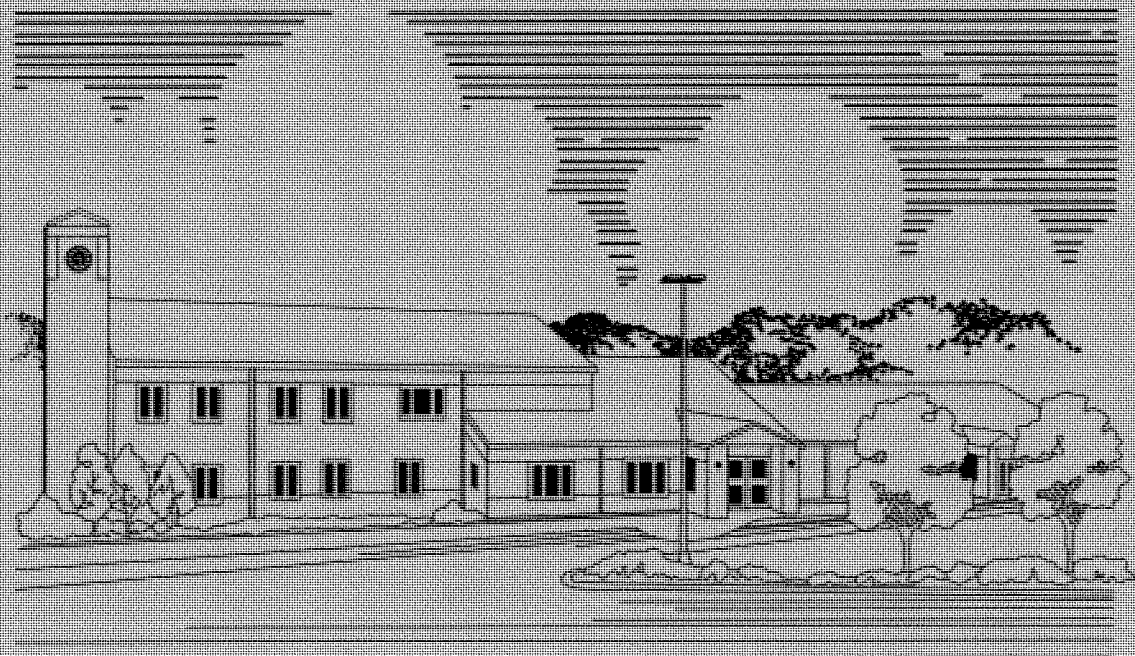


CITY OF ARNOLD, MISSOURI
Comprehensive Annual Financial Report
For The Fiscal Year Ended August 31, 2020



CITY OF ARNOLD, MISSOURI

Comprehensive Annual Financial Report
For The Fiscal Year Ended August 31, 2020

Prepared by the
Finance Department



CITY OF ARNOLD, MISSOURI
FINANCIAL REPORT

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INTRODUCTION





February 25, 2021

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, 2020, 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, 2020, 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, 2020, 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 21,091 residents in 8,278 households based on www.census.gov estimates as of July 1, 2019 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 2020, the Federal Reserve Bank of St Louis reported that as of August 2020, the seasonally-unadjusted unemployment rate for Jefferson County is at 6.9% up 3.9 percentage points from 3.0% in August 2019. By comparison, as of August 2020, the unemployment rate for the State of Missouri was 7.1% while August 2019 was 3.4%. The St. Louis metropolitan statistical area which includes some Illinois counties was 7.8% as of August 2020 and 3.3% for the same period last year. The adjacent counties of St. Louis, Franklin, and Washington were reported at 7.9%, 6.8%, and 7.5% in August 2020, respectively. From a high of 10.6% in January 2010, the August 2020 United States civilian unemployment rate of 8.5% has increased since its pre-recession level (August 2007; 4.6%) due to the Covid pandemic.

The residential real estate tax base for fiscal year 2020 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 0.22% 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 2020 were higher than last year with an increase of 5.96% compared to 2019. 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 2.98% over the net tax for the prior fiscal year. We have projected a 3.0% increase in gross sales tax for fiscal year 2021 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. ACC-TDD project funds were used to help with the construction of road improvements at Astra Way and Missouri State Roads and Lone Star Drive in past years. The ARC-TDD is included in the basis financial statements as a distinctly presented component unit. Separate financial statements may be obtained from the City's finance department.

In December 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 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 2020 on the Jeffco-Tenbrook intersection funded in part by a federal congestion mitigation air quality grant award.

In January 2016, city council established a five-year street and road improvement plan and 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. In 2020 street and storm water improvements were started on Melody and Harmony Lanes. A new Director of Public Works started in 2020 and is studying additional projects including road projects and an upgrade to the public works facilities (which was started in 2020).

In keeping with the City's focus on enhancing the leisure life provided residents, the City continues to acquire where possible additional properties to expand the footprint of the Arnold City Park. 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. The municipal golf course was permanently closed in 2020 and converted to Pomme Creek Park which features extensive walking and bicycling paths as well as ample open space that could be used for future park developments.

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 additional firewall-related security enhancements to the City's network infrastructure. Studies were also conducted for upgrades to the City's outdated support systems including accounting, community development and public works. Additional upgrades were made to City's siren system also.

There were six houses identified in 2020 that do qualify for FEMA flood buyout grants (from prior years' flooding). These houses were acquired in 2020 with the intent 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 2020/2021.

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 2020, the General Fund unassigned fund balance of \$3,548,919 is approximately 24.1% 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, 2019. This is the 31st 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, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF ARNOLD, MISSOURI
PRINCIPAL OFFICIALS

Ron Counts

Mayor

Council

EJ Fleischmann
Jason Fulbright
Tim Seidenstricker
Brian McArthur
Mark Hood
Rodney Mullins
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

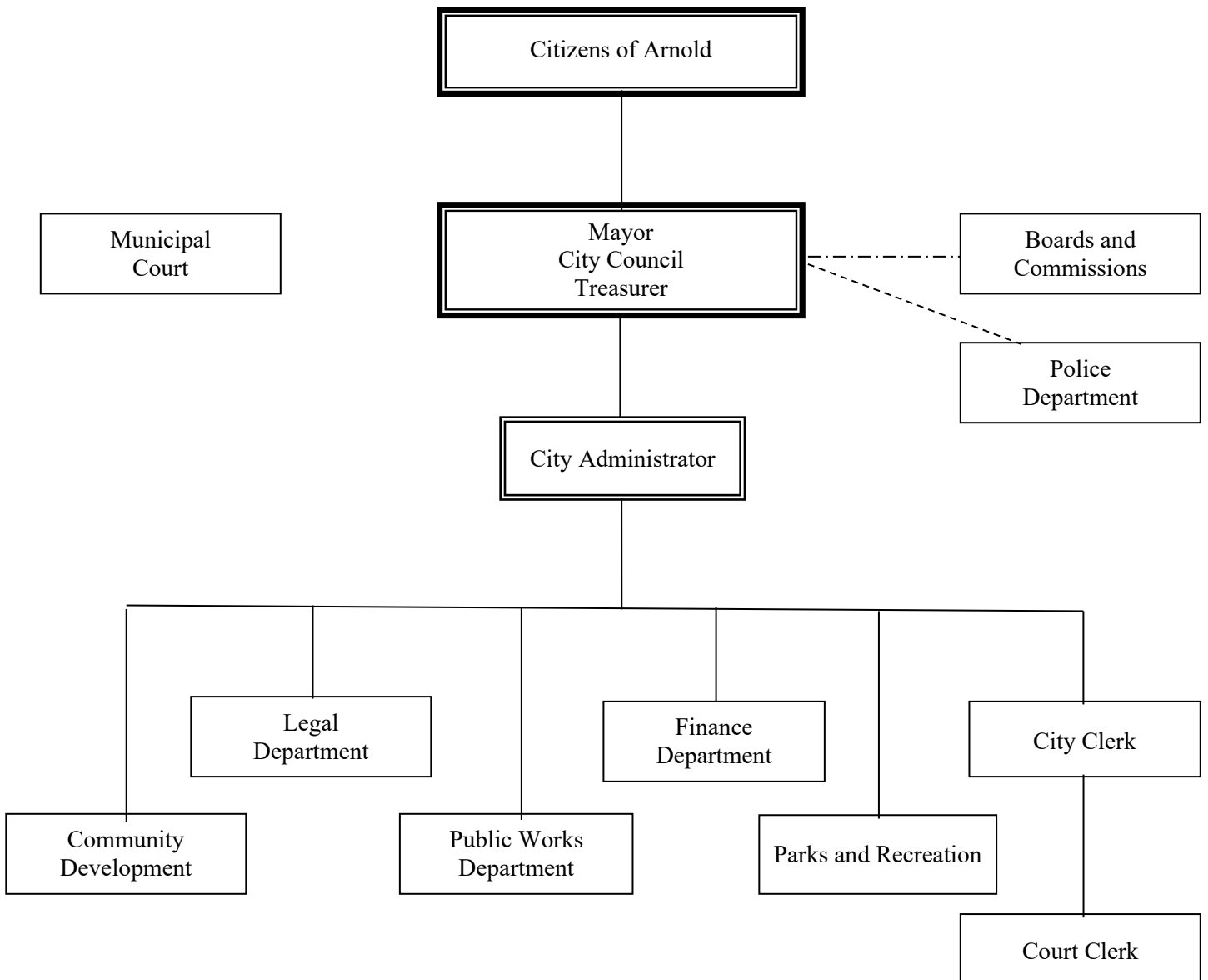
Judy Wagner

Public Works Director

Dickie Brown

Parks and Recreation Director

City of Arnold Organization Chart



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FINANCIAL





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

INDEPENDENT AUDITOR'S REPORT

February 25, 2021

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

- 15450 South Outer Forty Road, Suite 135, Chesterfield, Missouri 63017-2066, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of August 31, 2020, 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.

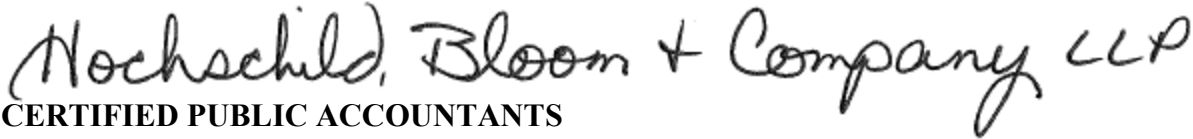
The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic

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 25, 2021, 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, 2020

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, 2020. 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 outflows at the close of the most recent fiscal year by \$61,385,718 (*net position*). The City has a deficit unrestricted net position of \$15,265,287 due to \$22,291,070 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 \$56,417,690 and \$4,968,028 respectively, at fiscal year-end. The City's total net position increased by \$897,741 during the fiscal year. The combined governmental activities increased by \$1,008,092 while the combined business-type activities decreased by \$110,351.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$15,039,748, a decrease of \$1,113,038 in comparison with the prior year. Approximately 21.10% of this amount or \$3,173,942 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 \$8,842,740, or approximately 52.3% of total General Fund expenditures.
- The City's total outstanding long-term debt, including compensated absences, decreased by \$2,396,588 during the current fiscal year to a total of \$36,523,561. 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*

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2020**

timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base or the condition of the City's roadway network.

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, 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**

	Fund Statements			
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks and recreation	Activities the City operates similar to private businesses: golf course 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

**CITY OF ARNOLD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2020**

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as 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, Drug Forfeiture Fund, and Community Foundation 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. Required supplemental information can be found on pages 59 through 68 of this report. Other supplemental information contains comparative governmental funds statements and combining and individual statements for the non-major governmental funds.

CITY OF ARNOLD, MISSOURI
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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 \$61,385,718 at the close of the most recent fiscal year. This represents an increase in net position of 1.48% or \$897,741 higher than fiscal 2019. (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 \$15,265,287.

Table A-2
City of Arnold's Net Position as of August 31, 2019 and 2020
(In thousands of dollars)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 23,672	24,203	788	650	24,460	24,853
Capital assets	71,413	70,490	4,569	4,931	75,982	75,421
Total assets	95,085	94,693	5,357	5,581	100,442	100,274
Total Deferred Outflows of Resources	4,822	4,530	25	57	4,847	4,587
Long-term debt outstanding	39,853	37,894	51	462	39,904	38,356
Other liabilities	3,778	4,391	185	198	3,963	4,589
Total liabilities	43,631	42,285	236	660	43,867	42,945
Total Deferred Inflows of Resources	964	520	68	10	1,032	530
Net Investment in capital assets	59,607	61,137	4,518	4,588	64,125	65,725
Restricted for capital improvements	3,990	5,569	-	-	3,990	5,569
Restricted for debt service	1,429	1,415	-	-	1,429	1,415
Restricted for public safety	35	17	-	-	35	17
Restricted for tax increment financing	3,182	3,209	-	-	3,182	3,209
Restricted for tourism	257	311	-	-	257	311
Restricted for pension	614	405	-	-	614	405
Unrestricted	(13,802)	(15,645)	560	380	(13,242)	(15,265)
Total net position	\$ 55,312	56,418	5,078	4,968	60,390	61,386

The largest portion of the City's net position, \$65,725,390 in 2020 (an increase of approximately 2.5% from 2019), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF ARNOLD, MISSOURI
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An additional portion of the City's net position, \$10,925,615 represents resources that are subject to external restrictions on how they may be used. Of this amount, \$1,415,249 or 13.0% is restricted by debt covenants while use of the remaining, \$9,510,366, is restricted for pension and by other governmental entities.

The remaining category of the City's net position represents a deficit balance of *unrestricted net position* totaling \$15,265,287 in 2020. This represents an increased deficit balance change as compared to the prior year's unrestricted net position of \$13,242,418 or almost 15.3%.

Table A-3
Change in City's Net Positions for the Years Ended August 31, 2019 and 2020
(In thousands of dollars)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>		<i>Percentage Change</i>
	2019	2020	2019	2020	2019	2020	2019-2020
Revenues							
Program revenues:							
Charges for services	\$ 2,760	2,745	787	591	3,547	3,336	(5.94) %
Operating grants	1,168	1,176	-	-	1,168	1,176	0.68
Capital grants	88	476	-	-	88	476	440.91
General revenues:							
Taxes	17,606	17,939	-	-	17,606	17,939	1.89
Investment income	89	188	-	-	89	188	111.24
Miscellaneous	225	123	-	-	225	123	(45.33)
Total revenues	21,936	22,647	787	591	22,723	23,238	2.27
Expenses							
General government	3,980	4,020	-	-	3,980	4,020	1.01
Public safety	7,229	7,766	-	-	7,229	7,766	7.43
Public works	1,551	713	-	-	1,551	713	(54.03)
Highways and streets	3,124	3,963	-	-	3,124	3,963	26.87
Parks and recreation	2,596	2,608	-	-	2,596	2,608	0.46
Health and sanitation	471	405	-	-	471	405	(14.01)
Economic Development	119	126	-	-	119	126	5.88
Storm Water system	-	-	489	552	489	552	12.88
Golf Course	-	-	579	149	579	149	(74.27)
Interest on long-term debt	2,305	2,038	-	-	2,305	2,038	(11.58)
Total expenses	21,375	21,639	1,068	701	22,443	22,340	(0.45)
Excess (deficiency) before transfers	561	1,008	(281)	(110)	280	898	220.71
Transfers	(342)	-	342	-	-	-	-
Increase (decrease) in net position	219	1,008	61	(110)	281	898	220.71
Net Position - September 1	55,093	55,312	5,017	5,078	60,110	60,390	0.47
Restatement for capital assets	-	98	-	-	-	98	-
Net position - September 1, as restated	55,093	55,410	5,017	5,078	60,110	60,488	0.63
Net position - August 31	\$ 55,312	56,418	5,078	4,968	60,390	61,385	1.65 %

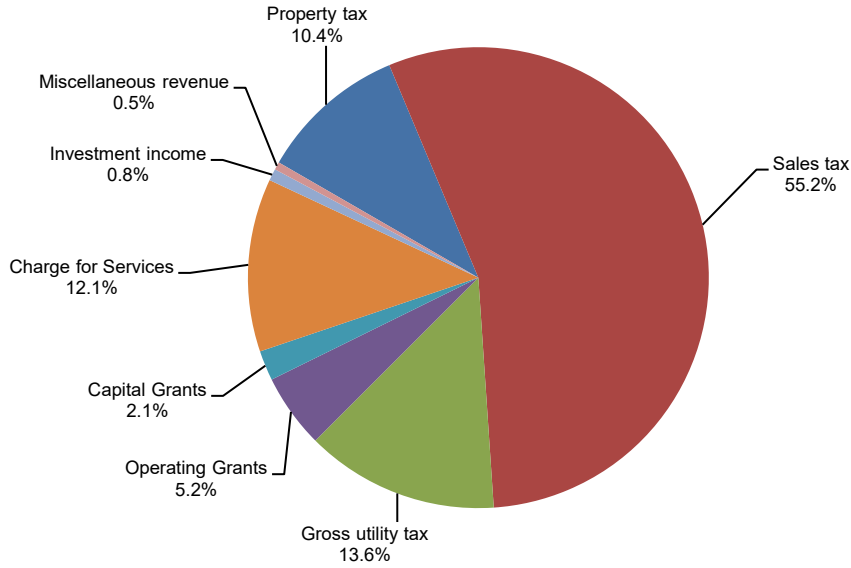
**CITY OF ARNOLD, MISSOURI
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Governmental activities. Governmental activities increased the City's net position by \$1,008,092. Key elements of this net increase are as follows:

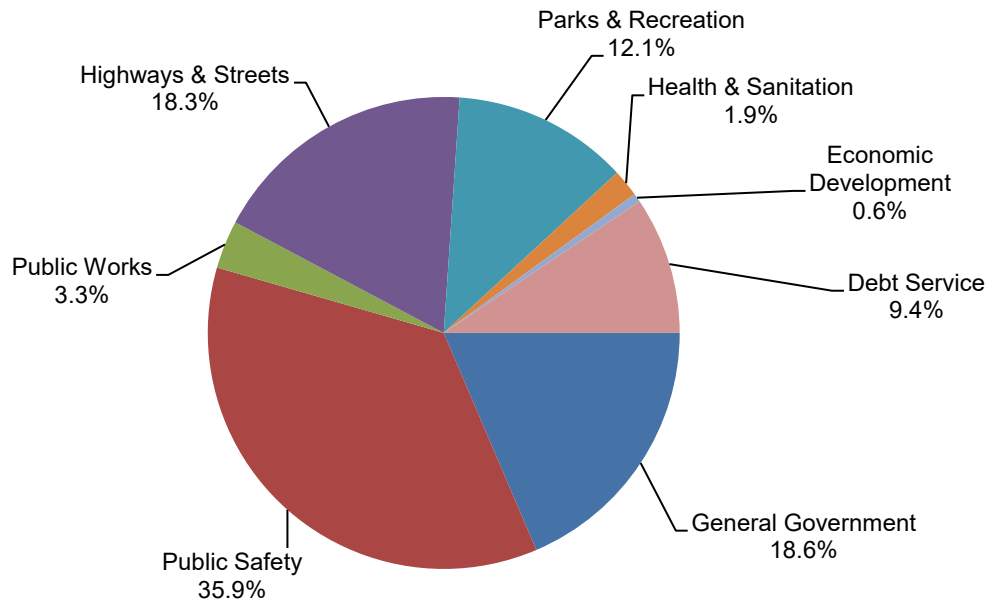
- Real property assessed valuations increased \$14,439,766 or 4.62%. Residential property values increased \$1,971,700 or 1.08% while commercial values including railroads & utilities increased \$11,355,500 or 9.23%. In compliance with the Hancock Amendment, the City held its property tax levy unchanged from .3837 cents/\$100 in assessed valuation, in 2019, to .3837 cents for fiscal year 2020. Triangle TIF District revenues were up by \$43,428. General Fund property tax revenues also increased approximately 4.57% or \$52,5234.
- Sales tax revenues were \$442,155 or 3.67% higher than last year. Sales tax within the TIF Districts increased \$47,873 or slightly more than 1.71%. Tourism tax received from the local hotels decreased \$51,367 or 32.9%.
- Overall gross receipts tax revenues decreased \$207,897 or approximately 6.34% for the year. Goss receipts tax on waste water treatment showed a decrease in revenue over last year of \$6,081 or 2.3%. Cable TV fees decreased by 2.9% or 4,731 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 \$36,015 or 8.29%, while electric utility tax revenues decreased \$112,441 or 5.44% below last year primarily due to fluctuations in temperature from 2019 to 2020. 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 \$48,629 or 14.09% 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 less than 2019 by \$14,949 or .54%. Fees for general government increased 68.73% or \$608,495 primarily due to an ordinance that changed how business license fees are calculated. Public Safety revenues decreased by \$254,502 or 31.9%. Of this amount, court fines and costs account for \$191,509 of the decrease or 75.3% of the total decrease and approximately 34.6% under last year's court revenues. Parks & recreation revenue decreased approximately 35.2% or \$361,471 primarily due to a decrease in revenues due to intermittent COVID-19 related facilities closures. Membership revenues decreased by \$102,612 or 37.0%, pool daily admissions decreased by \$2,813 or 3.54% and correspondingly concessions decreased by \$2,817 or 9.5%. Health and sanitation revenues dropped by \$7,471 or 14.4% due to city no longer billing for trash which is now being billed directly by the contracted trash company.
- Capital Grants and Contributions increased by \$397,936 or 439.3% higher this fiscal year due to having received large grants primarily for road-related projects. Operating grants and contributions showed an increase of \$8,094 or approximately 0.69% more than last year. There were no significant differences in activities versus fiscal year 2019.
- The City permanently closed the municipal golf course in January 2020 and as a result the golf course proceeded to wind down operations. This process will be completed in fiscal year 2021 and will result in one final transfer from the General Fund to subsidize the Golf Course. No such transfer was made in fiscal year 2020. The Golf Course sustained a \$105,246 operating loss for the year. For comparison, in fiscal year 2019, \$341,886 was transferred from the General Fund to subsidize Gold Course operations.

**CITY OF ARNOLD, MISSOURI
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**Figure A-1
Sources of Revenue – Governmental Activities**



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



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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 \$21,639,159.
- However, the amount that our taxpayers paid for these activities through City taxes was \$17.24 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)**

	<u>Total Cost of Services</u>		<u>Percentage Change</u>		<u>Net Cost of Services</u>		<u>Percentage Change</u>	
	2019	2020	2019-2020		2019	2020	2019-2020	
General government	\$ 3,980	4,020	1.01	%	\$ 3,027	2,526	(16.55)	%
Public safety	7,229	7,766	7.43		6,335	7,106	12.17	
Public works	1,551	713	(54.03)		1,531	693	(54.74)	
Highways and streets	3,124	3,963	26.86		2,054	2,451	19.33	
Parks and recreation	2,596	2,608	0.46		1,569	1,942	23.77	
Health and sanitation	471	405	(14.01)		419	360	(14.08)	
Economic development	119	126	5.88		119	126	5.88	
Interest on long-term debt	2,305	2,038	(11.58)		2,304	2,038	(11.55)	
Total	<u>\$ 21,375</u>	<u>21,639</u>	1.24	%	<u>\$ 17,358</u>	<u>17,242</u>	(0.67)	%

Business-type activities. Business activities decreased the City's net position by \$110,351 primarily due to the permanent closure of the municipal golf course. Other components are as follows:

- Storm water rates remain the same with charges for services decreasing \$42,226 or approximately 7.10% while cost of services increased \$64,146 or approximately 13.13% during the current year. No major in-house projects were begun this year. The expense increase is primarily due to the acquisition of a new flusher-vacuum truck via a lease purchase arrangement that was acquired through a lease purchase arrangement. Annual payments amount to \$85,229 for five years.
- Charges for services decreased \$153,258 or approximately 79.7% at the City's public golf course this year over last due to decision to permanently close the golf course effective January 1, 2020 due to extended flooding over the past several years. Operating expenses decreased \$433,822 or approximately 75.04%. Personnel costs were approximately 84.2% or \$244,471 lower than last year due to the closing. A decrease in supply cost of \$61,494 or 63.9% is attributable to the closing as well.

**CITY OF ARNOLD, MISSOURI
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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, in past years, the City has transferred funds from the General Fund to eliminate the negative cash position in the Golf Fund. The City did not make a transfer in fiscal year 2020 due to the permanent closure of the golf course in January 2020. After all wind down costs are captured the City plans on making a final transfer in fiscal year 2021. For reference the Golf Fund incurred an Operating Loss of \$105,246 in fiscal year 2020. Without that transfer other costs incurred account for the decrease in the City's General Fund of \$857,858 as compared with the prior year, leaving the General Fund with an ending fund balance of \$10,438,500. Of this amount \$616,911 represents prepaid items and is nonspendable. An additional amount of \$0 has been restricted for debt service (as compared to \$20 in 2019). An amount of \$978,849 has been restricted for capital projects. The City Council has committed portions of fund balance as follows: 1) \$413,096 for capital projects, 2) \$883,724 for sewer sub-district projects, 3) \$113,165 for greenway beautification, 4) \$673,733 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 time period of the five-year residential street improvement project. Assigned for use in the future budget is \$2,345,871 which includes the Melody Lane project, concrete/asphalt street repairs and maintenance throughout the City, a street striping contract, and sidewalk improvement projects to enhance access for persons with disabilities. The remaining unassigned fund balance is \$3,548,919.

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 \$(374,977). 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 \$4,623,875 or an increase of \$12,510 or approximately .27% 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 2020, \$20,169,501 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 2020, \$375,425 remains outstanding on the Arnold Crossroads and \$1,746,144 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 \$521,556, a decrease of \$99,916 from prior year. The Golf Fund ended the year with an unrestricted net position of (\$141,665), down \$80,232 from prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Results for the General Fund this year were greater than anticipated by \$2,512,518. Actual total revenues were \$932,031 lower than final budget primarily due to road project delays which pushed reimbursements into the following fiscal year. The COVID-19 also affected revenues due to a dampening of some revenue generating activities. Total expenditures were \$3,478,096 lower than budget. Proceeds from capital leases, insurance proceeds and proceeds from the sale of capital assets totaling (\$33,547) account for the remaining variance to budget.

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Total tax revenue was below final estimated budget by \$1,467,435 or approximately 11.36%. Property tax revenues were \$78,049 below budget or 6.42%. Sales tax revenues were \$1,233,262 or 15.78% lower than final budget due to the aforementioned delayed road project reimbursements. Gross receipts tax was \$185,749 or 6.00% lower than final budget. Electrical and gas consumption were under budget by \$95,487 or 4.68% and under budget by \$16,453 or 3.96% respectively. Telephone tax fell short of final budget expectations by \$108,498 or approximately 26.79%. Sewer utility tax receipts were over budget expectations by \$35,047 or 15.58%. Motor fuel tax was \$12,969 over budget or 2.38%.

Licenses and permits ended the fiscal year higher than budget by approximately 74.21% or \$803,933. Licenses to do business in the City were \$695,505 or 97.27% over 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 \$80,166 or almost 65%. Animal licenses exceeded budget by \$8,435 or approximately 28%. 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 budget estimate by \$290,872 or 44.6%. Fines were under final budget by 45.0% or \$267,940. Court costs were also under budget estimate \$22,933 or 39.6%.

Intergovernmental revenues were below budget by \$101,442 or 14.8%.

Charges for service revenues were under budget estimate by \$17,752 or approximately 19.0%.

Miscellaneous revenues were over budget by \$75,463 or 93.5%.

General government actual expenditures were under the final budget by just over 8.9% or \$324,176. This was due to several factors including land and building telephone expense being under budget by \$97,488 or 9.1%; buildings expense was \$53,215 or 30.5% under budget; beautification was \$49,547 under budget or 99.1% due to planned projects being delayed, lastly Jeffco Express Routes expenses were \$41,755 under budget, 65.6%, due to a temporary suspension of this service.

Public safety actual expenditures were over budget \$137,803 or 1.92%. Of this variance, the police budget was over budget by \$197,515, 3.16%, due to additional pension costs and additional paid leave costs incurred through a buyback program. Dispatch was under the adjusted budget by \$49,722 or 11.7%.

The public works budget shows a favorable variance of \$168,599 or 20.95 primarily due to road project delays.

Highway and street expenditures were lower than estimated by \$290,735 or 13.5% due to road project delays.

Parks and recreation expenses were lower than final budget by \$281,109 or 23.2% primarily due to the COVID-19 pandemic creating necessitated closings of some facilities throughout the latter half of the fiscal year which caused cancellation of certain planned events most notably the annual 4th of July celebration. Park programs were \$135,104 (54.97%) under final budget. Maintenance was under budget by \$13,576 (79.56%).

Total health and sanitation expenses finished 2020 under budget by \$41,832 or 12.0% 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 budget by \$2,506,598 or 54.7% primarily due to delays in scheduled road projects.

Debt service variance was under budget by \$2,850 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, 2020, amounted to \$75,421,531 (net of accumulated depreciation). This investment in capital assets includes land,

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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 0.74% (governmental activities decreased 1.29% and a 7.92% increase for business-type activities). (See table A-5)

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

- General Fund included the flood mitigation efforts through the purchase of five houses in the flood plain for demolition (\$627,189), new electronic signage at city hall facilities (\$129,593), 2019 Chevrolet Equinox for the Building Department (\$22,263), an upgrade to the City siren system (\$32,275), and replacement of the city hall conference table and chairs (\$6,945).
- As part of the annual police vehicle replacement program, seven police cars were purchased (\$310,345), three vehicles were retired (fully depreciated) and four vehicles were transferred to other departments (at fully depreciated value); one to the parks, three to the building department.
- Highway & streets acquired a 2019 Ford F150 (\$26,366), a 3-ton asphalt recycler (\$27,424), a Caterpillar Work Tractor (\$12,000), a 52-inch mower (\$6,408) and also completed work on the intersection at Jeffco and Tenbrook (\$834,502).
- The Parks/Rec Center completed a service counter/storefront remodel in the recreation center (\$44,987), purchased a zero-turn mower (\$12,034), new fitness equipment (\$11,705) and installed playground equipment to assist persons with disabilities (\$2,869).

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, 2019 and 2020
(Net of depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities		Capital Assets	
	2019	2020	2019	2020	2019	2020
Land	\$ 28,879,190	29,506,379	3,363,160	3,363,160	32,242,350	32,869,539
Buildings	10,091,868	9,559,294	306,535	285,334	10,398,403	9,844,628
Machinery and equipment	457,849	608,188	103,625	469,979	561,474	1,078,167
Automobiles and trucks	849,333	793,097	-	-	849,333	793,097
Infrastructure	30,656,948	29,565,832	-	-	30,656,948	29,565,832
Storm water lines	-	-	796,141	812,832	796,141	812,832
Construction in progress	478,202	457,436	-	-	478,202	457,436
Total	\$ 71,413,390	70,490,226	4,569,461	4,931,305	75,982,851	75,421,531

Long-term debt. At year-end the City had \$35,303,089 in bonds and notes outstanding - a decrease of 7.10% 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 \$38,842,803. The City currently has no general obligation debt outstanding.

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**Table A-6
City's Outstanding Debt as of August 31, 2019 and 2020
(In thousands of dollars)**

	Governmental		Business-type		Total		Percentage	
	Activities		Activities				Change	
	2019	2020	2019	2020	2019	2020	2019-2020	
Revenue bonds and notes (backed by specific tax and fee revenues)	\$ 37,950	34,931	51	372	38,001	35,303	(7.10)	%

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate, not seasonally adjusted, for Jefferson County for August 2020 was 6.9%, which is an increase from a rate of 3.0% a year ago (primarily due to COVID pandemic). This is lower than the national and state's average unemployment rate of 8.4% and 7.1% respectively, all rates not seasonally adjusted.
- The Consumer Price Index (CPI-U) for All Urban Consumers indicates that nationwide inflation has increased 1.3% over the August 2019 rate. Inflationary trends for the Midwest region (1.1%) compare favorably to the Northeast (1.1%), South (1.1%) and West (1.9%) regions indices.

All of these factors were considered in preparing the City's budget for the 2020 fiscal year.

The property tax rate set to support the 2020 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 2020 is the second year of City's second 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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Transportation Development District
ASSETS				
Cash and investments	\$ 10,038,638	574,257	10,612,895	1,542,863
Receivables (net of allowances for uncollectibles):				
Taxes	3,885,563	-	3,885,563	-
Special assessments	1,078,043	-	1,078,043	-
Service fees	271,869	248,405	520,274	-
Intergovernmental	20,059	-	20,059	-
Miscellaneous	168,157	1,500	169,657	-
Prepaid items	617,243	648	617,891	-
Restricted assets:				
Cash and investments	2,410,749	28,935	2,439,684	-
Capital improvements sales tax receivable	5,568,964	-	5,568,964	-
Internal balances	143,483	(143,483)	-	-
Capital assets:				
Land and construction in progress	29,963,815	3,363,160	33,326,975	-
Other capital assets, net of accumulated depreciation	40,526,411	1,568,145	42,094,556	-
Total Assets	94,692,994	5,641,567	100,334,561	1,542,863
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	2,393,320	-	2,393,320	-
Deferred amounts related to OPEB	62,545	-	62,545	-
Deferred amounts related to pensions	2,074,623	57,076	2,131,699	-
Total Deferred Outflows Of Resources	4,530,488	57,076	4,587,564	-
LIABILITIES				
Accounts payable	2,152,769	52,073	2,204,842	-
Accrued liabilities	200,318	30,211	230,529	-
Accrued interest payable	1,915,467	-	1,915,467	80,300
Unearned revenue	122,932	115,545	238,477	-
Noncurrent liabilities:				
Due within one year:				
Long-term debt	3,502,735	89,582	3,592,317	1,030,000
Due in more than one year:				
Long-term debt	32,648,723	282,521	32,931,244	7,000,000
Total OPEB liability	532,701	-	532,701	-
Net pension liability	1,209,760	90,195	1,299,955	-
Total Liabilities	42,285,405	660,127	42,945,532	8,110,300
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to OPEB	60,950	-	60,950	-
Deferred amounts related to pensions	459,437	10,488	469,925	-
Total Deferred Inflows Of Resources	520,387	10,488	530,875	-
NET POSITION				
Net investment in capital assets	61,137,253	4,588,137	65,725,390	-
Restricted for capital improvements	5,568,964	-	5,568,964	-
Restricted for debt service	1,415,249	-	1,415,249	412,746
Restricted for public safety	16,427	-	16,427	-
Restricted for tax increment financing	3,208,626	-	3,208,626	-
Restricted for tourism	310,923	-	310,923	-
Restricted for transportation development	-	-	-	20,146
Restricted for pension	405,426	-	405,426	-
Unrestricted net position	(15,645,178)	379,891	(15,265,287)	(7,000,329)
Total Net Position	\$ 56,417,690	4,968,028	61,385,718	(6,567,437)

See notes to financial statements

CITY OF ARNOLD, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2020

FUNCTIONS/PROGRAMS	Net Revenues (Expenses) And Changes In Net Position							Component Unit Transportation Development District
	Expenses	Program Revenues			Primary Government			
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 4,020,105	1,493,775	-	-	(2,526,330)	-	(2,526,330)	-
Public safety	7,766,321	541,320	119,439	-	(7,105,562)	-	(7,105,562)	-
Public works	712,780	-	-	20,285	(692,495)	-	(692,495)	-
Highways and streets	3,963,281	-	1,056,566	455,953	(2,450,762)	-	(2,450,762)	-
Parks and recreation	2,607,594	665,382	-	-	(1,942,212)	-	(1,942,212)	-
Health and sanitation	404,895	44,444	-	-	(360,451)	-	(360,451)	-
Economic development	125,927	-	-	-	(125,927)	-	(125,927)	-
Interest and fiscal charges on long-term debt	2,038,256	-	-	-	(2,038,256)	-	(2,038,256)	-
Total Governmental Activities	<u>21,639,159</u>	<u>2,744,921</u>	<u>1,176,005</u>	<u>476,238</u>	<u>(17,241,995)</u>	<u>-</u>	<u>(17,241,995)</u>	<u>-</u>
Business-type Activities								
Storm water	552,732	552,431	-	-	-	(301)	(301)	-
Golf	149,091	39,041	-	-	-	(110,050)	(110,050)	-
Total Business-type Activities	<u>701,823</u>	<u>591,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,351)</u>	<u>(110,351)</u>	<u>-</u>
Total Primary Government	<u>\$ 22,340,982</u>	<u>3,336,393</u>	<u>1,176,005</u>	<u>476,238</u>	<u>(17,241,995)</u>	<u>(110,351)</u>	<u>(17,352,346)</u>	<u>-</u>
Component Unit								
Transportation development district	<u>\$ 11,720,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,720,653)</u>
General Revenues								
Taxes:								
Property					2,339,913	-	2,339,913	-
Sales					12,489,311	-	12,489,311	3,065,359
Gross receipts					3,068,773	-	3,068,773	-
Miscellaneous					41,494	-	41,494	-
Investment income					187,750	-	187,750	38,996
Miscellaneous					122,846	-	122,846	-
Total General Revenues					<u>18,250,087</u>	<u>-</u>	<u>18,250,087</u>	<u>3,104,355</u>
CHANGE IN NET POSITION					1,008,092	(110,351)	897,741	1,383,702
NET POSITION, SEPTEMBER 1, RESTATED					<u>55,409,598</u>	<u>5,078,379</u>	<u>60,487,977</u>	<u>(7,951,139)</u>
NET POSITION, AUGUST 31					<u>\$ 56,417,690</u>	<u>4,968,028</u>	<u>61,385,718</u>	<u>(6,567,437)</u>

See notes to financial statement

CITY OF ARNOLD, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2020

	<u>General</u>	<u>Recreation Center</u>	<u>Special Allocation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 8,108,518	387,381	1,210,385	332,354	10,038,638
Receivables (net of allowances for uncollectibles):					
Taxes	1,738,521	316,096	1,811,282	19,664	3,885,563
Special assessments	1,078,043	-	-	-	1,078,043
Service fees	271,869	-	-	-	271,869
Intergovernmental	20,059	-	-	-	20,059
Court	39,393	-	-	-	39,393
Miscellaneous	100,537	28,227	-	-	128,764
Due from other funds	1,056,284	-	186,959	-	1,243,243
Prepaid items	616,911	-	-	332	617,243
Restricted assets:					
Cash and investments	995,500	-	1,415,249	-	2,410,749
Capital improvements sales tax receivable	5,568,964	-	-	-	5,568,964
Total Assets	<u>\$ 19,594,599</u>	<u>731,704</u>	<u>4,623,875</u>	<u>352,350</u>	<u>25,302,528</u>
LIABILITIES					
Accounts payable	\$ 2,027,111	125,658	-	-	2,152,769
Accrued liabilities	192,620	7,698	-	-	200,318
Due to other funds	150,347	949,413	-	-	1,099,760
Unearned revenue	99,020	23,912	-	-	122,932
Total Liabilities	<u>2,469,098</u>	<u>1,106,681</u>	<u>-</u>	<u>-</u>	<u>3,575,779</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Special assessments	1,078,964	-	-	-	1,078,964
Court fines	39,073	-	-	-	39,073
Taxes	5,568,964	-	-	-	5,568,964
Total Deferred Inflows Of Resources	<u>6,687,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,687,001</u>
FUND BALANCES					
Nonspendable:					
Prepaid items	616,911	-	-	332	617,243
Restricted for:					
Debt service	-	-	1,415,249	-	1,415,249
Public safety	-	-	-	16,095	16,095
Tax increment financing	-	-	3,208,626	-	3,208,626
Tourism	-	-	-	310,923	310,923
Capital projects	978,849	-	-	-	978,849
Committed for:					
Capital projects	413,096	-	-	-	413,096
Sewer sub district projects	883,724	-	-	-	883,724
Greenway beautification	113,165	-	-	-	113,165
Economic development	673,733	-	-	-	673,733
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	2,345,871	-	-	-	2,345,871
Unassigned	3,548,919	(374,977)	-	-	3,173,942
Total Fund Balances	<u>10,438,500</u>	<u>(374,977)</u>	<u>4,623,875</u>	<u>352,350</u>	<u>15,039,748</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 19,594,599</u>	<u>731,704</u>	<u>4,623,875</u>	<u>352,350</u>	<u>25,302,528</u>

CITY OF ARNOLD, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
AUGUST 31, 2020

Total Fund Balances - Governmental Funds	\$ 15,039,748
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 \$135,563,424 and the accumulated depreciation is \$65,073,198.	70,490,226
Certain assets and liabilities are not financial resources (uses) and, therefore, are not reported in the governmental funds.	
Net pension liability	(1,209,760)
Deferred outflows related to pensions	2,074,623
Deferred inflows related to pensions	(459,437)
Total OPEB liability	(532,701)
Deferred outflows related to OPEB	62,545
Deferred inflows related to OPEB	(60,950)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	6,687,001
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	(1,915,467)
Accrued compensated absences	(1,220,472)
Certificates of participation outstanding	(10,760,000)
Tax increment revenue bonds outstanding	(20,169,501)
Tax increment revenue notes outstanding	(2,121,569)
Capital lease payable	(1,139,027)
Unamortized bond premium	(826,115)
Unamortized bond deferred charges	2,393,320
Unamortized bond discount	85,226
	85,226
Total Net Position Of Governmental Activities	\$ 56,417,690

CITY OF ARNOLD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	<u>General</u>	<u>Recreation Center</u>	<u>Special Allocation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 11,445,024	1,527,624	4,149,591	143,254	17,265,493
Special assessments	36,903	-	-	-	36,903
Licenses and permits	1,887,233	-	-	-	1,887,233
Fines and court costs	362,078	-	-	-	362,078
Intergovernmental	586,276	-	-	9,401	595,677
Charges for services	75,788	605,494	-	-	681,282
Investment income	165,471	2,970	19,309	-	187,750
Miscellaneous	156,133	677	-	-	156,810
Total Revenues	<u>14,714,906</u>	<u>2,136,765</u>	<u>4,168,900</u>	<u>152,655</u>	<u>21,173,226</u>
EXPENDITURES					
Current:					
General government	3,308,831	-	7,500	89,652	3,405,983
Public safety	7,319,930	-	-	7,951	7,327,881
Public works	636,282	-	-	-	636,282
Highways and streets	1,863,043	-	-	-	1,863,043
Parks and recreation	930,530	1,502,116	-	-	2,432,646
Health and sanitation	306,084	-	-	-	306,084
Economic development	-	-	125,927	-	125,927
Capital outlay	1,894,521	44,987	-	20,000	1,959,508
Debt service:					
Principal	548,119	585,000	3,139,059	-	4,272,178
Interest	94,825	307,404	883,904	-	1,286,133
Total Expenditures	<u>16,902,165</u>	<u>2,439,507</u>	<u>4,156,390</u>	<u>117,603</u>	<u>23,615,665</u>
REVENUES OVER (UNDER) EXPEN- DITURES	<u>(2,187,259)</u>	<u>(302,742)</u>	<u>12,510</u>	<u>35,052</u>	<u>(2,442,439)</u>
OTHER FINANCING SOURCES					
Proceeds from capital lease	1,322,146	-	-	-	1,322,146
Insurance proceeds	6,605	-	-	-	6,605
Proceeds from sale of capital assets	650	-	-	-	650
Total Other Financing Sources	<u>1,329,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,329,401</u>
NET CHANGE IN FUND BALANCES	(857,858)	(302,742)	12,510	35,052	(1,113,038)
FUND BALANCES, SEPTEMBER 1	<u>11,296,358</u>	<u>(72,235)</u>	<u>4,611,365</u>	<u>317,298</u>	<u>16,152,786</u>
FUND BALANCES, AUGUST 31	<u>\$ 10,438,500</u>	<u>(374,977)</u>	<u>4,623,875</u>	<u>352,350</u>	<u>15,039,748</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, 2020

Net Change In Fund Balances - Governmental Funds \$ (1,113,038)

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 (\$3,022,237) exceeded capital outlays over the capitalization threshold (\$2,009,671) in the current period. (1,012,566)

The net effect of various transactions involving capital assets:
 Disposal of capital assets (7,908)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 1,490,867

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
 Capital lease (1,322,146)

Repayments:

Certificates of participation	950,000	
Tax increment revenue bonds	2,380,000	
Tax increment revenue notes	759,059	
Capital lease	183,119	
Amortization	(310,308)	
Net Adjustment		3,961,870

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	(441,815)	
OPEB expense	(37,079)	
Accrued compensated absences	(301,548)	
Pension expense	(208,545)	
		(988,987)

Change In Net Position Of Governmental Activities \$ 1,008,092

CITY OF ARNOLD, MISSOURI
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
AUGUST 31, 2020

	Business-type Activities - Enterprise Funds		
	Storm Water	Golf	Total
ASSETS			
Current Assets			
Cash and investments	\$ 514,257	-	514,257
Receivables:			
Service fees	248,405	-	248,405
Other	-	1,500	1,500
Prepaid items	648	-	648
Due from other funds	-	600	600
Restricted cash	28,935	-	28,935
Total Current Assets	<u>792,245</u>	<u>2,100</u>	<u>794,345</u>
Noncurrent Assets			
Capital assets:			
Land and right-of-way	2,554	3,360,606	3,363,160
Other capital assets, net of accumulated depreciation	1,483,802	84,343	1,568,145
Total Capital Assets	<u>1,486,356</u>	<u>3,444,949</u>	<u>4,931,305</u>
Total Assets	<u>2,278,601</u>	<u>3,447,049</u>	<u>5,725,650</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>51,881</u>	<u>5,195</u>	<u>57,076</u>
LIABILITIES			
Current Liabilities			
Accounts payable	52,073	-	52,073
Accrued liabilities	30,211	-	30,211
Unearned revenue	115,545	-	115,545
Capital lease payable - current installments	89,582	-	89,582
Due to other funds	4,287	139,796	144,083
Total Current Liabilities	<u>291,698</u>	<u>139,796</u>	<u>431,494</u>
Noncurrent Liabilities			
Capital lease payable	282,521	-	282,521
Net pension liability	81,986	8,209	90,195
Total Noncurrent Liabilities	<u>364,507</u>	<u>8,209</u>	<u>372,716</u>
Total Liabilities	<u>656,205</u>	<u>148,005</u>	<u>804,210</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>9,533</u>	<u>955</u>	<u>10,488</u>
NET POSITION			
Net investment in capital assets	1,143,188	3,444,949	4,588,137
Unrestricted	521,556	(141,665)	379,891
Total Net Position	<u>\$ 1,664,744</u>	<u>3,303,284</u>	<u>4,968,028</u>

See notes to financial statements

CITY OF ARNOLD, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Storm Water</u>	<u>Golf</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 552,431	39,041	591,472
OPERATING EXPENSES			
Cost of services	502,100	122,168	624,268
Depreciation	50,632	22,119	72,751
Total Operating Expenses	<u>552,732</u>	<u>144,287</u>	<u>697,019</u>
OPERATING LOSS	<u>(301)</u>	<u>(105,246)</u>	<u>(105,547)</u>
NONOPERATING EXPENSES			
Loss on disposal of capital assets	-	(2,882)	(2,882)
Interest expense and fiscal charge	-	(1,922)	(1,922)
Total Nonoperating Expenses	<u>-</u>	<u>(4,804)</u>	<u>(4,804)</u>
CHANGE IN NET POSITION	(301)	(110,050)	(110,351)
NET POSITION, SEPTEMBER 1	<u>1,665,045</u>	<u>3,413,334</u>	<u>5,078,379</u>
NET POSITION, AUGUST 31	<u><u>\$ 1,664,744</u></u>	<u><u>3,303,284</u></u>	<u><u>4,968,028</u></u>

CITY OF ARNOLD, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Storm Water</u>	<u>Golf</u>	<u>Total</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash flows from operating activities:			
Receipts from customers and users	\$ 540,247	39,041	579,288
Payments to suppliers	(74,741)	126,675	51,934
Payments to employees	(371,767)	(308,772)	(680,539)
Net Cash Provided By (Used In) Operating Activities	<u>93,739</u>	<u>(143,056)</u>	<u>(49,317)</u>
Cash flows provided by noncapital financing activities:			
Due to/from other funds	<u>535</u>	<u>139,611</u>	<u>140,146</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(493,415)	-	(493,415)
Proceeds from sale of capital assets	-	12,525	12,525
Proceeds from capital lease	471,062	-	471,062
Principal payments lease	(98,959)	(7,708)	(106,667)
Interest expense and fiscal charge	-	(1,922)	(1,922)
Net Cash Provided By (Used In) Capital And Related Financing Activities	<u>(121,312)</u>	<u>2,895</u>	<u>(118,417)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(27,038)	(550)	(27,588)
CASH AND CASH EQUIVALENTS, SEPTEMBER 1	<u>570,230</u>	<u>550</u>	<u>570,780</u>
CASH AND CASH EQUIVALENTS, AUGUST 31	<u><u>\$ 543,192</u></u>	<u><u>-</u></u>	<u><u>543,192</u></u>
RECONCILIATION WITH STATEMENT OF NET POSITION			
Cash and cash equivalents	\$ 514,257	-	514,257
Cash and cash equivalents - restricted	<u>28,935</u>	<u>-</u>	<u>28,935</u>
Total Reconciliation With Statement Of Net Position	<u><u>\$ 543,192</u></u>	<u><u>-</u></u>	<u><u>543,192</u></u>

CITY OF ARNOLD, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)
FOR THE YEAR ENDED AUGUST 31, 2020

	Business-type Activities - Enterprise Funds		
	Storm Water	Golf	Total
RECONCILIATION OF OPERATING LOSS			
TO NET CASH PROVIDED BY (USED			
IN) OPERATING ACTIVITIES			
Operating loss	\$ (301)	(105,246)	(105,547)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	50,632	22,119	72,751
(Increase) decrease in:			
Receivables	(37,645)	-	(37,645)
Net pension asset	83,589	8,865	92,454
Deferred outflows - pension related	(33,983)	2,130	(31,853)
Prepaid items	(648)	5,902	5,254
Increase (decrease) in:			
Accounts payable	40,398	(47,772)	(7,374)
Accrued liabilities	5,120	(10,193)	(5,073)
Unearned revenues	25,461	-	25,461
Deferred inflows - pension related	(38,884)	(18,861)	(57,745)
Total Adjustments	94,040	(37,810)	56,230
Net Cash Provided By (Used In) Operating Activities	\$ 93,739	(143,056)	(49,317)
 Supplemental disclosure of cash flow information			
Noncash investing, capital, and financing activities:			
Returned leased equipment:			
Book value of leased equipment	\$ 49,218	-	49,218
Capital lease cancelled	(43,413)	-	(43,413)
Loss On Returned Leased Equipment	\$ (5,805)	-	(5,805)

CITY OF ARNOLD, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION -
PENSION TRUST FUND
AUGUST 31, 2020

ASSETS

Money market funds	\$ 186,456
U.S. government securities	2,118,900
Corporate bonds	5,549,292
Domestic stock funds	5,191,582
International stock funds	2,383,255
Real estate related investments	396,585
Contribution receivable	73,069
Total Assets	<u>15,899,139</u>

LIABILITIES

-

NET POSITION

Restricted for pensions	<u><u>\$ 15,899,139</u></u>
-------------------------	-----------------------------

CITY OF ARNOLD, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION TRUST FUND
FOR THE YEAR ENDED AUGUST 31, 2020

ADDITIONS

Contributions:

Employer contributions	\$ 631,329
Employee contributions	325,232
Total Contributions	956,561

Net appreciation in fair value of investments, interest, and dividends	1,131,444
Total Additions	2,088,005

DEDUCTIONS

Service benefits	217,092
Administrative expenses	13,288
Total deductions	230,380

CHANGE IN NET POSITION

1,857,625

NET POSITION - RESTRICTED FOR PENSIONS,
SEPTEMBER 1

14,041,514

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

\$ 15,899,139

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:

	August 31
	2020
	<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 outflow of resources (expense/expenditure) until then. The City has three items that qualify for re-

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Deferred Outflows/Inflows of Resources (Continued)

porting 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. The third item is deferred outflows related to other post-employee benefits.

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 second item is deferred inflows related to pension. 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 \$1,391,945 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, 2020, 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, 2020, 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, 2020, the City had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>			<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	
Primary Government					
Certificates of deposit	\$ 4,410,000	-	4,410,000	-	Not rated
Money market funds	2,327,717	-	2,327,717	-	
Total Primary Government Fund Investments	<u>6,737,717</u>	<u>-</u>	<u>6,737,717</u>	<u>-</u>	
Component Unit					
Money market funds	1,542,863	-	1,542,863	-	Not rated
Fiduciary Fund					
Money market funds	186,456	186,456	-	-	Not rated
U.S. government securities	2,118,900	-	-	2,118,900	A
Corporate bonds	3,556,855	-	-	3,556,855	BB
Corporate bonds	1,992,437	-	-	1,992,437	B
Domestic stock funds	5,191,582	5,191,582	-	-	Not rated
International stock funds	2,383,255	2,383,255	-	-	Not rated
Real estate related	396,585	396,585	-	-	Not rated
Total Fiduciary Fund Investments	<u>15,826,070</u>	<u>8,157,878</u>	<u>-</u>	<u>7,668,192</u>	
Total Investments	<u>\$ 24,106,650</u>	<u>8,157,878</u>	<u>8,280,580</u>	<u>7,668,192</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.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity secu-

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

3. Fair Value Measurements (Continued)

urities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities in Level 3 have limited trade information, these securities are priced or using the last trade price estimated using recent trade prices.

The City has the following recurring fair value measurements as of August 31, 2020:

Primary Government:

- Money market funds of \$2,327,717 are not subject to fair value classification
- Certificates of deposit of \$4,410,000 are not subject to fair value classification

Component Unit:

- Money market funds of \$1,542,863 are not subject to fair value classification

	<u>Total</u>	<u>August 31, 2020</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fiduciary Fund				
Investments by fair value level:				
U.S. government securities	\$ 2,118,900	-	2,118,900	-
Corporate bonds	3,556,855	3,556,855	-	-
Corporate bonds	1,992,437	1,992,437	-	-
Domestic stock funds	5,191,582	5,191,582	-	-
International stock funds	2,383,255	2,383,255	-	-
Real estate related	396,585	396,585	-	-
Total Investments				
By Fair Value Level	15,639,614	<u>13,520,714</u>	<u>2,118,900</u>	<u>-</u>
Investments not subject to fair value classification:				
Money market funds	<u>186,456</u>			
Total Fiduciary Fund Investments	<u>\$ 15,826,070</u>			

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

	For The Year Ended August 31, 2020			Balance August 31 2020
	Balance August 31 2019	Increases	Decreases	
Governmental Activities				
Capital assets not being depreciated:				
Land and right-of-way	\$ 28,879,190	627,189	-	29,506,379
Construction in progress	575,512	716,426	834,502	457,436
Total Capital Assets Not Being Depreciated	29,454,702	1,343,615	834,502	29,963,815
Capital assets being depreciated:				
Buildings and other improvements	20,014,732	44,987	-	20,059,719
Automotive equipment	3,189,639	358,974	68,778	3,479,835
Machinery and equipment	2,551,834	262,095	161,199	2,652,730
Infrastructure	78,572,823	834,502	-	79,407,325
Total Capital Assets Being Depreciated	104,329,028	1,500,558	229,977	105,599,609
Less - Accumulated depreciation for:				
Buildings and other improvements	9,922,864	577,561	-	10,500,425
Automotive equipment	2,340,306	412,676	66,244	2,686,738
Machinery and equipment	2,093,985	106,382	155,825	2,044,542
Infrastructure	47,915,875	1,925,618	-	49,841,493
Total Accumulated Depreciation	62,273,030	3,022,237	222,069	65,073,198
Total Capital Assets Being Depreciated, Net	42,055,998	(1,521,679)	7,908	40,526,411
Governmental Activities Capital Assets, Net	\$ 71,510,700	(178,064)	842,410	70,490,226

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

	For The Year Ended August 31 2020
Governmental Activities	
General government	\$ 593,259
Public safety	257,870
Public works	35,025
Highways and streets	2,051,686
Parks and recreation	80,458
Health and Sanitation	3,939
Total	\$ 3,022,237

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended August 31, 2020

	<u>Balance August 31 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance August 31 2020</u>
Business-type Activities				
Capital assets not being depreciated:				
Land and right-of-way	\$ 3,363,160	-	-	3,363,160
Capital assets being depreciated:				
Buildings	474,207	-	-	474,207
Machinery and equipment	626,605	455,781	125,123	957,263
Storm water lines	902,993	37,634	-	940,627
Total Capital Assets Being Depreciated	<u>2,003,805</u>	<u>493,415</u>	<u>125,123</u>	<u>2,372,097</u>
Less - Accumulated depreciation for:				
Buildings	167,672	21,201	-	188,873
Machinery and equipment	522,980	30,607	66,303	487,284
Storm water lines	106,852	20,943	-	127,795
Total Accumulated Depreciation	<u>797,504</u>	<u>72,751</u>	<u>66,303</u>	<u>803,952</u>
Total Capital Assets Being Depreciated, Net	<u>1,206,301</u>	<u>420,664</u>	<u>58,820</u>	<u>1,568,145</u>
Business-type Activities Capital Assets, Net	<u>\$ 4,569,461</u>	<u>420,664</u>	<u>58,820</u>	<u>4,931,305</u>

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

	<u>For The Year Ended August 31 2020</u>
Business-type Activities	
Storm water	\$ 50,632
Golf	<u>22,119</u>
Total	<u>\$ 72,751</u>

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT

Long-term debt activity was as follows:

	For The Year Ended August 31, 2020			Balance August 31 2020	Amounts Due Within One Year
	Balance August 31 2019	Additions	Reductions		
Governmental Activities					
Certificates of participation	\$ 11,710,000	-	950,000	10,760,000	975,000
Plus - Premium	910,241	-	84,126	826,115	-
Tax increment revenue notes	2,880,628	-	759,059	2,121,569	500,425
Tax increment revenue bonds	22,549,501	-	2,380,000	20,169,501	1,570,000
Less - Discounts	(100,266)	-	(15,040)	(85,226)	-
Capital lease payable	-	1,322,146	183,119	1,139,027	152,192
Compensated absences	918,924	531,279	229,731	1,220,472	305,118
	<u>\$ 38,869,028</u>	<u>1,853,425</u>	<u>4,570,995</u>	<u>36,151,458</u>	<u>3,502,735</u>
Business-type Activities					
Capital lease payable	<u>\$ 51,121</u>	<u>471,062</u>	<u>150,080</u>	<u>372,103</u>	<u>89,582</u>
Component Unit					
Sales tax revenue bonds	<u>\$ 11,850,000</u>	<u>9,060,000</u>	<u>12,880,000</u>	<u>8,030,000</u>	<u>1,030,000</u>

Compensated absences are generally liquidated by the General Fund and the Recreation Center Fund. Certificates of participations are generally liquidated by the General Fund and the Recreation Center Fund. Tax increment revenue notes and bonds are generally liquidated by the Special Allocation Fund.

Governmental Activities

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.

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 August 15, 2031.

Governmental Activities - Events of Default

The Certificates of Participation contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount and may take possession of the leased property in event of default.

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

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

For The Years Ending August 31	Governmental Activities		
	Principal	Interest	Total
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	1,105,000	247,275	1,352,275
2026 - 2030	4,710,000	668,250	5,378,250
2031	855,000	34,200	889,200
Total	<u>\$ 10,760,000</u>	<u>2,252,250</u>	<u>13,012,250</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.

During 2020, the City entered into lease agreements totaling \$1,793,208 for various equipment, vehicles and a new steel building, engineering and materials. The interest rate ranges from 2.52% to 3.23% and the maturity date is October and November 2023 through 2028.

The assets acquired through the capital lease is as follows:

	August 31, 2020	
	Governmental Activities	Business-type Activities
Assets:		
Equipment	\$ 591,248	449,810
Less - Accumulated depreciation	<u>67,327</u>	<u>12,101</u>
Total	<u>\$ 523,921</u>	<u>437,709</u>

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

For The Years Ending August 31	Governmental Activities	Business-type Activities
2021	\$ 183,119	98,959
2022	183,119	98,959
2023	183,119	98,959
2024	183,119	98,959
2025	109,591	-
2026-2029	438,366	-
Total Minimum Lease Payments	1,280,433	395,836
Less - Imputed interest	(141,406)	(23,733)
Present Value Of Minimum Lease Payments	\$ 1,139,027	372,103

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, 2020 are as follows:

	Date Issued	Date Of Maturity	Date Of Annual Principal Payment	Original Amount	Balance August 31 2020
Triangle Redevelopment (Series A)	12-14-2016	05-01-2028	May 1	\$ 23,050,000	\$ 15,545,000
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	375,425
Arnold Crossroads (Series A) Drury Redevelopment	05-20-2011	07-06-2028	May 1	3,000,000	1,746,144

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

NOTE D - LONG-TERM DEBT (Continued)

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%. In 2020 the District paid \$11,850,000 in principal and \$392,113 in interest, paying off the Transportation Sales Tax Revenue Bonds, Series 2010.

On September 3, 2019, the District approved the issuance of Transportation Sales Tax Refunding Revenue Bonds, Series 2019 in the aggregate principal amount not to exceed \$12,500,000. On October 1, 2019, the District issued the Transportation Sales Tax Refunding Revenue Bonds, Series 2019 in the amount of \$9,060,000. The bonds bear an interest rate of 3.00% and are due in semi-annual installments with final maturity on November 1, 2028. The district does not maintain an amortization schedule as payments are made as funds become available.

In 2020, the District paid \$1,030,000 in principal payment and \$158,550 in interest expense. The District had unpaid accrued interest of \$80,300 as of August 31, 2020.

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.

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

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

Employees Covered by Benefit Terms

At August 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>55</u>
Total	<u>71</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 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, 2020, the City's contribution to the Plan was 20.55% of annual covered payroll.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of August 31, 2020, 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, 2020 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-2019 projected generationally, male and female rates.

The actuarial assumptions used in the August 31, 2020 valuation were based upon an annual review of actual experience compared to previous assumptions used, and a perspective on future expectations.

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

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

The long-term expected rate of return on pension plan investments is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. 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>
U.S. Cash	2.50%	N/A
U.S. Short Bonds	12.50	0.03%
U.S. Interim Bonds	22.50	0.30
U.S. High Yield Bonds	12.50	3.58
U.S. Large Caps	17.50	4.53
U.S. Small Caps	5.00	6.19
U.S. Mid Caps	5.00	5.11
Non-US Equity	10.00	6.54
Non-US Small Cap	5.00	7.03
Non-US REITs	2.50	6.72
Infrastructure	5.00	5.25

*Expected to earn less than inflation

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)
Balances at August 31, 2019	\$ 14,508,625	14,041,514	467,111
Changes for the year			
Service cost	700,838	-	700,838
Interest	906,150	-	906,150
Effect of economic/demographic gains or losses	180,911	-	180,911
Assumption changes or inputs	(28,134)	-	(28,134)
Contributions - employer	-	631,329	(631,329)
Contributions - employee	-	325,232	(325,232)
Net investment income	-	1,131,444	(1,131,444)
Benefit payments and expenses	(217,092)	(217,092)	-
Administrative expenses	-	(13,288)	13,288
Net Changes	<u>1,542,673</u>	<u>1,857,625</u>	<u>(314,952)</u>
Balances at August 31, 2020	<u>\$ 16,051,298</u>	<u>15,899,139</u>	<u>152,159</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>\$ 2,543,341</u>	<u>152,159</u>	<u>(1,807,392)</u>

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

For the year ended August 31, 2020, the employer recognized pension expense of \$661,620. At August 31, 2020, 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)

	Outflows	Inflows	Net Outflows
Differences between expected and actual experience	\$ 520,531	(246,232)	274,299
Changes of assumptions	855,530	(90,224)	765,306
Net difference between projected and actual earnings	29,319	-	29,319
Total	\$ 1,405,380	(336,456)	1,068,924

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

For The Plan Years Ending August 31		
2021		\$ 206,178
2022		235,805
2023		265,431
2024		174,492
2025		153,920
Thereafter		33,098
Total		\$ 1,068,924

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.

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>2020 Valuation</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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	77
Inactive employees entitled to but not yet receiving benefits	31
Active employees	<u>70</u>
Total	<u><u>178</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 18.1% of annual covered payroll.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 29, 2020. The pension liability was then rolled forward to the measurement date of June 30, 2020, utilizing procedures incorporating the actuarial assumptions.

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 29, 2020 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 29, 2020 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/leverage	(25.00)	(0.29)

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)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at June 30, 2019	\$ 20,913,318	20,934,033	(20,715)
Changes for the year			
Service cost	410,763	-	410,763
Interest	1,499,693	-	1,499,693
Difference between expected and actual experience	(81,237)	-	(81,237)
Contributions - employer	-	644,808	(644,808)
Contributions - employee	-	7,048	(7,048)
Net investment income	-	261,063	(261,063)
Benefit payments, including refunds	(874,661)	(874,661)	-
Administrative expense	-	(22,583)	22,583
Other	-	(229,628)	229,628
Net Changes	<u>954,558</u>	<u>(213,953)</u>	<u>1,168,511</u>
Balances at June 30, 2020	<u>\$ 21,867,876</u>	<u>20,720,080</u>	<u>1,147,796</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)

	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
Net pension liability (asset)	\$ 4,100,767	1,147,796	(1,288,846)

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

For the year ended August 31, 2020, the City recognized pension expense of \$836,558. Reported deferred outflows and inflows of resources are related to the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
Differences in experience	\$ 28,561	(133,469)	(104,908)
Net difference between projected and actual earnings	573,613	-	573,613
Contributions subsequent to the measurement date*	124,145	-	124,145
Total	\$ 726,319	(133,469)	592,850

*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**

2021	\$ (116,567)
2022	53,657
2023	283,667
2024	247,948
Total	\$ 468,705

Payable to the Pension Plan

At August 31, 2020, the City had \$49,972 of required contributions payable to the pension plan.

3. Aggregate Pension Expense

The aggregate amount of pension expense for the year ended August 31, 2020 for the two pension plans is \$1,498,178.

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, 2020, the following employees were covered by the benefit terms:

Actives	51
Retirees and Surviving Spouses	-
Spouses of Current Retirees	-
Total	<u>51</u>

Total OPEB Liability

The City’s total OPEB liability was measured as of August 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the August 31, 2020 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	2.20%
Healthcare cost trend rates	Medical cost trend rate of 5.2% for 2020, gradually decreasing to an ultimate rate of 3.7% for 2073 and beyond.

The discount rate changed from 2.97% to 2.20% based on updated 20-year municipal bond rates.

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

Mortality rates were based on the PUB-2010 General and Safety mortality tables for employees and Healthy Annuitants with generational projection based on Scale MP-2016. The Plan has not had a formal actuarial experience study performed.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at August 31, 2019	<u>\$ 517,227</u>
Changes for the year	
Service cost	21,102
Interest	15,989
Effect of liability gains or losses	(58,469)
Effect of assumption changes or inputs	36,852
Net Changes	<u>15,474</u>
Balance at August 31, 2020	<u><u>\$ 532,701</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 2.20%, 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 (1.20%) or 1% point higher (3.20%) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 576,869</u>	<u>532,701</u>	<u>490,949</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 5.20% decreasing to 3.7%, 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 (4.20% decreasing to 2.70%) or 1% point higher (6.20% decreasing to 4.70%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 471,765</u>	<u>532,701</u>	<u>603,462</u>

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

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

For the year ended August 31, 2020, the City recognized OPEB expense of \$37,079. Deferred outflows and inflows of resources related to OPEB are from the following sources:

	Outflows	Inflows	Net Outflows
Differences between expected and actual experience	\$ -	(49,742)	(49,742)
Changes of assumptions	62,545	(11,208)	51,337
	\$ 62,545	(60,950)	1,595

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

For The Years Ending August 31		
2021		\$ (12)
2022		(12)
2023		(12)
2024		(12)
2025		1,430
Thereafter		213
Total		\$ 1,595

NOTE G - INTERFUND ASSETS/LIABILITIES

Individual interfund assets and liabilities are as follows:

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - INTERFUND ASSETS/LIABILITIES (Continued)

Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>August 31 2020</u>
Special Allocation Fund - Major Fund	General Fund - Major Fund	\$ 149,567
Special Allocation Fund - Major Fund	Recreation Center Fund - Major Fund	37,392
General Fund - Major Fund	Recreation Center Fund - Major Fund	911,421
General Fund - Major Fund	Stormwater Fund - Enterprise Fund	5,067
Stormwater Fund - Enterprise Fund	General Fund - Major Fund	780
General Fund - Major Fund	Golf Fund - Enterprise Fund	139,796
Golf Fund - Enterprise Fund	Recreation Center Fund - Major Fund	600
Total		<u>\$ 1,244,623</u>

The outstanding balances between funds result mainly from the time lag between dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in accounting system, and 3) payments between funds are made. All interfund balances are expected to be repaid during the fiscal year ending August 31, 2021.

NOTE H - 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 I - 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, 2021.

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

NOTE I - INSURANCE (Continued)

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 \$675,041 for MIRMA's fiscal year ended June 30, 2020. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

NOTE J - 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 K - CONDUIT DEBT

In 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, 2020 the principal amount payable for the, 2015 and 2019 issues were \$87,912,091, \$84,611,309, and \$1,576,054, respectively.

NOTE L - RESTRICTED NET POSITION

The government-wide statement of net position reports \$10,925,615 of restricted net position, of which \$9,510,366 is restricted by enabling legislation.

CITY OF ARNOLD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE M - 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 \$4,022,963 and \$4,149,591, respectively.

NOTE N - 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, 2020.

NOTE O - DEFICIT BALANCE

The Recreation Center Fund has a deficit fund balance of \$374,977. The deficit will be offset by future revenues.

NOTE P - PRIOR PERIOD ADJUSTMENT

The previously stated net position has been restated as follows:

	<u>Governmental Activities</u>
Net position, August 31, 2019, as previously reported	\$ 55,312,288
Restatement for capital assets	<u>97,310</u>
Net Position, August 31, 2019, As Restated	<u><u>\$ 55,409,598</u></u>

NOTE Q - SUBSEQUENT EVENT

As a result of COVID-19 coronavirus, the ongoing spread continues to lead to economic uncertainty. Financial markets have since recovered. The duration of these uncertainties and the ultimate effects cannot be reasonably estimated at this time. In addition, the amount of tax collections after year-end and other factors could be significantly affected by the COVID-19 pandemic due to economic slowdown issues.

In October 2020 the Council approved to enter into a lease/purchase agreement with Commerce Bank for the acquisition of equipment in the amount of \$330,891.

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. 87, Leases. The objective of this Statement is to better meet the informational 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 June 15, 2021.
- In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objective of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

**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, 2020

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes				
Property	\$ 1,216,000	1,216,000	1,137,951	(78,049)
Sales	7,816,459	7,816,459	6,583,197	(1,233,262)
Public utility gross receipts	3,095,000	3,095,000	2,909,251	(185,749)
Motor fuel	545,000	545,000	532,031	(12,969)
Other	240,000	240,000	282,594	42,594
Total Taxes	<u>12,912,459</u>	<u>12,912,459</u>	<u>11,445,024</u>	<u>(1,467,435)</u>
Special Assessments	<u>20,000</u>	<u>20,000</u>	<u>36,903</u>	<u>16,903</u>
Licenses and Permits	<u>1,083,300</u>	<u>1,083,300</u>	<u>1,887,233</u>	<u>803,933</u>
Fines and Court Costs	<u>652,950</u>	<u>652,950</u>	<u>362,078</u>	<u>(290,872)</u>
Intergovernmental	<u>687,718</u>	<u>687,718</u>	<u>586,276</u>	<u>(101,442)</u>
Charges for Services	<u>93,540</u>	<u>93,540</u>	<u>75,788</u>	<u>(17,752)</u>
Investment Income	<u>116,300</u>	<u>116,300</u>	<u>165,471</u>	<u>49,171</u>
Miscellaneous				
Administration	7,500	7,500	7,500	-
Other	73,170	73,170	148,633	75,463
Total Miscellaneous	<u>80,670</u>	<u>80,670</u>	<u>156,133</u>	<u>75,463</u>
Total Revenues	<u>15,646,937</u>	<u>15,646,937</u>	<u>14,714,906</u>	<u>(932,031)</u>
EXPENDITURES				
General Government				
General and administrative	1,102,713	1,287,499	1,076,207	(211,292)
Mayor and council	131,703	154,829	153,297	(1,532)
Municipal court	161,804	161,804	145,735	(16,069)
Administrator	246,872	246,872	256,257	9,385
Treasurer	53,159	53,159	49,365	(3,794)
Finance	392,535	392,535	375,608	(16,927)
Collector of revenue	191,652	191,652	179,323	(12,329)
Attorney	159,400	163,990	146,129	(17,861)
Elections	15,550	15,550	10,258	(5,292)
Planning commission	305,975	305,975	301,337	(4,638)
IT Support	567,929	659,142	615,315	(43,827)
Total General Government	<u>3,329,292</u>	<u>3,633,007</u>	<u>3,308,831</u>	<u>(324,176)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued)				
Public Safety				
Police	6,063,490	6,252,061	6,449,576	197,515
Dispatching	423,408	423,408	373,686	(49,722)
Building commission	389,867	506,658	496,668	(9,990)
Total Public Safety	<u>6,876,765</u>	<u>7,182,127</u>	<u>7,319,930</u>	<u>137,803</u>
Public Works	<u>806,937</u>	<u>804,881</u>	<u>636,282</u>	<u>(168,599)</u>
Highways and Streets	<u>1,996,282</u>	<u>2,153,778</u>	<u>1,863,043</u>	<u>(290,735)</u>
Parks and Recreation	<u>1,138,596</u>	<u>1,211,639</u>	<u>930,530</u>	<u>(281,109)</u>
Health and Sanitation				
Health department	65,371	65,371	62,995	(2,376)
Rabies control	199,720	199,720	179,975	(19,745)
Vector control	7,825	7,825	931	(6,894)
Solid waste	75,000	75,000	62,183	(12,817)
Total Health And Sanitation	<u>347,916</u>	<u>347,916</u>	<u>306,084</u>	<u>(41,832)</u>
Capital Outlay	<u>4,578,875</u>	<u>4,584,238</u>	<u>2,077,640</u>	<u>(2,506,598)</u>
Debt Service	<u>462,675</u>	<u>462,675</u>	<u>459,825</u>	<u>(2,850)</u>
Total Expenditures	<u>19,537,338</u>	<u>20,380,261</u>	<u>16,902,165</u>	<u>(3,478,096)</u>
REVENUES UNDER EXPENDITURES	<u>(3,890,401)</u>	<u>(4,733,324)</u>	<u>(2,187,259)</u>	<u>2,546,065</u>
OTHER FINANCING SOURCES				
Proceeds from capital lease	1,362,948	1,362,948	1,322,146	(40,802)
Insurance proceeds	-	-	6,605	6,605
Proceeds from sale of capital assets	-	-	650	650
Total Other Financing Sources	<u>1,362,948</u>	<u>1,362,948</u>	<u>1,329,401</u>	<u>(33,547)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,527,453)</u>	<u>(3,370,376)</u>	<u>(857,858)</u>	<u>2,512,518</u>
FUND BALANCE, SEPTEMBER 1			<u>11,296,358</u>	
FUND BALANCE, AUGUST 31			<u>\$ 10,438,500</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Sales	\$ 1,515,000	1,515,000	1,527,624	12,624
Charges for services	839,908	839,908	605,494	(234,414)
Investment income	-	-	2,970	2,970
Miscellaneous	1,660	1,660	677	(983)
Total Revenues	<u>2,356,568</u>	<u>2,356,568</u>	<u>2,136,765</u>	<u>(219,803)</u>
EXPENDITURES				
Recreation center	1,741,650	1,848,215	1,502,116	(346,099)
Capital outlay	28,064	69,610	44,987	(24,623)
Debt service	805,601	907,404	892,404	(15,000)
Total Expenditures	<u>2,575,315</u>	<u>2,825,229</u>	<u>2,439,507</u>	<u>(385,722)</u>
NET CHANGE IN FUND				
BALANCE (DEFICIT)	<u>\$ (218,747)</u>	<u>(468,661)</u>	(302,742)	<u>165,919</u>
FUND BALANCE (DEFICIT), SEPTEMBER 1			<u>(72,235)</u>	
FUND BALANCE (DEFICIT), AUGUST 31			<u>\$ (374,977)</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, 2020

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes:			
Property	\$ 1,147,500	1,201,962	54,462
Sales	3,204,000	2,947,629	(256,371)
Investment income	1,000	19,309	18,309
Total Revenues	4,352,500	4,168,900	(183,600)
EXPENDITURES			
General government	7,500	7,500	-
Economic development	117,500	125,927	8,427
Debt service	1,670,000	4,022,963	2,352,963
Total Expenditures	1,795,000	4,156,390	2,361,390
NET CHANGE IN FUND BALANCE	\$ 2,557,500	12,510	(2,544,990)
FUND BALANCE, SEPTEMBER 1		4,611,365	
FUND BALANCE, AUGUST 31		\$ 4,623,875	

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, 2020

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, 2020, the Special Allocation Fund had expenditures exceeding appropriations by \$2,361,390. 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability						
Service cost	\$ 700,838	624,531	311,717	263,218	175,917	176,733
Interest	906,150	822,871	726,619	693,244	630,585	578,315
Differences between expected and actual experience	180,911	(231,253)	471,628	75,152	122,039	(136,162)
Change in assumptions or inputs	(28,134)	374,601	964,139	(153,868)	-	-
Contributions - employee	-	-	-	-	241,540	226,449
Benefit payments and expenses	(217,092)	(339,282)	(165,360)	(652,541)	(162,144)	(230,099)
Net Change In Total Pension Liability	<u>1,542,673</u>	<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>14,508,625</u>	<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>\$ 16,051,298</u>	<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>
Plan Fiduciary Net Position						
Contributions - employee	\$ 631,329	417,960	269,023	240,428	241,540	226,449
Contributions - employer	325,232	296,055	379,796	350,724	343,409	319,690
Return on investment	1,131,444	273,908	925,639	876,341	550,354	(18,629)
Benefit payments and expenses	(217,092)	(339,282)	(165,360)	(652,541)	(162,144)	(230,099)
Administrative expenses	(13,288)	(14,099)	(26,645)	(47,085)	-	-
Net Change In Plan Fiduciary Net Position	<u>1,857,625</u>	<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>14,041,514</u>	<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>\$ 15,899,139</u>	<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>
Net Pension Liability (Asset) Ending (a)-(b)	<u>\$ 152,159</u>	<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	99.1 %	96.8	101.1	109.8	105.0	105.8
Covered Payroll	\$ 3,071,741	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	4.95 %	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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined pension contribution	\$ 552,836	418,823	244,461	290,240	300,077	261,882	321,337	358,484	376,207	387,774
Contributions in relation to the actuarially determined contribution	631,329	417,960	379,796	350,724	343,409	320,444	385,966	312,110	436,396	497,394
Contribution Deficiency (Excess)	<u>\$ (78,493)</u>	<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>
Covered Payroll	\$ 3,071,741	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
Contributions as a Percentage of Covered Payroll	20.55 %	14.60	14.28	15.63	16.19	14.36	15.05	14.73	20.41	23.74

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-2019 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability						
Service cost	\$ 410,763	403,675	385,281	369,891	388,891	395,808
Interest on the total pension liability	1,499,693	1,444,434	1,363,132	1,317,216	1,222,060	1,178,720
Difference between expected and actual experience	(81,237)	(203,633)	243,133	(156,327)	87,035	(171,511)
Changes of assumptions	-	-	-	-	556,016	-
Benefit payments, including refunds	(874,661)	(896,479)	(862,462)	(946,107)	(918,710)	(688,962)
Net Change In Total Pension Liability	<u>954,558</u>	<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>20,913,318</u>	<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>\$ 21,867,876</u>	<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>
Plan Fiduciary Net Position						
Contributions - employer	\$ 644,808	575,580	548,282	507,576	532,194	618,572
Contributions - employee	7,048	-	-	-	-	-
Net investment income	261,063	1,261,811	2,237,515	1,959,445	(55,034)	353,689
Benefit payments, including refunds	(874,661)	(896,479)	(862,462)	(946,107)	(918,710)	(688,962)
Administrative expense	(22,583)	(20,641)	(14,595)	(14,074)	(13,709)	(15,005)
Other	(229,628)	(42,555)	(62,687)	(8,630)	(18,372)	(70,688)
Net Change In Plan Fiduciary Net Position	<u>(213,953)</u>	<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>20,934,033</u>	<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>\$ 20,720,080</u>	<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>
Net Pension Liability (Asset) Ending (a)-(b)	<u>\$ 1,147,796</u>	<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	94.75 %	100.10	99.46	95.66	90.57	100.41
Covered Payroll (for February 28/29 Valuation)	\$ 3,495,282	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	32.84 %	(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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined pension contribution	\$ 655,447	588,038	581,350	505,454	541,736	604,504	643,932	654,442	631,978	593,553
Contributions in relation to the actuarially determined contribution	655,447	588,038	555,513	505,454	541,736	604,504	643,932	582,422	570,401	505,281
Contribution Deficiency	\$ -	-	25,837	-	-	-	-	72,020	61,577	88,272
Covered Payroll	\$ 3,621,256	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
Contributions as a Percentage of Covered Payroll	18.10 %	18.00	17.20	16.20	17.00	18.70	19.60	18.60	17.60	16.60

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
 Amortization method

Entry age normal and modified terminal funding
 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
 Asset valuation method
 Inflation
 Salary increases
 Investment rate of return
 Retirement age
 Mortality

Multiple bases from 9 to 15 years
 5 years smoothed market; 20% corridor
 3.25% wage inflation; 2.5% price inflation
 3.25% to 6.55%, including wage inflation
 7.25%, net of investment expenses
 Experience-based table of rates that are specific to the type of eligibility condition
 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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 21,102	17,242	18,222
Interest	15,989	18,236	15,994
Changes of assumptions or other inputs	(58,469)	42,683	(18,798)
Benefit payments	36,852	(8,275)	(10,921)
Net Change In Total OPEB Liability	<u>15,474</u>	<u>69,886</u>	<u>4,497</u>
Total OPEB Liability Beginning	<u>517,227</u>	<u>447,341</u>	<u>442,844</u>
Total OPEB Liability Ending	<u><u>\$ 532,701</u></u>	<u><u>517,227</u></u>	<u><u>447,341</u></u>
Covered Payroll	\$ 8,280,543	7,688,896	7,267,314
Total OPEB Liability as a Percentage of Covered Payroll	6.43 %	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, 2020 AND 2019

	2020	2019
ASSETS		
Cash and investments	\$ 10,038,638	12,331,107
Receivables (net of allowances for uncollectibles):		
Taxes	3,885,563	3,718,318
Special assessments	1,078,043	1,114,948
Service fees	271,869	312,116
Intergovernmental	20,059	4,054
Court	39,393	90,340
Miscellaneous	128,764	109,463
Due from other funds	1,243,243	324,394
Prepaid items	617,243	524,139
Restricted assets:		
Cash and investments	2,410,749	1,454,703
Capital improvements sales tax receivable	5,568,964	3,990,422
	\$ 25,302,528	23,974,004
Total Assets		
LIABILITIES		
Accounts payable	\$ 2,152,769	2,006,065
Accrued liabilities	200,318	150,468
Due to other funds	1,099,760	321,057
Unearned revenue	122,932	147,494
	3,575,779	2,625,084
Total Liabilities		
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue:		
Special assessments	1,078,964	1,115,867
Court fines	39,073	89,845
Taxes	5,568,964	3,990,422
	6,687,001	5,196,134
Total Deferred Inflows Of Resources		
FUND BALANCES		
Nonspendable	617,243	524,139
Restricted	5,929,742	4,903,683
Committed	2,972,950	3,193,193
Assigned	2,345,871	2,332,451
Unassigned	3,173,942	5,199,320
	15,039,748	16,152,786
Total Fund Balances		
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	\$ 25,302,528	23,974,004

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, 2020 AND 2019

	2020	2019
REVENUES		
Taxes	\$ 17,265,493	16,926,656
Special assessments	36,903	63,701
Licenses and permits	1,887,233	1,296,644
Fines and court costs	362,078	553,587
Intergovernmental	595,677	186,265
Charges for services	681,282	1,041,306
Investment income	187,750	88,819
Miscellaneous	156,810	172,513
Total Revenues	21,173,226	20,329,491
EXPENDITURES		
Current:		
General government	3,405,983	3,342,686
Public safety	7,327,881	6,539,561
Public works	636,282	524,982
Highways and streets	1,863,043	997,731
Parks and recreation	2,432,646	2,455,074
Health and sanitation	306,084	399,915
Economic development	125,927	119,421
Capital outlay	1,959,508	1,538,217
Debt service:		
Principal	4,272,178	3,512,788
Interest	1,286,133	1,334,402
Cost of issuance	-	195,121
Total Expenditures	23,615,665	20,959,898
REVENUES UNDER EXPENDITURES	(2,442,439)	(630,407)
OTHER FINANCING SOURCES (USES)		
Insurance proceeds	6,605	97,064
Issuance of long-term debt	1,322,146	8,455,000
Premium on issuance of long-term debt	-	774,256
Payments to escrow agent	-	(9,115,304)
Proceeds from sale of capital assets	650	-
Transfers out	-	(341,886)
Total Other Financing Sources (Uses)	1,329,401	(130,870)
NET CHANGE IN FUND BALANCES	(1,113,038)	(761,277)
FUND BALANCES, SEPTEMBER 1	16,152,786	16,914,063
FUND BALANCES, AUGUST 31	\$ 15,039,748	16,152,786

CITY OF ARNOLD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2020

	<u>Special Revenue Funds</u>			<u>Totals</u>
	<u>Tourism</u>	<u>Drug Forfeiture</u>	<u>Community Foundation</u>	
ASSETS				
Cash and investments	\$ 291,259	16,095	25,000	332,354
Receivables:				
Taxes	19,664	-	-	19,664
Prepays	-	332	-	332
	<u>\$ 310,923</u>	<u>16,427</u>	<u>25,000</u>	<u>352,350</u>
Total Assets				
	<u>\$ 310,923</u>	<u>16,427</u>	<u>25,000</u>	<u>352,350</u>
 LIABILITIES AND FUND BALANCES				
Liabilities	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable				
Prepays	-	332	-	332
Restricted for:				
Public safety	-	16,095	-	16,095
Tourism	310,923	-	-	310,923
Committed for:				
Community foundation	-	-	25,000	25,000
Total Fund Balances	<u>310,923</u>	<u>16,427</u>	<u>25,000</u>	<u>352,350</u>
	<u>\$ 310,923</u>	<u>16,427</u>	<u>25,000</u>	<u>352,350</u>
Total Liabilities And Fund Balances				
	<u>\$ 310,923</u>	<u>16,427</u>	<u>25,000</u>	<u>352,350</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, 2020

	Special Revenue Funds			Totals
	Tourism	Drug Forfeiture	Community Foundation	
REVENUES				
Taxes	\$ 143,254	-	-	143,254
Intergovernmental	-	9,401	-	9,401
Total Revenues	<u>143,254</u>	<u>9,401</u>	<u>-</u>	<u>152,655</u>
EXPENDITURES				
Current:				
General government	89,652	-	-	89,652
Public safety	-	7,951	-	7,951
Capital outlay	-	20,000	-	20,000
Total Expenditures	<u>89,652</u>	<u>27,951</u>	<u>-</u>	<u>117,603</u>
NET CHANGES IN FUND BALANCES	53,602	(18,550)	-	35,052
FUND BALANCES, SEPTEMBER 1	<u>257,321</u>	<u>34,977</u>	<u>25,000</u>	<u>317,298</u>
FUND BALANCES, AUGUST 31	<u><u>\$ 310,923</u></u>	<u><u>16,427</u></u>	<u><u>25,000</u></u>	<u><u>352,350</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes:				
Sales	\$ 170,000	170,000	143,254	(26,746)
EXPENDITURES				
General government	<u>170,000</u>	<u>89,652</u>	<u>89,652</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>80,348</u></u>	<u>53,602</u>	<u><u>(26,746)</u></u>
FUND BALANCE, SEPTEMBER 1			<u>257,321</u>	
FUND BALANCE, AUGUST 31			<u><u>\$ 310,923</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, 2020

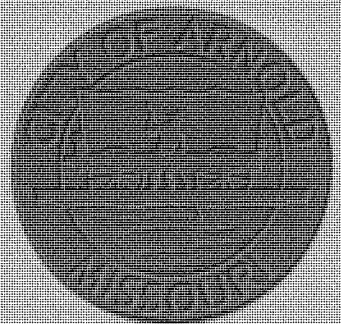
	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental	\$ -	-	9,401	9,401
EXPENDITURES				
Public safety	8,094	11,169	7,951	(3,218)
Capital outlay	-	20,000	20,000	-
Total Expenditures	8,094	31,169	27,951	(3,218)
NET CHANGE IN FUND BALANCE	\$ (8,094)	(11,169)	(18,550)	12,619
FUND BALANCE, SEPTEMBER 1			34,977	
FUND BALANCE, AUGUST 31			\$ 16,427	

CITY OF ARNOLD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - COMMUNITY FOUNDATION FUND
FOR THE YEAR ENDED AUGUST 31, 2020

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Donations	\$ 10,000	-	(10,000)
EXPENDITURES	-	-	-
NET CHANGE IN FUND BALANCE	\$ 10,000	-	(10,000)
FUND BALANCE, SEPTEMBER 1		25,000	
FUND BALANCE, AUGUST 31		\$ 25,000	

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STATISTICS



CITY OF ARNOLD, MISSOURI
STATISTICAL SECTION

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

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	77 - 81
Revenue Capacity These schedules contain information to help the reader assess the City’s local revenue sources.	82 - 89
Debt Capacity These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	90 - 92
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	93 - 95
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	96 - 100

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

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

	August 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net investment in capital assets	\$ 61,137,253	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
Restricted	10,925,615	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
Unrestricted	(15,645,178)	(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)
 Total Governmental Activities Net Position	 \$ 56,417,690	 55,312,288	 55,093,472	 53,490,372	 52,867,003	 54,500,607	 41,216,063	 42,469,040	 40,297,150	 43,739,478
Business-type Activities										
Net investment in capital assets	\$ 4,588,137	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
Restricted	-	-	-	-	-	325,978	526,603	588,203	701,303	804,880
Unrestricted	379,891	560,039	458,048	382,932	381,525	233,535	4,659,261	3,624,652	3,732,210	4,347,127
 Total Business-type Activities Net Position	 \$ 4,968,028	 5,078,379	 5,016,939	 5,000,609	 4,848,051	 963,530	 19,052,756	 17,595,898	 17,799,675	 17,720,143
Primary Government										
Net investment in capital assets	\$ 65,725,390	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
Restricted	10,925,615	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
Unrestricted	(15,265,287)	(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)
 Total Primary Government Net Position	 \$ 61,385,718	 60,390,667	 60,110,411	 58,490,981	 57,715,054	 55,464,137	 60,268,819	 60,064,938	 58,096,825	 61,459,621

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
EXPENSES										
Governmental Activities										
General government	\$ 4,020,105	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
Public safety	7,766,321	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
Public works	712,780	1,551,332	1,238,647	1,230,443	1,120,005	517,705	506,642	652,774	471,241	449,991
Highways and streets	3,963,281	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
Parks and recreation	2,607,594	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
Health and sanitation	404,895	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
Economic development	125,927	119,421	116,015	124,699	161,981	130,767	121,639	132,250	84,948	3,111,127
Interest on long-term debt	2,038,256	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
Total Governmental Activities Expenses	21,639,159	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
Business-type Activities										
Sewer system	-	-	-	-	-	2,883,157	4,111,479	4,138,224	3,604,074	3,866,989
Storm water	552,732	488,586	530,870	542,233	544,671	525,572	595,741	608,027	638,757	559,128
Golf	149,091	578,816	560,426	530,576	862,906	649,484	753,705	759,006	783,657	747,928
Special item - disposal of sewer system	-	-	-	-	-	8,247,633	-	-	-	-
Total Business-type Activities Expenses	701,823	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
Total Primary Government Expenses	22,340,982	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
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General government	1,493,775	885,280	139,607	335,979	352,912	513,502	474,475	473,810	467,566	449,918
Public safety	541,320	795,822	1,011,285	912,036	823,464	1,084,746	1,076,383	1,335,540	1,227,070	1,344,111
Parks and recreation	665,382	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
Health and sanitation	44,444	51,915	111,543	917,019	894,289	822,800	31,859	27,951	29,407	224,383
Operating grants and contributions	1,176,005	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
Capital grants and contributions	476,238	88,202	502,348	111,320	1,608,538	1,572,516	148,700	2,375,066	1,408,288	66,116
Total Governmental Activities Program Revenues	4,397,164	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
Business-type Activities										
Charges for services:										
Sewer system	-	-	-	-	-	2,877,893	3,834,801	3,997,660	3,795,399	3,951,341
Storm water	552,431	594,657	586,259	573,452	576,378	580,298	585,636	589,987	575,621	574,991
Golf	39,041	192,299	426,544	389,878	381,704	324,046	482,520	434,990	561,806	454,091
Operating grants and contributions	-	-	3,179	-	41,513	-	-	-	-	-
Capital grants and contributions	-	-	-	13,940	137,216	87,311	89,460	16,000	1,150	2,432
Total Business-type Activities Program Revenues	591,472	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
Total Primary Government Program Revenues	4,988,636	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
NET REVENUES (EXPENSES)										
Governmental activities	(17,241,995)	(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)
Business-type activities	(110,351)	(280,446)	(75,314)	(95,539)	(270,766)	(8,436,298)	(468,508)	(466,620)	(92,512)	(191,190)
Total Primary Government Net Revenues (Expenses)	(17,352,346)	(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)

(Continued)

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

	For The Years Ended August 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL REVENUES AND OTHER CHANGE IN NET POSITION										
Governmental Activities										
Taxes:										
Property	2,339,913	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
Sales	12,489,311	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
Gross receipts	3,068,773	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
Miscellaneous	41,494	34,601	45,703	45,475	37,719	71,954	41,950	43,139	38,972	33,694
Investment income	187,750	88,819	25,874	16,286	27,489	29,213	22,368	48,212	74,002	86,446
Gain on sale of assets	-	-	1,200	150	13,443	86,336	14,234	66,936	57,673	28,128
Miscellaneous	122,846	224,850	127,065	72,110	139,300	37,507	115,861	122,575	92,531	144,042
Transfers	-	(341,886)	(91,644)	(248,097)	(4,155,266)	9,737,008	(1,636,767)	(10,000)	(10,000)	(10,000)
Total Governmental Activities General Revenues And Other Change In Net Position	<u>18,250,087</u>	<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>
Business-type Activities										
Investment income	-	-	-	-	21	77,044	218,439	240,758	252,864	273,557
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
Total Business-type Activities General Revenues And Other Change In Net Position	<u>-</u>	<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>
Total Primary Gov- ernment General Revenues And Other Change In Net Position	<u>18,250,087</u>	<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>
CHANGE IN NET POSITION										
Governmental activities	1,008,092	218,816	1,685,044	623,369	(1,633,604)	12,902,494	(1,953,627)	2,171,890	373,438	(3,535,768)
Business-type activities	(110,351)	61,440	16,330	152,558	3,884,521	(18,089,226)	1,388,948	(203,777)	170,352	92,367
Total Primary Gov- ernment	<u>\$ 897,741</u>	<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>

Source: Basic financial statements

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

		August 31									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund											
Nonspendable	\$	616,911	524,139	567,606	493,335	483,636	489,501	522,442	441,169	455,108	511,169
Restricted		978,849	20	53	36,567	1,136,598	1,137,151	1,136,477	1,136,421	1,136,361	563,726
Committed		2,947,950	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		2,345,871	2,332,451	2,417,575	2,609,756	761,402	422,849	-	530,792	994,533	-
Unassigned		3,548,919	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
Total General Fund		<u>\$ 10,438,500</u>	<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>
All Other Governmental Funds											
Nonspendable	\$	332	-	22,333	25,656	80,815	31,292	21,194	29,152	29,126	10,285
Restricted		4,950,893	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	25,000	206,471	282,505	239,475	204,631	316,059	-	-	-
Unassigned		(374,977)	(72,235)	-	-	-	-	-	(1,402,075)	(1,289,620)	(1,318,166)
Total All Other Governmental Funds		<u>\$ 4,601,248</u>	<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>

Source: Basic financial statements

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

	For The Years Ended August 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Taxes	\$ 17,265,493	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
Special assessments	36,903	63,701	3,754	21,871	12,563	41,512	47,414	208,907	55,981	111,477
Licenses and permits	1,887,233	1,296,644	526,632	635,538	642,360	818,274	652,512	730,422	637,167	555,788
Fines and court costs	362,078	553,587	723,579	682,008	668,018	713,514	847,185	1,039,805	902,336	1,105,288
Intergovernmental	595,677	186,265	727,115	222,885	694,838	1,369,663	323,383	2,503,248	1,557,334	263,517
Charges for services	681,282	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
Investment income	187,750	88,819	25,874	16,286	27,489	29,213	22,368	48,212	74,002	86,446
Donations	-	-	25,000	-	-	-	-	-	-	-
Miscellaneous	156,810	172,513	202,675	159,320	329,228	318,015	333,865	349,730	324,627	308,653
Total Revenues	<u>21,173,226</u>	<u>20,329,491</u>	<u>21,113,560</u>	<u>21,657,967</u>	<u>22,385,052</u>	<u>22,518,846</u>	<u>19,442,419</u>	<u>22,666,025</u>	<u>19,744,594</u>	<u>18,919,849</u>
EXPENDITURES										
General government	3,405,983	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
Public safety	7,327,881	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
Public works	636,282	524,982	619,225	646,852	607,211	598,889	618,618	556,904	460,444	542,848
Highways and streets	1,863,043	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
Parks and recreation	2,432,646	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
Health and sanitation	306,084	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
Economic development	125,927	119,421	116,015	124,699	161,981	130,767	121,639	132,250	84,948	3,111,127
Capital outlay	1,959,508	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
Debt service:										
Principal	4,272,178	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
Interest	1,286,133	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
Bond issue costs	-	195,121	35,000	830,321	-	-	-	-	218,681	155,551
Payments to escrow agent	-	-	-	-	-	-	-	-	1,843,000	414,390
Total Expenditures	<u>23,615,665</u>	<u>20,959,898</u>	<u>22,624,407</u>	<u>22,896,876</u>	<u>21,383,277</u>	<u>20,042,054</u>	<u>19,076,981</u>	<u>24,122,380</u>	<u>21,171,748</u>	<u>21,720,658</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,442,439)</u>	<u>(630,407)</u>	<u>(1,510,847)</u>	<u>(1,238,909)</u>	<u>1,001,775</u>	<u>2,476,792</u>	<u>365,438</u>	<u>(1,456,355)</u>	<u>(1,427,154)</u>	<u>(2,800,809)</u>
OTHER FINANCING SOURCES (USES)										
Issuance of long-term debt	-	8,455,000	-	31,689,501	-	-	-	-	12,965,000	10,140,000
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	1,322,146	-	-	-	-	-	-	-	-	-
Proceeds from insurance premium	-	-	-	-	-	-	-	-	110,000	-
Proceeds from insurance	6,605	97,064	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	650	-	1,200	150	14,062	37,507	30,100	315,725	57,673	28,128
Payments to escrow agent	-	(9,115,304)	-	-	-	-	-	-	-	-
Transfers in	-	-	-	359,044	107,236	9,976,578	1,859,521	-	-	-
Transfers out	-	(341,886)	(91,644)	(607,141)	(4,262,502)	(418,220)	(3,496,288)	(10,000)	(10,000)	(10,000)
Total Other Financing Sources (Uses)	<u>1,329,401</u>	<u>(130,870)</u>	<u>(90,444)</u>	<u>(1,459,573)</u>	<u>(4,141,204)</u>	<u>9,595,865</u>	<u>(1,606,667)</u>	<u>305,725</u>	<u>376,354</u>	<u>3,746,185</u>
NET CHANGES IN FUND BALANCES	<u>\$ (1,113,038)</u>	<u>(761,277)</u>	<u>(1,601,291)</u>	<u>(2,698,482)</u>	<u>(3,139,429)</u>	<u>12,072,657</u>	<u>(1,241,229)</u>	<u>(1,150,630)</u>	<u>(1,050,800)</u>	<u>945,376</u>
Debt service as a percentage of noncapital expenditures	25.7 %	23.1	23.8	26.6	24.5	25.3	26.3	19.5	18.5	20.9

Source: Basic financial statements

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

FUNCTIONS/PROGRAMS	Program Revenues									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
General government	\$ 1,493,775	952,858	517,717	389,206	408,413	513,502	485,075	501,560	467,566	453,075
Public safety	660,759	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
Public works	20,285	20,624	19,238	25,434	18,534	22,131	-	1,661,672	453,885	-
Highways and streets	1,512,519	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
Parks and recreation	665,382	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
Health and sanitation	44,444	51,915	111,543	917,019	894,294	823,136	33,519	46,688	43,557	240,613
Total Governmen- tal Activities	<u>4,397,164</u>	<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>
Business-type Activities										
Sewer system	-	-	-	-	-	2,877,893	3,924,261	4,013,660	3,796,549	3,951,341
Storm water	552,431	594,657	586,259	587,392	713,594	667,609	585,636	589,987	575,621	577,423
Golf	39,041	192,299	429,723	389,878	423,217	324,046	482,520	434,990	561,806	454,091
Total Business- type Activities	<u>591,472</u>	<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>
Total Primary Government	<u>\$ 4,988,636</u>	<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>

Source: Basic financial statements

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

Fiscal Year	Property Taxes	Sales Taxes (1)	Public Utility Gross Receipts Taxes	Motor Fuel Taxes	Other Taxes	Total
2020	\$ 2,339,913	\$ 11,201,704	\$ 2,909,251	\$ 532,031	\$ 282,594	\$ 17,265,493
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

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

Fiscal Year	General Sales Tax (1%)	Recreation Center Sales Tax (0.25%)	Jefferson County Shared Capital Improvement Sales Tax	Shared Vehicle Sales Tax	Hotel/Motel Sales Tax (5%)	Jurisdictional Sales Tax	Total Sales Tax
2020	\$ 6,299,762	\$ 1,527,625	\$ -	\$ 283,435	\$ 143,254	\$ 2,947,628	\$ 11,201,704
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

Source: Required supplemental information and basic financial statements

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

Fiscal Year	Calendar Year	Real Property	Railroads And Utilities	Total		Total Direct Tax Rate	Ratio Of
				Assessed Value	Estimated Actual Value		Total Assessed Value To Total Estimated Actual Value
2020	2019	\$ 318,080,500	\$ 9,008,396	\$ 327,088,896	\$ 1,415,044,626	0.384	23.1 %
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

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
2019	\$ 14,098,500	\$ 1,700,400	\$ 12,398,100	\$ 4,721,200	\$ 2,466,200	\$ 2,255,000	\$ 3,062,500	\$ 1,782,600	\$ 1,279,900
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

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City of Arnold:										
General	0.384	0.384	0.391	0.390	0.400	0.401	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	0.561	0.557	0.567	0.526	0.531	0.532	0.533	0.505	0.505
Consolidated School No. 6 of Jefferson County	4.507	4.510	4.527	4.559	4.650	4.583	4.650	4.617	4.604	4.587
Rock Community Fire Protection District	1.219	1.233	1.246	1.245	0.763	0.803	0.931	0.707	0.712	0.716
Rock Township Ambulance District	0.209	0.215	0.131	0.202	0.209	0.210	0.210	0.210	0.132	0.136
The Junior College District of Jefferson County	0.330	0.330	0.332	0.332	0.341	0.344	0.340	0.339	0.336	0.336
The Jefferson County Library District	0.277	0.277	0.280	0.280	0.176	0.178	0.176	0.175	0.189	0.189
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

Taxpayer	2020			2011		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
Walmart Real Estate Bussiness Trust 555	\$ 5,296,000	1	1.62 %	\$ 4,730,400	1	1.69 %
Metal Container Corporation	4,253,900	2	1.30	3,835,600	2	1.37
Missouri American Water	3,922,300	3	1.20	-	-	-
MCW-RD Richardson Crossing LLC (Schnucks)	2,857,300	4	0.87	2,964,500	4	1.06
THF Arnold Triangle Dev. LLC	2,809,600	5	0.86	3,700,400	3	1.32
Dayton Hudson Corporation (Target)	2,796,000	6	0.85	2,496,000	7	0.89
Water Tower LLC	2,732,400	7	0.84	2,638,300	5	0.94
LSREF4 Rebound LLC (Convergy's Corporation)	2,501,000	8	0.76	2,375,900	10	0.85
HD Development of Maryland (Home Depot)	2,477,800	9	0.76	2,542,600	6	0.91
Suellentrop Family Partnership LP	2,282,500	10	0.70	2,401,700	9	0.86
Dierbergs Arnold LLC	-	-	-	2,453,300	8	0.87
Total	<u>\$ 31,928,800</u>		<u>9.76 %</u>	<u>\$ 30,138,700</u>		<u>10.76 %</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>
2020	2019	\$ 1,137,568	\$ 1,130,255	99.4 %	\$ -	\$ 1,130,255	99.4 %	\$ 7,313	0.6 %
2019	2018	1,164,881	1,151,057	98.8	6,338	1,157,395	99.4	7,486	0.6
2018	2017	1,125,135	1,107,362	98.4	13,189	1,120,551	99.6	4,584	0.4
2017	2016	1,095,000	1,085,348	99.1	12,176	1,097,524	100.2	(2,524)	(0.2)
2016	2015	1,075,295	1,060,702	98.6	14,955	1,075,657	100.0	(362)	-
2015	2014	1,064,577	1,042,115	97.9	22,572	1,064,687	100.0	(110)	-
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	-	-

(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	Tax Increment Revenue Notes And Bonds	Revenue Bonds	Capital Lease Obligations	Notes Payable			
2020	\$ 1,139,027	\$ 11,586,115	\$ -	\$ 22,205,844	\$ -	\$ 372,103	\$ -	\$ 35,303,089	3.87 %	\$ 1,673
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

(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, 2020

<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	\$ 5,502,131	9.50 %	\$ 522,702
Consolidated School No. 6 of Jefferson County	<u>41,498,897</u>	32.28	<u>13,395,703</u>
	47,001,028		13,918,405
City direct debt	<u>34,930,986</u>	100.00 %	<u>34,930,986</u>
Total Direct And Overlapping Debt	<u>\$ 81,932,014</u>		<u>\$ 48,849,391</u>

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

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

	Fiscal Years									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limit	\$ 38,842,803	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
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 38,842,803</u>	<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>
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

Fiscal Year	Population (1)	Median Age (2)	Personal Income (1)	Per Capita Income (2)	School Enrollment	Jefferson County Unemployment Rate (3)
2020	21,107	40.8	\$ 913,067,713	\$ 43,259	11,333	6.9 %
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

(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 -
2018 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 Corpotation	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
Total	<u>3,564</u>		<u>17.72 %</u>	<u>2,598</u>		<u>12.94 %</u>

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government:										
Legislative services	1	1	1	1	1	1	1	1	1	1
Administrative services	5	5	5	5	5	5	6	6	6	7
Maintenance of municipal property	3	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	51	47	48	47	47	47	47	47	45
Administrative services	5	5	5	4	3	3	3	3	3	3
Dispatch	5	5	5	5	8	8	8	8	8	8
Public works:										
Administration	3	2	3	3	3	3	3	3	3	3
Street maintenance	9	9	9	9	8	9	10	9	8	9
Fleet	2	2	2	2	2	2	2	2	2	2
Building department:										
Administration	5	5	5	5	4	4	4	5	5	5
Inspectors	3	2	1	1	2	2	2	2	2	1
Engineers	1	1	1	1	1	1	1	1	1	1
Parks and recreation:										
Administration	3	2	3	3	3	3	3	6	4	3
Maintenance	10	10	10	10	11	12	12	10	6	6
Supervisors	3	3	2	2	2	2	2	1	1	1
Seasonal and part-time programs	5	13	13	13	16	13	13	12	-	-
Sewer:										
Maintenance	-	-	-	-	-	-	8	7	7	7
Storm water:										
Maintenance	5	5	5	5	4	5	5	5	5	5
Health department:										
Administration	1	1	1	1	1	1	1	1	1	1
Rabies controller	3	2	2	2	2	2	2	2	2	2
Golf course:										
Administration	1	1	2	2	1	1	1	3	2	2
Maintenance	2	2	2	2	1	2	2	5	1	1
Seasonal and part-time	7	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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police - patrol:										
Arrests	1,350	1,767	1,291	1,799	1,930	2,014	2,186	1,943	2,455	2,110
Traffic citations	4,224	5,791	6,982	7,342	7,555	7,687	8,105	8,075	10,451	9,345
Crime reports	16,050	16,373	16,623	16,155	15,028	14,408	14,074	12,230	14,552	13,996
Accident reports	705	891	901	893	830	775	712	603	730	798
Warrants	1,785	2,282	2,178	1,866	1,921	2,999	4,751	4,650	3,026	3,274
Public works:										
Road repair - tons of mix	6,500	6,500	6,220	339	416	311	4,100	4,500	1,252	806
Traffic control signs serviced	98	98	110	104	110	100	200	300	13	10
Weed violations issued - HW	176	244	220	36	159	321	150	186	164	238
Acres mowed and maintained	7	7	7	7	7	7	15	10	25	25
Parks and recreation (2):										
Park program participants	101	1,242	947	1,269	2,650	990	1,944	1,443	2,591	-
Park pavilion rentals	293	456	474	524	488	918	537	511	535	-
Recreation Center memberships	2,369	2,518	2,503	3,449	2,300	2,976	3,434	4,019	3,433	-
Recreation Center program participants	4,490	6,860	3,935	7,660	9,247	6,675	5,766	6,885	6,624	-
Recreation Center room rentals	217	354	772	935	1,041	1,101	1,136	1,264	1,325	-
Member golf rounds	567	1,677	N/A	N/A	2,333	2,832	3,596	4,957	5,870	-
9-hole golf rounds	1,434	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	52	1,599	N/A	N/A	4,296	981	1,294	1,802	7,701	-
Planning and building:										
Site development/concept plans	12	20	21	14	10	26	24	23	21	22
Rezoning applications	-	7	2	1	2	2	3	2	3	3
Text amendments	2	9	4	1	-	3	1	2	4	3
Building permits issued	1,689	796	753	995	655	568	559	595	503	539
Building inspections completed	2,818	1,802	1,815	2,935	3,064	3,006	2,431	2,899	2,952	2,661
Finance and administration:										
Merchant licenses issued (1)	657	662	704	692	699	665	661	655	90	91
Payroll checks issued	4,226	4,401	4,653	5,028	5,245	5,061	5,138	5,081	4,977	4,842
Accounts payable processed	2,818	3,502	3,597	3,691	4,083	4,537	4,795	4,919	4,686	4,444
Requests for public records	40	39	37	27	27	30	32	53	35	71

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	20	20	22	22	23	24	31	31	31	31
Motorcycles	2	2	2	2	2	2	2	2	2	2
Public works:										
Miles of streets	85	85	83	83	82	80	80	80	80	80
Traffic lights and signals	6	6	6	6	6	7	6	6	6	6
Miles of sanitary sewers	-	-	-	-	-	-	112.1	112.1	112.1	112.1
Miles of storm sewers	60.0	60.0	60.0	60.0	60.0	60.0	60.0	59.0	59.0	58.0
Number of pumping stations	-	-	-	-	6	-	6	6	6	6
Parks and recreation:										
Number of parks	8	9	7	6	6	5	5	5	5	5
Acres of parks	418	418	488	488	488	488	488	488	485	485
Tennis courts	-	-	-	-	-	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

Fiscal Year	Payments In Lieu Of Taxes	Economic Activity Taxes	Municipal Revenues	TDD Revenues	TDD Subsidy	Total
2020	\$ 935,409	\$ 1,748,040	\$ -	\$ 439,845	\$ 200,000	\$3,323,294
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

Source: City records

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

Fiscal Year	Triangle TIF		Crossroads TIF		Crossroads TIF - SubArea 1			Total
	PILOTS	EATS	PILOTS	EATS	PILOTS	EATS	Tourism	
2020	\$ 935,409	2,387,885	170,041	447,579	96,512	7,685	104,479	4,149,590
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

Source: City records

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

Sources	2020		2019		2018		2017		2016		2015	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Retail sales taxes	\$ 6,299,762	42.81 %	\$ 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	2,909,251	19.77	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	1,137,951	7.73	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	532,031	3.62	562,402	4.10	556,250	3.83	564,646	3.83	549,872	3.58	559,752	3.55
Shared vehicle tax	283,435	1.93	276,453	2.02	283,388	1.95	275,059	1.86	271,890	1.77	255,947	1.62
Other taxes	282,594	1.92	265,594	1.94	233,690	1.61	236,418	1.60	226,139	1.47	224,224	1.42
Special assessments	36,903	0.25	63,701	0.46	3,754	0.03	21,871	0.15	12,563	0.08	41,512	0.26
License and permits	1,887,233	12.83	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	362,078	2.46	553,587	4.04	723,579	4.98	682,008	4.62	668,018	4.35	713,514	4.52
Intergovernmental	586,276	3.98	177,848	1.30	718,384	4.95	215,583	1.46	684,515	4.46	1,353,761	8.58
Charges for services	75,788	0.52	120,816	0.88	200,252	1.38	990,161	6.71	947,678	6.17	889,918	5.64
Investment income	165,471	1.12	44,521	0.33	6,828	0.05	14,061	0.10	25,037	0.16	25,039	0.16
Miscellaneous	156,133	1.06	164,974	1.20	194,050	1.34	105,085	0.71	211,519	1.38	296,757	1.88
Total Revenues	\$14,714,906	100.00 %	\$13,704,977	100.00 %	\$ 14,512,858	100.00 %	\$14,761,833	100.00 %	\$15,353,498	100.00 %	\$ 15,775,112	100.00 %

Source: Basic financial statements.

Note: Information will be expanded in future years.