

City of

**WEBSTER
GROVES**

Missouri



June 30, 2014 Popular Annual Financial Report

A Great Place to Live, Work, and Raise a Family

To the Residents of Webster Groves

The information contained here is taken from the City's Comprehensive Annual Financial Report (CAFR) and is presented for the purpose of communicating the City's financial position to the taxpayer.

The CAFR provides more detailed information and includes an audit from an independent firm of licensed certified public accountants.

The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. The Popular Annual Financial Report (PAFR) is prepared in accordance with Government Finance Officers Association standards and in conformity with GAAP. Copies of the 2014 CAFR and the 2014 PAFR are available at www.webstergroves.org or at City Hall.

Our Mission

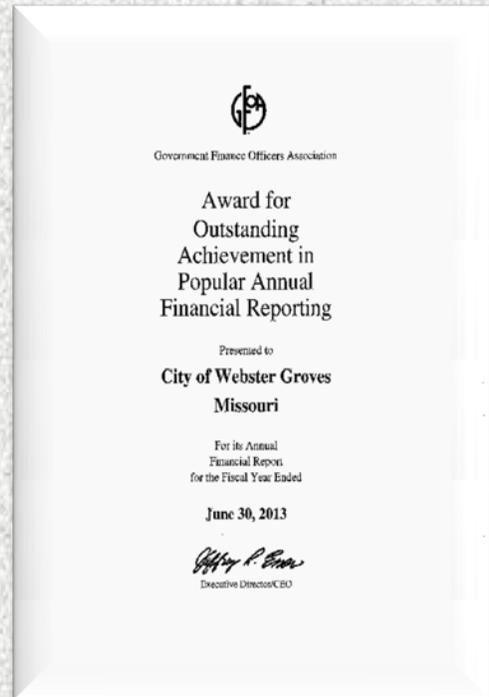
Webster Groves is committed to providing professional, efficient, and responsible services; and to working with citizens to enhance its position as a premier place to live, work, and raise a family in a traditional yet progressive community.

Webster Groves

The city is a predominantly residential community located in southeastern St. Louis County, Missouri and has received a great deal of recent attention for its suitability as a place to live, work and raise a family as well as commendations for being an artful community. Webster Groves is one of the more affluent communities in Missouri, ranking 41st in per-capita income. In 2008, Webster Groves ranked ninth in *Family Circle* magazine's list of the "Ten Best Cities for Families" in America and was also recently named one of the best places to live in America by *CNNMoney*. Webster Groves was named as Missouri's 2013 Creative Community by the Missouri Arts Council. The City is known for its long-standing foundation in the arts, with cultural anchors such as The Repertory Theatre of St. Louis, Opera Theatre of St. Louis, and The Community Music School.

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The City of Webster Groves 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, 2013.

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.

Financial Activity for Year Ended June 30, 2014

The City ended fiscal year 2014 with a net change in fund balance for all governmental funds of \$-2,921,687. This reduction in fund balance is a result of the completion of the \$13 million Proposition W Street Improvement Project approved by voters in 2011. All funds possess healthy fund balances as planned. In addition, the City ended fiscal year 2014 with revenues and transfers in exceeding expenditures and transfers out for a budget surplus in the general fund of \$6,400. This increases the City's general fund reserves to \$11,504,863. Of this amount, \$11,029,020 is unassigned while the remaining balance is either nonspendable, restricted for other purposes, or assigned for the purchase of other items.

The City received 5.6% less in general fund revenues as noted on page 5 of the PAFR. This was due to a number of factors including a very mild summer, with reduced gross receipts collections for electricity and water. The City also received \$1,457,440 in grant revenue in fiscal year 2013 and no grant revenue in 2014, which is the main reason for this significant difference. The City also spent 6.1% less in 2014 than in 2013, as noted on page 7 of the PAFR. The main reason for this reduction is due to the expenditures resulting from the Proposition W Street Improvement Bonds project noted above.

Shared Sales Tax

Retail sales in St. Louis County are subject to a 1% 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 other sales taxes are not a part of this distribution formula.

'A' Cities: 'A' cities, or 'point-of-sale' 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. For cities whose per capita average exceeds the county's prior year per capita average by 25% or more, the city shares 12.5% of the sales tax income with St. Louis County for the pool.

'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. Webster Groves is a pool city.

'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). The combination is due to annexations, etc, after 1993.

Recent efforts to change legislation, which included proposals to amend the sharing formula or to end sharing altogether, have so far been unsuccessful. However, if changes are made in the future which changes the sharing formula that the City of Webster Groves relies on so heavily as a predominantly residential community, this could throw our prestigious city and similarly-situated cities into a challenging financial situation.

If you have any questions about sales tax sharing, please contact Joan Jadali, Assistant City Manager, at jadali@webstergroves.org or 314-963-5323.

Sales Tax Rate Comparison

The City of Webster Groves total sales tax is comparable to area cities:

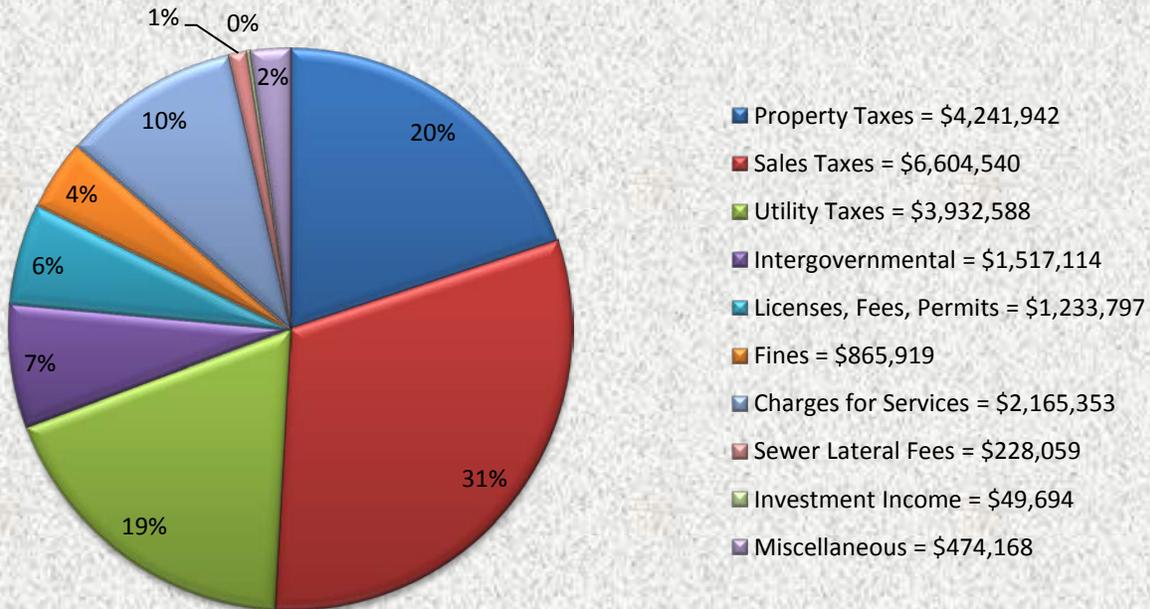
Municipality	Sales Tax Rate
Brentwood	8.6130%
Chesterfield	8.1130%
Clayton	8.6130%
Creve Coeur	7.8630%
Des Peres	8.6130%
Kirkwood	8.3630%
Maryland Heights	7.6130%
Olivette	8.6130%
Richmond Heights	8.6130%
Town & Country	8.3630%
University City	8.6130%
Webster Groves	8.6130%

Top Employers within Webster Groves

Employer	Employees
Webster University	1,510
Webster Groves School District	975
City of Webster Groves	275
Laclede Groves	250
Edgewood Childrens Center	235
Epworth Children & Family Services	190
YMCA	175
Schnucks	160
Ross & Baruzzini	85
Eden Theological Seminary	75

Where Does the Money Come From?

2014



- Property Taxes = \$4,241,942
- Sales Taxes = \$6,604,540
- Utility Taxes = \$3,932,588
- Intergovernmental = \$1,517,114
- Licenses, Fees, Permits = \$1,233,797
- Fines = \$865,919
- Charges for Services = \$2,165,353
- Sewer Lateral Fees = \$228,059
- Investment Income = \$49,694
- Miscellaneous = \$474,168

Revenues By Source

	2013	2014	Change
Property Taxes	\$4,256,034	\$4,241,942	-0.3%
Sales Taxes	\$6,302,992	\$6,604,540	4.8%
Utility Taxes	\$3,829,532	\$3,932,588	2.7%
Intergovernmental	\$2,919,932	\$1,517,114	-48.0%
Licenses, Fees, Permits	\$1,126,167	\$1,233,797	9.6%
Fines	\$973,987	\$865,919	-11.1%
Charges for Services	\$2,152,995	2,165,353	0.6%
Sewer Lateral Fees	\$227,218	\$228,059	0.4%
Investment Income	\$72,819	\$49,694	-31.8%
Sale of Capital Asset	\$225,000	\$0	-100.0%
Miscellaneous	\$484,195	\$474,168	-2.1%
Total Revenue	\$22,570,871	\$21,313,174	-5.6%

Where Does the Money Come From?

Property Taxes: derived from the city's real estate and personal property tax rates per \$100 assessed valuation for residential and commercial property. The residential real estate rate is \$.776, the commercial real estate rate is \$.760, and the personal property tax rate is \$.866.

Sales Tax: derived from the 1% countywide shared sales tax, the .5% capital improvement sales tax, the .5% parks and storm water sales tax, the .25% local option sales tax and the .25% firefighter protection sales tax.

Utility Taxes: derived from the city's 7% gross receipts tax on sales of electric, gas, telephone, and water services within the city.

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.

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

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

Charges for Services: revenues from the use of city facilities or recreation programs.

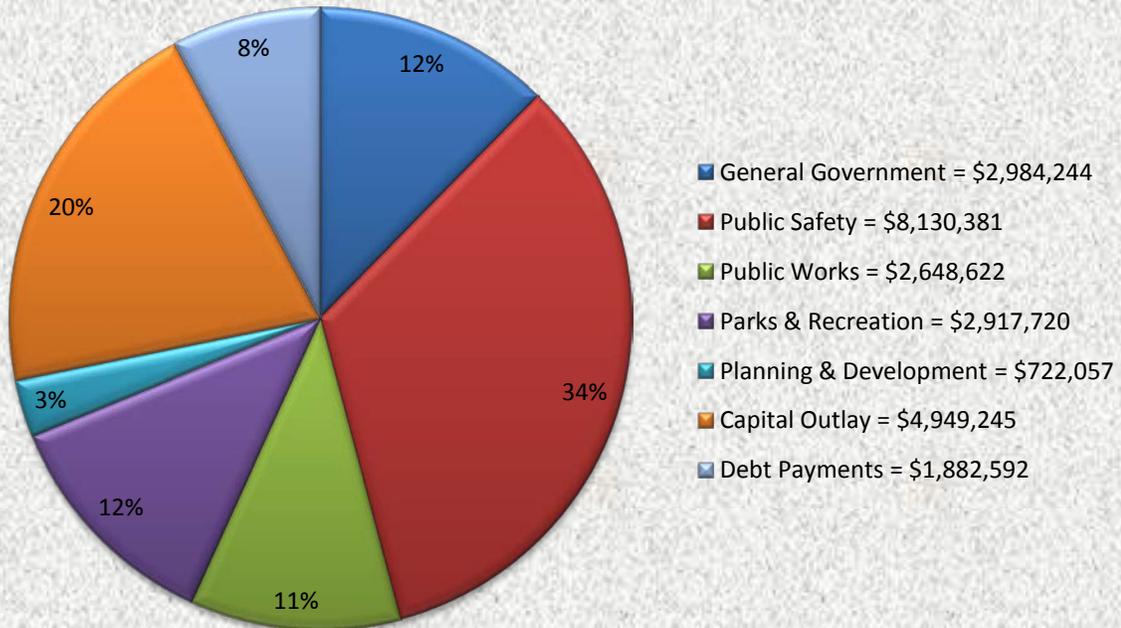
Sewer lateral fees: derived from a \$28 annual fee charged to homeowners for the repair of residential sewer lateral breaks.

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

Miscellaneous: derived from sources such as reimbursements, refunds, and other sources.

Where Does the Money Go?

2014



Expenditures By Activity

	2013	2014	Change
General Government	\$2,789,954	2,984,244	7.0%
Public Safety	\$7,829,420	\$8,130,381	3.8%
Public Works	\$2,624,792	\$2,648,622	0.9%
Parks & Recreation	\$2,842,716	\$2,917,720	2.6%
Planning & Development	\$708,735	\$722,057	1.9%
Capital Outlay	\$7,108,747	\$4,949,245	-30.4%
Debt Payments	\$1,907,372	\$1,882,592	-1.3%
Total Expenditures	\$25,811,736	\$24,234,861	-6.1%

Where Does the Money Go?

General Government: expenditures relating to the city council, city clerk, city manager, city attorney, finance, municipal court, human resources, information technology, customer service, boards and commissions, and risk management.

Public Safety: expenditures relating to the police and fire departments, including administration, investigation, patrol, and fire suppression and emergency medical services.

Public Works: expenditures relating to service such as streets, building maintenance, engineering and other related service.

Parks & Recreation: expenditures relating to parks, recreation, ice arena, aquatic center, and fitness divisions.

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

Capital Outlay: account used to purchase capital items and the construction or acquisition of major capital facilities or equipment. This includes projects financed through the city's 0.5% capital improvement sales tax.

Debt Payments: debt service payments include both principal and interest debt issued for the General Obligation Street Improvements bonds and for the Certificates of Participation for improvements to Blackburn Park.

Capital Improvement Program

The Capital Improvement Program (CIP) is a plan for the City's capital investments over a five year period. The CIP is both a fiscal and planning device that allows the City to project all capital costs, funding sources, and timing. The CIP plan is reviewed by the City Council each year. The CIP was developed around two primary goals. The first is to ensure the appropriate maintenance of existing infrastructure and facilities. The second is to plan effectively for future needs given current resources. Capital investments are assets valued at more than \$25,000 with a useful life of at least 5 years.

CIP Expenses – Fiscal year ended 6/30/14

Building & Other Improvements	355,022
Equipment	515,250
Vehicles	124,079
Street Improvement	3,854,202
Total CIP Expenses	4,848,553

Abbreviated List of Planned CIP Expenses for Fiscal Years 2015-2019

Expenditure:	FY 15	FY 16	FY 17	FY 18	FY 19
Street Improvement Bond Issue	\$230,000	\$0	\$0	\$0	\$0
Mill & Overlay	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Police Vehicles	\$88,000	\$75,000	\$88,000	\$77,000	\$90,000
In-Car Video Recording System	\$0	\$80,000	\$0	\$0	\$0
Ambulance	\$0	\$220,000	\$0	\$0	\$0
Fire Pumper	\$0	\$0	\$505,000	\$0	\$0
Dump Trucks	\$125,200	\$131,460	\$138,030	\$0	\$142,170
Memorial Park Improvements	\$0	\$0	\$120,000	\$0	\$250,000
Rec Complex Life / Safety Equip	\$0	\$0	\$0	\$0	\$390,000
Aquatic Center Upgrades	\$216,700	\$0	\$120,000	\$72,000	\$130,000
Rink Renovations	\$0	\$106,000	\$80,000	\$1,028,000	\$0
Storm Water Improvements	\$115,000	\$110,000	\$100,000	\$105,000	\$110,000
Circuit & Cardio Equipment	\$150,000	\$0	\$70,000	\$160,000	\$0
Shady Creek Bridge	\$99,900	\$40,000	\$842,400	\$0	\$0

Where Does the Property Tax Go?

Tax Entity	Rate per \$100	% of Bill	Cost*
St. Louis County	\$0.5230	5.5%	\$243.46
State of Missouri	\$0.0300	0.3%	\$13.97
Community College	\$0.2200	2.3%	\$102.41
Special School District	\$1.2609	13.3%	\$586.95
Webster School District	\$5.8584	61.7%	\$2,727.09
Metro Zoo / Museum	\$.27970	2.9%	\$130.20
Metro Sewer District	\$0.0879	0.9%	\$40.92
Deer Creek Sewer	\$0.0860	0.9%	\$40.03
Sheltered Workshop	\$0.0900	1.0%	\$41.90
Webster Groves Library	\$0.2890	3.0%	\$134.53
City of Webster Groves	\$0.7760	8.2%	\$361.23
Total	\$9.5009	100%	\$4,422.69

*Rate is per \$100 of assessed valuation. The average Webster Groves homeowner (\$245,000 market value house) pays \$4,422.69 in real estate taxes, with 8.2% going to the City of Webster Groves.

Miscellaneous Statistical Data

Year of Incorporation	1896
Year City Charter Adopted	1954
Form of Government	Council - Manager
Area	6 Square Miles
Miles of Streets (City Maintained)	92
Population	22,995
Number of Full-Time Employees	154
Number of Sworn Officers	47
Number of Firefighters	38
Number of Parks	17
Acre of Parks	127
Median Home Value	\$245,000
Per Capita Income	\$44,501
Median Age	40.8

Contact Information

City of Webster Groves Finance Department
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Webster Groves, MO 63119
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www.webstergroves.org



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