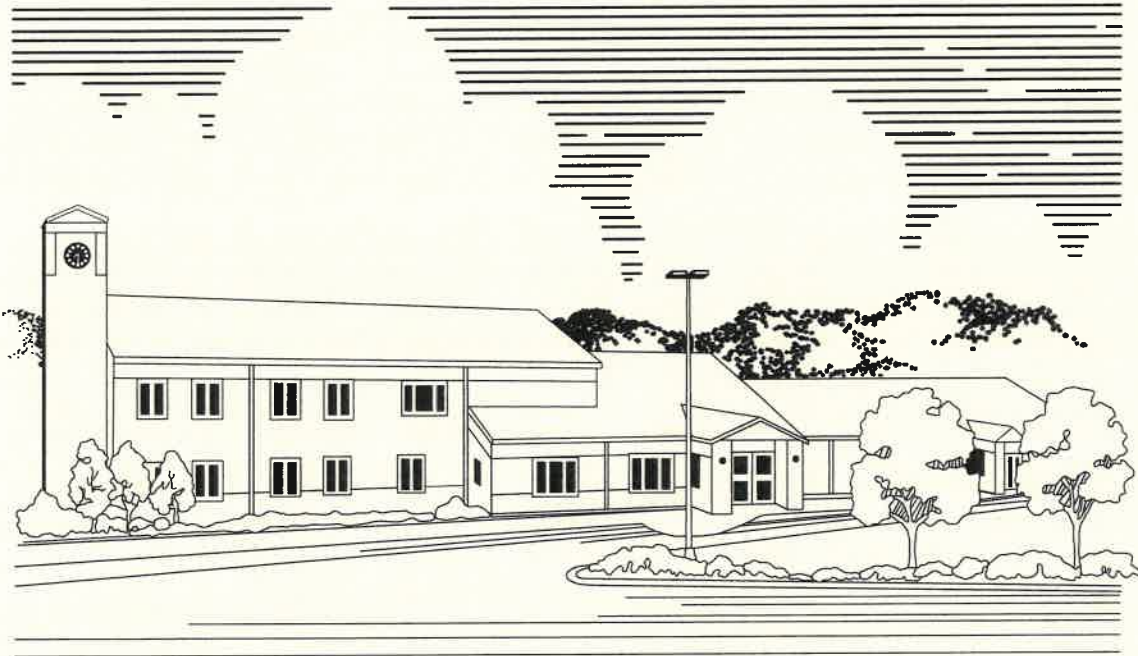


# **CITY OF ARNOLD, MISSOURI**

## Annual Comprehensive Financial Report

### For The Fiscal Year Ended August 31, 2022



**CITY OF ARNOLD, MISSOURI**

**Annual Comprehensive Financial Report  
For The Fiscal Year Ended August 31, 2022**

Prepared by the Finance Department

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

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	<b>Page</b>
<b>SECTION I - INTRODUCTORY SECTION</b>	
Letter of Transmittal	i
GFOA Certificate of Achievement	vii
Principal Officials	viii
Organization Chart	ix
<b>SECTION II - FINANCIAL SECTION</b>	
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position - Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Fiduciary Net Position - Pension Trust Fund	27
Statement of Changes in Fiduciary Net Position - Pension Trust Fund	28
Notes to Financial Statements	29
Required Supplemental Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
General Fund	63
Recreation Center Fund	65
Special Allocation Fund	66
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	67
Schedule of Changes in Employer's Net Pension Liability (Asset) and Related Ratios - Police Pension Plan	68
Schedule of Employer's Pension Contributions - Police Pension Plan - Last Ten Fiscal Years	69
Schedule of Annual Money-Weighted Rate of Return on investments - Police Pension Plan	70
Schedule of Changes in Employer's Net Pension Liability (Asset) and Related Ratios - LAGERS	71
Schedule of Employer's Pension Contributions - LAGERS - Last Ten Fiscal Years	72
Schedule of Changes in Employer's Total OPEB Liability and Related Ratios	73

	<b>Page</b>
<b>SECTION II - FINANCIAL SECTION (Continued)</b>	
Other Supplemental Information:	
Governmental Funds - Comparative Balance Sheets	74
Governmental Funds - Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances	75
Combining Balance Sheet - Nonmajor Governmental Funds	76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Tourism Fund	78
Drug Forfeiture Fund	79
Community Foundation Fund	80
 <b>SECTION III - STATISTICAL SECTION</b>	
Net Position by Component - Last Ten Fiscal Years	82
Change in Net Position - Last Ten Fiscal Years	83
Fund Balances of Governmental Funds - Last Ten Fiscal Years	85
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	86
Program Revenues by Functions/Programs - Last Ten Fiscal Years	87
Tax Revenues by Source - Governmental Funds - Last Ten Fiscal Years	88
Sales Tax Revenue - Governmental Funds - Last Ten Fiscal Years	89
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	90
Assessed Values for Tax Increment Financing Districts - Last Ten Fiscal Years	91
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Fiscal Years	92
Principal Taxpayers - Current Year and Nine Years Ago	93
Property Tax Levies and Collections - Last Ten Fiscal Years	94
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	95
Direct and Overlapping Governmental Activities Debt	96
Legal Debt Margin Information - Last Ten Fiscal Years	97
Demographic and Economic Statistics - Last Ten Fiscal Years	98
Principal Employers - 2022 and Nine Years Ago	99
Full-time Equivalent City Government Employees by Functions/Programs - Last Ten Fiscal Years	100
Operating Indicators by Functions/Programs - Last Ten Fiscal Years	101
Capital Assets Statistics by Functions/Programs - Last Ten Fiscal Years	102
Triangle TIF Fund Deposited - Last Ten Fiscal Years	103
Historic Collections of PILOTS and Economic Tax Revenues - Last Ten Fiscal Years	104
General Fund Revenue Sources - Last Eight Fiscal Years	105

# **INTRODUCTORY SECTION**



# City of Arnold

Ron Counts, Mayor

August 31, 2023

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, 2022, is hereby submitted.

The annual comprehensive 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.

Sikich 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, 2022, 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, 2022, 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 is reported separately as proprietary funds in the City's financial statements.

## **Local Economy**

Arnold, the largest city in Jefferson County serves a population of 20,819 residents in 8,405 households based on [www.census.gov](http://www.census.gov) estimates as of July 1, 2021 and occupies an area of approximately 11.53 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 April 2023, the Federal Reserve Bank of St Louis reported that as of August 2022, the seasonally-unadjusted unemployment rate for Jefferson County is at 2.8% down 1.2 percentage points from 4.0% in August 2021. By comparison, as of August 2022, the unemployment rate for the State of Missouri was 2.8% while August 2021 was 4.1%. The St Louis metropolitan statistical area which includes some Illinois counties was 3.3% as of August 2022 and 4.8% for the same period last year. The adjacent counties of St. Louis, Franklin, and Washington were reported at 3.0%, 2.7%, and 3.5% in August 2022, respectively. From a high of 14.7% in April 2020, the August 2022 United States civilian unemployment rate of 3.8% has decreased since its pre-recession level (August 2007; 4.6%) as unemployment began to stabilize in the post-Covid pandemic era.

The residential real estate tax base for fiscal year 2022 showed an increase of approximately 0.86% 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 called Henley Wood subdivision and expansion of the Strawberry Ridge subdivision called The Enclave at Strawberry Ridge to include 12 villas. The appraised value of commercial real estate within the City increased 0.40% during the same period. 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 hold even or 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 2022 were higher than last year with an increase of 6.07% compared to 2021. After factoring in the EATS pass-through payments for the TIF projects and economic development set-aside, the City's net general sales tax receipts were 5.56% over the net tax for the prior fiscal year. We have projected a 3.0% increase in gross sales tax for fiscal year 2023

and will re-evaluate as the fiscal year progresses.

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

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

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

Initial draft budget documents are refined through a series of reviews attended by the mayor, staff and interested councilpersons. Based on discussion during these meetings and according to City policy, the city administrator and finance director present the proposed budget to the mayor and city council for review in July prior to adoption. The city council is required to hold a public hearing on the proposed budget and to adopt a final budget prior to September 1. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police).

During the year, the city administrator has the authority to make transfers of appropriations between line items within individual departments. Transfers of appropriations between departments, however, require approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the



General Fund, this comparison is presented as part of the financial statements for the governmental funds.

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

The City desires to plan for its success for decades to come. To encourage growth and stability, the City has established an economic development committee to actively seek out and support commercial development. In 2008, the City established the Arnold Retail Corridor Transportation Development District (ARC-TDD) to accommodate anticipated changes in traffic patterns and density because of the Triangle and Arnold Crossroads TIFs and other future developments. ARC-TDD project funds were used to help with the construction of road improvements at Astra Way and Missouri State Roads and Lone Star Drive in past years. The ARC-TDD is included in the basic financial statements as a distinctly presented component unit. Separate financial statements may be obtained from the City's finance department.

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

Additionally, in May 2019 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 2022, the community development department utilized federal COVID funds to digitize development-related records (e.g. communications, permits, plats, and plans) to allow for remote access and also to free up the physical storage space (high density filing systems). The newly cleared space was then converted into usable office space which allowed for individual office cubes to be installed to help mitigate airborne transmission.

Public works projects in 2022 included a police memorial in front of city hall (including new flag poles), asphalt road work which included new curbs and asphalt on the police parking lot, Southgate subdivision, Dixon, Fairview, Clearview, Briarwood Manor, Richardson Place, and Lonedell Road (from Jeffco to Fox). Additionally, concrete repair was completed which included the recreation center parking lot, Glenwood, Twin Fawn, Fox Pointe, and Hickory Manor subdivisions. Sidewalk saw cutting was utilized to remove all trip hazards on Richardson Road sidewalks and on the Pomme Park trails. A remodel was completed in the Police Department break room and lower offices. Also, the city hall foyer and council chambers were painted.

Regarding information technology infrastructure, in 2022, the department began a year-long physical and virtual server migration project and upgrade of Microsoft server operating systems for the city hall and the police departments. In addition, the department upgraded the city's phone system by replacing all desktop phones, the voice recording system, the instant playback system, all voice mailboxes, as well as

replacement of the Police Department's overhead intercom hardware. A copier refresh project was instituted to upgrade the existing eight copiers with newer technology to cut down on departmental downtimes due to copier repairs.

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. Additionally, the City started on an American's with Disabilities Act (ADA) Transition and Bike Path Plan to make the City more accessible and connected. Also, a project for maintenance and renovation of the exterior and landscaping of the City Hall complex was started in 2021, and completed in 2022.

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. The City's main accounting and community development software systems were upgraded in 2021/2022 utilizing funds from the Coronavirus Aid, Relief, and Economic Security (CARES) ACT as well as other minor support systems and equipment.

### **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 2022, the General Fund unassigned fund balance of \$0 is 0.00% of total revenues. However, the City has \$4,276,365 of American Rescue Plan Act (ARPA) funds which are currently reported in unearned revenue. These funds will be recognized as revenue when the monies are spent. These funds are considered ARPA Revenue Replacement Funds which allows for fairly unrestricted use of these funds. Including these funds would produce a ratio of approximately 25.12%.

## **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 annual comprehensive financial report for the fiscal year ended August 31, 2021. This is the 33<sup>rd</sup> consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2021

*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

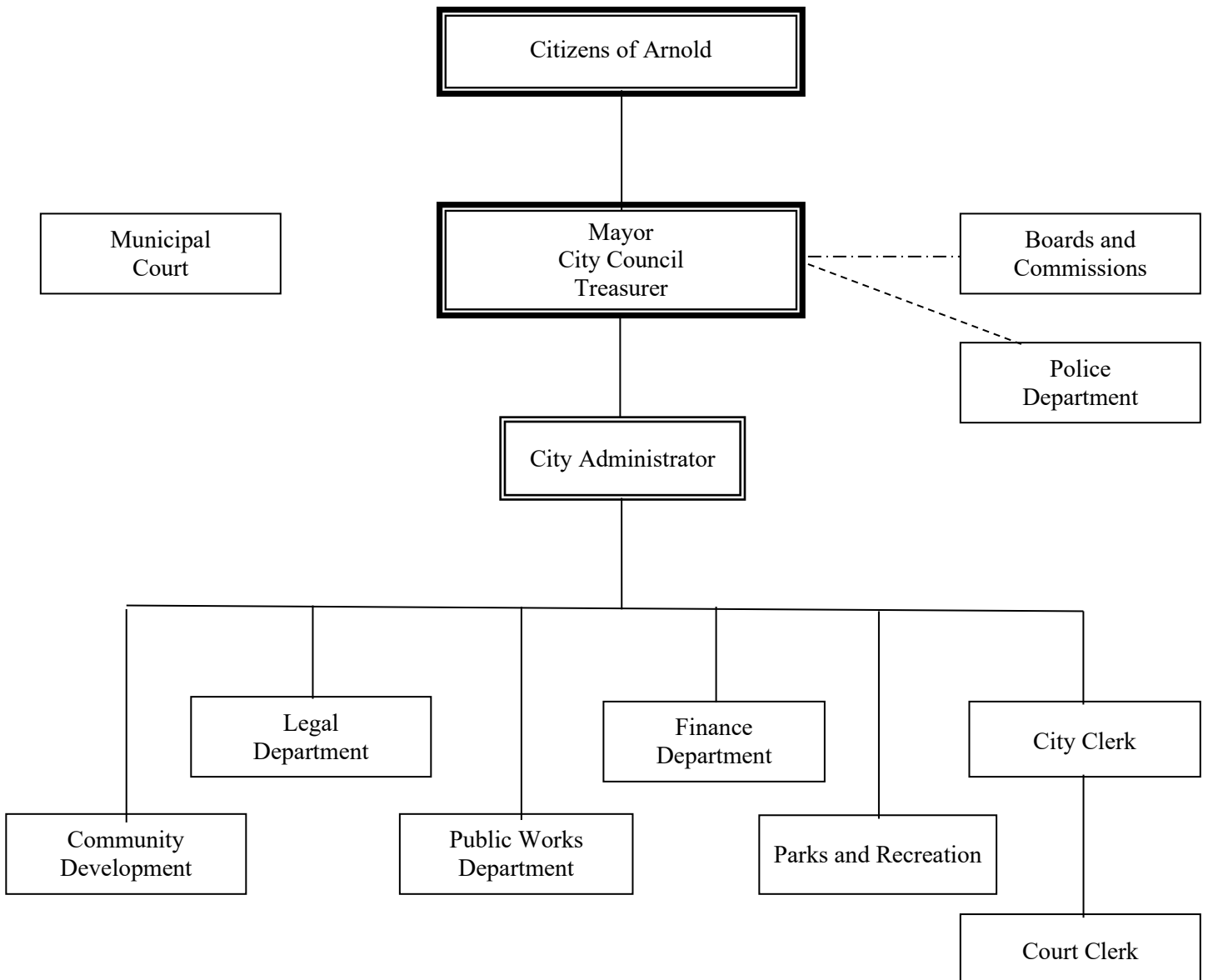
Judy Wagner

Public Works Director

David Crutchley

Parks and Recreation Director

# City of Arnold Organization Chart



# **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### *Opinions*

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, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 City of Arnold, Missouri as of August 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



### ***Responsibilities of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary 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.

The City has omitted the schedules of changes for the net pension liability and related ratios, for the Police Pension Plan for the year ended August 31, 2014 and the 2014 and 2015 money-weighted rate of return that accounting principles generally accepted in the United States of America require to be present to the supplement the basic financial statements. Such missing information although not a part of the basic financial statements, is required by the Governmental Account Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affect by this missing information.

#### *Supplementary 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 which comprises the combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended August 31, 2021, which are not presented with the accompanying financial statements. In our report dated May 23, 2022, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statement as a whole. The 2021 comparative data included on certain individual fund schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2021 comparative information included on certain individual fund schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

#### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Sikich LLP*

Washington, Missouri  
August 30, 2023

# CITY OF ARNOLD, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2022

As management of the City of Arnold, Missouri (the City), we offer readers of the City's financial statements this overview and analysis of the financial activities of the City for the fiscal year ended August 31, 2022. 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 fiscal year 2022 by \$66,958,966 (*net position*). The City has a deficit unrestricted net position of \$11,876,255 due to \$16,318,271 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 \$65,325,915 and \$1,633,081 respectively, at fiscal year-end. The City's total net position increased by \$2,008,885 during the fiscal year. The combined governmental activities increased by \$2,032,243; the combined business-type activities decreased by \$23,358.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$8,042,252, a decrease of \$2,877,017 in comparison with the prior year. Approximately 0.00% of this amount or \$0 is available for spending at the government's discretion (*unassigned fund balance*). However, the City has \$4,276,365 of American Rescue Plan Act (ARPA) funds which are currently reported in unearned revenue.
- 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 \$ 2,661,894 or approximately 13.431% of total General Fund expenditures.
- The City's total outstanding long-term debt, including compensated absences, decreased by \$ 3,954,997 during the current fiscal year to a total of \$28,940,598. 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

## OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

The **Statement of Net Position** presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position also provides information on the City's net investment in capital assets, restricted items and unrestricted net position.

The **Statement of Activities** presents information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base or the condition of the City's roadway network.

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

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

The government-wide financial statements include the City (known as the *primary government*) and 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 presented in the City's basic financial statements.

The government-wide financial statements can be found on pages 17 and 18 of this report.

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

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

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial 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.

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

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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 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 aggregated presentation. Individual fund data for these non-major governmental funds is provided in the form of combining statements in the other supplemental information section of this report.

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

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

**Proprietary funds.** Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information, only with more detail. The City maintains one *Enterprise Fund*, which is 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. The City maintains one *Internal Service Fund*, which is used to - provide services that predominantly benefit governmental rather than performing business-type functions and are used to accumulate and allocate costs internally among an entity's various functions and departments. The City uses Internal Service Funds to account for its self-insured medical insurance.

The basic proprietary fund financial statements can be found on pages 23 through 26 of this report.

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

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 29 through 60 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information* concerning budgetary presentations of budget to actual amounts. Required supplemental information can be found on pages 61 through 71 of this report. Other supplemental information found on pages 72 through 78 contain comparative governmental funds statements and combining and individual statements for the non-major governmental funds.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted, net position may serve over time as an indicator of a government's financial position. The City's, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$66,958,996 at the close of the most recent fiscal year. This represents an increase in net position of 3.07% or \$1,996,683 higher than fiscal 2021. (Table A-2).

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

At the end of the current fiscal year, the City had positive balances in six categories of net position (net investment in capital assets; restricted for capital improvements; restricted for debt service; restricted for tax increment financing; restricted for tourism; and restricted for pension) however, its unrestricted net position had a deficit balance of \$11,876,255.

**Table A-2**  
**City of Arnold's Net Position as of August 31, 2021 and 2022**  
*(In thousands of dollars)*

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	2021	2022	2021	2022	2021	2022
Current and other assets	\$ 26,798	25,147	981	619	27,779	25,766
Capital assets	76,151	75,018	1,334	1,408	77,486	76,426
<b>Total assets</b>	<u>102,949</u>	<u>100,165</u>	<u>2,315</u>	<u>2,027</u>	<u>105,264</u>	<u>102,192</u>
<b>Total Deferred Outflows of Resources</b>	<u>3,245</u>	<u>4,196</u>	<u>7</u>	<u>13</u>	<u>3,252</u>	<u>4,209</u>
Long-term debt outstanding	32,896	28,941	282	191	33,178	29,132
Other liabilities	4,765	8,686	150	155	4,915	8,841
<b>Total liabilities</b>	<u>37,661</u>	<u>37,627</u>	<u>432</u>	<u>346</u>	<u>38,093</u>	<u>37,973</u>
<b>Total Deferred Inflows of Resources</b>	<u>5,227</u>	<u>1,409</u>	<u>234</u>	<u>61</u>	<u>5,461</u>	<u>1,470</u>
Net Investment in capital assets	64,939	64,899	1,052	1,218	65,991	66,117
Restricted for capital improvements	5,972	5,804	-	-	5,972	5,804
Restricted for debt service	1,416	1,418	-	-	1,416	1,418
Restricted for public safety	9	-	-	-	9	-
Restricted for tax increment financing	3,348	2,343	-	-	3,348	2,343
Restricted for tourism	415	535	-	-	415	535
Restricted for pension	2,030	2,418	46	200	2,076	2,618
Restricted for recreation	-	-	-	-	-	-
Unrestricted	<u>(14,823)</u>	<u>(12,091)</u>	<u>558</u>	<u>215</u>	<u>(14,265)</u>	<u>(11,876)</u>
<b>Total net position</b>	<u>\$ 63,306</u>	<u>65,326</u>	<u>1,656</u>	<u>1,633</u>	<u>64,962</u>	<u>66,959</u>

The largest portion of the City's net position, \$66,117,048 in 2022 (an increase of approximately 0.19% from 2021), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$12,718,203 represents resources that are subject to external restrictions on how they may be used. Of this amount, \$1,418,279 or 11.15% is restricted by debt covenants while use of the remaining, \$11,299,924 is restricted by other governmental entities.

**CITY OF ARNOLD, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

The remaining category of the City's net position represents a deficit balance of *unrestricted net position* totaling \$11,876,255 in 2022. This represents a reduction in deficit balance, as compared to the prior year's unrestricted net position, of \$2,388,364 or a 16.74% improvement.

**Table A-3**  
**Change in City's Net Positions for the Years Ended August 31, 2021 and 2022**  
*(In thousands of dollars)*

	<i>Governmental</i>		<i>Business-Type</i>		<i>Total</i>		<i>Percentage</i>
	<i>Activities</i>		<i>Activities</i>				<i>Change</i>
	2021	2022	2021	2022	2021	2022	2021-2022
<b>Revenues</b>							
Program revenues:							
Charges for services	2,440	2,969	610	589	3,050	3,558	16.64 %
Operating grants	2,014	1,378	-	-	2,014	1,378	(31.58)
Capital grants	15	700	-	-	15	700	4,548.93
General revenues:							
Taxes	18,707	19,343	-	-	18,707	19,343	3.40
Investment income	14	603	-	-	14	603	4,207.14
Miscellaneous	311	138	-	-	311	138	(55.63)
Gain on sales of asset	108	169	3	-	111	169	52.25
<b>Total revenues</b>	<u>23,609</u>	<u>25,300</u>	<u>613</u>	<u>589</u>	<u>24,222</u>	<u>25,889</u>	6.88
<b>Expenses</b>							
General government	3,813	3,853	-	-	3,813	3,853	1.04
Public safety	7,352	8,477	-	-	7,352	8,477	15.30
Public works	651	663	-	-	651	663	1.78
Highways and streets	4,458	5,108	-	-	4,458	5,108	14.58
Parks and recreation	2,172	2,739	-	-	2,172	2,739	26.10
Health and sanitation	213	253	-	-	213	253	18.89
Economic Development	129	85	-	-	129	86	(34.11)
Storm Water system	-	-	615	612	615	612	(0.43)
Golf Course	-	-	1	-	1	-	(100.00)
Interest on long-term debt	1,779	2,089	-	-	1,779	2,089	17.39
<b>Total expenses</b>	<u>20,567</u>	<u>23,267</u>	<u>616</u>	<u>612</u>	<u>21,183</u>	<u>23,880</u>	12.73
Excess (deficiency) before special items and transfers	3,042	2,032	(3)	(23)	3,039	2,009	(33.87)
Transfers	3,309	-	(3,309)	-	-	-	-
<b>Increase (decrease) in net position</b>	<u>6,351</u>	<u>2,032</u>	<u>(3,312)</u>	<u>(23)</u>	<u>3,039</u>	<u>2,009</u>	(33.87)
Net Position - September 1	56,418	63,306	4,968	1,656	61,386	64,962	5.81
Restatement for receivables, capital assets and debt	537	(12)	-	-	537	(12)	
Net position - September 1, as restated	<u>56,955</u>	<u>63,294</u>	<u>4,968</u>	<u>1,656</u>	<u>61,923</u>	<u>64,950</u>	4.89
<b>Net position - August 31</b>	<u>63,306</u>	<u>65,326</u>	<u>1,656</u>	<u>1,633</u>	<u>64,962</u>	<u>66,959</u>	3.07 %



**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

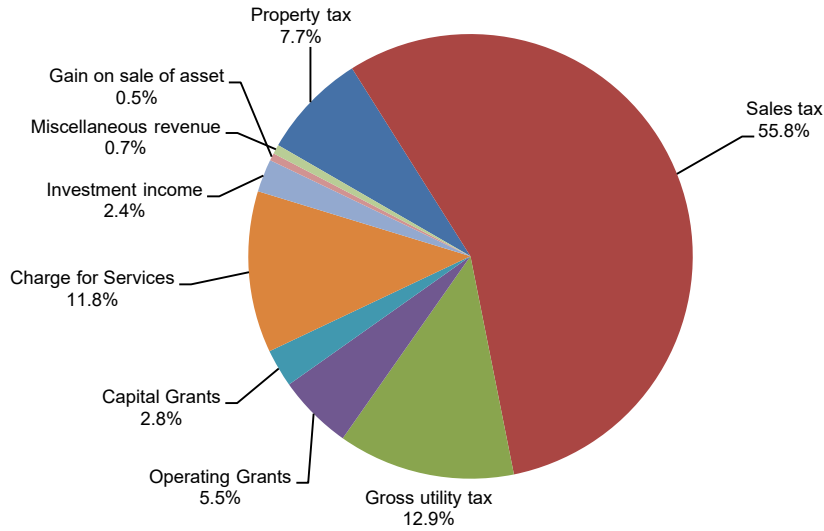
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**Governmental activities.** Governmental activities increased the City's net position by \$2,032,243. Key elements of this net increase are as follows:

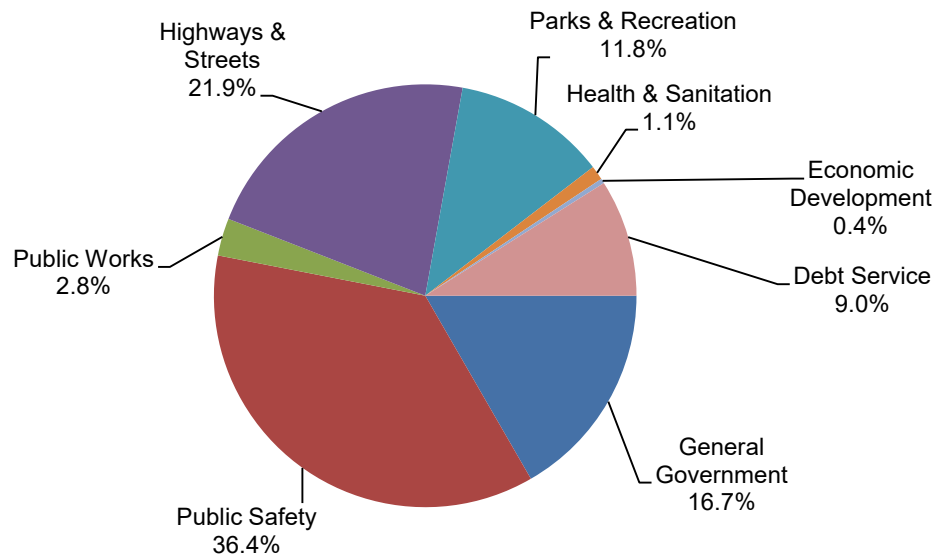
- Real property assessed valuations increased \$25,137,557 or 8.01%. Residential property values increased \$23,991,300 or 12.91% while commercial values including railroads & utilities increased \$540,260 or 0.40%. In compliance with the Hancock Amendment, the City decreased its property tax levy from .3837 cents/\$100 in assessed valuation, in 2021, to .3630 cents for fiscal year 2021. Triangle TIF District revenues were down by \$253,983. General Fund property tax revenues decreased approximately 0.54% or \$6,401.
- Sales tax revenues were \$652,741 or 4.86% higher than last year. Sales tax within the TIF Districts decreased \$42,636 or 1.48%. Tourism tax received from the local hotels increased \$93,731 or 80.39%.
- Overall gross receipts tax revenues increased \$245,698 or approximately 8.18% for the year. Goss receipts tax on waste water treatment showed an increase in revenue over last year of \$38,427 or 14.21%. Cable TV fees decreased by 6.63% or 9,576 as traditional cable and other similar services continue to be flat ground against new streaming services available. Gas utility tax revenues increased by \$39,456 (9.90%), while electric utility tax revenues increased \$205,293 or 10.48% above last year primarily due to fluctuations in temperature from 2021 to 2022. 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 \$27,898 or 12.07% 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 more than 2021 by \$528,977 or 21.68%. Fees for general government decreased 25.13% or \$298,780 primarily due to delayed effects of Covid on business license fees. Public Safety revenues increased by \$189,909 or 34.59%. Of this amount, court fines and costs account for \$98,393, approximately 51.81% of the increase due to the court reopening after being shut down due to Covid. Parks & recreation revenue increased approximately 95.89% or \$625,459 primarily due to post Covid-19 increases in memberships, daily admissions, facility rentals and program fees. Membership revenues increased by \$317,249 or 181.67%, pool daily admissions increased by \$1,409 or 1.47% and correspondingly concessions increased by \$4,234 or 7.41%. Health and sanitation revenues increased by \$12,389 or 25.13%.
- Capital Grants and Contributions increased by \$684,887 or 4,548.93% this fiscal year. Operating grants and contributions showed a decrease of \$636,256 or approximately 31.58% less than last year.

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

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



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



**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

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 \$23,267,324.
- However, the amount that our taxpayers paid for these activities through City taxes was \$18.22 million. Some of the costs were paid by:
  - Those who directly benefited from the programs,
  - Issuance of debt in conjunction or
  - Other governments and organizations that subsidized certain programs with grants and contributions.

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

	Total Cost of Services		Percentage Change		Net Cost of Services		Percentage Change	
	2021	2022	2021-2022		2021	2022	2021-2022	
General government	\$ 3,813	3,853	1.05	%	\$ 2,616	2,950	1.77	%
Public safety	7,352	8,477	15.30		5,924	7,640	28.98	
Public works	651	663	1.84		636	645	1.42	
Highways and streets	4,458	5,108	14.58		3,330	3,159	(5.14)	
Parks and recreation	2,172	2,739	26.10		1,520	1,461	(3.85)	
Health and sanitation	213	253	18.78		164	192	17.07	
Economic development	129	85	(33.59)		129	85	(33.11)	
Interest on long-term debt	1,779	2,089	17.43		1,779	2,089	17.39	
<b>Total</b>	<u>\$ 20,567</u>	<u>23,267</u>	13.13	%	<u>\$ 16,098</u>	<u>18,221</u>	13.19	%

**Business-type activities.** Business activities decreased the City's net position by \$23,358 due to the storm water fund operations being just below break-even. Other components are as follows:

- Storm water charges for services decreased \$17,152 or approximately 2.83% while cost of services decreased \$2,099 or approximately 0.34% during the current year. No major in-house projects were begun this year; some preliminary engineering was completed for contemplated future projects.

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

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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.

The City's General Fund balance decreased by \$2,296,342 as compared with the prior year, leaving the General Fund with an ending fund balance of \$3,404,934. The majority of the decrease (90.05%) is attributed to significant investment in road maintenance projects totaling \$2,067,802. Of the ending General Fund balance amount \$743,040 represents prepaid items and is non-spendable. The City Council has committed portions of fund balance as follows: 1) \$1,252,800 for purchases of services and street improvements, 2) \$113,165 for greenway beautification, and, 3) \$835,003 for economic development. Assigned for use in the future budget is \$460,926 which includes various street repairs and projects. The remaining unassigned fund balance is \$0.

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 \$299,759. Of this balance, prepaid items totaling \$0 are reported as non-spendable while the remaining \$299,759 reported as committed for recreation center expenses. It is the City's policy to make a transfer from the General Fund to zero out any deficiency in Recreation Center ending fund balance. No such transfer was necessary this year.

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 \$3,760,856 or a decrease of \$1,003,684 or approximately 21.07% below 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 2022, \$ 14,784,501 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 2022, \$0 remains outstanding on the Arnold Crossroads and \$ 1,533,770 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 \$ 207,465, a decrease of \$350,962 from the prior year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Results for the General Fund this year were less than anticipated by \$1,719,985. Actual total revenues were \$1,841,093 less than final budget primarily due to intergovernmental transfer being less than expected as budgeted ARPA funds, which were received, are currently recognized as unearned revenue until such funds are actually spent. Total taxes finished \$713,684 better than budget due to positive economic conditions. Total expenditures were \$73,380 greater than budget which is a nominal 0.37% unfavorable.

Total tax revenue was above final estimated budget by \$713,684 or approximately 5.05%. Property tax revenues were \$7,198 above budget or 0.61%. Sales tax revenues were \$352,692 or 3.84% higher than lower than final budget. Gross receipts tax was \$187,491 or 6.41% higher than final budget. Electrical and gas consumption were over budget by \$172,361 or 7.96% and over budget by \$24,150 or 5.84% respectively. Telephone tax fell short of final budget expectations by \$45,803 or approximately 11.07%. Sewer utility tax receipts were better than budget expectations by \$36,782 or 13.52%. Motor fuel tax was \$92,736 over budget or 16.76%.

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

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Licenses and permits ended the fiscal year lower than budget by approximately 17.35% or \$326,845. Licenses to do business in the City were \$620,982 or 44.36% under budget primarily due to Covid-related effects. Building, mechanical and existing structure permits were greater than projected estimates by \$251,575 or 162.31%. Animal licenses exceeded budget by \$9,129 or approximately 21.74%. Some parts of the economy in fiscal year 2022 have shown signs of continuing improvement.

Fines and court costs were under budget estimate by \$168,173 or 41.52%. Fines were under final budget by 39.45% or \$142,011. Court costs were also under budget estimate by \$26,162 or 58.14%.

Intergovernmental revenues were under budget by \$2,103,453 or 94.84% due to timing of revenue recognition on American Recovery Plan Act (ARPA) funds received.

Charges for service revenues were under budget estimate by \$15,810 or approximately 18.58%.

Miscellaneous revenues were above budget by \$56,733 or 98.81% primarily due to proceeds from auctions of retired assets.

General government actual expenditures were over the final budget by just over 0.37% or \$73,380.

Public safety actual expenditures were over budget \$506,659 or 6.39%. Of this variance, the police budget was over budget by \$448,675 or 6.50%. Dispatch was over budget by \$5,308 or 1.18%.

The public works budget shows a favorable variance of \$143,267 or 11.05% primarily due to project delays.

Highway and street expenditures were higher than estimated by \$18,683 or 1.68%.

Parks and recreation expenditures were lower than final budget by \$411,542 or 28.16% primarily due to the lingering effects of Covid-19 pandemic.

Total health and sanitation expenditures finished 2022 over budget by \$60,490 or 27.15% primarily due to additional personnel expenses in the animal control department.

Capital outlays finished under budget by \$14,439 or 0.43%.

Debt service variance was slightly under budget by \$282 or 0.06%.

#### **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, 2022, amounted to \$76,425,878 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, and bridges. The decrease in the City's investment in capital assets for the current fiscal year was 1.37% (governmental activities decreased 1.49% and a 5.56% increase for business-type activities). (See table A-5).

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

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

- General Fund included new accounting/financial software (\$156,214), city hall exterior improvements (\$217,965), resurfacing of police parking lot with landscaping improvements (\$7,200), audio/video upgrades to the council chambers (\$30,097), two new computer servers (\$45,329). Additionally, the city acquired three properties for \$130,610.
- As part of the annual police vehicle replacement program, six police cars were purchased (\$293,238), four vehicles were retired (fully depreciated) with one of those being donated to another police department.
- Publics works acquired a Case front loader (\$165,985), a new warehouse building for parks/streets/public works (\$1,752,547), electric and HVAC improvements at the public works complex (\$92,882), and acquired a vehicle wash building with a wash out pit (\$703,589) The streets department accepted ownership of Foxwood Estates Drive (\$313,956) and also Fairway Circle and Bogey Boulevard in Palmer Place subdivision (\$367,628).
- The Parks / Rec Center expanded the farmers market (2 buildings - \$8,793) resurfacing of the outdoor aquatic center (\$9,150).

For more detailed information about the City's capital assets, see note C to the financial statements, pages 39 through 40.

**Table A-5  
City's Capital Assets as of August 31, 2021 and 2022  
(Net of depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities		Capital Assets	
	2021	2022	2021	2022	2021	2022
Land	\$ 32,866,985	32,877,596	2,554	2,554	32,869,539	32,880,150
Buildings	9,292,446	11,501,648	211,814	195,283	9,504,260	11,696,931
Machinery and Equipment	870,942	931,037	328,679	214,734	1,199,621	1,145,771
Automobiles and trucks	1,271,259	936,764	-	-	1,271,259	936,764
Infrastructure	27,661,471	28,492,933	-	-	27,661,471	26,492,933
Storm Water lines	-	-	791,136	769,440	791,136	769,440
Construction in progress	4,188,351	277,542	-	226,347	4,188,351	503,889
<b>Total</b>	<b>\$ 76,151,454</b>	<b>75,017,520</b>	<b>1,334,183</b>	<b>1,408,358</b>	<b>77,485,637</b>	<b>76,425,878</b>

**Long-term debt.** At year-end the City had \$27,349,503 in bonds and notes outstanding - a decrease of 12.98% 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, pages 41 through 44.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is \$43,741,972. The City currently has no general obligation debt outstanding.

**CITY OF ARNOLD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2022**

**Table A-6  
City's Outstanding Debt as of August 31, 2021 and 2022  
(In thousands of dollars)**

	Governmental		Business-type		Total		Percentage	
	Activities		Activities				Change	
	2021	2022	2021	2022	2021	2022	2021-2022	
Revenue bonds and notes (backed by specific tax and fee revenues)	\$ 31,147	27,159	283	191	31,430	27,350	(12.98)	%

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

- The unemployment rate, not seasonally adjusted, for Jefferson County for August 2022 was 2.8%, which is a decrease from a rate of 1.2% a year ago (primarily due to Covid pandemic). This is lower than or equal to the national and state's average unemployment rate of 3.8% and 2.8% respectively, all rates not seasonally adjusted.
- The Consumer Price Index (CPI-U) for All Urban Consumers indicates that nationwide inflation has increased 8.3% over the August 2021 rate. Inflationary trends for the Midwest region (8.1%) compare as follows to the Northeast (8.1%), South (8.9%) and West (8.1%) regions indices.

All of these factors were considered in preparing the City's budget for the 2023 fiscal year.

The property tax rate set to support the 2022 fiscal year budget is \$0.3630 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 2022 is the fourth 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, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Transportation Development District
<b>ASSETS</b>				
Cash and investments	\$ 8,595,652	-	8,595,652	1,726,239
Receivables (net of allowances for uncollectibles):				
Taxes	4,594,043	-	4,594,043	600,408
Special assessments	966,704	-	966,704	-
Service fees	190,959	223,826	414,785	-
Intergovernmental	12,800	-	12,800	-
Miscellaneous	139,653	-	139,653	-
Prepaid items	743,040	-	743,040	-
Restricted assets:				
Cash and investments	1,877,657	-	1,877,657	-
Capital improvements sales tax receivable	5,803,839	-	5,803,839	-
Net pension asset	2,417,574	200,491	2,618,065	-
Internal balances	(194,618)	194,618	-	-
Capital assets:				
Land and construction in progress	33,155,138	228,901	33,384,039	-
Other capital assets, net of accumulated depreciation	41,862,382	1,179,457	43,041,839	-
Total Assets	<u>100,164,823</u>	<u>2,027,293</u>	<u>102,192,116</u>	<u>2,326,647</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	1,634,532	-	1,634,532	-
Deferred amounts related to OPEB	42,022	-	42,022	-
Deferred amounts related to pensions	2,519,806	12,752	2,532,558	-
Total Deferred Outflows Of Resources	<u>4,196,360</u>	<u>12,752</u>	<u>4,209,112</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	3,063,812	39,391	3,103,203	141,540
Accrued liabilities	202,209	30,081	232,290	-
Accrued interest payable	982,596	-	982,596	34,300
Unearned revenue	4,437,532	85,432	4,522,964	-
Noncurrent liabilities:				
Due within one year:				
Long-term debt	1,736,680	94,154	1,830,834	-
Due in more than one year:				
Long-term debt	26,313,316	96,527	26,409,843	3,430,000
Net pension liability	468,536	-	468,536	-
Total OPEB liability	422,066	-	422,066	-
Total Liabilities	<u>37,626,747</u>	<u>345,585</u>	<u>37,972,332</u>	<u>3,605,840</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts related to OPEB	184,740	-	184,740	-
Deferred amounts related to pensions	1,223,781	61,379	1,285,160	-
Total Deferred Inflows Of Resources	<u>1,408,521</u>	<u>61,379</u>	<u>1,469,900</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	64,899,371	1,217,677	66,117,048	-
Restricted for capital improvements	5,803,839	-	5,803,839	-
Restricted for debt service	1,418,279	-	1,418,279	411,788
Restricted for tax increment financing	2,342,577	-	2,342,577	-
Restricted for tourism	535,443	-	535,443	-
Restricted for transportation development	-	-	-	20,202
Restricted for pension	2,417,574	200,491	2,618,065	-
Unrestricted net position	(12,091,168)	214,913	(11,876,255)	(1,711,183)
Total Net Position	<u>\$ 65,325,915</u>	<u>1,633,081</u>	<u>66,958,996</u>	<u>(1,279,193)</u>



**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

FUNCTIONS/PROGRAMS	Net Revenues (Expenses) And Changes In Net Position							Component Unit Transportation Development District
	Expenses	Program Revenues			Primary Government			
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General government	\$ 3,853,058	890,299	12,500	-	(2,950,259)	-	(2,950,259)	-
Public safety	8,477,009	738,981	97,805	-	(7,640,223)	-	(7,640,223)	-
Public works	662,835	-	-	18,358	(644,477)	-	(644,477)	-
Highways and streets	5,107,937	-	1,267,879	681,585	(3,158,473)	-	(3,158,473)	-
Parks and recreation	2,738,971	1,277,698	-	-	(1,461,273)	-	(1,461,273)	-
Health and sanitation	253,089	61,697	-	-	(191,392)	-	(191,392)	-
Economic development	85,815	-	-	-	(85,815)	-	(85,815)	-
Interest and fiscal charges on long-term debt	2,088,610	-	-	-	(2,088,610)	-	(2,088,610)	-
Total Governmental Activities	<u>23,267,324</u>	<u>2,968,675</u>	<u>1,378,184</u>	<u>699,943</u>	<u>(18,220,522)</u>	<u>-</u>	<u>(18,220,522)</u>	<u>-</u>
<b>Business-type Activities</b>								
Storm water	612,343	588,985	-	-	-	(23,358)	(23,358)	-
Total Business-type Activities	<u>612,343</u>	<u>588,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,358)</u>	<u>(23,358)</u>	<u>-</u>
Total Primary Government	<u>\$ 23,879,667</u>	<u>3,557,660</u>	<u>1,378,184</u>	<u>699,943</u>	<u>(18,220,522)</u>	<u>(23,358)</u>	<u>(18,243,880)</u>	<u>-</u>
<b>Component Unit</b>								
Transportation development district	\$ 980,156	-	-	-	-	-	-	(980,156)
<b>General Revenues and Transfers</b>								
Taxes:								
Property					1,949,548	-	1,949,548	-
Sales					14,095,662	-	14,095,662	3,527,263
Gross receipts					3,249,206	-	3,249,206	-
Miscellaneous					48,699	-	48,699	-
Investment income					603,207	-	603,207	3,278
Gain on sale of asset					138,180	-	138,180	-
Miscellaneous					168,263	-	168,263	-
Total General Revenues					<u>20,252,765</u>	<u>-</u>	<u>20,252,765</u>	<u>3,530,541</u>
<b>CHANGE IN NET POSITION</b>					2,032,243	(23,358)	2,008,885	2,550,385
NET POSITION, SEPTEMBER 1, AS RESTATED					<u>63,293,672</u>	<u>1,656,439</u>	<u>64,950,111</u>	<u>(3,829,578)</u>
<b>NET POSITION, AUGUST 31</b>					<u>\$ 65,325,915</u>	<u>1,633,081</u>	<u>66,958,996</u>	<u>(1,279,193)</u>

See notes to financial statement

**CITY OF ARNOLD, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**AUGUST 31, 2022**

	<u>General</u>	<u>Recreation Center</u>	<u>Special Allocation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and investments	\$ 5,763,095	-	2,284,939	547,618	8,595,652
Receivables (net of allowances for uncollectibles):					
Taxes	3,464,426	331,246	756,219	35,885	4,587,776
Special assessments	966,704	-	-	-	966,704
Service fees	197,226	-	-	-	197,226
Intergovernmental	12,800	-	-	-	12,800
Court	23,678	-	-	-	23,678
Miscellaneous	39,950	76,025	-	-	115,975
Due from other funds	677,037	415,074	230,760	-	1,322,871
Prepaid items	743,040	-	-	-	743,040
Restricted assets:					
Cash and investments	436,478	-	1,418,279	-	1,854,757
Capital improvements sales tax receivable	5,803,839	-	-	-	5,803,839
Total Assets	<u>\$ 18,128,273</u>	<u>822,345</u>	<u>4,690,197</u>	<u>583,503</u>	<u>24,224,318</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,942,606	48,203	929,341	3,060	2,923,210
Accrued liabilities	193,508	8,701	-	-	202,209
Due to other funds	1,384,278	436,877	-	740	1,821,895
Unearned revenue	4,408,727	28,805	-	-	4,437,532
Total Liabilities	<u>7,929,119</u>	<u>522,586</u>	<u>929,341</u>	<u>3,800</u>	<u>9,384,846</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue:					
Special assessments	966,703	-	-	-	966,703
Court fines	23,678	-	-	-	23,678
Taxes	5,803,839	-	-	-	5,803,839
Total Deferred Inflows Of Resources	<u>6,794,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,794,220</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	743,040	-	-	-	743,040
Restricted for:					
Debt service	-	-	1,418,279	-	1,418,279
Tax increment financing	-	-	2,342,577	-	2,342,577
Tourism	-	-	-	535,443	535,443
Committed for:					
Purchase of services and street improvements	1,252,800	-	-	-	1,252,800
Greenway beautification	113,165	-	-	-	113,165
Economic development	835,003	-	-	-	835,003
Community foundation	-	-	-	45,000	45,000
Recreation Center	-	299,759	-	-	299,759
Assigned for:					
Subsequent year's budget	460,926	-	-	-	460,926
Unassigned	-	-	-	(740)	(740)
Total Fund Balances	<u>3,404,934</u>	<u>299,759</u>	<u>3,760,856</u>	<u>579,703</u>	<u>8,045,252</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 18,128,273</u>	<u>822,345</u>	<u>4,690,197</u>	<u>583,503</u>	<u>24,224,318</u>

**CITY OF ARNOLD, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**AUGUST 31, 2022**

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Total Fund Balances - Governmental Funds	\$ 8,045,252
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 \$145,539,209 and the accumulated depreciation is \$70,521,689.	75,017,520
Certain assets and liabilities are not financial resources (uses) and, therefore, are not reported in the governmental funds.	
Net pension asset	2,417,574
Net pension liability	(468,536)
Deferred outflows related to pensions	2,519,806
Deferred inflows related to pensions	(1,223,781)
Total OPEB liability	(422,066)
Deferred outflows related to OPEB	42,022
Deferred inflows related to OPEB	(184,740)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	6,794,220
The Internal Service Fund is issued by management to charge costs of insurance to individual funds. The assets and liabilities of the Internal Service Fund is included in governmental activities in the statement of net position.	186,704
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	(982,596)
Accrued compensated absences	(1,111,747)
Certificates of participation outstanding	(8,780,000)
Tax increment revenue bonds outstanding	(14,784,501)
Tax increment revenue notes outstanding	(1,533,770)
Installment purchase agreements	(1,237,261)
Unamortized bond premium	(657,863)
Unamortized bond deferred charges	1,634,532
Unamortized bond discount	55,146
Total Net Position Of Governmental Activities	<u>\$ 65,325,915</u>

See notes to financial statements

**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	<u>General</u>	<u>Recreation Center</u>	<u>Special Allocation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 14,848,039	1,758,996	3,823,071	213,985	20,644,091
Special assessments	53,111	-	-	-	53,111
Licenses and permits	1,556,527	-	-	-	1,556,527
Fines and court costs	236,827	-	-	-	236,827
Intergovernmental	114,477	-	-	1,686	116,163
Charges for services	69,262	1,204,292	-	-	1,273,554
Investment income	30,160	223	572,824	-	603,207
Donations	-	-	-	12,500	12,500
Miscellaneous	114,151	15,598	-	-	129,749
Total Revenues	<u>17,022,554</u>	<u>2,979,109</u>	<u>4,395,895</u>	<u>228,171</u>	<u>24,625,729</u>
<b>EXPENDITURES</b>					
Current:					
General government	4,010,340	-	7,500	93,196	4,111,036
Public safety	8,441,227	-	-	11,725	8,452,952
Public works	1,153,438	-	-	-	1,153,438
Highways and streets	1,133,536	-	-	-	1,133,536
Parks and recreation	1,049,944	1,766,034	-	-	2,815,978
Health and sanitation	283,317	-	-	-	283,317
Economic development	-	-	85,815	-	85,815
Capital outlay	3,298,160	21,667	-	-	3,319,827
Debt service:					
Principal	385,000	619,999	2,902,503	-	3,907,502
Interest	72,393	271,650	2,403,761	-	2,747,804
Total Expenditures	<u>19,827,355</u>	<u>2,679,350</u>	<u>5,399,579</u>	<u>104,921</u>	<u>28,011,205</u>
<b>REVENUES OVER (UNDER) EXPEN- DITURES</b>	<u>(2,804,801)</u>	<u>299,759</u>	<u>(1,003,684)</u>	<u>123,250</u>	<u>(3,385,476)</u>
<b>OTHER FINANCING SOURCES</b>					
Proceeds from installment purchase agreement	280,274	-	-	-	280,274
Insurance proceeds	90,005	-	-	-	90,005
Proceeds from sale of capital assets	138,180	-	-	-	138,180
Total Other Financing Sources	<u>508,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>508,459</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,296,342)	299,759	(1,003,684)	123,250	(2,877,017)
FUND BALANCES, SEPTEMBER 1	<u>5,701,276</u>	<u>-</u>	<u>4,764,540</u>	<u>456,453</u>	<u>10,922,269</u>
<b>FUND BALANCES, AUGUST 31</b>	<u>\$ 3,404,934</u>	<u>299,759</u>	<u>3,760,856</u>	<u>579,703</u>	<u>8,045,252</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, 2022**

Net Change In Fund Balances - Governmental Funds \$ (2,877,017)

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 the depreciation (\$3,228,787) exceeded capital outlays over the capitalization threshold (\$2,327,628) in the current period. (901,159)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (238,185)

The Internal Service Fund is used by management to charge costs of insurance to individual funds. The net revenue (expenses) of the Internal Service Fund is reported with governmental activities in the statement of activities. 186,704

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  
 Installment purchase agreement (279,743)

Repayments:

Certificates of participation	1,005,000	
Tax increment revenue bonds	2,745,000	
Tax increment revenue notes	157,503	
Installment purchase agreement	291,542	
Amortization	(310,308)	
Net Adjustment	3,888,737	3,888,737

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	969,502	
OPEB expense	(2,873)	
Accrued compensated absences	70,734	
Pension expense	1,215,543	2,252,906

Change In Net Position Of Governmental Activities \$ 2,032,243

**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**AUGUST 31, 2022**

	<b>Business-type Activity- Enterprise Fund Storm Water</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Receivables:		
Service fees	\$ 223,826	-
Security Deposits	-	22,900
Due from other funds	472,742	311,854
Total Current Assets	696,568	334,754
<b>Noncurrent Assets</b>		
Net pension asset	200,491	-
Capital assets:		
Land and right-of-way	228,901	-
Other capital assets, net of accumulated depreciation	1,179,457	-
Total Capital Assets	1,408,358	-
Total Assets	2,305,417	334,754
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts related to pensions	12,752	-
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	39,391	140,602
Accrued liabilities	30,081	-
Unearned revenue	85,432	-
Installment purchase agreements - current maturities	94,154	-
Due to other funds	285,572	-
Total Current Liabilities	534,630	140,602
<b>Noncurrent Liabilities</b>		
Installment purchase agreements	96,527	-
Total Liabilities	631,157	140,602
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to pensions	61,379	-
<b>NET POSITION</b>		
Net investment in capital assets	1,217,677	-
Restricted for pension	200,491	-
Restricted for healthcare	-	194,152
Unrestricted	207,465	-
Total Net Position	1,625,633	194,152
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	7,448	
Total	\$ 1,633,081	

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, 2022**

	<b>Storm Water</b>	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 588,985	1,280,837
<b>OPERATING EXPENSES</b>		
Cost of services	460,500	-
Depreciation	152,172	-
Self-insured health claims	-	1,086,685
Total Operating Expenses	612,672	1,086,685
<b>OPERATING INCOME (LOSS)</b>	(23,687)	194,152
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest expense and fiscal charge	(7,119)	-
<b>CHANGE IN NET POSITION</b>	(30,806)	194,152
NET POSITION, SEPTEMBER 1	1,656,439	-
<b>NET POSITION, AUGUST 31</b>	1,625,633	194,152
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	7,448	
Total	\$ 1,633,081	

**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	<b>Storm Water</b>	<b>Internal Service Fund</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<b>Cash flows from operating activities:</b>		
Receipts from customers and users	\$ 625,784	1,280,837
Payments to suppliers	(19,763)	(968,983)
Payments to employees	(536,030)	-
Net Cash Provided By Operating Activities	69,991	311,854
<b>Cash flows provided by noncapital financing activities:</b>		
Due to/from other funds	255,315	311,854
<b>Cash flows from capital and related financing     activities:</b>		
Purchase of capital assets	(226,347)	-
Principal payments installment purchase	(91,840)	-
Interest expense and fiscal charge	(7,119)	-
Net Cash Used In Capital And Related Financing Activities	(325,306)	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	-	-
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 1</b>	-	-
<b>CASH AND CASH EQUIVALENTS, AUGUST 31</b>	\$ -	-



**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	<u>Storm Water</u>	<u>Internal Service Fund</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (23,687)	194,152
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	152,172	-
(Increase) decrease in:		
Receivables	41,839	-
Deposits	-	(22,900)
Net pension asset	72,465	-
Deferred outflows - pension related	(5,739)	-
Increase (decrease) in:		
Accounts payable	26,671	140,602
Accrued liabilities	(16,450)	-
Unearned revenues	(5,040)	-
Deferred inflows - pension related	(172,240)	-
Total Adjustments	<u>93,678</u>	<u>117,702</u>
Net Cash Provided By Operating Activities	<u>\$ 69,991</u>	<u>311,854</u>

**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION -**  
**PENSION TRUST FUND**  
**AUGUST 31, 2022**

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**ASSETS**

Cash and cash equivalents	\$ 323,719
Fixed income mutual funds	8,278,007
Stocks mutual funds	8,175,846
Real estate mutual funds	417,257
Total Assets	<u>17,194,829</u>

**LIABILITIES**

-

**NET POSITION**

Restricted for pensions	<u>\$ 17,194,829</u>
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**CITY OF ARNOLD, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**PENSION TRUST FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

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**ADDITIONS**

Contributions:

Employer contributions	\$ 778,435
Employee contributions	342,833
Total Contributions	<u>1,121,268</u>

Net depreciation in fair value of investments,  
interest, and dividends

Total Additions	<u>(2,334,882)</u> <u>(1,213,614)</u>
-----------------	--

**DEDUCTIONS**

Employee benefit distributions	154,332
Refund of employee contributions and lump sum distributions	1,185,712
Administrative expenses	25,618
Total deductions	<u>1,365,662</u>

**CHANGE IN NET POSITION**

(2,579,276)

NET POSITION - RESTRICTED FOR PENSIONS,  
SEPTEMBER 1

19,774,105

NET POSITION - RESTRICTED FOR PENSIONS,  
AUGUST 31

\$ 17,194,829

**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. The City Council appoints all Board of Directors and consists of the Mayor, a member of the City Council, the City of Arnold's Treasurer, Chief of Police and City Administrator and has the ability to impose its will on the Board. 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.

**Pension Plan**

Qualified employees participate in the Pension Trust Fund (The City of Arnold Police Department Pension Plan), a fiduciary component unit of the City. The Plan functions for the benefit of its qualified employees. The Plan's Board of Trustees members include the Mayor, City Administrator, Chief of Police, one member of the police department, and one member of the City Council. The Board of Trustees is designated as the Plan's trustee, and has the power, duty, and fiduciary responsibility to take all actions and make all decisions necessary to carry out the Plan. The Plan is governed by the terms of the Plan as approved and codified by the City Council. The City funds the Pension Fund costs along with participating employees, based upon actuarial valuations, creating a financial burden on the City. The Board of Trustees are authorized to approve the actuarial assumptions used in the determination of contribution levels. This results in the Plan being fiscally dependent upon the City. The Plan is reported as a pension trust fund, and does not issue a separate report.

**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.

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

**2. Government-wide and Fund Financial Statements (Continued)**

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.

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 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.

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

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

**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.

Additionally, the City reports the following fund types:

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

**Internal Service Fund** -- This fund is used to account for services provided to other departments or agencies of the City on a cost reimbursement basis. The service is self-insurance reserve and employee benefits for covered 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.

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

**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:

	<u>August 31</u> <u>2022</u>
General Fund	<u>\$ 26,427</u>

**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.

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

**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.

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

<b>Assets</b>	<b>Years</b>
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.



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

**11. Long-term Obligations (Continued)**

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, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**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. Net Position**

In the government-wide financial statements, equity is classified as net position and displayed in three components. Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt attributable to the acquisition of the capital assets. Net position is reported as restricted when there are constraints imposed through external restrictions imposed by creditors, grantors, contributors, or laws or regulations. All other amounts of net position are reported as unrestricted.

**15. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental fund types. Since appropriations lapse at year-end, the subsequent fiscal year's budget specifically provides for reappropriation of outstanding encumbrances to honor the prior commitments. Encumbrances do not constitute current year expenditures or liabilities. There were no encumbrances outstanding at year end.

**16. Use of Estimates**

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

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

**17. 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.

**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, 2022, 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, 2022, 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, 2022, the City had the following investments:

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

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

**2. Investments (Continued)**

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>			<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	
<b>Fiduciary Fund</b>					
Money market funds	\$ 323,719	323,719	-	-	Not rated
U.S. government securities	2,325,106	-	-	2,325,106	BBB
Corporate bonds	2,148,776	-	-	2,148,776	BB
Corporate bonds	3,804,125	-	-	3,804,125	AA
Domestic stock funds	5,645,130	5,645,130	-	-	Not rated
International stock funds	2,530,716	2,530,716	-	-	Not rated
Real estate related	417,257	417,257	-	-	Not rated
 Total Fiduciary Fund Investments	 <u>\$17,194,829</u>	 <u>8,916,822</u>	 <u>-</u>	 <u>8,278,007</u>	

**Investment Policies**

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Governmental Activities

In accordance with its investment policy, the City minimizes credit risk by diversifying the portfolios to reduce potential losses on individual securities.

Police Pension Fund

The police pension fund's policy does not address credit quality standards. The above investment table reflects the credit ratings for the retirement plan associated with the securities invested in the police pension fund as of August 30, 2022.

**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.

Governmental Activities

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.

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

**2. Investments (Continued)**

Police Pension Fund

The police pension fund's policy does not address credit quality standards.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer.

Governmental Activities

In accordance with its investment policy, the City minimizes concentration of credit risk by diversifying the investment portfolios.

Police Pension Fund

The police pension fund investment policy specify that the investment mix shall be in a range of 0%-7.5% for capital preservation, 7.5% to 17.5% for short-term bonds, 17.5% to 27.5 for intermediate bonds, 7.5% to 17.5 for high yield bonds, 12.5% to 22.5% for large cap core equity, 0% to 10% for mid cap core equity, 0% to 10% for small cap core equity, 5% to 15% for foreign large cap equity, 0% to 10% for foreign small cap equity, 0% to 7.5% to global real estate and 0% to 10% to global infrastructure.

**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.

Governmental Activities

In accordance with its policy, the City addresses custodial risk by diversifying the investment portfolios. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risks to be processed on a delivery versus payment (DVP) basis with the underlying investments held in the name of or for the account of the City and shall be held by a third-party custodian as evidenced by safekeeping receipts.

Police Pension Fund

The police pension fund's policy does not address custodial credit risk. The below investment table reflects the fair value measurement for the retirement plan associated with the securities invested in the police pension fund as of August 30, 2022.

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

**2. Investments (Continued)**

**Investment in Investment Pool**

The City is a voluntary participant in the Missouri Securities Investment Program (MOSIP) that is a cooperative investment service established by an intergovernmental cooperative agreement. The program consists of the MOSIP Liquid Series and the MOSIP Term Series. In accordance with GASB Statement No. 79, reports all investments at amortized cost rather than market value. The Liquid Series is designed for funds to provide liquidity. The Liquid Series has a credit rating of AAAM rating from Standard and Poor's. Member withdrawals are generally on the same day as requested. The Term Series is designed for funds that may be invested with a term from 60 days to one year. The Term Series has a credit rating of AA Af from Fitch. Member withdrawals can be made with seven days' notice. As of August 30, 2022, City had \$1,986,199 in MOSIP investments.

**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 securities 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 30, 2022:

Primary Government:

- Money market funds of \$2,522,917 are not subject to fair value classification

Component Unit:

- Money market funds of \$1,726,239 are not subject to fair value classification

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

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

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

	<u>Total</u>	<u>August 31, 2022</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Fiduciary Fund</b>				
Investments by fair value level:				
U.S. government securities	\$ 2,325,106	2,325,106	-	-
Corporate bonds	2,148,776	-	2,148,776	-
Corporate bonds	3,804,125	-	3,804,125	-
Domestic stock funds	5,645,130	5,645,130	-	-
International stock funds	2,530,716	2,530,716	-	-
Real estate related	417,257	417,257	-	-
Total Investments By Fair Value Level	16,871,110	<u>10,918,209</u>	<u>5,952,901</u>	<u>-</u>
Investments not subject to fair value classification:				
Money market funds	323,719			
Total Fiduciary Fund Investments	<u>\$ 17,194,829</u>			

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

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

	<b>For The Year Ended August 31, 2022</b>			
	<b>Balance August 31 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance August 31 2022</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land and right-of-way	\$ 32,866,985	10,611	-	32,877,596
Construction in progress	4,188,351	661,157	4,571,966	277,542
Total Capital Assets Not Being Depreciated	37,055,336	671,768	4,571,966	33,155,138
Capital assets being depreciated:				
Buildings and other improvements	20,426,519	2,878,166	-	23,304,685
Automotive equipment	3,580,490	293,238	331,192	3,542,536
Machinery and equipment	3,146,603	259,008	73,500	3,332,111
Infrastructure	79,407,325	2,797,414	-	82,204,739
Total Capital Assets Being Depreciated	106,560,937	6,227,826	404,692	112,384,071
Less - Accumulated depreciation for:				
Buildings and other improvements	11,134,073	668,964	-	11,803,037
Automotive equipment	2,542,006	394,958	331,192	2,605,772
Machinery and equipment	2,275,661	198,913	73,500	2,401,074
Infrastructure	51,745,854	1,965,952	-	53,711,806
Total Accumulated Depreciation	67,697,594	3,228,787	404,692	70,521,689
Total Capital Assets Being Depreciated, Net	38,863,343	2,999,039	-	41,862,382
Governmental Activities Capital Assets, Net	\$ 75,918,679	3,670,807	4,571,966	75,017,520

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

	<b>For The Year Ended August 31 2022</b>
<b>Governmental Activities</b>	
General government	\$ 745,917
Public safety	291,243
Public works	81,605
Highways and streets	2,017,325
Parks and recreation	88,758
Health and Sanitation	3,939
Total	\$ 3,228,787



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

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

	For The Year Ended August 31, 2022			Balance August 31 2022
	Balance August 31 2021	Increases	Decreases	
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land and right-of-way	\$ 2,554	-	-	2,554
Construction in progress	-	226,347	-	226,347
Total Capital Assets Not Being Depreciated	2,554	226,347	-	228,901
Capital assets being depreciated:				
Buildings	369,435	-	-	369,435
Machinery and equipment	696,611	-	-	696,611
Storm water lines	940,627	-	-	940,627
Total Capital Assets Being Depreciated	2,006,673	-	-	2,006,673
Less - Accumulated depreciation for:				
Buildings	157,621	16,531	-	174,152
Machinery and equipment	367,932	113,945	-	481,877
Storm water lines	149,491	21,696	-	171,187
Total Accumulated Depreciation	675,044	152,172	-	827,216
Total Capital Assets Being Depreciated, Net	1,331,629	(152,172)	-	1,179,457
Business-type Activities Capital Assets, Net	\$ 1,334,183	74,175	-	1,408,358

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

	For The Year Ended August 31 2022
<b>Business-type Activities</b>	
Storm water	\$ 152,172

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

**NOTE D - LONG-TERM DEBT**

Long-term debt activity was as follows:

	<b>For The Year Ended August 31, 2022</b>			<b>Balance August 31 2022</b>	<b>Amounts Due Within One Year</b>
	<b>Balance August 31 2021</b>	<b>Additions</b>	<b>Reductions</b>		
<b>Governmental Activities</b>					
Certificates of participation	\$ 9,785,000	-	1,005,000	8,780,000	1,040,000
Plus - Premium	741,989	-	84,126	657,863	-
Tax increment revenue notes	1,691,273	-	157,503	1,533,770	125,000
Tax increment revenue bonds	17,529,501	-	2,745,000	14,784,501	-
Less - Discounts	(70,186)	-	(15,040)	(55,146)	-
Installment purchase agreements	1,249,060	279,743	291,542	1,237,261	293,743
Total OPEB Liability	565,904	31,153	174,991	422,066	-
Net Pension Liability	-	468,536	-	468,536	-
Compensated absences	1,182,481	224,886	295,620	1,111,747	277,937
	<u>\$ 32,675,022</u>	<u>1,004,318</u>	<u>4,738,742</u>	<u>28,940,598</u>	<u>1,736,680</u>
<b>Business-type Activities</b>					
Installment purchase agreements	\$ 282,521	-	91,840	190,681	94,154
<b>Component Unit</b>					
Sales tax revenue bonds	\$ 5,910,000	-	2,480,000	3,430,000	-

Compensated absences, total OPEB liability and net pension liability 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.

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

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

**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.

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

<b>For The Years Ending August 31</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	1,145,000	207,100	1,352,100
2027	1,185,000	165,550	1,350,550
2028 - 2031	3,235,000	329,800	3,564,800
Total	<u>\$ 8,780,000</u>	<u>1,540,200</u>	<u>10,320,200</u>

**Installment purchase agreements**

During 2019, the City entered into an installment purchase 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 an installment purchase agreement 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.

In 2021, the City entered into an installment purchase agreement totaling \$330,891 for various equipment. The interest rate is 1.88% and the maturity date is October 2024.

In 2021, the City entered into an installment purchase agreement totaling \$258,466 for various vehicles. The interest rate varies and the term is 48 months.

In 2022, the City entered into an installment purchase agreement totaling \$279,743 for various vehicles. The interest rate varies and the term is 36 months.

Installment purchase agreements debt service requirements to maturity are as follows:

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

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

<u>For The Years Ending August 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 293,743	29,579	94,154	4,805
2024	300,308	23,014	96,527	2,432
2025	233,501	16,293	-	-
2026	98,283	11,308	-	-
2027	100,996	8,595	-	-
2028 - 2029	210,430	8,750	-	-
Total	<u>\$ 1,237,261</u>	<u>97,539</u>	<u>190,681</u>	<u>7,237</u>

***Tax Increment Revenue Bonds and Notes***

The City has tax increment revenue bonds and notes which are special limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property and incremental increases in economic activity taxes from the project areas. The bonds and notes do not constitute a general obligation of the City. The City does not maintain an amortization schedule as payments are made as funds become available.

Bonds and notes outstanding at August 31, 2022 are as follows:

	<u>Date Issued</u>	<u>Date Of Maturity</u>	<u>Date Of Annual Principal Payment</u>	<u>Original Amount</u>	<u>Balance August 31 2022</u>
Triangle Redevelopment (Series A)	12-14-2016	05-01-2028	May 1	\$ 23,050,000	\$ 10,160,000
Triangle Redevelopment (Series B)	12-14-2016	09-14-2028	May 1	4,624,501	4,624,501
Arnold Crossroads (Series A) Drury Redevelopment	05-20-2011	07-06-2028	May 1	3,000,000	1,533,770

**Component Unit**

***Sales Tax Revenue Bonds***

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.

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

In 2021, the District paid \$2,480,000 in principal payment and \$159,075 in interest expense. The District had unpaid accrued interest of \$34,300 as of August 31, 2022.

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

**NOTE E - EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

The City maintains a single-employer, defined benefit pension plan (City of Arnold, Missouri Police Pension Plan) which covers all members of the organized police force and participates in the state-wide Missouri Local Government Retirement System, an agent multiple-employer, defined benefit pension plan which covers all of the City's full-time employees except for members of the police force.

**1. City of Arnold, Missouri Police Pension Plan**

*Plan Description*

The Plan is a single-employer, defined benefit pension plan that covers all of the City's full-time police employees. The Plan was created and is governed by City Ordinance. The Plan does not issue a separate stand-alone financial report. The financial information is included as a Trust Fund in the City's basic financial statements. Information about the Plan is provided in a summary plan description.

*Benefits Provided*

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

*Employees Covered by Benefit Terms*

At August 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	16
Active employees	<u>53</u>
Total	<u>75</u>

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

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

*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, 2022, the City's contribution to the Plan was 23.25% of annual covered payroll.

*Net Pension Liability (Asset)*

The City's net pension liability (asset) was measured as of August 31, 2022, 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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.35%
	(previously 2.3%)
Salary increases	4.5%, 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-2021 projected generationally, male and female rates.

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:

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-term Expected Real Rate Of Return</u>
U.S. Cash	1.90%	0.21%
U.S Core Fixed Income	22.10	1.95
U.S. Short Bonds	13.50	2.03
U.S. High Yield Bonds	12.50	4.24
U.S. Large Caps	17.70	5.57
U.S. Small Caps	5.10	5.95
U.S. Mid Caps	5.10	7.18
Non-US Equity	9.80	7.90
Non-US Small Cap	4.90	7.86
Non-US REITs	2.40	7.75
Infrastructure	5.00	5.13

***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)**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a)-(b)</b>
<b>Balances at August 31, 2021</b>	\$ 17,331,993	19,774,105	(2,442,112)
<b>Changes for the year</b>			
Service cost	769,133	-	769,133
Interest	1,046,452	-	1,046,452
Effect of economic/demographic gains or losses	(144,169)	-	(144,169)
Contributions - employer	-	778,435	(778,435)
Contributions - employee	-	342,833	(342,833)
Net investment income	-	(2,334,882)	2,334,882
Benefit payments and expenses	(1,340,044)	(1,340,044)	-
Administrative expenses	-	(25,618)	25,618
Net Changes	<u>331,372</u>	<u>(2,579,276)</u>	<u>2,910,648</u>
<b>Balances at August 31, 2022</b>	<u>\$ 17,663,365</u>	<u>17,194,829</u>	<u>468,536</u>

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

***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:

	<b><u>1% Decrease</u></b>	<b><u>Current Rate</u></b>	<b><u>1% Increase</u></b>
Net pension liability (asset)	<u>\$ 3,081,376</u>	<u>468,536</u>	<u>(1,677,324)</u>

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

For the year ended August 31, 2022, the employer recognized pension expense of \$784,867. At August 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



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

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

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

	<b>Outflows</b>	<b>Inflows</b>	<b>Net</b>
Differences between expected and actual experience	\$ 295,261	(423,288)	(128,027)
Changes of assumptions	499,180	(60,363)	438,817
Net difference between projected and actual earnings	1,571,598	-	1,571,598
Total	\$ 2,366,039	(483,651)	1,882,388

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**

2023	\$ 495,344
2024	404,405
2025	383,833
2026	670,370
2027	(52,981)
Thereafter	(18,583)
Total	\$ 1,882,388

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

***Plan Description***

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

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

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

***Benefits Provided***

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

	<u><b>2022 Valuation</b></u>
Benefit multiplier	2% for life
Final average salary	3 years
Member contributions	- %

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

***Employees Covered by Benefit Terms***

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	82
Inactive employees entitled to but not yet receiving benefits	29
Active employees	<u>65</u>
Total	<u>176</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 18.4% of annual covered payroll.

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

The City's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2022. The pension liability was then rolled forward to the measurement date of June 30, 2022, 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 28, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table. For males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

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 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

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

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a)-(b)</b>
<b>Balances at June 30, 2021</b>	<u>\$ 22,035,100</u>	<u>25,895,917</u>	<u>(3,860,817)</u>
<b>Changes for the year</b>			
Service cost	448,878	-	448,878
Interest	1,525,936	-	1,525,936
Difference between expected and actual experience	95,104	-	95,104
Contributions - employer	-	660,722	(660,722)
Net investment income	-	16,531	(16,531)
Benefit payments, including refunds	(929,030)	(929,030)	-
Administrative expense	-	(18,891)	18,891
Other	-	168,804	(168,804)
Net Changes	<u>1,140,888</u>	<u>(101,864)</u>	<u>1,242,752</u>
<b>Balances at June 30, 2022</b>	<u>\$ 23,175,988</u>	<u>25,794,053</u>	<u>(2,618,065)</u>

The net pension liability (asset) is generally liquidated by the General 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 7.00%, as well as what the City's net pension liability (asset) would be using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) 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)	<u>\$ 363,363</u>	<u>(2,618,065)</u>	<u>(5,097,894)</u>

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

For the year ended August 31, 2022, the City recognized pension expense of (\$663,960). Reported deferred outflows and inflows of resources are related to the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net</u>
Differences in experience	\$ 64,514	(105,976)	(41,462)
Assumption changes	-	(214,506)	(214,506)
Net difference between projected and actual earnings	-	(481,027)	(481,027)
Contributions subsequent to the measurement date*	<u>102,005</u>	<u>-</u>	<u>102,005</u>
Total	<u>\$ 166,519</u>	<u>(801,509)</u>	<u>(634,990)</u>

\*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**

2023	\$ (450,211)
2024	(191,518)
2025	(453,687)
2026	<u>358,421</u>
Total	<u>\$ (736,995)</u>

**Payable to the Pension Plan**

At August 31, 2022, the City had \$63 of required contributions payable to the pension plan.

**3. Aggregate Pension Expense**

The aggregate amount of pension expense for the year ended August 31, 2022 for the two pension plans is \$120,907.

**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, 2022, the following employees were covered by the benefit terms:

Actives	38
Retirees and Surviving Spouses	-
Spouses of Current Retirees	-
Total	<u>38</u>

***Total OPEB Liability***

The City's total OPEB liability was measured as of August 31, 2022 and was determined by an actuarial valuation as of that date.

***Actuarial Assumptions and Other Inputs***

The total OPEB liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.30%
Salary increase	3.00% including inflation
Discount rate	3.59%
Healthcare cost trend rates	Medical cost trend rate of 6.1% for 2022, gradually decreasing to an ultimate rate of 3.70% for 2072 and beyond.

**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-2021. The Plan has not had a formal actuarial experience study performed.

**Changes in the Total OPEB Liability**

	<u><b>Total OPEB Liability</b></u>
<b>Balance at August 31, 2021</b>	<u>\$ 565,904</u>
<b>Changes for the year</b>	
Service cost	18,644
Interest	12,509
Effect of assumption changes or inputs	(174,991)
Benefit payments	-
Net Changes	<u>(143,838)</u>
<b>Balance at August 31, 2022</b>	<u><u>\$ 422,066</u></u>

The discount rate changed from 2.14% to 3.59% based on updated 20-year municipal bond rates.

***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 3.59%, 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 (2.59%) or 1% point higher (4.59%) than the current discount rate:

	<u><b>1% Decrease</b></u>	<u><b>Discount Rate</b></u>	<u><b>1% Increase</b></u>
Total OPEB Liability	<u>\$ 457,615</u>	<u>422,066</u>	<u>388,754</u>

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

The following presents the total OPEB liability of the City, calculated using the healthcare cost trend rates of 6.1% 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 (5.10% decreasing to 2.70%) or 1% point higher (7.20% decreasing to 4.70%) than the current healthcare cost trend rates:

	<u><b>1% Decrease</b></u>	<u><b>Discount Rate</b></u>	<u><b>1% Increase</b></u>
Total OPEB Liability	<u>\$ 377,703</u>	<u>422,066</u>	<u>472,774</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, 2022, the City recognized OPEB expense of \$2,873. Deferred outflows and inflows of resources related to OPEB are from the following sources:

	<b>Outflows</b>	<b>Inflows</b>	<b>Net Outflows</b>
Differences between expected and actual experience	\$ -	(123,591)	(123,591)
Changes of assumptions	42,022	(61,149)	(19,127)
Total	\$ 42,022	(184,740)	(142,718)

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

<b>For The Years Ending August 31</b>			
2023		\$	(28,280)
2024			(28,280)
2025			(26,838)
2026			(28,055)
2027			(28,396)
Thereafter			(2,869)
Total		\$	(142,718)

**NOTE G - INTERFUND ASSETS/LIABILITIES**

Individual interfund assets and liabilities are as follows:

**Due From/To Other Funds:**

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>August 31 2022</b>
Special Allocation Fund - Major Fund	General Fund - Major Fund	\$ 184,608
Special Allocation Fund - Major Fund	Recreation Center Fund - Major Fund	46,152
General Fund - Major Fund	Recreation Center Fund - Major Fund	390,725
General Fund - Major Fund	Stormwater Fund - Enterprise Fund	285,572
General Fund - Major Fund	Drug Forfeiture Fund - Nonmajor Fund	740
Self-Insurance Fund - ISF	General Fund - Major Fund	311,854
Stormwater Fund - Enterprise Fund	General Fund - Major Fund	472,742
Recreation Center Fund - Major Fund	General Fund - Major Fund	415,074
Total		\$ 2,107,467



**NOTE G - INTERFUND ASSETS/LIABILITIES (Continued)**

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, 2023.

**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, 2023.

MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. The City paid an assessment totaling \$788,064 for MIRMA's fiscal year ended June 30, 2022. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

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

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**NOTE J - SELF-INSURANCE**

The City maintains a self-funded health insurance program with claims processed by UMR on behalf of the City. A separate Insurance Fund (an internal service fund) was created on January 1, 2022, to account for and finance the health insurance programs. Total contributions and transfers of the program for the year ended August 30, 2022 were \$1,280,837. Change in the Insurance Fund's claims liability the past fiscal year was as follows:

	<u>August 30, 2022</u>
Beginning liability	\$ -
Claims and changes in estimates	771,106
Claims payments	<u>(630,504)</u>
Ending liability	<u>\$ 140,602</u>

**NOTE K - CONTINGENCIES AND COMMITMENTS**

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

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

**NOTE L - CONDUIT DEBT**

In December 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, 2022 the aggregate principal amount payable that can be substantiated for these bonds was \$172,523,400.

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

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**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 \$2,902,503 and \$2,403,761, 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 \$48,824 in fiscal year ended August 31, 2022.

**NOTE O - PRIOR PERIOD ADJUSTMENT**

Due to the City implementing the new GASB 87 standard, the following prior period adjustment needed to be made. The previously stated net position has been restated as follows:

	<u>Governmental Activities</u>
Net Position, August 31, 2021 as previously reported	\$ 63,305,874
Change in capital assets	(232,775)
Change in debt	<u>220,573</u>
Net Position, August 31, 2021 As Restated	<u>\$ 63,293,672</u>

**NOTE P - 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:

- 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 the year ending August 31, 2023.

**NOTE P - FUTURE ACCOUNTING PRONOUNCEMENT (Continued)**

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for year ending August 31, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This Statement: 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset--an intangible asset--and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for year ending August 31, 2023.
- GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics including: Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to: a) the determination of the public-private and public-public partnership (PPP) term and b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to non-monetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirements related to leases, PPPs, and SBITAs is the fiscal year ending August 31, 2023. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is the fiscal year ending August 31, 2024.

**NOTE P - FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)**

- GASB Statement No. 100, *Accounting Changes and Error Corrections--an amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that: a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ending August 31, 2024.
  
- GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for: 1) leave that has not been used and 2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if: a) the leave is attributable to services already rendered, b) the leave accumulates, and c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences--including parental leave, military leave, and jury duty leave--not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as it is identified as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ending August 31, 2025.

The effects on the City's financial statements as a result of the adoption of these new pronouncements are unknown.

**NOTE Q - SUBSEQUENT EVENT**

On April 4, 2023 the voters authorized a 1% sales tax to fund policing. No other subsequent events through August 30, 2023, the date which the financial statements were available for issue.

**REQUIRED SUPPLEMENTAL INFORMATION**

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**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, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over</b>
	<b>Original</b>	<b>Final</b>		<b>(Under)</b>
				<b>Budget</b>
<b>REVENUES</b>				
<b>Taxes</b>				
Property	\$ 1,170,895	1,170,895	1,178,093	7,198
Sales	9,196,464	9,196,464	9,549,156	352,692
Public utility gross receipts	2,926,750	2,926,750	3,114,241	187,491
Motor fuel	553,237	553,237	645,973	92,736
Other	287,009	287,009	360,576	73,567
Total Taxes	<u>14,134,355</u>	<u>14,134,355</u>	<u>14,848,039</u>	<u>713,684</u>
<b>Special Assessments</b>	<u>20,000</u>	<u>20,000</u>	<u>53,111</u>	<u>33,111</u>
<b>Licenses and Permits</b>	<u>1,883,372</u>	<u>1,883,372</u>	<u>1,556,527</u>	<u>(326,845)</u>
<b>Fines and Court Costs</b>	<u>405,000</u>	<u>405,000</u>	<u>236,827</u>	<u>(168,173)</u>
<b>Intergovernmental</b>	<u>90,000</u>	<u>2,217,930</u>	<u>114,477</u>	<u>(2,103,453)</u>
<b>Charges for Services</b>	<u>85,072</u>	<u>85,072</u>	<u>69,262</u>	<u>(15,810)</u>
<b>Investment Income</b>	<u>60,500</u>	<u>60,500</u>	<u>30,160</u>	<u>(30,340)</u>
<b>Miscellaneous</b>				
Other	57,418	57,418	114,151	56,733
Total Revenues	<u>16,735,717</u>	<u>18,863,647</u>	<u>17,022,554</u>	<u>(1,841,093)</u>
<b>EXPENDITURES</b>				
<b>General Government</b>				
General and administrative	1,307,018	1,390,705	1,465,205	74,500
Mayor and council	154,314	225,049	238,102	13,053
Municipal court	165,058	165,058	163,276	(1,782)
Administrator	253,657	253,657	290,640	36,983
Treasurer	54,143	58,143	57,893	(250)
Finance	395,201	400,401	423,377	22,976
Collector of revenue	191,489	192,764	192,415	(349)
Attorney	148,000	151,714	166,727	15,013
Elections	15,250	15,250	9,185	(6,065)
Planning commission	375,733	450,733	356,792	(93,941)
IT Support	533,172	657,388	689,228	31,840
Subtotal General Government	<u>3,593,035</u>	<u>3,960,862</u>	<u>4,052,840</u>	<u>91,978</u>
Less other fund reimbursements	<u>(7,500)</u>	<u>(7,500)</u>	<u>(42,500)</u>	<u>(35,000)</u>
Total General Government	<u>3,585,535</u>	<u>3,953,362</u>	<u>4,010,340</u>	<u>56,978</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (Continued)</b>				
<b>Public Safety</b>				
Police	6,761,110	6,906,439	7,355,114	448,675
Dispatching	450,891	450,891	456,199	5,308
Building commission	588,526	577,238	629,914	52,676
Total Public Safety	<u>7,800,527</u>	<u>7,934,568</u>	<u>8,441,227</u>	<u>506,659</u>
<b>Public Works</b>	<u>967,171</u>	<u>1,296,705</u>	<u>1,153,438</u>	<u>(143,267)</u>
<b>Highways and Streets</b>	<u>1,126,009</u>	<u>1,114,853</u>	<u>1,133,536</u>	<u>18,683</u>
<b>Parks and Recreation</b>	<u>1,352,396</u>	<u>1,461,486</u>	<u>1,049,944</u>	<u>(411,542)</u>
<b>Health and Sanitation</b>				
Health department	70,202	70,202	71,433	1,231
Rabies control	123,925	123,925	176,157	52,232
Vector control	8,200	8,200	-	(8,200)
Solid waste	20,500	20,500	35,727	15,227
Total Health And Sanitation	<u>222,827</u>	<u>222,827</u>	<u>283,317</u>	<u>60,490</u>
<b>Capital Outlay</b>	<u>2,179,774</u>	<u>3,312,499</u>	<u>3,298,160</u>	<u>(14,339)</u>
<b>Debt Service</b>	<u>457,675</u>	<u>457,675</u>	<u>457,393</u>	<u>(282)</u>
Total Expenditures	<u>17,691,914</u>	<u>19,753,975</u>	<u>19,827,355</u>	<u>73,380</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(956,197)</u>	<u>(890,328)</u>	<u>(2,804,801)</u>	<u>(1,914,473)</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from installment purchase agreements	313,971	313,971	280,274	(33,697)
Insurance proceeds	-	-	90,005	90,005
Proceeds from sale of capital assets	-	-	138,180	138,180
Total Other Financing Sources	<u>313,971</u>	<u>313,971</u>	<u>508,459</u>	<u>194,488</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (642,226)</u>	<u>(576,357)</u>	<u>(2,296,342)</u>	<u>(1,719,985)</u>
FUND BALANCE, SEPTEMBER 1			<u>5,701,276</u>	
<b>FUND BALANCE, AUGUST 31</b>			<u>\$ 3,404,934</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Sales	\$ 1,662,803	1,662,803	1,758,996	96,193
Charges for services	842,201	842,201	1,204,292	362,091
Investment income	-	-	223	223
Miscellaneous	6,965	6,965	15,598	8,633
Total Revenues	<u>2,511,969</u>	<u>2,511,969</u>	<u>2,979,109</u>	<u>467,140</u>
<b>EXPENDITURES</b>				
Recreation center	1,959,628	1,875,516	1,766,034	(109,482)
Capital outlay	5,459	27,126	21,667	(5,459)
Debt service	755,825	891,649	891,649	-
Total Expenditures	<u>2,720,912</u>	<u>2,794,291</u>	<u>2,679,350</u>	<u>(114,941)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (208,943)</u>	<u>(282,322)</u>	299,759	<u>582,081</u>
FUND BALANCE, SEPTEMBER 1			<u>-</u>	
FUND BALANCE, AUGUST 31			<u>\$ 299,759</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, 2022**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ -	771,455	771,455
Sales	-	3,051,616	3,051,616
Investment income	-	572,824	572,824
Total Revenues	-	4,395,895	4,395,895
<b>EXPENDITURES</b>			
General government	7,500	7,500	-
Economic development	90,000	85,815	(4,185)
Debt service	-	5,306,264	5,306,264
Total Expenditures	97,500	5,399,579	5,302,079
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (97,500)</b>	<b>(1,003,684)</b>	<b>(906,184)</b>
FUND BALANCE, SEPTEMBER 1		4,764,540	
<b>FUND BALANCE, AUGUST 31</b>		<b>\$ 3,760,856</b>	

**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, 2022**

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**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, 2022, the General Fund, Special Allocation, and Drug Forfeiture Fund had expenditures exceeding appropriations by \$73,380, \$5,302,079 and \$6,225, respectively. 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>								
Service cost	\$ 769,133	805,799	700,838	624,531	311,717	263,218	175,917	176,733
Interest	1,046,452	1,003,725	906,150	822,871	726,619	693,244	630,585	578,315
Differences between expected and actual experience	(144,169)	(237,808)	180,911	(231,253)	471,628	75,152	122,039	(136,162)
Change in assumptions or inputs	-	(30,533)	(28,134)	374,601	964,139	(153,868)	-	-
Contributions - employee	-	-	-	-	-	-	241,540	226,449
Benefit payments and expenses	(1,340,044)	(260,488)	(217,092)	(339,282)	(165,360)	(652,541)	(162,144)	(230,099)
Net Change In Total Pension Liability	<u>331,372</u>	<u>1,280,695</u>	<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>17,331,993</u>	<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>	<u>9,100,036</u>
Total Pension Liability (a)	<u>\$ 17,663,365</u>	<u>17,331,993</u>	<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>
<b>Plan Fiduciary Net Position</b>								
Contributions - employee	\$ 342,833	338,127	631,329	417,960	269,023	240,428	241,540	226,449
Contributions - employer	778,435	767,748	325,232	296,055	379,796	350,724	343,409	319,690
Return on investment	(2,334,882)	3,046,646	1,131,444	273,908	925,639	876,341	550,354	(18,629)
Benefit payments and expenses	(1,340,044)	(260,488)	(217,092)	(339,282)	(165,360)	(652,541)	(162,144)	(230,099)
Administrative expenses	(25,618)	(17,067)	(13,288)	(14,099)	(26,645)	(47,085)	-	-
Net Change In Plan Fiduciary Net Position	<u>(2,579,276)</u>	<u>3,874,966</u>	<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>19,774,105</u>	<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>	<u>9,986,082</u>
Plan Fiduciary Net Position Ending (b)	<u>\$ 17,194,829</u>	<u>19,774,105</u>	<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>
<b>Net Pension Liability (Asset) Ending (a)-(b)</b>	<u>\$ 468,536</u>	<u>(2,442,112)</u>	<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	97.3 %	114.1	99.1	96.8	101.1	109.8	105.0	105.8
Covered Payroll	\$ 3,348,425	3,116,373	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	13.99 %	(78.36)	4.95	16.31	(5.63)	(47.95)	(25.15)	(25.46)

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

Changes in assumptions:

During the year ended August 31, 2021 the mortality improvement scale was updated to MP-2021.

During the year ended August 31, 2020 the mortality improvement scale was updated to MP-2019.

During the year ended August 31, 2019, the mortality assumption was updated to use the Public 2010 Safety Mortality Tables with MP -2018 projected generationally for healthy participants and the Public 2010 Safety Disable Mortality Table with MP-2018 project generationally for disabled participants.

During the year ended August 31, 2018, the interest rate and discount rate decreased to 6.0% from 6.5%.

During the year ended August 31, 2017, the mortality assumption was updated to use the 2017 Combined Current Liability Mortality Table, male and female rates for healthy participants and the RP-2014 Disabled Mortality Table, male and female rates for disabled participants.

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

	For The Years Ended August 31									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined pension contribution	\$ 307,148	562,323	552,836	418,823	244,461	290,240	300,077	261,882	321,337	358,484
Contributions in relation to the actuarially determined contribution	<u>778,435</u>	<u>767,748</u>	<u>631,329</u>	<u>417,960</u>	<u>379,796</u>	<u>350,724</u>	<u>343,409</u>	<u>320,444</u>	<u>385,966</u>	<u>312,110</u>
Contribution Deficiency (Excess)	<u>\$ (471,287)</u>	<u>(205,425)</u>	<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>
Covered Payroll	\$ 3,348,425	3,116,373	3,071,741	2,863,705	2,659,470	2,244,045	2,120,719	2,232,146	2,563,733	2,118,338
Contributions as a Percentage of Covered Payroll	23.25 %	24.64	20.55	14.60	14.28	15.63	16.19	14.36	15.05	14.73

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	2.35%
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-2021 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 ANNUAL**  
**MONEY-WEIGHTED RATE OF RETURN ON INVESTMENTS -**  
**POLICE PENSION PLAN**  
**FOR THE YEARS ENDED AUGUST 31**

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	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expenses: Police Pension Plan	(11.9) %	18.8	7.9	2.0	7.6	7.8	5.3	N/A	N/A

**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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>								
Service cost	\$ 448,878	445,801	410,763	403,675	385,281	369,891	388,891	395,808
Interest on the total pension liability	1,525,936	1,568,816	1,499,693	1,444,434	1,363,132	1,317,216	1,222,060	1,178,720
Difference between expected and actual experience	95,104	(309,308)	(81,237)	(203,633)	243,133	(156,327)	87,035	(171,511)
Changes of assumptions	-	(626,068)	-	-	-	-	556,016	-
Benefit payments, including refunds	(929,030)	(912,017)	(874,661)	(896,479)	(862,462)	(946,107)	(918,710)	(688,962)
Net Change In Total Pension Liability	1,140,888	167,224	954,558	747,997	1,129,084	584,673	1,335,292	714,055
Total Pension Liability Beginning	22,035,100	21,867,876	20,913,318	20,165,321	19,036,237	18,451,564	17,116,272	16,402,217
Total Pension Liability Ending (a)	<u>\$ 23,175,988</u>	<u>22,035,100</u>	<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>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 660,722	691,657	644,808	575,580	548,282	507,576	532,194	618,572
Contributions - employee	-	-	7,048	-	-	-	-	-
Net investment income	16,531	5,565,541	261,063	1,261,811	2,237,515	1,959,445	(55,034)	353,689
Benefit payments, including refunds	(929,030)	(912,017)	(874,661)	(896,479)	(862,462)	(946,107)	(918,710)	(688,962)
Administrative expense	(18,891)	(17,046)	(22,583)	(20,641)	(14,595)	(14,074)	(13,709)	(15,005)
Other	168,804	(152,298)	(229,628)	(42,555)	(62,687)	(8,630)	(18,372)	(70,688)
Net Change In Plan Fiduciary Net Position	(101,864)	5,175,837	(213,953)	877,716	1,846,053	1,498,210	(473,631)	197,606
Plan Fiduciary Net Position Beginning	25,895,917	20,720,080	20,934,033	20,056,317	18,210,264	16,712,054	17,185,685	16,988,079
Plan Fiduciary Net Position Ending (b)	<u>\$ 25,794,053</u>	<u>25,895,917</u>	<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>
<b>Net Pension Liability (Asset) Ending (a)-(b)</b>	<u>\$ (2,618,065)</u>	<u>(3,860,817)</u>	<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	111.30 %	117.52	94.75	100.10	99.46	95.66	90.57	100.41
Covered Payroll (for February 28/29 Valuation)	\$ 3,472,522	3,713,133	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	(75.39) %	(103.98)	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.

Changes of assumptions:

During the year ended August 31, 2021, assumption changes include a decrease in the discount rate from 7.25% to 7.0%; a reduction in wage inflation of 3.25% and price inflation of 2.5% to 2.75% and 2.25% respectively; salary increases from 3.25 - 6.55, to 1.75 - 6.75%; and investment rate of return from 7.25% to 7.0%, respectively.

During the year ended August 31, 2016, new assumptions were adopted based on the 5-year experience study including change of wage inflation and price inflation to 3.25% to 2.5% from 3.5% and 3.0% respectively; and change in salary increases to 3.25% to 6.55% from 3.5% to 6.8%, respectively.

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined pension contribution	\$ 663,529	666,984	655,447	588,038	581,350	505,454	541,736	604,504	643,932	654,442
Contributions in relation to the actuarially determined contribution	663,529	666,984	655,447	588,038	555,513	505,454	541,736	604,504	643,932	582,422
Contribution Deficiency	\$ -	-	-	-	25,837	-	-	-	-	72,020
Covered Payroll	\$ 3,606,134	3,684,992	3,621,256	3,266,878	3,229,727	3,120,084	3,186,682	3,232,643	3,285,367	3,131,304
Contributions as a Percentage of Covered Payroll	18.40 %	18.10	18.10	18.00	17.20	16.20	17.00	18.70	19.60	18.60

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry age normal and modified terminal funding

Amortization method

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

Remaining amortization period

Multiple bases from 12 to 15 years

Asset valuation method

5 years smoothed market; 20% corridor

Inflation

2.75% wage inflation; 2.25% price inflation

Salary increases

2.75% to 6.75%, including wage inflation

Investment rate of return

7.00%, net of investment expenses

Retirement age

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

Mortality

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Tables for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other information:

There are no other 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 18,644	25,272	21,102	17,242	18,222
Interest	12,509	12,198	15,989	18,236	15,994
Changes of assumptions or other inputs	(174,991)	2,805	(58,469)	42,683	(18,798)
Benefit payments	-	(7,072)	36,852	(8,275)	(10,921)
Net Change In Total OPEB Liability	(143,838)	33,203	15,474	69,886	4,497
Total OPEB Liability Beginning	565,904	532,701	517,227	447,341	442,844
Total OPEB Liability Ending	<u>\$ 422,066</u>	<u>565,904</u>	<u>532,701</u>	<u>517,227</u>	<u>447,341</u>
Covered Employee Payroll	\$ 9,339,000	8,385,965	8,280,543	7,688,896	7,267,314
Total OPEB Liability as a Percentage of Covered Payroll	4.52 %	6.75	6.43	6.73	6.16

Note:

Information is not available for fiscal years prior to 2018.

There are no assets accumulated in a trust to pay related benefits for this Plan.

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2022	3.59 %
2021	2.14
2020	2.20
2019	2.97
2018	3.96
2017	3.51

## **Other Supplemental Information**

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**CITY OF ARNOLD, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - GOVERNMENTAL FUNDS -**  
**COMPARATIVE BALANCE SHEETS**  
**AUGUST 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and investments	\$ 8,595,652	7,373,951
Receivables (net of allowances for uncollectibles):		
Taxes	4,587,776	4,166,961
Special assessments	966,704	1,020,615
Service fees	197,226	226,169
Intergovernmental	12,800	7,290
Court	23,678	39,508
Miscellaneous	115,975	129,059
Due from other funds	1,322,871	1,814,401
Prepaid items	743,040	706,032
Restricted assets:		
Cash and investments	1,854,757	1,568,577
Capital improvements sales tax receivable	5,803,839	5,971,901
Total Assets	\$ 24,224,318	23,024,464
 <b>LIABILITIES</b>		
Accounts payable	\$ 2,923,210	2,483,320
Accrued liabilities	202,209	195,591
Due to other funds	1,821,895	2,256,886
Unearned revenue	4,437,532	133,993
Total Liabilities	9,384,846	5,069,790
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue:		
Special assessments	966,703	1,021,536
Court fines	23,678	38,968
Taxes	5,803,839	5,971,901
Total Deferred Inflows Of Resources	6,794,220	7,032,405
 <b>FUND BALANCES</b>		
Nonspendable	743,040	706,032
Restricted	4,296,299	5,330,102
Committed	2,545,727	1,452,983
Assigned	460,926	642,226
Unassigned	(740)	2,790,926
Total Fund Balances	8,045,252	10,922,269
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	\$ 24,224,318	23,024,464

**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, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
Taxes	\$ 20,644,091	19,294,950
Special assessments	53,111	57,428
Licenses and permits	1,556,527	1,378,955
Fines and court costs	236,827	263,685
Intergovernmental	116,163	1,672,273
Charges for services	1,273,554	680,111
Investment income	603,207	13,865
Donations	12,500	7,500
Miscellaneous	129,749	316,870
Total Revenues	24,625,729	23,685,637
<b>EXPENDITURES</b>		
Current:		
General government	4,111,036	3,888,034
Public safety	8,452,952	8,006,944
Public works	1,153,438	764,398
Highways and streets	1,133,536	1,101,181
Parks and recreation	2,815,978	2,411,258
Health and sanitation	283,317	254,162
Economic development	85,815	128,306
Capital outlay	3,319,827	6,353,257
Debt service:		
Principal	3,907,502	4,304,047
Interest	2,747,804	1,173,505
Total Expenditures	28,011,205	28,385,092
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,385,476)</b>	<b>(4,699,455)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Insurance proceeds	90,005	15,375
Issuance of long-term debt	280,274	589,357
Proceeds from sale of capital assets	138,180	108,265
Transfer in	-	415,674
Transfer out	-	(546,695)
Total Other Financing Sources (Uses)	508,459	581,976
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,877,017)</b>	<b>(4,117,479)</b>
<b>FUND BALANCES, SEPTEMBER 1</b>	<b>10,922,269</b>	<b>15,039,748</b>
<b>FUND BALANCES, AUGUST 31</b>	<b>\$ 8,045,252</b>	<b>10,922,269</b>

**CITY OF ARNOLD, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AUGUST 31, 2022**

	<b>Special Revenue Funds</b>			<b>Totals</b>
	<b>Tourism</b>	<b>Drug Forfeiture</b>	<b>Community Foundation</b>	
<b>ASSETS</b>				
Cash and investments	\$ 502,618	-	45,000	547,618
Receivables:				
Taxes	35,885	-	-	35,885
Total Assets	<u>\$ 538,503</u>	<u>-</u>	<u>45,000</u>	<u>583,503</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 3,060	-	-	3,060
Due to Other Funds	-	740	-	740
Total Liabilities	<u>3,060</u>	<u>740</u>	<u>-</u>	<u>3,800</u>
 <b>Fund Balances</b>				
Restricted for:				
Tourism	535,443	-	-	535,443
Committed for:				
Community foundation	-	-	45,000	45,000
Unassigned	-	(740)	-	(740)
Total Fund Balances	<u>535,443</u>	<u>(740)</u>	<u>45,000</u>	<u>579,703</u>
Total Liabilities And Fund Balances	<u>\$ 538,503</u>	<u>-</u>	<u>45,000</u>	<u>583,503</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, 2022**

	<b>Special Revenue Funds</b>			<b>Totals</b>
	<b>Tourism</b>	<b>Drug Forfeiture</b>	<b>Community Foundation</b>	
<b>REVENUES</b>				
Taxes	\$ 213,985	-	-	213,985
Intergovernmental	-	1,686	-	1,686
Donations	-	-	12,500	12,500
Total Revenues	<u>213,985</u>	<u>1,686</u>	<u>12,500</u>	<u>228,171</u>
<b>EXPENDITURES</b>				
Current:				
General government	93,196	-	-	93,196
Public safety	-	11,725	-	11,725
Total Expenditures	<u>93,196</u>	<u>11,725</u>	<u>-</u>	<u>104,921</u>
<b>NET CHANGES IN FUND BALANCES</b>	120,789	(10,039)	12,500	123,250
FUND BALANCES, SEPTEMBER 1	<u>414,654</u>	<u>9,299</u>	<u>32,500</u>	<u>456,453</u>
<b>FUND BALANCES (DEFICIT), AUGUST 31</b>	<u><u>\$ 535,443</u></u>	<u><u>(740)</u></u>	<u><u>45,000</u></u>	<u><u>579,703</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, 2022**

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	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Taxes:			
Sales	\$ 155,000	213,985	58,985
<b>EXPENDITURES</b>			
General government	<u>155,000</u>	<u>93,196</u>	<u>(61,804)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	120,789	<u>120,789</u>
FUND BALANCE, SEPTEMBER 1		<u>414,654</u>	
<b>FUND BALANCE, AUGUST 31</b>		<u>\$ 535,443</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, 2022**

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	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Intergovernmental	<u>\$ 7,500</u>	<u>1,686</u>	<u>(5,814)</u>
<b>EXPENDITURES</b>			
Public safety	<u>5,500</u>	<u>11,725</u>	<u>6,225</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 2,000</u></u>	<u>(10,039)</u>	<u><u>(12,039)</u></u>
<b>FUND BALANCE, SEPTEMBER 1</b>		<u>9,299</u>	
<b>FUND BALANCE (DEFICIT), AUGUST 31</b>		<u><u>\$ (740)</u></u>	



**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, 2022**

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	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Donations	\$ -	12,500	12,500
<b>EXPENDITURES</b>	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	12,500	12,500
<b>FUND BALANCE, SEPTEMBER 1</b>		32,500	
<b>FUND BALANCE, AUGUST 31</b>		\$ 45,000	

# **Statistical Section**

**CITY OF ARNOLD, MISSOURI**  
**STATISTICAL SECTION**

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

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	82 - 86
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City’s local revenue sources.	87 - 94
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	95 - 97
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	99 - 100
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	101 - 105

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

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

	<b>August 31</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 64,899,371	64,939,006	59,471,938	59,606,669	61,363,797	61,540,455	61,600,974	61,358,328	60,954,323	62,495,954
Restricted	12,517,712	13,189,914	10,925,615	9,508,076	7,895,892	5,751,073	7,168,385	7,020,552	6,209,178	5,750,389
Unrestricted	(12,091,168)	(14,823,046)	(13,979,863)	(13,802,457)	(14,166,217)	(13,801,156)	(15,902,356)	(13,878,273)	(25,947,438)	(25,777,303)
Total Governmental Activities Net Position	<u>\$ 65,325,915</u>	<u>63,305,874</u>	<u>56,417,690</u>	<u>55,312,288</u>	<u>55,093,472</u>	<u>53,490,372</u>	<u>52,867,003</u>	<u>54,500,607</u>	<u>41,216,063</u>	<u>42,469,040</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 1,217,677	1,051,662	4,588,137	4,518,340	4,558,891	4,617,677	4,466,526	404,017	13,866,892	13,383,043
Restricted	200,491	46,350	-	-	-	-	-	325,978	526,603	588,203
Unrestricted	214,913	558,427	379,891	560,039	458,048	382,932	381,525	233,535	4,659,261	3,624,652
Total Business-type Activities Net Position	<u>\$ 1,633,081</u>	<u>1,656,439</u>	<u>4,968,028</u>	<u>5,078,379</u>	<u>5,016,939</u>	<u>5,000,609</u>	<u>4,848,051</u>	<u>963,530</u>	<u>19,052,756</u>	<u>17,595,898</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 66,117,048	65,990,668	64,060,075	64,125,009	65,922,688	66,158,132	66,067,500	61,762,345	74,821,215	75,878,997
Restricted	12,718,203	13,236,264	10,925,615	9,508,076	7,895,892	5,751,073	7,168,385	7,346,530	6,735,781	6,338,592
Unrestricted	(11,876,255)	(14,264,619)	(13,599,972)	(13,242,418)	(13,708,169)	(13,418,224)	(15,520,831)	(13,644,738)	(21,288,177)	(22,152,651)
Total Primary Government Net Position	<u>\$ 66,958,996</u>	<u>64,962,313</u>	<u>61,385,718</u>	<u>60,390,667</u>	<u>60,110,411</u>	<u>58,490,981</u>	<u>57,715,054</u>	<u>55,464,137</u>	<u>60,268,819</u>	<u>60,064,938</u>

Source: Basic financial statements

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**

	<b>For The Years Ended August 31</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>EXPENSES</b>										
<b>Governmental Activities</b>										
General government	\$ 3,853,058	3,813,231	4,020,105	3,980,145	3,984,929	3,748,672	3,771,398	3,507,185	3,521,130	3,437,488
Public safety	8,477,009	7,352,137	7,766,321	7,228,748	6,145,438	5,651,075	5,705,617	6,120,075	5,564,406	5,699,347
Public works	662,835	651,244	712,780	1,551,332	1,238,647	1,230,443	1,120,005	517,705	506,642	652,774
Highways and streets	5,107,937	4,458,061	3,963,281	3,124,045	3,414,602	3,600,472	3,578,202	3,022,074	3,499,006	3,180,611
Parks and recreation	2,738,971	2,172,096	2,607,594	2,596,256	2,695,515	2,595,859	2,599,236	2,371,529	2,430,932	2,286,290
Health and sanitation	253,089	212,876	404,895	470,807	661,153	1,335,456	1,345,275	1,232,741	1,202,951	1,209,726
Economic development	85,815	128,306	125,927	119,421	116,015	124,699	161,981	130,767	121,639	132,250
Interest on long-term debt	2,088,610	1,779,195	2,038,256	2,304,476	2,338,390	3,019,715	2,936,044	3,039,906	3,105,566	3,161,479
Total Governmental Activities Expenses	<u>23,267,324</u>	<u>20,567,146</u>	<u>21,639,159</u>	<u>21,375,230</u>	<u>20,594,689</u>	<u>21,306,391</u>	<u>21,217,758</u>	<u>19,941,982</u>	<u>19,952,272</u>	<u>19,759,965</u>
<b>Business-type Activities</b>										
Sewer system	-	-	-	-	-	-	-	2,883,157	4,111,479	4,138,224
Storm water	612,343	614,442	552,732	488,586	530,870	542,233	544,671	525,572	595,741	608,027
Golf	-	1,110	149,091	578,816	560,426	530,576	862,906	649,484	753,705	759,006
Special item - disposal of sewer system	-	-	-	-	-	-	-	8,247,633	-	-
Total Business-type Activities Expenses	<u>612,343</u>	<u>615,552</u>	<u>701,823</u>	<u>1,067,402</u>	<u>1,091,296</u>	<u>1,072,809</u>	<u>1,407,577</u>	<u>12,305,846</u>	<u>5,460,925</u>	<u>5,505,257</u>
Total Primary Government Expenses	<u>23,879,667</u>	<u>21,182,698</u>	<u>22,340,982</u>	<u>22,442,632</u>	<u>21,685,985</u>	<u>22,379,200</u>	<u>22,625,335</u>	<u>32,247,828</u>	<u>25,413,197</u>	<u>25,265,222</u>
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities</b>										
Charges for services:										
General government	890,299	1,189,079	1,493,775	885,280	139,607	335,979	352,912	513,502	474,475	473,810
Public safety	738,981	549,072	541,320	795,822	1,011,285	912,036	823,464	1,084,746	1,076,383	1,335,540
Parks and recreation	1,277,698	652,239	665,382	1,026,853	1,213,846	1,428,013	1,393,972	1,262,388	1,279,638	1,284,012
Health and sanitation	61,697	49,308	44,444	51,915	111,543	917,019	894,289	822,800	31,859	27,951
Operating grants and contributions	1,378,184	2,014,440	1,176,005	1,167,911	1,451,208	1,239,193	1,491,836	1,182,988	1,151,413	1,086,620
Capital grants and contributions	699,943	15,056	476,238	88,202	502,348	111,320	1,608,538	1,572,516	148,700	2,375,066
Total Governmental Activities Program Revenues	<u>5,046,802</u>	<u>4,469,194</u>	<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>
<b>Business-type Activities</b>										
Charges for services:										
Sewer system	-	-	-	-	-	-	-	2,877,893	3,834,801	3,997,660
Storm water	588,985	606,137	552,431	594,657	586,259	573,452	576,378	580,298	585,636	589,987
Golf	-	3,579	39,041	192,299	426,544	389,878	381,704	324,046	482,520	434,990
Operating grants and contributions	-	-	-	-	3,179	-	41,513	-	-	-
Capital grants and contributions	-	-	-	-	-	13,940	137,216	87,311	89,460	16,000
Total Business-type Activities Program Revenues	<u>588,985</u>	<u>609,716</u>	<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>
Total Primary Government Program Revenues	<u>5,635,787</u>	<u>5,078,910</u>	<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>
<b>NET REVENUES (EXPENSES)</b>										
Governmental activities	(18,220,522)	(16,097,952)	(17,241,995)	(17,359,247)	(16,164,852)	(16,362,831)	(14,652,747)	(13,503,042)	(15,789,804)	(13,176,966)
Business-type activities	(23,358)	(5,836)	(110,351)	(280,446)	(75,314)	(95,539)	(270,766)	(8,436,298)	(468,508)	(466,620)
Total Primary Government Net Revenues (Expenses)	<u>(18,243,880)</u>	<u>(16,103,788)</u>	<u>(17,352,346)</u>	<u>(17,639,693)</u>	<u>(16,240,166)</u>	<u>(16,458,370)</u>	<u>(14,923,513)</u>	<u>(21,939,340)</u>	<u>(16,258,312)</u>	<u>(13,643,586)</u>

**CITY OF ARNOLD, MISSOURI**

**CHANGE IN NET POSITION - (Continued)**  
**LAST TEN FISCAL YEARS**

	<b>For The Years Ended August 31</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>GENERAL REVENUES AND OTHER CHANGE IN NET POSITION</b>										
<b>Governmental Activities</b>										
Taxes:										
Property	1,949,548	2,225,181	2,339,913	2,247,853	2,257,200	2,167,507	2,151,266	2,270,828	1,959,557	2,137,107
Sales	14,095,662	13,442,921	12,489,311	12,047,156	11,826,751	11,473,343	11,386,525	10,800,694	9,943,752	9,676,868
Gross receipts	3,249,206	3,003,508	3,068,773	3,276,670	3,657,747	3,459,426	3,418,667	3,371,996	3,375,222	3,264,019
Miscellaneous	48,699	35,799	41,494	34,601	45,703	45,475	37,719	71,954	41,950	43,139
Investment income	603,207	13,865	187,750	88,819	25,874	16,286	27,489	29,213	22,368	48,212
Gain on sale of assets	138,180	107,662	-	-	1,200	150	13,443	86,336	14,234	66,936
Miscellaneous	168,263	311,535	122,846	224,850	127,065	72,110	139,300	37,507	115,861	122,575
Transfers	-	3,308,752	-	(341,886)	(91,644)	(248,097)	(4,155,266)	9,737,008	(1,636,767)	(10,000)
Total Governmental Activities General Revenues And Other Change In Net Position	<u>20,252,765</u>	<u>22,449,223</u>	<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>
<b>Business-type Activities</b>										
Investment income	-	-	-	-	-	-	21	77,044	218,439	240,758
Sale of assets	-	2,999	-	-	-	-	-	-	700	8,801
Miscellaneous	-	-	-	-	-	-	-	7,036	1,550	3,284
Transfers	-	(3,308,752)	-	341,886	91,644	248,097	4,155,266	(9,737,008)	1,636,767	10,000
Total Business-type Activities General Revenues And Other Change In Net Position	<u>-</u>	<u>(3,305,753)</u>	<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>
Total Primary Government General Revenues And Other Change In Net Position	<u>20,252,765</u>	<u>19,143,470</u>	<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>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	2,032,243	6,351,271	1,008,092	218,816	1,685,044	623,369	(1,633,604)	12,902,494	(1,953,627)	2,171,890
Business-type activities	(23,358)	(3,311,589)	(110,351)	61,440	16,330	152,558	3,884,521	(18,089,226)	1,388,948	(203,777)
Total Primary Government	<u>\$ 2,008,885</u>	<u>3,039,682</u>	<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>

Source: Basic financial statements

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

	<b>August 31</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>General Fund</b>										
Nonspendable	\$ 743,040	705,957	616,911	524,139	567,606	493,335	483,636	489,501	522,442	441,169
Restricted	-	141,684	978,849	20	53	36,567	1,136,598	1,137,151	1,136,477	1,136,421
Committed	2,200,968	1,420,483	2,947,950	3,168,193	2,513,975	3,709,280	3,675,215	2,067,288	1,513,074	1,557,117
Assigned	460,926	642,226	2,345,871	2,332,451	2,417,575	2,609,756	761,402	422,849	-	530,792
Unassigned	-	2,790,926	3,548,919	5,271,555	6,763,267	6,966,678	9,083,974	14,249,970	3,608,130	6,305,284
<b>Total General Fund</b>	<b><u>\$ 3,404,934</u></b>	<b><u>5,701,276</u></b>	<b><u>10,438,500</u></b>	<b><u>11,296,358</u></b>	<b><u>12,262,476</u></b>	<b><u>13,815,616</u></b>	<b><u>15,140,825</u></b>	<b><u>18,366,759</u></b>	<b><u>6,780,123</u></b>	<b><u>9,970,783</u></b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	75	332	-	22,333	25,656	80,815	31,292	21,194	29,152
Restricted	4,296,299	5,188,418	4,950,893	4,903,663	4,422,783	4,391,577	5,752,721	5,750,583	5,163,232	4,923,977
Committed	344,759	32,500	25,000	25,000	206,471	282,505	239,475	204,631	316,059	-
Unassigned	(740)	-	(374,977)	(72,235)	-	-	-	-	-	(1,402,075)
<b>Total All Other Governmental Funds</b>	<b><u>\$ 4,640,318</u></b>	<b><u>5,220,993</u></b>	<b><u>4,601,248</u></b>	<b><u>4,856,428</u></b>	<b><u>4,651,587</u></b>	<b><u>4,699,738</u></b>	<b><u>6,073,011</u></b>	<b><u>5,986,506</u></b>	<b><u>5,500,485</u></b>	<b><u>3,551,054</u></b>

Source: Basic financial statements

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

	For The Years Ended August 31									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>REVENUES</b>										
Taxes	\$ 20,644,091	19,294,950	17,265,493	16,926,656	17,568,521	17,501,872	17,662,798	17,074,710	15,860,454	16,422,424
Special assessments	53,111	57,428	36,903	63,701	3,754	21,871	12,563	41,512	47,414	208,907
Licenses and permits	1,556,527	1,378,955	1,887,233	1,296,644	526,632	635,538	642,360	818,274	652,512	730,422
Fines and court costs	236,827	263,685	362,078	553,587	723,579	682,008	668,018	713,514	847,185	1,039,805
Intergovernmental	116,163	1,672,273	595,677	186,265	727,115	222,885	694,838	1,369,663	323,383	2,503,248
Charges for services	1,273,554	680,111	681,282	1,041,306	1,310,410	2,418,187	2,347,758	2,153,945	1,355,238	1,363,277
Investment income	603,207	13,865	187,750	88,819	25,874	16,286	27,489	29,213	22,368	48,212
Donations	12,500	7,500	-	-	25,000	-	-	-	-	-
Miscellaneous	129,749	316,870	156,810	172,513	202,675	159,320	329,228	318,015	333,865	349,730
Total Revenues	<u>24,625,729</u>	<u>23,685,637</u>	<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>
<b>EXPENDITURES</b>										
General government	4,111,036	3,888,034	3,405,983	3,342,686	3,356,980	3,023,190	3,022,711	2,896,449	2,876,530	2,767,426
Public safety	8,452,952	8,006,944	7,327,881	6,539,561	6,108,405	5,742,063	5,688,691	5,401,754	5,620,891	5,489,942
Public works	1,153,438	764,398	636,282	524,982	619,225	646,852	607,211	598,889	618,618	556,904
Highways and streets	1,133,536	1,101,181	1,863,043	997,731	1,112,571	1,427,853	1,440,050	1,004,793	1,401,373	1,377,329
Parks and recreation	2,815,978	2,411,258	2,432,646	2,455,074	2,511,434	2,445,720	2,510,169	2,333,348	2,320,950	2,250,733
Health and sanitation	283,317	254,162	306,084	399,915	559,781	1,318,330	1,330,789	1,233,389	1,203,039	1,204,374
Economic development	85,815	128,306	125,927	119,421	116,015	124,699	161,981	130,767	121,639	132,250
Capital outlay	3,319,827	6,353,257	1,959,508	1,538,217	3,093,943	1,726,012	1,339,597	1,611,488	348,711	5,718,016
Debt service:										
Principal	3,907,502	4,304,047	4,272,178	3,512,788	3,583,037	3,717,049	2,846,292	2,224,535	1,838,000	1,866,476
Interest	2,747,804	1,173,505	1,286,133	1,334,402	1,528,016	1,894,787	2,435,786	2,606,642	2,727,230	2,758,930
Bond issue costs	-	-	-	195,121	35,000	830,321	-	-	-	-
Total Expenditures	<u>28,011,205</u>	<u>28,385,092</u>	<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>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,385,476)</u>	<u>(4,699,455)</u>	<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>
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of long-term debt	-	-	-	8,455,000	-	31,689,501	-	-	-	-
Premium/discount on issuance	-	-	-	774,256	-	52,250	-	-	-	-
Refunding of long-term debt	-	-	-	-	-	(32,953,377)	-	-	-	-
Issuance of installment purchase agreements	280,274	589,357	1,322,146	-	-	-	-	-	-	-
Proceeds from insurance	90,005	15,375	6,605	97,064	-	-	-	-	-	-
Proceeds from sale of capital assets	138,180	108,265	650	-	1,200	150	14,062	37,507	30,100	315,725
Payments to escrow agent	-	-	-	(9,115,304)	-	-	-	-	-	-
Transfers in	-	415,674	-	-	-	359,044	107,236	9,976,578	1,859,521	-
Transfers out	-	(546,695)	-	(341,886)	(91,644)	(607,141)	(4,262,502)	(418,220)	(3,496,288)	(10,000)
Total Other Financing Sources (Uses)	<u>508,459</u>	<u>581,976</u>	<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>
<b>NET CHANGES IN FUND BALANCES</b>	<u><u>\$(2,877,017)</u></u>	<u><u>(4,117,479)</u></u>	<u><u>(1,113,038)</u></u>	<u><u>(761,277)</u></u>	<u><u>(1,601,291)</u></u>	<u><u>(2,698,482)</u></u>	<u><u>(3,139,429)</u></u>	<u><u>12,072,657</u></u>	<u><u>(1,241,229)</u></u>	<u><u>(1,150,630)</u></u>

Debt service as a percentage of noncapital expenditures	26.0 %	23.8	25.8	23.1	23.8	26.6	24.5	25.3	26.3	19.5
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Source: Basic financial statements



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

FUNCTIONS/PROGRAMS	Program Revenues									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Governmental Activities</b>										
General government	\$ 902,799	1,196,579	1,493,775	952,858	517,717	389,206	408,413	513,502	485,075	501,560
Public safety	836,786	1,428,492	660,759	893,885	1,409,868	1,069,486	1,255,381	1,267,963	1,260,519	1,472,757
Public works	18,358	15,056	20,285	20,624	19,238	25,434	18,534	22,131	-	1,661,672
Highways and streets	1,949,464	1,127,520	1,512,519	1,069,848	1,027,625	1,113,307	2,590,047	2,549,597	1,103,702	1,614,989
Parks and recreation	1,277,698	652,239	665,382	1,026,853	1,343,846	1,429,108	1,398,342	1,262,611	1,279,653	1,285,333
Health and sanitation	61,697	49,308	44,444	51,915	111,543	917,019	894,294	823,136	33,519	46,688
Total Governmental Activities	<u>5,046,802</u>	<u>4,469,194</u>	<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>
<b>Business-type Activities</b>										
Sewer system	-	-	-	-	-	-	-	2,877,893	3,924,261	4,013,660
Storm water	588,985	606,137	552,431	594,657	586,259	587,392	713,594	667,609	585,636	589,987
Golf	-	3,579	39,041	192,299	429,723	389,878	423,217	324,046	482,520	434,990
Total Business-type Activities	<u>588,985</u>	<u>609,716</u>	<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>
Total Primary Government	<u>\$ 5,635,787</u>	<u>5,078,910</u>	<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>

Source: Basic financial statements

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

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes (1)</b>	<b>Public Utility Gross Receipts Taxes</b>	<b>Motor Fuel Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
2022	\$ 1,949,548	\$ 14,573,753	\$ 3,114,241	\$ 645,973	\$ 360,576	\$ 20,644,091
2021	2,225,181	13,378,297	2,858,966	551,961	280,545	19,294,950
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

Source: Required supplemental information and basic financial statements

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

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

<b>Fiscal Year</b>	<b>General Sales Tax (1%)</b>	<b>Recreation Center Sales Tax (0.25%)</b>	<b>Jefferson County Shared Capital Improvement Sales Tax</b>	<b>Shared Vehicle Sales Tax</b>	<b>Hotel/Motel Sales Tax (5%)</b>	<b>Jurisdictional Sales Tax</b>	<b>Total Sales Tax</b>
2022	\$ 7,241,017	\$ 1,758,996	\$ 1,998,110	\$ 310,029	\$ 213,985	\$ 3,051,616	\$ 14,573,753
2021	6,859,391	1,673,563	1,247,980	330,813	199,256	3,067,294	13,378,297
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

Source: Required supplemental information and basic financial statements

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

<b>Fiscal Year</b>	<b>Calendar Year</b>	<b>Real Property</b>	<b>Railroads And Utilities</b>	<b>Total</b>		<b>Total Direct Tax Rate</b>	<b>Ratio Of Total Assessed Value To Total Estimated Actual Value</b>
				<b>Assessed Value</b>	<b>Estimated Actual Value</b>		
2022	2021	\$ 345,161,200	\$ 9,775,916	\$ 354,937,116	\$ 1,557,950,072	0.363	22.8 %
2021	2020	320,422,900	9,330,059	329,752,959	1,427,745,097	0.363	23.1
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

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
2021	\$ 14,077,700	\$ 1,700,400	\$ 12,377,300	\$ 4,721,200	\$ 2,466,200	\$ 2,255,000	\$ 3,062,500	\$ 1,782,600	\$ 1,279,900
2020	14,125,700	1,700,400	12,425,300	4,721,200	2,466,200	2,255,000	3,062,500	1,782,600	1,279,900
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

Source: Jefferson County Assessor

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

	<b>For The Years Ended August 31</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City of Arnold:										
General revenue	0.363	0.363	0.384	0.384	0.391	0.390	0.400	0.401	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	0.523	0.523	0.561	0.561	0.557	0.567	0.526	0.531	0.532	0.533
Consolidated School No. 6 of Jefferson County	4.262	4.253	4.507	4.510	4.527	4.559	4.650	4.583	4.650	4.617
Rock Community Fire Protection District	1.175	1.184	1.219	1.233	1.246	1.245	0.763	0.803	0.931	0.707
Rock Township Ambulance District	0.204	0.209	0.209	0.215	0.131	0.202	0.209	0.210	0.210	0.210
The Junior College District of Jefferson County	0.311	0.311	0.330	0.330	0.332	0.332	0.341	0.344	0.340	0.339
The Jefferson County Library District	0.260	0.260	0.277	0.277	0.280	0.280	0.176	0.178	0.176	0.175
Surtax-Commercial Only	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.240

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

**CITY OF ARNOLD, MISSOURI**  
**PRINCIPAL TAXPAYERS -**  
**CURRENT YEAR AND NINE YEARS AGO**

<b>Taxpayer</b>	<b>2021</b>			<b>2013</b>		
	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage Of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage Of Total City Taxable Assessed Value</b>
Walmart Real Est Bus Trust 555	\$ 5,296,000	1	1.49 %	\$ 4,730,400	1	1.67 %
Missouri American Water Co	4,499,000	2	1.27	-	-	-
Metal Container Corporation	4,253,900	3	1.20	3,835,600	2	1.35
MCW-RD Richardson Crossing LLC (Schnucks)	2,857,300	4	0.81	2,964,500	4	1.04
THF Arnold Triangle Dev LLC (Lowe's)	2,809,600	5	0.79	3,700,400	3	1.30
Dayton Hudson Corp (Target)	2,796,000	6	0.79	2,496,000	7	0.88
Water Tower LLC	2,595,800	7	0.73	2,638,300	5	0.93
LSREF4 Rebound LLC (Convergy's Corp)	2,501,000	8	0.70	2,375,900	9	0.84
HD Development of Maryland (Home Depot)	2,477,800	9	0.70	2,542,600	6	0.90
Suellentrop Family Partnership LP	2,282,500	10	0.64	2,080,000	10	0.73
Dierbergs Arnold LLC	-	-	-	2,453,300	8	0.86
Total	<u>\$ 32,368,900</u>		<u>9.12 %</u>	<u>\$ 29,817,000</u>		<u>10.50 %</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>
2022	2021	\$ 1,172,556	\$ 1,185,561	101.1 %	\$ -	\$ 1,185,561	101.1 %	\$ (13,005)	(1.1) %
2021	2020	1,203,695	1,220,716	101.4	-	1,220,716	101.4	(17,021)	(1.4)
2020	2019	1,137,568	1,130,255	99	25,244	1,155,499	101.6	(17,931)	(1.6)
2019	2018	1,164,881	1,151,057	98.8	9,236	1,160,293	99.6	4,588	0.4
2018	2017	1,125,135	1,107,362	98.4	13,578	1,120,940	99.6	4,195	0.4
2017	2016	1,095,000	1,085,348	99.1	12,193	1,097,541	100.2	(2,541)	(0.2)
2016	2015	1,075,295	1,060,702	98.6	15,009	1,075,711	100.0	(416)	-
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	-	-

(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
	Installment Purchase Agreements	Certificates Of Participation	Tax Increment Revenue Notes And Bonds	Revenue Bonds	Installment Purchase Agreements	Notes Payable			
2022	\$ 1,237,261	\$ 9,437,863	\$ 16,263,125	\$ -	\$ 190,681	\$ -	\$ 27,128,930	2.64 %	\$ 1,303
2021	1,469,633	10,526,989	19,150,588	-	282,521	-	31,429,731	3.23	1,486
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

(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, 2022**

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<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	\$ 4,001,359	9.30 %	\$ 372,050
Consolidated School No. 6 of Jefferson County	<u>140,193,186</u>	30.65	<u>42,964,578</u>
	144,194,545		43,336,628
City direct debt	<u>26,938,249</u>	100.00 %	<u>26,938,249</u>
Total Direct And Overlapping Debt	<u>\$ 171,132,794</u>		<u>\$ 70,274,877</u>

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

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

	<b>Fiscal Years</b>									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt limit	\$ 43,741,972	40,855,439	38,842,803	38,896,083	38,419,609	36,924,409	36,126,514	35,712,870	35,185,812	36,029,611
Net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 43,741,972</u>	<u>40,855,439</u>	<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>
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**

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<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Median Age (2)</b>	<b>Personal Income (1)</b>	<b>Per Capita Income (2)</b>	<b>School Enrollment</b>	<b>Jefferson County Unemployment Rate (3)</b>
2022	20,819	40.3	\$ 1,028,292,048	\$ 49,392	10,787	2.2 %
2021	21,146	41.0	973,286,942	46,027	11,150	3.2
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

(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 -**  
**2022 AND NINE YEARS AGO**

<u>Employer</u>	<u>2022</u>			<u>2013</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	780	1	3.88 %	785	2	3.74 %
Concentrix/Convergys Corportation	741	2	3.69	1,100	1	5.23
Wal-Mart	485	3	2.41	387	3	1.84
Metal Container Corporation	250	4	1.24	225	4	1.07
LMC Industries	200	5	1.00	150	7	0.71
Sinclair & Rush	200	5	1.00	148	9	0.70
Kohl's Department Store	194	6	0.97	-	-	-
Schnuck's	191	7	0.95	154	6	0.73
Texas Roadhouse	150	8	0.75	150	8	0.71
Target	148	9	0.74	225	5	1.07
Dierberg's	147	10	0.73	144	10	0.69
<b>Total</b>	<b>3,486</b>		<b>17.33 %</b>	<b>2,683</b>		<b>16.49 %</b>

Source: City Clerk's office

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

FUNCTIONS/PROGRAMS	Full-Time Equivalent Employees As Of August 31									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government:										
Legislative services	1	1	1	1	1	1	1	1	1	1
Administrative services	6	5	5	5	5	5	5	5	6	6
Maintenance of municipal property	3	3	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	53	51	51	47	48	47	47	47	47
Administrative services	5	5	5	5	5	4	3	3	3	3
Dispatch	5	5	5	5	5	5	8	8	8	8
Public works:										
Administration	3	3	3	2	3	3	3	3	3	3
Street maintenance	8	9	9	9	9	9	8	9	10	9
Fleet	2	2	2	2	2	2	2	2	2	2
Building department:										
Administration	5	4	5	5	5	5	4	4	4	5
Inspectors	3	3	3	2	1	1	2	2	2	2
Engineers	1	1	1	1	1	1	1	1	1	1
Parks and recreation:										
Administration	2	2	3	2	3	3	3	3	3	6
Maintenance	8	8	10	10	10	10	11	12	12	10
Supervisors	3	3	3	3	2	2	2	2	2	1
Seasonal and part-time programs	10	10	5	13	13	13	16	13	13	12
Sewer:										
Maintenance	-	-	-	-	-	-	-	-	8	7
Storm water:										
Maintenance	5	5	5	5	5	5	4	5	5	5
Health department:										
Administration	1	1	1	1	1	1	1	1	1	1
Rabies controller	2	3	3	2	2	2	2	2	2	2
Golf course:										
Administration	-	-	1	1	2	2	1	1	1	3
Maintenance	-	-	2	2	2	2	1	2	2	5
Seasonal and part-time	-	-	7	7	7	5	4	5	5	2

Source: City payroll department records

Note: Golf Course was permanently closed in January 2020.

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

FUNCTIONS/PROGRAMS	Fiscal Years									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police - patrol:										
Arrests	1,359	1,362	1,350	1,767	1,291	1,799	1,930	2,014	2,186	1,943
Traffic citations	4,613	3,616	4,224	5,791	6,982	7,342	7,555	7,687	8,105	8,075
Crime reports	15,629	15,123	16,050	16,373	16,623	16,155	15,028	14,408	14,074	12,230
Accident reports	733	685	705	891	901	893	830	775	712	603
Warrants	-	-	1,785	2,282	2,178	1,866	1,921	2,999	4,751	4,650
Public works:										
Road repair - tons of mix	3,305	3,884	6,500	6,500	6,220	339	416	311	4,100	4,500
Traffic control signs serviced	180	175	98	98	110	104	110	100	200	300
Weed violations issued - HW	-	-	176	244	220	36	159	321	150	186
Acres mowed and maintained	7	7	7	7	7	7	7	7	15	10
Parks and recreation:										
Park program participants	1,925	1,827	101	1,242	947	1,269	2,650	990	1,944	1,443
Park pavilion rentals	496	611	293	456	474	524	488	918	537	511
Recreation Center memberships	5,415	4,632	2,369	2,518	2,503	3,449	2,300	2,976	3,434	4,019
Recreation Center program participants	4,708	1,179	4,490	6,860	3,935	7,660	9,247	6,675	5,766	6,885
Recreation Center room rentals	1,575	753	217	354	772	935	1,041	1,101	1,136	1,264
Member golf rounds	-	-	567	1,677	N/A	N/A	2,333	2,832	3,596	4,957
9-hole golf rounds	-	-	1,434	2,886	7,152	N/A	5,245	5,114	5,862	5,708
18-hole golf rounds	-	-	-	970	8,672	N/A	6,849	6,158	9,982	9,485
All other golf rounds	-	-	52	1,599	N/A	N/A	4,296	981	1,294	1,802
Planning and building:										
Site development/concept plans	6	5	12	20	21	14	10	26	24	23
Rezoning applications	1.00	2.00	-	7	2	1	2	2	3	2
Text amendments	3	4	2	9	4	1	-	3	1	2
Building permits issued	986	848	1,689	796	753	995	655	568	559	595
Building inspections completed	2,666	2,796	2,818	1,802	1,815	2,935	3,064	3,006	2,431	2,899
Finance and administration:										
Merchant licenses issued	665	660	657	662	704	692	699	665	661	655
Payroll checks issued	4,260	4,119	4,226	4,401	4,653	5,028	5,245	5,061	5,138	5,081
Accounts payable processed	-	3,062	2,818	3,502	3,597	3,691	4,083	4,537	4,795	4,919
Requests for public records	44	39	40	39	37	27	27	30	32	53

Source: City records - various departments listed

N/A - Information not available

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

FUNCTIONS/PROGRAMS	Fiscal Years									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	21	20	20	20	22	22	23	24	31	31
Motorcycles	2	2	2	2	2	2	2	2	2	2
Public works:										
Miles of streets	86	85	85	85	83	83	82	80	80	80
Traffic lights and signals	6	6	6	6	6	6	6	7	6	6
Miles of sanitary sewers	-	-	-	-	-	-	-	-	112.1	112.1
Miles of storm sewers	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	59.0
Number of pumping stations	-	-	-	-	-	-	6	-	6	6
Parks and recreation:										
Number of parks	8	8	8	9	7	6	6	5	5	5
Acres of parks	418	418	418	418	488	488	488	488	488	488
Tennis courts	-	-	-	-	-	-	-	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

Source: City finance department records



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

<b>Fiscal Year</b>	<b>Payments In Lieu Of Taxes</b>	<b>Economic Activity Taxes</b>	<b>Municipal Revenues</b>	<b>TDD Revenues</b>	<b>TDD Subsidy</b>	<b>Total</b>
2022	\$ 680,153	\$ 2,106,408	\$ -	\$ 525,887	\$ 200,000	\$ 3,512,448
2021	934,134	2,085,799	-	525,821	200,000	3,745,754
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

Source: City records

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

<b>Fiscal Year</b>	<b>Triangle TIF</b>		<b>Crossroads TIF</b>		<b>Crossroads TIF - SubArea 1</b>			<b>Total</b>
	<b>PILOTS</b>	<b>EATS</b>	<b>PILOTS</b>	<b>EATS</b>	<b>PILOTS</b>	<b>EATS</b>	<b>Tourism</b>	
2022	\$ 680,153	2,832,295	-	-	91,302	8,999	210,322	3,823,071
2021	934,134	2,811,620	10,330	62,522	96,223	9,788	116,591	4,041,208
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

Source: City records

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

Sources	2022		2021		2020		2019		2018		2017		2016		2015	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Retail sales taxes	\$ 7,241,017	42.54 %	\$ 6,859,391	40.20 %	\$ 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	3,114,241	18.29	2,858,966	16.76	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	20.09
Jefferson County shared capital improvement sales taxes	1,998,110	11.74	1,247,980	7.31	-	-	-	-	434,980	3.00	927,306	6.28	1,140,340	7.43	781,784	4.96
Local property tax	1,178,093	6.92	1,184,494	6.94	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	645,973	3.79	551,961	3.24	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	310,029	1.82	330,813	1.94	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	360,576	2.12	280,545	1.64	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	53,111	0.31	57,428	0.34	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	1,556,527	9.14	1,378,955	8.08	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	236,827	1.39	263,685	1.55	362,078	2.46	553,587	4.04	723,579	4.99	682,008	4.62	668,018	4.35	713,514	4.52
Intergovernmental	114,477	0.67	1,669,140	9.78	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	69,262	0.41	57,368	0.34	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	30,160	0.18	13,024	0.08	165,471	1.12	44,521	0.32	6,828	0.05	14,061	0.10	25,037	0.16	25,039	0.16
Miscellaneous	114,151	0.67	308,062	1.81	156,133	1.06	164,974	1.20	194,050	1.34	105,085	0.71	211,519	1.38	296,527	1.88
<b>Total Revenues</b>	<b>\$ 17,022,554</b>	<b>100.00 %</b>	<b>\$ 17,061,812</b>	<b>100.00 %</b>	<b>\$ 14,714,906</b>	<b>100.00 %</b>	<b>\$ 13,704,977</b>	<b>100.00 %</b>	<b>\$ 14,512,858</b>	<b>100.00 %</b>	<b>\$ 14,761,833</b>	<b>100.00 %</b>	<b>\$ 15,353,498</b>	<b>100.00 %</b>	<b>\$ 15,774,882</b>	<b>100.00 %</b>

Source: Basic financial statements.

Note: Information will be expanded in future years.