



City of Hazelwood, Missouri
Comprehensive Annual Financial Report
For The Year Ended
June 30, 2014

*much more
than you imagine*





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For The Year Ended
June 30, 2014

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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



The City of Hazelwood
November 26, 2014

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

Ladies and Gentlemen:

We are pleased to present the comprehensive annual financial report of the City of Hazelwood, Missouri (the City) for the fiscal year ended June 30, 2014. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to accurately present the financial position and results of operations of the City. All disclosures necessary to provide an understanding of the City's financial activities have been included.

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

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

This report includes all funds and activities of the City. The City provides a full range of services including police protection, fire 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 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 Outlet 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	City Maintenance	Fire Department	Municipal Court	Parks & Recreation	Police Department
t: 314.839.3700	t: 731.8701	t: 731.3424	t: 839.2212	t: 731.0980	t: 839.3700
f: 314.839.0249	f: 731.4240	f: 731.1976	f: 838.5169	f: 731.0989	f: 838.5169
415 Elm Grove Lane	115 Ford Lane	6800 Howdershell Road	415 Elm Grove Lane	1186 Teson Road	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 of Hazelwood'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 of Hazelwood is 0.2% higher than the average rate of the rest of the U.S. 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. 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 not able to implement a COLA adjustment in FY 2014; however, the City did give employees that had not reached the top step, a step increase.

Management is consistently looking for more efficient ways of operating and are 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 2 loans in FY 2014. One for International Food Products Corp. (\$500,000-forgivable loan); however, the loan proceeds have not yet been disbursed...the funds will be disbursed once the company begins operations. International Food Products Corp. is a manufacturer and blender of food ingredients and flavorings for commercial food processors. The company was located in another facility in the county. They moved their equipment to the new building in Aviator Business Park and used the loan proceeds to cover the expenses of the move. The other loan was for McEagle (\$390,000); however, this loan is not a forgivable loan...the funds will eventually have to be paid back to the City. McEagle is a developer that needed the funds for cleaning up a contamination remediation project on land that the City owns in Hazelwood Logistics Center. It's not tied to wages or job creation, but it will keep the methane gas generated from a former landfill from spreading off-site. This will then allow the area to be marketed for new tenants.

Goal – Encourage energy efficiency

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

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

In FY 2014, Republic Services (the waste management company for Hazelwood) applied for a grant for park recycling bins on the City's behalf and received it. There were 21 bins that are worth a total of \$15,792. Besides the grant, the Green Committee also hosts a Recycle Day in June, maintains a booth at the Harvestfest, which is sponsored by the City, and they do litter pickups throughout the spring and summer.

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

The City is continuing needed investment in vehicles including 4 police vehicles, as well as repaired the drain in Firehouse 2, updated the weight room video equipment at Civic Center East and the Community Center, purchased 10 tasers to replace the out-dated tasers, purchased a mobile digital video recorder for the Police Department, bought a PowerDMS policy management system for the police department, and purchased a fuel pump management system for recording the fuel for all City vehicles. 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 GAAP. The controls are designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls

The City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. General Fund, 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, 2013, the funded ratio is 86.0%, compared to 85.1 % in 2012, 85.3% in 2011, 87.2% in 2010 and 91.7% in 2009.

Long-term Debt

At June 30, 2014 the City had long-term debt in the amount of \$40,648,045 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 \$51.6 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 2014 audit. The auditor's 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.

Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the sixteenth 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 comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

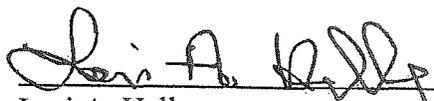
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

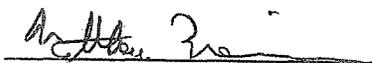
The preparation of the comprehensive annual financial report was made possible by the cooperation of the entire administrative staff of the various departments of the City. The finance staff especially contributed a great deal of time and diligence.

We would also like to acknowledge the assistance of our independent public accountants, 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
Finance Director

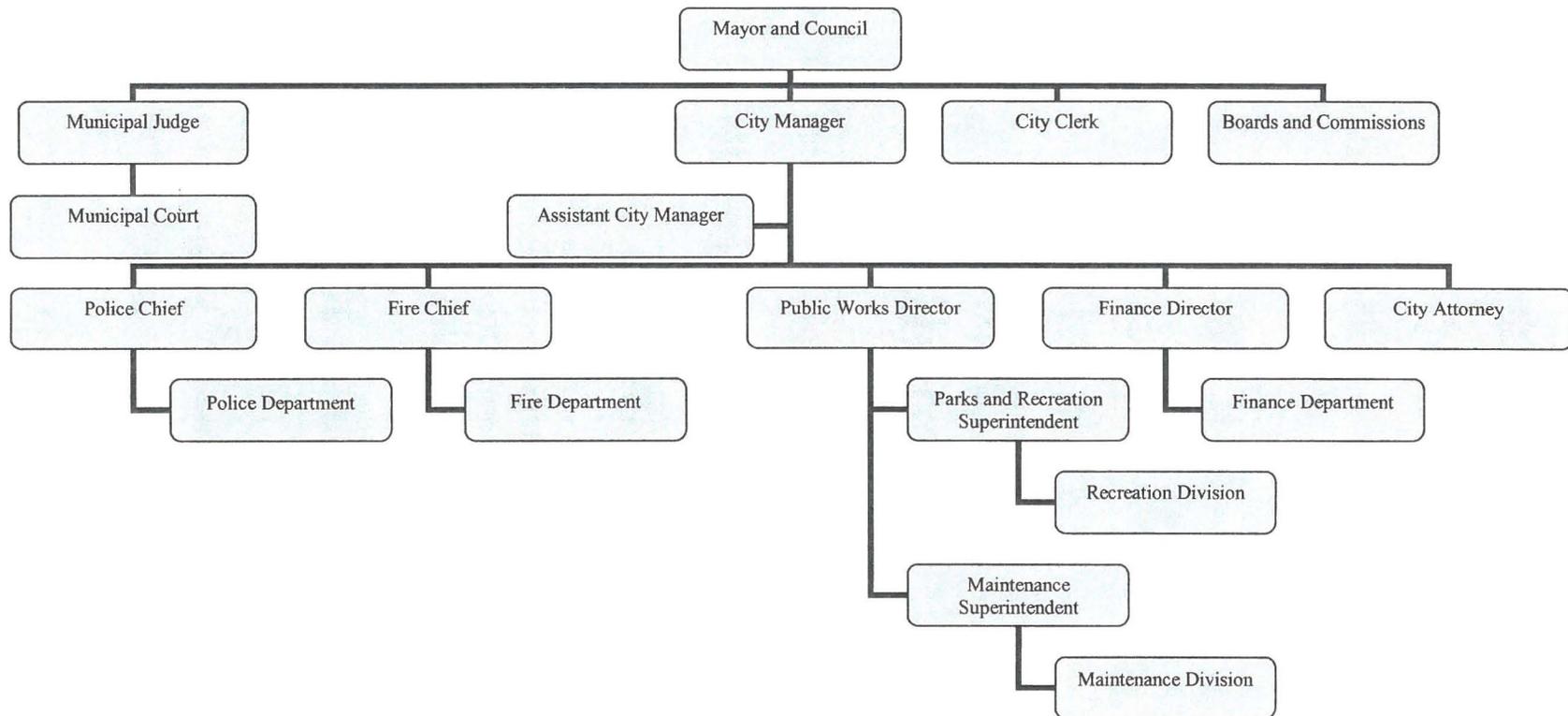


Matthew Zimmerman
City Manager

CITY OF HAZELWOOD, MISSOURI
PRINCIPAL CITY OFFICIALS AT JUNE 30, 2014

Position	Name	Election/Hire Date	Term Dates
Mayor	Matthew Robinson	4/2009	4/2012 - 4/2015
Council-Ward 1	Carol Stroker	4/2010	4/2013 - 4/2016
Council-Ward 2	Robert Aubuchon	4/1997	4/2014 - 4/2017
Council-Ward 3	Donald Ryan	4/2010	4/2013 - 4/2016
Council-Ward 4	Michael Conley	4/2005	4/2014 - 4/2017
Council-Ward 5	Russell Todd	8/2008	4/2013 - 4/2016
Council-Ward 6	Warren Taylor	4/2008	4/2014 - 4/2017
Council-Ward 7	Rosalie Hendon	4/2007	4/2013 - 4/2016
Council-Ward 8	Mary Singleton	4/2008	4/2014 - 4/2017
City Manager	Matt Zimmerman	10/30/2013	
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	Gregg Hall	1/18/2013	
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





Government Finance Officers Association

**Certificate of
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in Financial
Reporting**

Presented to

**City of Hazelwood
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



Section II

Financial Section



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

INDEPENDENT AUDITOR'S REPORT

November 26, 2014

Honorable Mayor and City Council
CITY OF HAZELWOOD, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the as-

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

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assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 of the City as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplemental Information

Accounting principles generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information and introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance

with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic 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.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 26, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering the City's internal control over financial reporting and compliance.

Hochschild, Bloom + Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$7,295,496 (net position). The City had negative unrestricted net position totaling (\$20,377,471). This deficit is mainly due to \$17,055,000 of tax increment financing (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 \$17,286,581, an increase of \$1,656,007 in comparison with the prior year restated fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,777,802 or 24.7% of total General Fund expenditures.
- The City's total long-term debt decreased \$1,531,960 during the most recent fiscal year due to normal debt service payments.

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 position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, economic development, and culture and recreation. The City does not have any business-type activities.

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

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.

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.

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.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

vides users of this report with additional data that supplements the government-wide financial statements, fund financial statements, and notes (referred to as "the basic financial statements").

Other supplemental information. This part of the annual report includes optional financial information such as combining statements for the 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 position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$7,295,496 at the close of the most recent fiscal year.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	June 30		2014 Change	
	2014	2013	Amount	Percent
ASSETS				
Current and other assets	\$ 27,356,455	21,305,841	6,050,614	28.4 %
Capital assets	37,617,049	38,684,415	(1,067,366)	(2.8)
Total Assets	<u>64,973,504</u>	<u>59,990,256</u>	<u>4,983,248</u>	8.3
LIABILITIES				
Current and other liabilities	16,885,260	9,996,882	6,888,378	68.9
Long-term liabilities	40,792,748	42,324,708	(1,531,960)	(3.6)
Total Liabilities	<u>57,678,008</u>	<u>52,321,590</u>	<u>5,356,418</u>	10.2
NET POSITION				
Net investment in capital assets	21,436,564	21,501,154	(64,590)	(0.3)
Restricted	6,236,403	5,271,498	964,905	18.3
Unrestricted	<u>(20,377,471)</u>	<u>(19,103,986)</u>	<u>(1,273,485)</u>	(6.7)
Total Net Position	<u>\$ 7,295,496</u>	<u>7,668,666</u>	<u>(373,170)</u>	(4.9) %

Governmental activities decreased the City's net position by \$373,170.

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

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

	For The Years Ended June 30		2014 Change	
	2014	2013	Amount	Percent
REVENUES				
Program revenues:				
Charges for services	\$ 3,291,134	3,753,528	(462,394)	(12.3) %
Operating grants and contributions	2,932,605	1,902,997	1,029,608	54.1
Capital grants and contributions	846,496	91,836	754,660	821.7
General revenues:				
Taxes	27,824,797	26,654,330	1,170,467	4.4
Licenses and other	3,948,021	3,764,277	183,744	4.9
Total Revenues	<u>38,843,053</u>	<u>36,166,968</u>	<u>2,676,085</u>	7.4
EXPENSES				
General government	2,902,583	2,666,982	235,601	8.8
Police	9,316,264	8,266,062	1,050,202	12.7
Fire and ambulance	8,271,077	8,818,068	(546,991)	(6.2)
Public works	3,695,178	3,533,085	162,093	4.6
Parks and recreation	2,915,181	3,047,775	(132,594)	(4.4)
Economic development	7,858,298	8,178,450	(320,152)	(3.9)
Sewer lateral	96,021	115,874	(19,853)	(17.1)
Interest on long-term debt	2,869,492	2,794,487	75,005	2.7
Special item	1,292,129	-	1,292,129	100.0
Total Expenses	<u>39,216,223</u>	<u>37,420,783</u>	<u>1,795,440</u>	4.8
CHANGE IN NET POSITION	<u>\$ (373,170)</u>	<u>(1,253,815)</u>	<u>880,645</u>	70.2 %

Revenues increased mainly due to an increase in property tax revenues and grant revenues related to capital and asset forfeiture grants. Expenses increased mainly due to the increase in police protection expenses related to the asset forfeiture grant and a onetime write off of uncollectable red light camera receivable.

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.

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

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 \$17,286,581, an increase of \$1,656,007 in comparison with the prior year. The City currently has an unassigned fund balance of \$6,010,946. 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 \$5,777,802, while total fund balance reached \$5,974,334. 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 26% of that same amount. The fund balance of the General Fund increased by \$164,886 during the current fiscal year. This increase is due to increases in various revenues and decreases in various expenditures.

The Capital Projects Fund balance increased \$772,788 during the fiscal year to \$892,265. The main reason for the increase was decreases in capital outlay expenses.

The Debt Service Fund decreased its fund balance \$142,460 during the fiscal year to \$6,262,827. The main reason for the decrease is debt service payments. The entire fund balance is restricted for payment of the general obligations bonds.

The Economic Development Fund increased its fund balance \$579,272 during the fiscal year to \$2,008,923. The reason for the increase is due to normal activity of the fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there were various budget transfers for the General Fund. Revenues were \$243,562 below the budgeted amount of \$24,223,276, primarily due to decreased property tax revenues, use tax, and court fines. Expenditures were \$1,015,319 below the budgeted amount of \$24,408,156 due to adjustments made to spending.

CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

CAPITAL ASSETS

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

	June 30	
	2014	2013
Land, right-of-way, and construction in progress	\$ 4,731,765	4,586,277
Buildings and improvements	12,429,745	13,194,251
Infrastructure	17,900,981	18,154,328
Machinery, equipment, and furniture and fixtures	820,993	783,008
Automotive equipment	1,733,565	1,966,551
Total Capital Assets	\$ 37,617,049	38,684,415

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

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	
	2014	2013
General obligation bonds	\$ 16,632,324	17,383,801
Certificates of participation	4,236,615	4,453,818
Special obligation bonds	117,541	577,313
Tax increment revenue notes	17,055,000	17,055,000
Note payable	12,380	15,733
Capital lease obligations	1,104,219	1,259,848
Compensated absences	1,489,966	1,434,492
Total Long-term Debt	\$ 40,648,045	42,180,005

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic conditions may be highlighted as follows at the close of fiscal 2014:

- Gas prices average \$3.695 in the Midwest and \$3.708 nationally for All Grades (all history) per www.eia.gov/petroleum/gasdiesel/.

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

- Midwest urban wage earners and clerical workers consumer price index at June 30, 2014 has increased 0.7% since February 2013.
- The unemployment rate in the United States has improved since fiscal year 2013 to 7% according to the Missouri Economic Research Center. The City's unemployment rate, however, was at 8.1%, which is higher than the rest of the U.S.
- Total 2014 General Fund revenues were \$169,862, or 0.07%, more than 2013 due to an increase in use tax and business licenses. However, revenues were \$243,562 less than budget. Most of the decrease from the budget was due to decreases in real estate tax, park & storm water taxes, building permits, and court fines.
- All 2014 sales taxes (including park and stormwater, capital improvements, and economic development, as well as use tax and hotel tax) increased 5.5%, or \$401,046, over 2013 and 0.3%, or 29,056, more than budget. However, the biggest increase was due to an increase in use taxes. A 4.6% overall increase is included in the 2015 budget, but most of that is due to the new Fire Sales Tax that was passed by the voters in August 2014.
- To provide perspective: year to date sales for all funds sales and use tax were \$260,490, 2.2%, less than what was collected in the peak year of 2008.
- 2014 is a not a reassessment year, therefore, property taxes are expected to remain approximately the same in fiscal year 2015.
- The City's Fund Balance Policy requires a minimum General Fund unassigned fund balance of 17% of revenue. 2014 unassigned fund balance represents 24.7% of expenditures, which is slightly lower than the City's informal ideal balance of 25%.
- 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.
- The City's 2015 budget does not include a COLA or a step increases.
- The original 2015 Budget projects a \$158,294 reduction in General Fund balance (unassigned fund balance of 21% of expenditures). However, due to one of the tax ballots not passing in August, a budget amendment will need to be done which will now cause a deficit of \$697,544. However, this shortfall will more than likely be offset during the fiscal year through efficiencies and careful evaluation of the need for future purchases.

**CITY OF HAZELWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

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 POSITION

JUNE 30, 2014

	<u>Primary Government</u>	<u>Component Unit Industrial Development Authority</u>
	<u>Governmental Activities</u>	
ASSETS		
Cash and investments	\$ 21,399,097	1,348,701
Taxes receivable	3,095,572	-
Other receivables:		
Special assessments	480,000	-
Ambulance	180,063	-
Court	266,443	-
Other	767,858	683,533
Due from Fiduciary Fund	18,423	-
Prepaid items	269,029	-
Cash - restricted	94,078	-
Net pension asset	785,892	-
Capital assets:		
Land and construction in progress	4,731,765	-
Other capital assets, net of accumulated depreciation	32,885,284	-
Total Assets	<u>64,973,504</u>	<u>2,032,234</u>
LIABILITIES		
Accounts payable	7,122,369	-
Accrued payroll	668,629	-
Accrued interest	8,795,716	144,958
Other liabilities	238,546	-
Unearned revenue	60,000	-
Long-term debt:		
Due within one year	7,649,864	420,000
Due in more than one year	32,998,181	5,592,787
Due in more than one year - net OPEB obligation	144,703	-
Total Liabilities	<u>57,678,008</u>	<u>6,157,745</u>
NET POSITION		
Net investment in capital assets	21,436,564	-
Restricted for:		
Asset forfeiture	63,992	-
Capital projects	233,144	-
Debt service	1,846,144	1,177,700
Economic development	3,700,401	-
Sewer lateral	392,722	-
Unrestricted	<u>(20,377,471)</u>	<u>(5,303,211)</u>
Total Net Position	<u>\$ 7,295,496</u>	<u>(4,125,511)</u>

CITY OF HAZELWOOD, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses) And Changes In Net Position</u>	
		<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	<u>Primary</u>	<u>Component</u>
					<u>Governmental</u>	<u>Unit</u>
				<u>Governmental</u>	<u>Industrial</u>	
FUNCTIONS/PROGRAMS				<u>Activities</u>	<u>Development</u>	
Primary Government					<u>Authority</u>	
Governmental Activities						
General government	\$ 2,902,583	389,332	-	-	(2,513,251)	-
Police	9,316,264	1,896,389	1,372,961	-	(6,046,914)	-
Fire and ambulance	8,271,077	471,578	10,172	-	(7,789,327)	-
Public works	3,695,178	-	1,549,472	846,496	(1,299,210)	-
Parks and recreation	2,915,181	498,353	-	-	(2,416,828)	-
Economic development	7,858,298	-	-	-	(7,858,298)	-
Sewer lateral	96,021	35,482	-	-	(60,539)	-
Interest on long-term debt	2,869,492	-	-	-	(2,869,492)	-
Special item - write off red light camera receivable	1,292,129	-	-	-	(1,292,129)	-
Total Governmental Activities	<u>\$ 39,216,223</u>	<u>3,291,134</u>	<u>2,932,605</u>	<u>846,496</u>	<u>(32,145,988)</u>	<u>-</u>
Component Unit						
Industrial Development Authority	<u>\$ 7,800,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,800,116)</u>
General Revenues						
Property taxes					10,850,695	-
Sales taxes					13,488,140	-
Utility taxes					3,419,259	-
Other taxes					66,703	8,083,043
Licenses					3,400,193	-
Investment income					63,076	10,159
Other					484,752	-
Total General Revenues					<u>31,772,818</u>	<u>8,093,202</u>
CHANGE IN NET POSITION					(373,170)	293,086
NET POSITION, JULY 1					<u>7,668,666</u>	<u>(4,418,597)</u>
NET POSITION, JUNE 30					<u>\$ 7,295,496</u>	<u>(4,125,511)</u>

CITY OF HAZELWOOD, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>370/MO Bottom Road Tax Increment Financing District</u>	<u>Economic Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and investments	\$ 11,026,764	428,330	6,173,580	95,926	1,557,339	2,117,158	21,399,097
Receivables, net:							
Property taxes	632,319	-	89,817	-	-	5,281	727,417
Sales taxes	1,360,155	331,126	-	315,327	335,794	25,753	2,368,155
Special assessments	-	-	480,000	-	-	-	480,000
Ambulance	180,063	-	-	-	-	-	180,063
Court	266,443	-	-	-	-	-	266,443
Other	625,797	-	-	-	142,061	-	767,858
Due from other funds	33,233	-	-	-	-	-	33,233
Prepaid items	38,238	230,791	-	-	-	-	269,029
Cash - restricted	94,078	-	-	-	-	-	94,078
Total Assets	<u>\$ 14,257,090</u>	<u>990,247</u>	<u>6,743,397</u>	<u>411,253</u>	<u>2,035,194</u>	<u>2,148,192</u>	<u>26,585,373</u>
LIABILITIES							
Accounts payable	\$ 6,609,312	83,172	530	411,253	18,102	-	7,122,369
Accrued payroll	660,460	-	-	-	8,169	-	668,629
Due to other funds	-	14,810	-	-	-	-	14,810
Other liabilities	238,546	-	-	-	-	-	238,546
Unearned revenue:							
Fire protection service	60,000	-	-	-	-	-	60,000
Total Liabilities	<u>7,568,318</u>	<u>97,982</u>	<u>530</u>	<u>411,253</u>	<u>26,271</u>	<u>-</u>	<u>8,104,354</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues:							
Property taxes	324,361	-	-	-	-	-	324,361
Special assessments	-	-	480,000	-	-	-	480,000
Ambulance	123,634	-	-	-	-	-	123,634
Court	266,443	-	-	-	-	-	266,443
Total Deferred Inflows Of Resources	<u>714,438</u>	<u>-</u>	<u>480,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,194,438</u>
FUND BALANCES							
Nonspendable:							
Prepaid items	38,238	230,791	-	-	-	-	269,029
Restricted for:							
Asset forfeiture	-	-	-	-	-	63,992	63,992
Capital projects	-	233,144	-	-	-	-	233,144
Debt service	-	428,330	6,262,867	-	-	-	6,691,197
Economic development	-	-	-	-	2,008,923	1,691,478	3,700,401
Sewer lateral	-	-	-	-	-	392,722	392,722
Assigned for:							
Subsequent year's budget - appropriation of fund balance	158,294	-	-	-	-	-	158,294
Unassigned	5,777,802	-	-	-	-	-	5,777,802
Total Fund Balances	<u>5,974,334</u>	<u>892,265</u>	<u>6,262,867</u>	<u>-</u>	<u>2,008,923</u>	<u>2,148,192</u>	<u>17,286,581</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 14,257,090</u>	<u>990,247</u>	<u>6,743,397</u>	<u>411,253</u>	<u>2,035,194</u>	<u>2,148,192</u>	<u>26,585,373</u>

CITY OF HAZELWOOD, MISSOURI
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2014

Total Fund Balances - Governmental Funds	\$ 17,286,581
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$74,011,531 and the accumulated depreciation is \$36,394,482.	37,617,049
The net pension asset is not reported in the governmental funds financial statements.	785,892
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.	1,194,438
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:	
Compensated absences	(1,489,966)
Bonds, notes, and capital leases	(38,913,187)
Accrued interest	(8,795,716)
Unamortized bond premium/discount	(244,892)
Net Position Of Governmental Activities	\$ 7,295,496

CITY OF HAZELWOOD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>370/MO Bottom Road Tax Increment Financing District</u>	<u>Economic Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Property taxes	\$ 4,202,651	-	1,071,562	4,585,242	-	962,697	10,822,152
Sales taxes	7,659,735	1,636,937	-	2,178,368	2,105,126	100,287	13,680,453
Utility taxes	3,358,466	-	-	60,793	-	-	3,419,259
Other taxes	1,363,055	-	-	-	-	-	1,363,055
Permits and inspections	371,908	-	-	-	-	-	371,908
Licenses	3,400,193	-	-	-	-	-	3,400,193
Intergovernmental	399,948	-	-	-	742,196	1,043,992	2,186,136
Fines and forfeitures	1,847,704	-	-	-	-	-	1,847,704
Investment income	45,098	-	17,674	-	206	98	63,076
Recreation fees	498,353	-	-	-	-	-	498,353
Sewer lateral	-	-	-	-	-	35,482	35,482
Other	832,603	99,502	80,985	-	19,895	-	1,032,985
Total Revenues	<u>23,979,714</u>	<u>1,736,439</u>	<u>1,170,221</u>	<u>6,824,403</u>	<u>2,867,423</u>	<u>2,142,556</u>	<u>38,720,756</u>
EXPENDITURES							
Current:							
Mayor and council	79,378	-	-	-	-	-	79,378
City manager	522,425	-	-	-	-	-	522,425
Information system	540,309	-	-	-	-	-	540,309
Finance	439,228	-	2,231	-	-	-	441,459
Legal	495,596	-	-	-	-	-	495,596
City clerk	247,960	-	-	-	-	-	247,960
Police	8,016,016	-	-	-	-	980,000	8,996,016
Fire and ambulance	8,103,252	-	-	-	-	-	8,103,252
Public works:							
Administration	1,258,408	-	-	-	-	-	1,258,408
General maintenance	977,058	-	-	-	-	-	977,058
Park maintenance	784,335	-	-	-	-	-	784,335
Recreation	1,727,606	-	-	-	-	-	1,727,606
Sewer lateral	-	-	-	-	-	96,021	96,021
Economic development	-	362,020	-	6,824,403	629,977	2,731	7,819,131
Capital outlay	201,266	549,944	-	-	1,034,033	-	1,785,243
Debt service:							
Principal	-	365,315	725,000	-	536,772	-	1,627,087
Interest	-	171,696	585,450	-	87,369	782,283	1,626,798
Total Expenditures	<u>23,392,837</u>	<u>1,448,975</u>	<u>1,312,681</u>	<u>6,824,403</u>	<u>2,288,151</u>	<u>1,861,035</u>	<u>37,128,082</u>
REVENUES OVER (UNDER) EXPEN- DITURES	<u>586,877</u>	<u>287,464</u>	<u>(142,460)</u>	<u>-</u>	<u>579,272</u>	<u>281,521</u>	<u>1,592,674</u>
OTHER FINANCING SOURCES (USES)							
Capital lease	-	63,333	-	-	-	-	63,333
Transfers in	-	421,991	-	-	-	-	421,991
Transfers out	(421,991)	-	-	-	-	-	(421,991)
Total Other Financing Sources (Uses)	<u>(421,991)</u>	<u>485,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,333</u>
NET CHANGE IN FUND BALANCES	164,886	772,788	(142,460)	-	579,272	281,521	1,656,007
FUND BALANCES, JULY 1	5,809,448	119,477	6,405,327	-	1,429,651	1,866,671	15,630,574
FUND BALANCES, JUNE 30	<u>\$ 5,974,334</u>	<u>892,265</u>	<u>6,262,867</u>	<u>-</u>	<u>2,008,923</u>	<u>2,148,192</u>	<u>17,286,581</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, 2014

Net Change In Fund Balances - Governmental Funds \$ 1,656,007

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 depreciation expense (\$2,577,524) exceeded capital outlays over the capitalization threshold (\$1,440,039) in the current period. (1,137,485)

The net effect of various miscellaneous transactions involving capital assets:

Cost of disposals, net of accumulated depreciation (34,181)
Contributed capital assets 104,300

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds financial statements:

Change in unavailable revenues 47,385
Write off red light camera receivable (1,292,129)

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 position, 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 position.

Debt issued during the current year:
Issuance of capital lease (63,333)
Repayments during the current year:
Bonds and notes payable 1,408,125
Capital leases payable 218,962

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 (55,474)
Accrued interest (1,266,374)
Amortization of premium/discount 23,680
Net pension asset 17,347

Change In Net Position Of Governmental Activities \$ (373,170)

CITY OF HAZELWOOD, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - PENSION TRUST FUND
JUNE 30, 2014

ASSETS

Investments at fair value:

Common stock	\$ 11,756,485
Corporate obligations	6,266,094
Money market funds	159,863
Mutual funds	13,197,894
Government and agency securities	3,368,309
Interest receivable	86,601
Total Assets	<u>34,835,246</u>

LIABILITIES

Accounts payable	22,000
Due to other funds	18,423
Total Liabilities	<u>40,423</u>

NET POSITION

Held in trust for pension benefits	<u>\$ 34,794,823</u>
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CITY OF HAZELWOOD, MISSOURI
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION -
PENSION TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2014

ADDITIONS

Employer contributions	\$ 1,377,843
Investment income:	
Interest and dividends	682,748
Net increase in fair value of investments	4,363,676
Trustee fees - asset management	(152,884)
Net Investment Earnings	<u>4,893,540</u>
Total Additions	<u>6,271,383</u>

DEDUCTIONS

Benefits	<u>1,559,554</u>
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CHANGE IN NET POSITION

4,711,829

NET POSITION HELD IN TRUST FOR
PENSION BENEFITS, JULY 1

30,082,994

**NET POSITION HELD IN TRUST FOR
PENSION BENEFITS, JUNE 30**

\$ 34,794,823

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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, 2014. 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 position 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, improvements, or debt related to 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 (IDA)

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)

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 unearned revenues until the period of the exchange.

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.

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus and Basis of Accounting (Continued)

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 unearned 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 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.

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Capital Assets (Continued)

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

Assets	Years
Buildings	10 - 40
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 \$69,214 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 (ordinance) of the City Council, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose as determined by the City Manager or Finance Director to which the City Council has designated authority per the City's fund balance policy.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Fund Balance Policies (Continued)

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 expenditures 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 \$177,629, and ambulance revenues are shown net of an allowance for uncollectibles of \$180,063. During the current fiscal year, the City wrote off \$1,292,129 in red light receivables on the statement of activities as a special item due to related changes in legal issues.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not currently have any deferred outflows.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America 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 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, 2014, 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

Investment Policies

The City's formal investment 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.

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

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, 2014, the City had the following investments:

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	\$ 3,984,027	-	1,224,079	2,759,948	-	-	N/A
Repurchase agreement	10,104,124	-	10,104,124	-	-	-	N/A
Money market funds	5,585,570	5,585,570	-	-	-	-	Not rated
Government securities:							
Federal agency notes	428,097	-	-	428,097	-	-	AA
Total Primary Government	20,101,818	5,585,570	11,328,203	3,188,045	-	-	
Component Unit (IDA)							
Certificates of deposit	75,093	-	-	75,093	-	-	N/A
Money market funds	499,447	499,447	-	-	-	-	Not rated
Government securities:							
Federal agency notes	757,489	-	-	550,161	-	207,328	AA
Total Component Unit (IDA)	1,332,029	499,447	-	625,254	-	207,328	
Fiduciary Fund							
Common stock	11,756,485	11,756,485	-	-	-	-	N/A
Corporate obligations	1,639,524	-	-	906,365	61,507	671,652	AAA
Corporate obligations	482,855	-	-	246,067	236,788	-	AA
Corporate obligations	2,145,395	-	-	1,108,294	1,037,101	-	A
Corporate obligations	1,998,320	-	-	503,039	1,298,483	196,798	BBB
Money market funds	159,863	159,863	-	-	-	-	Not rated
Mutual funds	13,197,894	13,197,894	-	-	-	-	N/A
Government securities:							
Federal agency notes	1,063,276	-	220,159	378,924	300,337	163,856	AA
Municipal issues	61,516	-	-	61,516	-	-	A
U.S. Treasury notes	2,243,517	-	790,197	1,189,199	264,121	-	AAA
Total Fiduciary Fund	34,748,645	25,114,242	1,010,356	4,393,404	3,198,337	1,032,306	
Total Investments	\$ 56,182,492	31,199,259	12,338,559	8,206,703	3,198,337	1,239,634	

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS

Capital assets activity was as follows:

	For The Year Ended June 30, 2014			
	Balance June 30 2013	Additions And Transfers	Deletions And Transfers	Balance June 30 2014
Capital assets not being depreciated:				
Land and right-of-way	\$ 4,391,069	-	-	4,391,069
Construction in progress	195,208	1,089,793	944,305	340,696
Total Capital Assets Not Being Depreciated	<u>4,586,277</u>	<u>1,089,793</u>	<u>944,305</u>	<u>4,731,765</u>
Capital assets being depreciated:				
Buildings and improvements	22,730,847	40,476	4,032	22,767,291
Infrastructure	35,984,298	1,001,559	-	36,985,857
Machinery, equipment, and furniture and fixtures	4,983,417	240,481	299,288	4,924,610
Automotive equipment	4,571,092	116,335	85,419	4,602,008
Total Capital Assets Being Depreciated	<u>68,269,654</u>	<u>1,398,851</u>	<u>388,739</u>	<u>69,279,766</u>
Less - Accumulated depreciation for:				
Buildings and improvements	9,536,596	804,579	3,629	10,337,546
Infrastructure	17,829,970	1,254,906	-	19,084,876
Machinery, equipment, and furniture and fixtures	4,200,409	198,387	295,179	4,103,617
Automotive equipment	2,604,541	319,652	55,750	2,868,443
Total Accumulated Depreciation	<u>34,171,516</u>	<u>2,577,524</u>	<u>354,558</u>	<u>36,394,482</u>
Total Capital Assets Being Depreciated, Net	<u>34,098,138</u>	<u>(1,178,673)</u>	<u>34,181</u>	<u>32,885,284</u>
Capital Assets, Net	<u>\$ 38,684,415</u>	<u>(88,880)</u>	<u>978,486</u>	<u>37,617,049</u>

The beginning balance for buildings and improvements was decreased by \$162,676 to reflect a prior period adjustment for assets that were previously disposed of. The respective accumulated depreciation account was adjusted by \$98,822, for a net decrease of \$63,854 in capital assets.

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

	For The Year Ended June 30 2014
General government	\$ 553,737
Police	165,840
Fire and ambulance	177,139
Public works, including depreciation of infrastructure assets	1,404,422
Parks and recreation	<u>276,386</u>
Total	<u>\$2,577,524</u>

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT

Long-term debt consisted of the following:

June 30
2014

General Obligation Bonds

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. \$ 480,000

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. 5,660,000

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. 4,920,000

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, 2014, \$73,994 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, 2014 include the proceeds which will be used to defease a portion of the principal balance of the bonds outstanding on March 1, 2015. 5,289,047

Total General Obligation Bonds \$16,349,047

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. \$4,275,000

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. \$117,541

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

June 30
2014

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.

\$12,380

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
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	940,000	254,321	255,000	171,115	-	-	2,321
2019	960,000	229,704	265,000	160,150	-	-	-
2020 - 2024	4,649,047	1,106,796	1,530,000	606,692	-	-	-
2025 - 2028	1,985,000	131,563	1,515,000	194,000	-	-	-
Total	<u>\$16,349,047</u>	<u>2,856,899</u>	<u>4,275,000</u>	<u>1,703,517</u>	<u>117,541</u>	<u>1,058</u>	<u>12,380</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%. Accrued interest on these notes at June 30, 2014 amounted to \$8,464,724 and amounts outstanding are as follows:

	Date Issued	Date Of Maturity	Original Amount	Balance June 30 2014
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 \$331,530 to the Capital Projects Fund for its portion of the pledged revenues. The Capital Projects Fund paid \$362,020 to the IDA for the year ended June 30, 2014. 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 2014</u>
Tax increment financing bonds:				
370/Missouri Bottom Road Redevelopment Area	11-25-2003	8-1-2020	\$26,385,000	\$1,275,000
Taxable annual appropriation capital projects bonds:				
Cabela's Project	03-07-2007	2-1-2027	5,845,000	<u>4,910,000</u>
Total				<u>\$6,185,000</u>

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

	<u>For The Year Ended June 30, 2014</u>			<u>Balance June 30 2014</u>	<u>Amounts Due Within One Year</u>
	<u>Balance June 30 2013</u>	<u>Additions</u>	<u>Deletions</u>		
Primary Government					
General obligation bonds	\$17,074,047	-	725,000	16,349,047	6,015,000
Plus - Premium	309,754	-	26,477	283,277	-
Certificates of participation	4,495,000	-	220,000	4,275,000	230,000
Less - Discount	(41,182)	-	(2,797)	(38,385)	-
Special obligation bonds	577,313	-	459,772	117,541	117,541
Tax increment revenue notes	17,055,000	-	-	17,055,000	-
Note payable	15,733	-	3,353	12,380	3,353
Capital lease obligations	1,259,848	63,333	218,962	1,104,219	240,970
Compensated absences	1,434,492	1,289,545	1,234,071	1,489,966	1,043,000
Total	<u>\$42,180,005</u>	<u>1,352,878</u>	<u>2,884,838</u>	<u>40,648,045</u>	<u>7,649,864</u>
Component Unit					
Capital projects bonds	\$ 5,160,000	-	250,000	4,910,000	265,000
Less - Discount	(22,537)	-	(1,649)	(20,888)	-
Tax increment financing revenue bonds	1,425,000	-	150,000	1,275,000	155,000
Less - Discount	(174,606)	-	(23,281)	(151,325)	-
Total	<u>\$ 6,387,857</u>	<u>-</u>	<u>375,070</u>	<u>6,012,787</u>	<u>420,000</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, 2014, the City's capital lease debt service payments for principal retirement and interest were \$218,962 and \$36,598, 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 \$2,069,377 and \$395,136 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, 2014 is as follows:

For The Years Ended <u>June 30</u>		
2015	\$	271,881
2016		255,570
2017		233,818
2018		164,012
2019		110,528
2020 - 2021		<u>165,792</u>
Total Minimum Lease Payments		1,201,601
Less - Amount representing interest		<u>97,382</u>
Present Value Of Future Minimum Lease Payments		<u>\$1,104,219</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.

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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, 2013 was \$10,091,285.

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, 2013</u>
Retirees and beneficiaries currently receiving benefits	75
Vested terminated employees	23
Active employees:	
Fully vested	132
Partially vested	46

Employees who attain the age of 60 or have 5 years of credited service are entitled to a normal retirement benefit equal to: 1) 2% of their final average monthly compensation multiplied by 2) the employee's years of 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 (UAAL) 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 \$1,300,321 for the Plan year beginning July 1, 2013 was computed through an actuarial valuation. The required contribution consisted of: 1) \$714,781 normal cost (7.1% of annual covered payroll), 2) \$506,914 amortization of the UAAL (5.0% of annual covered payroll), and 3) \$78,626 expense loading equivalent to 0.3% of the fair value of plan assets (0.8% 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)	UAAL
2013	\$ 29,643,058	\$ 34,453,239	\$ 4,810,181
2012	27,747,754	32,613,410	4,865,656
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
Valuation For The Actuarial Years Ended July 1	Funded Ratio	Covered Payroll	UAAL As A Percentage Of Covered Payroll
2013	86.0 %	\$ 10,091,285	47.7 %
2012	85.1	10,242,470	47.5
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

Schedule Of Employer Contributions

For The Years Ended June 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
2013	\$ 1,299,535	\$ 1,340,227	103.1 %
2012	1,224,684	1,491,935	121.8
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

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, 2013
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)
2014	\$ 1,322,880	101.3 %	\$ (785,892)
2013	1,240,387	120.3	(768,545)
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)

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	Decrease In Net Pension Obligation (Asset)	Net Pension Obligation (Asset) End Of Year
2014	\$ 1,299,535	80,985	(57,640)	1,322,880	(1,340,227)	(17,347)	(785,892)
2013	1,224,684	54,478	(38,775)	1,240,387	(1,491,935)	(251,548)	(768,545)
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)

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

CITY OF HAZELWOOD, MISSOURI
NOTES TO 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 POSITION

The government-wide statement of net position reflects a negative unrestricted net position of (\$20,377,471). This total is comprised of \$3,322,471 in unrestricted net position from operations and a negative unrestricted net position 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 \$769,245 and \$8,083,043, respectively. For the current year, the City's tax increment financing interest paid and total incremental tax revenues were \$782,283 and \$1,062,984, 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 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 Statement No. 45 (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 <u>2012</u>
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.

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

Schedule Of Funding Progress

Valuation For The Actuarial Valuation July 1	Actuarial Value Of Assets (1)	AAL (2)	UAAL (1)-(2)	Funded Ratio (1)/(2)	Covered Payroll (3)	UAAL As A Percentage Of Covered Payroll (1-2)/(3)
2013	\$ -	\$ 633,636	\$ 633,636	- %	\$ 9,800,009	6 %
2012	-	633,636	633,636	-	9,980,009	6
2011	-	633,636	633,636	-	9,980,009	6

OPEB Plan

For The Year Ended June 30	Annual OPEB Cost	Contribution Made	Percent Contributed	Net OPEB Obligation
2014	\$ 77,485	\$ 16,792	21.7 %	\$ 144,703
2013	77,485	16,792	21.7	144,703
2012	77,485	16,792	21.7	144,703
2011	45,037	15,987	35.5	84,010
2010	49,950	18,775	37.6	54,960

The latest actuarial valuation was for the Plan year ended June 30, 2012. Valuation is performed every three years.

Significant actuarial assumptions used in the valuation are as follows:

Valuation method	Projected unit credit method
Latest valuation date	July 1, 2012
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 - 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 2014</u>
General Fund	Pension Trust Fund	\$18,423
General Fund	Capital Projects Fund	<u>14,810</u>
Total		<u>\$33,233</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, 2015.

NOTE N - INTERFUND TRANSFERS

Individual interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>June 30 2014</u>
Capital Projects Fund	General Fund	<u>\$421,991</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 O - 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, 2014, the City had \$1,587,600 of these loans outstanding. The City also has loans with other companies for \$3,019,433. An offsetting allowance for these amounts has been established.

NOTE P - RESTRICTED NET POSITION

The government-wide statement of net position reports \$6,003,259 of restricted net position of which \$4,157,115 is restricted by enabling legislation.

CITY OF HAZELWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE Q - PRIOR PERIOD ADJUSTMENT

The previously stated net position/fund balance have been restated as follows:

	Governmental Activities	General Fund
Net position/fund balance, June 30, 2013, as previously reported	\$ 9,780,277	7,857,205
Restatement for:		
Prepaid fire protection services	(2,047,757)	(2,047,757)
Capital assets	(63,854)	-
Net Position/Fund Balance, June 30, 2013, As Restated	\$ 7,668,666	5,809,448

NOTE R - FINES AND COURT COSTS FOR TRAFFIC VIOLATIONS

RSMo 302.341.2 requires an accounting of the percentage of annual fines and court costs for traffic violations, including amended charges from any charged traffic violations, occurring within the City to total general operating revenue, to be included in the annual financial report. During the year, the amount of traffic fines and court costs, the general operating revenue, and related percent amounted to \$1,146,445, \$20,187,899 and 5.68% respectively, which is below the threshold of 30% identified in RSMo 302.341.2.

NOTE S - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*, will require the City to record UAAL on the government-wide statement of net position. UAAL equals the difference between the total pension liability and the value of the assets set aside in a pension plan to pay benefits. GASB 68 may also require changes to the projection of benefit payments and the rate used to discount the projected benefit payments. GASB 68 will be effective for the City for the year ending June 30, 2015.

NOTE T - SUBSEQUENT EVENTS

In August 2014, City voters approved a ¼ cent local City fire sales tax on all retail sales within the City to help fund the operations of the City's Fire Department. The new sales tax will become effective January 1, 2015.

In August 2014, the City Council approved two lease purchase agreements. One is for the purchase of an ambulance with a principal amount of \$174,681, three year term, interest rate at 1.16%. The other is for the purchase of a fire truck with a principal amount of \$540,068, seven year term, interest rate at 1.94%. The City put a \$230,791 down payment on the fire truck which is included in prepaid items at year end.

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Property taxes				
Real estate	\$ 3,166,492	3,166,492	3,016,151	(150,341)
Personal property	800,000	800,000	767,753	(32,247)
Property surtax	444,316	444,316	418,747	(25,569)
Total Property Taxes	<u>4,410,808</u>	<u>4,410,808</u>	<u>4,202,651</u>	<u>(208,157)</u>
Sales taxes				
Hotel/motel tax	272,785	272,785	231,217	(41,568)
Park and stormwater	2,320,889	2,320,889	2,095,515	(225,374)
Sales	3,549,606	3,549,606	3,670,676	121,070
Use	1,487,399	1,487,399	1,662,327	174,928
Total Sales Taxes	<u>7,630,679</u>	<u>7,630,679</u>	<u>7,659,735</u>	<u>29,056</u>
Utility taxes				
	<u>3,276,296</u>	<u>3,276,296</u>	<u>3,358,466</u>	<u>82,170</u>
Other taxes				
Cigarette	70,410	70,410	66,703	(3,707)
Gasoline	658,220	658,220	655,470	(2,750)
Road and bridge	588,846	588,846	532,991	(55,855)
Vehicle fees	109,604	109,604	107,891	(1,713)
Total Other Taxes	<u>1,427,080</u>	<u>1,427,080</u>	<u>1,363,055</u>	<u>(64,025)</u>
Permits and inspections				
Building permits	353,000	353,000	232,278	(120,722)
Occupancy permits	122,905	122,905	139,630	16,725
Total Permits And Inspections	<u>475,905</u>	<u>475,905</u>	<u>371,908</u>	<u>(103,997)</u>
Licenses				
Manufacturers	1,252,000	1,252,000	1,152,849	(99,151)
Occupation services	1,286,000	1,286,000	1,412,938	126,938
Merchants	537,000	537,000	557,054	20,054
Liquor	14,000	14,000	10,290	(3,710)
Coin devices	5,000	5,000	4,522	(478)
Franchises	264,612	264,612	262,540	(2,072)
Total Licenses	<u>3,358,612</u>	<u>3,358,612</u>	<u>3,400,193</u>	<u>41,581</u>
Intergovernmental				
Grant income	<u>306,819</u>	<u>306,819</u>	<u>399,948</u>	<u>93,129</u>
Fines and forfeitures				
Court fines	2,000,000	2,000,000	1,798,690	(201,310)
Police fines	31,803	31,803	31,590	(213)
License fines	10,000	10,000	17,424	7,424
Total Fines And Forfeitures	<u>2,041,803</u>	<u>2,041,803</u>	<u>1,847,704</u>	<u>(194,099)</u>
Investment income				
	<u>10,000</u>	<u>10,000</u>	<u>45,098</u>	<u>35,098</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES (Continued)				
Recreation fees				
Swimming pools	146,000	146,000	121,964	(24,036)
Rentals	85,000	85,000	80,354	(4,646)
Classes	133,000	133,000	141,966	8,966
Disc golf	5,500	5,500	2,474	(3,026)
Recreation programs and trips	28,000	28,000	19,559	(8,441)
Concessions	74,000	74,000	65,833	(8,167)
Resident cards	60,000	60,000	58,188	(1,812)
Sports complex	17,000	17,000	8,015	(8,985)
Total Recreation Fees	<u>548,500</u>	<u>548,500</u>	<u>498,353</u>	<u>(50,147)</u>
Other				
Fire protection service	120,000	120,000	120,000	-
Ambulance fees	360,000	360,000	343,845	(16,155)
Other	241,774	241,774	361,853	120,079
Sale of capital assets	15,000	15,000	6,905	(8,095)
Total Other	<u>736,774</u>	<u>736,774</u>	<u>832,603</u>	<u>95,829</u>
Total Revenues	<u>24,223,276</u>	<u>24,223,276</u>	<u>23,979,714</u>	<u>(243,562)</u>
EXPENDITURES				
Mayor and council				
Personnel services	42,409	42,409	47,022	4,613
Contractual services	59,530	59,530	32,056	(27,474)
Commodities	400	400	300	(100)
Capital outlay	50	50	-	(50)
Total Mayor And Council	<u>102,389</u>	<u>102,389</u>	<u>79,378</u>	<u>(23,011)</u>
City manager				
Personnel services	422,149	422,149	411,734	(10,415)
Contractual services	94,190	94,190	77,132	(17,058)
Commodities	40,910	40,910	32,864	(8,046)
Contingencies	-	-	695	695
Total City Manager	<u>557,249</u>	<u>557,249</u>	<u>522,425</u>	<u>(34,824)</u>
Information system				
Contractual services	434,463	505,863	505,650	(213)
Commodities	26,100	32,700	34,659	1,959
Capital outlay	20,961	20,961	19,031	(1,930)
Total Information System	<u>481,524</u>	<u>559,524</u>	<u>559,340</u>	<u>(184)</u>
Finance				
Personnel services	321,218	321,218	315,899	(5,319)
Contractual services	125,224	125,224	121,910	(3,314)
Commodities	1,550	1,550	1,419	(131)
Capital outlay	200	200	-	(200)
Total Finance	<u>448,192</u>	<u>448,192</u>	<u>439,228</u>	<u>(8,964)</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, 2014

EXPENDITURES (Continued)	Original Budget	Final Budget	Actual	Over (Under) Budget
Legal				
Personnel services	247,799	247,799	226,517	(21,282)
Contractual services	357,956	357,956	262,736	(95,220)
Commodities	6,274	6,274	6,343	69
Capital outlay	1,290	1,290	1,164	(126)
Total Legal	<u>613,319</u>	<u>613,319</u>	<u>496,760</u>	<u>(116,559)</u>
City clerk				
Personnel services	214,669	214,669	210,845	(3,824)
Contractual services	39,975	39,975	36,376	(3,599)
Commodities	2,730	2,730	739	(1,991)
Total City Clerk	<u>257,374</u>	<u>257,374</u>	<u>247,960</u>	<u>(9,414)</u>
Police				
Personnel services	7,555,354	7,477,354	7,373,391	(103,963)
Contractual services	370,484	370,484	340,790	(29,694)
Commodities	294,068	294,068	282,148	(11,920)
Capital outlay	47,759	47,759	42,530	(5,229)
Contingencies	10,700	10,700	19,687	8,987
Total Police	<u>8,278,365</u>	<u>8,200,365</u>	<u>8,058,546</u>	<u>(141,819)</u>
Fire				
Personnel services	3,725,230	3,725,230	3,804,089	78,859
Contractual services	4,401,685	4,401,685	3,904,181	(497,504)
Commodities	59,471	59,471	52,821	(6,650)
Capital outlay	28,300	28,300	29,395	1,095
Contingencies	3,000	3,000	2,677	(323)
Total Fire	<u>8,217,686</u>	<u>8,217,686</u>	<u>7,793,163</u>	<u>(424,523)</u>
Ambulance				
Personnel services	263,040	263,040	258,401	(4,639)
Contractual services	59,640	59,640	55,375	(4,265)
Commodities	37,178	37,178	25,708	(11,470)
Capital outlay	1,700	1,700	-	(1,700)
Contingencies	500	500	-	(500)
Total Ambulance	<u>362,058</u>	<u>362,058</u>	<u>339,484</u>	<u>(22,574)</u>
Public works				
Administration:				
Personnel services	854,314	854,314	826,931	(27,383)
Contractual services	433,285	433,285	412,769	(20,516)
Commodities	22,350	22,350	18,708	(3,642)
Capital outlay	4,500	4,500	7,686	3,186
Contingencies	100	100	-	(100)
Total Administration	<u>1,314,549</u>	<u>1,314,549</u>	<u>1,266,094</u>	<u>(48,455)</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, 2014

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Public works (continued)				
General maintenance:				
Personnel services	695,267	695,267	692,779	(2,488)
Contractual services	103,180	103,180	111,571	8,391
Commodities	179,840	179,840	172,247	(7,593)
Capital outlay	19,800	19,800	20,491	691
Contingencies	-	-	461	461
Total General Maintenance	998,087	998,087	997,549	(538)
Park maintenance:				
Personnel services	707,674	707,674	662,381	(45,293)
Contractual services	50,650	50,650	40,246	(10,404)
Commodities	85,390	85,390	81,708	(3,682)
Capital outlay	23,150	23,150	19,784	(3,366)
Contingencies	1,000	1,000	-	(1,000)
Total Park Maintenance	867,864	867,864	804,119	(63,745)
Recreation:				
Personnel services	1,286,143	1,286,143	1,211,510	(74,633)
Contractual services	482,227	482,227	445,672	(36,555)
Commodities	72,720	72,720	67,707	(5,013)
Capital outlay	67,410	67,410	61,185	(6,225)
Contingencies	1,000	1,000	2,717	1,717
Total Recreation	1,909,500	1,909,500	1,788,791	(120,709)
Total Public Works	5,090,000	5,090,000	4,856,553	(233,447)
Total Expenditures	24,408,156	24,408,156	23,392,837	(1,015,319)
REVENUES OVER (UNDER) EXPENDITURES	(184,880)	(184,880)	586,877	771,757
OTHER FINANCING USES				
Transfers out	(507,319)	(507,319)	(421,991)	(85,328)
NET CHANGE IN FUND BALANCE	\$ (692,199)	(692,199)	164,886	857,085
FUND BALANCE, JULY 1			5,809,448	
FUND BALANCE, JUNE 30			\$ 5,974,334	

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, 2014

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Sales taxes	\$ 2,326,356	2,105,126	(221,230)
Intergovernmental	1,429,092	742,196	(686,896)
Investment income	1,000	206	(794)
Other	15,000	19,895	4,895
Total Revenues	3,771,448	2,867,423	(904,025)
EXPENDITURES			
Current:			
Economic development	1,344,566	629,977	(714,589)
Capital outlay	1,962,565	1,034,033	(928,532)
Debt service:			
Principal	536,772	536,772	-
Interest	87,369	87,369	-
Total Expenditures	3,931,272	2,288,151	(1,643,121)
NET CHANGE IN FUND BALANCE	\$ (159,824)	579,272	739,096
FUND BALANCE, JULY 1		1,429,651	
FUND BALANCE, JUNE 30		\$ 2,008,923	

**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, 2014**

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 accounting principles generally accepted in the United States of America. 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, 2014

	<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>	<u>Asset Forfeiture</u>	
ASSETS					
Cash and investments	\$ 392,722	1,273,798	386,646	63,992	2,117,158
Receivables:					
Property taxes	-	5,281	-	-	5,281
Sales taxes	-	25,749	4	-	25,753
	<u>392,722</u>	<u>1,304,828</u>	<u>386,650</u>	<u>63,992</u>	<u>2,148,192</u>
Total Assets	<u>\$ 392,722</u>	<u>1,304,828</u>	<u>386,650</u>	<u>63,992</u>	<u>2,148,192</u>
LIABILITIES					
Accounts payable	\$ -	-	-	-	-
FUND BALANCES					
Restricted for:					
Asset forfeiture	-	-	-	63,992	63,992
Economic development	-	1,304,828	386,650	-	1,691,478
Sewer lateral	392,722	-	-	-	392,722
Total Fund Balances	<u>392,722</u>	<u>1,304,828</u>	<u>386,650</u>	<u>63,992</u>	<u>2,148,192</u>
Total Liabilities And Fund Balances	<u>\$ 392,722</u>	<u>1,304,828</u>	<u>386,650</u>	<u>63,992</u>	<u>2,148,192</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, 2014

	<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>	<u>Asset Forfeiture</u>	
REVENUES					
Property taxes	\$ -	132,048	830,649	-	962,697
Sales taxes	-	99,952	335	-	100,287
Intergovernmental	-	-	-	1,043,992	1,043,992
Investment income	65	-	33	-	98
Sewer lateral	35,482	-	-	-	35,482
Total Revenues	<u>35,547</u>	<u>232,000</u>	<u>831,017</u>	<u>1,043,992</u>	<u>2,142,556</u>
EXPENDITURES					
Current:					
Police	-	-	-	980,000	980,000
Sewer lateral	96,021	-	-	-	96,021
Economic development	-	-	2,731	-	2,731
Debt service - interest	-	-	782,283	-	782,283
Total Expenditures	<u>96,021</u>	<u>-</u>	<u>785,014</u>	<u>980,000</u>	<u>1,861,035</u>
NET CHANGES IN FUND BALANCES	(60,474)	232,000	46,003	63,992	281,521
FUND BALANCES, JULY 1	<u>453,196</u>	<u>1,072,828</u>	<u>340,647</u>	<u>-</u>	<u>1,866,671</u>
FUND BALANCES, JUNE 30	<u>\$ 392,722</u>	<u>1,304,828</u>	<u>386,650</u>	<u>63,992</u>	<u>2,148,192</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, 2014

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Sales taxes	\$ 1,635,057	1,636,937	1,880
Other	65,000	99,502	34,502
Total Revenues	1,700,057	1,736,439	36,382
EXPENDITURES			
Current:			
Economic development	549,284	362,020	(187,264)
Capital outlay	2,018,168	549,944	(1,468,224)
Debt service:			
Principal	365,315	365,315	-
Interest	171,696	171,696	-
Total Expenditures	3,104,463	1,448,975	(1,655,488)
REVENUES OVER (UNDER) EXPENDITURES	(1,404,406)	287,464	1,691,870
OTHER FINANCING SOURCES			
Capital lease	1,219,355	63,333	(1,156,022)
Transfers in	507,319	421,991	(85,328)
Total Other Financing Sources	1,726,674	485,324	(1,241,350)
NET CHANGE IN FUND BALANCE	\$ 322,268	772,788	450,520
FUND BALANCE, JULY 1		119,477	
FUND BALANCE, JUNE 30		\$ 892,265	

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, 2014

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Investment income	\$ 900	65	(835)
Sewer lateral	35,630	35,482	(148)
Total Revenues	36,530	35,547	(983)
 EXPENDITURES			
Current:			
Sewer lateral	125,250	96,021	(29,229)
 NET CHANGE IN FUND BALANCE	 \$ (88,720)	 (60,474)	 28,246
 FUND BALANCE, JULY 1		 453,196	
 FUND BALANCE, JUNE 30		 \$ 392,722	



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.	56 - 59
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue sources.	60 - 64
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.	65 - 68
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.	69 - 70
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.	71 - 73

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

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

	June 30									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities										
Net investment in capital assets	\$ 21,436,564	21,501,154	21,286,054	19,331,051	18,810,695	17,868,052	16,593,187	17,810,632	11,944,325	13,191,043
Restricted	6,236,403	5,271,498	5,308,743	7,042,766	5,679,975	5,816,170	7,064,680	798,525	8,476,959	11,461,713
Unrestricted	<u>(20,377,471)</u>	<u>(19,103,986)</u>	<u>(15,560,705)</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>
Total Governmental Activities										
Net Position	<u>\$ 7,295,496</u>	<u>7,668,666</u>	<u>11,034,092</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>

Source: Basic financial statements

2012 amount was restated for implementation of GASB 63 and 65.

2013 amount was restated for accounting principle change

CITY OF HAZELWOOD, MISSOURI
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	For The Years Ended June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EXPENSES										
General government	\$ 2,902,583	2,666,982	2,848,593	2,687,257	2,825,251	2,793,428	2,588,055	2,511,326	2,464,356	2,087,773
Police	9,316,264	8,266,062	8,095,132	7,507,749	7,720,152	7,589,247	7,261,558	6,936,775	6,435,271	5,975,923
Fire and ambulance	8,271,077	8,818,068	8,427,562	8,684,030	8,436,527	8,218,900	7,667,628	7,181,802	7,087,575	6,374,396
Public works	3,695,178	3,533,085	3,459,191	3,325,951	3,489,426	3,756,069	3,616,598	3,594,390	3,376,711	2,629,157
Parks and recreation	2,915,181	3,047,775	3,056,839	3,030,546	2,902,659	3,137,528	2,902,669	2,797,974	2,879,118	2,334,874
Economic development	7,858,298	8,178,450	12,210,059	8,909,277	8,715,851	11,793,396	23,412,225	7,188,357	11,116,868	5,601,583
Sewer lateral	96,021	115,874	105,482	70,560	113,739	60,549	104,127	104,454	173,934	69,341
Interest on long-term debt	2,869,492	2,794,487	2,641,027	2,503,981	2,424,195	2,191,555	1,291,226	420,838	431,849	126,381
Special item	1,292,129	-	-	-	-	-	-	-	-	-
Total Expenses	<u>39,216,223</u>	<u>37,420,783</u>	<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>
PROGRAM REVENUES										
Charges for services:										
General government	389,332	524,869	417,250	426,826	255,810	368,801	381,132	631,949	487,576	480,120
Police	1,896,389	2,177,394	2,558,444	2,412,430	2,657,616	2,414,229	2,752,449	1,358,339	1,211,838	808,956
Fire and ambulance	471,578	508,978	417,264	359,209	335,649	453,861	439,731	352,505	468,918	294,125
Parks and recreation	498,353	506,838	562,242	507,906	473,284	560,978	313,148	325,064	308,855	279,008
Sewer lateral	35,482	35,449	35,630	36,123	37,887	72,519	127,995	129,418	192,044	198,946
Operating grants and contributions	2,932,605	1,902,997	1,977,492	2,193,975	2,056,089	2,100,070	1,940,193	2,096,786	1,647,110	2,043,262
Capital grants and contributions	846,496	91,836	1,037,655	909,734	292,830	1,138,393	55,581	364,320	-	-
Total Program Revenues	<u>7,070,235</u>	<u>5,748,361</u>	<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>
NET REVENUES (EXPENSES)	<u>(32,145,988)</u>	<u>(31,672,422)</u>	<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>
GENERAL REVENUES										
Property taxes	10,850,695	9,571,557	10,732,806	11,358,534	11,044,917	12,542,793	11,640,116	10,033,698	13,388,774	7,411,051
Sales taxes	13,488,140	13,702,676	13,747,457	13,656,531	12,495,802	13,548,928	13,796,329	10,197,675	9,197,588	8,907,348
Utility taxes	3,419,259	3,309,969	3,198,232	3,404,293	3,155,918	2,740,588	3,625,891	2,111,099	2,294,316	2,256,529
Other taxes	66,703	70,128	71,043	72,868	76,689	82,848	85,921	89,475	93,331	93,722
Licenses	3,400,193	3,192,359	2,967,898	2,953,086	2,973,670	2,654,812	2,607,053	2,356,074	2,410,356	3,230,993
Investment income	63,076	20,194	21,020	19,826	31,232	105,316	267,842	263,127	424,989	103,999
Miscellaneous	484,752	551,724	734,440	477,741	350,452	292,508	237,161	386,485	535,322	436,425
Contributed capital	-	-	-	-	-	-	-	5,000,000	-	-
Total General Revenues	<u>31,772,818</u>	<u>30,418,607</u>	<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>
CHANGE IN NET POSITION	<u>\$ (373,170)</u>	<u>(1,253,815)</u>	<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>

Source: Basic financial statements

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

	June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Nonspendable	\$ 38,238	39,495	2,146,071	2,334,758	-	-	-	-	-	-
Committed	-	57,694	27,781	24,000	-	-	-	-	-	-
Assigned	158,294	692,195	367,913	-	-	-	-	-	-	-
Unassigned	5,777,802	5,020,064	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
Unreserved	-	-	-	-	4,863,430	4,205,313	3,842,018	1,763,241	1,615,749	2,204,816
Total General Fund	<u>\$ 5,974,334</u>	<u>5,809,448</u>	<u>8,530,047</u>	<u>8,542,168</u>	<u>7,159,525</u>	<u>6,697,496</u>	<u>6,030,915</u>	<u>3,520,953</u>	<u>3,316,696</u>	<u>3,620,686</u>
All Other Governmental Funds										
Nonspendable	\$ 230,791	-	-	9,659	-	-	-	-	-	-
Restricted	10,848,312	10,131,437	10,165,766	6,570,977	-	-	-	-	-	-
Unassigned	233,144	(310,311)	(213,544)	(11,278)	-	-	-	-	-	-
Reserved	-	-	-	-	1,607,230	1,980,507	1,687,749	2,695,376	3,561,286	878,402
Unreserved, reported in:										
Capital Projects Funds	-	-	-	-	(622,491)	(196,026)	2,010,434	(2,835,211)	4,119,255	9,332,589
Special Revenue Funds	-	-	-	-	3,636,934	3,310,179	2,591,497	938,360	796,418	1,125,386
Total All Other Governmental Funds	<u>\$ 11,312,247</u>	<u>9,821,126</u>	<u>9,952,222</u>	<u>6,569,358</u>	<u>4,621,673</u>	<u>5,094,660</u>	<u>6,289,680</u>	<u>798,525</u>	<u>8,476,959</u>	<u>11,336,377</u>

Source: Basic financial statements

GASB 54 was implemented in 2011.

2013 amount was restated for accounting principle change.

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

	For The Years Ended June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
REVENUES										
Property taxes	\$ 10,822,152	9,590,179	10,717,261	11,562,752	10,900,226	12,478,667	11,584,947	10,007,380	13,324,363	7,441,915
Sales taxes	13,680,453	13,864,157	13,904,278	13,812,528	12,638,582	13,686,724	13,964,723	10,404,567	9,359,838	9,080,912
Utility taxes	3,419,259	3,309,969	3,198,232	3,404,293	3,155,918	2,740,588	3,625,891	2,111,099	2,294,316	2,256,528
Other taxes	1,363,055	1,392,355	1,431,119	1,571,615	1,527,385	1,604,456	1,580,647	1,592,510	1,535,725	1,520,813
Permits and inspections	371,908	510,677	396,349	406,077	236,088	340,767	363,908	608,253	465,329	466,120
Licenses	3,400,193	3,192,359	2,967,898	2,953,086	2,973,670	2,654,812	2,607,053	2,356,074	2,410,356	3,230,995
Intergovernmental	2,186,136	511,125	1,493,672	1,447,687	755,443	600,352	332,654	751,179	81,217	453,405
Fines and forfeitures	1,847,704	1,919,022	2,293,669	2,220,257	2,468,649	2,275,932	2,503,292	1,362,835	1,227,257	822,955
Investment income	63,076	20,194	21,020	19,826	31,232	105,316	267,842	263,127	424,989	103,999
Recreation fees	498,353	506,838	562,242	507,906	473,284	560,978	313,148	325,064	308,855	279,009
Sewer lateral	35,482	35,449	35,630	36,123	37,887	72,519	127,995	129,418	192,044	198,946
Other	1,032,985	1,088,966	1,239,156	949,245	810,509	728,620	654,629	853,141	931,500	674,579
Total Revenues	38,720,756	35,941,290	38,260,526	38,891,395	36,008,873	37,849,731	37,926,729	30,764,647	32,555,789	26,530,176
EXPENDITURES										
Current:										
Mayor and council	79,378	100,284	81,451	46,334	72,157	80,693	87,212	86,426	93,030	87,442
City manager	522,425	537,533	500,278	514,153	618,390	803,883	937,796	960,133	866,343	768,748
Information system	540,309	470,385	467,413	429,938	456,916	404,377	292,118	326,577	344,742	233,397
Finance	441,459	433,140	448,432	389,657	386,544	378,533	355,565	328,347	315,169	278,646
Legal	495,596	575,724	567,732	538,314	512,820	501,183	405,689	376,802	357,769	307,347
City clerk	247,960	250,123	253,423	227,964	227,854	230,127	215,710	217,936	234,143	237,975
Police	8,996,016	7,993,848	7,759,249	7,231,554	7,398,812	7,203,854	6,913,346	6,459,800	6,096,344	5,665,655
Fire and ambulance	8,103,252	8,519,532	8,169,334	8,455,698	8,250,191	8,054,242	7,489,821	6,977,273	6,619,176	6,200,753
Public works:										
Administration	1,258,408	1,274,562	1,172,431	1,141,672	1,148,820	1,191,680	1,045,955	1,093,051	1,062,926	983,824
General maintenance	977,058	858,639	1,020,863	922,765	919,287	1,148,052	1,053,512	960,177	962,004	985,934
Park maintenance	784,335	878,348	935,160	920,953	904,521	982,270	841,625	851,366	722,594	784,424
Recreation	1,727,606	1,745,150	1,742,744	1,742,736	1,661,705	1,781,173	1,592,473	1,520,675	1,450,587	1,359,589
Street	-	-	-	-	-	93,215	234,016	757,849	430,763	171,986
Sewer lateral	96,021	115,874	105,482	70,560	113,739	60,549	104,127	104,454	173,934	69,341
Economic development	7,819,131	8,055,648	12,085,939	8,994,671	8,820,801	11,795,074	23,573,741	7,188,357	11,116,868	5,476,247
Capital outlay	1,785,243	2,358,176	3,726,463	3,745,198	2,855,697	3,396,238	10,117,629	9,293,463	4,610,085	3,327,998
Debt service:										
Principal	1,627,087	1,612,502	1,512,630	1,120,632	1,157,837	1,089,413	525,000	335,000	70,000	35,000
Interest	1,626,798	965,760	1,133,145	866,970	1,950,504	895,889	572,659	401,138	355,796	44,470
Bond issuance costs	-	-	103,580	-	-	-	176,138	-	-	136,920
Total Expenditures	37,128,082	36,745,228	41,785,749	37,359,769	37,456,595	40,090,445	56,534,132	38,238,824	35,882,273	27,155,696
REVENUES OVER (UNDER) EXPENDITURES	1,592,674	(803,938)	(3,525,223)	1,531,626	(1,447,722)	(2,240,714)	(18,607,403)	(7,474,177)	(3,326,484)	(625,520)
OTHER FINANCING SOURCES (USES)										
Issuance of debt	63,333	-	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	421,991	631,352	507,745	430,498	396,069	362,259	309,458	145,928	-	-
Transfers out	(421,991)	(631,352)	(507,745)	(430,498)	(396,069)	(362,259)	(309,458)	(145,928)	-	-
Total Other Financing Sources (Uses)	63,333	-	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	\$ 1,656,007	(803,938)	3,370,743	3,330,328	(10,958)	(528,439)	8,001,117	(7,474,177)	(3,163,408)	8,736,384
Debt service as a percentage of noncapital expenditures	9.2 %	7.4	6.9	5.9	8.9	5.3	2.3	2.5	1.3	0.3

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					
2014	2013	\$ 169,641,440	\$ 250,188,999	\$ 169,600	\$ 420,000,039	\$ 127,089,349	\$ 547,089,388	0.767	\$ 2,057,371,686	26.6 %
2013	2012	169,248,700	247,168,885	169,600	416,587,185	105,999,880	522,587,065	0.767	1,982,598,371	26.4
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

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

*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 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>2013</u>	<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>
City of Hazelwood *	<u>0.767</u>	<u>0.767</u>	<u>0.769</u>	<u>0.769</u>	<u>0.769</u>	<u>0.769</u>	<u>0.714</u>	<u>0.666</u>	<u>0.755</u>	<u>0.749</u>
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	0.200	0.200	0.190	0.190	0.190	0.190	0.190	0.190	0.255
County Park Maintenance	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.035	0.035	0.045
County Bond Retire	0.028	0.028	0.028	0.028	0.028	0.063	0.063	0.063	0.063	-
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	0.140	0.140	0.150	0.150	0.150	0.150	0.165	0.165	0.175
Metro Zoo	0.280	0.268	0.267	0.255	0.249	0.234	0.233	0.261	0.265	0.276
Sheltered Workshop	0.089	0.084	0.084	0.079	0.074	0.069	0.070	0.082	0.082	0.085
County Library	0.250	0.173	0.163	0.157	0.140	0.140	0.140	0.150	0.150	0.150
Special School District	1.240	1.012	1.013	0.995	0.938	0.918	0.908	0.824	0.840	0.905
St. Louis Community College	0.220	0.220	0.220	0.218	0.214	0.201	0.200	0.223	0.223	0.237
Hazelwood School District	6.220	6.220	6.220	6.220	6.039	5.370	5.124	5.463	5.230	4.880
Metro Sewer District	0.087	0.064	0.082	0.079	-	-	0.067	0.069	0.069	0.069
Coldwater Creek Sewer District	0.100	0.100	0.100	0.097	-	-	0.070	0.070	0.070	0.070
Total Overlapping Governments	<u>9.039</u>	<u>8.694</u>	<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>
Total City And Overlapping Governments	<u>9.806</u>	<u>9.461</u>	<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>

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

*Rate for residential property

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

Taxpayer	2013			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	\$ 29,145,640	1	5.33 %	\$ 30,633,130	3	5.86 %
MSCI 2007-IQ Retail 5555 LLC	22,052,760	2	4.03	-	-	-
IBM Corporation	19,803,040	3	3.62	10,098,460	6	1.93
Mallinckrodt, Inc.	17,618,520	4	3.22	12,175,660	5	2.33
Colony Realty Partners	15,526,400	5	2.84	-	-	-
bioMerieux, Inc.	10,650,110	6	1.95	6,132,460	7	1.17
Westcore Delta LLC	8,414,010	7	1.54	-	-	-
Ryan Tax Compliance Services LLC	7,784,910	8	1.42	-	-	-
Aviator Business Park LLC	6,706,750	9	1.23	-	-	-
Sonoco Plastics, Inc.	6,480,780	10	1.18	-	-	-
Ford Motor Company	-	-	-	62,572,410	1	11.98
St. Louis Mills Limited Partnership	-	-	-	32,327,460	2	6.19
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	\$ 144,182,920		26.35 %	\$ 182,694,650		34.97 %

(1) Source: St. Louis County Assessor

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

<u>Fiscal Year</u>	<u>Tax Levy Year</u>	<u>Net Tax Levy (2)</u>	<u>Current Tax Collections</u>	<u>Percent Collected As Current</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections As Percent Of Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes As Percent Of Levy</u>
2014	2013	\$ 4,610,158	\$ 3,568,026	77.4 %	\$ 769,952	4,337,978	94.1 %	\$ 1,255,997	27.2 %
2013	2012	4,831,599	3,940,910	81.6	1,000,832	4,941,742	102.3	1,096,107	22.7
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

(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. St. Louis County will need more time to make system updates to track this information.

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>
2014	1.500 %	2.888 %	4.225 %	8.613 %	\$ 13,680,453	\$ 392,725,538
2013	1.500	2.888	4.225	8.613	13,864,157	542,931,031
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

(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			
2014	\$ 16,152,324	\$ 117,541	\$ 17,055,000	\$ 4,236,615	\$ 12,380	\$ 480,000	\$ 1,104,219	39,158,079	N/A	1,523
2013	16,848,801	577,313	17,055,000	4,453,818	15,733	535,000	1,259,848	40,745,513	N/A	1,585
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

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 (4)	Net General Bonded Debt	Percentage Of Actual Taxable Value Of Property	Net General Bonded Debt Per Capita
2014	25,703	\$ 2,057,371,686	\$ 16,152,324	\$ 6,177,274	\$ 9,975,050	0.48 %	\$ 388
2013	25,703	1,982,598,371	16,848,801	6,320,034	10,528,767	0.53	410
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	25,703	2,286,799,740	13,204,606	842,984	12,361,622	0.54	481
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

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

(1) Source: U.S. Census Bureau

(2) Source: St. Louis County Assessor

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

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

CITY OF HAZELWOOD, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2014

<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	\$ 110,315,000	2.5 %	\$ 2,757,875
Hazelwood School District	256,146,241	26.9	68,903,339
Ferguson-Florissant School District	19,905,000	8.7	1,731,735
Pattonville School District	<u>66,820,000</u>	0.4	<u>267,280</u>
Total Overlapping	453,186,241		73,660,229
City direct debt	<u>39,158,079</u>	100.0 %	<u>39,158,079</u>
Total Direct And Overlapping Debt	<u><u>\$ 492,344,320</u></u>		<u><u>\$ 112,818,308</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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 54,708,939	52,258,707	54,850,847	54,359,467	59,471,501	59,077,844	64,358,741	63,009,490	55,111,390	52,240,234
Amount of Debt Subject to Limit										
Total Bonded Debt	16,848,801	17,520,277	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	6,320,034	6,384,431	6,384,431	944,935	842,984	859,330	511,956	326,558	312,149	20,606
Total Amount Of Debt Applicable To Debt Limit	10,528,767	11,135,846	11,135,846	11,658,279	12,361,622	12,926,668	13,830,434	7,877,224	8,193,025	8,520,960
Legal Debt Margin	\$ 44,180,172	41,122,861	43,715,001	42,701,188	47,109,879	46,151,176	50,528,307	55,132,266	46,918,365	43,719,274
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	19.25 %	21.31	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)
2014	25,703	N/A	N/A	37	N/A	N/A	6.6 %
2013	25,703	N/A	N/A	37	N/A	N/A	7.5
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

(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

2014				2005			
Employer	Employees	Rank	Percent Of Total City Employment	Employer	Employees	Rank	Percent Of Total City Employment
The Boeing Company	5,610	1	25.82 %	Ford Motor Company	1,548	1	7.87 %
Mallinckrodt, LLC	1,591	2	7.32	IBM Corp.	1,250	2	6.36
Convergys Corporation	1,112	3	5.12	McDonnell Douglas Corporation	823	3	4.18
IBM Corp.	808	4	3.72	bioMerieux, Inc.	609	4	3.10
bioMerieux, Inc.	609	5	2.80	GKN Aerospace North America, Inc.	600	5	3.05
GKN Aerospace North America, Inc.	464	6	2.14	Mallinckrodt, LLC (McDonnell Blvd.)	574	6	2.92
Supervalu St. Louis Div.	355	7	1.63	Home Decorators Collection	474	7	2.41
First Bank	335	8	1.54	First Bank	382	8	1.94
SAK Construction	318	9	1.46	Supervalu St. Louis Div.	355	9	1.80
Fiserv Solutions, Inc.	283	10	1.30	General Motors Service Parts	354	10	1.80
Total	<u>11,485</u>		<u>52.85 %</u>	Total	<u>6,969</u>		<u>35.43 %</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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government:										
City manager	5	5	5	5	7	7	7	7	7	7
Economic development	3	3	3	3	2	2	-	-	-	-
Finance	4	4	4	4	4	4	4	4	4	4
Legal/municipal court	4	4	4	4	4	4	3	3	3	3
City clerk	3	3	3	3	3	3	3	3	3	3
Public safety:										
Police	84	85	85	85	89	85	83	81	81	78
Fire	34	34	34	34	34	34	34	34	34	34
Ambulance	3	3	3	3	3	3	3	3	3	3
Public works:										
Administration	11	11	11	11	12	11	11	11	11	10
General/street maintenance	10	10	9	9	11	11	13	13	13	13
Parks maintenance	10	11	12	12	13	13	11	11	11	12
Recreation	42	42	41	42	43	35	29	30	30	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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police:										
Arrests	3,118	3,394	3,307	2,964	2,984	3,090	3,002	3,054	2,393	2,503
Traffic citations	11,838	12,044	14,087	12,484	10,366	12,939	13,584	17,613	16,260	8,673
Fire:										
Fire calls	804	766	765	826	843	556	604	997	973	1,345
Ambulance calls	2,006	1,840	1,665	1,595	1,553	1,611	1,593	1,568	1,587	1,189
Inspections	1,013	710	984	998	1,168	1,155	1,151	1,124	1,124	980
Public works:										
Streets:										
Streets resurfacing (miles)	2	2	-	-	2	2	4	11	8	19
Sidewalk repairs (lineal ft.)	100	865	85	40	231	271	145	12,665	6,115	24,452
Potholes repaired (tons of material)	80	30	80	160	289	141	125	84	185	N/A
Administration:										
Building permits issued	989	913	751	732	646	629	714	883	820	964
Residential occupancy permits issued	1,961	2,066	1,988	2,071	2,000	1,564	1,728	2,068	1,958	2,053
Recreation:										
Community center admissions	106,598	112,231	103,620	104,068	103,528	103,868	99,486	101,440	110,548	103,200
Finance:										
Business licenses issued	952	1,008	1,031	1,029	1,072	985	969	1,101	1,163	1,172
Payroll transactions	7,415	7,380	7,260	7,365	7,340	7,545	7,119	7,221	6,865	6,587
Accounting funds	16	15	15	15	15	15	15	13	13	13
Payable checks issued	4,824	4,930	5,043	4,940	5,339	5,882	5,602	5,577	5,702	6,029

Source: City records - various departments listed

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

FUNCTIONS/PROGRAMS	As Of June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public safety/police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	31	31	31	31	31	31	32	25	39	33
Sectors	6	6	6	6	6	6	6	6	6	6
Public safety/fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire hydrants	586	586	586	583	580	580	580	573	573	573
Vehicles	10	10	10	10	11	10	10	7	7	7
Public works:										
Miles of streets	168	168	168	168	168	168	168	158	158	158
Street lights and signals	111	111	111	111	111	111	111	108	108	108
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