



City of Creve Coeur, Missouri

Popular Annual Financial Report

For Fiscal Year Ended June 30, 2023



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 2023 Popular Annual Financial Report (PAFR).

The report is reflective of our commitment to preserving the city's long-term financial health. Further evidence of this is the city's AAA Standard & Poor's bond rating; Creve Coeur is one of a handful of such highly rated cities in the state of Missouri.

The financial activity statements included herein are taken from the city's Annual Comprehensive Financial Report (ACFR). The ACFR provides more detailed information and includes an audit from an independent firm of licensed certified public accountants, Sikich LLP.

The ACFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP). The PAFR is prepared in accordance with the Government Finance Officers Association standards and in conformity with GAAP.

Most of the city's services are included in the governmental funds and proprietary funds

(operations of the ice arena and golf course) so those are the funds that we include in the PAFR. We have not included Fiduciary Fund data information in the PAFR but this information can be found in the city's ACFR.

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 ACFR at www.crevecoeurmo.gov/ACFR or the quarterly financial reports posted to the city website at www.crevecoeurmo.gov/QuarterlyFinancial.

Sincerely,

Mark Perkins
City Administrator

Lori Obermoeller
Director of Finance

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Financial Activity Statements for years ended June 30, 2021 through June 30, 2023

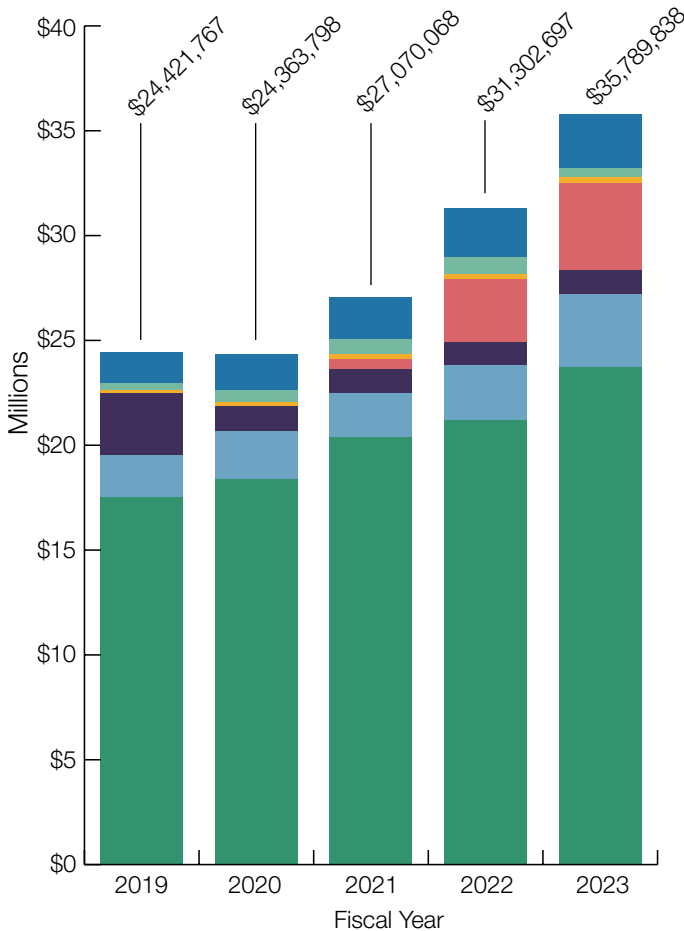
All Governmental Fund Types

All Governmental Funds for the City include the General Fund, the Capital Improvement Fund, the Sewer Lateral Fund, the Police Building Fund, the Debt Fund, the Parks and Stormwater Fund, and the Public Safety Sales Tax Fund. During 2023, the city's revenues and sources were higher than expenditures and uses in its Governmental Funds by \$4,487,141 due to revenues exceeding expenditures as a result of utility revenues being up \$1.1 million—with \$687,686 received from a one-time Charter settlement; \$660,000 received from American Rescue Plan Act (ARPA) Funds; sales tax up \$418,000; expenditures being down \$822,000 from budget as a result of vacant positions and the amount of time it has taken to fill positions; and \$207,000 less in capital equipment due to not receiving ordered equipment.

Overall revenues increased \$3,086,637. Expenditures increased by \$2,879,992 with an increase in expenditures in Public Safety, Public Works, Community Development, Capital Outlay, and Debt Service. Most of the increase in expenditures was due to an increase in parks and stormwater capital projects since the Parks and Stormwater Fund was just established in FY2022, as well as an increase in personnel costs.

Total Governmental Fund Balance

for years ended June 30, 2019 through June 30, 2023



All Governmental Fund Types			
Revenues	2021	2022	2023
Property Taxes	\$1,586,333	\$1,530,925	\$1,706,923
Sales Tax	\$8,122,301	\$11,223,405	\$11,845,836
Public Utility Licenses	\$5,396,414	\$5,623,250	\$6,700,135
Other Taxes	\$135,967	\$136,188	\$135,551
Licenses and Permits	\$1,610,411	\$1,879,503	\$1,369,023
Municipal Facilities	\$17,535	\$53,981	\$66,694
Intergovernmental	\$3,284,049	\$2,950,297	\$3,568,427
Fines & Forfeitures	\$551,411	\$451,431	\$442,763
Charges for Services	\$92,911	\$78,796	\$76,942
Investment Income	\$170,224	(\$1,072,363)*	\$206,588**
Miscellaneous	\$220,496	\$489,141	\$312,309
Total Revenues	\$21,188,052	\$23,344,554	\$26,431,191
Expenditures by Function	2021	2022	2023
General Government	\$2,773,517	\$3,595,640	\$3,448,559
Public Safety	\$7,129,639	\$6,713,914	\$7,443,504
Public Works	\$3,282,366	\$3,235,831	\$3,820,164
Community Development	\$1,476,340	\$1,183,382	\$1,198,265
Capital Outlay	\$3,186,988	\$3,669,994	\$4,777,214
Debt Service (Principal & Interest)	\$710,742	\$716,624	\$1,307,671
Total Expenditures	18,559,592	\$19,115,385	\$21,995,377
Other Financing Sources/ Uses	2021	2022	2023
Transfers-In	\$596,366	\$1,739,528	\$1,323,014
Transfers-Out	\$596,366	\$1,739,528	\$1,323,014
Net Bond Proceeds	\$0	\$0	\$0
Proceeds from Capital Lease	\$0	\$0	\$0
Proceeds from Sale of Capital Assets	\$77,810	\$3,460	\$51,327
Net Changes in Fund Balance	\$2,706,270	\$4,232,629	\$4,487,141

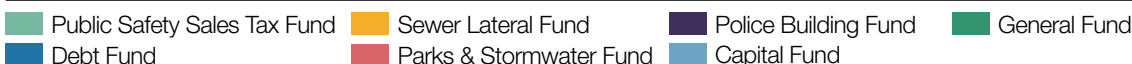
*Investment income had a \$1,072,363 loss in FY2022 as a result of the book entry to record investments at market value.

**Does not include Market Adjustment of \$590,733.

Governmental Fund Balance

The overall Governmental Fund Balance had been decreasing until FY2021. In recent years, revenues continue to exceed expenditures as a result of unanticipated one-time revenues sources each year—such as the federal Coronavirus, Aid, Relief and Economic Security (CARES) Act funds in FY2021; ARPA funds in FY2022 and FY2023; a Charter settlement payment of \$687,686 in FY2023; as well as overall budgeted expenditures decreasing. A portion of these funds are designated for construction of future facilities and emergency road projects.

All of the funds, except the General Fund, are restricted for specific uses.



Financial Activity Statements for years ended June 30, 2021 through June 30, 2023

Enterprise Fund

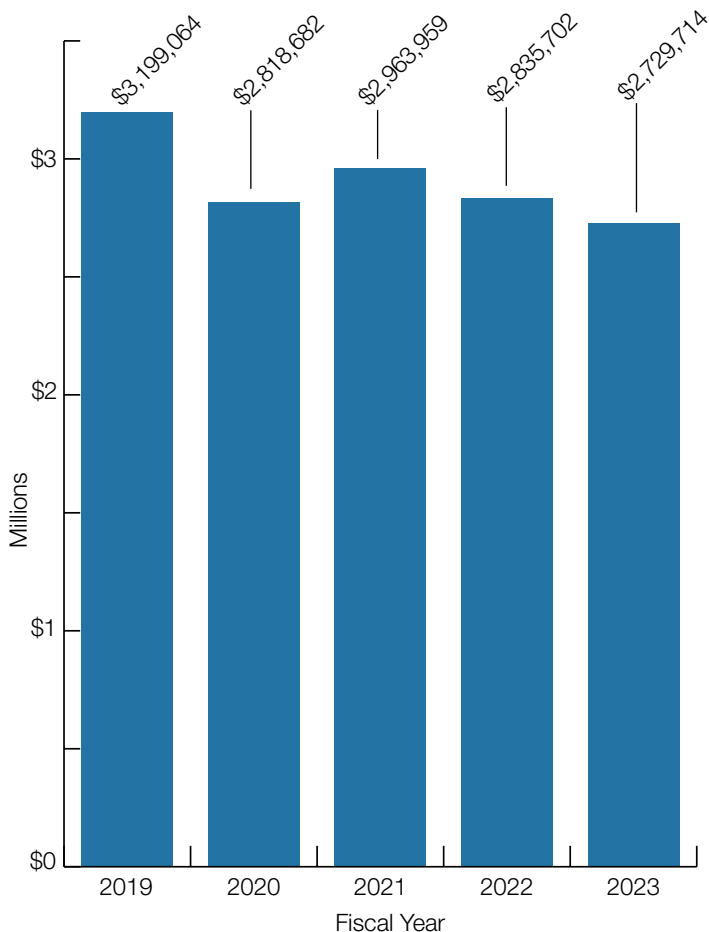
The Enterprise Fund records the financial activity of the recreation activities conducted at the Dielmann Recreation Complex. The operating loss of the Enterprise Fund decreased in 2023 from \$169,378 to \$141,863. The revenues of the Enterprise Fund covered all operating expenses in 2023 with the exception of depreciation of capital assets.

Depreciation is a “non-cash” expense that is reflected on the Enterprise Fund statements. However, the City does not fund depreciation because the capital assets are largely funded out of the Capital Improvement Fund. Therefore, the user fees for the Enterprise Fund are established primarily to recover operation costs excluding depreciation.

Enterprise Fund			
Operating Revenues	2021	2022	2023
Food Service Revenues	\$40,303	\$53,377	\$62,120
Golf Course Revenues	\$557,212	\$496,195	\$613,333
Ice Arena Revenues	\$554,828	\$753,002	\$785,372
Total Operating Revenues	\$1,152,343	\$1,302,574	\$1,460,825
Operating Expenses	2021	2022	2023
Food Service Expenses	\$32,042	\$49,115	\$57,739
Golf Course Expenses	\$552,801	\$569,329	\$602,083
Ice Arena Expenses	\$512,869	\$548,694	\$627,054
Depreciation	\$319,728	\$304,814	\$315,812
Total Operating Expenses	\$1,417,440	\$1,471,952	\$1,602,688
Operating Income (Loss)	2021	2022	2023
	(\$265,097)	(\$169,378)	(\$141,863)
Non-Operating Revenue (Expenses)	2021	2022	2023
Investment Income	\$172	\$608	\$15,108
Misc. Revenue	\$12,842	\$0	\$0
Interest Expense	\$0	\$0	(\$7,239)
Proceeds from Sale of Capital Assets	\$0	\$1,000	(\$3,282)
Loss on Disposal Assets	(\$37,016)	(\$1,000)	(\$24,500)
Total Non-Operating Revenue (Expenses)	(\$24,002)	\$608	(\$19,913)
Other Financing Sources/ Uses	2021	2022	2023
Capital Contributions	\$37,500	\$40,513	\$48,576
Transfers-In	\$0	\$0	\$0
Change in Net Position	2021	2022	2023
Net Position, July 1	\$2,818,682	\$2,963,959	\$2,835,702
Prior Year Adjustments	\$396,876	\$0	\$7,212
Net Position, June 30	\$2,963,959	\$2,835,702	\$2,729,714

Total Enterprise Fund Balance

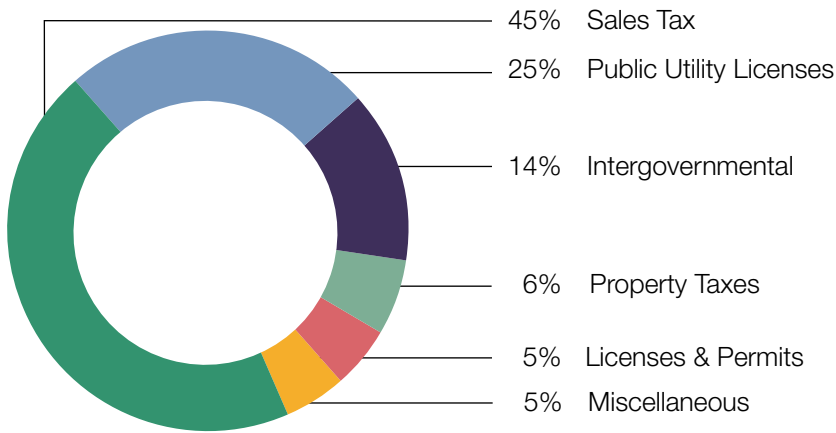
for years ended June 30, 2019 through June 30, 2023



Enterprise Fund Balance

The Enterprise Fund Balance has seen a decreasing trend over the last five years but is predicted to have enough reserves to not need funds from the General Fund for the next five years. However, depreciated expenses is the main reason for negative net position. Without it, there would be a positive net change. Due to regularly increasing fees and an increase in golf and ice activities after COVID-19, revenues are outperforming expenditures.

Where Does the Money Come From?



Governmental Fund Revenues	FY2023
Sales Tax	\$11,845,836
Public Utility Licenses	\$6,700,135
Intergovernmental	\$3,568,427
Property Taxes	\$1,706,923
Licenses and Permits	\$1,369,023
Miscellaneous	\$1,240,847
Total	\$26,431,191

Sales Tax: derived from the 1.25 percent general retail sales tax, the 0.5 percent capital sales tax, and the 0.5 percent parks and stormwater sales tax, and the 0.5 percent County public safety sales tax. A portion of the sales tax revenue is shared with other cities and St. Louis County (pg. 7).

Public Utility Licenses: the gross receipts tax on sales of electric, gas, telephone and water services within the city is 8 percent for commercial properties and 7 percent for residential properties. A 5 percent video service fee is also included. Utility revenue increased \$571,675 due to a one-time Charter settlement, as well as utility revenues being up.

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.

Property Taxes: derived from the city's real estate tax rate of \$0.067 for residential and \$0.080 for commercial property per \$100 assessed valuation. 2023 also includes a Creve Coeur debt levy of \$0.082.

Licenses & Permits: includes building permits, business licenses, and other permits.

Miscellaneous: derived from sources such as reimbursements, refunds, fines and forfeitures, investment income, sewer lateral taxes, charges for services and municipal facilities, and other sources.

Capital Improvement Expenditures for FY2023

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 for 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. Capital improvement expenditures are funded by the Capital Fund, Parks and Stormwater Fund, and Building Bond Fund.

The CIP covers a five-year period and is updated annually. 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.

Projects are prioritized based on the following criteria:

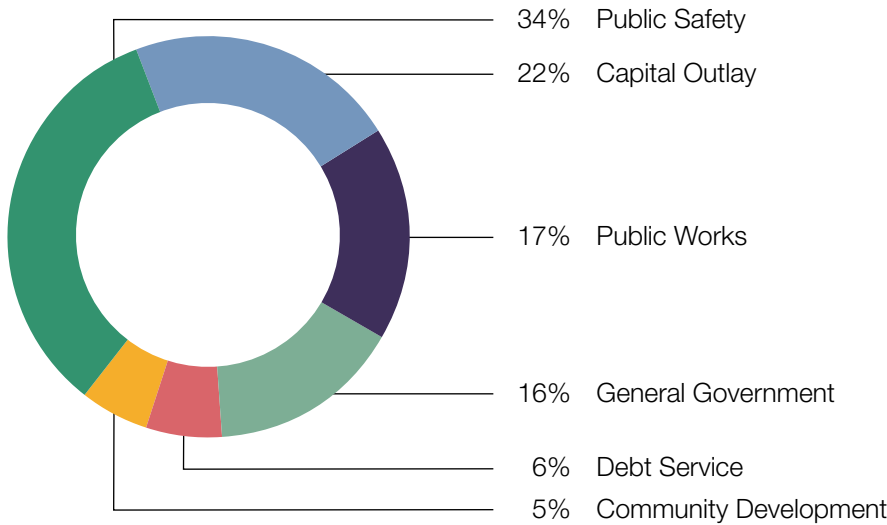
- Public safety
- Condition of existing facility
- Operating efficiency
- Citizen demand
- Economic growth
- Protection & conservation
- Beautification
- Coordination (projects, regulations)
- Availability of funding

The CIP and other long-range planning documents are available for review at the Government Center and on the city's website at www.crevecoeurmo.gov/CIP.

Capital Improvement Expenditures	FY2023
Streets & Sidewalks	\$2,616,837
Stormwater	\$595,369
Parks & Recreation	\$811,655
Building Improvements	\$38,317
Capital Equipment	\$355,125
Administration	\$260,412
Total	\$4,677,715

Of the \$3.8 million that the City received from ARPA, \$2.1 million will be spent on the ice arena refrigerant switchover and mechanical repairs, \$1.6 million will be used to catch up on the street and sidewalk maintenance program (delayed one year during COVID), and \$158,000 will be allocated for economic development services with the 39 North District. These funds will be utilized by the end of 2026.

Where Does the Money Go?



Governmental Fund Expenditures	FY2023
Public Safety	\$7,443,504
Capital Outlay	\$4,777,214
Public Works	\$3,820,164
General Government	\$3,448,559
Debt Service	\$1,307,671
Community Development	\$1,198,265
Total	\$21,995,377

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

Capital Outlay: accounts used to purchase capital items and the construction or acquisition of major capital facilities.

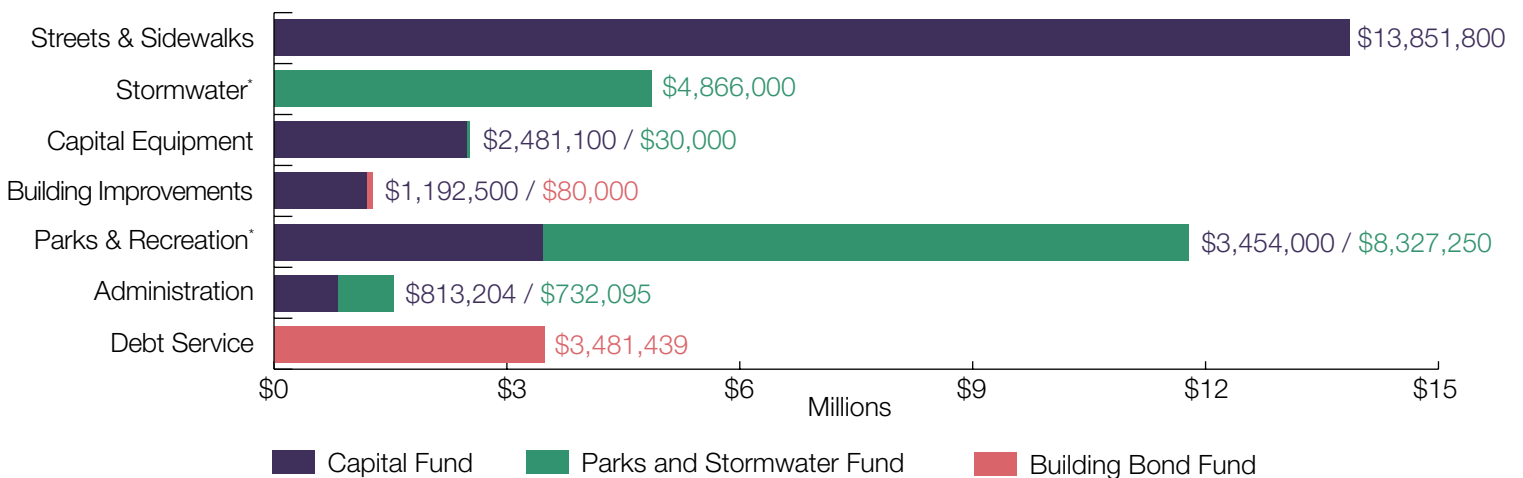
Public Works: expenditures relating to services such as streets and sidewalk maintenance, parks, building maintenance, refuse and recycling collection, engineering and other related services.

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

Debt Service: debt service payments include both principal and interest debt issued for the construction of the police building (2017). Construction of the police building was completed during fall of 2019, but funds are still available for the safety, security, and accessibility renovations of the existing Government Center.

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

CIP Five-Year Projected Expenditures (FY2024-2028)



*In November 2020, voters in Creve Coeur approved a half-cent sales tax that is dedicated to capital improvements, operations and maintenance for the City's parks and stormwater infrastructure. This new revenue source necessitated the creation of the Parks and Stormwater Fund, which will be supplemented by grants and other outside funding related to parks and stormwater.

How Is Property Tax Revenue Allocated?

The average Creve Coeur homeowner (\$500,000 market value house) pays \$6,794 to \$6,830 in real estate taxes to all taxing entities combined. Of this amount, the City of Creve Coeur receives \$147, or about 2% of the total tax bill. These revenues support the City's General Fund (0.067) and Debt Service (0.082). Sewer taxes vary subject to your location.

Tax Entity (FY2023)	Rate	Cost
Parkway School District	3.6481	\$3,466
Ladue School District	3.61	\$3,430
Creve Coeur Fire District	0.975	\$926
Special School District	1.0495	\$997
County	0.418	\$397
Community College	0.2787	\$265
Metro Zoo	0.2528	\$240
Library	0.206	\$196
Disability	0.07	\$67
City of Creve Coeur	0.155	\$147
State	0.03	\$29
Sewer	0.1053	\$100
Total Parkway School District	7.1884	\$6,830
Total Ladue School District	7.1503	\$6,794

Outstanding Debt

2017 Police Building Debt: in April 2017, Creve Coeur issued general obligation (GO) bonds to finance the construction, furnishing and equipping of a new police building and to fund safety, security and accessibility improvements to the Creve Coeur Government Center. The bonds bear interest ranging from 2% to 3.125%. The debt service is paid from a property tax levy of 0.082 per \$100 of assessed valuation. The bonds will mature March 1, 2037.

In November 2022, the City defeased a portion of its GO bonds, series 2017, in the aggregate amount of \$575,000. The savings to the city amounts to \$215,625.

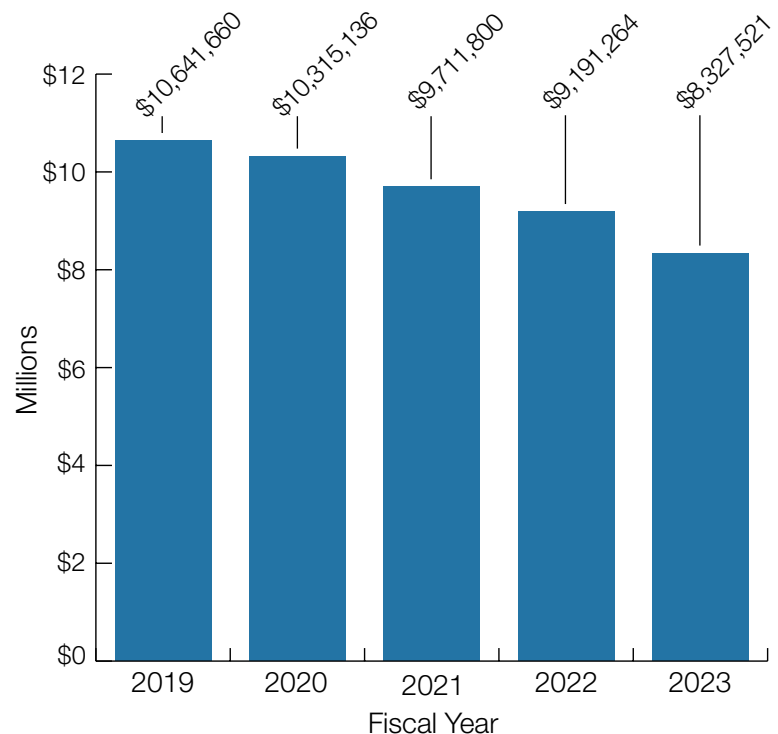
Capital Lease Payable: provided funds to acquire certain office equipment for city departments.

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.

City of Creve Coeur Outstanding Debt – June 30, 2023	
Police Building Debt	\$7,668,588
Capital Lease Payable	\$111,635
Compensated Absences	\$547,298
Total Debt	\$8,327,521

Outstanding Debt

for years ended June 30, 2019 through June 30, 2023



Sales Tax Revenue Sharing in 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. The capital sales tax is shared at a fixed rate of 15%. The parks and stormwater sales tax is not subject to sharing.

'A' Cities: 'A' cities, or 'point-of-sale' (POS) cities, receive sales tax revenue generated within their city limits, but also share a portion of their revenue with other cities if the average sales tax income per capita exceeds the average sales tax income per capita countywide. As a result of the sharing formula, Creve Coeur shared approximately 17% of sales tax revenue with other cities and St. Louis County in FY2023.

'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' (POS) and 'B' (pool).

Creve Coeur is an 'A/B' city, primarily a POS ('A') city, except for Ward 4 and a section of Ward 1, east of Lindbergh and north of Olive, which were annexed by the City in the 1990s. These areas are pool ('B').

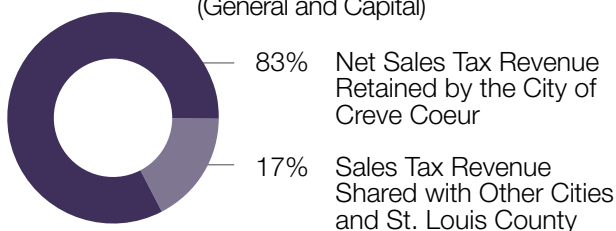
Sales Tax Revenue for Creve Coeur (FY2023)

Total sales tax revenue generated in Creve Coeur last year was approximately \$8,310,799 for general POS and capital sales tax. However, \$1,414,959 was shared with other cities under the County formula, resulting in net sales tax revenue for Creve Coeur of \$6,895,840.

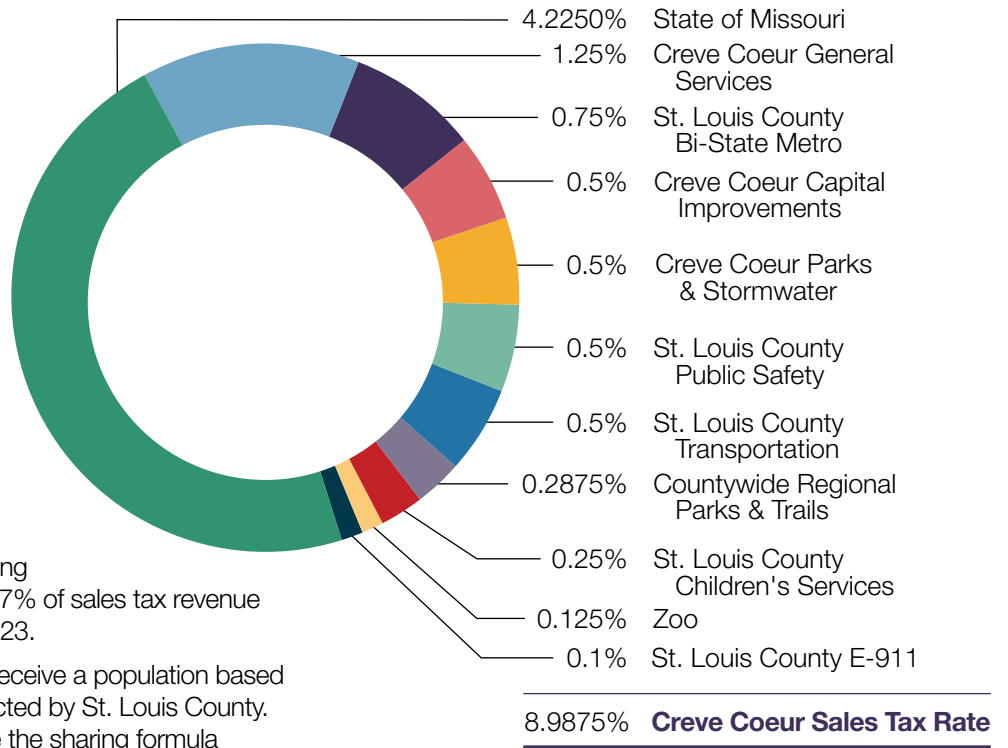
Only revenues from the general and capital sales tax are put into the shared pool; revenues collected from the public safety and parks & stormwater sales tax are not shared with other cities.

As a result of the sharing legislation, the City of Creve Coeur receives approximately 83% of the sales tax revenue generated by Creve Coeur businesses with the remaining 17% shared with other cities and the county.

Sales Tax Revenue Generated in Creve Coeur (General and Capital)



Distribution of Sales Tax Rate



Use Tax on Out-of-State Purchases

A number of St. Louis area cities have adopted a local "use tax" over the last few years. The use tax applies to goods purchased by Missouri residents from out-of-state vendors. Sales subject to the use tax are largely online purchases and are taxed at the same rate as purchases made at physical, "brick and mortar" stores. As consumer habits have migrated to online retailers, sales tax revenue, which funds city services, has been significantly reduced.

The use tax has been adopted by the State of Missouri and 291 municipalities across the state to replace the decline in sales tax to fund basic city services such as trash and recycling service, leaf and limb pick up, and police.

The City of Creve Coeur does not have a local use tax in place, which would require a majority approval by Creve Coeur voters. This issue is one that the Mayor, City Council and staff are continuing to review as the cost of maintaining city services increases over time.

Creve Coeur by the Numbers

The Basics...

Incorporated in
1949

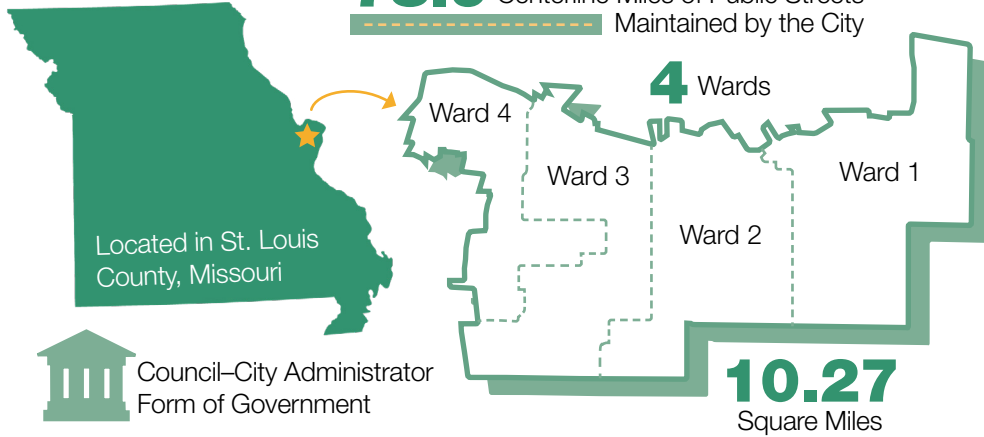
Home Rule
Charter Adopted in
1976

49
Sworn Officers



109
Full-Time
Employees

78.9 Centerline Miles of Public Streets
Maintained by the City



Council–City Administrator
Form of Government

In the Community...

Per U.S. Census Bureau, 2018–2022

\$115,120
Median Household Income



18,565

\$529,900
Median Home Value



8,232
Housing Units

In the Parks...

6 Parks



94 Acres
of Parks

1 Nine-Hole
Golf Course



1 Indoor Ice
Arena



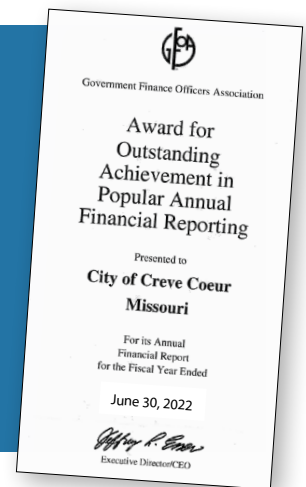
7 Tennis
Courts

2 Pickleball
Courts

Award for Outstanding Achievement in Popular Annual Financial Reporting

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, 2022.

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 for more information about this award and its criteria.



Acknowledgments

Thank you to the Finance Committee and Audit Committee for their support and dedication in advising the City Council on financial matters impacting the City.

The Finance Committee consists of seven to nine members. Primary responsibilities and duties include review of the annual budget, review of the Capital Improvement Program (CIP) annually, and advising the City Council on other financial matters impacting the City as requested by the City Council or staff.

The Audit Committee consists of three Council members and two Finance Committee members, serving as an advisory body to the City Council on matters concerning the City's annual audit. Primary responsibilities and duties of the committee include coordinating the process of soliciting, selecting and hiring of the auditing firm, working cooperatively with the auditing firm, and reviewing and presenting recommendations on audit results to the City Council.

The information in the City of Creve Coeur Popular Annual Financial Report is taken from the City of Creve Coeur Annual Comprehensive Financial Report (ACFR). A copy of the ACFR available at the Government Center and online at: www.crevecoeurmo.gov/ACFR



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