



City of Hazelwood, Missouri

**Annual Comprehensive
Financial Report**

For The Year Ended
June 30, 2023



Prepared by the Finance Department
David L. Tuberty, Assistant City Manager -Finance

City of Hazelwood, Missouri
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For the year ended June 30, 2023

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Section I

Introductory Section

City of Hazelwood, Missouri
Principal City Officials at June 30, 2023

Position	Name	Election/Hire Date	Term Dates
MAYOR	Matthew Robinson	4/2009	4/2021-4/2024
COUNCIL-WARD 1	William Hoops	4/2022	4/2022-4/2025
COUNCIL-WARD 2	Robert Aubuchon	4/1997	4/2023-4/2026
COUNCIL-WARD 3	Donald Ryan	4/2010	4/2022-4/2025
COUNCIL-WARD 4	Kelly Wadlow	4/2023	4/2023-4/2026
COUNCIL-WARD 5	Lisa Matlock	5/2021	4/2022-4/2025
COUNCIL-WARD 6	Warren Taylor	4/2008	4/2023-4/2026
COUNCIL-WARD 7	Robert Smith	12/2021	4/2022-4/2025
COUNCIL-WARD 8	Jen Hatton	4/2023	4/2023-4/2026
CITY MANAGER	Matt Zimmerman	10/30/13	
ASSISTANT CITY MANAGER-ECONOMIC DEVELOPMENT	David Leezer	06/01/22	
ASSISTANT CITY MANAGER-FINANCE	David Tuberty	09/11/17	
CITY CLERK	Julie Lowery	07/01/20	
JUDGE	Patrick Monahan	2022	
PROSECUTING ATTORNEY	Stephanie Karr	2004	
CITY ATTORNEY	Kevin O'Keefe	02/07/94	
POLICE CHIEF	James Hudanick	08/21/89	
FIRE CHIEF	Daniel Luley	12/20/99	
PUBLIC WORKS DIRECTOR	David Stewart	07/31/09	
PARKS & REC SUPERINTENDENT	Douglas Littlefield	11/30/92	
FOREMEN	Jason Carothers	04/12/21	
FOREMEN	Doug Schnurr	07/20/22	



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Missouri**

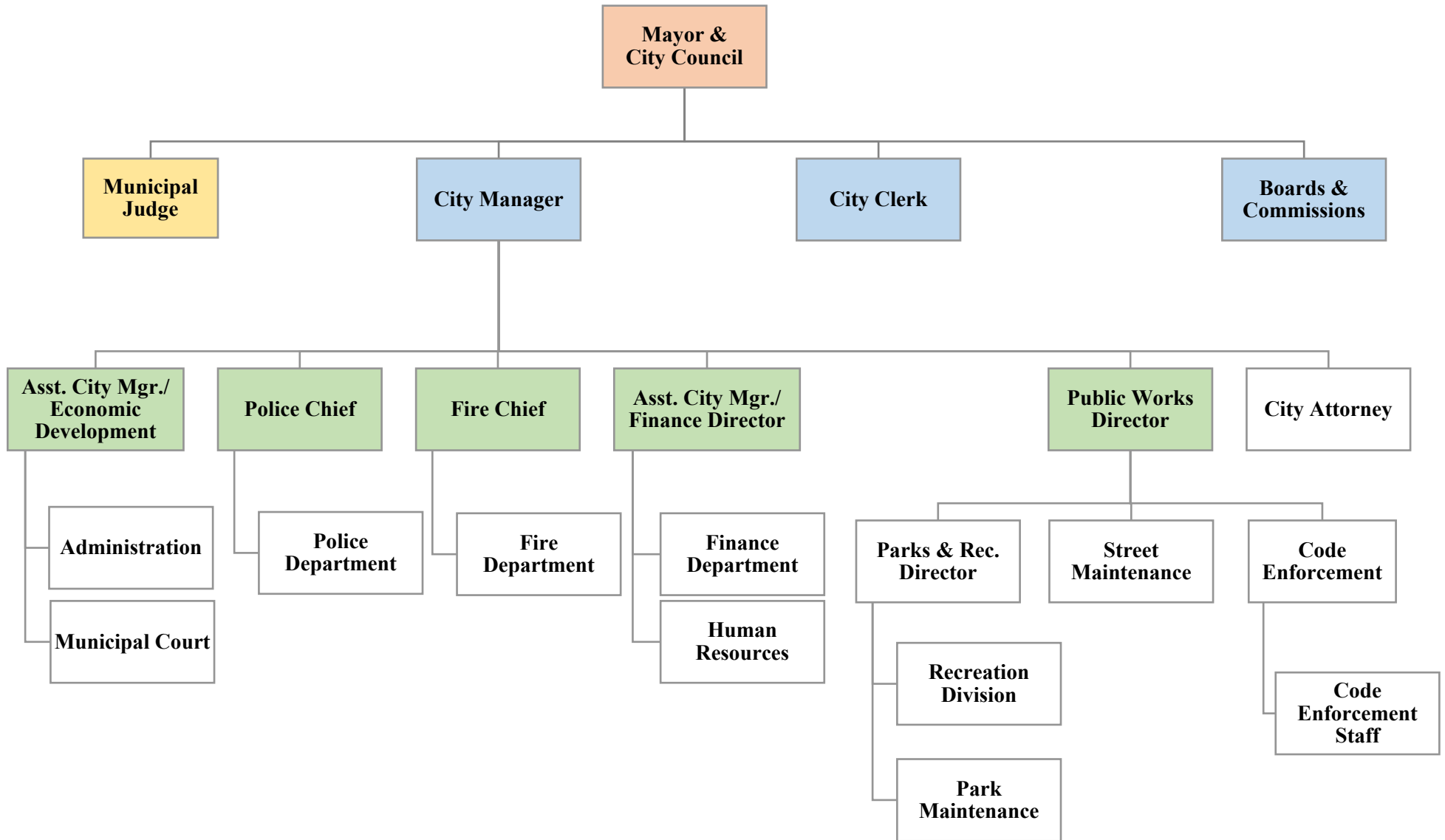
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

City of Hazelwood Organizational Chart





The City of Hazelwood

much more
than you imagine



February 20, 2024

The Honorable Mayor, City Council, and
the Citizens of Hazelwood, Missouri

Ladies and Gentlemen:

We are pleased to present the annual comprehensive financial report of the City of Hazelwood, Missouri (the City) for the fiscal year ended June 30, 2023. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to accurately present the financial position and results of operations of the City. All disclosures necessary to provide an understanding of the City's financial activities have been included.

This report was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which are uniform minimum standards and guidelines for financial accounting and reporting in the United States. This report is intended to provide sufficient information to permit the assessment of stewardship and accountability and to demonstrate legal compliance.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it.

This report includes all funds and activities of the City. The City provides a full range of services including police protection, fire and emergency medical response services, construction and maintenance of streets and infrastructure, parks and recreation services, municipal court, city planning and building inspection, and administration.

Economic Condition and Outlook

The City is located in North St. Louis County, which is on the eastern border of the State of Missouri immediately north of the airport at the intersections of Highways I-170; I-270 and MO-370, and less than two miles from I-70. A major interchange of Highway 370 connects the Missouri River Bottoms area, which is home to Cabela's and two business parks, including Park 370 and Hazelwood TradePort, to St. Charles County. Hazelwood TradePort, is completed, although not all buildings are yet fully leased.

City Hall & Public Works
t: 314.839.3700
f: 314.839.0249
415 Elm Grove Lane

City Maintenance
t: 731.8701
f: 731.4240
115 Ford Lane

Fire Department
t: 731.3424
f: 731.1976
6800 Howdershell Road

Municipal Court
t: 839.2212
f: 838.5169
415 Elm Grove Lane

Parks & Recreation
t: 731.0980
f: 731.0989
1186 Teson Road

Police Department
t: 839.3700
f: 838.5169
415 Elm Grove Lane

Hazelwood is a transportation crossroads, with a prime location for businesses and residents alike. The mix of major industrial and commercial areas, which transitions to beautiful parks and residential neighborhoods, is an unusual and diverse blend.

There are also two large industrial parks in the southern portion of the City: Aviator Business Park (the Park), site of the former Ford Plant, and Hazelwood Logistics Center. Aviator is approved for mixed commercial and industrial uses. Aviator contains nine large industrial buildings and 1 small industrial building, and two commercial lots. Aviator is now completed and fully leased. Hazelwood Logistics Center contains 8 large industrial buildings, with the Park now completely built out in 3.5 years, ahead of the estimated 8 years.

The central business district of the City of St. Louis is 20 miles to the southeast. Interstates 70 and 170, U.S. Highway 61-67 provide access to St. Louis City and St. Louis County.

The unemployment rate, according to the Missouri Economic Research and Information Center, for the U.S. has remained consistent for the year at 3.6%. and the unemployment rate for the St. Louis area has increased to 3.4%. These decreases are attributable to recovery from the COVID-19 pandemic which has had major impact on the U.S. and regional economy. City staff is continuously monitoring economic conditions and has made adjustments to the budget as needed.

Though the outlook for the nation's economy is still volatile, the City benefits from some positive, and offsetting attributes. The City's location near the Lambert International Airport, with Class I rail service, and at the hub of major state and national highways is an asset that cannot be bought at any price. Also, the City's unique blend of industrial, commercial, and residential property provides a diverse and robust foundation. Sales taxes in total have increased by about 5.4% in the General Fund and by about 8.9% across all City funds. The largest contributor to this increase is the increase in Use Tax by 6.5%. The other significant sales tax increases come from those taxes not subject to the St. Louis County sales tax pool. Hazelwood is a municipality in which the original City areas are not subject to the Pool (A-areas). The annexed areas are in the County Pool (B-areas). The A-area 1% tax increased by 5%. The Fire Sales Tax, which was also increased from a quarter-cent to a half-cent tax in FY 2021 decreased by 18%. The half-cent Public Safety Tax increased by 3.3%. The City staff has and will continue to look for efficiencies and ways to decrease costs while providing the same level of services to our citizens and customers.

MAJOR GOALS

The City Council and administrative staff regularly develop, and update improvement plans designed to improve the quality of community life while maintaining the financial stability of the City.

Goal - Financial vigilance

Short-term goals include continuing the City's full-service status while exercising vigilant stewardship of the City's financial position. Monthly budget reports are utilized.

During FY 2018 the Hazelwood City Council voted to terminate the fire protection services contract with the Robertson Fire Protection District. In making this move, the City saved approximately \$3.2 million from budgeted expenditures for FY2018. The plan was for the City of Hazelwood to provide fire protection to the area which would have cost an additional \$1.8 million to implement in FY2019. The District sued the City and currently all plans are suspended. The City paid the District just over \$2 million for fire protection service in FY 2019, just over \$4.0 million for FY 2020, \$4.2 million for FY 2021. A settlement was reached early in FY2022 in regard to the unpaid 2018 fees and the City paid the District \$2,446,000. The City currently expects to pay over \$4.5 million in FY 2023 and FY 2024 while working toward a long-term settlement.

In FY2022, the City reviewed its pay situation for the first time since 2015. A new pay plan was developed which was intended to help the City be more competitive in the municipal labor market. This new pay plan was approved and implemented by the City Council in June 2022 to begin in FY 2023. For FY2024, the City issued both a 5.00% COLA and a Step increase. Management is consistently looking for more efficient ways of operating while staying competitive in the labor market.

Goal - Economic Development and Business Retention

The City passed a one-half cent economic development sales tax effective July 1, 2007. The funds have been used for a variety of projects: street improvements and maintenance, operating the economic development office and GIS program, matching state and federal grants, advertising and marketing and participating in regional programs.

One of the most effective programs funded by the sales tax has been a local option loan fund. Since its inception, it has been used to attract or retain a number of businesses in the community. 20 loans have been made from the fund to date, totaling around \$12 million. These loans have been used to retain or attract approximately 1,800 jobs.

Goal – Encourage Energy Efficiency

The City is continuously expanding its commitment to raising awareness and investing in green technology.

The City established the Green Committee which was formed to lead Hazelwood into becoming a community in which residents and visitors will enthusiastically take sustainable action to conserve the environment and our natural resources.

Since FY2017, Hazelwood received an annual grant to promote Recycle Day (collection of electronics, appliances, usable household items, cardboard and single stream recyclables). The City also installed in 2021 new controls to regulate energy use in City Hall.

Goal - Invest in vehicles, buildings, parks, and equipment to maintain service level

The following items were some of the investment purchases made by the City in FY2023: A new salt storage dome, City Hall parking lot asphalt overlay, 2 maintenance vehicles for the Public Works Department, 6 vehicles for the Police Department. Both the Police and Fire Departments acquired needed equipment. These investments are intended to protect the City's excellent service level. Due to supply chain problems experienced around the country, many construction projects and other acquisitions planned for FY 2023 were delayed until FY 2024.

Goal - Preserve the Quality of Residential Neighborhoods

People are the City's greatest asset, and the neighborhoods in which they reside are one of the most important responsibilities of a government. The provision of high-quality basic services, including police, fire, road maintenance, parks, and solid waste collection, are critical for their continued desirability. Uniformity in the provision of services is a goal.

The existing housing inspection program prescribes minimum maintenance requirements for structures and premises to assure safety and provide for abatement of potential hazards. This program helps assure the preservation of the City's neighborhoods. Also, the City administers a residential occupancy permit requirement designed to protect property values.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal controls. The controls are designed to ensure the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The controls are designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls

The City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. General Fund, Asset Forfeiture Fund, Capital Projects Fund, Sewer Lateral Fund, and Economic Development Fund activities are included in the annual budget. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Compliance and Internal Control

As a recipient of federal financial assistance, the City is responsible for maintaining adequate internal controls to ensure compliance with applicable laws and regulations related to those programs.

Pension Trust Fund Operations

The City contributed 100% of the annual recommended contribution determined as of the beginning of the fiscal year, to the Pension Plan in FY2023. According to the most recent actuarial valuation for the FY ending June 30, 2023, the plan fiduciary net position as a percentage of total pension liability is 88.86% compared to 86.95% in 2022, 107.82% in 2021 and 87.79% in 2020. The increase for 2021 and the subsequent decrease to a more normal level in 2022 and 2023 is due to the change in market value of the investment assets in the plan.

Long-term Debt

As of June 30, 2023 the City had long-term debt in the amount of \$22,640,346. This is in addition to \$1,713,309 for compensated absences bringing the total debt of the City, \$24,353,655 as detailed in the notes to the financial statements. Missouri statutes set the City's legal general obligation debt limit at 10% of the City's total assessed valuation of real and personal property, a limit of approximately \$60.8 million.

OTHER INFORMATION

Independent Audit

Missouri statutes require an annual audit by independent certified public accountants. The certified public accounting firm of Stopp & VanHoy was selected by the City Council to perform the 2023 audit. The auditor's report on basic financial statements is included in the financial section of this report. As independent auditors, Stopp & VanHoy, also provide an objective outside review of management's performance in reporting operating results and financial condition.

Award

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 June 30, 2022. This was the twenty-fifth consecutive year that the City received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe 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.

Acknowledgments

The preparation of the annual comprehensive financial report was made possible by the cooperation of the entire administrative staff of the various departments of the City. The finance staff especially contributed a great deal of time and diligence.

We would also like to acknowledge the assistance of our independent public accountants, Stopp & VanHoy, in formulating this report. And we would like to extend our sincere gratitude to you, Mayor and City Council, for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Matthew Zimmerman
City Manager



David L. Tuberty
Assistant City Manager-Finance



Section II

Financial Section

Independent Auditor's Report

Honorable Mayor and City Council
City of Hazelwood, Missouri

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Hazelwood, Missouri, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Hazelwood, Missouri's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Hazelwood, Missouri, as of June 30, 2023, and the respective changes in financial position 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those 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 City of Hazelwood, Missouri 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

City of Hazelwood, Missouri's management is responsible for the preparation and fair presentation of the 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 City of Hazelwood, Missouri'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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 City of Hazelwood, Missouri'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 City of Hazelwood, Missouri'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of actuarially determined contributions, and schedule of changes in other post-employment benefit liability on pages 4 through 10 and 47 through 52 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Hazelwood, Missouri's basic financial statements. The combining nonmajor fund financial statements and budgetary comparison schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

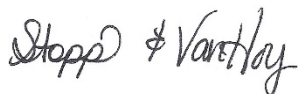
The combining nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial reporting. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024 on our consideration of City of Hazelwood, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Hazelwood, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
February 20, 2024

CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2023

As management of the City of Hazelwood, Missouri (the City), we offer this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$18,856,844 (net position).
- The net position of the City increased by \$7,916,663.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,302,278, an increase of \$8,064,787 in comparison with the prior year fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$21,391,511 or 73% of total General Fund expenditures.
- The City's long-term liabilities decreased by a net \$4,545,497 during the most recent fiscal year mainly due to the reduction of balances in long-term debt.
- The City's pension liability decreased by \$787,294 to \$5.7 million. This is due mostly to a significant increase in the net investment income.

OVERVIEW OF THE 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 other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them 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 activities presents information showing 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 the 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).

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, streets, economic development, and culture and recreation. The City does not have any business-type activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Industrial Development Authority. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund financial statements - is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 of the City can be divided into two categories: governmental funds and fiduciary 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 funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City'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 eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Debt Service Fund, 370/MO Bottom Road Tax Increment Financing District Fund, and Economic Development Fund, which are considered to be major Funds. Data from the other three funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Capital Projects Fund, Sewer Lateral Fund, and Economic Development Funds. Budgetary comparison statements are provided for these funds to demonstrate compliance with these budgets.

Fiduciary funds - are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to 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.

Required supplemental information - This Management’s Discussion and Analysis, the General Fund and Economic Development Fund budgetary comparison schedules, and pension schedules represent financial information required by accounting principles generally accepted in the United States of America to be presented.

Such information provides users of this report with additional data that supplements the government-wide financial statements, fund financial statements, and notes (referred to as “the basic financial statements”).

Other supplemental information - This part of the annual report includes optional financial information such as combining statements for the non-major governmental funds and budgetary comparison schedules for the Capital Projects Fund and Sewer Lateral Fund. This other supplemental financial information is provided to address certain specific needs of various users of the City’s annual report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$18,856,844 at the close of the most recent fiscal year.

By far, the largest portion of the City’s net position 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.

A condensed version of the statement of net position is as follows:

		June 30		2023 Change	
		2022	2022	Amount	Percent
ASSETS					
Current and other assets		\$ 42,492,168	\$ 33,037,537	\$ 9,454,631	28.6 %
Capital assets		26,713,534	27,522,482	(808,948)	(2.9)
Total Assets		69,205,702	60,560,019	8,645,683	14.3
DEFERRED OUTFLOWS		3,428,757	5,509,580	(2,080,823)	(37.8)
LIABILITIES					
Current and other liabilities		22,907,644	20,098,132	2,809,512	14.0
Long-term liabilities		28,671,613	33,217,110	(4,545,497)	(13.7)
Total Liabilities		51,579,257	53,315,242	(1,735,985)	(3.3)
DEFERRED INFLOWS		2,198,358	1,817,076	381,282	21.0
NET POSITION					
Net investment in capital assets		21,122,535	20,629,354	493,181	2.4
Restricted		16,310,946	4,776,483	11,534,463	241.5
Unrestricted		(18,576,637)	(14,468,656)	(4,107,981)	28.4
Total Net Position		\$ 18,856,844	\$ 10,937,181	\$ 7,919,663	72.4 %

Governmental activities increased the City’s net position by \$7,919,663.

A condensed version of the statement of activities is as follows:

			June 30		2023 Change	
			2023	2022	Amount	Percent
REVENUES						
	Program revenues:					
	Charges for service		\$ 8,210,462	\$ 7,325,217	\$ 885,245	12.1%
	Operating grants and contributions		5,499,876	4,412,189	1,087,687	24.7
	Capital grants and contributions		104,852	660,466	(555,614)	(84.1)
	General revenues:					
	Taxes		29,201,496	29,643,855	(442,359)	(1.5)
	Licenses and other		1,661,683	1,634,749	26,934	1.6
	Total Revenues		44,678,369	43,676,476	1,001,893	2.3
EXPENSES						
	General government		3,332,141	3,163,491	168,650	5.3
	Police		9,724,936	8,196,476	1,528,460	18.6
	Fire and ambulance		13,097,723	14,548,703	(1,450,980)	(10.0)
	Public works		3,875,529	3,616,505	259,024	7.2
	Parks and recreation		3,172,541	2,828,327	344,214	12.2
	Economic development		2,039,479	4,739,593	(2,700,114)	(57.0)
	Sewer lateral		97,184	83,012	14,172	17.1
	Interest on long-term debt		1,419,173	1,730,385	(311,212)	(18.0)
	Total Expenses		36,758,706	38,906,492	(2,147,786)	(5.5)
CHANGE IN NET POSITION			\$ 7,919,663	\$ 4,769,984	\$ 3,149,679	66.0

Revenues increased due to increases in all revenue categories. Sales taxes and charges for City services rebounded as a result of increased development and increased retail activity for Hazelwood and the entire St. Louis County. Property taxes decreased due to the closing of one TIF district during the prior year. TIF revenue would be used to pay the debt of the project. These are now distributed to all of the taxing districts.

In the government-wide financial statements capital, debt and pension liability expense is allocated to the various departments that are not reported in the governmental statements. The largest increase in departmental expenses is for Police. The Police department is closer to fully staffed than in previous years. Pay increases for the year are shown higher in this department because Police has the largest staff. Fire and ambulance decreased because a settlement was paid in FY 2022 to the Robertson Fire Protection District of \$2.3 million to settle past disputed payments. This expense did not recur in 2023. Other decreases in expenses are a result of decreased economic development expenses and a reduction in long-term debt interest due to consistent pay-down of long-term debt.

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, unassigned fund balance may serve as a useful measure of the City's net resource available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,302,278, an increase of \$8,064,787, in comparison with the prior year. The City currently has an unassigned fund balance of \$21,391,511. The remainder of fund balance is non-spendable or restricted to indicate that it is not available for general new spending because it has already been designated.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$21,391,511, while total fund balance reached \$22,522,916. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to both total fund expenditures and unassigned fund balance. The General Fund's fund balance represents 77% of total General Fund expenditures and 95% of the balance is unassigned. The fund balance of the General Fund increased by \$6,626,223 during the fiscal year. ARPA funding to the City and along with other grants increased the intergovernmental revenues by \$700 thousand. The ARPA program in Hazelwood is completed so there will be \$2.3 million that will not return next year. Sales taxes increased by over \$700 thousand.

The Capital Projects Fund balance decreased \$350 thousand during the fiscal year to \$1,677,174. Capital spending decreased primarily due to a number of projects that were postponed to FY 2024.

The Debt Service Fund increased its fund balance \$169 thousand during the fiscal year to \$937,777. The result reflects the expected debt service activity for the year. The entire fund balance is restricted for payment of the general obligations bonds.

The Economic Development Fund increased its fund balance \$840,572 during the fiscal year to \$10,131,448. The increase is due to fewer economic development loans issued during the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, there were budget transfers out of the General Fund to the Capital Fund for debt service obligations. Revenues were \$5.5 million over the budgeted amount of \$31,014,255. Expenditures were \$1.1 million less than the budgeted amount of \$30,488,440.

CAPITAL ASSETS

Capital asset balances (net of accumulated depreciation) are detailed below. More information on capital asset activity during the year is provided in the notes to financial statements in Note 5.

Capital Assets, Net of Depreciation				
	June 30			
	2023		2022	Variance
Land, right-of-way, and construction in progress	\$ 5,690,761		\$ 5,566,648	\$ 124,113
Buildings and improvements	8,570,227		8,907,898	(337,671)
Infrastructure	9,344,124		10,351,768	(1,007,644)
Machinery and equipment	1,189,998		809,369	380,629
Automotive equipment	1,848,245		1,886,799	(38,554)
Total Capital Assets	\$ 26,643,355		\$ 27,522,482	\$ (879,127)

LONG-TERM DEBT

The City's governmental activities debt is detailed below. More information is provided in the notes to financial statements in Note 7.

Governmental Activities				
	June 30			
	2023	2022	Variance	
General obligation bonds	\$ 3,189,086	\$ 4,213,462	\$ (1,024,376)	
Certificates of participation	1,546,706	1,900,181	(353,475)	
Tax increment revenue notes	17,055,000	17,055,000	-	
Finance lease obligations	849,554	1,019,227	(169,673)	
Postretirement Benefits	421,665	406,705	14,960	
Total Long-term Debt	\$ 23,062,011	\$ 24,594,575	\$ (1,532,564)	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic conditions may be highlighted as follows at the close of fiscal year 2023:

- Gas prices average \$3.362 in the Midwest and \$3.445 nationally for All Grades (all history) at June 30, 2023 per www.eia.gov/petroleum/gasdiesel/.
- Midwest urban wage earners and clerical workers consumer price index at June 30, 2023 has increased 4.6% since June 30, 2022 according to the Bureau of Labor Statistics.
- The unemployment rate in the United States has remained unchanged from fiscal year 2022 at 3.6% according to the Missouri Economic Research and Information Center. The St. Louis Metropolitan Area's unemployment rate in FY 2022 is 3.4%.
- Total 2023 General Fund revenues were \$2,596,425, or 7.64%, greater than 2022. Property tax increased by just over \$225 thousand. Sales taxes increased by over \$726 thousand. Investment income increased due to increased interest rates.
- A 2.0% overall decrease for various sales taxes are included in the 2024 budget.
- 2022 was not a reassessment year. The assessment for 2022, which is included in the result of FY 2023, resulted in a 13% increase in values and an 8% increase in revenue; the budget flatlines revenues in real estate taxes in Fiscal year 2024.
- The City's Fund Balance Policy requires a minimum General Fund unassigned fund balance of 17% of revenue. 2023 unassigned fund balance represents 72.7% of expenditures, which is above the City's informal ideal balance of 25%.
- The City has seen some increase in revenues over the last few years from grant income that will not be repeating in FY 2024 and beyond. Other revenues have increased but at levels that have not kept pace with increases in expenditure, management of the City will remain vigilant in examining revenue trends and react as needed.
- The City will continue to look for efficiencies and ways to cut expenditures costs, as well as any "rightsizing" opportunities.
- The City's 2024 budget includes payroll increases for Cost of Living and merit.
- The 2024 Budget projects a \$3,421,086 decrease in the General Fund balance (unassigned fund balance of 47.7% of expenditures).

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents and taxpayers with a general overview of the City's finances and to show the City's accountability for the money it receives.

If you have questions about this report or would like additional financial information, please contact the Finance Office 415 Elm Grove Lane, Hazelwood, MO 63042 or telephone at 314-839-3700.

City of Hazelwood, Missouri
Statement of Net Position
June 30, 2023

	Primary Government Governmental Activities	Component Unit Industrial Dvlp. Authority
Assets		
Current Assets:		
Cash and cash equivalents	\$ 23,608,952	\$ 398,150
Investments	11,669,142	134,391
Restricted cash and cash equivalents	473,436	33,159
Restricted investments	-	515,421
Receivables, net:		
Property taxes	600,206	-
Sales taxes	3,357,016	-
Ambulance	366,846	-
Court	206,253	-
Interest	2,034	-
Other	578,949	-
Prepaid items	722,701	-
Due from fiduciary fund	59,823	-
Lease receivable	846,810	-
Total Current Assets	42,492,168	1,081,121
Noncurrent Assets:		
Land and construction in progress	5,690,761	-
Other capital assets, net	20,952,594	-
Intangible right-to-use lease assets, net	49,206	-
Intangible subscription IT assets, net	20,973	-
Total Noncurrent Assets	26,713,534	-
Deferred Outflows of Resources		
Deferred loss on refunding	187,406	-
Deferred outflows related to pension	3,093,913	-
Deferred outflows related to other post-employment benefits	147,438	-
Total Deferred Outflows of Resources	3,428,757	-
Liabilities		
Current Liabilities:		
Accounts payable	555,242	-
Accrued payroll and related benefits	624,388	-
Accrued interest payable	18,108,339	46,755
Other liabilities	1,112,640	-
Unearned revenue	60,000	-
Current portion of compensated absences payable	904,151	-
Current portion of lease liabilities	17,485	-
Current portion of subscription IT liabilities	4,879	-
Current portion of long-term debt payable	1,520,520	435,000
Total Current Liabilities	22,907,644	481,755
Noncurrent Liabilities:		
Compensated absences payable - long-term portion	387,493	-
Lease liabilities - long-term portion	31,905	-
Subscription IT liabilities - long-term portion	15,402	-
Long-term debt, net - long-term portion	21,119,826	1,463,953
Postretirement benefits payable	421,665	-
Net pension liability	5,712,602	-
Other post-employment benefits liability	982,720	-
Total Noncurrent Liabilities	28,671,613	1,463,953
Deferred Inflows of Resources		
Deferred inflows related to leases	826,163	-
Deferred inflows related to pension	1,080,950	-
Deferred inflows related to other post-employment benefits	291,245	-
Total Deferred Inflows of Resources	2,198,358	-
Net Position		
Net investment in capital assets	21,122,535	-
Restricted:		
Asset forfeiture	408,704	-
Capital projects	1,736,963	-
Debt service	937,777	955,822
Sewer lateral	448,068	-
Economic development	12,779,434	-
Unrestricted	(18,576,637)	(1,820,409)
Total Net Position	\$ 18,856,844	\$ (864,587)

See Notes to the Financial Statements

City of Hazelwood, Missouri
Statement of Activities
For the year ended June 30, 2023

Functions/Programs	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position	
					Primary Government	Component Unit
Primary Government						
Governmental Activities:						
General government	\$ 3,332,141	\$ 5,693,262	\$ -	\$ -	\$ 2,361,121	\$ -
Police	9,724,936	477,239	144,440	31,608	(9,071,649)	-
Fire and ambulance	13,097,723	1,525,003	3,638,114	-	(7,934,606)	-
Public works	3,875,529	-	1,672,898	-	(2,202,631)	-
Parks and recreation	3,172,541	372,698	44,424	-	(2,755,419)	-
Economic development	2,039,479	-	-	73,244	(1,966,235)	-
Sewer lateral	97,184	142,260	-	-	45,076	-
Interest and fiscal charges	1,419,173	-	-	-	(1,419,173)	-
	36,758,706	8,210,462	5,499,876	104,852	(22,943,516)	-
Component Unit						
Industrial Development Authority	\$ 134,477	\$ -	\$ -	\$ -	-	(134,477)
General Revenues:						
Taxes:						
					6,454,176	-
					19,977,005	-
					2,770,315	-
					-	622,038
					237,044	10,967
					-	-
					1,424,639	-
					30,863,179	633,005
Change in Net Position					\$ 7,919,663	\$ 498,528
Net Position - Beginning of Year					10,937,181	(1,363,115)
Net Position - End of Year					\$ 18,856,844	\$ (864,587)

See Notes to the Financial Statements

City of Hazelwood, Missouri
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Capital Projects Fund	Debt Service Fund	370/MO Bottom Rd. TIF Fund	Economic Development Fund	Nonmajor Governmental Funds	Total
Assets							
Cash and cash equivalents	\$ 12,323,475	\$ 1,484,749	\$ 938,042	\$ 2,379,871	\$ 5,848,940	\$ 633,875	\$ 23,608,952
Investments	7,594,332	-	-	-	4,074,810	-	11,669,142
Restricted cash and cash equivalents	473,436	-	-	-	-	-	473,436
Restricted investments	-	-	-	-	-	-	-
Receivables, net:							
Property taxes	581,206	-	-	19,000	-	-	600,206
Sales taxes	2,664,462	355,237	-	9,809	312,697	14,811	3,357,016
Ambulance	366,846	-	-	-	-	-	366,846
Court	206,253	-	-	-	-	-	206,253
Interest	2,034	-	-	-	-	-	2,034
Other	511,505	32,874	-	-	34,570	-	578,949
Prepaid items	722,701	-	-	-	-	-	722,701
Due from other funds	59,823	-	-	-	-	-	59,823
Lease receivable	846,810	-	-	-	-	-	846,810
Total Assets	26,352,883	1,872,860	938,042	2,408,680	10,271,017	648,686	42,492,168
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 26,352,883	\$ 1,872,860	\$ 938,042	\$ 2,408,680	\$ 10,271,017	\$ 648,686	\$ 42,492,168
Liabilities							
Accounts payable	\$ 248,285	\$ 195,686	\$ 265	\$ -	\$ 86,603	\$ 24,403	\$ 555,242
Accrued payroll and related benefits	618,083	-	-	-	6,845	-	624,928
Other payables	1,100,340	-	-	-	11,760	-	1,112,100
Unearned revenue	60,000	-	-	-	-	-	60,000
Total Liabilities	2,026,708	195,686	265	-	105,208	24,403	2,352,270
Deferred Inflows of Resources							
Unavailable revenue - property taxes	514,180	-	-	-	-	-	514,180
Unavailable revenue - public safety	256,663	-	-	-	-	-	256,663
Unavailable revenue - court	206,253	-	-	-	-	-	206,253
Unavailable revenue - grants	-	-	-	-	34,361	-	34,361
Unavailable revenue - leases	826,163	-	-	-	-	-	826,163
Total Deferred Inflows of Resources	1,803,259	-	-	-	34,361	-	1,837,620
Fund Balances							
Nonspendable:							
Prepaid items	722,701	-	-	-	-	-	722,701
Restricted:							
Asset forfeiture	408,704	-	-	-	-	-	408,704
Capital projects	-	1,677,174	-	-	-	-	1,677,174
Debt service	-	-	937,777	-	-	-	937,777
Sewer lateral	-	-	-	-	-	448,068	448,068
Economic development	-	-	-	2,408,680	10,131,448	176,215	12,716,343
Unassigned	21,391,511	-	-	-	-	-	21,391,511
Total Fund Balances	22,522,916	1,677,174	937,777	2,408,680	10,131,448	624,283	38,302,278
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 26,352,883	\$ 1,872,860	\$ 938,042	\$ 2,408,680	\$ 10,271,017	\$ 648,686	\$ 42,492,168

See Notes to the Financial Statements

City of Hazelwood, Missouri
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2023

Total Fund Balances - Governmental Funds	\$ 38,302,278
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 funds	26,643,355
Intangible right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	49,206
Intangible subscription IT assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	20,973
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are not reported in the funds	1,011,457
Interest payable recorded in the statement of net position does not require the use of current financial resources and, therefore, is not reported in the funds	(18,108,339)
Long-term liabilities, including bonds payable, compensated absences, and postretirement benefits are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(1,291,644)
Lease liabilities	(49,390)
Subscription IT liabilities	(20,281)
Long-term debt	(22,449,554)
Postretirement benefits	(421,665)
Net pension liability	(5,712,602)
Other post-employment benefits liability	(982,720)
Certain assets and liabilities are not financial resources (uses) and, therefore, are not reported in the governmental funds:	
Deferred outflows related to pension	3,093,913
Deferred outflows related to other post-employment benefits	147,438
Deferred inflows related to pension	(1,080,950)
Deferred inflows related to other post-employment benefits	(291,245)
Deferred gains and losses on refunding bonds, bond premiums, and bond discounts are to be amortized over the life of the bonds and are not reported in the funds. Deferred gains and losses, bond premiums, and bond discounts at year-end consist of:	
Deferred loss on refunding, net of amortization	187,406
Bond premiums, net of amortization	(190,792)
Total Net Position of Governmental Activities	<u><u>\$ 18,856,844</u></u>

See Notes to the Financial Statements

City of Hazelwood, Missouri
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2023

	General Fund	Capital Projects Fund	Debt Service Fund	370/MO Bottom Rd. TIF District Fund	Economic Development Fund	Nonmajor Governmental Funds	Total
Revenues							
Property taxes	\$ 4,619,695	\$ -	\$ 1,243,267	\$ 140,721	\$ -	\$ 379,675	\$ 6,383,358
Sales taxes	14,270,921	2,004,862	-	569,768	1,813,022	1,318,432	19,977,005
Utility taxes	2,770,315	-	-	-	-	-	2,770,315
Other taxes	1,656,955	-	-	-	-	-	1,656,955
Permits and inspections	737,865	-	-	-	-	-	737,865
Licenses	4,902,692	-	-	-	-	-	4,902,692
Intergovernmental	3,871,229	3,300	-	-	38,883	-	3,913,412
Fines and forfeitures	535,233	-	-	-	-	-	535,233
Investment income	180,572	1,175	-	-	52,726	2,571	237,044
Recreation fees	372,698	-	-	-	-	-	372,698
Sewer lateral fees	-	-	-	-	-	142,260	142,260
Miscellaneous	2,660,778	38,310	-	-	-	-	2,699,088
Total Revenues	36,578,953	2,047,647	1,243,267	710,489	1,904,631	1,842,938	44,327,925
Expenditures							
Current:							
Mayor and council	91,680	-	-	-	-	-	91,680
City manager	258,217	-	-	-	-	-	258,217
Information systems	555,994	-	-	-	-	-	555,994
Finance	639,352	-	583	-	-	-	639,935
Legal	660,542	-	-	-	-	-	660,542
City clerk	232,342	-	-	-	-	-	232,342
Courts	237,956	-	-	-	-	-	237,956
Police	8,830,321	-	-	-	-	-	8,830,321
Fire and ambulance	12,540,643	-	-	-	-	-	12,540,643
Public works:							
Administration	1,386,967	-	-	-	-	-	1,386,967
General maintenance	832,524	-	-	-	-	-	832,524
Park maintenance	1,124,244	-	-	-	-	-	1,124,244
Recreation	1,734,254	-	-	-	-	-	1,734,254
Sewer lateral	-	-	-	-	-	97,184	97,184
Economic development	-	631,973	-	-	731,145	471,103	1,834,221
Capital outlay	301,526	2,085,425	-	-	192,483	-	2,579,434
Debt service:							
Principal	-	394,981	965,000	-	118,981	-	1,478,962
Interest and fiscal charges	-	78,162	108,527	-	21,450	1,205,947	1,414,086
Total Expenditures	29,426,562	3,190,541	1,074,110	-	1,064,059	1,774,234	36,529,506
Excess (Deficiency) of Revenues over Expenditures	7,152,391	(1,142,894)	169,157	710,489	840,572	68,704	7,798,419
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	1,300	67,470	-	-	-	-	68,770
Insurance proceeds	3,845	119,793	-	-	-	-	123,638
Lease/SBITA proceeds	20,281	53,679	-	-	-	-	73,960
Transfers in	-	551,594	-	-	-	-	551,594
Transfers out	(551,594)	-	-	-	-	-	(551,594)
	(526,168)	792,536	-	-	-	-	266,368
Net Change in Fund Balance	\$ 6,626,223	\$ (350,358)	\$ 169,157	\$ 710,489	\$ 840,572	\$ 68,704	\$ 8,064,787
Fund Balance (Deficit), July 1	15,896,693	2,027,532	768,620	1,698,191	9,290,876	555,579	30,237,491
Fund Balance (Deficit), June 30	\$ 22,522,916	\$ 1,677,174	\$ 937,777	\$ 2,408,680	\$ 10,131,448	\$ 624,283	\$ 38,302,278

See Notes to the Financial Statements

City of Hazelwood, Missouri
Reconciliation of the Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the year ended June 30, 2023

Change in fund balance - total governmental funds	\$ 8,064,787
Amounts reported for governmental activities in the statement of activities are different because:	
Revenues that do not provide current financial resources are not included in the fund financial statements	226,806
The acquisition of capital assets requires the use of current financial resources but has no effect on net position	2,119,854
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities	(2,944,332)
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources	(54,649)
The acquisition of right-to-use lease assets requires the use of current financial resources but has no effect on net position	53,679
The cost of right-to-use assets is allocated over their estimated useful lives and are reported as amortization expense in the statement of activities	(4,473)
The acquisition of subscription IT assets requires the use of current financial resources but has no effect on net position	25,681
The cost of subscription IT assets is allocated over their estimated useful lives and are reported as amortization expense in the statement of activities	(4,708)
Issuance of principal on lease liabilities and subscription IT liabilities are revenues in the governmental funds, but the issuance increases long-term liabilities in the statement of net position	(69,671)
Repayment of principal on bonds, lease liabilities, subscription IT liabilities, and financed purchased obligations are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	1,474,673
The increase in interest payable and the amortization of bond premium/discount do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds	(5,087)
Increase in compensated absences and accumulated post retirement benefits are recorded when earned in the statement of activities	(962,897)
Change in net position of governmental activities	\$ 7,919,663

See Notes to the Financial Statements

City of Hazelwood, Missouri
Statement of Fiduciary Net Position
Pension Trust Fund
June 30, 2023

Assets

Investments at fair value:

Money market funds	\$ 2,362,228
Common stock	11,400,249
Mutual funds and exchange traded funds - equity	9,925,069
Mutual funds - international equities	6,274,252
U.S. Government agencies and mortgage backed securities	1,172,301
U.S. Treasuries	3,979,898
Corporate obligations	8,326,799
Asset backed securities	991,760
Municipal bonds	1,021,243
Interest receivable	<u>131,606</u>
Total Assets	<u>45,585,405</u>

Liabilities

Due to other funds	<u>59,823</u>
Total Liabilities	<u>59,823</u>

Net Position

Restricted for pension benefits	<u>45,525,582</u>
Total Net Position	<u><u>\$ 45,525,582</u></u>

See Notes to the Financial Statements

City of Hazelwood, Missouri
Statement of Changes in Fiduciary Net Position
Pension Trust Fund
For the year ended June 30, 2023

Additions

Contributions:	
Employer	\$ 1,041,319
Investment income:	
Interest and dividends	1,002,965
Investment return	3,189,855
Less: investment fees	<u>(169,274)</u>
Net investment income	<u>4,023,546</u>
 Total Additions	 5,064,865

Deductions

Distributions	<u>3,035,986</u>
Total Deductions	<u>3,035,986</u>

Change in Net Position Restricted for Pension Benefits	\$ 2,028,879
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Net Position, Restricted for Pension Benefits, July 1	<u>43,496,703</u>
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Net Position, Restricted for Pension Benefits, June 30	<u><u>\$ 45,525,582</u></u>
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City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies

The City of Hazelwood, Missouri ("the City") was incorporated as a village within St. Louis County, Missouri on September 7, 1949. The residents voted to approve the City of Hazelwood becoming a home rule Charter City in October of 1969. The City is governed by a Council/Manager form of government, with an elected mayor and eight council members representing eight wards. The City Manager is the administrative officer. The City's major operations include police protection, street maintenance and improvements, parks and recreation, community development, and general administrative services. The basic financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental agencies. The significant accounting policies applied by the City in the preparation of the accompanying financial statements are summarized below:

Reporting Entity

The City applies the criteria set forth in Statement No. 61 of the Governmental Accounting Standards Board, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* (GASB 61), to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will, and the primary recipient of services.

The City's financial reporting entity consists of the City and its discretely presented component unit, the Industrial Development Authority (IDA). The members of the governing board of the IDA are approved by the City. Although the City cannot impose its will on the IDA, the City provides a material subsidy to the IDA primarily to finance the operations of the organization. Together, the City and the IDA form the reporting entity for financial purposes. Complete financial information for the IDA can be obtained from the City's finance department.

Basic Financial Statements

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements, and
- Notes to the basic financial statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities and reports information on all of the activities of the nonfiduciary activities of the Primary Government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the component unit for which the City is financially accountable. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges that would distort direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the degree to which the direct and indirect expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Indirect expenses are allocated based on an annual cost allocation plan. Program revenue includes: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Basic Financial Statements (continued)

Separate fund based financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, deferred outflows, liabilities, deferred inflows, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

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. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund 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. The City considers revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due (i.e. matured).

For the governmental fund financial statements, the City considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services, and other miscellaneous revenue are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period. Resources received in advance or before eligibility requirements are met are reported as unearned revenues.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The City reports the following major governmental funds:

General Fund - The City's primary operating fund, which accounts for all the financial resources and the legally authorized activities of the City except those required to be accounted for in other specialized funds.

Capital Projects Fund - The City uses this fund to account for financial resources to be used for the acquisition, construction, improvements, or debt related major capital facilities and infrastructure.

Debt Service Fund - The City uses this fund to account for the accumulation of resources for, and the payment of, certain long-term debt principal, interest, and related costs.

370/MO Bottom Road Tax Increment Financing District Fund - The City uses this fund to account for special revenues received from the TIF District which are required to be segregated into a special allocation fund designated for use in the TIF District only.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Economic Development Fund - The City uses this special revenue fund to account for economic development sales tax, which is required to be used for economic development within the City.

The other governmental funds of the City are considered nonmajor. They are special revenue funds which account for specific revenue sources that are legally restricted to expenditures for specific purposes.

Additionally, the City uses fiduciary fund types to account for assets held by the City in a trustee capacity as an agent or on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement. The City reports the following fiduciary funds:

Pension Trust Fund - The City uses this fund to account for assets held by the City in a trustee capacity for the City's employee retirement plan.

The *Industrial Development Authority* is included as a discretely presented component unit of the City and is accounted for similar to a governmental fund type.

Cash, Cash Equivalents, and Investments

The City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. The City's investments are carried at fair value or cost, as applicable per investment type. Interest income earned on pooled cash and investments is allocated to the various funds. Interest income on restricted cash and investments is credited directly to the related fund.

The City is authorized to invest funds not immediately needed for the purposes to which the funds are applicable in obligations of the United States Treasury, federal agencies, commercial papers, 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.

Restricted Assets

Certain cash and investments are restricted for the construction or purchase of assets, the repayment of special revenue bonds, activities of special revenue funds, to ensure defendants' court appearances, and public safety expenses.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Allowance for Doubtful Accounts

Ambulance fee receivables are shown net of an allowance for uncollectable accounts of \$1,038,341.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$1,500 or more 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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using a straight-line method over the following estimated useful lives:

<u>Major Group</u>	<u>Life</u>
Buildings and improvements	5 - 40 years
Infrastructure	10 - 20 years
Machinery, equipment, and furniture and fixtures	5 - 30 years
Vehicles and associated automotive equipment	5 - 30 years

Leasing Arrangements

For arrangements where the City is a lessee, a lease liability and a right of use (ROU) intangible asset are recognized at the commencement of the lease term. ROU assets represent the City's right to use an underlying asset for the lease term and lease liabilities represent the City's obligation to make lease payments arising from the lease. The City recognizes lease liabilities with an initial, individual or aggregate value of \$10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

For fund financial statements, an expenditure and other financing source will be reported in the period the lease is initially recognized. The expenditure and other financing source should be measured as noted in the previous paragraph. Subsequent governmental fund lease payments are accounted for consistent with the principles of debt service payments on long-term debt.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses an estimated incremental borrowing rate that represents the rate at which it would borrow funds to calculate the present value of lease payments when the rate implicit in the lease is not known. The City includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the City will exercise the option. The City has elected to combine lease and nonlease components for all lease contracts and also has not recognized ROU assets and lease liabilities for leases with terms for 12 months or less.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the ROU assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Leasing Arrangements (continued)

For government-wide and fund financial statements, for arrangements in which the City is the lessor, a lease receivable and deferred inflow of resources is recognized at the commencement of the lease term. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflows should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that related to future periods.

Subscription Based Information Technology Arrangements (SBITA)

For arrangements where the City is an end user, a subscription IT liability and a right of use (ROU) intangible asset are recognized at the commencement of the SBITA term. ROU assets represent the City's right to use an underlying asset for the SBITA term and subscription IT liabilities represent the City's obligation to make subscription payments arising from the arrangement. The City recognizes subscription IT liabilities with an initial, individual or aggregate value of \$10,000 or more.

At the commencement of an arrangement, the City initially measures the subscription IT liability at the present value of payments expected to be made during the arrangement term. Subsequently, the subscription IT liability is reduced by the principal portion of subscription payments made. The subscription IT asset is measured as the initial amount of the subscription IT liability, adjusted for subscription payments made at or before the arrangement commencement date, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over its useful life.

For fund financial statements, an expenditure and other financing source will be reported in the period the SBITA is initially recognized. The expenditure and other financing source should be measured as noted in the previous paragraph. Subsequent governmental fund subscription payments are accounted for consistent with the principles of debt service payments on long-term debt.

Key estimates and judgments related to SBITA's include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The City uses an estimated incremental borrowing rate that represents the rate at which it would borrow funds to calculate the present value of subscription payments when the rate implicit in the SBITA is not known. The City includes subscription extension and termination options in the SBITA term if, after considering relevant economic factors, it is reasonably certain the City will exercise the option. The City has not recognized ROU assets and subscription IT liabilities for arrangements with terms for 12 months or less.

The City monitors changes in circumstances that would require a remeasurement of its SBITA's and will remeasure the ROU assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription IT liability.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bonds payable are reported net of the unamortized portion of applicable premium or discount. Bond issuance costs, including underwriters' discount, are included as an expense. Amortization of bond premiums or discounts and deferred amounts on refunding are included in interest expense.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Long-Term Liabilities (continued)

Also recorded in long-term liabilities is the City's severance package liability. The City pays to each employee with 25 years of service upon retirement an amount equal to one month salary. The City records in long-term liabilities an amount equal to the estimated liability at year end based on the length of service of each employee. The change in this liability is recorded in the government-wide statements to match the expense of providing this benefit to the period it is earned by the employee.

Compensated Absences

The City provides compensation to employees for earned but unused vacation leave, emergency leave, and compensatory time. Vacation leave is granted to employees based on years of continuous services as of the anniversary date of employment. Unused vacation leave can be accumulated and carried over one year beyond the year earned. Emergency leave is accumulated at the rate of one day per month to a maximum of 90 days. Unused emergency leave is paid at 25% of the amount accrued upon voluntary separation of employment from the City. Compensatory time may be accumulated to a maximum of 10 days. Unused compensatory time is payable upon termination of employment. The City records the liability for compensated absences to City employees as earned in the government-wide financial statements. Liabilities for compensated absences are generally liquidated by the General Fund or the Economic Development Fund.

Net Position and Fund Balance/Equity

In the government-wide financial statements, net position is reported in three categories: net investment in capital assets; restricted; and unrestricted. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal on related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents amounts restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets, net of outstanding principal on related debt. All remaining net position is considered unrestricted.

When both restricted and unrestricted sources are available for use, it is the City's policy to use restricted first, then unrestricted resources as they are needed. The government-wide Statement of Net Position reports a restricted portion of \$16,310,946, of which \$15,902,242 is restricted by enabling legislation.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - Resources which cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted - Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Committed - Resources which are subject to limitations the government imposes upon itself by passing a resolution by the City Council, and that remain binding unless removed in the same manner.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Net Position and Fund Balance/Equity (continued)

Assigned - Resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or an official to which the City Council has delegated the authority to assign amounts for specific purposes.

Unassigned - Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The City would typically use Restricted fund balances first, followed by Committed resources and Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first.

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 17% and generally not more than 40% of annual operating expenditures for the fiscal year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Since appropriations lapse at year-end, outstanding encumbrances are reappropriated in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments. Encumbrances do not constitute current year expenditures or liabilities. The City had no outstanding encumbrances as of June 30, 2023.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 Net Position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element 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. Under the modified accrual basis of accounting, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund Transactions

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses) in the governmental fund types.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Due To/Due From Other Funds

Noncurrent portions of long-term interfund loans receivable (reported in "advances to" asset accounts) are equally offset by a fund balance reserve account which indicates they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of long-term interfund loan receivable (reported in "due from" asset accounts) are considered "available spending resources" and are subject to elimination upon consolidation.

Pensions

For purposes of measuring the net pension 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 plan (the Plan) and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could vary from the estimates that management uses.

Note 2 - Deposits and Investments

Deposits

Custodial Credit Risk - For deposits, the custodial credit risk 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 insured or secured by the deposit of certain securities specified at Section 30.270, RSMo., 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.

At June 30, 2023, the City's and the IDA's bank balances were entirely secured and collateralized with securities held by the City or by its agent in the City's name.

Investments

The City's formal investment policies are as follows:

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy states that it will minimize credit risk by prequalifying financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business and diversify the portfolio to reduce potential losses on individual securities.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investment. Investment held for longer periods are subject to increased risk of adverse interest rate changes. The City's policy states that they minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing primarily in shorter term securities.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 2 - Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk - For an investment, concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's policy states that they minimize concentration of credit risk by diversifying its investment portfolio.

Custodial Credit Risk - For an investment, the custodial 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 investment, or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial risk by prequalifying institutions with which the City places investment, diversifying the investment portfolio, and maintaining a standard of quality for investments.

As of June 30, 2023, the City's investments consisted of the following:

	Fair Value	No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
Primary Government:						
Money market funds	\$ 44,887	\$ 44,887	\$ -	\$ -	\$ -	\$ -
Certificates of deposit	7,594,332	-	4,321,412	3,272,920	-	-
U.S. Treasury notes						
Rated AAA	4,074,810	-	1,323,185	2,751,625	-	-
	<u>11,714,029</u>	<u>44,887</u>	<u>5,644,597</u>	<u>6,024,545</u>	<u>-</u>	<u>-</u>
Component Unit (IDA):						
Money market funds	332,443	332,443	-	-	-	-
Certificates of deposit	134,391	-	134,391	-	-	-
Federal agency bonds						
Rated AAA	389,826	-	-	389,826	-	-
U.S. Treasury notes						
Rated AAA	125,595	-	-	125,595	-	-
	<u>982,255</u>	<u>332,443</u>	<u>134,391</u>	<u>515,421</u>	<u>-</u>	<u>-</u>
Fiduciary Fund:						
Money market funds	2,362,228	2,362,228	-	-	-	-
Common stock	11,400,249	11,400,249	-	-	-	-
Mutual funds - equity	8,445,524	8,445,524	-	-	-	-
Exchange traded funds	1,479,545	1,479,545	-	-	-	-
Mutual funds - equity international	6,274,252	6,274,252	-	-	-	-
Federal agency bonds						
FHLMC - Not rated	525,364	-	-	7,793	-	517,571
FNMA - Not rated	122,814	-	-	-	122,814	-
GNMA - Not rated	391,384	-	-	-	-	391,384
FFCB - Rated AA+	132,739	-	-	132,739	-	-
U.S. Treasuries						
Bonds - Rated AAA	2,063,826	-	-	-	-	2,063,826
Notes - Rated AAA	1,916,072	-	-	1,068,979	847,093	-

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 2 - Cash and Investments (continued)

Investments (continued)

	Fair Value	No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
Corporate obligations						
Rated AAA	137,095	-	-	137,095	-	-
Rated AA+	28,891	-	-	28,891	-	-
Rated AA	135,618	-	-	29,427	-	106,191
Rated AA-	323,078	-	-	90,997	-	232,081
Rated A+	811,147	-	69,007	460,454	-	281,686
Rated A	2,100,349	-	68,665	1,272,438	260,072	499,174
Rated A-	2,079,043	-	118,741	1,341,931	501,000	117,371
Rated BBB+	1,421,396	-	44,763	714,174	167,277	495,182
Rated BBB	1,019,773	-	-	690,153	221,784	107,836
Rated BBB-	199,781	-	29,566	170,215	-	-
Not rated	70,628	-	-	70,628	-	-
Asset backed securities						
Rated AAA	991,760	-	-	771,090	-	220,670
Municipal bonds						
Rated AAA	271,929	-	-	135,810	136,119	-
Rated AA3	136,901	-	-	136,901	-	-
Rated AA+	138,069	-	-	138,069	-	-
Rated AA	135,606	-	-	135,606	-	-
Rated AA-	278,738	-	-	278,738	-	-
Not rated	60,000	-	60,000	-	-	-
	<u>45,453,799</u>	<u>29,961,798</u>	<u>390,742</u>	<u>7,812,128</u>	<u>2,256,159</u>	<u>5,032,972</u>
Total Investments	<u>\$ 58,150,083</u>	<u>\$ 30,339,128</u>	<u>\$ 6,169,730</u>	<u>\$ 14,352,094</u>	<u>\$ 2,256,159</u>	<u>\$ 5,032,972</u>

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets and liabilities [such as interest rates, yield curves, volatilities, loss severities, credit risks, and default rates] or other market corroborated inputs); and Level 3 inputs are significant unobservable inputs. The City uses the following recurring fair value measurements as of June 30, 2023:

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 2 - Cash and Investments (continued)

Fair Value Measurements (continued)

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Primary Government:				
Money market funds	\$ 44,887	\$ 44,887	\$ -	\$ -
U.S. Treasury notes	4,074,810	4,074,810	-	-
	<u>4,119,697</u>	<u>4,119,697</u>	<u>-</u>	<u>-</u>
Component Unit (IDA):				
Money market funds	332,443	332,443	-	-
Federal agency bonds	389,826	-	389,826	-
U.S. Treasury notes	125,595	125,595	-	-
	<u>847,864</u>	<u>458,038</u>	<u>389,826</u>	<u>-</u>
Fiduciary Fund:				
Money market funds	2,362,228	2,362,228	-	-
Common stock	11,400,249	11,400,249	-	-
Mutual funds - equity	8,445,524	8,445,524	-	-
Exchange traded funds	1,479,545	1,479,545	-	-
Mutual funds - equity international	6,274,252	6,274,252	-	-
Federal agency bonds	1,172,301	-	1,172,301	-
U.S. Treasury bonds/notes	3,979,898	3,979,898	-	-
Corporate obligations	8,326,799	-	8,326,799	-
Asset backed securities	991,760	-	991,760	-
Municipal bonds	1,021,243	-	1,021,243	-
	<u>45,453,799</u>	<u>33,941,696</u>	<u>11,512,103</u>	<u>-</u>
Total Fair Market Value of Investments	<u>\$ 50,421,360</u>	<u>\$ 38,519,431</u>	<u>\$ 11,901,929</u>	<u>\$ -</u>

The City values level 2 inputs based on quoted prices in active markets for similar assets. All other investments are reported using a cost-based measure in accordance with the requirements of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Investments measured at amortized cost:

Certificates of Deposit	<u>\$ 7,728,723</u>
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City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 3 - Property Taxes

Property taxes are levied in October of each year on the assessed value as of the prior January 1 for all property located in the City. Property taxes attach as an enforceable lien on property as of January 1 and are due upon receipt of billing and become delinquent.

Real estate taxes are billed and collected by St. Louis County and remitted by the County to the City. Property tax revenue is recognized to the extent it is collected within the current period or expected to be collected within 60 days after year-end. Taxes collected subsequent to the 60 day period are considered to be unavailable on the fund financial statements, but are recognized as revenue in the government-wide financial statements.

Note 4 - Interfund Transactions

The following transfers were made during the fiscal year ending June 30, 2023:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 551,594
Capital Projects Fund	551,594	-
	<u>\$ 551,594</u>	<u>\$ 551,594</u>

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use restricted revenues collected in the General Fund to finance capital improvements and other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

Individual interfund assets and liabilities as of June 30, 2023 are as follows:

	Receivable fund	Payable fund
General Fund	\$ 59,823	\$ -
Pension Trust Fund	-	59,823
	<u>\$ 59,823</u>	<u>\$ 59,823</u>

The outstanding balances between the funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. All interfund balances are expected to be repaid during the fiscal year ended June 30, 2024.

Note 5 - Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2023 is as follows:

	Balance at 06/30/22	Additions	Deletions	Balance at 06/30/23
<u>Governmental activities:</u>				
Non-depreciable capital assets				
Land and right-of-way	\$ 5,059,741	\$ -	\$ -	\$ 5,059,741
Construction in process	506,907	139,076	(14,963)	631,020
Total non-depreciable capital assets	<u>\$ 5,566,648</u>	<u>\$ 139,076</u>	<u>\$ (14,963)</u>	<u>\$ 5,690,761</u>

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 5 - Capital Assets (continued)

Depreciable capital assets				
Buildings and improvements	24,482,387	394,124	(7,984)	24,868,527
Financed purchase - buildings and improvements	433,667	-	-	433,667
Infrastructure	39,810,117	401,978	-	40,212,095
Financed purchase - infrastructure	825,741	-	-	825,741
Machinery, equipment, and furniture and fixtures	6,674,102	700,197	(242,465)	7,131,834
Automotive equipment	5,259,056	499,442	(259,097)	5,499,401
Financed purchase - automotive equipment	1,359,097	-	-	1,359,097
Total depreciable capital assets	78,844,167	1,995,741	(509,546)	80,330,362
Less: accumulated depreciation				
Buildings and improvements	(15,820,234)	(680,444)	-	(16,500,678)
Financed purchase - buildings and improvements	(187,922)	(43,367)	-	(231,289)
Infrastructure	(30,046,689)	(1,368,335)	-	(31,415,024)
Financed purchase - infrastructure	(237,401)	(41,287)	-	(278,688)
Machinery, equipment, and furniture and fixtures	(5,864,733)	(313,366)	236,263	(5,941,836)
Automotive equipment	(3,759,780)	(389,387)	218,634	(3,930,533)
Financed purchase - automotive equipment	(971,574)	(108,146)	-	(1,079,720)
Total accumulated depreciation	(56,888,333)	(2,944,332)	454,897	(59,377,768)
Total depreciable capital assets, net	<u>\$ 21,955,834</u>	<u>\$ (948,591)</u>	<u>\$ (54,649)</u>	<u>\$ 20,952,594</u>

Depreciation expense was charged to functions/programs of the primary government for the year ended June 30, 2023 as follows:

General government	\$ 478,629
Police	209,579
Fire and ambulance	369,702
Public works	1,660,349
Parks	226,073
	<u>\$ 2,944,332</u>

Note 6 - Intangible Right-to-Use Lease and Subscription IT Assets

A summary of lease and subscription IT asset activity during the year ended June 30, 2023 is as follows:

	Balance at 06/30/22	Additions	Deletions	Balance at 06/30/23
Right-to-use lease assets				
Computers	\$ -	\$ 53,679	\$ -	\$ 53,679
Less: accumulated amortization				
Computers	-	(4,473)	-	(4,473)
Intangible right-to-use lease assets, net	-	49,206	-	49,206

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 6 - Intangible Right-to-Use Lease and Subscription IT Assets (continued)

Subscription IT assets	-	25,681	-	25,681
Less: accumulated amortization	-	(4,708)	-	(4,708)
Intangible subscription IT assets, net	-	20,973	-	20,973
 Total amortizable intangible assets, net	 \$ -	 \$ 70,179	 \$ -	 \$ 70,179

Amortization expense was charged to functions/programs of the primary government for the year ended June 30, 2023 as follows:

General government	\$ 9,181
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Note 7 - Long-Term Debt

The following is a summary of the changes in the City's long-term debt for the year ended June 30, 2023:

	Balance at 06/30/22	Additions	Reductions	Balance at 06/30/23	Due Within One Year
<i>Primary Government:</i>					
General obligation bonds	\$ 4,020,000	\$ -	\$ (965,000)	\$ 3,055,000	\$ 990,000
Add: Issuance premiums	193,462	-	(59,376)	134,086	-
Certificates of participation	1,830,000	-	(340,000)	1,490,000	355,000
Add: Issuance premiums	70,181	-	(13,475)	56,706	-
Tax increment revenue notes	17,055,000	-	-	17,055,000	-
Financed purchase obligations	1,019,227	-	(169,673)	849,554	175,520
Postretirement benefits	406,705	14,960	-	421,665	-
Total Primary Government	<u>\$ 24,594,575</u>	<u>\$ 14,960</u>	<u>\$ (1,547,524)</u>	<u>\$ 23,062,011</u>	<u>\$ 1,520,520</u>
<i>Component Unit (IDA):</i>					
Capital projects bonds	\$ 2,320,000	\$ -	\$ (415,000)	\$ 1,905,000	\$ 435,000
Less: Issuance discounts	(7,696)	-	1,649	(6,047)	-
	<u>\$ 2,312,304</u>	<u>\$ -</u>	<u>\$ (413,351)</u>	<u>\$ 1,898,953</u>	<u>\$ 435,000</u>

Primary Government

General Obligation Bonds

In 2012, the City issued general obligation bonds in the amount of \$5,289,047 for the purpose of providing funds to 1) refund the City's outstanding general obligation street bonds, Series 2005, maturing on March 1, 2016, 2) pay the interest on the bonds to and including March 1, 2015, and 3) pay the costs of issuing the bonds. Interest rates on the bonds range from 1.25% to 2.20%. The bonds include \$64,047 of capital appreciation bonds which were paid in full on March 1, 2022 and included \$340,953 of accreted interest. The remaining current interest bonds mature on March 1, 2025.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 7 - Long-Term Debt (continued)

Primary Government (continued)

General Obligation Bonds (continued)

In 2015, the City issued general obligation bonds in the amount of \$3,945,000 for the purpose of providing funds to 1) advance refund the portion of the City's outstanding general obligation street bonds, Series 2007, maturing on March 1, 2019 and thereafter, outstanding in the aggregate principal amount of \$4,000,000 and 2) pay costs of issuing the bonds. Proceeds from the issue were deposited in to an irrevocable escrow account with a third-party trustee to refund \$4,000,000 in existing Series 2007 bonds when called in March 2017. As a result, the refunded portion of the liability for the 2007 bonds has been removed from the Statement of Net Position. Interest rates on the bonds range from 2.00% - 4.00%, and the bonds are due to mature on March 1, 2026.

A summary of principal and interest debt service requirements for the general obligation bonds is as follows:

Year ended, June 30,	Principal	Interest	Total
2024	\$ 990,000	\$ 81,627	\$ 1,071,627
2025	1,020,000	53,333	1,073,333
2026	1,045,000	23,512	1,068,512
	<u>\$ 3,055,000</u>	<u>\$ 158,472</u>	<u>\$ 3,213,472</u>

Certificates of Participation

In 2015, the City issued refunding certificates of participation in the amount of \$3,895,000 for the purpose of providing funds to 1) refund the City's certificates of participation, Series 2008, originally issued in the aggregate principal amount of \$5,485,000 with principal amount remaining of \$4,045,000 and 2) pay the costs of delivering the Series 2015 certificates. The original Series 2008 certificates were used for acquiring, constructing, furnishing and equipping a new aquatic center and improving Fire Station #1. Proceeds from the issue were deposited into an irrevocable escrow account with a third-party trustee to refund \$4,045,000 in existing Series 2008 certificates of participation when called in March 2018. As a result, the liability for the 2008 certificates of participation has been removed from the Statement of Net Position. The current refunding resulted in a cash flow savings of \$705,170 and an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$546,367. Interest rates on the certificates of participation range from 2.00% - 4.00%, and the certificates are due to mature on April 1, 2027.

A summary of principal and interest debt service requirements for the certificates of participation is as follows:

Year ended, June 30,	Principal	Interest	Total
2024	\$ 355,000	\$ 51,087	\$ 406,087
2025	365,000	36,888	401,888
2026	380,000	25,025	405,025
2027	390,000	12,675	402,675
	<u>\$ 1,490,000</u>	<u>\$ 125,675</u>	<u>\$ 1,615,675</u>

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 7 - Long-Term Debt (continued)

Primary Government (continued)

Tax Increment Revenue Notes

The City has tax increment revenue notes (Series A and Series B) 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, incremental increases in economic activity taxes in the project area, and monies on deposit in the Debt Service Reserve Fund. The notes do not constitute a general obligation of the City. The City does not own the assets for which the debt was issued to build. The tax exempt portion of the Series A notes have an interest rate of 6.75% and the taxable portion of the Series B notes have an interest rate of 8.25%. Accrued interest on these notes at June 30, 2023 amounted to \$18,057,693. These notes are due to mature on October 3, 2029.

Financed Purchase Obligations

The City entered into financed purchase agreements with various banks to purchase capital assets which are accounted for as financed purchase obligations with interest rates ranging from 1.225% to 5.040%. Lease payments under the terms of these agreements are recorded as lease/purchase expenditures in the Capital Projects Fund. The City currently has three financed purchase obligations outstanding for a fire truck, fiber optic network installation, and city hall windows and energy upgrades.

A summary of principal and interest debt service requirements for the financed purchase obligations is as follows:

Year ended, June 30,	Principal	Interest	Total
2024	\$ 175,521	\$ 32,081	\$ 207,602
2025	181,598	26,004	207,602
2026	187,915	19,687	207,602
2027	121,714	13,697	135,411
2028	94,606	8,731	103,337
2029	88,200	4,445	92,645
	<u>\$ 849,554</u>	<u>\$ 104,645</u>	<u>\$ 954,199</u>

Postretirement Benefits

As a benefit to employees who have served the City for an extended period of time, the City provides certain benefits upon retirement. Upon retirement full time employees who have been employed by the City for 25 years or more are entitled to receive one month of salary. At June 30, 2023, there were 159 employees eligible to receive benefits upon meeting the service requirements. The City has accrued this liability in the government-wide statements.

Bonds, certificates of participation, tax increment financing notes, and financed purchase obligations are liquidated by the appropriate related fund. Postretirement benefits are liquidated by the General Fund and Economic Development Fund.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 7 - Long-Term Debt (continued)

Component Unit (IDA)

Capital Project Bonds

In 2007, the IDA issued taxable annual appropriation capital projects bonds for the purpose of 1) financing a wildlife museum, indoor aquarium, and related attractions within a retail store specializing in hunting, fishing, and outdoor gear; 2) funding a Debt Service Reserve Fund for the bonds; 3) funding a portion of the capitalized interest on the bonds; and 4) paying certain costs of issuance of the bonds. These bonds are special obligations of the IDA payable solely from certain revenues pledged by the City. The City pledged a portion of its parks and stormwater sales tax, capital improvements sales tax, and hotel/motel tax to pay the bonds. The museum will be owned by the City. The General Fund transferred \$551,594 to the Capital Projects Fund for its portion of the pledged revenues. The Capital Projects Fund paid \$551,594 to the IDA for the year ended June 30, 2023. The interest rates on the bonds range from 5.310% to 5.875% and are due to mature on February 1, 2027.

The bonds have a debt service reserve requirement in the sum of \$552,244 to be maintained solely for (i) the payment of the principal of and interest on the bonds if moneys otherwise available for such purpose are insufficient to pay the same as they become due and payable, and (ii) unless otherwise provided for, to make the final payment on the bonds. As of June 30, 2023, the balance of the debt service reserve account was \$548,580, leaving a shortfall of \$3,664.

Note 8 - Employee Retirement Plan

General Information about the Defined Benefit Pension Plan

Plan description - The Retirement Plan for Police Officers, Firefighters, and Other Employees of the City of Hazelwood (the Pension Plan) is a single-employer defined benefit pension plan and provides pensions for all permanent full-time police officers, firefighters, and other employees of the City. The Pension Plan was created and is governed by City ordinance. The Pension Plan does not issue a separate stand-alone financial report. The financial information is included as a Trust Fund in the City's financial statements. Information about the Pension Plan is provided in a summary plan description.

Benefits provided - Employees who attain the age of 60 or have 25 years of credited service are entitled to a normal retirement benefit equal to: 1) 2% of their final average monthly compensation multiplied by 2) the employee's years of service not in excess of 30 years. Participants as of 1989 are entitled to no less than the benefit determined in accordance with the provisions of the Pension Plan in effect immediately prior to 1989, based on credited service to the date. The Pension Plan also provides early retirement, late retirement, vested deferred retirement, and disability benefits.

Employees covered by benefit terms - At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	132
Inactive employees entitled to but not yet receiving benefits	69
Active employees	156
Disabled	1
	<u>358</u>

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 8 - Employee Retirement Plan (continued)

General Information about the Defined Benefit Pension Plan (continued)

Contributions - The City contributes to the Pension 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. Full-time employees of the City do not contribute to the Pension Plan. For the year ended June 30, 2023, the City's actual contribution to the Pension Plan represented 10.22% of annual covered payroll. In the past, contributions to the Pension Plan have been made from the General Fund.

Investment Policy - The objective of the portfolio is to direct the investment and reinvestment of Pension Plan assets with the primary objective of maximizing long-term total return while protecting principal. It is the policy of the Board to pursue an investment strategy through diversification across a selection of asset classes. The Board has set specific limitations with regard to credit quality ratings and the effective duration of the portfolio. The following was the Board's adopted asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation	Minimum	Maximum
Equities	60%	40%	75%
Fixed-Income	40%	25%	50%

Net Pension Liability - The City's net pension liability was measured as of July 1, 2022, and the total pension liability was determined by rolling forward the Pension Plan's total pension liability as of July 1, 2022 to June 30, 2023 using the actuarial assumptions outlined below.

Actuarial Assumptions - The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increase	3.50% average, including inflation
Investment Rate of Return	7.50%, net of investment expenses

Mortality rates were based on the Pub-2010 Table weighted 70% Public Safety and 30% General Employees projected generationally using the Buck-Modified MP 2021 mortality improvement scale. This replaced the previous mortality table which was the Pub-2010 Table weighted 70% Public Safety and 30% General Employees projected generationally using the Buck-Modified MP-2020 mortality improvement scale.

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

The long-term expected rate of return on pension plan investments was determined using a building-block 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:

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 8 - Employee Retirement Plan (continued)

General Information about the Defined Benefit Pension Plan (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Select	34.00%	7.9%
Mid Cap	12.00%	8.0%
International Growth	14.00%	8.4%
High Income Bond	12.00%	4.2%
Intermediate Gov/Credit	27.00%	1.5%
Cash	1.00%	0.0%

Discount rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rates assumes that the City contributions will continue to follow the current funding policy of contributing employer normal cost plus Plan expenses plus a 15-year amortization (on an open basis) of unfunded liabilities. Based on these assumptions, the pension plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The single discount rate reflects (1) a 7.50% long-term expected rate of return on pension plan investments and (2) a 4.13% municipal bond rate which is derived from the S & P Municipal Bond 20 Year High Grade Rate Index as of July 1, 2022.

Changes in Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2022	<u>\$ 50,013,257</u>	<u>\$ 43,513,361</u>	<u>\$ 6,499,896</u>
Changes for the year:			
Service cost	658,347	-	658,347
Interest	3,679,090	-	3,679,090
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(63,479)	-	(63,479)
Changes of assumptions	46,778		
Contributions - employer	-	1,041,319	(1,041,319)
Contributions - employee	-	-	-
Net investment income	-	4,066,711	(4,066,711)
Benefit payments, including refunds	(3,035,986)	(3,035,986)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	<u>1,284,750</u>	<u>2,072,044</u>	<u>(834,072)</u>
Balances at 6/30/2023	<u><u>\$ 51,298,007</u></u>	<u><u>\$ 45,585,405</u></u>	<u><u>\$ 5,712,602</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability			<u><u>88.86%</u></u>

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 8 - Employee Retirement Plan (continued)

Changes in Pension Liability (continued)

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be using a discount rate that is 1.00% lower or 1.00% higher than the current rates.

	1% Decrease	Current Rate	1% Increase
Total Pension Liability	\$ 57,266,156	\$ 51,298,007	\$ 46,284,781
Plan Fiduciary Net Position	(45,585,405)	(45,585,405)	(45,585,405)
Net Pension Liability	<u>\$ 11,680,751</u>	<u>\$ 5,712,602</u>	<u>\$ 699,376</u>

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

For the year ended June 30, 2023, the City recognized pension expense of \$1,846,104. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 163,904	\$ (601,529)
Differences in assumptions	203,346	(479,421)
Excess (deficit) investment returns	2,726,663	-
	<u>\$ 3,093,913</u>	<u>\$ (1,080,950)</u>

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

Year ended June 30,	Amount
2024	\$ 352,752
2025	(26,581)
2026	1,855,491
2027	(168,364)
2028	(335)
Thereafter	-
	<u>\$ 2,012,963</u>

Note 9 - Other Post Employment Benefits

General Information about the Defined Benefit Other Post-Employment Benefit Plan

Plan description - The City of Hazelwood's Postretirement Health Benefits plan (the "Plan") is a single-employer other post-employment benefit (OPEB) plan that provides its retirees with access to healthcare until attainment of Medicare Eligibility Age. The retiree must pay the full premium of such coverage, but the employer is responsible for any implicit subsidy arising from actual claims in excess of premium amounts. The Plan does not issue a separate stand-alone financial report. Benefits under the Plan are established by ordinance and may be changed by the passage of an ordinance. The City has a fiduciary net position of \$0, meaning it has no accumulated assets as defined by GASB Statement No. 75.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 9 - Other Post Employment Benefits (continued)

General Information about the Defined Benefit Other Post-Employment Benefit Plan (continued)

The City funds these benefits on a pay as you go basis. Since other post-employment benefits are merely an implicit subsidy and not a direct expenditure of the City, funds used to pay for these benefits are paid out of any fund that incurs health insurance benefit costs. The most significant cost is out of the General Fund.

At June 30, 2022, the date of the last actuarial valuation, the Plan covered the following number of participants for medical coverage:

Inactive employees or beneficiaries currently receiving benefits	5
Active employees	153
	158

Valuations are performed using the Entry Age Normal Cost Method, level percent of salary. Under this method, a salary scale assumption is required; this was chosen to be consistent with the pension valuation.

Actuarial Assumptions - The total other post-employment benefit liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality rate:	Pub-2010 Table weighted 70% Public Safety and 30% General Employees projected generationally using the Buck-Modified MP-2021 mortality improvement scale
Healthcare inflation:	7.00% initially, grading down to 4.50%
Salary increases:	4.50% per annum

During the year the following assumptions were changed:

Measurement date of the liability was updated to June 30, 2023. The discount rate was updated to 4.13% from 4.09%.

Discount rate - The single discount rate reflects a 4.13% municipal bond rate which is derived from the S & P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023.

Changes in OPEB Liability

	Total OPEB Liability
Balances at 6/30/2022	\$ 920,408
Changes for the year:	
Service cost	54,766
Interest	39,307
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	(3,244)
Benefit payments, including refunds	(28,517)
Administrative expense	-
Other changes	-
Net changes	62,312
Balances at 6/30/2023	\$ 982,720

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 9 - Other Post Employment Benefits (continued)

Changes in OPEB Liability (continued)

Sensitivity of the OPEB liability to changes in the discount rate - The following presents the OPEB liability of the City, calculated using the discount rate of 4.13%, as well as what the City's OPEB liability would be using a discount rate that is 1.00% lower or 1.00% higher than the current rates.

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 1,066,340</u>	<u>\$ 982,720</u>	<u>\$ 904,460</u>

Sensitivity of the healthcare trend sensitivity - The following presents the OPEB liability of the City, calculated using the healthcare trend rate of 7.00% to an ultimate rate of 4.50%, as well as what the City's OPEB liability would be using a trend rate that is 1.00% lower or 1.00% higher than the current rates.

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 866,456</u>	<u>\$ 982,720</u>	<u>\$ 1,120,160</u>

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$82,257. The City reported deferred outflows and inflows of resources related to the OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ -	\$ (221,120)
Differences in assumptions	147,438	(70,125)
	<u>\$ 147,438</u>	<u>\$ (291,245)</u>

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

<u>Year ended June 30,</u>	<u>Amount</u>
2024	\$ (11,816)
2025	(11,816)
2026	(11,816)
2027	(11,816)
2028	(12,511)
Thereafter	(84,032)
	<u>\$ (143,807)</u>

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 10 - Leases

Lessee

The City has entered into a lease contract for the right to use forty-four (44) computers for a lease term of 36 months with an incremental borrowing rate of 3.04%. The lease contract will expire in March of 2026. The right-to-use assets are intangible assets and are presented in a separate footnote (Note 6). For the fiscal year ended June 30, 2023, the City paid \$4,870 in lease payments.

A summary of principal and interest requirements for the future minimum lease payments is as follows:

Year ended, June 30,	Principal	Interest	Total
2024	\$ 17,485	\$ 1,259	\$ 18,744
2025	18,024	720	18,744
2026	13,881	176	14,057
	<u>\$ 49,390</u>	<u>\$ 2,155</u>	<u>\$ 51,545</u>

Lessor

The City has entered into two arrangements to lease a cell tower and billboard tower owned by the City to various agencies at an incremental lending rate of 1.57%. The lease contracts expire at various dates through 2048, assuming that all renewal options are exercised by the lessees. For the fiscal year ended June 30, 2023, the City received \$53,016 in lease payments.

A summary of principal and interest requirements for the future minimum rental payments to be received is as follows:

Year ended, June 30,	Principal	Interest	Total
2024	\$ 25,967	\$ 13,195	\$ 39,162
2025	26,925	12,781	39,706
2026	27,910	12,351	40,261
2027	28,920	11,906	40,826
2028	32,358	11,444	43,802
2029-2033	180,385	49,125	229,510
2034-2038	202,134	33,540	235,674
2039-2043	171,357	18,892	190,249
2044-2048	150,854	4,638	155,492
	<u>\$ 846,810</u>	<u>\$ 167,872</u>	<u>\$ 1,014,682</u>

Note 11 - Subscription Based Information Technology Arrangements (SBITA)

The City has entered into a subscription contract for the right to use public safety software for a term of 60 months with an incremental borrowing rate of 2.54%. The contract will expire in July of 2027. The subscription IT assets are intangible assets and are presented in a separate footnote (Note 6). For the fiscal year ended June 30, 2023, the City paid \$5,185 in subscription payments.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 11 - Subscription Based Information Technology Arrangements (SBITA) (continued)

A summary of principal and interest requirements for the future minimum subscription payments is as follows:

Year ended, June 30,	Principal	Interest	Total
2024	\$ 4,879	\$ 521	\$ 5,400
2025	5,004	396	5,400
2026	5,133	267	5,400
2027	5,265	135	5,400
	<u>\$ 20,281</u>	<u>\$ 1,319</u>	<u>\$ 21,600</u>

Note 12 - Risk Management

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of the St. Louis Area Insurance Trust (SLAIT), a non-for-profit, self insurance risk pool, formed by various St. Louis County municipalities.

In order to operate as a group self-insurer of workers' compensation, SLAIT was formed in August 1986. In addition to insurance protection, the program provides risk management services with emphasis on loss control, claims administration, and management information services. SLAIT is fully funded by its member participants and employs an outside service company to process all claims.

Coverage is provided by the trust for general and auto liability subject to a \$500 deductible per occurrence for third party property damage and for law enforcement liability subject to a \$2,500 deductible per occurrence. Any damage to city property carries a \$5,000 deductible. This trust also employs an outside service company to process all claims.

The trust requires an annual premium payment by members to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in assets, liabilities, or fund balances of the insurance trust. However, the City is contingently liable to fund its pro rata share of any deficit incurred by the trust should the trust cease operation at some future date. The City's premium payments incurred to the trust totaled \$1,248,153 for the year ended June 30, 2023.

The City also purchases commercial insurance to cover risks related to building and other City property, crimes, business, travel, public official liability, earthquakes, and employee blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

Note 13 - Claims and Contingencies

Litigation

The City has been named in a lawsuit filed by Robertson Fire Protection District related to the termination of a fire services agreement. Robertson's claim is \$3,280,114 in fees are unpaid relating to services received by the City in 2018. The City has filed counterclaims related to this matter. In September 2021, a full settlement was reached in the amount of \$2.446 million, however, the issue remains ongoing and has not been fully finalized. The City is subject to other various litigation, however, the outcome of those matters is not presently determinable. In addition, the City is subject to potential claims including environment issues for certain real estate development projects. There are no known related legal issues or liabilities regarding these projects.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 13 - Claims and Contingencies (continued)

Federal and State Assisted Programs

The City has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 14 - Missouri Legislation

House Bill 103 amending Section 302.341.2 RSMo. became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations. The City was not required to and did not account for the fines and court costs for traffic violations separately from the total fines and court costs prior to August 28, 2013. For the year ended June 30, 2023, total fines and court costs revenues for the fiscal year, which include fines and court costs related to traffic violations, summed to \$466,387. "Annual general operating revenue of the city" is not defined in the amended statute and may or may not include various sources of the City's revenues. However, the City's general revenue fund tax revenue alone totaled \$23,317,886. Using general fund tax revenue and total fines and court costs as the "annual general operating revenue", the City's total fines and court costs revenues are only 1.96% of this total "annual general operating revenue", which is substantially below the 30% threshold requirement of the amended statute. This clearly demonstrates at a minimum that the City in no way exceeded the percentage requirement regardless of how "annual general operating revenue" is calculated.

Note 15 - Unrestricted Net Position

The government-wide Statement of Net Position reflects a negative unrestricted net position of \$18,576,637. This total is comprised of \$16,536,056 in unrestricted net position for operations and a negative unrestricted net position resulting from the issuance of TIF revenue notes in the amount of \$17,055,000 plus \$18,057,693 in accrued interest which is for development not owned by the City.

The City's responsibility to repay the TIF notes extends only to the incremental revenues generated by the TIF District. The TIF notes are a special limited obligation of the City and are not used in calculating the City's debt limit.

Note 16 - Tax Increment Revenues Pledged

The City has pledged a portion of future tax revenues to repay tax increment revenue bonds and notes and capital projects bonds issued by the IDA and the City to finance certain improvements within the City's boundaries. The bonds are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved area. 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 per Note 7 is payable through October 2029.

For the current year, the City's tax increment financing interest paid was \$1,205,947 and total incremental tax revenues were \$1,700,678. The IDA's tax increment financing principal and interest paid was \$542,790 and total incremental revenues were \$2,424,510.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 17 - Economic Development

The City collects a special sales tax to promote economic development within the City. The City has entered into various agreements with companies as incentives to move into the City. Certain agreements are established as forgivable loans as long as the recipient of the loans completes compliance with the terms of the agreement. At June 30, 2023, the City had an outstanding loan receivable balance of \$1,232,500. Since compliance is anticipated by all participants in the program, an offsetting allowance has been established for the entire balance.

Note 18 - Conduit Debt Obligations

The City has issued several series of Industrial Revenue Bonds to provide financial assistance to private sector entities for the purpose of acquiring, constructing, and equipping an industrial development project deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. All of the Industrial Revenue bonds are structured to pay the principal balance at maturity.

The following is a summary of outstanding conduit debt obligations as of June 30, 2023:

<u>Private Sector Entity</u>	<u>Amount Issued</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Balance Outstanding June 30, 2023</u>
Silgan Plastics Corporation	\$ 13,000,000	5/13/2015	12/1/2025	\$ 5,224,005
Mitek, Inc.	36,500,000	8/4/2017	12/1/2034	25,339,525
4847 Park 370 Blvd. Project	4,100,000	10/10/2017	12/1/2027	3,119,550
NP Hazelwood 370 Building II, LLC	17,500,000	6/15/2018	Upon completion	105,750
NP Hazelwood 370 Building III, LLC	34,000,000	6/15/2018	Upon completion	147,000
NP McDonnell, LLC	13,500,000	1/1/2019	Upon completion	37,000
Artur Express, Inc.	11,000,000	5/14/2019	12/1/2030	10,952,282
NP Hazelwood Trade Port Project	11,000,000	5/30/2019	12/1/2029	11,000,000
Silgan Plastics Corporation	15,000,000	9/4/2020	12/1/2025	3,482,038
NP Hazelwood I, LLC	18,000,000	12/11/2020	Upon completion	107,000
NP Hazelwood V, LLC	26,000,000	12/11/2020	Upon completion	129,500
NP Hazelwood IV, LLC	30,000,000	12/16/2020	Upon completion	137,000
NP Hazelwood VI, LLC	33,000,000	6/9/2021	Upon completion	144,500
8th Avenue Food & Provisions, Inc.	35,100,000	9/10/2021	Upon completion	35,100,000
Imperial Dade	8,000,000	10/10/2021	12/1/2032	5,701,512
NP Hazelwood 370 Building 9, LLC	28,500,000	12/22/2021	Upon completion	133,250
NP Hazelwood X, LLC	35,000,000	3/30/2022	Upon completion	149,500
NP Hazelwood 370 Building 7, LLC	35,000,000	3/30/2022	Upon completion	149,500
Marson Foods, LLC	35,000,000	10/5/2022	Upon completion	230,500
Pivot Bio, Inc.	21,200,000	12/22/2022	Upon completion	1,330,746

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 19 - Tax Abatements

As of June 30, 2023, the City provides tax abatements through the Industrial Development Financing under Chapter 135 and Chapter 353, RSMo.

Enhanced Enterprise Zones under Chapter 135, RSMo. authorized the governing authority having jurisdiction of the area to abate certain entities, in whole or in part, from assessment and payment of ad valorem taxes if at least fifty new jobs (providing at least thirty-five hours of employment per week per job) are created and maintained at the new or expanded facility.

Industrial Development Financing under Chapter 353 tax abatement is an incentive to encourage the redevelopment of blighted areas by providing real property tax abatement. These abatements are under the authority of Chapter 353, RSMo. (the "Urban Redevelopment Corporation Law"). To be eligible for tax abatement, either the City or a private entity must form an Urban Redevelopment Corporation organized for the purpose of clearance, re-planning, reconstruction, or rehabilitation of blighted areas. Tax abatement is only extended to real property that has been found to be a "blighted area" by the City. Under Chapter 353, the City may grant tax abatements up to 100% of annual property taxes for the first 10 years for the increased assessed value over the base land value and up to 50% of annual property taxes for the next 15 years for a maximum 25-year abatement. The length of time abatements are permitted and the amount of abatement allowed is outlined within the guidelines developed for each area or project designated.

Additionally, Industrial Development Financing under Chapter 100, RSMo. authorizes municipalities to issue revenue bonds to finance industrial development projects. Under this type of financing, the company passes title in the real or personal property involved to the City pursuant to a lease-purchase agreement. Because title to the property is held in the name of the City during the lease term, the property acquired with the bond proceeds is tax exempt, effectively resulting in tax abatement for the company.

The following is a summary of tax abatements for the year ended June 30, 2023:

<u>Program</u>	<u>Amount</u>
Chapter 135	\$ 39,626
Chapter 353	562,853
Chapter 100	354,766
	<u>\$ 957,245</u>

Note 20 - Subsequent Events

Management has evaluated events subsequent to June 30, 2023 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through February 20, 2024, the date the financial statements were available to be issued.

On October 16, 2023, the City signed an ordinance authorizing the issuance of \$14,000,000 in taxable industrial revenue bonds under Chapter 100, RSMo. See Note 18 for summary of conduit debt obligations.

On December 20, 2023, the City signed an ordinance authorizing the issuance of \$2,700,000 in taxable industrial revenue bonds under Chapter 100, RSMo. See Note 18 for summary of conduit debt obligations.

City of Hazelwood, Missouri
Notes to the Financial Statements
For the year ended June 30, 2023

Note 21 - New Accounting Pronouncements

The effect on the City's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

This report does not incorporate GASB Statement No. 99, *Omnibus 2022*, as applicable to future periods; GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*; GASB Statement No. 101, *Compensated Absences*; or GASB Statement No. 102, *Certain Risk Disclosures*.

The effects of the City's financial statements as a result of adoption of these new pronouncements are unknown. The City will adopt and implement these statements at the required time.

Required Supplementary Information

City of Hazelwood, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 4,492,300	\$ 4,492,300	\$ 4,619,695	\$ 127,395
Sales taxes	12,359,725	12,359,725	14,270,921	1,911,196
Utility taxes	2,361,160	2,361,160	2,770,315	409,155
Other taxes	1,393,100	1,393,100	1,656,955	263,855
Permits and inspections	740,000	740,000	737,865	(2,135)
Licenses	3,787,500	3,787,500	4,902,692	1,115,192
Intergovernmental	3,849,200	3,849,200	3,871,229	22,029
Fines and forfeitures	386,000	386,000	535,233	149,233
Investment income	30,000	30,000	180,572	150,572
Recreation fees	239,070	239,070	372,698	133,628
Sewer lateral fees	-	-	-	-
Miscellaneous	1,376,200	1,376,200	2,660,778	1,284,578
Total Revenues	31,014,255	31,014,255	36,578,953	5,564,698
Expenditures				
Current:				
Mayor and council	99,417	99,417	91,680	(7,737)
City manager	265,378	265,378	258,217	(7,161)
Information systems	572,353	572,353	555,994	(16,359)
Finance	637,370	637,370	639,352	1,982
Legal	1,001,833	1,001,833	660,542	(341,291)
City clerk	241,075	241,075	232,342	(8,733)
Courts	268,167	268,167	237,956	(30,211)
Police	9,724,683	9,724,683	8,830,321	(894,362)
Fire and ambulance	12,517,481	12,517,481	12,540,643	23,162
Public works:				
Administration	1,414,985	1,414,985	1,386,967	(28,018)
General maintenance	879,680	879,680	832,524	(47,156)
Park maintenance	1,068,929	1,068,929	1,124,244	55,315
Recreation	1,715,750	1,715,750	1,734,254	18,504
Sewer lateral	-	-	-	-
Economic development	-	-	-	-
Capital outlay	81,339	81,339	301,526	220,187
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	30,488,440	30,488,440	29,426,562	(1,061,878)
Excess (Deficiency) of Revenues over Expenditures	525,815	525,815	7,152,391	6,626,576
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	1,300	1,300
Insurance proceeds	-	-	3,845	3,845
Lease/SBITA proceeds	-	-	20,281	20,281
Transfers in	-	-	-	-
Transfers out	(551,594)	(551,594)	(551,594)	-
Total Other Financing Sources (Uses)	(551,594)	(551,594)	(526,168)	25,426
Net Change in Fund Balance	<u>\$ (25,779)</u>	<u>\$ (25,779)</u>	<u>\$ 6,626,223</u>	<u>\$ 6,652,002</u>
Fund Balance (Deficit), July 1			15,896,693	
Fund Balance (Deficit), June 30			<u>\$ 22,522,916</u>	

City of Hazelwood, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Economic Development Fund
For the year ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,566,000	1,566,000	1,813,022	247,022
Utility taxes	-	-	-	-
Other taxes	-	-	-	-
Permits and inspections	-	-	-	-
Licenses	-	-	-	-
Intergovernmental	2,416,121	2,416,121	38,883	(2,377,238)
Fines and forfeitures	-	-	-	-
Investment income	2,500	2,500	52,726	50,226
Recreation fees	-	-	-	-
Sewer lateral fees	-	-	-	-
Miscellaneous	60,000	60,000	-	(60,000)
Total Revenues	4,044,621	4,044,621	1,904,631	(2,139,990)
Expenditures				
Current:				
Mayor and council	-	-	-	-
City manager	-	-	-	-
Information systems	-	-	-	-
Finance	-	-	-	-
Legal	-	-	-	-
City clerk	-	-	-	-
Courts	-	-	-	-
Police	-	-	-	-
Fire and ambulance	-	-	-	-
Public works:				
Administration	-	-	-	-
General maintenance	-	-	-	-
Park maintenance	-	-	-	-
Recreation	-	-	-	-
Sewer lateral	-	-	-	-
Economic development	6,519,449	6,519,449	731,145	(5,788,304)
Capital outlay	4,358,534	4,358,534	192,483	(4,166,051)
Debt service:				
Principal	-	-	118,981	118,981
Interest and fiscal charges	-	-	21,450	21,450
Total Expenditures	10,877,983	10,877,983	1,064,059	(9,813,924)
Excess (Deficiency) of Revenues over Expenditures	(6,833,362)	(6,833,362)	840,572	7,673,934
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of debt	5,015,000	5,015,000	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	5,015,000	5,015,000	-	-
Net Change in Fund Balance	\$ (1,818,362)	\$ (1,818,362)	\$ 840,572	\$ 7,673,934
Fund Balance (Deficit), July 1			9,290,876	
Fund Balance (Deficit), June 30			\$ 10,131,448	

City of Hazelwood, Missouri
Notes to the Required Supplementary Information
For the year ended June 30, 2023

Note 1 - Explanation of Budgetary Process

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1 The City Manager submits to the City Council a proposed operating budget for the fiscal year for the General Fund, Capital Projects Fund, Economic Development Fund, and Sewer Lateral Fund. The operating budget includes proposed expenditures and the means of financing them.
- 2 Public hearing meetings are held to obtain taxpayer comments.
- 3 Prior to July 1 the budget is adopted by the City Council.
- 4 Budgets are adopted on a basis generally consistent with accounting principles generally accepted in the United States of America. Expenditures modified for year-end accruals may not legally exceed budgeted appropriations at the department level.
- 5 A motion for the City Council is required to transfer budgeted amounts between funds, or to transfer substantial budgeted amounts between departments within any fund, or for any revisions that would alter the total expenditures of any fund. Management can transfer budgeted amounts within department, without City Council approval. Appropriations lapse at year-end.

City of Hazelwood, Missouri
Schedule of Changes in Net Pension Liability and Related Ratios - Last 10 Fiscal Years

<i>Fiscal year ending June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 658,347	\$ 617,201	\$ 729,396	\$ 806,172	\$ 800,736	\$ 759,656	\$ 794,071	\$ 753,943	\$ 720,751
Interest	3,679,090	3,591,028	3,562,542	3,439,036	3,375,447	3,217,370	3,062,233	2,919,359	2,719,167
Change in benefit terms	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(63,479)	128,835	(615,221)	(899,604)	448,687	489,179	239,269	(152,442)	-
Changes in assumption	46,778	22,093	(1,078,226)	470,884	-	-	-	1,187,416	-
Benefit payments, including refunds	(3,035,986)	(2,907,906)	(2,740,329)	(2,476,833)	(2,393,000)	(2,326,398)	(2,161,746)	(1,937,724)	(1,743,486)
Net Change in Total Pension Liability	1,284,750	1,451,251	(141,838)	1,339,655	2,231,870	2,139,807	1,933,827	2,770,552	1,696,432
Total Pension Liability beginning*	50,013,257	48,562,006	48,703,844	47,163,277	44,931,407	42,791,600	40,857,773	38,087,221	36,390,789
Total Pension Liability ending	51,298,007	50,013,257	48,562,006	48,502,932	47,163,277	44,931,407	42,791,600	40,857,773	38,087,221
Plan Fiduciary Net Position									
Contributions - employer	1,041,319	854,162	1,024,489	1,302,776	1,407,634	1,324,248	1,299,270	1,247,549	1,281,985
Net investment income	4,066,711	(6,790,385)	11,297,382	1,604,247	1,906,267	4,026,854	5,082,943	(1,112,848)	1,550,604
Benefit payments, including refunds	(3,035,986)	(2,907,906)	(2,740,329)	(2,476,833)	(2,393,000)	(2,326,398)	(2,161,746)	(1,937,724)	(1,743,486)
Administrative expenses	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	2,072,044	(8,844,129)	9,581,542	430,190	920,901	3,024,704	4,220,467	(1,803,023)	1,089,103
Plan Fiduciary Net Position beginning*	43,513,361	52,357,490	42,775,948	42,149,624	41,228,723	38,204,019	33,983,552	35,786,575	34,697,472
Plan Fiduciary Net Position ending	45,585,405	43,513,361	52,357,490	42,579,814	42,149,624	41,228,723	38,204,019	33,983,552	35,786,575
Net Pension Liability	<u>\$ 5,712,602</u>	<u>\$ 6,499,896</u>	<u>\$ (3,795,484)</u>	<u>\$ 5,923,118</u>	<u>\$ 5,013,653</u>	<u>\$ 3,702,684</u>	<u>\$ 4,587,581</u>	<u>\$ 6,874,221</u>	<u>\$ 2,300,646</u>
Plan Fiduciary Net Position									
as a percentage of the Total Pension Liability	88.86%	87.00%	107.82%	87.79%	89.37%	91.76%	89.28%	83.18%	93.96%
Covered Payroll	\$ 10,171,375	\$ 9,758,955	\$ 9,939,525	\$ 10,920,107	\$ 10,692,433	\$ 10,218,917	\$ 10,720,554	\$ 9,863,406	\$ 10,162,059
Total Net Pension Liability									
as a percentage of covered payroll	56.16%	66.60%	-38.19%	54.24%	46.89%	36.23%	42.79%	69.69%	22.64%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

*Restated in FY21 to include pension amounts related to City Council members

City of Hazelwood, Missouri

Schedule of Actuarially Determined Contributions and Schedule of Annual Dollar-Weighted Rate of Return - Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Actuarially Determined Contributions:</u>										
Actuarially determined pension contribution	\$ 955,106	\$ 871,848	\$ 1,092,904	\$ 1,465,058	\$ 1,424,327	\$ 1,446,065	\$ 1,351,728	\$ 1,281,399	\$ 1,191,999	\$ 1,300,321
Employer actual contribution	1,041,319	854,162	1,024,489	1,302,776	1,407,634	1,324,248	1,299,270	1,247,549	1,281,985	1,339,373
Contribution deficiency (excess)	<u>\$ (86,213)</u>	<u>\$ 17,686</u>	<u>\$ 68,415</u>	<u>\$ 162,282</u>	<u>\$ 16,693</u>	<u>\$ 121,817</u>	<u>\$ 52,458</u>	<u>\$ 33,850</u>	<u>\$ (89,986)</u>	<u>\$ (39,052)</u>
Percentage contributed	109.03%	97.97%	93.74%	88.92%	98.83%	91.58%	96.12%	97.36%	107.55%	103.00%
Covered payroll	\$ 10,171,375	\$ 9,711,511	\$ 9,939,525	\$ 10,920,107	\$ 10,692,433	\$ 10,218,917	\$ 10,720,554	\$ 9,863,406	\$ 10,162,059	\$ 10,080,008
Contributions as a percentage of covered payroll	10.24%	8.80%	10.31%	11.93%	13.16%	12.96%	12.12%	12.65%	12.62%	13.29%
<u>Annual Dollar-Weighted Rate of Return:</u>										
Annual dollar-weighted rate of return, net	<u>9.6%</u>	<u>-13.3%</u>	<u>27.0%</u>	<u>3.9%</u>	<u>4.8%</u>	<u>10.8%</u>	<u>15.3%</u>	<u>-3.1%</u>	<u>4.5%</u>	<u>4.8%</u>

Notes to Schedule:

Valuation date: July 1, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.50%, net of investment expenses
Mortality	Pub-2010 Table weighted 70% Public Safety and 30% General Employees projected generationally using the Buck-Modified MP-2021 mortality improvement scale
Other Information	There were no benefit changes during the year.

City of Hazelwood, Missouri
Schedule of Changes in Other Post-Employment Benefit Liability and Related Ratios - Last 10 Fiscal Years

<i>Fiscal year ending June 30,</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Other Post-Employment Benefit Liability						
Service cost	\$ 54,766	\$ 67,144	\$ 58,759	\$ 49,259	\$ 45,442	\$ 42,802
Interest	39,307	26,286	30,007	28,426	29,188	29,656
Change in benefit terms	-	-	-	-	14,386	11,031
Difference between expected and actual experience	-	(203,062)	-	(90,108)	-	-
Changes in assumption	(3,244)	(82,189)	41,526	173,073	-	-
Benefit payments, including refunds	<u>(28,517)</u>	<u>(52,563)</u>	<u>(69,157)</u>	<u>(52,776)</u>	<u>(54,127)</u>	<u>(54,127)</u>
Change in Other Post-Employment Benefit Liability	62,312	(244,384)	61,135	107,874	34,889	29,362
Total Other Post-Employment Benefit Liability beginning	<u>920,408</u>	<u>1,164,792</u>	<u>1,103,657</u>	<u>995,783</u>	<u>960,894</u>	<u>931,532</u>
Total Other Post-Employment Benefit Liability ending	<u>\$ 982,720</u>	<u>\$ 920,408</u>	<u>\$ 1,164,792</u>	<u>\$ 1,103,657</u>	<u>\$ 995,783</u>	<u>\$ 960,894</u>
 Covered Employee Payroll	 \$ 10,127,141	 \$ 10,127,141	 \$ 10,687,935	 \$ 10,687,935	 \$ 10,578,026	 \$ 10,578,026
 Total Other Post-Employment Benefit Liability as a percentage of covered employee payroll	 9.70%	 9.09%	 10.90%	 10.33%	 9.41%	 9.08%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Notes to Schedule:

Valuation date: June 30, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Healthcare inflation	7.00% initially, grading down to 4.50%
Salary increases	4.50% per annum
Discount rate	4.13%
Retirement age	65
Mortality	Pub-2010 Table weighted 70% Public Safety and 30% General Employees projected generationally using the Buck-Modified MP-2021 mortality improvement scale
Other Information	There were no benefit changes during the year.

Supplementary Information

City of Hazelwood, Missouri
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Sewer Lateral Fund	Lambert Redevlop. TIF District	Total
Assets			
Cash and cash equivalents	\$ 458,602	\$ 175,273	\$ 633,875
Investments	-	-	-
Restricted cash and cash equivalents	-	-	-
Restricted investments	-	-	-
Receivables, net:			
Sales taxes	-	14,811	14,811
Other	-	-	-
Due from other funds	-	-	-
Total Assets	<u>458,602</u>	<u>190,084</u>	<u>648,686</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 458,602</u></u>	<u><u>\$ 190,084</u></u>	<u><u>\$ 648,686</u></u>
Liabilities			
Accounts payable	\$ 10,534	\$ 13,869	\$ 24,403
Accrued payroll and related benefits	-	-	-
Other payables	-	-	-
Unearned revenue	-	-	-
Total Liabilities	<u>10,534</u>	<u>13,869</u>	<u>24,403</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - public safety	-	-	-
Unavailable revenue - court	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Restricted:			
Sewer lateral	448,068	-	448,068
Economic development	-	176,215	176,215
Unassigned	-	-	-
Total Fund Balances	<u>448,068</u>	<u>176,215</u>	<u>624,283</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 458,602</u></u>	<u><u>\$ 190,084</u></u>	<u><u>\$ 648,686</u></u>

City of Hazelwood, Missouri
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2023

	Sewer Lateral Fund	Lambert Redevelp. TIF District	Total
Revenues			
Property taxes	\$ -	\$ 379,675	\$ 379,675
Sales taxes	-	1,318,432	1,318,432
Utility taxes	-	-	-
Other taxes	-	-	-
Permits and inspections	-	-	-
Licenses	-	-	-
Intergovernmental	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	2,571	2,571
Recreation fees	-	-	-
Sewer lateral fees	142,260	-	142,260
Miscellaneous	-	-	-
Total Revenues	142,260	1,700,678	1,842,938
Expenditures			
Current:			
Mayor and council	-	-	-
City manager	-	-	-
Information systems	-	-	-
Finance	-	-	-
Legal	-	-	-
City clerk	-	-	-
Courts	-	-	-
Police	-	-	-
Fire and ambulance	-	-	-
Public works:			
Administration	-	-	-
General maintenance	-	-	-
Park maintenance	-	-	-
Recreation	-	-	-
Sewer lateral	97,184	-	97,184
Economic development	-	471,103	471,103
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	1,205,947	1,205,947
Total Expenditures	97,184	1,677,050	1,774,234
Excess (Deficiency) of Revenues over Expenditures	45,076	23,628	68,704
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	\$ 45,076	\$ 23,628	\$ 68,704
Fund Balance (Deficit), July 1	402,992	152,587	555,579
Fund Balance (Deficit), June 30	\$ 448,068	\$ 176,215	\$ 624,283

City of Hazelwood, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,866,226	1,866,226	2,004,862	138,636
Utility taxes	-	-	-	-
Other taxes	-	-	-	-
Permits and inspections	-	-	-	-
Licenses	-	-	-	-
Intergovernmental	5,193	5,193	3,300	(1,893)
Fines and forfeitures	-	-	-	-
Investment income	15	15	1,175	1,160
Recreation fees	-	-	-	-
Sewer lateral fees	-	-	-	-
Miscellaneous	-	-	38,310	38,310
Total Revenues	1,871,434	1,871,434	2,047,647	176,213
Expenditures				
Current:				
Mayor and council	-	-	-	-
City manager	-	-	-	-
Information systems	-	-	-	-
Finance	-	-	-	-
Legal	-	-	-	-
City clerk	-	-	-	-
Courts	-	-	-	-
Police	-	-	-	-
Fire and ambulance	-	-	-	-
Public works:				
Administration	-	-	-	-
General maintenance	-	-	-	-
Park maintenance	-	-	-	-
Recreation	-	-	-	-
Sewer lateral	-	-	-	-
Economic development	1,151,594	1,151,594	631,973	(519,621)
Capital outlay	2,573,750	3,936,614	2,085,425	(1,851,189)
Debt service:				
Principal	-	-	394,981	394,981
Interest and fiscal charges	-	-	78,162	78,162
Total Expenditures	3,725,344	5,088,208	3,190,541	(1,897,667)
Excess (Deficiency) of Revenues over Expenditures	(1,853,910)	(3,216,774)	(1,142,894)	2,073,880
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	18,500	18,500	67,470	48,970
Insurance proceeds	-	-	119,793	119,793
Lease/SBITA proceeds	600,000	600,000	53,679	(546,321)
Transfers in	551,594	551,594	551,594	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,170,094	1,170,094	792,536	(377,558)
Net Change in Fund Balance	<u>\$ (683,816)</u>	<u>\$ (2,046,680)</u>	<u>\$ (350,358)</u>	<u>\$ 1,696,322</u>
Fund Balance (Deficit), July 1			<u>2,027,532</u>	
Fund Balance (Deficit), June 30			<u>\$ 1,677,174</u>	

City of Hazelwood, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Sewer Lateral Fund
For the year ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Utility taxes	-	-	-	-
Other taxes	-	-	-	-
Permits and inspections	-	-	-	-
Licenses	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Recreation fees	-	-	-	-
Sewer lateral fees	140,000	140,000	142,260	2,260
Miscellaneous	-	-	-	-
Total Revenues	140,000	140,000	142,260	2,260
Expenditures				
Current:				
Mayor and council	-	-	-	-
City manager	-	-	-	-
Information systems	-	-	-	-
Finance	-	-	-	-
Legal	-	-	-	-
City clerk	-	-	-	-
Courts	-	-	-	-
Police	-	-	-	-
Fire and ambulance	-	-	-	-
Public works:				
Administration	-	-	-	-
General maintenance	-	-	-	-
Park maintenance	-	-	-	-
Recreation	-	-	-	-
Sewer lateral	100,300	100,300	97,184	(3,116)
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	100,300	100,300	97,184	(3,116)
Excess (Deficiency) of Revenues over Expenditures	39,700	39,700	45,076	5,376
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	<u>\$ 39,700</u>	<u>\$ 39,700</u>	<u>\$ 45,076</u>	<u>\$ 5,376</u>
Fund Balance (Deficit), July 1			<u>402,992</u>	
Fund Balance (Deficit), June 30			<u>\$ 448,068</u>	



Section III

Statistical Section

City of Hazelwood, Missouri
Statistical Section Overview

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.

<u>Contents</u>	<u>Pages</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	57-60
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources.	61-65
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	66-69
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	70-71
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	72-74

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

City of Hazelwood, Missouri
Net Position by Component - Last Ten Fiscal Years

	<u>2023</u>	<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>
Governmental Activities										
Net investment in capital assets	\$ 21,122,535	\$ 20,629,354	\$ 21,627,665	\$ 21,803,281	\$ 21,541,500	\$ 23,123,390	\$ 22,840,739	\$ 23,356,189	\$ 21,730,322	\$ 21,436,564
Restricted	16,310,946	4,776,483	12,322,778	10,286,858	8,569,314	3,918,895	6,977,551	7,473,420	8,183,252	6,236,403
Unrestricted	<u>(18,576,637)</u>	<u>(14,468,656)</u>	<u>(27,783,246)</u>	<u>(31,339,745)</u>	<u>(27,648,342)</u>	<u>(26,713,864)</u>	<u>(27,404,885)</u>	<u>(24,866,905)</u>	<u>(23,412,671)</u>	<u>(22,856,680)</u>
Total Governmental Activities	<u>\$ 18,856,844</u>	<u>\$ 10,937,181</u>	<u>\$ 6,167,197</u>	<u>\$ 750,394</u>	<u>\$ 2,462,472</u>	<u>\$ 328,421</u>	<u>\$ 2,413,405</u>	<u>\$ 5,962,704</u>	<u>\$ 6,500,903</u>	<u>\$ 4,816,287</u>

Source: Basic financial statements

2017 amount was restated for implementation of GASB Statement No. 75.

City of Hazelwood, Missouri
Change in Net Position - Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Expenses</u>										
Governmental Activities										
General government	\$ 3,332,141	\$ 3,163,491	\$ 2,779,330	\$ 3,570,897	\$ 3,535,649	\$ 3,113,107	\$ 2,975,296	\$ 2,851,643	\$ 2,977,964	\$ 2,902,583
Police	9,724,936	8,196,476	7,184,896	8,545,718	8,491,390	8,373,271	8,261,790	8,392,854	7,917,507	9,316,264
Fire and ambulance	13,097,723	14,548,703	10,543,494	10,842,575	8,869,365	7,257,367	9,887,304	10,030,460	9,379,951	8,271,077
Public works	3,875,529	3,616,505	3,182,535	3,870,273	3,981,034	3,955,153	3,911,282	3,923,809	3,824,403	3,695,178
Parks and recreation	3,172,541	2,828,327	2,446,291	2,997,253	3,207,173	3,280,869	3,128,595	3,153,006	2,760,122	2,915,181
Economic development	2,039,479	4,739,593	6,327,386	5,158,260	5,243,407	8,635,217	6,543,725	7,187,499	7,805,287	7,858,298
Sewer lateral	97,184	83,012	85,967	89,052	55,229	120,156	133,673	69,192	97,294	96,021
Interest on long-term debt	1,419,173	1,730,385	3,001,164	2,927,126	2,818,583	2,695,512	2,600,713	2,719,063	2,670,729	2,869,492
Special item	-	-	-	-	-	-	-	-	-	1,292,129
Total Governmental Activities Expenses	36,758,706	38,906,492	35,551,063	38,001,154	36,201,830	37,430,652	37,442,378	38,327,526	37,433,257	39,216,223
<u>Program Revenues</u>										
Governmental Activities										
Charges for service:										
General government	5,693,262	5,563,648	4,905,890	4,419,103	4,531,582	4,137,347	901,427	601,694	487,791	389,332
Police	477,239	296,988	492,345	552,190	658,820	627,137	607,537	702,878	912,185	1,896,389
Fire and ambulance	1,525,003	965,269	948,434	452,623	811,038	644,552	593,539	593,099	558,919	471,578
Parks and recreation	372,698	356,541	201,571	355,068	598,897	646,556	589,094	616,201	537,660	498,353
Sewer lateral	142,260	142,771	143,521	141,453	141,553	70,313	35,826	33,127	35,024	35,482
Operating grants and contributions	5,499,876	4,412,189	3,629,705	1,967,106	1,932,011	1,837,569	1,780,410	1,773,612	2,276,605	2,932,605
Capital grants and contributions	104,852	660,466	473,104	7,992	21,940	493,257	122,727	1,453,505	616,661	846,496
Total Governmental Activities Program Revenue	13,815,190	12,397,872	10,794,570	7,895,535	8,695,841	8,456,731	4,630,560	5,774,116	5,424,845	7,070,235
Net Expenses	(22,943,516)	(26,508,620)	(24,756,493)	(30,105,619)	(27,505,989)	(28,973,921)	(32,811,818)	(32,553,410)	(32,008,412)	(32,145,988)
<u>General Revenues</u>										
Governmental Activities:										
Taxes:										
Property	6,454,176	8,635,777	10,769,666	9,671,031	7,851,465	7,953,974	7,800,397	9,165,194	10,911,903	10,850,695
Sales	19,977,005	18,338,699	15,841,736	14,739,503	14,014,987	15,359,920	14,624,258	14,984,160	14,532,163	13,488,140
Utility	2,770,315	2,669,379	2,508,902	2,763,504	2,959,713	3,038,291	3,066,977	3,181,021	3,399,153	3,419,259
Other tax	-	-	-	-	-	-	66,619	76,332	68,383	66,703
Licenses	-	-	-	-	-	-	3,201,235	3,362,809	3,733,034	3,400,193
Investment income	237,044	(163,206)	33,226	163,421	270,239	74,638	49,272	76,066	72,557	63,076
Other miscellaneous revenue	1,424,639	1,797,955	1,532,380	1,056,082	4,543,636	1,060,933	453,761	1,169,629	975,835	484,752
Total Governmental Activities General Revenues	30,863,179	31,278,604	30,685,910	28,393,541	29,640,040	27,487,756	29,262,519	32,015,211	33,693,028	31,772,818
Changes in Net Position	\$ 7,919,663	\$ 4,769,984	\$ 5,929,417	\$ (1,712,078)	\$ 2,134,051	\$ (1,486,165)	\$ (3,549,299)	\$ (538,199)	\$ 1,684,616	\$ (373,170)

Source: Basic financial statements

City of Hazelwood, Missouri
Fund Balances of Governmental Funds - Last Ten Fiscal Years

	<u>2023</u>	<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>
General Fund										
Nonspendable	\$ 722,701	\$ 61,744	\$ 14,608	\$ 60,765	\$ 47,953	\$ 67,308	\$ 17,617	\$ 23,770	\$ 16,440	\$ 38,238
Restricted	408,704	435,685	299,606	198,666	49,108	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	158,294
Unassigned	<u>21,391,511</u>	<u>15,399,264</u>	<u>11,043,690</u>	<u>7,741,837</u>	<u>8,361,142</u>	<u>8,072,300</u>	<u>4,636,686</u>	<u>5,357,590</u>	<u>6,350,004</u>	<u>5,777,802</u>
Total General Fund	<u>\$ 22,522,916</u>	<u>\$ 15,896,693</u>	<u>\$ 11,357,904</u>	<u>\$ 8,001,268</u>	<u>\$ 8,458,203</u>	<u>\$ 8,139,608</u>	<u>\$ 4,654,303</u>	<u>\$ 5,381,360</u>	<u>\$ 6,366,444</u>	<u>\$ 5,974,334</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 28,053	\$ 50,424	\$ 18,534	\$ 230,791
Restricted	15,779,362	14,340,798	11,849,797	9,563,927	8,100,206	3,498,895	6,529,583	7,020,830	7,763,252	11,081,456
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 15,779,362</u>	<u>\$ 14,340,798</u>	<u>\$ 11,849,797</u>	<u>\$ 9,563,927</u>	<u>\$ 8,350,206</u>	<u>\$ 3,498,895</u>	<u>\$ 6,557,636</u>	<u>\$ 7,071,254</u>	<u>\$ 7,781,786</u>	<u>\$ 11,312,247</u>

Source: Basic financial statements

City of Hazelwood, Missouri
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Property taxes	\$ 6,383,358	\$ 9,037,580	\$ 10,695,385	\$ 9,413,312	\$ 8,060,276	\$ 8,003,729	\$ 8,046,468	\$ 9,461,761	\$ 10,890,745	\$ 10,822,152
Sales taxes	19,977,005	18,338,699	15,595,270	14,739,503	14,014,987	15,359,920	14,624,258	14,984,160	14,738,292	13,680,453
Utility taxes	2,770,315	2,669,379	2,508,902	2,763,504	2,959,713	3,038,291	3,066,977	3,181,021	3,399,153	3,419,259
Other taxes	1,656,955	1,458,554	1,397,576	1,373,526	1,401,924	1,376,082	1,378,882	1,375,386	1,399,185	1,363,055
Permits and inspections	737,865	1,151,100	837,611	719,181	799,345	646,328	846,339	541,980	471,362	371,908
Licenses	4,902,692	4,358,064	4,038,398	3,653,863	3,680,534	3,432,070	3,201,235	3,362,809	3,733,034	3,400,193
Intergovernmental	3,913,412	3,614,101	2,705,233	598,158	533,902	954,744	549,874	1,616,763	1,441,707	2,186,136
Fines and forfeitures	535,233	421,747	470,357	611,370	761,952	686,086	662,625	762,592	1,081,830	1,847,704
Investment income	237,044	(163,206)	33,226	163,421	270,239	74,638	49,272	76,066	72,557	63,076
Recreation fees	372,698	356,541	201,571	355,068	598,897	646,556	589,094	616,201	537,660	498,353
Sewer lateral fees	142,260	142,771	143,521	141,453	141,553	70,313	35,826	33,127	35,024	35,482
Miscellaneous	2,699,088	2,681,412	2,683,845	1,578,023	5,245,272	1,747,680	1,038,555	1,216,533	1,522,144	1,032,985
Total Revenues	44,327,925	44,066,742	41,310,895	36,110,382	38,468,594	36,036,437	34,089,405	37,228,399	39,322,693	38,720,756
Expenditures										
Current:										
Mayor and council	91,680	67,087	71,819	70,105	65,421	70,481	48,678	91,620	125,725	79,378
City manager	258,217	261,817	298,622	533,893	616,799	619,808	587,716	533,148	518,276	522,425
Information systems	555,994	512,310	495,806	481,337	509,912	495,230	482,450	481,236	497,195	540,309
Finance	639,935	587,333	603,110	476,497	487,350	471,371	459,513	472,402	422,166	441,459
Legal	660,542	767,617	566,334	913,335	896,748	413,001	524,267	422,857	463,806	495,596
City clerk	232,342	198,080	209,428	212,761	202,153	199,244	218,550	247,803	247,379	247,960
Courts	237,956	214,682	224,280	223,577	234,086	197,010	-	-	-	-
Police	8,830,321	7,860,473	7,841,636	7,943,474	8,093,483	7,872,020	7,698,195	7,754,173	7,838,366	8,996,016
Fire and ambulance	12,540,643	13,935,812	10,600,061	10,201,193	8,215,474	6,759,574	9,425,751	9,439,566	9,087,169	8,103,252
Public works:										
Administration	1,386,967	1,216,573	1,180,674	1,196,993	1,269,904	1,184,438	1,277,719	1,287,119	1,247,460	1,258,408
General maintenance	832,524	727,300	719,763	909,801	879,842	940,115	949,353	977,152	1,057,317	977,058
Park maintenance	1,124,244	908,615	875,558	810,156	850,489	890,568	836,450	857,852	729,793	784,335
Recreation	1,734,254	1,527,184	1,318,608	1,700,491	1,909,879	1,918,572	1,845,663	1,891,442	1,678,093	1,727,606
Sewer lateral	97,184	83,012	85,967	89,052	55,229	120,156	69,192	97,294	97,294	96,021
Economic development	1,834,221	4,585,524	5,882,048	5,140,505	5,193,193	8,608,248	6,492,758	7,067,603	7,709,311	7,819,131
Capital outlay	2,579,434	1,480,873	1,734,824	1,255,950	2,012,056	2,736,140	1,274,438	3,379,928	3,004,413	1,785,243
Debt service:										
Principal	1,478,962	1,113,708	1,609,437	1,619,363	1,525,424	1,555,486	1,612,385	1,491,637	6,704,264	1,627,087
Interest and fiscal charges	1,414,086	1,038,437	1,379,017	1,610,293	1,002,208	930,351	1,474,509	2,691,852	1,747,766	1,626,798
Bond issuance cost	-	-	-	-	-	-	-	169,047	-	-
Total Expenditures	36,529,506	37,086,437	35,696,992	35,388,776	34,019,650	35,981,813	35,342,068	39,325,629	43,175,793	37,128,082
Revenues Over (Under) Expenditures	7,798,419	6,980,305	5,613,903	721,606	4,448,944	54,624	(1,252,663)	(2,097,230)	(3,853,100)	1,592,674
Other Financing Sources (Uses)										
Proceeds from sale of capital assets	68,770	49,485	28,603	35,180	6,960	1,940	3,450	11,310	-	-
Proceeds from insurance recovery	123,638	-	-	-	-	-	6,471	-	-	-
Lease/SBITA proceeds	73,960	-	-	-	714,002	370,000	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	8,488,995	714,749	63,333
Premium/discount on debt issuance	-	-	-	-	-	-	-	542,727	-	-
Payment to escrow agent	-	-	-	-	-	-	-	(8,641,494)	-	-
Payment to trustee	-	-	-	-	-	-	2,067	76	-	-
Transfers in	551,594	549,506	606,508	662,334	723,455	619,732	614,242	618,597	722,525	421,991
Transfers out	(551,594)	(549,506)	(606,508)	(662,334)	(723,455)	(619,732)	(614,242)	(618,597)	(722,525)	(421,991)
Total Other Financing Sources (Uses)	266,368	49,485	28,603	35,180	720,962	371,940	11,988	401,614	714,749	63,333
Net Change In Fund Balance	\$ 8,064,787	\$ 7,029,790	\$ 5,642,506	\$ 756,786	\$ 5,169,906	\$ 426,564	\$ (1,240,675)	\$ (1,695,616)	\$ (3,138,351)	\$ 1,656,007
Debt service as a percentage of noncapital expenditures	9.2%	6.0%	8.7%	9.4%	8.0%	7.1%	9.0%	11.6%	19.6%	9.1%

Source: Basic financial statements

City of Hazelwood, Missouri
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years

Fiscal Year	Calendar Year	Real Property				Personal Property	Total Assessed Value	Total Direct Tax Rate *	Estimated Actual Value	Assessed Value As A Percentage Of Actual Value
		Residential Property	Commercial Property	Agricultural Property	Total Real Property					
2023	2022	\$ 220,387,610	\$ 256,439,145	\$ 256,720	\$ 477,083,475	\$ 139,140,236	\$ 616,223,711	\$ 0.923	\$ 2,385,083,527	25.84%
2022	2021	220,305,520	249,390,411	256,720	469,952,651	123,713,129	593,665,780	0.923	2,362,002,152	25.13%
2021	2020	197,005,550	243,527,822	326,700	440,860,072	113,124,295	553,984,367	0.989	2,123,051,696	26.09%
2020	2019	197,344,190	253,073,231	290,210	450,707,631	113,068,970	563,776,601	0.922	2,171,132,805	25.97%
2019	2018	176,757,687	216,320,690	292,190	393,370,567	113,843,024	507,213,591	0.989	1,950,269,761	26.01%
2018	2017	172,689,270	225,370,777	292,190	398,352,237	113,190,034	511,542,271	0.989	1,955,179,592	26.16%
2017	2016	160,650,480	216,494,183	276,640	377,421,303	125,513,406	502,934,709	0.989	1,900,918,715	26.46%
2016	2015	162,160,520	224,810,450	289,650	387,260,620	129,113,667	516,374,287	0.987	1,945,763,828	26.54%
2015	2014	169,592,870	243,322,239	169,600	413,084,709	127,633,119	540,717,828	0.986	2,037,288,740	26.54%
2014	2013	169,255,140	246,874,725	169,600	416,299,465	105,861,890	522,161,355	0.987	2,057,371,686	25.38%

Source: St. Louis County Assessor

*Commencing in 2003, Missouri State Law required the City to calculate a separate tax rate for residential real estate, commercial real estate, agricultural real estate, and personal property. The tax rate stated above for each year represents a re-blended rate for the various types of taxable property.

City of Hazelwood, Missouri
Property Taxes - Direct and All Overlapping Governments - Last Ten Fiscal Years

<i>Calendar year ended December 31,</i>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City of Hazelwood*										
General property tax	\$ 0.701	\$ 0.701	\$ 0.767	\$ 0.700	\$ 0.767	\$ 0.767	\$ 0.767	\$ 0.765	\$ 0.764	\$ 0.765
Debt service property tax	0.222	0.222	0.222	0.222	0.222	0.222	0.222	0.222	0.222	0.222
	0.923	0.923	0.989	0.922	0.989	0.989	0.989	0.987	0.986	0.987
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
County General	0.165	0.165	0.176	0.176	0.195	0.195	0.206	0.206	0.200	0.200
County Park Maintenance	0.040	0.040	0.042	0.042	0.046	0.046	0.049	0.049	0.050	0.050
County Bond Retire	0.019	0.019	0.019	0.019	0.019	0.019	0.019	0.019	0.028	0.028
County Road and Bridge	0.083	0.083	0.088	0.088	0.098	0.098	0.103	0.103	0.105	0.105
County Hospital/Health	0.111	0.111	0.118	0.118	0.131	0.131	0.138	0.138	0.140	0.140
Metropolitan Zoological Park and Museum District	0.253	0.246	0.253	0.255	0.272	0.269	0.279	0.278	0.280	0.280
Sheltered Workshop	0.070	0.071	0.075	0.075	0.084	0.084	0.088	0.088	0.090	0.089
St. Louis County Library	0.206	0.206	0.235	0.212	0.234	0.234	0.246	0.246	0.250	0.250
Special School District	1.050	1.016	1.108	1.108	1.198	1.191	1.240	1.235	1.261	1.240
St. Louis Community College	0.279	0.279	0.199	0.199	0.213	0.211	0.218	0.218	0.220	0.220
Hazelwood School District	5.755	5.641	6.104	6.055	6.520	6.520	6.520	6.220	6.220	6.220
Metropolitan St. Louis Sewer District	0.105	0.104	0.108	0.108	0.117	0.116	0.120	0.088	0.088	0.087
Coldwater Creek Sewer District	0.078	0.078	0.085	-	-	-	-	0.100	0.100	0.100
	8.243	8.088	8.640	8.485	9.157	9.144	9.256	9.018	9.062	9.039
Total City and Overlapping Governments	\$ 9.166	\$ 9.011	\$ 9.629	\$ 9.407	\$ 10.146	\$ 10.133	\$ 10.245	\$ 10.005	\$ 10.048	\$ 10.026

Source: St. Louis County Assessor (rates stated per \$100 assessed valuation)

* Rate for residential property

City of Hazelwood, Missouri
Principal Taxpayers - Current Year and Ten Years Ago

Calendar year ended December 31,	2022			2013		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
Property Taxpayer						
The Boeing Company	\$ 31,093,890	1	5.05%	\$ 29,145,640	1	5.58%
BioMerieux, Inc.	21,311,390	2	3.46%	6,551,770	8	1.25%
DP Properties, LP	8,931,260	3	1.45%	12,911,100	3	2.47%
NP Hazelwood 370 Building 6, LLC	8,084,420	4	1.31%			
Exeter 5801-5895 N. Lindbergh, LLC	7,046,660	5	1.14%			
Refinitiv US, LLC	6,961,870	6	1.13%			
Chapter 100 City of Hazelwood	6,707,920	7	1.09%			
4702 Park 370 Holding, LLC	6,530,370	8	1.06%			
Timberland STL, LLC	6,170,750	9	1.00%			
Mallinckrodt Medical, Inc.	5,403,970	10	0.88%	6,119,980	10	1.17%
St. Louis Mills Limited Partnership				22,052,760	2	4.22%
Mallinckrodt, LLC				10,250,320	4	1.96%
Westcore Delta, LLC				8,414,010	5	1.61%
IBM Corp				6,824,010	6	1.31%
Aviator Business Park, LLC				6,706,750	7	1.28%
Sonoco Plastics, Inc				6,480,780	9	1.24%
Total	<u>\$ 108,242,500</u>		<u>17.57%</u>	<u>\$ 115,457,120</u>		<u>22.11%</u>

Source: St. Louis County Assessor - Top 100 Assessments by Taxing Authority

City of Hazelwood, Missouri
Property Tax Levies And Collections - Last Ten Fiscal Years

Fiscal Year	Levy Year	Net Tax Levy (1)	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections	Total Tax Collections	Total Collections As Percent Of Levy	Outstanding Delinquent Taxes	Delinquent Taxes As Percent of Levy
2023	2022	\$ 5,509,987	\$ 4,342,837	78.82%	\$ 897,449	\$ 5,240,286	95.11%	\$ 269,701	4.89%
2022	2021	5,184,223	4,261,449	82.20%	834,076	4,981,294	96.09%	88,698	1.71%
2021	2020	5,024,421	3,694,162	73.52%	1,264,950	4,959,112	98.70%	65,309	1.30%
2020	2019	5,121,567	3,766,325	73.54%	1,300,271	5,066,596	98.93%	54,971	1.07%
2019	2018	4,666,458	3,391,479	72.68%	1,254,516	4,645,995	99.56%	20,463	0.44%
2018	2017	4,709,736	3,396,578	72.12%	1,303,899	4,700,477	99.80%	9,259	0.20%
2017	2016	4,563,563	3,579,563	78.44%	973,178	4,552,741	99.76%	10,822	0.24%
2016	2015	4,595,233	3,400,325	74.00%	1,184,586	4,584,911	99.78%	10,322	0.22%
2015	2014	4,806,775	3,839,448	79.88%	953,927	4,793,375	99.72%	13,400	0.28%
2014	2013	4,610,158	3,568,026	77.39%	1,028,981	4,597,007	99.71%	13,151	0.29%

Source: St. Louis County Collector's Office as of December 31 of the tax levy year

(1) St. Louis County Board of Equalization after adjustments

City of Hazelwood, Missouri
Sales Tax Rates, Direct and Overlapping - Last Ten Fiscal Years

For The Years Ended June 30	City Direct Rate	St. Louis County	State of Missouri	Direct And Overlapping	Sales Tax Revenues	Taxable Sales (1)
2023	2.750%	2.888%	4.225%	9.8630%	\$ 19,977,005	\$ 494,111,690
2022	2.750%	2.888%	4.225%	9.8630%	18,338,699	519,266,033
2021	2.750%	2.888%	4.225%	9.8630%	15,841,736	396,121,456
2020	2.000%	2.888%	4.225%	9.1130%	14,739,503	385,303,981
2019	2.000%	2.888%	4.225%	9.1130%	14,014,987	282,395,855
2018	2.000%	2.888%	4.225%	9.1130%	15,359,920	300,608,229
2017	2.000%	2.888%	4.225%	9.1130%	14,624,258	328,173,099
2016	2.000%	2.888%	4.225%	9.1130%	14,984,160	464,489,977
2015	1.750%	2.888%	4.225%	8.8630%	14,738,292	505,385,586
2014	1.500%	2.888%	4.225%	8.6130%	13,680,453	527,893,274

(1) Taxable sales reported by the Missouri Department of Revenue. State law prohibits the disclosure of specific taxpayer information.

Note: The City participates in the county-wide sales tax sharing pool, which is generally distributed based on population.

Note: The City's direct rate is made up of the following:

0.500%	Capital improvements sales tax, effective October 1996
0.500%	Parks and storm water sales tax, effective April 2002
0.500%	Economic development sales tax, effective July 2007
0.250%	1/4 Fire sales tax, effective January 2015
0.250%	1/4 Local sales tax
0.500%	Public safety sales tax
0.250%	1/4 Local sales tax

City of Hazelwood, Missouri
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Total Primary Government	Percentage Of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Special Obligation Bonds	Tax Increment Financing Notes	Certificates of Participation	Notes Payable	Special Assessment GO Bonds	Financed Purchase Obligations			
2023	\$ 3,193,086	\$ -	\$ 17,055,000	\$ 1,546,706	\$ -	\$ -	\$ 849,554	\$ 22,644,346	2.77%	\$ 889
2022	4,213,462	-	17,055,000	1,900,181	-	-	1,019,227	24,187,870	2.97%	997
2021	4,871,885	-	17,055,000	2,243,656	-	-	1,203,888	25,374,429	3.15%	1,053
2020	5,851,262	-	17,055,000	2,572,130	-	80,000	1,498,325	27,056,717	4.13%	1,119
2019	6,810,638	-	17,055,000	2,890,605	-	155,000	1,837,688	28,748,931	4.39%	1,153
2018	7,750,014	-	17,055,000	3,204,080	-	225,000	1,399,110	29,633,204	4.52%	1,202
2017	8,674,390	-	17,055,000	3,507,555	2,321	295,000	1,357,275	30,891,541	4.69%	1,267
2016	9,583,766	-	17,055,000	3,806,030	5,674	360,000	1,766,308	32,576,778	4.93%	1,290
2015	10,170,847	-	17,055,000	4,009,412	9,027	420,000	1,480,598	33,144,884	5.02%	1,523
2014	16,152,324	117,541	17,055,000	4,236,615	12,380	480,000	1,104,219	39,158,079	5.93%	1,585

Source: Details regarding the City's outstanding debt can be found in the notes to financial statements.

(1) See Demographics and Economic Statistics Table

City of Hazelwood, Missouri
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years

Fiscal Year	Population (1)	Actual Value of Taxable Property (2)	General Obligation Debt (3)	Amount Available in Debt Service Fund (4)	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Net General Bonded Debt per Capita
2023	25,458	\$ 2,385,083,527	\$ 3,193,086	\$ 938,042	\$ 2,255,044	0.09%	\$ 89
2022	25,458	2,362,002,152	4,213,462	768,885	3,444,577	0.15%	135
2021	25,458	2,123,051,696	4,871,885	666,169	4,205,716	0.20%	165
2020	25,703	2,171,132,805	5,851,262	668,154	5,183,108	0.24%	202
2019	25,703	1,950,269,761	6,810,638	695,708	6,114,930	0.31%	238
2018	25,703	1,955,179,592	7,750,014	696,569	7,053,445	0.36%	274
2017	25,703	1,900,918,715	8,674,390	731,150	7,943,240	0.42%	309
2016	25,703	1,945,763,828	9,583,766	777,597	8,806,169	0.45%	343
2015	25,703	2,037,288,740	10,170,847	870,237	9,300,610	0.46%	362
2014	25,703	2,057,371,686	16,152,324	6,177,574	9,974,750	0.48%	388

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements.

(1) Source: U.S. Census Bureau

(2) Source: St. Louis County Assessor

(3) Special assessment general obligation bonds are not included because they are not repaid with property taxes.

(4) The amount available in the Debt Service Fund includes amounts restricted for payment of certain cross-over debt from 2012 to 2014.

City of Hazelwood, Missouri
Direct and Overlapping Governmental Activities Debt

Name of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share Of Overlapping Debt
St. Louis County	\$ 59,790,000	2.50%	\$ 1,494,750
Hazelwood School District	350,721,694	26.90%	94,344,136
Ferguson-Florissant School District	38,655,000	8.70%	3,362,985
Pattonville School District	67,215,600	0.40%	268,862
Subtotal:	<u>516,382,294</u>		<u>99,470,733</u>
City of Hazelwood	<u>22,644,346</u>	100.00%	<u>22,644,346</u>
Total Direct and Overlapping Debt:	<u><u>\$ 539,026,640</u></u>		<u><u>\$ 122,115,079</u></u>

Source: Information was obtained by contacting the taxing jurisdiction and the St. Louis 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 Hazelwood, Missouri
Legal Debt Margin Information - Last Ten Fiscal Years

	<u>2023</u>	<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>
Debt limit	<u>\$ 61,622,371</u>	<u>\$ 59,366,578</u>	<u>\$ 55,398,437</u>	<u>\$ 56,377,660</u>	<u>\$ 50,721,359</u>	<u>\$ 51,154,227</u>	<u>\$ 50,293,471</u>	<u>\$ 51,637,429</u>	<u>\$ 54,071,783</u>	<u>\$ 52,216,136</u>
Amount of debt subject to limit:										
Total bonded debt	3,193,086	4,213,462	4,871,885	5,851,262	6,810,638	7,750,014	8,674,390	9,583,766	10,170,847	16,152,324
Less: Amounts available in debt service fund	<u>(938,042)</u>	<u>(768,885)</u>	<u>(666,169)</u>	<u>(668,154)</u>	<u>(695,708)</u>	<u>(696,569)</u>	<u>(731,150)</u>	<u>(777,597)</u>	<u>(870,237)</u>	<u>(6,177,574)</u>
Total amount of debt applicable to debt limit	<u>2,255,044</u>	<u>3,444,577</u>	<u>4,205,716</u>	<u>5,183,108</u>	<u>6,114,930</u>	<u>7,053,445</u>	<u>7,943,240</u>	<u>8,806,169</u>	<u>9,300,610</u>	<u>9,974,750</u>
Legal Debt Margin	<u>\$ 59,367,327</u>	<u>\$ 55,922,001</u>	<u>\$ 51,192,721</u>	<u>\$ 51,194,552</u>	<u>\$ 44,606,429</u>	<u>\$ 44,100,782</u>	<u>\$ 42,350,231</u>	<u>\$ 42,831,260</u>	<u>\$ 44,771,173</u>	<u>\$ 42,241,386</u>
Total Net Debt Applicable to The										
Limit as a Percentage of Debt Limit	3.66%	5.80%	7.59%	9.19%	12.06%	13.79%	15.79%	17.05%	17.20%	19.10%

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 Hazelwood, Missouri
Demographic and Economic Statistics - Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Income (1)	Median Household Income (1)	Median Age (1)	School Enrollment (1)	Unemployment Rate (2)
2023	25,458	\$ 816,896	\$ 32,088	\$ 55,111	39	3,900	3.4%
2022	25,458	814,071	31,977	52,201	38	3,701	3.7%
2021	25,458	806,739	31,689	54,573	38	3,701	5.8%
2020	25,703	655,555	25,505	51,218	37	3,722	9.5%
2019	25,703	655,555	25,505	51,218	37	3,722	3.9%
2018	25,703	655,555	25,505	51,218	37	3,722	3.9%
2017	25,703	658,100	25,604	45,851	37	4,037	4.3%
2016	25,703	660,207	25,686	44,807	37	4,271	5.1%
2015	25,703	659,822	25,671	44,855	37	4,497	6.2%
2014	25,703	660,336	25,691	44,441	37	4,802	6.6%

(1) Source: U.S. Bureau of Census Information

(2) Source: Missouri Department of Economic Development

City of Hazelwood, Missouri
Principal Employers - Current and Ten Years Ago

Employer	2023			Employer	2014		
	Employees	Rank	Percentage Of Total City Employment		Employees	Rank	Percentage Of Total City Employment
The Boeing Company	5,610	1	26.51%	The Boeing Company	5,610	1	25.82%
Amazon.com Services, Inc.	1,259	2	5.95%	Mallinckrodt, LLC	1,591	2	7.32%
BioMerieux, Inc.	609	3	2.88%	Convergys Corporation	1,112	3	5.12%
Nature's Bakery, LLC	533	4	2.52%	IBM Corporation	808	4	3.72%
Artur Express, Inc.	479	6	2.26%	BioMerieux, Inc.	609	6	2.80%
GKN Aerospace North American, Inc.	464	5	2.19%	GKN Aerospace North American, Inc.	464	5	2.14%
First Bank	348	7	1.64%	Supervalu St. Louis Division	355	7	1.63%
8th Ave. Food and Provisions	320	9	1.51%	First Bank	335	9	1.54%
SAK Construction	318	8	1.50%	SAK Construction	318	8	1.46%
Community Wholesale Tire Distrb.	316	10	1.49%	Fiserv Solutions, Inc.	283	10	1.30%
Total	10,256		48.45%	Total	11,485		52.85%

Source: City of Hazelwood's License Database

City of Hazelwood, Missouri
Full-Time City Government Employees By Functions/Programs - Last Ten Fiscal Years

	<u>2023</u>	<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>Functions/Programs</u>										
General government:										
City manager	1	1	1	5	5	5	5	5	5	5
Information technology	2	2	2	2	2	2	2	2	2	0
Economic development	2	2	2	3	3	3	3	3	3	3
Finance	5	5	5	4	4	4	4	4	4	4
Legal	1	1	1	1	1	1	3	3	4	4
Municipal court	3	3	3	3	2	2	0	0	0	0
City clerk	2	2	2	2	2	2	3	3	3	3
Public safety:										
Police	81	79	80	82	80	80	80	83	84	84
Fire	43	31	31	34	45	32	35	34	34	34
Ambulance	6	6	6	6	12	6	3	3	3	3
Public works:										
Administration	9	9	10	9	10	9	10	11	11	11
Street maintenance	8	8	7	9	9	9	9	10	10	10
Parks maintenance	9	9	9	11	11	11	11	11	11	10
Recreation	<u>26</u>	<u>30</u>	<u>31</u>	<u>33</u>	<u>30</u>	<u>30</u>	<u>31</u>	<u>42</u>	<u>36</u>	<u>42</u>
Total	<u>198</u>	<u>188</u>	<u>190</u>	<u>204</u>	<u>216</u>	<u>196</u>	<u>199</u>	<u>214</u>	<u>210</u>	<u>213</u>

Source: The City's Annual Budget Document

Mayor and Council excluded (elected officials, not employees)

City of Hazelwood, Missouri
Operating Indicators By Functions/Programs - Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Functions/Programs										
Police/Patrol										
Arrests	1,148	1,160	943	1,875	2,489	3,012	1,958	1,343	2,117	3,318
Traffic citations	8,256	7,588	5,728	6,068	5,189	8,016	5,495	5,286	6,645	11,838
Fire										
Fire calls	773	712	715	784	1,016	881	672	897	601	804
Ambulance calls	3,153	3,058	2,851	2,852	2,905	2,808	2,973	2,274	2,224	2,006
Inspections	1,132	135	1,200	813	1,190	1,163	1,077	1,068	1,132	1,013
Public Works										
Streets:										
Streets resurfacing (miles)	0	0	0	0	0	0	2	0	3	2
Sidewalk repairs (lineal ft.)	300	70	968	100	200	100	56	160	60	100
Potholes repaired (tons of material)	130	88	116	50	63	62	166	80	80	80
Administration:										
Building permits issued	940	926	1,176	953	1,145	1,006	901	933	883	989
Residential occupancy permits issued	1,409	1,269	1,704	1,636	1,854	2,053	1,918	1,542	1,400	1,961
Recreation:										
Community center admissions	50,690	67,130	16,606	80,509	91,697	103,679	110,896	92,751	93,464	106,598
Finance										
Business licenses issued	944	948	836	750	792	833	872	873	901	952
Payroll transactions	6,189	5,778	5,787	6,373	6,846	7,196	7,411	7,184	7,343	7,415
Accounting funds	16	16	16	16	16	16	16	16	16	16
Payable checks issued	3,311	2,976	2,898	3,438	3,810	4,081	4,002	4,285	4,349	4,824
Payable EFT's issued	1,220	1,437	1,373	1,332	1,208	1,096	1,074	1,048	459	n/a

Source: City records - various departments listed

City of Hazelwood, Missouri
Capital Assets Statistics By Functions/Programs - Last Ten Fiscal Years

Functions/Programs	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police/Patrol										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	31	31	31	31	31	31	32	31	31	31
Sectors	6	6	6	6	6	6	6	6	6	6
Public safety/fire										
Stations	2	2	2	2	2	2	2	2	2	2
Fire hydrants	588	588	588	588	588	588	588	586	586	586
Vehicles	13	13	13	11	11	11	11	10	10	10
Public Works										
Miles of streets	169	169	169	169	169	169	169	168	168	168
Street lights and signals	145	145	145	145	145	145	143	111	111	111
Parks and Recreation										
Community centers	2	2	2	2	2	2	2	2	2	2
Parks	16	16	16	16	16	16	16	16	16	16
Park acreage	179	179	179	179	179	179	179	179	179	179
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	13	13	13	13	13	13	13	13	13	13
Athletic complex	1	1	1	1	1	1	1	1	1	1

Source: City Finance Department records