u>	<u>20,329,491</u>
<b>EXPENDITURES</b>					
Current:					
General government	3,203,967	-	7,500	131,219	3,342,686
Public safety	6,532,687	-	-	6,874	6,539,561
Public works	524,982	-	-	-	524,982
Highways and streets	997,731	-	-	-	997,731
Parks and recreation	796,964	1,658,110	-	-	2,455,074
Health and sanitation	399,915	-	-	-	399,915
Economic development	-	-	119,421	-	119,421
Capital outlay	1,503,679	34,538	-	-	1,538,217
Debt service:					
Principal	355,000	615,000	2,542,788	-	3,512,788
Interest	111,348	229,704	993,350	-	1,334,402
Cost of issuance	-	195,121	-	-	195,121
Total Expenditures	<u>14,426,273</u>	<u>2,732,473</u>	<u>3,663,059</u>	<u>138,093</u>	<u>20,959,898</u>
<b>REVENUES OVER (UNDER) EXPEN- DITURES</b>	<u>(721,296)</u>	<u>(389,991)</u>	<u>439,402</u>	<u>41,478</u>	<u>(630,407)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Insurance proceeds	97,064	-	-	-	97,064
Issuance of long-term debt	-	8,455,000	-	-	8,455,000
Premium on issuance of long-term debt	-	774,256	-	-	774,256
Payments to escrow agent	-	(9,115,304)	-	-	(9,115,304)
Transfers out	(341,886)	-	-	-	(341,886)
Total Other Financing Sources (Uses)	<u>(244,822)</u>	<u>113,952</u>	<u>-</u>	<u>-</u>	<u>(130,870)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(966,118)	(276,039)	439,402	41,478	(761,277)
FUND BALANCES, SEPTEMBER 1	<u>12,262,476</u>	<u>203,804</u>	<u>4,171,963</u>	<u>275,820</u>	<u>16,914,063</u>
<b>FUND BALANCES, AUGUST 31</b>	<u>\$ 11,296,358</u>	<u>(72,235)</u>	<u>4,611,365</u>	<u>317,298</u>	<u>16,152,786</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, 2019**

Net Change In Fund Balances - Governmental Funds \$ (761,277)

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 (\$3,046,842) exceeded capital outlays over the capitalization threshold (\$497,022) in the current period. (2,549,820)

The net effect of various transactions involving capital assets:  
 Disposal of capital assets (9,082)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 1,516,877

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.

Debt issued

Certificates of participation	(8,455,000)	
Premium on issuance of long-term debt	<u>(774,256)</u>	(9,229,256)

Repayments:

Payment to escrow agent for refunding	9,115,304	
Certificates of participation	970,000	
Tax increment revenue bonds	1,870,000	
Tax increment revenue notes	672,788	
Amortization	<u>(363,192)</u>	
Net Adjustment		12,264,900

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	(411,760)	
OPEB expense	(30,418)	
Accrued compensated absences	(134,247)	
Pension expense	<u>(437,101)</u>	<u>(1,013,526)</u>

Change In Net Position Of Governmental Activities \$ 218,816

**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**AUGUST 31, 2019**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Storm Water</b>	<b>Golf</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 570,230	550	570,780
Receivables:			
Service fees	210,760	-	210,760
Other	-	1,500	1,500
Prepaid items	-	5,902	5,902
Due from other funds	-	600	600
Total Current Assets	<u>780,990</u>	<u>8,552</u>	<u>789,542</u>
<b>Noncurrent Assets</b>			
Net pension asset	1,603	656	2,259
Capital assets:			
Land and right-of-way	2,554	3,360,606	3,363,160
Other capital assets, net of accumulated depreciation	1,041,019	165,282	1,206,301
Total Capital Assets	<u>1,045,176</u>	<u>3,526,544</u>	<u>4,571,720</u>
Total Assets	<u>1,826,166</u>	<u>3,535,096</u>	<u>5,361,262</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	<u>17,898</u>	<u>7,325</u>	<u>25,223</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	11,675	47,772	59,447
Accrued liabilities	25,091	10,193	35,284
Unearned revenue	90,084	-	90,084
Capital lease payable - current installments	-	10,346	10,346
Due to other funds	3,752	185	3,937
Total Current Liabilities	<u>130,602</u>	<u>68,496</u>	<u>199,098</u>
<b>Noncurrent Liabilities</b>			
Capital lease payable	-	40,775	40,775
Total Liabilities	<u>130,602</u>	<u>109,271</u>	<u>239,873</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	<u>48,417</u>	<u>19,816</u>	<u>68,233</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,043,573	3,474,767	4,518,340
Unrestricted	<u>621,472</u>	<u>(61,433)</u>	<u>560,039</u>
Total Net Position	<u>\$ 1,665,045</u>	<u>3,413,334</u>	<u>5,078,379</u>

**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Storm Water</b>	<b>Golf</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 594,657	192,299	786,956
<b>OPERATING EXPENSES</b>			
Cost of services	451,112	557,229	1,008,341
Depreciation	37,474	20,880	58,354
Total Operating Expenses	488,586	578,109	1,066,695
<b>OPERATING INCOME (LOSS)</b>	106,071	(385,810)	(279,739)
<b>NONOPERATING EXPENSES</b>			
Interest expense and fiscal charge	-	(707)	(707)
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	106,071	(386,517)	(280,446)
TRANSFER IN	-	341,886	341,886
<b>CHANGE IN NET POSITION</b>	106,071	(44,631)	61,440
NET POSITION, SEPTEMBER 1	1,558,974	3,457,965	5,016,939
<b>NET POSITION, AUGUST 31</b>	<b>\$ 1,665,045</b>	<b>3,413,334</b>	<b>5,078,379</b>

**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Storm Water</b>	<b>Golf</b>	<b>Total</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 546,909	192,299	739,208
Payments to suppliers	(62,516)	(258,616)	(321,132)
Payments to employees	(376,988)	(284,817)	(661,805)
Net Cash Provided By (Used In) Operating Activities	<u>107,405</u>	<u>(351,134)</u>	<u>(243,729)</u>
<b>Cash flows from noncapital financing activities:</b>			
Due to/from other funds	3,752	(415)	3,337
Transfer from other funds	-	341,886	341,886
Net Cash Provided By Noncapital Financing Activities	<u>3,752</u>	<u>341,471</u>	<u>345,223</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets	-	(12,090)	(12,090)
Principal payments lease	-	(5,713)	(5,713)
Interest expense and fiscal charge	-	(707)	(707)
Net Cash Provided By (Used In) Capital And Related Financing Activities	<u>-</u>	<u>(18,510)</u>	<u>(18,510)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	111,157	(28,173)	82,984
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 1</b>	<u>459,073</u>	<u>28,723</u>	<u>487,796</u>
<b>CASH AND CASH EQUIVALENTS, AUGUST 31</b>	<u><u>\$ 570,230</u></u>	<u><u>550</u></u>	<u><u>570,780</u></u>



**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Storm Water</b>	<b>Golf</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 106,071	(385,810)	(279,739)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	37,474	20,880	58,354
(Increase) decrease in:			
Receivables	(31,548)	-	(31,548)
Net pension asset	(10,203)	(4,205)	(14,408)
Deferred outflows - pension related	17,351	7,221	24,572
Prepaid items	-	(5,031)	(5,031)
Increase (decrease) in:			
Accounts payable	987	12,931	13,918
Accrued liabilities	1,741	2,330	4,071
Unearned revenues	(16,200)	-	(16,200)
Deferred inflows - pension related	1,732	550	2,282
Total Adjustments	1,334	34,676	36,010
Net Cash Provided By (Used In) Operating Activities	\$ 107,405	(351,134)	(243,729)
<b>Supplemental disclosure of cash flow information:</b>			
Noncash investing, capital, and financing activities:			
Acquired capital assets by capital lease	\$ -	56,834	56,834

**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION -**  
**PENSION TRUST FUND**  
**AUGUST 31, 2019**

---

**ASSETS**

Money market funds	\$ 185,037
U.S. government securities	1,946,995
Corporate bonds	4,995,156
Domestic stock funds	4,475,163
International stock funds	2,027,403
Real estate related investments	356,216
Contribution receivable	55,544
Total Assets	<u>14,041,514</u>

**LIABILITIES**

-

**NET POSITION**

Restricted for pensions	<u><u>\$ 14,041,514</u></u>
-------------------------	-----------------------------

**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**PENSION TRUST FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

---

**ADDITIONS**

Contributions:

Employer contributions	\$ 417,960
Employee contributions	296,055
Total Contributions	<u>714,015</u>

Net appreciation in fair value of investments, interest, and dividends	273,908
Total Additions	<u>987,923</u>

**DEDUCTIONS**

Service benefits	339,282
Administrative expenses	14,099
Total deductions	<u>353,381</u>

**CHANGE IN NET POSITION**

634,542

NET POSITION - RESTRICTED FOR PENSIONS,  
SEPTEMBER 1

13,406,972

**NET POSITION - RESTRICTED FOR PENSIONS,  
AUGUST 31**

\$ 14,041,514

**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, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current fixed period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

**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.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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 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.

**5. Allowance for Doubtful Accounts**

The allowance for uncollectible receivables is as follows:

	<b>August 31</b>
	<b>2019</b>
	<hr/>
General Fund	<u>\$ 26,427</u>

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. 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”.

**7. 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.

**8. 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.

**9. 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 their estimated acquisition 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.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**9. Capital Assets (Continued)**

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
Storm water lines	50
Infrastructure	30
Intangibles	50

**10. 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. Compensated 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.

**11. 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 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.

**12. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an out-



**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**12. Deferred Outflows/Inflows of Resources (Continued)**

flow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category in the government-wide statement of net position. The first item is the deferred charge on refunding which 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. The second item is deferred outflows related to the pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualifies for reporting in this category. The first item arises under a modified accrual basis of accounting. 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 become available. The third item is deferred and is related to OPEB on the government-wide statements.

**13. Fund Balance Policies**

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

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

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

**Committed** -- The portion of fund balance with constraints or limitations by formal action (ordinance) of the City Council, the highest level of decision-making authority.

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

**Unassigned** -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund. In other governmental funds other than the general fund; if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**13. Fund Balance Policies (Continued)**

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.

**14. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental fund types. Since appropriations lapse at year-end, the subsequent fiscal year's budget specifically provides for reappropriation of outstanding encumbrances to honor the prior commitments. Encumbrances do not constitute current year expenditures or liabilities. Encumbrances outstanding at year-end were \$713,294 for the General Fund.

**15. 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.

**16. Pensions**

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's defined benefit pension plans (the Plans) and additions to/deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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, 2019, 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, 2019, 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, 2019, the City had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>			<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	
<b>Primary Government</b>					
Certificates of deposit	\$ 4,878,000	-	3,196,000	1,682,000	
Money market funds	2,572,880	2,572,880	-	-	Not rated
Total Primary Government Fund Investments	<u>7,450,880</u>	<u>2,572,880</u>	<u>3,196,000</u>	<u>1,682,000</u>	
<b>Component Unit</b>					
Money market funds	<u>3,898,661</u>	-	<u>3,898,661</u>	-	Not rated
<b>Fiduciary Fund</b>					
Money market funds	185,037	185,037	-	-	Not rated
U.S. government securities	1,946,995	-	-	1,946,995	A
Corporate bonds	3,195,425	-	-	3,195,425	BB
Corporate bonds	1,799,731	-	-	1,799,731	B
Domestic stock funds	4,475,163	4,475,163	-	-	Not rated
International stock funds	2,027,403	2,027,403	-	-	Not rated
Real estate related	356,216	356,216	-	-	Not rated
Total Fiduciary Fund Investments	<u>13,985,970</u>	<u>7,043,819</u>	<u>-</u>	<u>6,942,151</u>	
Grand Total Investments	<u>\$ 25,335,511</u>	<u>9,616,699</u>	<u>7,094,661</u>	<u>8,624,151</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 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.

**3. Fair Value Measurements**

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are prices quoted in active markets for these securities; Level 2 inputs are significant other observable inputs using a matrix pricing technique; and Level 3 inputs are significant unobservable inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities. The City has the following recurring fair value measurements as of August 31, 2019:

Primary Government:

- Money market funds of \$2,572,880 are not subject to fair value classification
- Certificates of deposit of \$4,878,000 are not subject to fair value classification

**CITY OF ARNOLD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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

**3. Fair Value Measurements (Continued)**

Component Unit:

- Money market funds of \$3,898,661 are not subject to fair value classification

		<b>August 31, 2019</b>		
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Fiduciary Fund</b>				
Investments by fair value level:				
U.S. government securities	\$ 1,946,995	-	1,946,995	-
Corporate bonds	3,195,425	3,195,425	-	-
Corporate bonds	1,799,731	1,799,731	-	-
Domestic stock funds	4,475,163	4,475,163	-	-
International stock funds	2,027,403	2,027,403	-	-
Real estate related	356,216	356,216	-	-
Total Investments				
By Fair Value Level	13,800,933	11,853,938	1,946,995	-
Investments not subject to fair value classification:				
Money market funds	185,037			
Total Fiduciary Fund Investments	\$ 13,985,970			

**CITY OF ARNOLD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

	<b>For The Year Ended August 31, 2019</b>			
	<b>Balance August 31 2018</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance August 31 2019</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land and right-of-way	\$ 28,872,190	7,000	-	28,879,190
Construction in progress	813,681	115,328	450,807	478,202
Total Capital Assets Not Being Depreciated	<u>29,685,871</u>	<u>122,328</u>	<u>450,807</u>	<u>29,357,392</u>
Capital assets being depreciated:				
Buildings and other improvements	19,954,569	60,163	-	20,014,732
Automotive equipment	2,924,713	304,556	39,630	3,189,639
Machinery and equipment	2,541,859	9,975	-	2,551,834
Infrastructure	78,122,016	450,807	-	78,572,823
Total Capital Assets Being Depreciated	<u>103,543,157</u>	<u>825,501</u>	<u>39,630</u>	<u>104,329,028</u>
Less - Accumulated depreciation for:				
Buildings and other improvements	9,320,588	602,276	-	9,922,864
Automotive equipment	1,996,929	373,925	30,548	2,340,306
Machinery and equipment	1,995,975	98,010	-	2,093,985
Infrastructure	45,943,244	1,972,631	-	47,915,875
Total Accumulated Depreciation	<u>59,256,736</u>	<u>3,046,842</u>	<u>30,548</u>	<u>62,273,030</u>
Total Capital Assets Being Depreciated, Net	<u>44,286,421</u>	<u>(2,221,341)</u>	<u>9,082</u>	<u>42,055,998</u>
Governmental Activities Capital Assets, Net	<u>\$ 73,972,292</u>	<u>(2,099,013)</u>	<u>459,889</u>	<u>71,413,390</u>

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

	<b>For The Year Ended August 31 2019</b>
<b>Governmental Activities</b>	
General government	\$ 594,470
Public safety	237,611
Public works	35,025
Highways and streets	2,101,146
Parks and recreation	74,651
Health and Sanitation	<u>3,939</u>
Total	<u>\$ 3,046,842</u>

**CITY OF ARNOLD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS (Continued)**

**For The Year Ended August 31, 2019**

	<b>Balance August 31 2018</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance August 31 2019</b>
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land and right-of-way	\$ 3,363,160	-	-	3,363,160
Capital assets being depreciated:				
Buildings	467,912	6,295	-	474,207
Machinery and equipment	563,976	62,629	-	626,605
Storm water lines	902,993	-	-	902,993
Total Capital Assets Being Depreciated	1,934,881	68,924	-	2,003,805
Less - Accumulated depreciation for:				
Buildings	146,750	20,922	-	167,672
Machinery and equipment	506,490	16,490	-	522,980
Storm water lines	85,910	20,942	-	106,852
Total Accumulated Depreciation	739,150	58,354	-	797,504
Total Capital Assets Being Depreciated, Net	1,195,731	10,570	-	1,206,301
Business-type Activities Capital Assets, Net	\$ 4,558,891	10,570	-	4,569,461

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

	<b>For The Year Ended August 31 2019</b>
<b>Business-type Activities</b>	
Storm water	\$ 37,474
Golf	20,880
Total	\$ 58,354

**CITY OF ARNOLD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - LONG-TERM DEBT**

Long-term debt activity was as follows:

	<b>For The Year Ended August 31, 2019</b>			<b>Balance August 31 2019</b>	<b>Amounts Due Within One Year</b>
	<b>Balance August 31 2018</b>	<b>Additions</b>	<b>Reductions</b>		
<b>Governmental Activities</b>					
Certificates of participation	\$ 13,240,000	8,455,000	9,985,000	11,710,000	950,000
Plus - Premium	172,545	774,256	36,560	910,241	-
Tax increment revenue notes	3,553,416	-	672,788	2,880,628	660,000
Tax increment revenue bonds	24,419,501	-	1,870,000	22,549,501	1,700,000
Less - Discounts	(124,052)	-	(23,786)	(100,266)	-
Compensated absences	784,677	330,416	196,169	918,924	229,731
	<u>\$ 42,046,087</u>	<u>9,559,672</u>	<u>12,736,731</u>	<u>38,869,028</u>	<u>3,539,731</u>
<b>Business-type Activities</b>					
Capital lease payable	\$ -	56,834	5,713	51,121	10,346
<b>Component Unit</b>					
Sales tax revenue bonds	\$ 13,190,000	-	1,340,000	11,850,000	1,340,000

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. Tax increment revenue notes and bonds are generally liquidated by the Special Allocation Fund.

**Governmental Activities**

***Certificates of Participation***

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. During the fiscal year ending August 31, 2019, this debt was refunded by the Series 2019 Certificates of Participation.

In August 2017, the City issued \$4,015,000 of Certificates of Participation (Series 2017) to refund the Series 2010 Certificates of Participation. The Series 2017 bonds bear an interest rate of 3.0% and are due December 15, 2026. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. As a result the old debt is considered to be defeased and the liability for this debt issue has been removed from the City's financial statements. As of August 31, 2019, \$5,040,000 of debt is considered defeased.

In May 2019, the City issued \$8,455,000 of Certificates of Participation (Series 2019) to refund the Series 2012 Certificates of Participation. The Series 2019 bonds bear an interest rate from 3.0% to 4.0% and are due Au-



**CITY OF ARNOLD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - LONG-TERM DEBT (Continued)**

gust 15, 2031. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. As a result the old debt is considered to be defeased and the liability for this debt issue has been removed from the City's financial statements. As of August 31, 2019, \$9,015,000 of debt is considered defeased. The City decreased its aggregated debt service payments by \$380,940 over 12 years which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$317,937.

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

<u>For The Years Ending August 31</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 950,000	399,375	1,349,375
2021	975,000	370,725	1,345,725
2022	1,005,000	341,325	1,346,325
2023	1,040,000	310,950	1,350,950
2024	1,070,000	279,525	1,349,525
2025 - 2029	4,990,000	848,325	5,838,325
2030 - 2031	1,680,000	101,400	1,781,400
Total	<u>\$ 11,710,000</u>	<u>2,651,625</u>	<u>14,361,625</u>

**Capital Leases**

During 2019, the City entered into a lease agreement totaling \$56,834 for a mower. The interest rate is 5.25% and the maturity date is February 23, 2024.

The assets acquired through the capital lease is as follows:

	<u>August 30 2019</u>
	<u>Business-type Activities</u>
Assets:	
Equipment	\$ 56,634
Less - Accumulated depreciation	2,023
Total	<u>\$ 54,611</u>

**CITY OF ARNOLD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - LONG-TERM DEBT (Continued)**

<b>For The Years Ending August 30</b>	<b>Business-type Activities</b>
2020	\$ 12,841
2021	12,841
2022	12,841
2023	12,841
2024	6,420
Total Minimum Lease Payments	57,784
Less - Imputed interest	(6,663)
Present Value Of Minimum Lease Payments	\$ 51,121

***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, 2019 are as follows:

	<b>Date Issued</b>	<b>Date Of Maturity</b>	<b>Date Of Annual Principal Payment</b>	<b>Original Amount</b>	<b>Balance August 31 2019</b>
Triangle Redevelopment (Series A)	12-14-2016	05-01-2028	May 1	\$ 23,050,000	\$ 17,925,000
Triangle Redevelopment (Series B)	12-14-2016	09-14-2028	May 1	4,624,501	4,624,501
Arnold Crossroads (Series B)	10-15-2009	07-06-2028	November 1	3,319,555	1,002,273
Arnold Crossroads (Series A) Drury Redevelopment	05-20-2011	07-06-2028	May 1	3,000,000	1,878,355

**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%.

**NOTE D - LONG-TERM DEBT (Continued)**

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**

***Plan Description***

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 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.

***Benefits Provided***

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.

***Employees Covered by Benefit Terms***

At August 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	14
Active employees	<u>52</u>
Total	<u>70</u>

***Contributions***

The City contributes to the Plan based on an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount necessary to

**NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)**

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

finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. City Ordinance requires each member to contribute 8½% of gross salary. For the year ended August 31, 2019, the City's contribution to the Plan was 14.6% of annual covered payroll.

***Net Pension Liability (Asset)***

The City's net pension liability (asset) was measured as of August 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	4.5%, average, including inflation
Investment rate of return	6.0%, net of pension plan investment expense, including inflation

Mortality rates were based on Pub-2010 Safety/Disability Mortality MP-2018 projected generationally, male and female rates.

The actuarial assumptions used in the August 31, 2019 valuation were based upon an annual review of actual experience compared to previous assumptions used, and a perspective on future expectations.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**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)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-term Expected Real Rate Of Return</u>
U.S. Cash	2.50%	0.68%
U.S. Short Bonds	12.50	1.10
U.S. Interim Bonds	22.50	1.40
U.S. High Yield Bonds	12.50	3.91
U.S. Large Caps	17.50	4.56
U.S. Small Caps	5.00	5.95
U.S. Mid Caps	5.00	4.98
Non-US Equity	10.00	6.48
Non-US Small Cap	5.00	6.85
Non-US REITs	2.50	6.42
Infrastructure	5.00	4.94

***Discount Rate***

The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

**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)**

**Changes in the Net Pension Liability (Asset)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
<b>Balances at August 31, 2018</b>	\$ 13,257,157	13,406,972	(149,815)
<b>Changes for the year</b>			
Service cost	624,531	-	624,531
Interest	822,871	-	822,871
Difference between expected and actual experience	(231,253)	-	(231,253)
Assumption changes or inputs	374,601	-	374,601
Contributions - employer	-	417,960	(417,960)
Contributions - employee	-	296,055	(296,055)
Net investment income	-	273,908	(273,908)
Benefit payments and expenses	(339,282)	(339,282)	-
Administrative expenses	-	(14,099)	14,099
Net Changes	<u>1,251,468</u>	<u>634,542</u>	<u>616,926</u>
<b>Balances at August 31, 2019</b>	<u>\$ 14,508,625</u>	<u>14,041,514</u>	<u>467,111</u>

The net pension liability (asset) is generally liquidated by the General Fund.

Changes of assumptions and other inputs reflect a change in the interest rate and discount rate both from 6.5% in 2017 to 6.0% in 2018.

***Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate***

The following presents the net pension liability (asset) of the Plan, calculated using the discount rate of 6.0%, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1% point lower (5.0%) or 1% point higher (7.0%) than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net pension liability (asset)	<u>\$ 2,651,354</u>	<u>467,111</u>	<u>(1,319,291)</u>

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

For the year ended August 31, 2019, the employer recognized pension expense of \$747,626. At August 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**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)**

	<b>Outflows</b>	<b>Inflows</b>	<b>Net Outflows</b>
Differences between expected and actual experience	\$ 452,255	(304,254)	148,001
Changes of assumptions	1,033,705	(87,925)	945,780
Net difference between projected and actual earnings	320,386	-	320,386
Total	\$ 1,806,346	(392,179)	1,414,167

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>For The Plan Years Ending August 31</b>		
2020		\$ 263,104
2021		238,747
2022		268,374
2023		298,000
2024		207,061
Thereafter		138,881
Total		\$ 1,414,167

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

***Plan Description***

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

**NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)**

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

***Benefits Provided***

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

	<u><b>2019 Valuation</b></u>
Benefit multiplier	2% for life
Final average salary	3 years
Member contributions	- %

Benefit terms provide for annual post-retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

***Employees Covered by Benefit Terms***

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	80
Inactive employees entitled to but not yet receiving benefits	32
Active employees	<u>65</u>
Total	<u><u>177</u></u>

***Contributions***

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rates are 18.0% of annual covered payroll.

***Net Pension Liability (Asset)***

The City's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2019.



**NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)**

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

*Actuarial Assumptions*

The total pension liability in the February 28, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

The healthy retiree mortality tables for post-retirement mortality were RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables for post-retirement mortality were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2019 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-term Expected Real Rate Of Return</u>
Alpha	15.00%	3.67%
Equity	35.00	4.78
Fixed income	31.00	1.41
Real assets	36.00	3.29
Strategic Assets	8.00	5.25
Cash	10.00	-
Leverage	(35.00)	(0.51)

**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)**

***Discount Rate***

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

**Changes in the Net Pension Liability (Asset)**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a)-(b)</b>
<b>Balances at June 30, 2018</b>	\$ 20,165,321	20,056,317	109,004
<b>Changes for the year</b>			
Service cost	403,675	-	403,675
Interest	1,444,434	-	1,444,434
Difference between expected and actual experience	(203,633)	-	(203,633)
Contributions - employer	-	575,580	(575,580)
Net investment income	-	1,261,811	(1,261,811)
Benefit payments, including refunds	(896,479)	(896,479)	-
Administrative expense	-	(20,641)	20,641
Other	-	(42,555)	42,555
Net Changes	<u>747,997</u>	<u>877,716</u>	<u>(129,719)</u>
<b>Balances at June 30, 2019</b>	<u>\$ 20,913,318</u>	<u>20,934,033</u>	<u>(20,715)</u>

The net pension liability (asset) is generally liquidated by the General Fund, Golf Fund, and Stormwater Fund.

***Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate***

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability (asset) would be using a discount rate that is 1% point lower (6.25%) or 1% point higher (8.25%) than the current rate.

**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)**

	<b>1% Decrease</b>	<b>Current Single Discount Rate Assumption</b>	<b>1% Increase</b>
Net pension liability (asset)	\$ 2,835,686	(20,715)	(2,374,448)

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

For the year ended August 31, 2019, the City recognized pension expense of \$707,919. Reported deferred outflows and inflows of resources are related to the following sources:

	<b>Outflows</b>	<b>Inflows</b>	<b>Net Outflows</b>
Differences in experience	\$ 102,492	(161,593)	(59,101)
Net difference between projected and actual earnings	-	(464,335)	(464,335)
Assumption changes	15,380	-	15,380
Contributions subsequent to the measurement date*	113,505	-	113,505
Total	\$ 231,377	(625,928)	(394,551)

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability (asset) for the next fiscal year.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**For The Plan  
Years Ending  
June 30**

2020	\$ (38,206)
2021	(336,511)
2022	(169,059)
2023	35,720
Total	\$ (508,056)

**Payable to the Pension Plan**

At August 31, 2019, the City had \$46,268 of required contributions payable to the pension plan.

**3. Aggregate Pension Expense**

The aggregate amount of pension expense for the year ended August 31, 2019 for the two pension plans is \$1,455,545.

**CITY OF ARNOLD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

***Plan Description***

The City's OPEB plan (the Plan) provides OPEB for all full-time employees of the City. The Plan is a single-employer defined benefit OPEB plan administered by the City. The Plan, as established by City resolution, assigned the authority to establish and amend the benefit terms and financing requirements to the City. No assets are accumulated in a trust for the Plan. The Plan does not issue a stand-alone report. The OPEB liability is generally liquidated by the General Fund.

***Benefits Provided***

The Plan 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 to the cost-sharing premium to retain coverage.

***Employees Covered by Benefit Terms***

At August 31, 2019, the following employees were covered by the benefit terms:

Actives	62
Retirees and Surviving Spouses	1
Spouses of Current Retirees	<u>-</u>
Total	<u>63</u>

***Total OPEB Liability***

The City's total OPEB liability was measured as of August 31, 2019, and was determined by an actuarial valuation as of that date.

***Actuarial Assumptions and Other Inputs***

The total OPEB liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.30%
Salary increase	3.00% including inflation
Discount rate	3.96%
Healthcare cost trend rates	Medical cost trend rate of 6.9% for 2017, gradually decreasing to an ultimate rate of 4.0% for 2097 and beyond.

Mortality rates were based on the RP-2014 Healthy Annuitant mortality table for males and females, as appropriate, with generational projection based on Scale MP-2016.

**CITY OF ARNOLD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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

The Plan has not had a formal actuarial experience study performed.

**Changes in the Total OPEB Liability**

	<u><b>Total OPEB Liability</b></u>
<b>Balance at August 31, 2018</b>	<u>\$ 447,341</u>
<b>Changes for the year</b>	
Service cost	17,242
Interest	18,236
Effect of assumption changes or inputs	42,683
Benefit payments	<u>(8,275)</u>
Net Changes	<u>69,886</u>
<b>Balance at August 31, 2019</b>	<u><u>\$ 517,227</u></u>

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.97%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% point lower (1.97%) or 1% point higher (3.97%) than the current discount rate:

	<u><b>1% Decrease</b></u>	<u><b>Discount Rate</b></u>	<u><b>1% Increase</b></u>
Total OPEB Liability	<u>\$ 563,885</u>	<u>517,227</u>	<u>474,130</u>

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the total OPEB liability of the City, calculated using the healthcare cost trend rates of 6.9% decreasing to 4.0%, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.9% decreasing to 3.0%) or 1% point higher (7.9% decreasing to 5.0%) than the current healthcare cost trend rates:

	<u><b>1% Decrease</b></u>	<u><b>Discount Rate</b></u>	<u><b>1% Increase</b></u>
Total OPEB Liability	<u>\$ 451,611</u>	<u>517,227</u>	<u>594,599</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended August 31, 2019, the City recognized negative OPEB expense of \$38,693. Deferred outflows and inflows of resources related to OPEB are from the following sources:

**CITY OF ARNOLD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
Changes of assumptions or other inputs	\$ 36,938	(13,738)	23,200

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>For The Years Ending August 31</b>		
2020		\$ 3,215
2021		3,215
2022		3,215
2023		3,215
2024		3,215
Thereafter		7,125
Total		\$ 23,200

**NOTE G - INTERFUND ASSETS/LIABILITIES**

Individual interfund assets and liabilities are as follows:

**Due From/To Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>August 31 2019</u>
Special Allocation Fund - Major Fund	General Fund - Major Fund	\$ 144,659
Special Allocation Fund - Major Fund	Recreation Center Fund - Major Fund	36,164
General Fund - Major Fund	Recreation Center Fund - Major Fund	139,634
General Fund - Major Fund	Stormwater Fund - Enterprise Fund	3,752
General Fund - Major Fund	Golf Fund - Enterprise Fund	185
Golf Fund - Enterprise Fund	Recreation Center Fund - Major Fund	600
Total		\$ 324,994

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, 2020.

**CITY OF ARNOLD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

---

**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 2019</u>
Golf Course Fund	General Fund	<u>\$ 341,886</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.

**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.

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 multi-line 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. The policy is for replacement cost and expires June 30, 2020.

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 \$555,865 for MIRMA's fiscal year ended June 30, 2019. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

**NOTE K - 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 - CONDUIT DEBT**

In December 2012, December 2015 and June 2019, the City authorized to issue \$88,000,000, \$150,000,000, and \$10,000,000, respectively, of 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, 2019 the principal amount payable for the 2012, 2015, and 2019 issues were \$87,912,091, \$84,611,309, and \$0, respectively.

**NOTE M - RESTRICTED NET POSITION**

The government-wide statement of net position reports \$9,508,076 of restricted net position, of which \$7,465,246 is restricted by enabling legislation.

**NOTE N - TAX INCREMENT REVENUES PLEDGED**

The City has pledged a portion of future tax revenues to repay tax increment revenue bonds and notes to finance certain improvements in the City. The bonds and notes are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved areas. Incremental taxes were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds and notes per Note D is payable through July 2028. For the current year, principal and interest paid and total incremental tax revenues were \$3,536,138 and \$4,060,208, respectively.



**NOTE O - TAX ABATEMENT**

During 2017, the City implemented the disclosure requirements of GASB Statement No. 77, *Tax Abatement Disclosures*. In Missouri, a municipality can issue industrial development revenue bonds (“Revenue Bonds”) pursuant to Chapter 100 of the Revised Statutes of Missouri (RSMo). Under the Act, the municipality may issue Revenue Bonds to finance the cost of the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants, including the real estate either within or without the limits of such municipality, buildings, fixtures and machinery. Under the Chapter 100 Revenue Bonds, the City has two tax abatement projects which were entered into with Metal Container Corporation. Total property taxes abated under this agreement totaled \$45,793 in fiscal year ended August 31, 2019.

**NOTE P - DEFICIT BALANCE**

The Recreation Center Fund has a deficit fund balance of \$72,235. The deficit will be offset by future revenues.

**NOTE Q - SUBSEQUENT EVENT**

In October 2019 the Council approved to enter into a lease/purchase agreement with Commerce Bank for the acquisition of vehicles, equipment, and a steel building in the amount of \$1,765,785.

In September 2019, the component unit District approved the issuance of the Transportation Sales Tax Refunding Revenue Bonds, Series 2019 in the aggregate principal amount not to exceed \$12,500,000.

**NOTE R - FUTURE ACCOUNTING PRONOUNCEMENT**

The Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.
- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

THIS PAGE INTENTIONALLY LEFT BLANK

**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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
<b>Taxes</b>				
Property	\$ 1,100,000	1,100,000	1,141,799	41,799
Sales	7,785,000	7,785,000	6,200,674	(1,584,326)
Public utility gross receipts	3,385,000	3,385,000	3,112,417	(272,583)
Motor fuel	545,000	545,000	562,402	17,402
Other	230,000	230,000	265,594	35,594
Total Taxes	<u>13,045,000</u>	<u>13,045,000</u>	<u>11,282,886</u>	<u>(1,762,114)</u>
<b>Special Assessments</b>	<u>15,000</u>	<u>15,000</u>	<u>63,701</u>	<u>48,701</u>
<b>Licenses and Permits</b>	<u>950,950</u>	<u>950,950</u>	<u>1,296,644</u>	<u>345,694</u>
<b>Fines and Court Costs</b>	<u>700,000</u>	<u>700,000</u>	<u>553,587</u>	<u>(146,413)</u>
<b>Intergovernmental</b>	<u>689,718</u>	<u>689,718</u>	<u>177,848</u>	<u>(511,870)</u>
<b>Charges for Services</b>	<u>96,920</u>	<u>96,920</u>	<u>120,816</u>	<u>23,896</u>
<b>Investment Income</b>	<u>11,500</u>	<u>11,500</u>	<u>44,521</u>	<u>33,021</u>
<b>Miscellaneous</b>				
Administration	7,500	7,500	7,500	-
Other	83,950	83,950	157,474	73,524
Total Miscellaneous	<u>91,450</u>	<u>91,450</u>	<u>164,974</u>	<u>73,524</u>
Total Revenues	<u>15,600,538</u>	<u>15,600,538</u>	<u>13,704,977</u>	<u>(1,895,561)</u>
<b>EXPENDITURES</b>				
<b>General Government</b>				
General and administrative	1,112,659	1,212,722	1,152,429	(60,293)
Mayor and council	166,281	166,281	159,624	(6,657)
Municipal court	158,913	158,913	139,994	(18,919)
Administrator	244,823	260,623	260,690	67
Treasurer	56,459	56,459	49,931	(6,528)
Finance	381,927	381,927	368,496	(13,431)
Collector of revenue	181,492	180,522	177,051	(3,471)
Attorney	179,000	179,000	160,620	(18,380)
Elections	15,550	15,550	3,096	(12,454)
Planning commission	294,894	297,891	248,547	(49,344)
IT Support	536,130	565,229	483,489	(81,740)
Total General Government	<u>3,328,128</u>	<u>3,475,117</u>	<u>3,203,967</u>	<u>(271,150)</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (Continued)</b>				
<b>Public Safety</b>				
Police	6,142,965	6,116,265	5,735,739	(380,526)
Dispatching	382,402	382,902	400,897	17,995
Building commission	386,319	387,086	396,051	8,965
Total Public Safety	<u>6,911,686</u>	<u>6,886,253</u>	<u>6,532,687</u>	<u>(353,566)</u>
<b>Public Works</b>	<u>817,117</u>	<u>781,393</u>	<u>524,982</u>	<u>(256,411)</u>
<b>Highways and Streets</b>	<u>1,566,292</u>	<u>1,626,196</u>	<u>997,731</u>	<u>(628,465)</u>
<b>Parks and Recreation</b>	<u>1,018,981</u>	<u>1,024,981</u>	<u>796,964</u>	<u>(228,017)</u>
<b>Health and Sanitation</b>				
Health department	67,129	67,129	61,496	(5,633)
Rabies control	183,757	183,757	184,548	791
Vector control	7,220	7,220	907	(6,313)
Solid waste	201,780	201,780	152,964	(48,816)
Total Health And Sanitation	<u>459,886</u>	<u>459,886</u>	<u>399,915</u>	<u>(59,971)</u>
<b>Capital Outlay</b>	<u>3,661,000</u>	<u>3,813,957</u>	<u>1,503,679</u>	<u>(2,310,278)</u>
<b>Debt Service</b>	<u>463,475</u>	<u>467,019</u>	<u>466,348</u>	<u>(671)</u>
Total Expenditures	<u>18,226,565</u>	<u>18,534,802</u>	<u>14,426,273</u>	<u>(4,108,529)</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(2,626,027)</u>	<u>(2,934,264)</u>	<u>(721,296)</u>	<u>2,212,968</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance proceeds	-	-	97,064	97,064
Transfers out	(291,548)	(291,548)	(341,886)	(50,338)
Total Other Financing Sources (Uses)	<u>(291,548)</u>	<u>(291,548)</u>	<u>(244,822)</u>	<u>46,726</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,917,575)</u>	<u>(3,225,812)</u>	<u>(966,118)</u>	<u>2,259,694</u>
FUND BALANCE, SEPTEMBER 1			<u>12,262,476</u>	
<b>FUND BALANCE, AUGUST 31</b>			<u>\$ 11,296,358</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Sales	\$ 1,505,000	1,505,000	1,412,408	(92,592)
Charges for services	1,002,775	1,002,775	920,490	(82,285)
Investment income	-	-	2,045	2,045
Miscellaneous	3,000	3,000	7,539	4,539
Total Revenues	<u>2,510,775</u>	<u>2,510,775</u>	<u>2,342,482</u>	<u>(168,293)</u>
<b>EXPENDITURES</b>				
Recreation center	1,967,785	2,007,785	1,658,110	(349,675)
Capital outlay	73,000	72,970	34,538	(38,432)
Debt service	924,688	974,995	1,039,825	64,830
Total Expenditures	<u>2,965,473</u>	<u>3,055,750</u>	<u>2,732,473</u>	<u>(323,277)</u>
<b>REVENUES UNDER EXPENDI- TURES</b>	<u>(454,698)</u>	<u>(544,975)</u>	<u>(389,991)</u>	<u>154,984</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term debt	-	-	8,455,000	8,455,000
Premium on issuance of long-term debt	-	-	774,256	774,256
Payments to escrow agent	-	-	(9,115,304)	(9,115,304)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>113,952</u>	<u>113,952</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (454,698)</u>	<u>(544,975)</u>	<u>(276,039)</u>	<u>268,936</u>
FUND BALANCE, SEPTEMBER 1			<u>203,804</u>	
<b>FUND BALANCE, AUGUST 31</b>			<u>\$ (72,235)</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Property	\$ 1,095,000	1,095,000	1,106,054	11,054
Sales	3,149,500	3,149,500	2,954,154	(195,346)
Investment income	850	850	42,253	41,403
Total Revenues	<u>4,245,350</u>	<u>4,245,350</u>	<u>4,102,461</u>	<u>(142,889)</u>
<b>EXPENDITURES</b>				
General government	7,500	7,500	7,500	-
Economic development	147,500	145,090	119,421	(25,669)
Debt service	1,805,125	1,805,125	3,536,138	1,731,013
Total Expenditures	<u>1,960,125</u>	<u>1,957,715</u>	<u>3,663,059</u>	<u>1,705,344</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 2,285,225</u></u>	<u><u>2,287,635</u></u>	439,402	<u><u>(1,848,233)</u></u>
FUND BALANCE, SEPTEMBER 1			<u>4,171,963</u>	
<b>FUND BALANCE, AUGUST 31</b>			<u><u>\$ 4,611,365</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, 2019**

---

**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 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, 2019, the Special Allocation Fund had expenditures exceeding appropriations by \$1,705,344. These over expenditures were covered by additional current year revenues, available fund balance, or will be recovered by future year's revenues.



**CITY OF ARNOLD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES**  
**IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS -**  
**POLICE PENSION PLAN**  
**FOR THE YEARS ENDED AUGUST 31**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>					
Service cost	\$ 624,531	311,717	263,218	175,917	176,733
Interest	822,871	726,619	693,244	630,585	578,315
Differences between expected and actual experience	(231,253)	471,628	75,152	122,039	(136,162)
Change in assumptions or inputs	374,601	964,139	(153,868)	-	-
Contributions - employee	-	-	-	241,540	226,449
Benefit payments and expenses	(339,282)	(165,360)	(652,541)	(162,144)	(230,099)
Net Change In Total Pension Liability	<u>1,251,468</u>	<u>2,308,743</u>	<u>225,205</u>	<u>1,007,937</u>	<u>615,236</u>
Total Pension Liability Beginning	<u>13,257,157</u>	<u>10,948,414</u>	<u>10,723,209</u>	<u>9,715,272</u>	<u>9,100,036</u>
Total Pension Liability (a)	<u>\$ 14,508,625</u>	<u>13,257,157</u>	<u>10,948,414</u>	<u>10,723,209</u>	<u>9,715,272</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employee	\$ 417,960	269,023	240,428	241,540	226,449
Contributions - employer	296,055	379,796	350,724	343,409	319,690
Return on investment	273,908	925,639	876,341	550,354	(18,629)
Benefit payments and expenses	(339,282)	(165,360)	(652,541)	(162,144)	(230,099)
Administrative expenses	(14,099)	(26,645)	(47,085)	-	-
Net Change In Plan Fiduciary Net Position	<u>634,542</u>	<u>1,382,453</u>	<u>767,867</u>	<u>973,159</u>	<u>297,411</u>
Plan Fiduciary Net Position Beginning	<u>13,406,972</u>	<u>12,024,519</u>	<u>11,256,652</u>	<u>10,283,493</u>	<u>9,986,082</u>
Plan Fiduciary Net Position Ending (b)	<u>\$ 14,041,514</u>	<u>13,406,972</u>	<u>12,024,519</u>	<u>11,256,652</u>	<u>10,283,493</u>
<b>Net Pension Liability (Asset) Ending (a)-(b)</b>	<u>\$ 467,111</u>	<u>(149,815)</u>	<u>(1,076,105)</u>	<u>(533,443)</u>	<u>(568,221)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.8 %	101.1	109.8	105.0	105.8
Covered Payroll	\$ 2,863,705	2,659,470	2,244,045	2,120,719	2,232,146
Net Pension Liability (Asset) as a Percentage of Covered Payroll	16.31 %	(5.63)	(47.95)	(25.15)	(25.46)

Note: Information is not available for fiscal years prior to 2015.

**CITY OF ARNOLD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF PENSION CONTRIBUTIONS - POLICE PENSION PLAN**  
**LAST TEN FISCAL YEARS**

	For The Years Ended August 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined pension contribution	\$ 418,823	244,461	290,240	300,077	261,882	321,337	358,484	376,207	387,774	426,095
Contributions in relation to the actuarially determined contribution	<u>417,960</u>	<u>379,796</u>	<u>350,724</u>	<u>343,409</u>	<u>320,444</u>	<u>385,966</u>	<u>312,110</u>	<u>436,396</u>	<u>497,394</u>	<u>503,087</u>
Contribution Deficiency (Excess)	<u>\$ 863</u>	<u>(135,335)</u>	<u>(60,484)</u>	<u>(43,332)</u>	<u>(58,562)</u>	<u>(64,629)</u>	<u>46,374</u>	<u>(60,189)</u>	<u>(109,620)</u>	<u>(76,992)</u>
Covered Payroll	\$ 2,863,705	2,659,470	2,244,045	2,120,719	2,232,146	2,563,733	2,118,338	2,137,664	2,095,229	2,166,741
Contributions as a Percentage of Covered Payroll	14.60 %	14.28	15.63	16.19	14.36	15.05	14.73	20.41	23.74	23.22

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of September 1 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate cost method
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Market value
Inflation	2.50%
Salary increases	4.5%, compounded annually
Investment rate of return	6.0%, net of investment expenses, including inflation
Retirement age	Age 55 for participants age 54 on the valuation date; immediate for all others
Mortality	Pub-2010 Safety/Disabled Mortality MP-2018 projected generationally, male and female rates

Other information:

There were no benefit changes during the year.

**CITY OF ARNOLD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES**  
**IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS - LAGERS**  
**FOR THE YEARS ENDED AUGUST 31**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>					
Service cost	\$ 403,675	385,281	369,891	388,891	395,808
Interest on the total pension liability	1,444,434	1,363,132	1,317,216	1,222,060	1,178,720
Difference between expected and actual experience	(203,633)	243,133	(156,327)	87,035	(171,511)
Changes of assumptions	-	-	-	556,016	-
Benefit payments, including refunds	(896,479)	(862,462)	(946,107)	(918,710)	(688,962)
Net Change In Total Pension Liability	<u>747,997</u>	<u>1,129,084</u>	<u>584,673</u>	<u>1,335,292</u>	<u>714,055</u>
Total Pension Liability Beginning	<u>20,165,321</u>	<u>19,036,237</u>	<u>18,451,564</u>	<u>17,116,272</u>	<u>16,402,217</u>
Total Pension Liability Ending (a)	<u>\$ 20,913,318</u>	<u>20,165,321</u>	<u>19,036,237</u>	<u>18,451,564</u>	<u>17,116,272</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 575,580	548,282	507,576	532,194	618,572
Net investment income	1,261,811	2,237,515	1,959,445	(55,034)	353,689
Benefit payments, including refunds	(896,479)	(862,462)	(946,107)	(918,710)	(688,962)
Administrative expense	(20,641)	(14,595)	(14,074)	(13,709)	(15,005)
Other	(42,555)	(62,687)	(8,630)	(18,372)	(70,688)
Net Change In Plan Fiduciary Net Position	<u>877,716</u>	<u>1,846,053</u>	<u>1,498,210</u>	<u>(473,631)</u>	<u>197,606</u>
Plan Fiduciary Net Position Beginning	<u>20,056,317</u>	<u>18,210,264</u>	<u>16,712,054</u>	<u>17,185,685</u>	<u>16,988,079</u>
Plan Fiduciary Net Position Ending (b)	<u>\$ 20,934,033</u>	<u>20,056,317</u>	<u>18,210,264</u>	<u>16,712,054</u>	<u>17,185,685</u>
<b>Net Pension Liability (Asset) Ending (a)-(b)</b>	<u>\$ (20,715)</u>	<u>109,004</u>	<u>825,973</u>	<u>1,739,510</u>	<u>(69,413)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.10 %	99.46	95.66	90.57	100.41
Covered Payroll (for February 28/29 Valuation)	\$ 3,176,384	3,298,031	3,032,161	3,012,624	3,246,681
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(0.65) %	3.31	27.24	57.74	(2.14)

Notes:

Information is not available for fiscal years prior to 2015.

The amounts noted above are as of the measurement date which is June 30 prior to the end of the fiscal year.

**CITY OF ARNOLD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF PENSION CONTRIBUTIONS - LAGERS**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined pension contribution	\$ 588,038	581,350	505,454	541,736	604,504	643,932	654,442	631,978	593,553	470,727
Contributions in relation to the actuarially determined contribution	588,038	555,513	505,454	541,736	604,504	643,932	582,422	570,401	505,281	470,727
Contribution Deficiency	\$ -	25,837	-	-	-	-	72,020	61,577	88,272	-
Covered Payroll	\$ 3,266,878	3,229,727	3,120,084	3,186,682	3,232,643	3,285,367	3,131,304	3,240,915	3,043,863	3,017,480
Contributions as a Percentage of Covered Payroll	18.00 %	17.20	16.20	17.00	18.70	19.60	18.60	17.60	16.60	15.60

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 28/29 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry age normal and modified terminal funding

Amortization method

A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining amortization period

Multiple bases from 10 to 15 years

Asset valuation method

5 years smoothed market; 20% corridor

Inflation

3.25% wage inflation; 2.5% price inflation

Salary increases

3.25% to 6.55%, including wage inflation

Investment rate of return

7.25%, net of investment expenses

Retirement age

Experience-based table of rates that are specific to the type of eligibility condition

Mortality

The healthy retiree mortality tables for post-retirement mortality were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables for post-retirement mortality were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information:

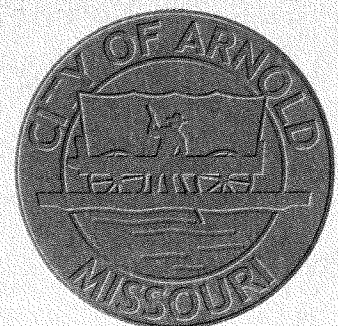
There were no benefit changes during the year.

**CITY OF ARNOLD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES**  
**IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEARS ENDED AUGUST 31**

	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 17,242	18,222
Interest	18,236	15,994
Changes of assumptions or other inputs	42,683	(18,798)
Benefit payments	(8,275)	(10,921)
Net Change In Total OPEB Liability	69,886	4,497
Total OPEB Liability Beginning	447,341	442,844
Total OPEB Liability Ending	\$ 517,227	447,341
Covered Payroll	\$ 7,688,896	7,267,314
Total OPEB Liability as a Percentage of Covered Payroll	6.73 %	6.16

Note:  
Information is not available for fiscal years prior to 2018.

**OTHER SUPPLEMENTAL  
INFORMATION**



**CITY OF ARNOLD, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - GOVERNMENTAL FUNDS -**  
**COMPARATIVE BALANCE SHEETS**  
**AUGUST 31, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and investments	\$ 12,331,107	13,451,473
Receivables (net of allowances for uncollectibles):		
Taxes	3,718,318	3,312,975
Special assessments	1,114,948	1,178,649
Service fees	312,116	371,337
Intergovernmental	4,054	21,035
Court	90,340	77,924
Miscellaneous	109,463	79,500
Due from other funds	324,394	137,760
Prepaid items	524,139	589,939
Restricted assets:		
Cash and investments	1,454,703	1,448,693
Capital improvements sales tax receivable	3,990,422	2,421,984
	<b>\$ 23,974,004</b>	<b>23,091,269</b>
 <b>LIABILITIES</b>		
Accounts payable	\$ 2,006,065	2,070,074
Accrued liabilities	150,468	138,199
Due to other funds	321,057	137,760
Unearned revenue	147,494	151,916
Total Liabilities	<b>2,625,084</b>	<b>2,497,949</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue:		
Special assessments	1,115,867	1,179,569
Court fines	89,845	77,704
Taxes	3,990,422	2,421,984
Total Deferred Inflows Of Resources	<b>5,196,134</b>	<b>3,679,257</b>
 <b>FUND BALANCES</b>		
Nonspendable	524,139	589,939
Restricted	4,903,683	4,422,836
Committed	3,193,193	2,720,446
Assigned	2,332,451	2,417,575
Unassigned	5,199,320	6,763,267
Total Fund Balances	<b>16,152,786</b>	<b>16,914,063</b>
 Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<b>\$ 23,974,004</b>	<b>23,091,269</b>

**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, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>REVENUES</b>		
Taxes	\$ 16,926,656	17,568,521
Special assessments	63,701	3,754
Licenses and permits	1,296,644	526,632
Fines and court costs	553,587	723,579
Intergovernmental	186,265	727,115
Charges for services	1,041,306	1,310,410
Investment income	88,819	25,874
Donations	-	25,000
Miscellaneous	172,513	202,675
Total Revenues	20,329,491	21,113,560
<b>EXPENDITURES</b>		
Current:		
General government	3,342,686	3,356,980
Public safety	6,539,561	6,108,405
Public works	524,982	619,225
Highways and streets	997,731	1,112,571
Parks and recreation	2,455,074	2,511,434
Health and sanitation	399,915	559,781
Economic development	119,421	116,015
Capital outlay	1,538,217	3,093,943
Debt service:		
Principal	3,512,788	3,583,037
Interest	1,334,402	1,528,016
Cost of issuance	195,121	35,000
Total Expenditures	20,959,898	22,624,407
<b>REVENUES UNDER EXPENDITURES</b>	<b>(630,407)</b>	<b>(1,510,847)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Insurance proceeds	97,064	-
Issuance of long-term debt	8,455,000	-
Premium on issuance of long-term debt	774,256	-
Payments to escrow agent	(9,115,304)	-
Sale of capital assets	-	1,200
Transfers out	(341,886)	(91,644)
Total Other Financing Sources (Uses)	(130,870)	(90,444)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(761,277)</b>	<b>(1,601,291)</b>
<b>FUND BALANCES, SEPTEMBER 1</b>	<b>16,914,063</b>	<b>18,515,354</b>
<b>FUND BALANCES, AUGUST 31</b>	<b>\$ 16,152,786</b>	<b>16,914,063</b>



**CITY OF ARNOLD, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AUGUST 31, 2019**

	<b>Special Revenue Funds</b>			<b>Totals</b>
	<b>Tourism</b>	<b>Drug Forfeiture</b>	<b>Community Foundation</b>	
<b>ASSETS</b>				
Cash and investments	\$ 231,439	35,277	25,000	291,716
Receivables:				
Taxes	32,109	-	-	32,109
Total Assets	<u>\$ 263,548</u>	<u>35,277</u>	<u>25,000</u>	<u>323,825</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	<u>\$ 6,227</u>	<u>300</u>	<u>-</u>	<u>6,527</u>
<b>Fund Balances</b>				
Restricted for:				
Public safety	-	34,977	-	34,977
Tourism	257,321	-	-	257,321
Committed for:				
Community foundation	-	-	25,000	25,000
Total Fund Balances	<u>257,321</u>	<u>34,977</u>	<u>25,000</u>	<u>317,298</u>
Total Liabilities And Fund Balances	<u>\$ 263,548</u>	<u>35,277</u>	<u>25,000</u>	<u>323,825</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, 2019**

	<b>Special Revenue Funds</b>			<b>Totals</b>
	<b>Tourism</b>	<b>Drug Forfeiture</b>	<b>Community Foundation</b>	
<b>REVENUES</b>				
Taxes	\$ 171,154	-	-	171,154
Intergovernmental	-	8,417	-	8,417
Total Revenues	<u>171,154</u>	<u>8,417</u>	<u>-</u>	<u>179,571</u>
<b>EXPENDITURES</b>				
Current:				
General government	131,219	-	-	131,219
Public safety	-	6,874	-	6,874
Total Expenditures	<u>131,219</u>	<u>6,874</u>	<u>-</u>	<u>138,093</u>
<b>NET CHANGES IN FUND BALANCES</b>	39,935	1,543	-	41,478
<b>FUND BALANCES, SEPTEMBER 1</b>	<u>217,386</u>	<u>33,434</u>	<u>25,000</u>	<u>275,820</u>
<b>FUND BALANCES, AUGUST 31</b>	<u><u>\$ 257,321</u></u>	<u><u>34,977</u></u>	<u><u>25,000</u></u>	<u><u>317,298</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, 2019**

---

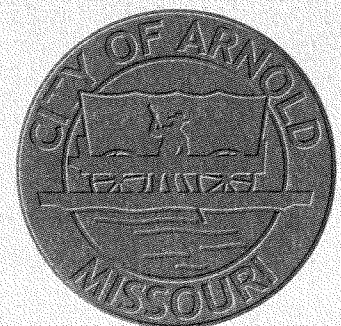
	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Taxes:			
Sales	\$ 165,000	171,154	6,154
<b>EXPENDITURES</b>			
General government	<u>160,000</u>	<u>131,219</u>	<u>(28,781)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 5,000</u></u>	<u>39,935</u>	<u><u>34,935</u></u>
<b>FUND BALANCE, SEPTEMBER 1</b>		<u>217,386</u>	
<b>FUND BALANCE, AUGUST 31</b>		<u><u>\$ 257,321</u></u>	

**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, 2019**

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Intergovernmental	\$ 5,000	5,000	8,417	3,417
<b>EXPENDITURES</b>				
Public safety	-	6,874	6,874	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 5,000</b>	<b>(1,874)</b>	<b>1,543</b>	<b>3,417</b>
<b>FUND BALANCE, SEPTEMBER 1</b>			<b>33,434</b>	
<b>FUND BALANCE, AUGUST 31</b>			<b>\$ 34,977</b>	

# 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.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	75 - 79
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City’s local revenue sources.	80 - 87
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	88 - 90
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	91 - 93
<b>Operating Information</b> 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.	94 - 98

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 59,606,669	61,363,797	61,540,455	61,600,974	61,358,328	60,954,323	62,495,954	58,747,273	60,189,604	61,515,001
Restricted	9,508,076	7,895,892	5,751,073	7,168,385	7,020,552	6,209,178	5,750,389	5,795,745	6,511,773	6,468,111
Unrestricted	(13,802,457)	(14,166,217)	(13,801,156)	(15,902,356)	(13,878,273)	(25,947,438)	(25,777,303)	(24,245,868)	(22,961,899)	(20,707,866)
Total Governmental Activities Net Position	<u>\$ 55,312,288</u>	<u>55,093,472</u>	<u>53,490,372</u>	<u>52,867,003</u>	<u>54,500,607</u>	<u>41,216,063</u>	<u>42,469,040</u>	<u>40,297,150</u>	<u>43,739,478</u>	<u>47,275,246</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 4,518,340	4,558,891	4,617,677	4,466,526	404,017	13,866,892	13,383,043	13,366,162	12,568,136	11,847,340
Restricted	-	-	-	-	325,978	526,603	588,203	701,303	804,880	906,603
Unrestricted	560,039	458,048	382,932	381,525	233,535	4,659,261	3,624,652	3,732,210	4,347,127	4,873,833
Total Business-type Activities Net Position	<u>\$ 5,078,379</u>	<u>5,016,939</u>	<u>5,000,609</u>	<u>4,848,051</u>	<u>963,530</u>	<u>19,052,756</u>	<u>17,595,898</u>	<u>17,799,675</u>	<u>17,720,143</u>	<u>17,627,776</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 64,125,009	65,922,688	66,158,132	66,067,500	61,762,345	74,821,215	75,878,997	72,113,435	72,757,740	73,362,341
Restricted	9,508,076	7,895,892	5,751,073	7,168,385	7,346,530	6,735,781	6,338,592	6,497,048	7,316,653	7,374,714
Unrestricted	(13,242,418)	(13,708,169)	(13,418,224)	(15,520,831)	(13,644,738)	(21,288,177)	(22,152,651)	(20,513,658)	(18,614,772)	(15,834,033)
Total Primary Government Net Position	<u>\$ 60,390,667</u>	<u>60,110,411</u>	<u>58,490,981</u>	<u>57,715,054</u>	<u>55,464,137</u>	<u>60,268,819</u>	<u>60,064,938</u>	<u>58,096,825</u>	<u>61,459,621</u>	<u>64,903,022</u>

Source: Basic financial statements

GASB 63 and 65 were implemented in 2013.

The City implemented GASB Statement No. 68 in fiscal year 2015.

The City implemented GASB 75 and reported amounts restricted for pension in fiscal year 2018.

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

	For The Years Ended August 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>EXPENSES</b>										
<b>Governmental Activities</b>										
General government	\$ 3,980,145	3,984,929	3,748,672	3,771,398	3,507,185	3,521,130	3,437,488	3,560,571	3,631,193	3,486,489
Public safety	7,228,748	6,145,438	5,651,075	5,705,617	6,120,075	5,564,406	5,699,347	5,557,136	5,513,045	5,498,118
Public works	1,551,332	1,238,647	1,230,443	1,120,005	517,705	506,642	652,774	471,241	449,991	396,500
Highways and streets	3,124,045	3,414,602	3,600,472	3,578,202	3,022,074	3,499,006	3,180,611	3,247,948	3,056,308	2,882,196
Parks and recreation	2,596,256	2,695,515	2,595,859	2,599,236	2,371,529	2,430,932	2,286,290	2,311,042	2,172,650	2,205,143
Health and sanitation	470,807	661,153	1,335,456	1,345,275	1,232,741	1,202,951	1,209,726	1,199,147	1,147,650	1,054,674
Economic development	119,421	116,015	124,699	161,981	130,767	121,639	132,250	84,948	3,111,127	3,413,600
Interest on long-term debt	2,304,476	2,338,390	3,019,715	2,936,044	3,039,906	3,105,566	3,161,479	3,182,550	3,310,085	3,366,950
Total Governmental Activities Expenses	21,375,230	20,594,689	21,306,391	21,217,758	19,941,982	19,952,272	19,759,965	19,614,583	22,392,049	22,303,670
<b>Business-type Activities</b>										
Sewer system	-	-	-	-	2,883,157	4,111,479	4,138,224	3,604,074	3,866,989	3,678,042
Storm water	488,586	530,870	542,233	544,671	525,572	595,741	608,027	638,757	559,128	622,227
Golf	578,816	560,426	530,576	862,906	649,484	753,705	759,006	783,657	747,928	712,700
Special item - disposal of sewer system	-	-	-	-	8,247,633	-	-	-	-	-
Total Business-type Activities Expenses	1,067,402	1,091,296	1,072,809	1,407,577	12,305,846	5,460,925	5,505,257	5,026,488	5,174,045	5,012,969
Total Primary Government Expenses	22,442,632	21,685,985	22,379,200	22,625,335	32,247,828	25,413,197	25,265,222	24,641,071	27,566,094	27,316,639
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities</b>										
Charges for services:										
General government	885,280	139,607	335,979	352,912	513,502	474,475	473,810	467,566	449,918	627,522
Public safety	795,822	1,011,285	912,036	823,464	1,084,746	1,076,383	1,335,540	1,227,070	1,344,111	1,552,797
Parks and recreation	1,026,853	1,213,846	1,428,013	1,393,972	1,262,388	1,279,638	1,284,012	1,378,811	1,308,168	1,307,476
Health and sanitation	51,915	111,543	917,019	894,289	822,800	31,859	27,951	29,407	224,383	569,093
Operating grants and contributions	1,167,911	1,451,208	1,239,193	1,491,836	1,182,988	1,151,413	1,086,620	1,085,599	1,050,800	1,122,352
Capital grants and contributions	88,202	502,348	111,320	1,608,538	1,572,516	148,700	2,375,066	1,408,288	66,116	2,625,844
Total Governmental Activities Program Revenues	4,015,983	4,429,837	4,943,560	6,565,011	6,438,940	4,162,468	6,582,999	5,596,741	4,443,496	7,805,084
<b>Business-type Activities</b>										
Charges for services:										
Sewer system	-	-	-	-	2,877,893	3,834,801	3,997,660	3,795,399	3,951,341	3,816,409
Storm water	594,657	586,259	573,452	576,378	580,298	585,636	589,987	575,621	574,991	570,520
Golf	192,299	426,544	389,878	381,704	324,046	482,520	434,990	561,806	454,091	407,735
Operating grants and contributions	-	3,179	-	41,513	-	-	-	-	-	29,382
Capital grants and contributions	-	-	13,940	137,216	87,311	89,460	16,000	1,150	2,432	806,725
Total Business-type Activities Program Revenues	786,956	1,015,982	977,270	1,136,811	3,869,548	4,992,417	5,038,637	4,933,976	4,982,855	5,630,771
Total Primary Government Program Revenues	4,802,939	5,445,819	5,920,830	7,701,822	10,308,488	9,154,885	11,621,636	10,530,717	9,426,351	13,435,855
<b>NET REVENUES (EXPENSES)</b>										
Governmental activities	(17,359,247)	(16,164,852)	(16,362,831)	(14,652,747)	(13,503,042)	(15,789,804)	(13,176,966)	(14,017,842)	(17,948,553)	(14,498,586)
Business-type activities	(280,446)	(75,314)	(95,539)	(270,766)	(8,436,298)	(468,508)	(466,620)	(92,512)	(191,190)	617,802
Total Primary Government Net Revenues (Expenses)	(17,639,693)	(16,240,166)	(16,458,370)	(14,923,513)	(21,939,340)	(16,258,312)	(13,643,586)	(14,110,354)	(18,139,743)	(13,880,784)



**CITY OF ARNOLD, MISSOURI**  
**CHANGE IN NET POSITION - (Continued)**  
**LAST TEN FISCAL YEARS**

	For The Years Ended August 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>GENERAL REVENUES AND OTHER CHANGE IN NET POSITION</b>										
<b>Governmental Activities</b>										
Taxes:										
Property	2,247,853	2,257,200	2,167,507	2,151,266	2,270,828	1,959,557	2,137,107	1,856,713	1,956,378	1,767,838
Sales	12,047,156	11,826,751	11,473,343	11,386,525	10,800,694	9,943,752	9,676,868	9,266,574	8,934,269	8,492,485
Gross receipts	3,276,670	3,657,747	3,459,426	3,418,667	3,371,996	3,375,222	3,264,019	3,014,815	3,239,828	3,389,556
Miscellaneous	34,601	45,703	45,475	37,719	71,954	41,950	43,139	38,972	33,694	31,616
Investment income	88,819	25,874	16,286	27,489	29,213	22,368	48,212	74,002	86,446	83,444
Gain on sale of assets	-	1,200	150	13,443	86,336	14,234	66,936	57,673	28,128	20,085
Miscellaneous	224,850	127,065	72,110	139,300	37,507	115,861	122,575	92,531	144,042	22,812
Transfers	(341,886)	(91,644)	(248,097)	(4,155,266)	9,737,008	(1,636,767)	(10,000)	(10,000)	(10,000)	(10,000)
Total Governmental Activities General Revenues And Other Change In Net Position	<u>17,578,063</u>	<u>17,849,896</u>	<u>16,986,200</u>	<u>13,019,143</u>	<u>26,405,536</u>	<u>13,836,177</u>	<u>15,348,856</u>	<u>14,391,280</u>	<u>14,412,785</u>	<u>13,797,836</u>
<b>Business-type Activities</b>										
Investment income	-	-	-	21	77,044	218,439	240,758	252,864	273,557	295,641
Gain on sale of assets	-	-	-	-	-	700	8,801	-	-	-
Miscellaneous	-	-	-	-	7,036	1,550	3,284	-	-	-
Transfers	341,886	91,644	248,097	4,155,266	(9,737,008)	1,636,767	10,000	10,000	10,000	10,000
Total Business-type Activities General Revenues And Other Change In Net Position	<u>341,886</u>	<u>91,644</u>	<u>248,097</u>	<u>4,155,287</u>	<u>(9,652,928)</u>	<u>1,857,456</u>	<u>262,843</u>	<u>262,864</u>	<u>283,557</u>	<u>305,641</u>
Total Primary Gov- ernment General Revenues And Other Change In Net Position	<u>17,919,949</u>	<u>17,941,540</u>	<u>17,234,297</u>	<u>17,174,430</u>	<u>16,752,608</u>	<u>15,693,633</u>	<u>15,611,699</u>	<u>14,654,144</u>	<u>14,696,342</u>	<u>14,103,477</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	218,816	1,685,044	623,369	(1,633,604)	12,902,494	(1,953,627)	2,171,890	373,438	(3,535,768)	(700,750)
Business-type activities	61,440	16,330	152,558	3,884,521	(18,089,226)	1,388,948	(203,777)	170,352	92,367	923,443
Total Primary Gov- ernment	<u>\$ 280,256</u>	<u>1,701,374</u>	<u>775,927</u>	<u>2,250,917</u>	<u>(5,186,732)</u>	<u>(564,679)</u>	<u>1,968,113</u>	<u>543,790</u>	<u>(3,443,401)</u>	<u>222,693</u>

Source: Basic financial statements

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

	August 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Fund</b>										
Reserved	\$ -	-	-	-	-	-	-	-	-	2,176,044
Unreserved	-	-	-	-	-	-	-	-	-	8,318,041
Nonspendable	524,139	567,606	493,335	483,636	489,501	522,442	441,169	455,108	511,169	-
Restricted	20	53	36,567	1,136,598	1,137,151	1,136,477	1,136,421	1,136,361	563,726	-
Committed	3,168,193	2,513,975	3,709,280	3,675,215	2,067,288	1,513,074	1,557,117	4,410,590	1,395,119	-
Assigned	2,332,451	2,417,575	2,609,756	761,402	422,849	-	530,792	994,533	-	-
Unassigned	5,271,555	6,763,267	6,966,678	9,083,974	14,249,970	3,608,130	6,305,284	4,505,675	9,213,575	-
<b>Total General Fund</b>	<u>\$ 11,296,358</u>	<u>12,262,476</u>	<u>13,815,616</u>	<u>15,140,825</u>	<u>18,366,759</u>	<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>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	-	-	-	-	-	-	-	-	5,358,284
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	(1,074,478)
Nonspendable	-	22,333	25,656	80,815	31,292	21,194	29,152	29,126	10,285	-
Restricted	4,903,663	4,422,783	4,391,577	5,752,721	5,750,583	5,163,232	4,923,977	4,430,694	5,347,559	-
Committed	25,000	206,471	282,505	239,475	204,631	316,059	-	-	-	-
Unassigned	(72,235)	-	-	-	-	-	(1,402,075)	(1,289,620)	(1,318,166)	-
<b>Total All Other Governmental Funds</b>	<u>\$ 4,856,428</u>	<u>4,651,587</u>	<u>4,699,738</u>	<u>6,073,011</u>	<u>5,986,506</u>	<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>

Source: Basic financial statements

For fiscal year 2011 GASB 54 was implemented.

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

	For The Years Ended August 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>REVENUES</b>										
Taxes	\$ 16,926,656	17,568,521	17,501,872	17,662,798	17,074,710	15,860,454	16,422,424	14,738,118	14,939,098	14,551,361
Special assessments	63,701	3,754	21,871	12,563	41,512	47,414	208,907	55,981	111,477	95,886
Licenses and permits	1,296,644	526,632	635,538	642,360	818,274	652,512	730,422	637,167	555,788	522,881
Fines and court costs	553,587	723,579	682,008	668,018	713,514	847,185	1,039,805	902,336	1,105,288	1,216,172
Intergovernmental	186,265	727,115	222,885	694,838	1,369,663	323,383	2,503,248	1,557,334	263,517	458,470
Charges for services	1,041,306	1,310,410	2,418,187	2,347,758	2,153,945	1,355,238	1,363,277	1,455,029	1,549,582	2,132,339
Investment income	88,819	25,874	16,286	27,489	29,213	22,368	48,212	74,002	86,446	83,444
Donations	-	25,000	-	-	-	-	-	-	-	-
Miscellaneous	172,513	202,675	159,320	329,228	318,015	333,865	349,730	324,627	308,653	325,600
<b>Total Revenues</b>	<b>20,329,491</b>	<b>21,113,560</b>	<b>21,657,967</b>	<b>22,385,052</b>	<b>22,518,846</b>	<b>19,442,419</b>	<b>22,666,025</b>	<b>19,744,594</b>	<b>18,919,849</b>	<b>19,386,153</b>
<b>EXPENDITURES</b>										
General government	3,342,686	3,356,980	3,023,190	3,022,711	2,896,449	2,876,530	2,767,426	2,938,282	2,939,835	2,904,369
Public safety	6,539,561	6,108,405	5,742,063	5,688,691	5,401,754	5,620,891	5,489,942	5,438,986	5,452,098	5,513,458
Public works	524,982	619,225	646,852	607,211	598,889	618,618	556,904	460,444	542,848	505,578
Highways and streets	997,731	1,112,571	1,427,853	1,440,050	1,004,793	1,401,373	1,377,329	1,318,793	1,211,431	1,210,324
Parks and recreation	2,455,074	2,511,434	2,445,720	2,510,169	2,333,348	2,320,950	2,250,733	2,241,380	2,133,731	2,096,335
Health and sanitation	399,915	559,781	1,318,330	1,330,789	1,233,389	1,203,039	1,204,374	1,198,127	1,147,456	1,054,900
Economic development	119,421	116,015	124,699	161,981	130,767	121,639	132,250	84,948	3,111,127	3,413,600
Capital outlay	1,538,217	3,093,943	1,726,012	1,339,597	1,611,488	348,711	5,718,016	1,734,019	294,258	1,100,240
Debt service:										
Principal	3,512,788	3,583,037	3,717,049	2,846,292	2,224,535	1,838,000	1,866,476	1,009,055	1,554,964	1,261,679
Interest	1,334,402	1,528,016	1,894,787	2,435,786	2,606,642	2,727,230	2,758,930	2,686,033	2,762,969	2,603,519
Bond issue costs	195,121	35,000	830,321	-	-	-	-	218,681	155,551	125,000
Payments to escrow agent	-	-	-	-	-	-	-	1,843,000	414,390	-
<b>Total Expenditures</b>	<b>20,959,898</b>	<b>22,624,407</b>	<b>22,896,876</b>	<b>21,383,277</b>	<b>20,042,054</b>	<b>19,076,981</b>	<b>24,122,380</b>	<b>21,171,748</b>	<b>21,720,658</b>	<b>21,789,002</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(630,407)</b>	<b>(1,510,847)</b>	<b>(1,238,909)</b>	<b>1,001,775</b>	<b>2,476,792</b>	<b>365,438</b>	<b>(1,456,355)</b>	<b>(1,427,154)</b>	<b>(2,800,809)</b>	<b>(2,402,849)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of long-term debt	8,455,000	-	31,689,501	-	-	-	-	12,965,000	10,140,000	3,319,555
Premium/discount on issuance	774,256	-	52,250	-	-	-	-	(12,936)	8,564	-
Refunding of long-term debt	-	-	(32,953,377)	-	-	-	-	(12,733,383)	(6,420,507)	-
Issuance of capital lease	-	-	-	-	-	-	-	-	-	777,810
Proceeds from insurance premium	-	-	-	-	-	-	-	110,000	-	-
Proceeds from insurance	97,064	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	1,200	150	14,062	37,507	30,100	315,725	57,673	28,128	20,085
Payments to escrow agent	(9,115,304)	-	-	-	-	-	-	-	-	-
Transfers in	-	-	359,044	107,236	9,976,578	1,859,521	-	-	-	25,000
Transfers out	(341,886)	(91,644)	(607,141)	(4,262,502)	(418,220)	(3,496,288)	(10,000)	(10,000)	(10,000)	(35,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(130,870)</b>	<b>(90,444)</b>	<b>(1,459,573)</b>	<b>(4,141,204)</b>	<b>9,595,865</b>	<b>(1,606,667)</b>	<b>305,725</b>	<b>376,354</b>	<b>3,746,185</b>	<b>4,107,450</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>\$ (761,277)</b>	<b>(1,601,291)</b>	<b>(2,698,482)</b>	<b>(3,139,429)</b>	<b>12,072,657</b>	<b>(1,241,229)</b>	<b>(1,150,630)</b>	<b>(1,050,800)</b>	<b>945,376</b>	<b>1,704,601</b>

Debt service as a percentage of noncapital expenditures	23.1 %	23.8	26.6	24.5	25.3	26.3	19.5	18.5	20.9	23.7
---	--------	------	------	------	------	------	------	------	------	------

Source: Basic financial statements

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

FUNCTIONS/PROGRAMS	Program Revenues									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities</b>										
General government	\$ 952,858	517,717	389,206	408,413	513,502	485,075	501,560	467,566	453,075	787,472
Public safety	893,885	1,409,868	1,069,486	1,255,381	1,267,963	1,260,519	1,472,757	1,362,136	1,435,487	1,731,838
Public works	20,624	19,238	25,434	18,534	22,131	-	1,661,672	453,885	-	156,522
Highways and streets	1,069,848	1,027,625	1,113,307	2,590,047	2,549,597	1,103,702	1,614,989	1,873,416	999,630	3,243,512
Parks and recreation	1,026,853	1,343,846	1,429,108	1,398,342	1,262,611	1,279,653	1,285,333	1,396,181	1,314,691	1,315,837
Health and sanitation	51,915	111,543	917,019	894,294	823,136	33,519	46,688	43,557	240,613	569,903
Total Governmental Activities	<u>4,015,983</u>	<u>4,429,837</u>	<u>4,943,560</u>	<u>6,565,011</u>	<u>6,438,940</u>	<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>
<b>Business-type Activities</b>										
Sewer system	-	-	-	-	2,877,893	3,924,261	4,013,660	3,796,549	3,951,341	4,623,134
Storm water	594,657	586,259	587,392	713,594	667,609	585,636	589,987	575,621	577,423	599,902
Golf	192,299	429,723	389,878	423,217	324,046	482,520	434,990	561,806	454,091	407,735
Total Business-type Activities	<u>786,956</u>	<u>1,015,982</u>	<u>977,270</u>	<u>1,136,811</u>	<u>3,869,548</u>	<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>
Total Primary Government	<u>\$ 4,802,939</u>	<u>5,445,819</u>	<u>5,920,830</u>	<u>7,701,822</u>	<u>10,308,488</u>	<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>

Source: Basic financial statements

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

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes (1)</b>	<b>Public Utility Gross Receipts Taxes</b>	<b>Motor Fuel Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
2019	\$ 2,247,853	\$ 10,738,390	\$ 3,112,417	\$ 562,402	\$ 265,594	\$ 16,926,656
2018	2,257,200	11,023,584	3,497,797	556,250	233,690	17,568,521
2017	2,167,506	11,248,242	3,459,427	564,645	62,052	17,501,872
2016	2,151,266	11,537,907	3,197,614	549,872	226,139	17,662,798
2015	2,270,828	10,850,085	3,169,822	559,752	224,223	17,074,710
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

Source: Required supplemental information and basic financial statements

(1) The City participates in the county-wide sales tax sharing pool and a point of sale sharing, therefore, not all sales tax is not the City's own source revenue.

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

<b>Fiscal Year</b>	<b>General Sales Tax (1%)</b>	<b>Recreation Center Sales Tax (0.25%)</b>	<b>Jefferson County Shared Capital Improvement Sales Tax</b>	<b>Shared Vehicle Sales Tax</b>	<b>Hotel/Motel Sales Tax (5%)</b>	<b>Jurisdictional Sales Tax</b>	<b>Total Sales Tax</b>
2019	\$ 5,924,221	\$ 1,412,408	\$ -	\$ 276,453	\$ 171,154	\$ 2,954,154	\$ 10,738,390
2018	6,003,196	1,450,669	434,980	283,388	165,967	2,685,384	11,023,584
2017	5,708,919	1,382,719	927,306	275,059	173,887	2,780,352	11,248,242
2016	5,694,010	1,380,546	1,140,340	271,890	154,724	2,896,397	11,537,907
2015	5,575,444	1,347,848	781,784	255,947	157,724	2,731,338	10,850,085
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

Source: Required supplemental information and basic financial statements

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

<b>Fiscal Year</b>	<b>Calendar Year</b>	<b>Real Property</b>	<b>Railroads And Utilities</b>	<b>Total</b>		<b>Total Direct Tax Rate</b>	<b>Ratio Of Total Assessed Value To Total Estimated Actual Value</b>
				<b>Assessed Value</b>	<b>Estimated Actual Value</b>		
2019	2018	\$ 304,751,800	\$ 7,897,330	\$ 312,649,130	\$ 1,365,704,551	0.384	22.9 %
2018	2017	303,402,400	7,899,361	311,301,761	1,358,293,052	0.391	22.9
2017	2016	288,627,560	7,792,049	296,419,609	1,279,561,859	0.390	23.2
2016	2015	283,140,826	8,227,322	291,368,148	1,262,789,107	0.400	23.1
2015	2014	280,800,247	7,414,869	288,215,116	1,244,969,539	0.401	23.2
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

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 TEN FISCAL YEARS**

Tax Year	Triangle TIF			Crossroads TIF			Crossroads Sub Area #1 TIF		
	Assessed Value	Base Assessed Value	Amount Above Base	Assessed Value	Base Assessed Value	Amount Above Base	Assessed Value	Base Assessed Value	Amount Above Base
2018	\$ 13,625,100	\$ 1,700,400	\$ 11,924,700	\$ 4,319,900	\$ 2,466,200	\$ 1,853,700	\$ 2,789,100	\$ 1,782,600	\$ 1,006,500
2017	13,625,100	1,700,400	11,924,700	4,319,900	2,466,200	1,853,700	3,058,400	1,782,600	1,275,800
2016	13,625,100	1,700,400	11,924,700	4,319,900	2,466,200	1,853,700	3,058,400	1,782,600	1,275,800
2015	13,625,100	1,700,400	11,924,700	4,319,900	2,466,200	1,853,700	3,058,400	1,782,600	1,275,800
2014	14,099,411	1,700,400	12,399,011	4,243,318	2,466,200	1,777,118	3,058,400	1,782,600	1,275,800
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

Source: Jefferson County Assessor



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

	For The Years Ended August 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City of Arnold:										
General	0.384	0.391	0.390	0.400	0.401	0.397	0.397	0.397	0.397	0.397
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	0.561	0.557	0.567	0.526	0.531	0.532	0.533	0.505	0.505	0.499
Consolidated School No. 6 of Jefferson County	4.510	4.527	4.559	4.650	4.583	4.650	4.617	4.604	4.587	4.563
Rock Community Fire Protection District	1.233	1.246	1.245	0.763	0.803	0.931	0.707	0.712	0.716	0.715
Rock Township Ambulance District	0.215	0.131	0.202	0.209	0.210	0.210	0.210	0.132	0.136	0.127
The Junior College District of Jefferson County	0.330	0.332	0.332	0.341	0.344	0.340	0.339	0.336	0.336	0.336
The Jefferson County Library District	0.277	0.280	0.280	0.176	0.178	0.176	0.175	0.189	0.189	0.188
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 NINE YEARS AGO**

<b>Taxpayer</b>	<b>2019</b>			<b>2010</b>		
	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage Of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage Of Total City Taxable Assessed Value</b>
Walmart Real Estate Bussiness Trust 555	\$ 4,729,900	1	1.51 %	\$ 4,730,400	1	1.73 %
Missouri American Water Company	4,144,000	2	1.33	-	-	-
Metal Container Corporation	3,689,400	3	1.18	3,835,600	2	1.40
THF Arnold Triangle Development, LLC (Lowe's)	2,809,600	4	0.90	3,700,400	3	1.35
MCW-RD Richardson Crossing LLC (Schnucks)	2,656,800	5	0.85	2,964,500	4	1.08
Water Tower LLC	2,638,200	6	0.84	2,638,300	5	0.97
Dayton Hudson Corporation (Target)	2,496,000	7	0.80	2,496,000	7	0.91
Dierbergs Arnold LLC	-	-	-	2,453,300	8	0.90
LSREF4 Rebound LLC (Convergy's Corporation)	2,375,900	8	0.76	2,375,900	10	0.87
HD Development of Maryland (Home Depot)	2,245,700	9	0.72	2,542,600	6	0.93
Suellentrop Family Partnership LP	2,080,000	10	0.67	2,401,700	9	0.88
Total	<u>\$ 29,865,500</u>		<u>9.55 %</u>	<u>\$ 30,138,700</u>		<u>11.02 %</u>

Source: Jefferson County Assessor

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

<u>Fiscal Year</u>	<u>Tax Levy Year</u>	<u>Net Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent Collected As Current</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections As Percent Of Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes As Percent Of Levy</u>
2019	2018	\$ 1,164,881	\$ 1,151,057	98.8 %	\$ -	\$ 1,151,057	98.8 %	\$ 13,824	1.2 %
2018	2017	1,125,135	1,107,362	98.4	8,929	1,116,291	99.2	8,844	0.8
2017	2016	1,095,000	1,085,348	99.1	12,166	1,097,514	100.2	(2,514)	(0.2)
2016	2015	1,075,295	1,060,702	98.6	14,945	1,075,647	100.0	(352)	-
2015	2014	1,064,577	1,042,115	97.9	22,455	1,064,570	100.0	7	-
2014	2013	1,040,624	1,011,172	97.2	29,405	1,040,577	100.0	47	-
2013	2012	1,042,510	1,025,466	98.4	17,044	1,042,510	100.0	-	-
2012	2011	1,040,059	987,178	94.9	45,601	1,032,779	99.3	7,280	0.7
2011	2010	1,028,100	1,003,690	97.6	24,410	1,028,100	100.0	-	-
2010	2009	1,023,806	1,003,897	98.1	19,909	1,023,806	100.0	-	-

(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			
2019	\$ -	\$ 12,620,241	\$ -	\$ -	\$ 25,329,863	\$ -	\$ 51,121	\$ -	\$ 38,001,225	4.22 %	\$ 1,803
2018	-	13,412,545	-	-	27,848,865	-	-	-	41,261,410	4.86	1,952
2017	-	14,428,829	-	-	30,420,608	-	-	-	44,849,437	5.41	2,068
2016	-	16,225,529	-	-	27,917,449	-	-	-	44,142,978	5.48	2,067
2015	-	17,171,128	-	-	29,805,452	3,815,250	-	-	50,791,830	6.47	2,391
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

(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, 2019**

---

<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	\$ 7,830,331	9.26 %	\$ 724,940
Consolidated School No. 6 of Jefferson County	<u>54,699,963</u>	32.37	<u>17,704,359</u>
	62,530,294		18,429,299
City direct debt	<u>37,950,104</u>	100.00 %	<u>37,950,104</u>
Total Direct And Overlapping Debt	<u><u>\$ 100,480,398</u></u>		<u><u>\$ 56,379,403</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**

	<b>Fiscal Years</b>									
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Debt limit	\$ 38,896,083	38,419,609	36,924,409	36,126,514	35,712,870	35,185,812	36,029,611	36,369,775	36,055,771	35,520,119
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 38,896,083</u>	<u>38,419,609</u>	<u>36,924,409</u>	<u>36,126,514</u>	<u>35,712,870</u>	<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>
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**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS -**  
**LAST TEN FISCAL YEARS**

---

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Median Age (2)</b>	<b>Personal Income (1)</b>	<b>Per Capita Income (2)</b>	<b>School Enrollment</b>	<b>Jefferson County Unemployment Rate (3)</b>
2019	21,073	39.8	\$ 901,502,940	\$ 42,780	11,389	3.0 %
2018	21,113	39.0	848,573,696	40,192	11,483	3.4
2017	21,319	40.1	815,537,026	38,254	11,619	3.7
2016	21,357	40.1	806,013,180	37,740	11,407	4.9
2015	21,243	40.4	784,865,121	36,947	11,677	4.8
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

(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 -**  
**LAST YEAR AND EIGHT YEARS AGO**

<u>Employer</u>	<u>2018</u>			<u>2010</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>
Fox School District	812	1	4.04 %	-	-	- %
Convergys Corporation	453	2	2.25	1,100	1	5.47
Metal Container Corporation	320	3	1.59	177	3	0.88
LMC Industries	300	4	1.49	150	5	0.75
Sinclair & Rush	300	4	1.49	-	-	-
Wal-Mart	217	6	1.08	340	2	1.69
Kohl's Department Store	192	7	0.96	-	-	-
Texas Roadhouse	150	8	0.75	150	7	0.75
Dierberg's	137	9	0.68	135	9	0.67
Target	129	10	0.64	168	4	0.84
Lowe's	120	11	0.60	-	-	-
City of Arnold	117	12	0.58	-	-	-
Shop & Save	113	13	0.56	92	10	0.46
Home Depot	103	14	0.51	136	8	0.68
Schnuck's	101	15	0.50	150	6	0.75
<b>Total</b>	<b>3,564</b>		<b>17.72 %</b>	<b>2,598</b>		<b>12.94 %</b>

Source: City Clerk's office  
2018 is the latest information available



**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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government:										
Legislative services	1	1	1	1	1	1	1	1	1	1
Administrative services	5	5	5	5	5	6	6	6	7	7
Maintenance of municipal property	3	3	3	3	3	2	2	-	-	-
Municipal court	2	2	2	2	2	2	2	2	2	2
Finance	4	4	4	4	4	4	4	4	4	4
Police:										
Officers	51	47	48	47	47	47	47	47	45	47
Administrative services	5	5	4	3	3	3	3	3	3	3
Dispatch	5	5	5	8	8	8	8	8	8	8
Public works:										
Administration	2	3	3	3	3	3	3	3	3	3
Street maintenance	9	9	9	8	9	10	9	8	9	8
Fleet	2	2	2	2	2	2	2	2	2	2
Building department:										
Administration	5	5	5	4	4	4	5	5	5	4
Inspectors	2	1	1	2	2	2	2	2	1	1
Engineers	1	1	1	1	1	1	1	1	1	1
Parks and recreation:										
Administration	2	3	3	3	3	3	6	4	3	1
Maintenance	10	10	10	11	12	12	10	6	6	6
Supervisors	3	2	2	2	2	2	1	1	1	1
Seasonal and part-time programs	13	13	13	16	13	13	12	-	-	-
Sewer:										
Maintenance	-	-	-	-	-	8	7	7	7	8
Storm water:										
Maintenance	5	5	5	4	5	5	5	5	5	4
Health department:										
Administration	1	1	1	1	1	1	1	1	1	1
Rabies controller	2	2	2	2	2	2	2	2	2	2
Golf course:										
Administration	1	2	2	1	1	1	3	2	2	2
Maintenance	2	2	2	1	2	2	5	1	1	1
Seasonal and part-time	7	7	5	4	5	5	2	-	-	-

Source: City payroll department records

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

FUNCTIONS/PROGRAMS	Fiscal Years									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police - patrol:										
Arrests	1,767	1,291	1,799	1,930	2,014	2,186	1,943	2,455	2,110	2,173
Traffic citations	5,791	6,982	7,342	7,555	7,687	8,105	8,075	10,451	9,345	9,263
Crime reports	16,373	16,623	16,155	15,028	14,408	14,074	12,230	14,552	13,996	14,417
Accident reports	891	901	893	830	775	712	603	730	798	776
Warrants	2,282	2,178	1,866	1,921	2,999	4,751	4,650	3,026	3,274	2,955
Public works:										
Road repair - tons of mix	6,500	6,220	339	416	311	4,100	4,500	1,252	806	2,248
Traffic control signs serviced	98	110	104	110	100	200	300	13	10	8
Weed violations issued - HW	244	220	36	159	321	150	186	164	238	181
Acres mowed and maintained	7	7	7	7	7	15	10	25	25	25
Parks and recreation (2):										
Park program participants	1,242	947	1,269	2,650	990	1,944	1,443	2,591	-	-
Park pavilion rentals	456	474	524	488	918	537	511	535	-	-
Recreation Center memberships	2,518	2,503	3,449	2,300	2,976	3,434	4,019	3,433	-	-
Recreation Center program participants	6,860	3,935	7,660	9,247	6,675	5,766	6,885	6,624	-	-
Recreation Center room rentals	354	772	935	1,041	1,101	1,136	1,264	1,325	-	-
Member golf rounds	1,677	N/A	N/A	2,333	2,832	3,596	4,957	5,870	-	-
9-hole golf rounds	2,886	7,152	N/A	5,245	5,114	5,862	5,708	4,767	-	-
18-hole golf rounds	970	8,672	N/A	6,849	6,158	9,982	9,485	11,036	-	-
All other golf rounds	1,599	N/A	N/A	4,296	981	1,294	1,802	7,701	-	-
Planning and building:										
Site development/concept plans	20	21	14	10	26	24	23	21	22	21
Rezoning applications	7	2	1	2	2	3	2	3	3	4
Text amendments	9	4	1	-	3	1	2	4	3	1
Building permits issued	796	753	995	655	568	559	595	503	539	480
Building inspections completed	1,802	1,815	2,935	3,064	3,006	2,431	2,899	2,952	2,661	2,520
Finance and administration:										
Merchant licenses issued (1)	662	704	692	699	665	661	655	90	91	68
Payroll checks issued	4,401	4,653	5,028	5,245	5,061	5,138	5,081	4,977	4,842	4,995
Accounts payable processed	3,502	3,597	3,691	4,083	4,537	4,795	4,919	4,686	4,444	4,788
Requests for public records	39	37	27	27	30	32	53	35	71	34

Source: City records - various departments listed

N/A - Information not available

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

(2) Information prior to 2012 not available.

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

FUNCTIONS/PROGRAMS	Fiscal Years									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	20	22	22	23	24	31	31	31	31	31
Motorcycles	2	2	2	2	2	2	2	2	2	2
Public works:										
Miles of streets	85	83	83	82	80	80	80	80	80	80
Traffic lights and signals	6	6	6	6	7	6	6	6	6	6
Miles of sanitary sewers	-	-	-	-	-	112.1	112.1	112.1	112.1	112.1
Miles of storm sewers	60.0	60.0	60.0	60.0	60.0	60.0	59.0	59.0	58.0	58.0
Number of pumping stations	-	-	-	6	-	6	6	6	6	6
Parks and recreation:										
Number of parks	9	7	6	6	5	5	5	5	5	5
Acres of parks	418	488	488	488	488	488	488	485	485	485
Tennis courts	-	-	-	-	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	2	2	2	2
Golf course	1	1	1	1	1	1	1	1	1	1

Source: City finance department records

**CITY OF ARNOLD, MISSOURI**  
**TRIANGLE TIF FUNDS DEPOSITED -**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Payments In Lieu Of Taxes</b>	<b>Economic Activity Taxes</b>	<b>Municipal Revenues</b>	<b>TDD Revenues</b>	<b>TDD Subsidy</b>	<b>Total</b>
2019	\$ 891,981	\$ 1,660,886	\$ -	\$ 400,961	\$ 200,000	\$3,153,828
2018	869,383	1,422,678	-	377,061	200,000	2,869,122
2017	845,568	1,506,188	-	380,870	200,000	2,932,626
2016	847,030	1,562,951	-	417,397	200,000	3,027,378
2015	985,536	1,539,557	-	374,861	200,000	3,099,954
2014	693,358	1,463,569	-	345,749	200,000	2,702,676
2013	876,008	1,301,816	51,430	324,689	200,000	2,753,943
2012	617,086	1,674,140	51,557	322,007	200,000	2,864,790
2011	846,601	1,145,257	-	314,639	200,000	2,506,497
2010	732,581	616,405	-	229,325	333,600	1,911,911

Source: City records

**CITY OF ARNOLD, MISSOURI**  
**HISTORIC COLLECTIONS OF PILOTS AND ECONOMIC TAX REVENUES -**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Triangle TIF</b>		<b>Crossroads TIF</b>		<b>Crossroads TIF - SubArea 1</b>			<b>Total</b>
	<b>PILOTS</b>	<b>EATS</b>	<b>PILOTS</b>	<b>EATS</b>	<b>PILOTS</b>	<b>EATS</b>	<b>Tourism</b>	
2019	\$ 891,981	2,261,847	138,743	524,435	75,330	8,994	155,846	4,057,176
2018	906,716	1,999,739	140,994	516,176	79,412	8,697	160,673	3,812,407
2017	845,568	2,087,056	131,391	512,626	90,429	9,362	171,308	3,847,740
2016	847,030	2,180,348	131,668	541,672	90,624	8,925	165,452	3,965,719
2015	985,536	2,114,419	125,693	464,503	90,235	8,664	143,751	3,932,801
2014	693,358	2,009,318	126,332	277,028	94,998	(16,993)	114,094	3,298,135
2013	876,008	2,150,119	77,570	215,088	135,535	9,034	102,093	3,565,447
2012	617,086	1,996,146	60,456	89,084	133,811	8,069	85,663	2,990,315
2011	862,354	1,525,515	11,855	102,067	39,689	(16,352)	75,317	2,600,445
2010	732,581	1,750,714	(14,272)	111,203	25,722	70,111	-	2,676,059

Source: City records

**CITY OF ARNOLD, MISSOURI**  
**GENERAL FUND REVENUE SOURCES -**  
**LAST FIVE FISCAL YEARS**

Sources	2019		2018		2017		2016		2015	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Retail sales taxes	\$ 5,924,221	43.23 %	\$ 6,003,196	41.36 %	\$ 5,708,919	38.67 %	\$ 5,694,010	37.09 %	\$ 5,575,444	35.34 %
Gross receipt tax on utilities	3,112,417	22.71	3,497,797	24.10	3,285,059	22.25	3,197,614	20.83	3,169,822	20.10
Jefferson County shared capital improvement sales taxes	-	-	434,980	3.00	927,306	6.28	1,140,340	7.43	781,784	4.96
Local property tax	1,141,799	8.33	1,130,078	7.79	1,100,119	7.45	1,081,943	7.05	1,069,364	6.78
Motor fuel taxes	562,402	4.10	556,250	3.83	564,646	3.83	549,872	3.58	559,752	3.55
Shared vehicle tax	276,453	2.02	283,388	1.95	275,059	1.86	271,890	1.77	255,947	1.62
Other taxes	265,594	1.94	233,690	1.61	236,418	1.60	226,139	1.47	224,224	1.42
Special assessments	63,701	0.46	3,754	0.03	21,871	0.15	12,563	0.08	41,512	0.26
License and permits	1,296,644	9.46	526,632	3.63	635,538	4.31	642,360	4.18	818,274	5.19
Fines and court costs	553,587	4.04	723,579	4.98	682,008	4.62	668,018	4.35	713,514	4.52
Intergovernmental	177,848	1.30	718,384	4.95	215,583	1.46	684,515	4.46	1,353,761	8.58
Charges for services	120,816	0.88	200,252	1.38	990,161	6.71	947,678	6.17	889,918	5.64
Investment income	44,521	0.33	6,828	0.05	14,061	0.10	25,037	0.16	25,039	0.16
Miscellaneous	164,974	1.20	194,050	1.34	105,085	0.71	211,519	1.38	296,757	1.88
<b>Total Revenues</b>	<b>\$ 13,704,977</b>	<b>100.00 %</b>	<b>\$ 14,512,858</b>	<b>100.00 %</b>	<b>\$ 14,761,833</b>	<b>100.00 %</b>	<b>\$ 15,353,498</b>	<b>100.00 %</b>	<b>\$ 15,775,112</b>	<b>100.00 %</b>

Source: Basic financial statements.

Note: Information will be expanded in future years.