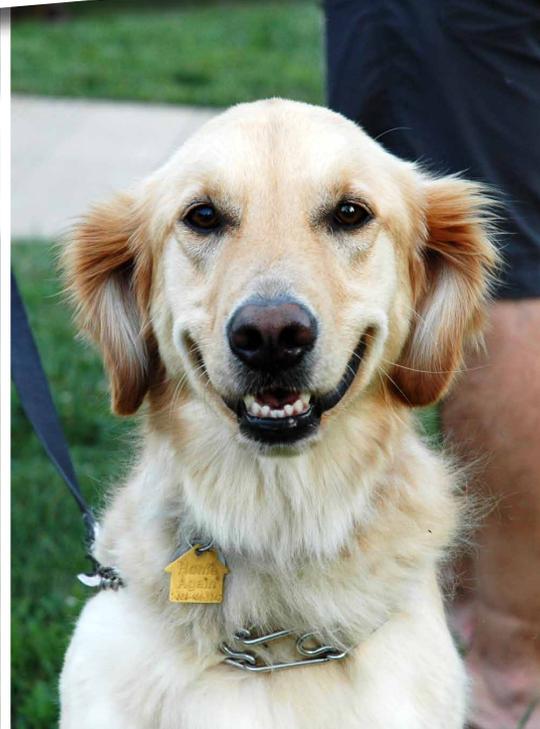




City of Creve Coeur, Missouri

# Popular Annual Financial Report

2015



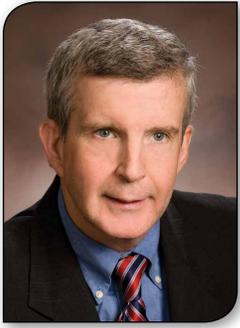


Mark Perkins, ICMA-CM  
City Administrator

## A Message from the City Administrator and the Director of Finance

Creve Coeur Citizens,

In our ongoing effort to inform Creve Coeur citizens about the state of city finances, we are pleased to present the 2015 Popular Annual Financial Report (PAFR).



Daniel Smith, CPA  
Director of Finance

The report is reflective of our commitment to preserving the city’s long-term financial health. Further evidence of this is the city’s previous AAA Standard & Poor’s bond rating; Creve Coeur was one of a handful of such highly rated cities in the state of Missouri. This rating no longer exists since the city retired all outstanding bond debt in Fiscal Year 2014.

The financial activity statements included herein are taken from the city’s Comprehensive Annual Financial Report (CAFR). A copy of the CAFR is available at the Creve Coeur Government Center or on the city’s website at [www.creve-coeur.org/cafr](http://www.creve-coeur.org/cafr).

To the best of our knowledge, the information presented herein is accurate in all material respects and presents fairly the financial positions and results of operations for the fiscal year ending June 30, 2015. Responsibility for the accuracy, completeness and fairness of the data presented rests with the city. The PAFR is prepared in accordance with the Government Finance Officers Association standards.

We hope you find this report to be informative and we welcome your comments and questions. Please feel free to contact either of us to discuss any aspect of this report. Citizens may keep apprised of the state of city finances by reviewing the quarterly financial reports posted to the city website at [www.creve-coeur.org/quarterlyfinancial](http://www.creve-coeur.org/quarterlyfinancial).

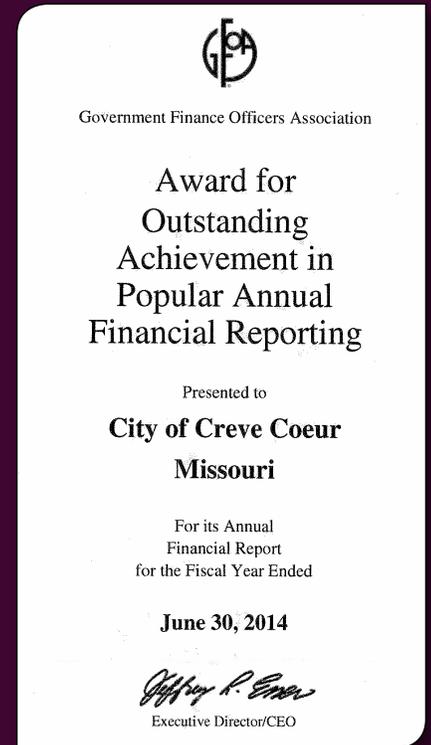
Sincerely,

  
Mark Perkins  
City Administrator

  
Daniel Smith  
Director of Finance

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The City of Creve Coeur was the recipient of the Award for Outstanding Achievement in Popular Annual Financial Reporting by the Government Finance Officers Association of the United States and Canada for its Popular Annual Financial Report for fiscal year ending June 30, 2014.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

Visit [www.gfoa.org](http://www.gfoa.org), for more information about this award and its criteria.

# Financial Activity Statements for Years Ended June 30, 2014 and June 30, 2015

<b>All Government Fund Types</b>		
<b>Revenues</b>	<b>2014</b>	<b>2015</b>
Property Taxes	\$558,971	\$549,217
Sales Tax	\$6,876,143	\$7,024,742
Public Utility Licenses	\$5,860,067	\$5,586,528
Other Taxes	\$86,574	\$85,162
Licenses and Permits	\$933,612	\$1,248,177
Municipal Facilities	\$84,274	\$99,202
Intergovernmental	\$1,871,204	\$2,237,648
Fines & Forfeitures	\$1,546,944	\$1,137,913
Charges for Services	\$56,786	\$47,066
Investment Income	\$287,644	\$222,965
Miscellaneous	\$445,475	\$449,949
<b>Total Revenues</b>	<b>\$18,607,694</b>	<b>\$18,688,569</b>
<b>Expenditure by Function</b>		
General Government	\$3,126,107	\$3,156,302
Public Safety	\$6,163,104	\$6,350,570
Public Works	\$3,955,462	\$3,998,481
Community Development	\$1,150,934	\$1,221,667
Economic Development	\$0	\$0
Capital Outlay	\$2,672,906	\$2,695,378
Debt Service (Principal & Interest)	\$4,250,897	\$0
<b>Total Expenditures</b>	<b>\$21,319,410</b>	<b>\$17,422,398</b>
<b>Other Financing Sources/ Uses</b>		
Transfers-In	\$3,150,000	\$400,000
Transfers-Out	(\$3,450,000)	(\$1,727,983)
Net Bond Proceeds	\$0	\$0
Proceeds from Capital Lease	\$0	\$0
Proceeds from Sale of Capital Assets	\$102,054	\$85,157
<b>Net Changes in Fund Balance</b>	<b>(\$2,909,662)</b>	<b>\$23,345</b>

## All Government Fund Types

What does this mean? During 2015, the city's revenues and sources slightly exceeded expenditures and uses in its Governmental Funds. The increase would have been even greater if not for the accounting entry required to forgive all Enterprise Fund debt to the General Fund.

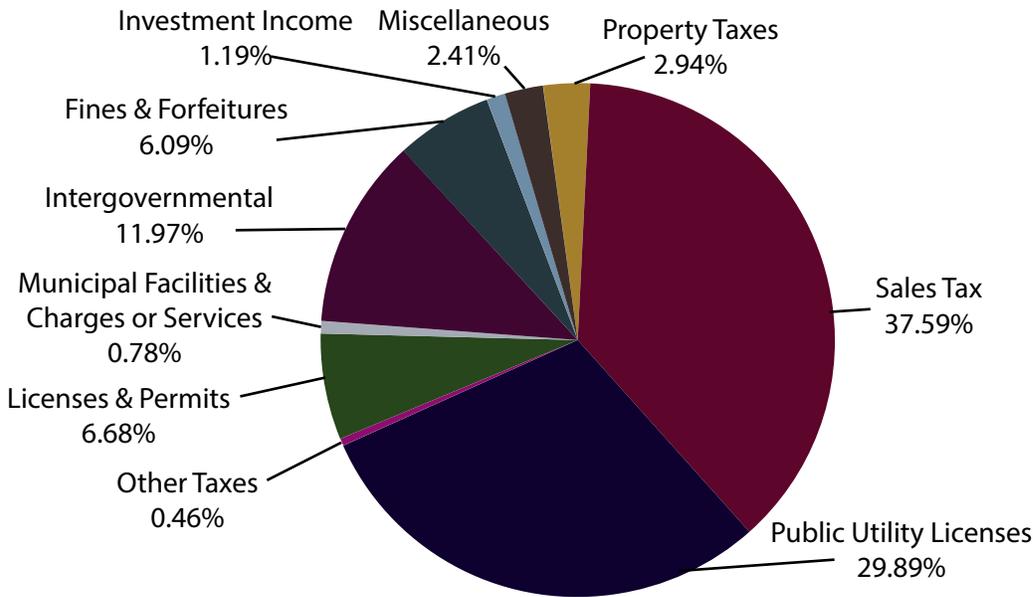
On the revenue side, sales tax, building permits and inter-governmental revenues increased while fines and forfeitures, electric utility licenses and interest revenues decreased. On the expenditure side, debt service expenditures decreased substantially since all city bond debt was paid off in Fiscal Year 2014.

<b>Enterprise Fund</b>		
<b>Revenues</b>	<b>2014</b>	<b>2015</b>
Food Service Revenues	\$55,473	\$52,497
Golf Course Revenues	\$424,687	\$380,453
Ice Arena Revenues	\$522,415	\$562,286
<b>Total Operating Revenues</b>	<b>\$1,002,575</b>	<b>\$995,236</b>
<b>Operating Expenses</b>		
Food Service Expenses	\$38,628	\$40,597
Golf Course Expenses	\$411,463	\$420,556
Ice Arena Expenses	\$511,023	\$449,430
Depreciation	\$234,207	\$235,197
<b>Total Operating Expenses</b>	<b>\$1,195,321</b>	<b>\$1,145,780</b>
<b>Non-Operating Revenue (Expenses)</b>		
Investment Income	\$189	\$264
Interest Expense	\$0	\$0
Loss on Disposal of Assets	\$0	(\$8,105)
<b>Total Non-Operating Revenue (Expenses)</b>	<b>\$189</b>	<b>(\$7,841)</b>
<b>Loss Before Capital Contributions and Transfers</b>	<b>(\$192,557)</b>	<b>(\$158,385)</b>
Capital Contributions		
Transfers-In	\$0	1,327,983
<b>Change in Net Assets</b>	<b>(\$192,557)</b>	<b>\$1,169,598</b>
Net Assets, July 1	\$2,243,328	\$2,050,771
<b>Net Assets, June 30</b>	<b>\$2,050,771</b>	<b>\$3,220,369</b>

## Enterprise Fund

The Enterprise Fund records the financial activity of the recreation activities conducted at the Dielmann Recreation Complex. The operating loss of the Enterprise Fund decreased in 2015 from \$192,557 to \$158,385. This decrease occurred primarily as a result of decreased expenses at the Ice Arena. The revenues of the Enterprise Fund covered all operating expenditures with the exception of depreciation in 2015.

## Where Does the Money Come From?



Revenue	2015
Property Taxes	\$549,217
Sales Tax	\$7,024,742
Public Utility Licenses	\$5,586,528
Other Taxes	\$85,162
Licenses and Permits	\$1,248,177
Municipal Facilities and Charges for Services	\$146,268
Intergovernmental	\$2,237,648
Fines & Forfeitures	\$1,137,913
Investment Income	\$222,965
Miscellaneous	\$449,949
<b>Total Revenue</b>	<b>\$18,688,569</b>

**Public Utility Licenses:** derived from the city's 7 percent gross receipts tax on sales of electric, gas, telephone and water services within the city. Residential electric tax is 5.5 percent.

**Sales Tax:** derived from the 1.25 percent general retail sales tax and the 0.5 percent capital sales tax. A portion of the sales tax revenue is shared with other cities and St. Louis County (see article on page 6).

**Intergovernmental:** revenues from grants and pass-through monies from the state of Missouri and the U.S. government, including gasoline tax, auto sales tax and road and bridge money.

**Fines & Forfeitures:** revenues derived from fines and costs levied in the court.

**Licenses & Permits:** derived from licenses and permits, such as building permits and business licenses, required by the city's code or state law.

**Property Taxes:** derived from the city's real estate tax rate of \$.072 for residential and \$.079 for commercial property per \$100 assessed valuation.

**Miscellaneous:** derived from sources such as cable television franchise fees, reimbursements, refunds and other sources.

**Investment Income:** revenue earned by investing city funds throughout the year, pursuant to the city's investment policy.

**Other Taxes:** primarily tax revenues for the sewer lateral program.

**Municipal Facilities & Charges for Services:** revenues from the use of city facilities or recreation programs and charges for services, such as the police contract with Parkway Schools.

## Where Does the Money Go?

**Community Development:** expenditures relating to planning, zoning, building inspection and code enforcement.

**Debt Service:** debt service payments include both principal and interest debt issued for the Millennium Park acquisition (2004). The Millennium Park debt was retired January 1, 2014. There is currently no bonded debt outstanding.

**General Government:** expenditures relating to city council, city clerk, city administrator's office, finance, municipal court, insurance, sewer lateral program and other related functions.

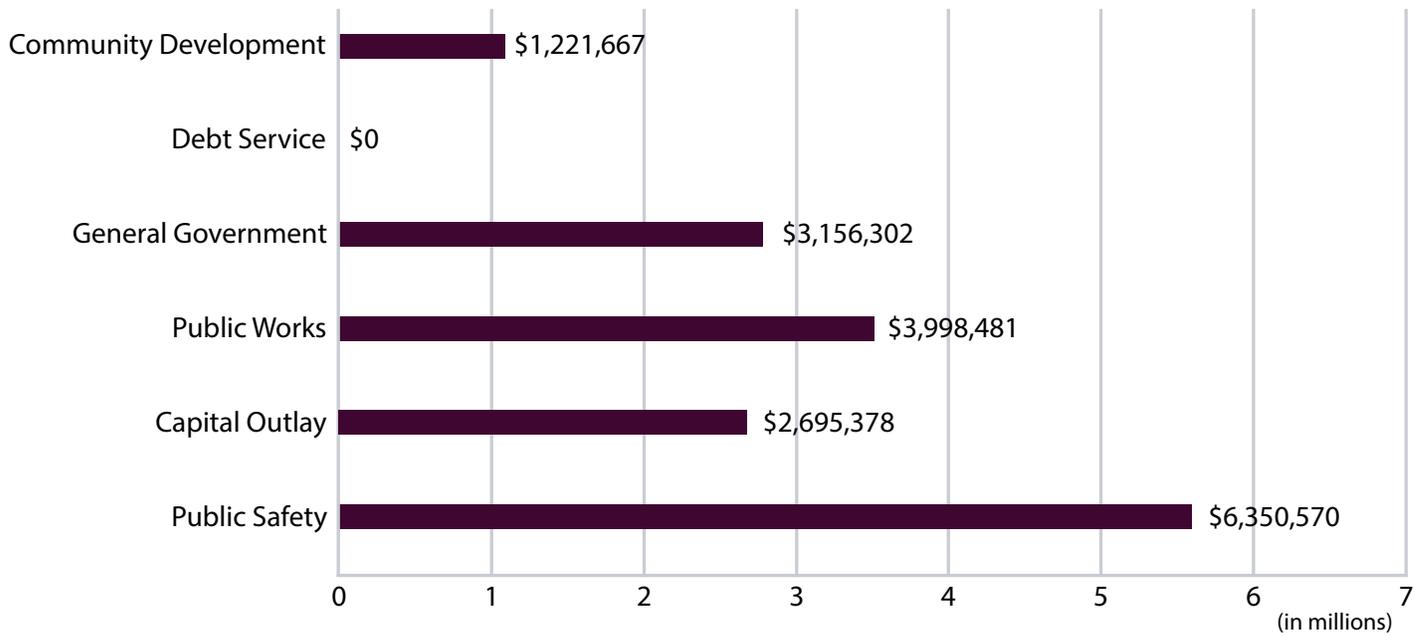
**Public Works:** expenditures relating to services such as streets, parks, building maintenance, refuse collection, recycling, engineering and other related services.

**Capital Outlay:** accounts used to purchase capital items and the construction or acquisition of major capital facilities. This includes projects financed through the city's 0.5 percent Capital Sales Tax.

**Public Safety:** expenditures relating to the police department, including administration, investigation, patrol and dispatching.

Expenditure	2015
Economic Development	\$0
Community Development	\$1,221,667
Debt Service	\$0
General Government	\$3,156,302
Public Works	\$3,998,481
Capital Outlay	\$2,695,378
Public Safety	\$6,350,570
<b>Total Expenditure</b>	<b>\$17,422,398</b>

# Governmental Fund Type-Expenditure by Function



## Capital Improvement Program

The Capital Improvement Program (CIP) is the city's long-range planning tool for improvements to infrastructure, parks and other community facilities and to establish funding of high-priority projects in a timely and cost-effective fashion. The CIP provides a systematic approach to replacing deteriorating infrastructure and major capital equipment, and adding new facilities that enhance the quality of life in Creve Coeur.

The CIP covers a five-year period and is updated annually. Projects are prioritized based on the following criteria:

- Public safety
- Condition of existing facility
- Operating efficiency
- Citizen demand
- Economic growth
- Protection and conservation
- Beautification
- Coordination (projects, regulations)
- Availability of funding

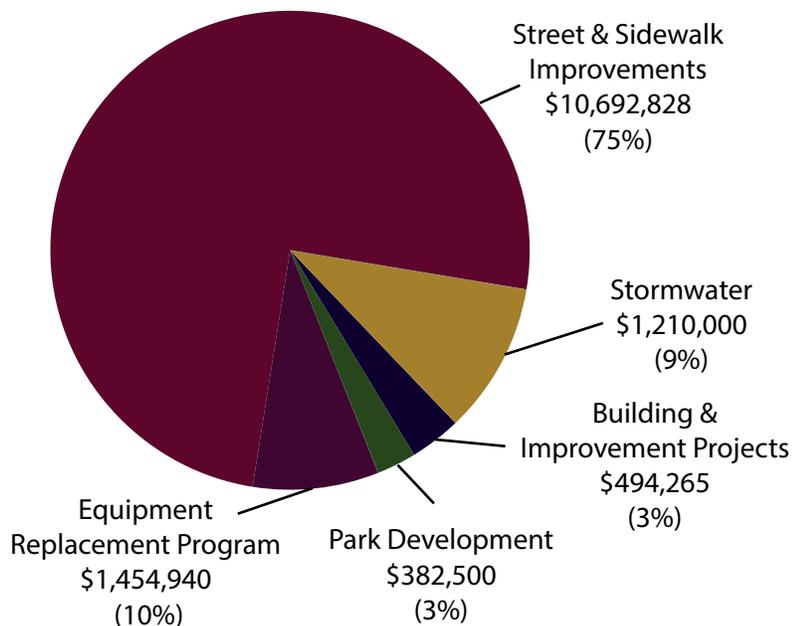
The Planning and Zoning Commission and Finance Committee review the plan and forward a recommendation to the City Council. The City Council holds a public hearing and ultimately decides on the CIP's adoption.

The CIP and other long-range planning documents are available for review at the Government Center and on the city's website at [www.creve-coeur.org/CIP](http://www.creve-coeur.org/CIP).

### CIP Expenses

CIP Expenses	2016
Street & Sidewalk Improvements	\$2,260,178
Stormwater	\$500,000
Park Development	\$0
Building & Improvement Projects	\$161,265
Equipment Replacement Program	\$251,905
Debt Service	\$0
<b>Total CIP Expenses</b>	<b>\$3,173,348</b>

### CIP Five-Year Summary 2016-2020

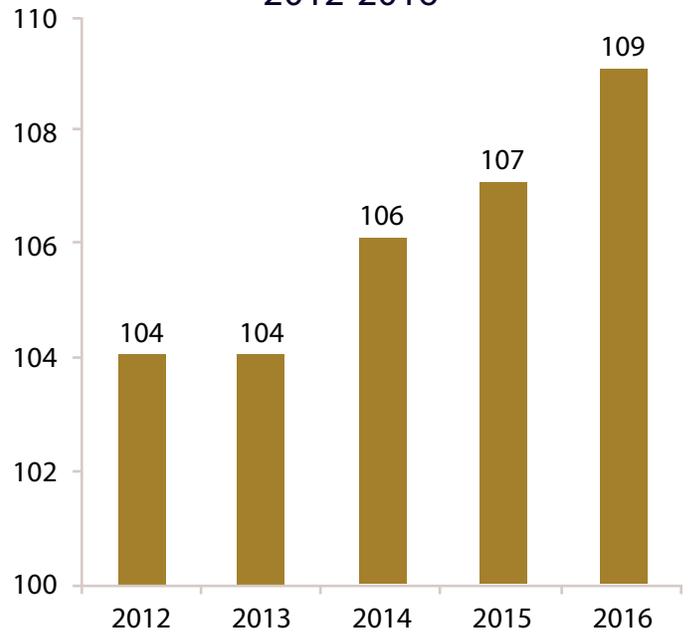


## Where Does Property Tax Go?

Tax Entity	Rate	Cost*
Parkway School District	4.4617	\$2,967
Ladue School District	3.5339	\$2,350
Creve Coeur Fire District	1.1550	\$768
Special School District	1.2348	\$821
County	0.5150	\$342
Community College	0.2176	\$145
Metro Zoo	0.2777	\$185
Library	0.2460	\$164
Sheltered Workshop	0.0880	\$59
<b>City of Creve Coeur</b>	<b>0.0690</b>	<b>\$46</b>
State	0.0300	\$20
Sewer	0.1706	\$113
Total Tax Parkway	8.4654	\$5,629
Total Tax Ladue	7.5376	\$5,013

\*The average Creve Coeur homeowner (\$350,000 market value house) pays \$5,013 to \$5,629 in real estate taxes, with approximately 1 percent going to the City of Creve Coeur, which is the only entity listed above that does not levy a personal property tax. Tax rates will vary based upon sewer district taxes subject to your location.

## Authorized Full-Time City Staff 2012-2016



Authorized full time city staff has slightly fallen from 114.5 in 2010 to 109 in 2016, with decreased staffing levels occurring in most departments. Service levels have been maintained through greater use of outsourcing, regional initiatives and improved efficiency. Additional positions were added in Fiscal Year 2016 to provide additional resources for the work load in building inspection and as a result of increased city capital projects.

## Outstanding Debt 2011-2015



**2004 Millennium Park Debt:** originally issued in 2000 and refinanced in 2004; provided financing for the acquisition and development of Millennium Park. This debt was retired January 1, 2014.

**Capital Lease Payable:** provided funds to acquire certain office equipment for city departments.

### City of Creve Coeur Outstanding Debt June 30, 2015

Millennium Park Debt	\$0
Capital Lease Payable	\$0
Compensated Absences	\$480,701
<b>Total Debt</b>	<b>\$480,701</b>

*Note: Millennium Park Debt was fully retired on January 1, 2014.*

**Compensated Absences:** reflects the outstanding liability on the city's financial statement for the value of employees' accumulation of vacation time. Most of this vacation will be used during the normal course of operations during the city's fiscal year.

# Creve Coeur Shares Sales Tax With Other Cities, St. Louis County

Retail sales in St. Louis County are subject to a 1 percent local sales tax that is shared among the cities in St. Louis County and the county itself. St. Louis County is the only county in the state where sales tax sharing applies, pursuant to state legislation adopted in 1993 which identifies each city as either 'A', 'B' or 'A/B'. The city's one-half cent capital improvement sales tax and one-quarter cent local option sales tax are also shared.

**'A' Cities:** 'A' cities, or 'point-of-sales' cities, receive sales tax revenue generated within their city limits, but sharing applies if the average sales tax income per capita within an individual city exceeds the average sales tax income per capita countywide. If Creve Coeur's per capita average exceeds the prior year's countywide per capita average, the city shares 7.5 percent of the sales tax income. If Creve Coeur's per capita average exceeds the county's prior year per capita average by 25 percent or more, the city shares 12.5 percent of the sales tax income with St. Louis County for the pool. This sharing percentage continues to increase with the city per capita sales tax income.

**'B' Cities:** 'B' cities, also called 'pool' cities, receive a population based pro-rated share of the sales tax revenue collected by St. Louis County. Newly created cities and areas annexed since the sharing formula became effective are 'B' cities.

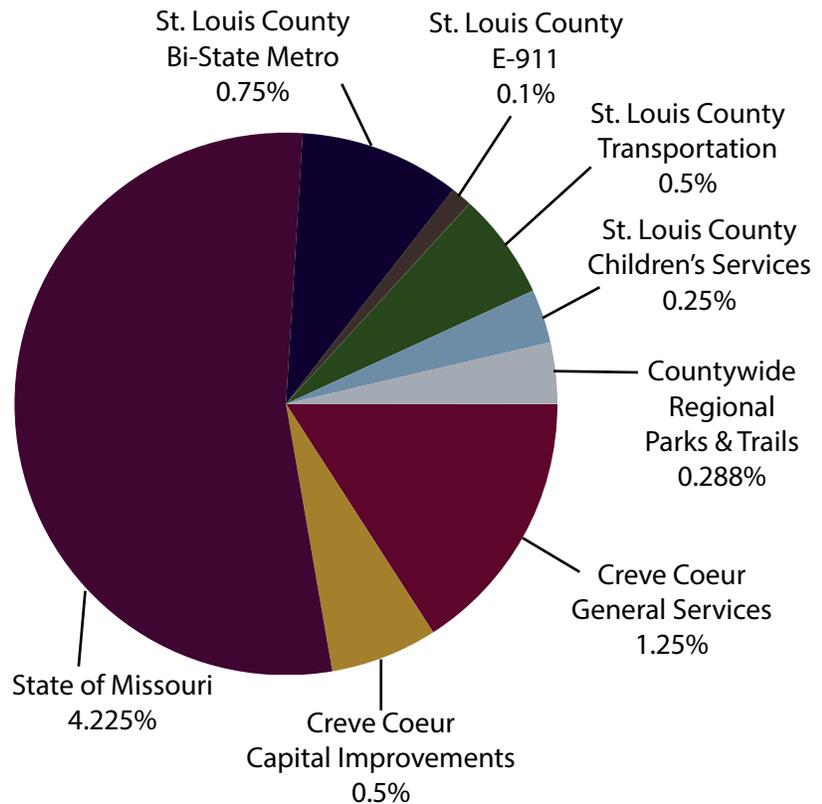
**'A/B' Cities:** 'A/B' cities are those that were in existence at the time the sharing formula was created and are a mixture of 'A' ('point-of-sale') and 'B' ('pool').

Creve Coeur is an 'A/B' city, primarily a 'point-of-sale' ('A') city, except for parts of Ward 4 that were annexed in the 1990s, which are 'pool' ('B'). Total sales tax revenue generated in Creve Coeur last year was approximately \$8,867,756 for both retail and capital sales tax. However, \$1,617,355 was shared with other cities under the County formula, resulting in net sales tax revenue for Creve Coeur of \$7,250,401. As a result of the sharing legislation, the City of Creve Coeur receives approximately 82 percent of the sales tax revenue generated by Creve Coeur businesses with the remaining 18 percent shared with other cities and the county.

State legislation has been unsuccessfully proposed in recent years to amend the sharing formula or to end sharing altogether. Proposed changes to the current system have included placing a cap on the amount of sales tax to be shared, ending sharing for the one-quarter cent (local option) sales tax, requiring an annual audit of sharing calculations, allowing cities to move between 'A' and 'B' status every ten years, or ending sales tax sharing entirely. In the other direction, legislation has also been proposed to require countywide sharing of all sales tax which would result in a substantial revenue loss to Creve Coeur.

If you have any questions about sales tax sharing, please contact Daniel Smith, Director of Finance, at [dsmith@ci.creve-coeur.mo.us](mailto:dsmith@ci.creve-coeur.mo.us) or (314) 872-2519.

## Distribution of Sales Tax Rate



## Sales Tax Rate Comparison

The City of Creve Coeur total sales tax is among the lowest of area cities.

Municipality	Sales Tax Rate
Olivette	8.6125%
Des Peres	8.6125%
Brentwood	8.6125%
Richmond Heights	8.6125%
Frontenac	8.6125%
Town & Country	8.3625%
Chesterfield	8.1125%
<b>Creve Coeur</b>	<b>7.8625%</b>
Maryland Heights	7.6125%

*Note: Tax rates do not include special taxing districts, such as Transportation Development Districts (TDD).*

The information contained in this report is from the City of Creve Coeur Comprehensive Annual Financial Report (CAFR). A copy of the CAFR is available at the Government Center.



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City of Creve Coeur Comprehensive Annual Financial Report (CAFR).  
A copy of the CAFR is available at the Government Center and online at [www.creve-coeur.org/cafr](http://www.creve-coeur.org/cafr).

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