



City of Hazelwood, Missouri

Comprehensive Annual Financial Report

For The Year Ended
June 30, 2012

*much more
than you imagine*





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June 30, 2012

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than you imagine*

Prepared by the Finance Department
Lori Helle, Finance Director

CITY OF HAZELWOOD, MISSOURI
FINANCIAL REPORT

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Section I

Introductory Section



much more
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The City of Hazelwood
November 21, 2012

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

Ladies and Gentlemen:

We are pleased to present the comprehensive financial report of the City of Hazelwood, Missouri (the City) for the fiscal year ended June 30, 2012. 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 U.S. generally accepted accounting principles (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 service, construction and maintenance of streets and infrastructure, parks and recreation services, city planning and building inspection, and administration.

Economic Condition and Outlook

The City is centrally located on the eastern border of the State of Missouri in North St. Louis County. Its location is immediately north of the airport at the intersections of Highways 270 and 170 and Highways 270 and 370, and less than two miles from I-70. A major interchange of Highway 370 networks the Missouri River Bottoms area, which is home to the St. Louis Mills (now called the St. Louis Mall) and Cabela's to St. Charles County. This transportation crossroads is 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.

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

There are also two large undeveloped industrial parks in the southern portion of the city: Aviator Business Park and Hazelwood Logistics Center. Both parks are approved for mixed commercial and industrial uses. The plans for each park call for retail and commercial uses along the N. Lindbergh frontage and warehousing and logistics facilities in the rest of the parks. The central business district of the City of St. Louis is 20 miles to the southeast. Interstate 55, U.S. Highway 61-67, and State Highways 141 and 231 provide access to St. Louis City and St. Louis County.

High unemployment, high gas prices, a depressed housing market, and slow to moderate growth are some of the economic factors that determine the City's revenues. The unemployment rate, according to the Missouri Economic Research Center, has been going down all year long for the U.S. and the unemployment rate for the City continues to be less than the average rate of the rest of the U.S. by about 1.4%. Gas prices are generally lower in the Midwest and St. Louis had a 4.1% population growth from 2000 to 2010. So as you can see, the current overall U.S. economy is on the rebound, but things are slightly better in the City. City staff is continuously monitoring economic conditions and will make 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 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. While sales taxes slightly exceeded the previous fiscal years collections, the City continues 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 updates are utilized.

The City was able to go back and implement a COLA adjustment for the fiscal year 2012 pay plan and to give employees a two-step increase since they were not given a step increase in fiscal year 2011. Being conservative in the previous 3 years due to the downturn of the economy has paid off.

Management is consistently looking for more efficient ways of operating and aware that expenditure cuts may be necessary in the event of revenue shortfalls.

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 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. The City approved two loans in fiscal year 2012; one for Emerald Automotive (\$3,000,000) and one for Theodoro Baking Company (\$770,000). Emerald Automotive, which plans to construct a hybrid-powered delivery van assembly plant in the City. The company is a spin-off of an R&D operation in the United Kingdom and they will ship vehicles from the City to Europe initially while developing a market for the vans in North America. Theodoro Baking Company is a long-established commercial bakery in the City. The company is out of space and is moving into a larger facility that they will share with Arcobasso, a food distributor that moved to the city a year ago. Once all plans and phases are in place, approximately 620 jobs will have been added.

Business retention is done mostly on an ad hoc basis. But the city is partnering with North County, Inc. on a retention project. NCI is a regional development organization, headquartered in the City. NCI is using the e-Synchronist data system, sponsored by Ameren, to interview business owner and managers in the North County area (including the City). The data collected can be compared to the other cities and regions around the country which use this system.

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 the City into becoming a community in which residents and visitors will enthusiastically take sustainable action to conserve the environment and our natural resources.

In fiscal year 2011, the City utilized a federal grant of \$97,889 a State interest-free loan of \$22,217, and invested \$1,113,563 to implement energy efficiency upgrades to all City facilities. The project was expected to return savings and cost avoidance of \$1.9 million over 15 years, resulting in a net positive cash flow of \$867,000. However, in fiscal year 2012, which was the first full year of the contract, the energy savings guarantee was \$26,978 short, which meant CTS Group had to pay the shortfall to the City.

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

The City is continuing needed investment in vehicles including 4 police cars and one 2½ ton dump truck, as well as a retaining wall for Fire House #2. These investments are intended to protect the City's excellent service level.

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 U.S. generally accepted accounting principles. 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, 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 meeting 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 continues to contribute more than 100% of the annual required contribution to the Pension Plan annually. According to the most recent actuarial valuation dated July 1, 2011, the funded ratio is 85.3%, compared to 87.2% in 2010, 91.7% in 2009, and 90.2% in 2008.

Long-term Debt

At June 30, 2012 the City had long-term debt in the amount of \$43,735,437 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 \$54.9 million.

OTHER INFORMATION

Independent Audit

Missouri statutes require an annual audit by independent certified public accountants. The certified public accounting firm of Hochschild, Bloom & Company LLP was selected by the City Council to perform the 2012 audit. The auditors' report on basic financial statements is included

in the financial section of this report. As independent auditors, Hochschild, Bloom & Company LLP, also provides an objective outside review of management's performance in reporting operating results and financial condition.

The City is also required to undergo a federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing a "Single Audit" engagement requires the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (CAFR) to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the 14th consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

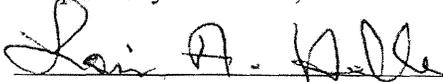
A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

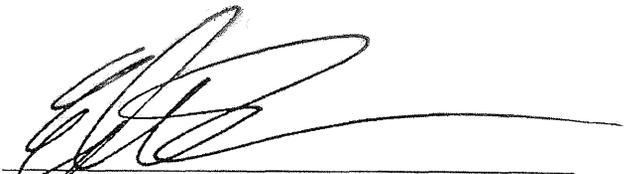
The preparation of the CAFR was made possible by the cooperation of the entire administrative staff of the various departments of the City. The finance staff especially contributed a great deal of time and diligence.

We would also like to acknowledge the assistance of our independent public accountants, Hochschild, Bloom & Company LLP, 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,



Lori A. Helle
Director of Finance

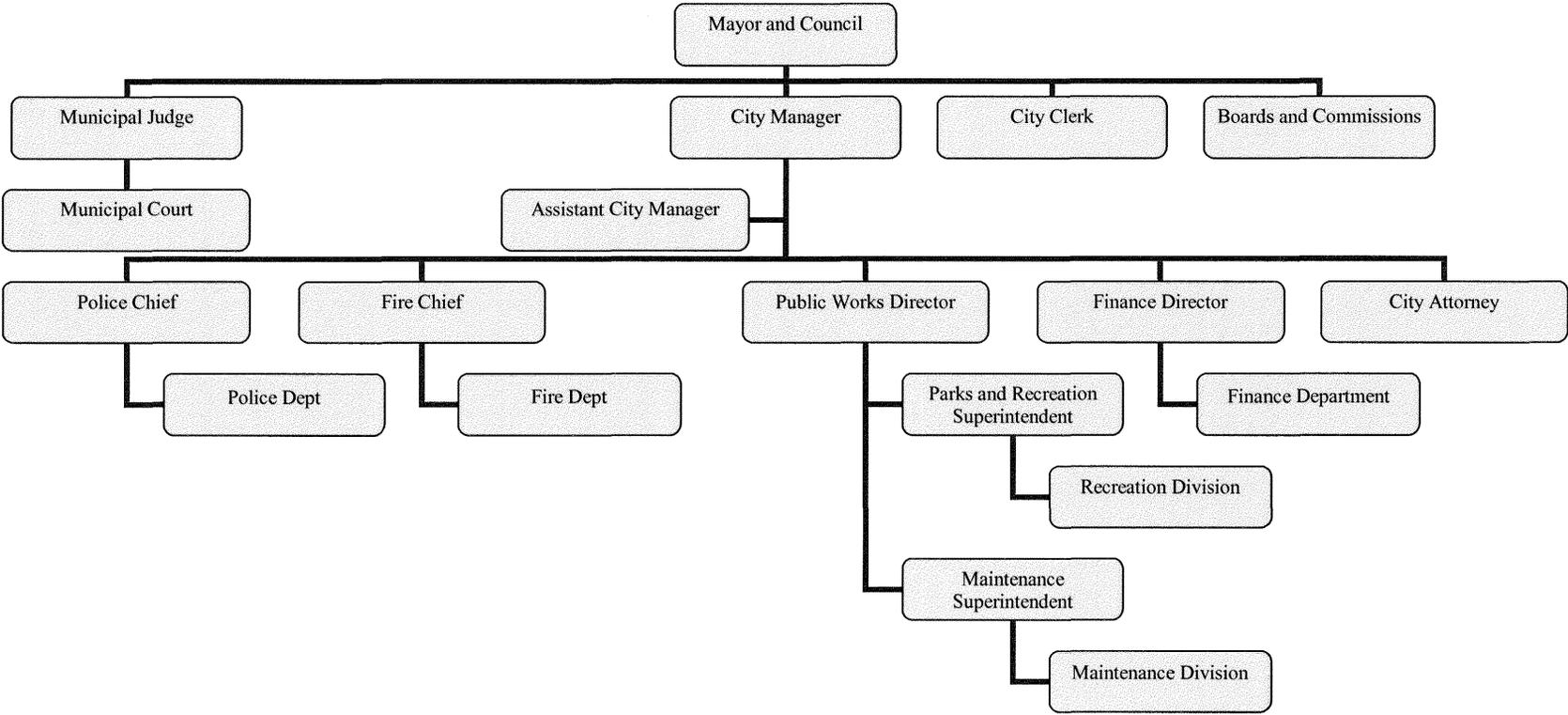


Edwin G. Carlstrom
City Manager

CITY OF HAZELWOOD, MISSOURI
PRINCIPAL CITY OFFICIALS AT JUNE 30, 2012

Position	Name	Election/Hire Date	Term Dates
Mayor	Matthew Robinson	4/2009	4/2012 - 4/2015
Council-Ward 1	Carol Stroker	4/2010	4/2010 - 4/2013
Council-Ward 2	Robert Aubuchon	4/1997	4/2011 - 4/2014
Council-Ward 3	Donald Ryan	4/2010	4/2010 - 4/2013
Council-Ward 4	Michael Conley	4/2005	4/2011 - 4/2014
Council-Ward 5	Russell Todd	8/2008	4/2010 - 4/2013
Council-Ward 6	Warren Taylor	4/2008	4/2011 - 4/2014
Council-Ward 7	Rosalie Hendon	4/2007	4/2010 - 4/2013
Council-Ward 8	Mary Singleton	4/2008	4/2011 - 4/2014
City Manager	Edwin Carlstrom	6/1/1979	
Assistant City Manager	Robert J. Frank	8/30/2007	
Finance Director	Lori Helle	2/13/2012	
City Clerk	Colleen Wolf	7/1/1996	
Judge	Kevin Kelly	2003	
Prosecuting Attorney	Stephanie Karr	2004	
City Attorney	Kevin O'Keefe	2/7/1994	
Police Chief	Carl Wolf	11/25/1985	
Fire Chief	Dave Radel	7/27/1978	
Public Works Director	David Stewart	7/31/2009	
Parks and Recreation Superintendent	Douglas Littlefield	11/30/1992	
Maintenance Superintendent	Paul Williams	6/9/1972	

City of Hazelwood, Missouri Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hazelwood
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director



Section II

Financial Section



Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITORS' REPORT

November 21, 2012

Honorable Mayor and City Council
CITY OF HAZELWOOD, MISSOURI

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF HAZELWOOD, MISSOURI** (the City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above 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 as of June 30, 2012, and the respective changes in financial position thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 21, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its

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- 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 supplemental information in accordance with U.S. generally accepted auditing standards, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements as a whole. The introductory section, other supplemental information, as listed in the table contents, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Hochschild, Bloom + Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

As management of the City of Hazelwood, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through v of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$11,382,075 (net assets). The City had unrestricted net asset deficit totaling \$15,212,722. This deficit is mainly due to \$17,055,000 of TIF revenue notes that were used for development that the City does not own.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$18,482,269, an increase of \$3,370,743 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,988,282 or 25% of total General Fund expenditures.
- The City's total long-term debt increased \$5,400,593 during the most recent fiscal year. An additional \$5,289,047 in general obligation bonds for a crossover refunding and \$1,350,000 in special obligation bonds were issued, while the rest of the debt was paid down.

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 supplemental information in addition to the basic financial statements themselves.

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

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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.

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

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

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements. A fund 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. 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 statements 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 funds balance sheet and in the governmental funds 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, all of 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 nonmajor 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 Fund. Budgetary comparison statements are provided for these funds to demonstrate compliance with these budgets.

The basic governmental funds financial statements can be found on pages 13 through 16 of this report.

Fiduciary funds. 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.

The basic fiduciary fund financial statements can be found on pages 17 and 18 of this report.

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

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. The notes to financial statements can be found on pages 19 through 41 of this report.

Required supplemental information. This Management's Discussion and Analysis and the General Fund and Economic Development Fund budgetary comparison schedules (starting on page 43) represent financial information required by U.S. generally accepted accounting principles 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 (starting on page 50) includes optional financial information such as combining statements for the nonmajor 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 assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$11,382,075 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets 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 assets is as follows:

CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>June 30</u>		<u>2012 Change</u>	
	<u>2012</u>	<u>2011</u>	<u>Amount</u>	<u>Percent</u>
ASSETS				
Current and other assets	\$ 31,507,428	20,273,224	11,234,204	55.4 %
Capital assets	39,403,234	38,483,923	919,311	2.4
Total Assets	<u>70,910,662</u>	<u>58,757,147</u>	<u>12,153,515</u>	20.7
LIABILITIES				
Current and other liabilities	15,648,447	6,647,431	9,001,016	135.4
Long-term liabilities	43,880,140	38,362,629	5,517,511	14.4
Total Liabilities	<u>59,528,587</u>	<u>45,010,060</u>	<u>14,518,527</u>	32.3
NET ASSETS				
Invested in capital assets, net of related debt	21,286,054	19,331,051	1,955,003	10.1
Restricted	5,308,743	7,042,766	(1,734,023)	(24.6)
Unrestricted	<u>(15,212,722)</u>	<u>(12,626,730)</u>	<u>(2,585,992)</u>	(20.5)
Total Net Assets	<u>\$ 11,382,075</u>	<u>13,747,087</u>	<u>(2,365,012)</u>	(17.2) %

Governmental activities. Governmental activities decreased the City's net assets by \$2,365,012.

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

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

	For The Years Ended June 30		2012 Change	
	2012	2011	Amount	Percent
REVENUES				
Program revenues:				
Charges for services	\$ 3,990,830	3,742,494	248,336	6.6 %
Operating grants and contributions	1,977,492	2,193,975	(216,483)	(9.9)
Capital grants and contributions	1,037,655	909,734	127,921	14.1
General revenues:				
Taxes	27,749,538	28,492,226	(742,688)	(2.6)
Licenses and other	3,723,358	3,450,653	272,705	7.9
Total Revenues	<u>38,478,873</u>	<u>38,789,082</u>	<u>(310,209)</u>	<u>(0.8)</u>
EXPENSES				
General government	2,848,593	2,687,257	161,336	6.0
Police	8,095,132	7,507,749	587,383	7.8
Fire and ambulance	8,427,562	8,684,030	(256,468)	(3.0)
Public works	3,459,191	3,325,951	133,240	4.0
Parks and recreation	3,056,839	3,030,546	26,293	0.9
Economic development	12,210,059	8,909,277	3,300,782	37.0
Sewer lateral	105,482	70,560	34,922	49.5
Interest on long-term debt	2,641,027	2,503,981	137,046	5.5
Total Expenses	<u>40,843,885</u>	<u>36,719,351</u>	<u>4,124,534</u>	<u>11.2</u>
CHANGE IN NET ASSETS	<u>\$ (2,365,012)</u>	<u>2,069,731</u>	<u>(4,434,743)</u>	<u>(214.3) %</u>

Revenues decreased mainly due to a decrease in property tax revenues and grant revenues related to police operating grants.

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 resources 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 \$18,482,269, an increase of \$3,370,743 in comparison with the prior year. The City currently has an unas-

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

signed fund balance of \$5,774,738. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for 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 \$5,988,282, while total fund balance reached \$8,530,047. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25% of total General Fund expenditures, while total fund balance represents 36% of that same amount. The fund balance of the General Fund decreased by \$12,121 during the current fiscal year. This decrease is due to normal revenues and expenditures.

The Capital Projects Fund balance decreased \$413,013 during the fiscal year to \$227,524. The main reason for the decrease was decreases in grant revenues.

The Debt Service Fund increased its fund balance \$5,439,496 during the fiscal year to \$6,469,724. The main reason for the increase is due to a crossover refunding of general obligation bonds. The bond proceeds are in escrow until the crossover date of March 1, 2015. The entire fund balance is restricted for payment of the general obligations bonds.

The Economic Development Fund decreased its fund balance \$1,889,291 during the fiscal year to \$1,675,039. The main reason for the decrease is due to a \$3,000,000 loan the City gave to a new local business. The City also issued \$1,350,000 in special obligation bonds to help finance this agreement.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there were various budget transfers for the General Fund. Revenues were \$191,544 below the budgeted amount of \$24,173,951, primarily due to decreased property tax revenues. Expenditures were \$474,386 below the budgeted amount of \$23,975,169 due to deliberate adjustments made to spending.

CAPITAL ASSETS

Capital asset balances (net of accumulated depreciation) are as follows:

	June 30	
	2012	2011
Land, right-of-way, and construction in progress	\$ 5,632,552	5,465,069
Buildings and improvements	13,622,535	13,745,557
Infrastructure	17,230,626	16,457,840
Machinery, equipment, and furniture and fixtures	860,823	817,671
Automotive equipment	<u>2,056,698</u>	<u>1,997,786</u>
Total Capital Assets	<u>\$39,403,234</u>	<u>38,483,923</u>

More information on capital asset activity during the year is provided in the notes to financial statements in Note C.

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

LONG-TERM DEBT

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

	June 30	
	2012	2011
Certificates of participation	\$ 4,661,021	4,863,224
Tax increment revenue notes	17,055,000	17,055,000
General obligation bonds	18,105,277	13,238,214
Special obligations bonds	1,020,899	-
Note payable	19,086	22,439
Compensated absences	1,353,743	1,330,380
Capital lease obligations	<u>1,520,411</u>	<u>1,825,587</u>
Total Long-term Debt	<u>\$43,735,437</u>	<u>38,334,844</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic conditions may be highlighted as follows at the close of fiscal 2012:

- Gas prices average \$3.466 in the Midwest and \$3.494 nationally per www.eia.gov/petroleum/gasdiesel/allhistory.
- Midwest urban consumer price index at June 30, 2012 has increased 1.58% since June 2012.
- The unemployment rate in the United States has improved since fiscal year 2011 to 8.4% according to the Missouri Economic Research Center. The City's unemployment rate was at 7.1%, which is slightly better than the rest of the United States.
- Total 2012 General Fund revenues were approximately \$522,291, or 2%, less than 2011, and \$191,544 less than budget. Most of the decrease was due to a decrease in property tax revenues.
- All 2012 sales taxes (including park and stormwater, capital improvements, and economic development) increased less than 1%, or \$91,750, over 2011 and 1%, or \$124,251, over budget. A 1% increase is included in the 2013 budget.
- Additionally, use tax receipts fell short of the budget by \$393,601, presumably due to businesses not taking advantage of the continuously low interest rates to refresh equipment due. However, use tax receipts were up last year, so the business may have taken advantage of the low interest rates last year and just don't have as strong of a need to invest in more equipment two years in a row.
- To provide perspective: year-to-date sales for all funds were \$457,177, 4%, less than what was collected in the peak year of 2008.

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

- Since 2012 is not a reassessment year, property tax is expected to remain approximately the same in fiscal year 2013.
- The decline in business activity continues to slow economic development activity. However, incentives were approved for an exciting “green project” with Emerald Automotive in fiscal year 2011 and those plans are still on track to construct a hybrid-powered delivery van assembly plant in Hazelwood in the very near future. In fiscal year 2012, the City also approved a loan for Theodoro Baking Company (\$770,000), which is a long-established commercial bakery, so that they can move into a larger facility - they have run out of space. In fiscal year 2013, the City plans to loan CABKA \$425,000 to assist them in site development and equipment relocation and acquisition. All of these incentives were possible through the City’s Loan Program made possible through the economic development sales tax.
- The City’s Fund Balance Policy requires a minimum General Fund unassigned fund balance of 17% of revenue. 2012 unassigned fund balance represents 25% of revenue, which is the City’s informal ideal balance.
- 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 expenditure costs, as well as any “right-sizing” opportunities.

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

CITY OF HAZELWOOD, MISSOURI
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government	Component Unit
	Governmental Activities	Industrial Development Authority
ASSETS		
Cash and investments	\$ 21,640,540	1,917,050
Taxes receivable	2,945,862	-
Other receivables:		
Special assessments	585,000	-
Ambulance	148,725	-
Court	1,219,899	-
Other	1,849,150	696,623
Due from Fiduciary Fund	7,353	-
Prepaid items:		
Fire protection services	2,111,813	-
Other	34,258	-
Bond issue costs	347,983	278,033
Cash - restricted	99,848	-
Net pension asset	516,997	-
Capital assets:		
Land and construction in progress	5,632,552	-
Other capital assets, net of accumulated depreciation	33,770,682	-
Total Assets	70,910,662	2,891,706
LIABILITIES		
Accounts payable	9,144,468	-
Accrued payroll	583,100	-
Accrued interest	5,676,936	157,333
Other liabilities	211,655	-
Unearned revenue	32,288	-
Long-term debt:		
Due within one year	2,560,502	385,000
Due in more than one year	41,174,935	6,367,927
Due in more than one year - net OPEB obligation	144,703	-
Total Liabilities	59,528,587	6,910,260
NET ASSETS		
Invested in capital assets, net of related debt	21,286,054	-
Restricted for:		
Debt service	2,042,491	1,698,762
Economic development	2,733,594	-
Sewer lateral	532,658	-
Unrestricted	(15,212,722)	(5,717,316)
Total Net Assets	\$ 11,382,075	(4,018,554)

CITY OF HAZELWOOD, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses) And Changes In Net Assets</u>	
		<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	<u>Primary Governmental Activities</u>	<u>Component Unit Industrial Development Authority</u>
FUNCTIONS/PROGRAMS						
Primary Government						
Governmental Activities						
General government	\$ 2,848,593	417,250	-	-	(2,431,343)	-
Police	8,095,132	2,558,444	454,574	-	(5,082,114)	-
Fire and ambulance	8,427,562	417,264	6,021	-	(8,004,277)	-
Public works	3,459,191	-	1,516,897	999,017	(943,277)	-
Parks and recreation	3,056,839	562,242	-	38,638	(2,455,959)	-
Economic development	12,210,059	-	-	-	(12,210,059)	-
Sewer lateral	105,482	35,630	-	-	(69,852)	-
Interest on long-term debt	2,641,027	-	-	-	(2,641,027)	-
Total Governmental Activities	<u>\$ 40,843,885</u>	<u>3,990,830</u>	<u>1,977,492</u>	<u>1,037,655</u>	<u>(33,837,908)</u>	<u>-</u>
Component Unit						
Industrial Development Authority	<u>\$ 9,003,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,003,815)</u>
General Revenues						
Property taxes					10,732,806	-
Sales taxes:						
Parks, capital improvement, economic development, use, and hotel/motel tax					8,838,732	-
Intergovernmental - pooled sales tax					4,908,725	-
Utility taxes					3,198,232	-
Other taxes					71,043	8,907,695
Licenses					2,967,898	-
Investment income					21,020	152,234
Miscellaneous					734,440	-
Total General Revenues					<u>31,472,896</u>	<u>9,059,929</u>
CHANGES IN NET ASSETS					(2,365,012)	56,114
NET ASSETS, JULY 1					<u>13,747,087</u>	<u>(4,074,668)</u>
NET ASSETS, JUNE 30					<u>\$ 11,382,075</u>	<u>(4,018,554)</u>

See notes to financial statements

CITY OF HAZELWOOD, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	Capital Projects	Debt Service	370/MO Bottom Road Tax Increment Financing District	Economic Development	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 12,100,073	429,790	6,416,207	90,687	1,020,472	1,583,311	21,640,540
Receivables, net:							
Property taxes	724,109	-	104,275	-	-	-	828,384
Sales taxes	1,121,453	278,096	-	367,195	325,490	25,244	2,117,478
Special assessments	-	-	585,000	-	-	-	585,000
Ambulance	148,725	-	-	-	-	-	148,725
Court	1,219,899	-	-	-	-	-	1,219,899
Other	782,112	437,646	-	-	627,714	1,678	1,849,150
Due from other funds	657,139	-	-	-	-	-	657,139
Prepaid items:							
Fire protection services	2,111,813	-	-	-	-	-	2,111,813
Other	34,258	-	-	-	-	-	34,258
Cash - restricted	99,848	-	-	-	-	-	99,848
Total Assets	\$ 18,999,429	1,145,532	7,105,482	457,882	1,973,676	1,610,233	31,292,234
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 8,045,930	285,353	50,758	469,160	291,378	1,889	9,144,468
Accrued payroll	575,841	-	-	-	7,259	-	583,100
Due to other funds	-	632,655	-	-	-	17,131	649,786
Other liabilities	211,655	-	-	-	-	-	211,655
Deferred revenues:							
Property taxes	314,440	-	-	-	-	-	314,440
Fire protection service	32,288	-	-	-	-	-	32,288
Ambulance	69,329	-	-	-	-	-	69,329
Court	1,219,899	-	-	-	-	-	1,219,899
Special assessments	-	-	585,000	-	-	-	585,000
Total Liabilities	10,469,382	918,008	635,758	469,160	298,637	19,020	12,809,965
Fund Balances (Deficit)							
Nonspendable for:							
Prepaid items	2,146,071	-	-	-	-	-	2,146,071
Restricted for:							
Debt service	-	429,790	6,469,724	-	-	-	6,899,514
Economic development	-	-	-	-	1,675,039	1,058,555	2,733,594
Sewer lateral	-	-	-	-	-	532,658	532,658
Committed for:							
Purchases on order	27,781	-	-	-	-	-	27,781
Assigned for:							
Subsequent year's budget - ap- propriation of fund balance	367,913	-	-	-	-	-	367,913
Unassigned	5,988,282	(202,266)	-	(11,278)	-	-	5,774,738
Total Fund Bal- ances (Deficit)	8,530,047	227,524	6,469,724	(11,278)	1,675,039	1,591,213	18,482,269
Total Liabilities And Fund Balances	\$ 18,999,429	1,145,532	7,105,482	457,882	1,973,676	1,610,233	31,292,234

CITY OF HAZELWOOD, MISSOURI
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total Fund Balances - Governmental Funds	\$ 18,482,269
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$71,517,547 and the accumulated depreciation is \$32,114,313.	39,403,234
The net pension asset is not reported in the governmental funds financial statements.	516,997
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	2,188,668
Net OPEB obligation is not a use of financial resources and, therefore, is not reported in the governmental funds.	(144,703)
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued liability for compensated absences	(1,353,743)
Bonds, notes, and capital leases payable outstanding	(42,089,443)
Accrued interest	(5,676,936)
Unamortized bond premium/discount	(292,251)
Unamortized bond issuance costs	347,983
Net Assets Of Governmental Activities	\$ 11,382,075

CITY OF HAZELWOOD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2012

	General	Capital Projects	Debt Service	370/MO Bottom Road Tax Increment Financing District	Economic Development	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 4,439,709	-	1,143,029	4,657,971	-	476,552	10,717,261
Sales taxes	7,405,657	1,553,504	-	2,575,915	2,256,090	113,112	13,904,278
Utility taxes	3,141,095	-	-	57,137	-	-	3,198,232
Other taxes	1,431,119	-	-	-	-	-	1,431,119
Permits and inspections	396,349	-	-	-	-	-	396,349
Licenses	2,967,898	-	-	-	-	-	2,967,898
Intergovernmental	449,075	50,158	-	-	994,439	-	1,493,672
Fines and forfeitures	2,293,669	-	-	-	-	-	2,293,669
Investment income	13,295	47	-	-	3,618	4,060	21,020
Recreation fees	562,242	-	-	-	-	-	562,242
Sewer lateral	-	-	-	-	-	35,630	35,630
Other	882,299	263,337	80,908	-	12,612	-	1,239,156
Total Revenues	<u>23,982,407</u>	<u>1,867,046</u>	<u>1,223,937</u>	<u>7,291,023</u>	<u>3,266,759</u>	<u>629,354</u>	<u>38,260,526</u>
EXPENDITURES							
Current:							
Mayor and council	81,451	-	-	-	-	-	81,451
City manager	500,278	-	-	-	-	-	500,278
Information system	467,413	-	-	-	-	-	467,413
Finance	448,432	-	-	-	-	-	448,432
Legal	567,732	-	-	-	-	-	567,732
City clerk	253,423	-	-	-	-	-	253,423
Police	7,759,249	-	-	-	-	-	7,759,249
Fire and ambulance	8,169,334	-	-	-	-	-	8,169,334
Public works:							
Administration	1,172,431	-	-	-	-	-	1,172,431
General maintenance	1,020,863	-	-	-	-	-	1,020,863
Park maintenance	935,160	-	-	-	-	-	935,160
Recreation	1,742,744	-	-	-	-	-	1,742,744
Sewer lateral	-	-	-	-	-	105,482	105,482
Economic development	-	659,189	-	7,291,023	4,133,015	2,712	12,085,939
Capital outlay	382,273	1,483,478	-	-	1,860,712	-	3,726,463
Debt service:							
Principal	-	441,779	670,000	-	400,851	-	1,512,630
Interest	-	196,358	556,827	-	104,472	275,488	1,133,145
Bond issuance costs	-	-	103,580	-	-	-	103,580
Total Expenditures	<u>23,500,783</u>	<u>2,780,804</u>	<u>1,330,407</u>	<u>7,291,023</u>	<u>6,499,050</u>	<u>383,682</u>	<u>41,785,749</u>
REVENUES OVER (UNDER) EXPEN- DITURES							
	<u>481,624</u>	<u>(913,758)</u>	<u>(106,470)</u>	<u>-</u>	<u>(3,232,291)</u>	<u>245,672</u>	<u>(3,525,223)</u>
OTHER FINANCING SOURCES (USES)							
Issuance of debt	-	-	5,289,047	-	1,350,000	-	6,639,047
Premium on debt issuance	-	-	256,919	-	-	-	256,919
Transfers in	7,000	500,745	-	-	-	-	507,745
Transfers out	(500,745)	-	-	-	(7,000)	-	(507,745)
Total Other Financing Sources (Uses)	<u>(493,745)</u>	<u>500,745</u>	<u>5,545,966</u>	<u>-</u>	<u>1,343,000</u>	<u>-</u>	<u>6,895,966</u>
NET CHANGE IN FUND BALANCES							
	(12,121)	(413,013)	5,439,496	-	(1,889,291)	245,672	3,370,743
FUND BALANCES (DEFICIT), JULY 1							
	<u>8,542,168</u>	<u>640,537</u>	<u>1,030,228</u>	<u>(11,278)</u>	<u>3,564,330</u>	<u>1,345,541</u>	<u>15,111,526</u>
FUND BALANCES (DEFICIT), JUNE 30							
	<u>\$ 8,530,047</u>	<u>227,524</u>	<u>6,469,724</u>	<u>(11,278)</u>	<u>1,675,039</u>	<u>1,591,213</u>	<u>18,482,269</u>

CITY OF HAZELWOOD, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Net Change In Fund Balances - Governmental Funds \$ 3,370,743

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold \$3,304,877 exceeded depreciation \$2,359,835 in the current period. 945,042

The net effect of various miscellaneous transactions involving capital assets:

Cost of disposals, net of accumulated depreciation	(30,309)
Contributed capital assets	4,578

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds financial statements. 229,565

Bond proceeds are reported as financing sources in the governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the liability in the statement of net assets.

Debt issued during the current year:

Bonds payable	(6,639,047)
Premium on debt issue	(256,919)
Bond issue cost	103,580

Repayments during the current year:

Principal payments on bonds and notes	1,207,454
Principal payments on capital leases	305,176

Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The net changes of these items are:

Accrued compensated absences	(23,363)
Accrued interest on bonds, notes, and capital leases	(1,495,946)
Premium/discount on debt issuances, net of amortization	6,106
Bond issuance costs, net of amortization	(18,042)
Net OPEB obligation	(116,918)
Net pension asset	43,288

Change In Net Assets Of Governmental Activities \$ (2,365,012)

CITY OF HAZELWOOD, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - PENSION TRUST FUND
JUNE 30, 2012

ASSETS

Investments at fair value:

Common stock	\$ 13,154,875
Corporate obligations	5,905,100
Money market funds	972,798
Mutual funds	1,120,878
Government and agency securities	5,464,941
Interest receivable	104,061
Total Assets	<u>26,722,653</u>

LIABILITIES

Accounts payable	23,392
Due to other funds	7,353
Total Liabilities	<u>30,745</u>

NET ASSETS

Held in trust for pension benefits	<u><u>\$ 26,691,908</u></u>
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CITY OF HAZELWOOD, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
PENSION TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2012

ADDITIONS

Employer contributions	<u>\$ 1,512,187</u>
Investment income:	
Interest and dividends	618,786
Realized and unrealized loss, net	(88,203)
Trustee fees - asset management	<u>(118,448)</u>
Total Investment Income	<u>412,135</u>
Total Additions	<u>1,924,322</u>

DEDUCTIONS

Benefits	<u>1,121,568</u>
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CHANGE IN NET ASSETS

802,754

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, JULY 1

25,889,154

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, JUNE 30

\$ 26,691,908

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the **CITY OF HAZELWOOD, MISSOURI** (the City) in the preparation of the accompanying basic financial statements are summarized below:

1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units, entities which are financially accountable to the City. The 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. The accompanying financial data presented for the IDA reflects twelve months of activity ending June 30, 2012. Complete financial information for the IDA can be obtained from the City's finance department.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the component unit for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate 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.

The fund financial statements of the City are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The acquisition uses and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the City's governmental major funds:

General Fund -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund -- The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or improvements of major capital facilities and infrastructure.

Debt Service Fund -- The Debt Service Fund is used 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 -- 370/MO Bottom Road Tax Increment Financing District is a Special Revenue Fund used 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.

Economic Development Fund -- The Economic Development Fund is a Special Revenue Fund used 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 the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Fund Type

Pension Trust Fund -- The Pension Trust Fund is used to account for assets held by the City in a trustee capacity for the City's employee retirement plan. This fund is accounted for in essentially the same manner as a proprietary fund.

Discretely Presented Component Unit - Industrial Development Authority

The IDA is included as a discretely presented component unit of the City, and is accounted for similar to a governmental fund type.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In the government-wide financial statements, the City applies all applicable GASB pronouncements, unless these pronouncements conflict with or contradict GASB pronouncements: FASB Statements and Interpretations, APB Opinions, and ARBs of the Committee on Accounting Procedure.

3. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. At year-end, entries are recorded for financial reporting purposes to reflect the modified accrual basis of accounting for governmental fund types. All fiduciary funds use the accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term “available” is defined as collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For the City, available is defined as expected to be received within sixty days of fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due (i.e., matured).

GASB Statement No. 33 (GASB 33) groups nonexchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed nonexchange revenues, government mandated nonexchange transactions, and voluntary nonexchange transactions.

The City recognizes assets from derived tax revenue transactions (such as sales and utilities gross receipt taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as deferred revenues until the period of the exchange.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus and Basis of Accounting (Continued)

The City recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed nonexchange revenues also include permits and court fines and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as deferred revenues.

Charges for services in the governmental funds, which are exchange transactions and are, therefore, not subject to the provisions of GASB 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

4. Cash and Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. The Pension Trust Fund is also authorized to invest in corporate common or preferred stocks, bonds and mortgages, real or personal property, and other evidence of indebtedness or ownership, but excluding any debt of the City itself, and individual insurance policies. Investments are reported at fair value.

5. 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.

6. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Capital Assets (Continued)

assets with an initial cost of more than \$1,500 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 are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Buildings	10 - 99
Improvements other than buildings	5 - 40
Infrastructure	10 - 20
Machinery, equipment, and furniture and fixtures	5 - 30
Automotive equipment	5 - 30

7. 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. Encumbrances outstanding at year-end were \$27,781 for the General Fund and \$69,920 for the Capital Projects Fund.

8. Fund Balance Policies

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action of the City Council, the highest level of decision-making authority.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Fund Balance Policies (Continued)

Assigned -- The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the City Council has designated authority.

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted.

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 revenues for the fiscal year.

9. 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 service 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.

10. 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.

11. Allowance for Doubtful Accounts

Court fines are shown net of an allowance for uncollectibles of \$1,160,349, and ambulance revenues are shown net of an allowance for uncollectibles of \$148,725.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Restricted Assets

Certain resources set aside to be held as bond deposits to ensure defendants' appearances in court are classified as restricted assets on the balance sheet because their use is limited.

13. Due To/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 that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of long-term interfund loans receivable (reported in "due from" asset accounts) are considered "available spendable resources" and are subject to elimination upon consolidation.

14. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

15. Use of Estimates

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

NOTE B - CASH AND INVESTMENTS

1. Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the

NOTE B - CASH AND INVESTMENTS (Continued)

1. Deposits (Continued)

deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of June 30, 2012, the City's and IDA's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

Investments Policies

The City's formal investments policies are as follows:

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 they minimize credit risk by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio to reduce potential losses on individual securities.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. 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.

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 the investment portfolio.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial risk by prequalifying institutions with which the City places investments, diversifying the investment portfolio, and maintaining a standard of quality for investments.

As of June 30, 2012, the City had the following investments:

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Investments	Fair Value	Maturities					Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years	
Primary Government							
Certificates of deposit	\$ 4,551,146	-	4,551,146	-	-	-	N/A
Repurchase agreement	11,500,485	-	11,500,485	-	-	-	N/A
Money market funds	6,127,978	6,127,978	-	-	-	-	Not rated
Total Primary Government	22,179,609	6,127,978	16,051,631	-	-	-	
Component Unit (IDA)							
Certificates of deposit	137,224	-	137,224	-	-	-	N/A
Money market funds	930,827	930,827	-	-	-	-	Not rated
Government securities:							
Federal agency notes	831,940	-	-	-	-	831,940	AA
Total Component Unit	1,899,991	930,827	137,224	-	-	831,940	
Fiduciary Funds							
Common stock	13,154,875	13,154,875	-	-	-	-	N/A
Corporate obligations	945,922	-	33,973	208,385	74,868	628,696	AAA
Corporate obligations	563,382	-	-	135,863	427,519	-	AA
Corporate obligations	2,233,051	-	57,071	703,466	1,472,514	-	A
Corporate obligations	2,162,745	-	-	559,739	1,489,817	113,189	BBB
Money market funds	972,798	972,798	-	-	-	-	Not rated
Mutual funds	1,120,878	1,120,878	-	-	-	-	N/A
Government securities:							
Federal agency notes	2,648,888	-	333,582	1,585,013	314,966	415,327	AAA
Municipal issues	61,184	-	-	-	61,184	-	A
U.S. Treasury notes	2,754,869	-	-	1,902,140	852,729	-	AAA
Total Fiduciary Funds	26,618,592	15,248,551	424,626	5,094,606	4,693,597	1,157,212	
Total Investments	\$ 50,698,192	22,307,356	16,613,481	5,094,606	4,693,597	1,989,152	

NOTE C - CAPITAL ASSETS

Capital assets activity was as follows:

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended June 30, 2012			
	Balance June 30 2011	Additions And Transfers	Deletions And Transfers	Balance June 30 2012
Capital assets not being depreciated:				
Land and right-of-way	\$ 4,314,229	76,840	-	4,391,069
Construction in progress	1,150,840	1,547,524	1,456,881	1,241,483
Total Capital Assets Not Being Depreciated	<u>5,465,069</u>	<u>1,624,364</u>	<u>1,456,881</u>	<u>5,632,552</u>
Capital assets being depreciated:				
Buildings and improvements	21,827,143	644,866	-	22,472,009
Infrastructure	32,080,092	1,831,145	-	33,911,237
Machinery, equipment, and furniture and fixtures	5,046,995	302,183	301,480	5,047,698
Automotive equipment	4,219,199	363,778	128,926	4,454,051
Total Capital Assets Being Depreciated	<u>63,173,429</u>	<u>3,141,972</u>	<u>430,406</u>	<u>65,884,995</u>
Less - Accumulated depreciation for:				
Buildings and improvements	8,081,586	767,888	-	8,849,474
Infrastructure	15,622,252	1,058,359	-	16,680,611
Machinery, equipment, and furniture and fixtures	4,229,324	242,794	285,243	4,186,875
Automotive equipment	2,221,413	290,794	114,854	2,397,353
Total Accumulated Depreciation	<u>30,154,575</u>	<u>2,359,835</u>	<u>400,097</u>	<u>32,114,313</u>
Total Capital Assets Being Depreciated, Net	<u>33,018,854</u>	<u>782,137</u>	<u>30,309</u>	<u>33,770,682</u>
Capital Assets, Net	<u>\$ 38,483,923</u>	<u>2,406,501</u>	<u>1,487,190</u>	<u>39,403,234</u>

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

	For The Year Ended June 30 2012
General government	\$ 530,137
Police	158,892
Fire and ambulance	198,197
Public works, including depreciation of infrastructure assets	1,211,284
Parks and recreation	<u>261,325</u>
Total	<u>\$2,359,835</u>

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT

Long-term debt consisted of the following:

June 30
2012

Certificates of Participation

2008 certificates of participation issue of \$5,485,000 used for acquiring, constructing, furnishing, and equipping a new aquatic center and improving Fire Station #1. Interest rates range from 3% to 5%, due March 1, 2028.

\$4,705,000

General Obligation Bonds

2007 general obligation street bonds issue of \$6,630,000 used for constructing, reconstructing, extending, and improving the City's streets and sidewalks. Interest rates range from 4% to 4.75%, due March 1, 2027.

\$ 5,470,000

2005 general obligation street bonds issue of \$8,415,000 used for constructing, reconstructing, extending, and improving the City's streets and sidewalks. Interest rates range from 4% to 5%, due March 1, 2025.

6,425,000

2001 general obligation neighborhood improvement bonds issue of \$1,030,000 used for advance refunding of a 1999 bond issue to temporarily finance the costs of the Lambert Pointe Business Centre Improvement Project. Interest rates range from 3.8% to 6.75%, due April 1, 2021.

585,000

2012 general obligation refunding bonds issue of \$5,289,047 for a crossover refunding of a portion of the general obligation street bonds series 2005. The series 2012 bonds bear interest ranging from 1.25% to 2.2%. The series 2012 bonds include \$64,047 of capital appreciation bonds due March 1, 2022. At June 30, 2012, \$4,353 was included in accrued interest for the interest accretion. The net proceeds of the Series 2012 were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments of the Series 2005 bonds to the "crossover" date of March 1, 2015. A crossover refunding does not result in defeasance of debt prior to the crossover date because the asset placed in the irrevocable escrow are not used solely for satisfying scheduled payments on the defeased debt. As a result, the fund's balance and investments in the Debt Service Fund at June 30, 2012 include the proceeds which will be used to defease a portion of the principal balance outstanding on March 1, 2015, of the bonds.

5,289,047

Total General Obligation Bonds

\$17,769,047

Special Obligation Bonds

2011 special obligation bonds issue of \$1,350,000 used for providing funds including partially funding a loan to a certain company for economic development. Interest rate is 3.6%, due August 1, 2014.

\$1,020,899

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

June 30
2012

Note Payable

2011 note payable to the Missouri Department of Natural Resources of \$22,439 used to finance the costs of the design, acquisition, installation, and implementation of energy conservation measures. Interest rate is 0%, due February 1, 2018.

\$19,086

A summary of principal and interest debt service requirements is as follows:

For The Years Ended June 30	General Obligation Bonds		Certificates Of Participation		Special Obligation Bonds		Note Payable
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2013	\$ 695,000	587,481	210,000	215,300	443,586	30,809	3,353
2014	725,000	585,450	220,000	207,845	459,772	14,623	3,353
2015	6,015,000	553,930	230,000	199,595	117,541	1,058	3,353
2016	885,000	301,928	235,000	190,683	-	-	3,353
2017	915,000	278,657	245,000	181,282	-	-	3,353
2018 - 2022	4,544,047	1,358,769	1,395,000	738,195	-	-	2,321
2023 - 2027	3,990,000	363,615	1,765,000	373,512	-	-	-
2028	-	-	405,000	20,250	-	-	-
Total	<u>\$17,769,047</u>	<u>4,029,830</u>	<u>4,705,000</u>	<u>2,126,662</u>	<u>1,020,899</u>	<u>46,490</u>	<u>19,086</u>

The City has tax increment revenue notes which are special limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property, 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 the debt was issued to build. The tax-exempt portion of the notes (Series A) have an interest rate of 6.75% and the taxable portion of the notes (Series B) have an interest rate of 8.25%. Notes outstanding at June 30, 2012 are as follows:

	<u>Date Issued</u>	<u>Date Of Maturity</u>	<u>Original Amount</u>	<u>Balance June 30 2012</u>
Tax increment revenue notes:				
Lambert Redevelopment Area - A	8-30-2007	10-3-2029	\$ 415,876	\$ 415,876
Lambert Redevelopment Area - B	8-30-2007	10-3-2029	16,639,124	<u>16,639,124</u>
Total Tax Increment Revenue Notes				<u>\$17,055,000</u>

The IDA has issued tax increment financing bonds for the purpose of: 1) refunding the TIF notes currently outstanding in the principal amount of \$18,700,000, 2) funding a Debt Reserve Fund for the bonds, 3) funding capitalized interest for the bonds, and 4) paying the cost of the issuance of the bonds. The bonds are special, limited obligations of the IDA, payable solely from payment in lieu of taxes, economic activity tax revenues, and CID revenues generated in the redevelopment area. The interest rate on the bonds range from 2.375% to 5.5%.

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

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) fund a Debt Service Reserve Fund for the bonds; 3) fund a portion of the capitalized interest on the bonds; and 4) pay 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 storm-water 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 \$388,658 to the Capital Projects Fund for its portion of the pledged revenues. The Capital Projects Fund paid \$659,189 to the IDA for the year ended June 30, 2012. The interest rates on the bonds range from 5.31% to 5.875%.

	<u>Date Issued</u>	<u>Date Of Maturity</u>	<u>Original Amount</u>	<u>Balance June 30 2012</u>
Tax increment financing bonds:				
370/Missouri Bottom Road Redevelopment Area	11-25-2003	8-1-2020	\$26,385,000	\$1,570,000
Taxable annual appropriation capital projects bonds:				
Cabela's Project	03-07-2007	2-1-2027	5,845,000	<u>5,405,000</u>
Total				<u>\$6,975,000</u>

The following is a summary of the changes in the City's long-term debt:

	<u>For The Year Ended June 30, 2012</u>			<u>Balance June 30 2012</u>	<u>Amounts Due Within One Year</u>
	<u>Balance June 30 2011</u>	<u>Additions</u>	<u>Deletions</u>		
Primary Government					
General obligation bonds	\$ 13,150,000	5,289,047	670,000	17,769,047	695,000
Plus - Premium	88,214	256,919	8,903	336,230	-
Certificates of participation	4,910,000	-	205,000	4,705,000	210,000
Less - Discount	(46,776)	-	(2,797)	(43,979)	-
Special obligation bonds	-	1,350,000	329,101	1,020,899	443,586
Tax increment revenue notes	17,055,000	-	-	17,055,000	-
Note payable	22,439	-	3,353	19,086	3,353
Compensated absences	1,330,380	984,331	960,968	1,353,743	948,000
Capital lease obligations	1,825,587	-	305,176	1,520,411	260,563
Total	<u>\$ 38,334,844</u>	<u>7,880,297</u>	<u>2,479,704</u>	<u>43,735,437</u>	<u>2,560,502</u>
Component Unit					
Capital projects bonds	\$ 5,625,000	-	220,000	5,405,000	240,000
Less - Discount	(25,835)	-	(1,649)	(24,186)	-
Tax increment financing revenue bonds	1,705,000	-	135,000	1,570,000	145,000
Less - Discount	(221,168)	-	(23,281)	(197,887)	-
Total	<u>\$ 7,082,997</u>	<u>-</u>	<u>330,070</u>	<u>6,752,927</u>	<u>385,000</u>

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

Compensated absences are generally liquidated by the General Fund. Capital lease obligations, bonds, and notes payable are liquidated by the appropriate related fund.

During the year ended June 30, 2012, the City's capital lease debt service payments for principal retirement and interest were \$305,176 and \$51,916, respectively.

NOTE E - CAPITAL LEASES

The City enters into equipment lease agreements to purchase capital assets which are accounted for as capital leases. Lease payments under the terms of these agreements are recorded as lease/purchase expenditures in the Capital Projects Fund. The City currently has three such leases outstanding. Leased equipment with a total capitalized cost of \$2,339,007 and \$157,703 accumulated depreciation is included in the government-wide financial statements.

The future minimum lease payment under the capital leases and the present value of the net minimum lease payment as of June 30, 2012 is as follows:

<u>For The</u> <u>Years Ended</u> <u>June 30</u>	
2013	\$ 303,607
2014	250,119
2015	250,119
2016	233,807
2017	217,497
2018 - 2021	<u>440,332</u>
Total Minimum Lease Payments	1,695,481
Less - Amount representing interest	<u>175,070</u>
Present Value Of Future Minimum Lease Payments	<u>\$1,520,411</u>

NOTE F - EMPLOYEE RETIREMENT PLAN

The City maintains a single-employer, defined benefit pension plan (the Plan). The Plan covers all permanent full-time policemen, firemen, and other employees through participation in a single-employer, defined benefit public employee retirement system. All administrative costs of the Plan are financed by the Pension Trust Fund.

NOTE F - EMPLOYEE RETIREMENT PLAN (Continued)

1. Plan Description and Provisions

The Plan was created and is governed by City ordinance. The total payroll for all employees for the year ended June 30, 2011 was \$9,980,009.

The 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 Plan is provided in a summary plan description.

Current membership in the Plan is comprised of the following:

<u>Group</u>	<u>July 1, 2011</u>
Retirees and beneficiaries currently receiving benefits	61
Vested terminated employees	27
Active employees:	
Fully vested	135
Partially vested	50

Employees who attain the age of 60 or have 5 years of credited service are entitled to a normal retirement benefit equal to: a) 2% of their final average monthly compensation multiplied by b) the employee's years of credited 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 Plan in effect immediately prior to 1989, based on credited service to that date. The Plan also provides early retirement, late retirement, vested deferred retirement, and disability benefits. The benefit provisions and funding policy are established by City ordinance.

Employer contributions to the Plan are recognized in the period in which the contributions are due. Plan benefits are recognized when due and payable in accordance with the terms of the Plan. Investments of the Plan are reported at fair value. Equity and debt securities are reported at the readily determinable current fair value.

The Plan's funding policy provides for actuarially determined annual required contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the entry age actuarial cost method. The unfunded actuarial accrued liability is amortized over an initial 30-year period. The Plan is entirely funded by the City. No employee contributions are required.

The required contribution to the Plan of \$1,224,684 for the 2011 - 2012 plan year was computed through an actuarial valuation performed as of July 1, 2011. The required contribution consisted of: a) \$680,293 normal cost (6.8% of annual covered payroll), b) \$469,559 amortization of the unfunded actuarial accrued liability (4.7% of annual covered payroll), and c) \$74,832 expense loading equivalent to 0.3% of the fair value of plan assets (0.7% of annual covered payroll).

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - EMPLOYEE RETIREMENT PLAN (Continued)

2. Funding Status and Progress

Pension Plan			
Valuation For The Actuarial Years Ended July 1	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)
2011	\$ 25,789,434	\$ 30,245,155	\$ 4,455,721
2010	22,711,703	26,059,962	3,348,259
2009	22,898,848	24,973,816	2,074,968
2008	22,720,556	25,190,087	2,469,531
2007	21,355,315	23,916,495	2,561,180
2006	19,419,573	22,186,040	2,766,467
Valuation For The Actuarial Years Ended July 1	Funded Ratio	Covered Payroll	UAAL As A Percentage Of Covered Payroll
2011	85.3 %	\$ 9,980,009	44.6 %
2010	87.2	9,827,733	34.1
2009	91.7	9,885,427	21.0
2008	90.2	9,445,097	26.1
2007	89.3	9,123,360	28.1
2006	87.5	8,411,660	32.9
Schedule Of Employer Contributions			
For The Years Ended June 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
2011	\$ 1,129,979	\$ 1,187,655	105.1 %
2010	1,057,468	1,105,631	104.6
2009	1,039,281	1,091,569	105.0
2008	1,017,336	1,073,125	105.5
2007	973,769	1,027,006	105.5
2006	1,006,404	1,044,593	103.8

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - EMPLOYEE RETIREMENT PLAN (Continued)

2. Funding Status and Progress (Continued)

The information presented in the required supplemental schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2011
Actuarial cost method	Entry age (level percentage)
Amortization method	Level dollar, open
Remaining amortization period	15 years closed
Asset valuation method	5 year smoothed fair value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.5%
Inflation rate	4.0%

3. Annual Pension Cost

Current year annual pension cost for the Plan is shown in the trend information. Annual required contributions were made by the Plan. The Plan does not have a net pension obligation.

4. Trend Information

The historical trend information for the Plan is presented herewith to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparison with other Public Employee Retirement Systems (PERS).

Pension Plan			
Valuation For The Actuarial Years Ended June 30	Annual Pension Cost	Percentage Contributed	Net Pension Obligation (Asset)
2012	\$ 1,144,367	103.8 %	(516,997)
2011	1,070,798	103.3	(473,709)
2010	1,050,510	103.9	(438,876)
2009	1,027,270	104.5	(397,817)
2008	982,446	105.0	(351,962)
2007	1,014,223	103.0	(307,402)

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - EMPLOYEE RETIREMENT PLAN (Continued)

4. Trend Information (Continued)

Pension Plan

Valuation For The Actuarial Years Ended June 30	Annual Required Contri- bution	Adjustment To Annual Required Contribution	Interest On Net Pension Obligation (Asset)	Annual Pension Cost	Actual Contri- bution	Increase (Decrease) In Net Pension Obligation (Asset)	Net Pension Obligation (Asset) End Of Year
2012	\$ 1,129,979	49,917	(35,529)	1,144,367	(1,187,655)	(43,288)	(516,997)
2011	1,057,468	46,246	(32,916)	1,070,798	(1,105,631)	(34,833)	(473,709)
2010	1,039,281	43,054	(31,825)	1,050,510	(1,091,569)	(41,059)	(438,876)
2009	1,017,336	38,091	(28,157)	1,027,270	(1,073,125)	(45,855)	(397,817)
2008	973,769	33,269	(24,592)	982,446	(1,027,006)	(44,560)	(351,962)
2007	1,006,404	29,982	(22,163)	1,014,223	(1,044,593)	(30,370)	(307,402)

NOTE G - RISK MANAGEMENT

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

The City, along with various other local municipal governments, participates in an insurance trust for workers' compensation and for general liability matters (St. Louis Area Insurance Trust - SLAIT). The purpose of this trust is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust. However, the City retains a contingent liability to fund its pro rata share of any deficit incurred by the trust should the trust cease operations at some future date. The trust has contracted with the Daniel and Henry Company to handle all administrative matters, including processing of claims filed.

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

NOTE H - 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 after December 31.

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 and is deferred on the fund financial statements, and recognized as revenue in the government-wide financial statements.

NOTE I - CONTINGENCIES AND COMMITMENTS

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

The City is subject to various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters should not have a material adverse effect on the financial condition of the City. In addition, the City is subject to potential claims including environmental issues for certain real estate development projects. There are no legal issues pending or known related liabilities regarding these projects.

NOTE J - UNRESTRICTED NET ASSET DEFICIT

The government-wide statement of net assets reflects an unrestricted net asset deficit of (\$15,212,722). This total is comprised of \$1,842,278 in unrestricted net assets from operations and unrestricted net assets deficit resulting from the issuance of TIF Revenue Notes \$17,055,000, 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 K - 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 in the City. 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 D is payable through October 2029. For the current year, the IDA's principal and interest paid and total incremental tax revenues were \$767,650 and \$8,907,695, respectively. For the current year, the City's tax increment financing interest paid and total incremental tax revenues were \$275,488 and \$589,781, respectively.

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS

Plan Description

The City provides healthcare benefits to employees defined as City retirees who have attained age 55 plus ten years of service until attainment of Medicare Eligibility Age, as long as the retiree pays the monthly premium. Single, spouse, and dependent medical and prescription drug benefits are available to retirees in the City's fully-insured plan. The individual pays the monthly group health insurance premium.

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS
(Continued)

The Plan does not issue a separate stand-alone financial report. The OPEB obligation is generally liquidated by the General Fund.

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities.

The calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation, and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and reflect a long-term perspective. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The City's annual OPEB cost for the most recent actuarial valuation and the related information are as follows:

	For The Year Ended June 30 2012
Amortization of past service cost	\$ 44,831
Normal cost	32,387
Interest to end of fiscal year	<u>3,089</u>
Annual Required Contribution	80,307
Interest on net OPEB obligation	3,360
Adjustment to annual required contribution	<u>(6,182)</u>
Annual OPEB Cost	77,485
Contributions made	<u>(16,792)</u>
Increase In Net OPEB Obligation	60,693
Net OPEB obligation, July 1, 2011	<u>84,010</u>
Net OPEB Obligation, June 30, 2012	<u>\$144,703</u>

The Plan, stated in the City's Personnel Policy, was established by City Ordinance, which assigned the authority to establish and amend plan benefit provisions to the City. The contribution requirements of the City and plan members are established and may be amended by the City.

Fiscal year 2009 was the year of implementation of GASB 45 and the City has elected to have actuarial valuations performed every three years.

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS
(Continued)

Required Supplemental Information

Schedule Of Funding Progress

Valuation For The Actuarial Valuation July 1	Actuarial Value Of Assets (1)	Actuarial Accrued Liability (2)	Unfunded Accrued Liability (UAAL) (1)-(2)	Funded Ratio (1)/(2)	Covered Payroll (3)	UAAL As A Percentage Of Covered Payroll (1-2)/(3)
2011	\$ -	\$ 633,636	\$ 633,636	- %	\$ 9,980,009	6 %
2010 *	-	-	-	-	-	-
2009 *	-	-	-	-	-	-
2008	-	365,368	365,368	-	9,445,097	4

Schedule Of Employer Contributions

For The Year Ended June 30	Annual Required Contribution	Contribution Made	Percent Contributed
2012	\$ 80,307	\$ 16,792	20.91 %
2011	46,883	15,987	34.10
2010	46,883	18,775	40.05
2009	46,883	19,098	40.74

*Valuation was not performed

Significant actuarial assumptions used in the valuation are as follows:

Valuation method	Projected unit credit method
Latest valuation date	July 1, 2011
Discount rate	4% per annum
Amortization method	Level dollar, open
Amortization period	20 years for initial UAAL, closed
Payroll inflation	4%
Mortality	UP-94 Mortality Table
Medical premium rates	9.5% initial rate; 5.5% alternate rate

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE M - DEFICIT BALANCES

At June 30, 2012, the 370/MO Bottom Road Tax Increment Financing District Fund accumulated a deficit of \$11,278, the result of expenditures which exceeded revenues in 2012 plus prior years. The accumulated deficit will be offset by future revenues received by the fund.

NOTE N - INTERFUND ASSETS/LIABILITIES

Individual interfund assets and liabilities are as follows:

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>June 30 2012</u>
General Fund	Pension Trust Fund	\$ 7,353
General Fund	Capital Projects Fund	632,655
General Fund	Sewer Lateral Fund	<u>17,131</u>
Total		<u>\$657,139</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 ending June 30, 2013.

NOTE O - INTERFUND TRANSFERS

Individual interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>June 30 2012</u>
General Fund	Economic Development Fund	\$ 7,000
Capital Projects Fund	General Fund	<u>500,745</u>
Total		<u>\$507,745</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 unrestricted 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.

NOTE P - 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 setup as forgivable loans, which means the loans will not have to be repaid if they follow the agreed upon terms. At June 30, 2012, the City had \$1,615,200 of these loans outstanding. The City also has a loan with another company due December 31, 2018 for \$3,000,000. An offsetting allowance for these amounts has been established.

After year-end the City entered into a forgivable loan agreement with another company totaling \$425,000.

NOTE Q - RESTRICTED NET ASSETS

The government-wide statement of net assets reports \$5,308,743 of restricted net assets of which \$3,266,252 is restricted by enabling legislation.

NOTE R - FEDERAL FORFEITURE ACTIVITY

For the year ended June 30, 2012, the City had a beginning balance of \$26,236, revenues of \$111,322, and expenditures of \$137,558, for an ending balance of \$0 in the federal forfeiture account.

NOTE S - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63) establishes guidelines for the reporting of deferred outflows of resources, deferred inflows of resources, and net position in the financial statements. GASB 63 will be effective for the City for the year ending June 30, 2013.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF HAZELWOOD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property taxes				
Real estate	\$ 3,377,000	3,377,000	3,091,630	(285,370)
Personal property	877,000	877,000	939,635	62,635
Property surtax	455,000	455,000	408,444	(46,556)
Total Property Taxes	<u>4,709,000</u>	<u>4,709,000</u>	<u>4,439,709</u>	<u>(269,291)</u>
Sales taxes				
Hotel/motel tax	211,000	211,000	227,298	16,298
Park and stormwater	2,069,000	2,069,000	2,258,890	189,890
Sales	3,233,000	3,233,000	3,432,070	199,070
Use	1,881,000	1,881,000	1,487,399	(393,601)
Total Sales Taxes	<u>7,394,000</u>	<u>7,394,000</u>	<u>7,405,657</u>	<u>11,657</u>
Utility taxes				
	<u>3,274,000</u>	<u>3,274,000</u>	<u>3,141,095</u>	<u>(132,905)</u>
Other taxes				
Cigarette	64,000	64,000	71,043	7,043
Gasoline	749,000	749,000	678,367	(70,633)
Road and bridge	605,000	605,000	569,853	(35,147)
Vehicle fees	113,000	113,000	111,856	(1,144)
Total Other Taxes	<u>1,531,000</u>	<u>1,531,000</u>	<u>1,431,119</u>	<u>(99,881)</u>
Permits and inspections				
Building permits	207,000	207,000	268,784	61,784
Occupancy permits	125,000	125,000	127,565	2,565
Total Permits And Inspections	<u>332,000</u>	<u>332,000</u>	<u>396,349</u>	<u>64,349</u>
Licenses				
Manufacturers	1,022,000	1,022,000	1,069,473	47,473
Occupation services	1,145,000	1,145,000	1,125,350	(19,650)
Merchants	515,980	515,980	511,526	(4,454)
Liquor	14,000	14,000	14,083	83
Coin devices	3,500	3,500	4,630	1,130
Franchises	251,410	251,410	242,836	(8,574)
Total Licenses	<u>2,951,890</u>	<u>2,951,890</u>	<u>2,967,898</u>	<u>16,008</u>
Intergovernmental				
Grant income	<u>586,061</u>	<u>586,061</u>	<u>449,075</u>	<u>(136,986)</u>
Fines and forfeitures				
Court fines	2,226,000	2,226,000	2,238,511	12,511
Police fines	38,000	38,000	34,257	(3,743)
License fines	5,000	5,000	20,901	15,901
Total Fines And Forfeitures	<u>2,269,000</u>	<u>2,269,000</u>	<u>2,293,669</u>	<u>24,669</u>
Investment income				
	<u>11,000</u>	<u>11,000</u>	<u>13,295</u>	<u>2,295</u>

(Continued)

CITY OF HAZELWOOD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES (Continued)				
Recreation fees				
Swimming pools	127,000	127,000	173,640	46,640
Rentals	80,000	80,000	80,287	287
Classes	130,000	130,000	136,812	6,812
Disc golf	3,000	3,000	4,641	1,641
Recreation programs and trips	20,000	20,000	30,922	10,922
Concessions	62,000	62,000	71,895	9,895
Resident cards	50,000	50,000	52,098	2,098
Sports complex	6,000	6,000	11,947	5,947
Total Recreation Fees	478,000	478,000	562,242	84,242
Other				
Fire protection service	72,000	72,000	66,187	(5,813)
Ambulance fees	326,000	326,000	372,773	46,773
Other	225,000	225,000	427,543	202,543
Sale of capital assets	15,000	15,000	15,796	796
Total Other	638,000	638,000	882,299	244,299
Total Revenues	24,173,951	24,173,951	23,982,407	(191,544)
EXPENDITURES				
Mayor and council				
Personnel services	24,830	24,830	25,203	373
Contractual services	78,165	55,865	55,982	117
Commodities	400	400	266	(134)
Capital outlay	541	541	-	(541)
Total Mayor And Council	103,936	81,636	81,451	(185)
City manager				
Personnel services	381,111	372,611	380,260	7,649
Contractual services	123,960	123,960	88,104	(35,856)
Commodities	46,088	46,088	31,304	(14,784)
Contingencies	-	-	610	610
Total City Manager	551,159	542,659	500,278	(42,381)
Information system				
Contractual services	412,717	435,717	441,517	5,800
Commodities	30,000	25,000	25,896	896
Capital outlay	12,831	12,831	5,209	(7,622)
Total Information System	455,548	473,548	472,622	(926)
Finance				
Personnel services	296,895	312,895	327,383	14,488
Contractual services	137,240	137,240	119,373	(17,867)
Commodities	2,250	2,250	1,676	(574)
Capital outlay	7,200	7,200	6,616	(584)
Total Finance	443,585	459,585	455,048	(4,537)

(Continued)

CITY OF HAZELWOOD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2012

EXPENDITURES (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
Legal				
Personnel services	200,990	206,890	211,436	4,546
Contractual services	351,758	358,558	354,147	(4,411)
Commodities	2,000	2,000	2,149	149
Total Legal	<u>554,748</u>	<u>567,448</u>	<u>567,732</u>	<u>284</u>
City clerk				
Personnel services	192,858	192,858	206,298	13,440
Contractual services	58,204	58,204	46,122	(12,082)
Commodities	2,730	2,730	1,003	(1,727)
Capital outlay	300	300	240	(60)
Total City Clerk	<u>254,092</u>	<u>254,092</u>	<u>253,663</u>	<u>(429)</u>
Police				
Personnel services	7,042,648	7,238,648	7,144,699	(93,949)
Contractual services	375,585	346,585	320,561	(26,024)
Commodities	293,595	287,195	265,770	(21,425)
Capital outlay	78,210	94,210	87,520	(6,690)
Contingencies	400	19,400	28,219	8,819
Total Police	<u>7,790,438</u>	<u>7,986,038</u>	<u>7,846,769</u>	<u>(139,269)</u>
Fire				
Personnel services	3,428,335	3,496,835	3,463,188	(33,647)
Contractual services	4,680,295	4,449,795	4,345,179	(104,616)
Commodities	60,473	60,473	49,906	(10,567)
Capital outlay	56,928	56,928	62,627	5,699
Contingencies	3,000	3,000	50	(2,950)
Total Fire	<u>8,229,031</u>	<u>8,067,031</u>	<u>7,920,950</u>	<u>(146,081)</u>
Ambulance				
Personnel services	264,847	264,847	249,043	(15,804)
Contractual services	87,775	59,275	28,668	(30,607)
Commodities	36,091	36,091	33,300	(2,791)
Capital outlay	25,400	25,400	21,482	(3,918)
Contingencies	500	500	-	(500)
Total Ambulance	<u>414,613</u>	<u>386,113</u>	<u>332,493</u>	<u>(53,620)</u>
Public works				
Administration:				
Personnel services	752,466	727,966	740,349	12,383
Contractual services	452,346	452,346	413,853	(38,493)
Commodities	23,675	23,675	18,229	(5,446)
Capital outlay	14,400	14,400	8,217	(6,183)
Contingencies	100	100	-	(100)
Total Administration	<u>1,242,987</u>	<u>1,218,487</u>	<u>1,180,648</u>	<u>(37,839)</u>

(Continued)

CITY OF HAZELWOOD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Public works (continued)				
General maintenance:				
Personnel services	607,769	588,769	595,250	6,481
Contractual services	118,215	103,215	103,606	391
Commodities	356,920	339,920	321,507	(18,413)
Capital outlay	51,900	47,900	46,067	(1,833)
Contingencies	1,000	1,000	500	(500)
Total General Maintenance	<u>1,135,804</u>	<u>1,080,804</u>	<u>1,066,930</u>	<u>(13,874)</u>
Park maintenance:				
Personnel services	785,538	785,538	758,502	(27,036)
Contractual services	51,300	69,800	80,399	10,599
Commodities	88,020	88,020	96,259	8,239
Capital outlay	70,100	70,100	73,159	3,059
Contingencies	1,000	1,000	-	(1,000)
Total Park Maintenance	<u>995,958</u>	<u>1,014,458</u>	<u>1,008,319</u>	<u>(6,139)</u>
Recreation:				
Personnel services	1,260,175	1,260,175	1,226,882	(33,293)
Contractual services	397,100	437,100	435,239	(1,861)
Commodities	67,670	67,670	77,963	10,293
Capital outlay	77,325	77,325	71,136	(6,189)
Contingencies	1,000	1,000	2,660	1,660
Total Recreation	<u>1,803,270</u>	<u>1,843,270</u>	<u>1,813,880</u>	<u>(29,390)</u>
Total Public Works	<u>5,178,019</u>	<u>5,157,019</u>	<u>5,069,777</u>	<u>(87,242)</u>
Total Expenditures	<u>23,975,169</u>	<u>23,975,169</u>	<u>23,500,783</u>	<u>(474,386)</u>
REVENUES OVER EXPENDITURES	<u>198,782</u>	<u>198,782</u>	<u>481,624</u>	<u>282,842</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	7,000	(43,000)
Transfers out	(467,799)	(467,799)	(500,745)	32,946
Total Other Financing Sources (Uses)	<u>(417,799)</u>	<u>(417,799)</u>	<u>(493,745)</u>	<u>(75,946)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (219,017)</u>	<u>(219,017)</u>	<u>(12,121)</u>	<u>206,896</u>
FUND BALANCE, JULY 1			<u>8,542,168</u>	
FUND BALANCE, JUNE 30			<u>\$ 8,530,047</u>	

CITY OF HAZELWOOD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Sales taxes	\$ 2,184,000	2,184,000	2,256,090	72,090
Intergovernmental	1,363,600	1,363,600	994,439	(369,161)
Investment income	2,000	2,000	3,618	1,618
Other	1,216,800	1,216,800	12,612	(1,204,188)
Total Revenues	4,766,400	4,766,400	3,266,759	(1,499,641)
EXPENDITURES				
Current:				
Economic development	3,373,510	4,723,510	4,133,015	(590,495)
Capital outlay	2,451,509	2,451,509	1,860,712	(590,797)
Debt service:				
Principal	400,851	400,851	400,851	-
Interest	104,472	104,472	104,472	-
Total Expenditures	6,330,342	7,680,342	6,499,050	(1,181,292)
REVENUES UNDER EXPENDITURES	(1,563,942)	(2,913,942)	(3,232,291)	(318,349)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	333,000	1,683,000	1,350,000	(333,000)
Transfers out	(23,000)	(23,000)	(7,000)	16,000
Total Other Financing Sources (Uses)	310,000	1,660,000	1,343,000	(317,000)
NET CHANGE IN FUND BALANCE	\$ (1,253,942)	(1,253,942)	(1,889,291)	(635,349)
FUND BALANCE, JULY 1			3,564,330	
FUND BALANCE, JUNE 30			\$ 1,675,039	

CITY OF HAZELWOOD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULES OF REVENUES, EXPENDITURES, AND
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

Budgets and Budgetary Accounting

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

- a. The City Manager submits to the City Council a proposed operating budget for the fiscal year for the General Fund, Capital Projects Fund, Sewer Lateral Fund, and Economic Development Fund. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearing meetings are held to obtain taxpayer comments.
- c. Prior to July 1 the budget is adopted by the City Council.
- d. Budgets are adopted on a basis generally consistent with U.S. generally accepted accounting principles. Expenditures modified for some year-end accrual may not legally exceed budgeted appropriations at the department level.
- e. A motion from 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 departments, without City Council approval. Appropriations lapse at year-end.

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF HAZELWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Sewer Lateral</u>	<u>Elm Grove Area Tax Incremental Financing District</u>	<u>Robertson Area Tax Increment Financing District</u>	
ASSETS				
Cash and investments	\$ 550,000	832,995	200,316	1,583,311
Receivables:				
Sales taxes	-	25,244	-	25,244
Other	1,678	-	-	1,678
	<u>1,678</u>	<u>-</u>	<u>-</u>	<u>1,678</u>
Total Assets	<u>\$ 551,678</u>	<u>858,239</u>	<u>200,316</u>	<u>1,610,233</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,889	-	-	1,889
Due to other funds	17,131	-	-	17,131
Total Liabilities	<u>19,020</u>	<u>-</u>	<u>-</u>	<u>19,020</u>
 Fund Balances				
Restricted for:				
Economic development	-	858,239	200,316	1,058,555
Sewer lateral	532,658	-	-	532,658
Total Fund Balances	<u>532,658</u>	<u>858,239</u>	<u>200,316</u>	<u>1,591,213</u>
Total Liabilities And Fund Balances	<u>\$ 551,678</u>	<u>858,239</u>	<u>200,316</u>	<u>1,610,233</u>

CITY OF HAZELWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Sewer Lateral</u>	<u>Elm Grove Area Tax Incremental Financing District</u>	<u>Robertson Area Tax Increment Financing District</u>	
REVENUES				
Property taxes	\$ -	106,404	370,148	476,552
Sales taxes	-	113,112	-	113,112
Investment income	3,943	-	117	4,060
Sewer lateral	35,630	-	-	35,630
Total Revenues	<u>39,573</u>	<u>219,516</u>	<u>370,265</u>	<u>629,354</u>
EXPENDITURES				
Current:				
Sewer lateral	105,482	-	-	105,482
Economic development	-	-	2,712	2,712
Debt service - interest	-	-	275,488	275,488
Total Expenditures	<u>105,482</u>	<u>-</u>	<u>278,200</u>	<u>383,682</u>
NET CHANGE IN FUND BALANCES	(65,909)	219,516	92,065	245,672
FUND BALANCES, JULY 1	<u>598,567</u>	<u>638,723</u>	<u>108,251</u>	<u>1,345,541</u>
FUND BALANCES, JUNE 30	<u>\$ 532,658</u>	<u>858,239</u>	<u>200,316</u>	<u>1,591,213</u>

CITY OF HAZELWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Sales taxes	\$ 1,513,000	1,513,000	1,553,504	40,504
Intergovernmental	442,196	442,196	50,158	(392,038)
Investment income	-	-	47	47
Other	316,378	316,378	263,337	(53,041)
Total Revenues	<u>2,271,574</u>	<u>2,271,574</u>	<u>1,867,046</u>	<u>(404,528)</u>
EXPENDITURES				
Current:				
Economic development	549,304	660,304	659,189	(1,115)
Capital outlay	1,721,947	1,610,947	1,483,478	(127,469)
Debt service:				
Principal	441,779	441,779	441,779	-
Interest	196,358	196,358	196,358	-
Total Expenditures	<u>2,909,388</u>	<u>2,909,388</u>	<u>2,780,804</u>	<u>(128,584)</u>
REVENUES UNDER EXPENDITURES	(637,814)	(637,814)	(913,758)	(275,944)
OTHER FINANCING SOURCES				
Transfers in	<u>467,799</u>	<u>467,799</u>	<u>500,745</u>	<u>32,946</u>
NET CHANGE IN FUND BALANCE	<u>\$ (170,015)</u>	<u>(170,015)</u>	(413,013)	<u>(242,998)</u>
FUND BALANCE, JULY 1			<u>640,537</u>	
FUND BALANCE, JUNE 30			<u>\$ 227,524</u>	

CITY OF HAZELWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - SEWER LATERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 630	630	3,943	3,313
Sewer lateral	39,600	39,600	35,630	(3,970)
Total Revenues	<u>40,230</u>	<u>40,230</u>	<u>39,573</u>	<u>(657)</u>
EXPENDITURES				
Current:				
Sewer lateral	<u>83,100</u>	<u>105,600</u>	<u>105,482</u>	<u>(118)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (42,870)</u>	<u>(65,370)</u>	(65,909)	<u>(539)</u>
FUND BALANCE, JULY 1			<u>598,567</u>	
FUND BALANCE, JUNE 30			<u>\$ 532,658</u>	

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Section III

Statistical Section

This part of the City's comprehensive annual 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.

Contents	Pages
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.	55 - 58
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	59 - 63
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.	64 - 67
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.	68 - 69
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.	70 - 72

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF HAZELWOOD, MISSOURI
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS

	June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
Invested in capital assets, net of related debt	\$ 21,286,054	19,331,051	18,810,695	17,868,052	16,593,187	17,810,632	11,944,325	13,191,043	12,215,273	11,532,817
Restricted	5,308,743	7,042,766	5,679,975	5,816,170	7,064,680	798,525	8,476,959	11,461,713	3,693,656	6,034,203
Unrestricted	<u>(15,212,722)</u>	<u>(12,626,730)</u>	<u>(12,813,314)</u>	<u>(11,616,911)</u>	<u>(11,126,528)</u>	<u>4,495,726</u>	<u>(2,276,499)</u>	<u>(5,203,306)</u>	<u>2,195,465</u>	<u>53,274</u>
 Total Governmen- tal Activities										
Net Assets	<u>\$ 11,382,075</u>	<u>13,747,087</u>	<u>11,677,356</u>	<u>12,067,311</u>	<u>12,531,339</u>	<u>23,104,883</u>	<u>18,144,785</u>	<u>19,449,450</u>	<u>18,104,394</u>	<u>17,620,294</u>

Source: Basic financial statements

CITY OF HAZELWOOD, MISSOURI

**CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS**

	For The Years Ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES										
General government	\$ 2,848,593	2,687,257	2,825,251	2,793,428	2,588,055	2,511,326	2,464,356	2,087,773	3,025,041	2,623,008
Police	8,095,132	7,507,749	7,720,152	7,589,247	7,261,558	6,936,775	6,435,271	5,975,923	5,862,217	5,208,275
Fire and ambulance	8,427,562	8,684,030	8,436,527	8,218,900	7,667,628	7,181,802	7,087,575	6,374,396	6,043,746	5,830,812
Public works	3,459,191	3,325,951	3,489,426	3,756,069	3,616,598	3,594,390	3,376,711	2,629,157	2,583,716	973,378
Parks and recreation	3,056,839	3,030,546	2,902,659	3,137,528	2,902,669	2,797,974	2,879,118	2,334,874	2,138,623	1,910,345
Economic development	12,210,059	8,909,277	8,715,851	11,793,396	23,412,225	7,188,357	11,116,868	5,601,583	2,941,286	866,727
Sewer lateral	105,482	70,560	113,739	60,549	104,127	104,454	173,934	69,341	107,273	114,599
Interest on long-term debt	2,641,027	2,503,981	2,424,195	2,191,555	1,291,226	420,838	431,849	126,381	55,343	69,055
Total Expenses	<u>40,843,885</u>	<u>36,719,351</u>	<u>36,627,800</u>	<u>39,540,672</u>	<u>48,844,086</u>	<u>30,735,916</u>	<u>33,965,682</u>	<u>25,199,428</u>	<u>22,757,245</u>	<u>17,596,199</u>
PROGRAM REVENUES										
Charges for services:										
General government	417,250	426,826	255,810	368,801	381,132	631,949	487,576	480,120	590,523	470,841
Police	2,558,444	2,412,430	2,657,616	2,414,229	2,752,449	1,358,339	1,211,838	808,956	607,281	581,343
Fire and ambulance	417,264	359,209	335,649	453,861	439,731	352,505	468,918	294,125	149,370	147,448
Parks and recreation	562,242	507,906	473,284	560,978	313,148	325,064	308,855	279,008	264,643	260,474
Sewer lateral	35,630	36,123	37,887	72,519	127,995	129,418	192,044	198,946	224,172	224,615
Operating grants and contributions	1,977,492	2,193,975	2,056,089	2,100,070	1,940,193	2,096,786	1,647,110	2,043,262	195,756	211,850
Capital grants and contributions	1,037,655	909,734	292,830	1,138,393	55,581	364,320	-	-	1,091,302	-
Total Program Revenues	<u>7,005,977</u>	<u>6,846,203</u>	<u>6,109,165</u>	<u>7,108,851</u>	<u>6,010,229</u>	<u>5,258,381</u>	<u>4,316,341</u>	<u>4,104,417</u>	<u>3,123,047</u>	<u>1,896,571</u>
NET REVENUES (EXPENSES)	<u>(33,837,908)</u>	<u>(29,873,148)</u>	<u>(30,518,635)</u>	<u>(32,431,821)</u>	<u>(42,833,857)</u>	<u>(25,477,535)</u>	<u>(29,649,341)</u>	<u>(21,095,011)</u>	<u>(19,634,198)</u>	<u>(15,699,628)</u>
GENERAL REVENUES										
Property taxes	10,732,806	11,358,534	11,044,917	12,542,793	11,640,116	10,033,698	13,388,774	7,411,051	4,113,306	2,670,426
Sales taxes	13,747,457	13,656,531	12,495,802	13,548,928	13,796,329	10,197,675	9,197,588	8,907,348	8,382,356	9,793,356
Utility taxes	3,198,232	3,404,293	3,155,918	2,740,588	3,625,891	2,111,099	2,294,316	2,256,529	2,243,347	2,160,914
Other taxes	71,043	72,868	76,689	82,848	85,921	89,475	93,331	93,722	1,520,986	1,394,575
Licenses	2,967,898	2,953,086	2,973,670	2,654,812	2,607,053	2,356,074	2,410,356	3,230,993	3,382,104	3,425,626
Investment income	21,020	19,826	31,232	105,316	267,842	263,127	424,989	103,999	35,360	24,692
Miscellaneous	734,440	477,741	350,452	292,508	237,161	386,485	535,322	436,425	398,085	270,319
Contributed capital	-	-	-	-	-	5,000,000	-	-	-	-
Total General Revenues	<u>31,472,896</u>	<u>31,942,879</u>	<u>30,128,680</u>	<u>31,967,793</u>	<u>32,260,313</u>	<u>30,437,633</u>	<u>28,344,676</u>	<u>22,440,067</u>	<u>20,075,544</u>	<u>19,739,908</u>
CHANGES IN NET ASSETS	<u>\$ (2,365,012)</u>	<u>2,069,731</u>	<u>(389,955)</u>	<u>(464,028)</u>	<u>(10,573,544)</u>	<u>4,960,098</u>	<u>(1,304,665)</u>	<u>1,345,056</u>	<u>441,346</u>	<u>4,040,280</u>

Source: Basic financial statements

CITY OF HAZELWOOD, MISSOURI
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Nondspendable	\$ 2,146,071	2,334,758	-	-	-	-	-	-	-	-
Committed	27,781	24,000	-	-	-	-	-	-	-	-
Assigned	367,913	-	-	-	-	-	-	-	-	-
Unassigned	5,988,282	6,183,410	-	-	-	-	-	-	-	-
Reserved	-	-	2,296,095	2,492,183	2,188,897	1,757,712	1,700,947	1,415,870	1,463,622	1,339,228
Unreserved	-	-	4,863,430	4,205,313	3,842,018	1,763,241	1,615,749	2,204,816	1,188,737	(593,413)
Total General Fund	\$ 8,530,047	8,542,168	7,159,525	6,697,496	6,030,915	3,520,953	3,316,696	3,620,686	2,652,359	745,815
All Other Governmental Funds										
Nondspendable	\$ -	9,659	-	-	-	-	-	-	-	-
Restricted	10,165,766	6,570,977	-	-	-	-	-	-	-	-
Unassigned	(213,544)	(11,278)	-	-	-	-	-	-	-	-
Reserved	-	-	1,607,230	1,980,507	1,687,749	2,695,376	3,561,286	878,402	702,892	1,135,985
Unreserved, reported in:										
Capital Projects Funds	-	-	(622,491)	(196,026)	2,010,434	(2,835,211)	4,119,255	9,332,589	1,596,055	1,906,849
Special Revenue Funds	-	-	3,636,934	3,310,179	2,591,497	938,360	796,418	1,125,386	1,394,709	2,991,369
Total All Other Governmental Funds	\$ 9,952,222	6,569,358	4,621,673	5,094,660	6,289,680	798,525	8,476,959	11,336,377	3,693,656	6,034,203

Source: Basic financial statements

GASB 54 was implemented in 2011.

CITY OF HAZELWOOD, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	For The Years Ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
REVENUES										
Property taxes	\$ 10,717,261	11,562,752	10,900,226	12,478,667	11,584,947	10,007,380	13,324,363	7,441,915	4,005,954	2,670,426
Sales taxes	13,904,278	13,812,528	12,638,582	13,686,724	13,964,723	10,404,567	9,359,838	9,080,912	8,382,356	6,901,856
Utility taxes	3,198,232	3,404,293	3,155,918	2,740,588	3,625,891	2,111,099	2,294,316	2,256,528	2,243,346	2,160,914
Other taxes	1,431,119	1,571,615	1,527,385	1,604,456	1,580,647	1,592,510	1,535,725	1,520,813	1,520,987	1,394,575
Permits and inspections	396,349	406,077	236,088	340,767	363,908	608,253	465,329	466,120	571,618	449,525
Licenses	2,967,898	2,953,086	2,973,670	2,654,812	2,607,053	2,356,074	2,410,356	3,230,995	3,382,104	3,425,626
Intergovernmental	1,493,672	1,447,687	755,443	600,352	332,654	751,179	81,217	453,405	1,314,020	3,103,350
Fines and forfeitures	2,293,669	2,220,257	2,468,649	2,275,932	2,503,292	1,362,835	1,227,257	822,955	626,186	602,658
Investment income	21,020	19,826	31,232	105,316	267,842	263,127	424,989	103,999	35,359	24,692
Recreation fees	562,242	507,906	473,284	560,978	313,148	325,064	308,855	279,009	264,643	260,475
Sewer lateral	35,630	36,123	37,887	72,519	127,995	129,418	192,044	198,946	224,172	224,615
Miscellaneous	1,239,156	949,245	810,509	728,620	654,629	853,141	931,500	674,579	550,494	417,767
Total Revenues	38,260,526	38,891,395	36,008,873	37,849,731	37,926,729	30,764,647	32,555,789	26,530,176	23,121,239	21,636,479
EXPENDITURES										
Current:										
Mayor and council	81,451	46,334	72,157	80,693	87,212	86,426	93,030	87,442	74,608	50,165
City manager	500,278	514,153	618,390	803,883	937,796	960,133	866,343	768,748	605,132	567,498
Information system	467,413	429,938	456,916	404,377	292,118	326,577	344,742	233,397	194,267	163,963
Finance	448,432	389,657	386,544	378,533	355,565	328,347	315,169	278,646	271,569	258,799
Legal	567,732	538,314	512,820	501,183	405,689	376,802	357,769	307,347	310,032	350,952
City clerk	253,423	227,964	227,854	230,127	215,710	217,936	234,143	237,975	215,341	211,092
Police	7,759,249	7,231,554	7,398,812	7,203,854	6,913,346	6,459,800	6,096,344	5,665,655	5,503,721	4,997,085
Fire and ambulance	8,169,334	8,455,698	8,250,191	8,054,242	7,489,821	6,977,273	6,619,176	6,200,753	5,875,455	5,682,597
Public works:										
Administration	1,172,431	1,141,672	1,148,820	1,191,680	1,045,955	1,093,051	1,062,926	983,824	968,005	946,344
General maintenance	1,020,863	922,765	919,287	1,148,052	1,053,512	960,177	962,004	985,934	961,585	824,791
Park maintenance	935,160	920,953	904,521	982,270	841,625	851,366	722,594	784,424	672,362	627,362
Recreation	1,742,744	1,742,736	1,661,705	1,781,173	1,592,473	1,520,675	1,450,587	1,359,589	1,175,347	1,180,873
Street	-	-	-	93,215	234,016	757,849	430,763	171,986	-	-
Sewer lateral	105,482	70,560	113,739	60,549	104,127	104,454	173,934	69,341	107,273	114,599
Economic development	12,085,939	8,994,671	8,820,801	11,795,074	23,573,741	7,188,357	11,116,868	5,476,247	2,941,286	864,106
Capital outlay	3,726,463	3,745,198	2,855,697	3,396,238	10,117,629	9,293,463	4,610,085	3,327,998	3,597,427	1,465,071
Debt service:										
Principal	1,512,630	1,120,632	1,157,837	1,089,413	525,000	335,000	70,000	35,000	35,000	35,000
Interest	1,133,145	866,970	1,950,504	895,889	572,659	401,138	355,796	44,470	46,832	49,195
Bond issuance costs	103,580	-	-	-	176,138	-	-	136,920	-	-
Total Expenditures	41,785,749	37,359,769	37,456,595	40,090,445	56,534,132	38,238,824	35,882,273	27,155,696	23,555,242	18,389,492
REVENUES OVER (UNDER) EXPENDITURES	(3,525,223)	1,531,626	(1,447,722)	(2,240,714)	(18,607,403)	(7,474,177)	(3,326,484)	(625,520)	(434,003)	3,246,987
OTHER FINANCING SOURCES (USES)										
Issuance of debt	6,639,047	1,798,702	1,436,764	1,712,275	26,664,461	-	163,076	9,234,060	-	-
Premium/discount on debt issuance	256,919	-	-	-	(55,941)	-	-	127,844	-	-
Transfers in	507,745	430,498	396,069	362,259	309,458	145,928	-	-	-	646,520
Transfers out	(507,745)	(430,498)	(396,069)	(362,259)	(309,458)	(145,928)	-	-	-	(646,520)
Total Other Financing Sources (Uses)	6,895,966	1,798,702	1,436,764	1,712,275	26,608,520	-	163,076	9,361,904	-	-
NET CHANGES IN FUND BALANCES	\$ 3,370,743	3,330,328	(10,958)	(528,439)	8,001,117	(7,474,177)	(3,163,408)	8,736,384	(434,003)	3,246,987
Debt service as a percentage of noncapital expenditures	7.1 %	5.9	8.9	5.3	2.7	2.5	1.3	0.9	0.4	0.5

Source: Basic financial statements

CITY OF HAZELWOOD, MISSOURI
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

Fiscal Year	Calendar Year	Real Property				Personal Property	Total Assessed Value	Total Direct Tax	Estimated Actual Value	Assessed Value As A Percentage Of Actual Value
		Residential Property	Commercial Property	Agricultural Property	Total Real Property					
2012	2011	\$ 188,473,040	\$ 251,718,132	\$ 182,170	\$ 440,373,342	\$ 108,135,124	\$ 548,508,466	0.769 *	\$ 2,104,505,986	26.1 %
2011	2010	189,018,800	248,081,321	364,850	437,464,971	106,129,695	543,594,666	0.769 *	2,091,519,419	26.0
2010	2009	206,437,790	268,003,582	366,180	474,807,552	119,907,454	594,715,006	0.769 *	2,286,799,740	26.0
2009	2008	206,458,070	264,987,245	367,970	471,813,285	118,965,157	590,778,442	0.769 *	2,274,668,449	26.0
2008	2007	233,774,890	282,046,440	211,620	516,032,950	127,554,462	643,587,412	0.714 *	2,496,216,169	25.8
2007	2006	232,247,950	277,223,487	213,500	509,684,937	120,409,959	630,094,896	0.666 *	2,451,690,072	25.7
2006	2005	183,360,930	249,515,091	214,630	433,090,651	118,023,245	551,113,896	0.755 *	2,100,650,504	26.2
2005	2004	179,413,310	236,475,420	218,790	416,107,520	106,294,820	522,402,340	0.749 *	2,003,973,976	26.1
2004	2003	153,511,320	221,916,419	270,450	375,698,189	113,731,001	489,429,190	0.764 *	1,844,889,878	26.5
2003	2002	152,635,550	191,386,245	188,700	344,210,495	118,404,383	462,614,878	0.410	1,758,213,020	26.3

(1) Source: St. Louis County Assessor, Post-BOE Assessed Values

N/A - Not Available

*Commencing in 2003, Missouri State Law required the City to calculate a separate tax rate for residential real estate, agricultural real estate, commercial real estate, and personal property. The tax rate stated above for each year 2003 through 2010 reflects a re-blended rate for the various types of taxable property.

CITY OF HAZELWOOD, MISSOURI
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)
LAST TEN CALENDAR YEARS

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
City of Hazelwood	0.769	0.769	0.769	0.769	0.714	0.666	0.755	0.749	0.764	0.410
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	0.200	0.190	0.190	0.190	0.190	0.190	0.190	0.255	0.190	0.190
County Park Maintenance	0.050	0.050	0.050	0.050	0.050	0.035	0.035	0.045	0.035	0.035
County Bond Retire	0.028	0.028	0.028	0.063	0.063	0.063	0.063	-	0.085	0.085
Road and Bridges	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105
County Hospital/Health	0.140	0.150	0.150	0.150	0.150	0.165	0.165	0.175	0.165	0.165
Metro Zoo	0.267	0.255	0.249	0.234	0.233	0.261	0.265	0.276	0.226	0.222
Sheltered Workshop	0.084	0.079	0.074	0.069	0.070	0.082	0.082	0.085	0.085	0.085
County Library	0.163	0.157	0.140	0.140	0.140	0.150	0.150	0.150	0.140	0.140
Special School District	1.013	0.995	0.938	0.918	0.908	0.824	0.840	0.905	0.833	0.849
St. Louis Community College	0.220	0.218	0.214	0.201	0.200	0.223	0.223	0.237	0.231	0.232
Hazelwood School District	6.220	6.220	6.039	5.370	5.124	5.463	5.230	4.880	4.690	4.743
Metro Sewer District	0.082	0.079	-	-	0.067	0.069	0.069	0.069	0.069	0.069
Coldwater Creek Sewer District	0.100	0.097	-	-	0.070	0.070	0.070	0.070	0.070	0.070
Total Overlapping Governments	<u>8.702</u>	<u>8.653</u>	<u>8.207</u>	<u>7.520</u>	<u>7.400</u>	<u>7.730</u>	<u>7.517</u>	<u>7.282</u>	<u>6.954</u>	<u>7.020</u>
Total City And Overlapping Governments	<u>9.471</u>	<u>9.422</u>	<u>8.976</u>	<u>8.289</u>	<u>8.114</u>	<u>8.396</u>	<u>8.272</u>	<u>8.031</u>	<u>7.718</u>	<u>7.430</u>

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

CITY OF HAZELWOOD, MISSOURI
PRINCIPAL TAXPAYERS (1)
MOST RECENT AND SEVEN YEARS AGO

Taxpayer	2011			2004		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
The Boeing Company	\$ 31,473,050	1	5.74 %	\$ 30,633,130	3	5.86 %
St. Louis Mills Limited Partnership	25,310,240	2	4.61	32,327,460	2	6.19
IBM Corporation	19,041,430	3	3.47	10,098,460	6	1.93
Colony Realty Partners	15,287,500	4	2.79	-	-	-
Mallinckrodt, Inc.	14,797,430	5	2.70	12,175,660	5	2.33
Thomson Reuters	11,447,670	6	2.09	-	-	-
bioMerieux, Inc.	10,641,860	7	1.94	6,132,460	7	1.17
J B Management LP	7,191,390	8	1.31	-	-	-
Aviator Business Park LLC	6,592,240	9	1.20	-	-	-
Prairie Farms Dairy, Inc.	5,660,760	10	1.03	-	-	-
Ford Motor Company	-	-	-	62,572,410	1	11.98
DP Properties LP	-	-	-	12,800,000	4	2.45
Welsh Lambert Pointe Development	-	-	-	5,610,890	8	1.07
AT&T	-	-	-	5,489,590	9	1.05
GKN Aerospace North America, Inc.	-	-	-	4,854,590	10	0.93
Total	\$ 147,443,570		26.88 %	\$ 182,694,650		34.96 %

(1) Source: St. Louis County Assessor

No data available prior to 2004.

CITY OF HAZELWOOD, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy Year	Net Tax Levy (2)	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections	Total Tax Collections	Total Collections As Percent Of Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As Percent Of Levy
2012	2011	\$ 4,784,782	\$ 3,824,120	79.9 %	\$ 986,785	\$ 4,810,905	100.5 %	\$ 1,226,476	25.6 %
2011	2010	5,204,983	4,280,714	82.2	789,152	5,069,866	97.4	1,252,553	24.1
2010	2009	5,166,580	4,268,454	82.6	1,211,668	5,480,122	106.1	1,203,700	23.3
2009	2008	5,691,770	4,412,559	77.5	1,081,533	5,494,092	96.5	1,468,061	25.8
2008	2007	5,076,029	4,021,114	79.2	303,426	4,324,540	85.2	1,251,612	24.7
2007	2006	4,439,956	4,003,857	90.2	804,546	4,808,403	108.3	569,950	12.8
2006	2005	4,149,340	3,322,034	80.1	221,108	3,543,142	85.4	952,122	22.9
2005	2004	3,432,757	3,169,377	92.3	491,603	3,660,980	106.6	354,478	10.3
2004	2003	3,343,567	2,827,095	84.6	130,992	2,958,087	88.5	157,192	4.7
2003	2002	1,745,103	1,593,058	91.3	76,576	1,669,634	95.7	169,722	9.7

(1) Source: St. Louis County Collector's office

(2) Originally adjusted for strike offs and additions by St. Louis Board of Equalization after 1978.

(3) Data for delinquent tax collection, excluding penalties and interest, is not available by levy year.

CITY OF HAZELWOOD, MISSOURI
SALES TAX RATES AND TAXABLE SALES
LAST TEN FISCAL YEARS

<u>For The Years Ended June 30</u>	<u>City Direct Rate</u>	<u>St. Louis County</u>	<u>State Of Missouri</u>	<u>Direct And Overlapping</u>	<u>Sales Tax Revenues</u>	<u>Taxable Sales (1)</u>
2012	1.500 %	2.700 %	4.225 %	8.425 %	\$ 13,904,278	\$ 538,076,663
2011	1.500	2.700	4.225	8.425	13,812,528	557,048,412
2010	1.500	2.200	4.225	7.925	12,638,582	502,241,682
2009	1.500	2.100	4.225	7.825	13,686,724	549,158,541
2008	1.500	1.850	4.225	7.575	13,964,723	573,794,621
2007	1.000	1.850	4.225	7.075	10,404,567	569,229,016
2006	1.000	1.850	4.225	7.075	9,359,838	513,840,003
2005	1.000	1.850	4.225	7.075	9,080,912	461,632,515
2004	1.000	1.850	4.225	7.075	8,382,356	430,164,309
2003	1.000	1.850	4.225	7.075	6,901,856	314,354,526

(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 stormwater sales tax effective April 2002
- 0.500 % Economic development sales tax effective July 2007

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
	General Obligation Bonds	Special Obligation Bonds	Tax Increment Financing Notes	Certificates Of Participation	Note Payable	Special Assessment GO Bonds	Capital Lease Obligations			
2012	\$ 17,520,277	\$ 1,020,899	\$ 17,055,000	\$ 4,661,021	\$19,086	\$ 585,000	\$ 1,520,411	\$ 42,381,694	N/A	1,649
2011	12,603,214	-	17,055,000	4,863,224	22,439	635,000	1,825,587	37,004,464	N/A	1,440
2010	13,204,606	-	17,055,000	5,060,428	-	685,000	324,956	36,329,990	6.21 %	1,386
2009	13,785,998	-	15,924,236	5,252,630	-	730,000	361,793	36,054,657	6.17	1,376
2008	14,342,390	-	14,211,961	5,429,832	-	775,000	676,206	35,435,389	6.06	1,352
2007	8,203,782	-	-	-	-	815,000	589,050	9,607,832	1.64	367
2006	8,505,174	-	-	-	-	855,000	779,113	10,139,287	1.73	387
2005	8,541,566	-	-	-	-	895,000	792,214	10,228,780	1.75	390
2004	-	-	-	-	-	930,000	33,392	963,392	0.16	37
2003	-	-	-	-	-	965,000	297,822	1,262,822	0.22	48

Note: 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 Taxable Value Of Property (2)	General Obligation Debt (3)	Amount Available In Debt Service Fund	Net General Bonded Debt	Percentage Of Actual Taxable Value Of Property	Net General Bonded Debt Per Capita
2012	25,703	\$ 2,104,505,986	\$ 17,520,277	\$ 6,384,431	\$ 11,135,846	0.53 %	\$ 433
2011	25,703	2,091,519,419	12,603,214	944,935	11,658,279	0.56	454
2010	26,206	2,286,799,740	13,204,606	842,984	12,361,622	0.54	472
2009	26,206	2,274,668,449	13,785,998	859,330	12,926,668	0.57	493
2008	26,206	2,496,216,169	14,342,390	511,956	13,830,434	0.55	528
2007	26,206	2,451,690,072	8,203,782	326,558	7,877,224	0.32	301
2006	26,206	2,100,650,504	8,505,174	312,149	8,193,025	0.39	313
2005	26,206	2,003,973,976	8,541,566	20,606	8,520,960	0.43	325
2004	26,206	1,844,889,878	-	-	-	-	-
2003	26,206	1,758,213,020	-	-	-	-	-

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

CITY OF HAZELWOOD, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2012

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share Of Overlapping Debt</u>
St. Louis County	\$ 13,425,000	2.5 %	\$ 335,625
Hazelwood School District	241,826,695	26.9	65,051,381
Ferguson-Florissant School District	25,000,000	8.7	2,175,000
Pattonville School District	54,380,000	0.4	217,520
Total Overlapping	<u>334,631,695</u>		<u>67,779,526</u>
City direct debt	<u>42,381,694</u>	100.0 %	<u>42,381,694</u>
Total Direct And Overlapping Debt	<u><u>\$ 377,013,389</u></u>		<u><u>\$ 110,161,220</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

	For The Years Ended June 30									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt Limit	<u>\$ 54,850,847</u>	<u>54,359,467</u>	<u>59,471,501</u>	<u>59,077,844</u>	<u>64,358,741</u>	<u>63,009,490</u>	<u>55,111,390</u>	<u>52,240,234</u>	<u>48,942,919</u>	<u>46,261,488</u>
Amount of Debt Subject to Limit										
Total Bonded Debt	17,520,277	12,603,214	13,204,606	13,785,998	14,342,390	8,203,782	8,505,174	8,541,566	-	-
Less: Amounts Available in Debt Service Fund	<u>6,384,431</u>	<u>944,935</u>	<u>842,984</u>	<u>859,330</u>	<u>511,956</u>	<u>326,558</u>	<u>312,149</u>	<u>20,606</u>	-	-
Total Amount Of Debt Applicable To Debt Limit	<u>11,135,846</u>	<u>11,658,279</u>	<u>12,361,622</u>	<u>12,926,668</u>	<u>13,830,434</u>	<u>7,877,224</u>	<u>8,193,025</u>	<u>8,520,960</u>	-	-
Legal Debt Margin	<u>\$ 43,715,001</u>	<u>42,701,188</u>	<u>47,109,879</u>	<u>46,151,176</u>	<u>50,528,307</u>	<u>55,132,266</u>	<u>46,918,365</u>	<u>43,719,274</u>	<u>48,942,919</u>	<u>46,261,488</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	20.30 %	21.45	20.79	21.88	21.49	12.50	14.87	16.31	-	-

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 (1) (In Thousands)	Per Capita Personal Income (1)	Median Age (1)	Education Level In Years Of Formal Schooling (1)	School Enrollment (2)	Unemployment Rate (3)
2012	25,703	N/A	N/A	37	N/A	N/A	7.1 %
2011	25,703	N/A	N/A	37	N/A	N/A	9.4
2010	26,206	\$ 584,682	\$ 22,311	36	13.0	4,655	10.0
2009	26,206	584,682	22,311	36	13.0	4,655	9.7
2008	26,206	584,682	22,311	36	13.0	4,655	5.9
2007	26,206	584,682	22,311	36	13.0	4,655	5.2
2006	26,206	584,682	22,311	36	13.0	4,655	4.5
2005	26,206	584,682	22,311	36	13.0	4,655	4.4
2004	26,206	584,682	22,311	36	13.0	4,655	4.8
2003	26,206	584,682	22,311	36	13.0	4,655	4.7

(1) Source: 2000 and 2010 U.S. Bureau of Census

(2) The City's Community Profile

(3) Source: Missouri Department of Economic Development

CITY OF HAZELWOOD, MISSOURI

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

2012				2003			
Employer	Employees	Rank	Percent Of Total City Employment	Employer	Employees	Rank	Percent Of Total City Employment
The Boeing Company	5,660	1	25.72 %	Ford Motor Company	2,800	1	13.61 %
Mallinckrodt, Inc.	980	2	4.45	IBM Corp.	1,110	2	5.40
IBM Corp.	808	3	3.67	McDonnell Douglas Corporation	889	3	4.32
Convergys Corp.	785	4	3.57	Mallinckrodt, Inc.	718	4	3.49
bioMerieux, Inc.	695	5	3.16	bioMerieux, Inc.	694	5	3.37
GKN Aerospace North America, Inc.	600	6	2.73	Lear Corporation	620	6	3.01
Supervalu St. Louis Div.	355	7	1.61	GKN Aerospace North America, Inc.	600	7	2.92
First Bank	348	8	1.58	First Bank	577	8	2.80
Fiserv Solutions, Inc.	283	9	1.29	Home Decorators Collection	504	9	2.45
Aclara Power-Line Systems, Inc.	250	10	1.14	Pillsbury Company	500	10	2.43
	<u>10,764</u>		<u>48.92 %</u>		<u>9,012</u>		<u>43.80 %</u>

Source: The City's Planning Department

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

FUNCTIONS/PROGRAMS	Full-Time Equivalent Employees As Of June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government:										
City manager	5	5	7	7	7	7	7	7	7	6
Economic development	3	3	2	2	-	-	-	-	-	-
Finance	4	4	4	4	4	4	4	4	4	4
Legal/municipal court	4	4	4	4	5	3	3	3	3	3
City clerk	3	3	3	3	3	3	3	3	3	3
Public safety:										
Police	85	85	89	85	83	81	81	78	78	70
Fire	34	34	34	34	34	34	34	34	34	35
Ambulance	3	3	3	3	3	3	3	3	-	-
Public works:										
Administration	11	11	12	11	11	11	11	10	10	10
General/street maintenance	9	9	11	11	13	13	13	13	13	12
Parks maintenance	12	12	13	13	11	11	11	12	12	12
Recreation	41	42	43	35	29	30	30	27	27	27

(1) Source: Annual Budget Document

Mayor and Council excluded (elected officials, not employees).

CITY OF HAZELWOOD, MISSOURI
OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	As Of June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Police:										
Arrests	3,307	2,964	2,984	3,090	3,002	3,054	2,393	2,503	2,177	1,994
Traffic citations	14,087	12,484	10,366	12,939	13,584	17,613	16,260	8,673	8,373	7,261
Fire:										
Fire calls	765	826	843	556	604	997	973	1,345	1,670	1,686
Ambulance calls	1,665	1,595	1,553	1,611	1,593	1,568	1,587	1,189	1,465	451
Inspections	984	998	1,168	1,155	1,151	1,124	1,124	980	1,016	758
Public works:										
Streets:										
Streets resurfacing (miles)	-	-	2	2	4	11	8	19	N/A	N/A
Sidewalk repairs (lineal ft.)	85	40	231	271	145	12,665	6,115	24,452	N/A	N/A
Potholes repaired (tons of material)	80	160	289	141	125	84	185	N/A	N/A	N/A
Administration:										
Building permits issued	751	732	646	629	714	883	820	964	1,200	838
Residential occupancy permits issued	1,988	2,071	2,000	1,564	1,728	2,068	1,958	2,053	2,104	1,773
Recreation:										
Community center admissions	103,620	104,068	103,528	103,868	99,486	101,440	110,548	103,200	100,319	106,070
Finance:										
Business licenses issued	1,031	1,029	1,072	985	969	1,101	1,163	1,172	1,162	1,099
Payroll transactions	7,260	7,365	7,340	7,545	7,119	7,221	6,865	6,587	6,309	5,855
Accounting funds	15	15	15	15	15	13	13	13	12	10
Payable checks issued	5,043	4,940	5,339	5,882	5,602	5,577	5,702	6,029	7,375	6,993

Source: City records - various departments listed

In 2004, checks were issued to all charged sewer lateral fees.

CITY OF HAZELWOOD, MISSOURI
CAPITAL ASSETS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	As Of June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Public safety/police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	31	31	31	31	32	25	39	33	33	33
Sectors	6	6	6	6	6	6	6	6	6	5
Public safety/fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire hydrants	586	583	580	580	580	573	573	573	573	573
Vehicles	10	10	11	10	10	7	7	7	5	5
Public works:										
Miles of streets	168	168	168	168	168	158	158	158	158	158
Street lights and signals	111	111	111	111	111	108	108	108	108	41
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