



City of Hazelwood, Missouri  
Comprehensive Annual Financial Report  
For The Year Ended  
June 30, 2015

*much more  
than you imagine*





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**Comprehensive Annual Financial Report**  
For The Year Ended  
June 30, 2015

*much more  
than you imagine*

A decorative graphic consisting of several overlapping, flowing lines in shades of teal, orange, and pink, positioned to the right of the tagline.

Prepared by the Finance Department  
Lori Helle, Finance Director

**CITY OF HAZELWOOD, MISSOURI**  
**FINANCIAL REPORT**

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**CITY OF HAZELWOOD, MISSOURI**  
**FINANCIAL REPORT**

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**Section I**

**Introductory Section**



The City of Hazelwood

November 24, 2015

much more  
than you imagine



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, 2015. 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  
t: 314.839.3700  
f: 314.839.0249  
415 Elm Grove Lane

City Maintenance  
t: 731.8701  
f: 731.4240  
115 Ford Lane

Fire Department  
t: 731.3424  
f: 731.1976  
6800 Howdershell Road

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

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

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

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

High unemployment, high gas prices, a depressed housing market, and slow to moderate growth are some of the economic factors that determine the City 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 residents of the City approved two sales tax ballot issues...one was the ¼ cent fire sales tax in August 2014 (began January 2015) and the other one was the ¼ cent general local sales tax in April 2015 (began October 2015). The fire sales tax will generate about \$1.2M per year where the general local sales tax will generate a little over \$1M.

The City was not able to implement a COLA adjustment or a step increase in FY 2015; however, the City formed a pay plan committee who in turn recommended to the City Council a new pay plan effective November 1, 2015. The City Council approved their recommendation in October 2015.

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 1 loan in FY 2015. The loan was to Silgan for \$1.2 million. This will bring 120 jobs (with a possible additional 40 from its headquarters) to Hazelwood. The company is moving equipment into its building in Aviator Business Park this winter. The loan proceeds will be disbursed once they are ready for operation. Silgan's occupancy allowed Weekends Only, a furniture retailer, to lease the remainder of the building for warehousing and distribution.

## **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 2015, Hazelwood received a grant to promote our annual June Recycle Day (collection of electronics, appliances, usable household items, cardboard and single stream recyclables). Other activities included event recycling for the 4th of July fireworks and HarvestFest, special litter pick-up with the Hazelwood West High School, and regular litter pick-ups at the Lindbergh/Lynn Haven/Taylor intersection, Dunn Road, and Truman Park. Lastly, a recycled plastic lumber park bench was donated to the city and installed at Truman Park.

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

The following items were some of the investment purchases made by the City in FY 2015: 1 fire truck, 1 ambulance, 1 SUV for the Fire Department, 3 new 1 ton pickups for Public Works, 1 front-end loader, 1 mower, as well as a new generator for City Hall, a new boiler for the Community Center, 10 tasers to replace the outdated tasers, 5 mobile digital video recorder for the Police Department, a new phone system, a storage area network replacement, and several Musick Park improvements. 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, 2014, the funded ratio is 88.2%, compared to 86% in 2013, 85.1 % in 2012, 85.3% in 2011, 87.2% in 2010, and 91.7% in 2009.

### **Long-term Debt**

At June 30, 2015 the City had long-term debt in the amount of \$34,601,174 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 \$51.7 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 2015 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, 2014. This was the seventeenth 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,



Matthew Zimmerman  
City Manager

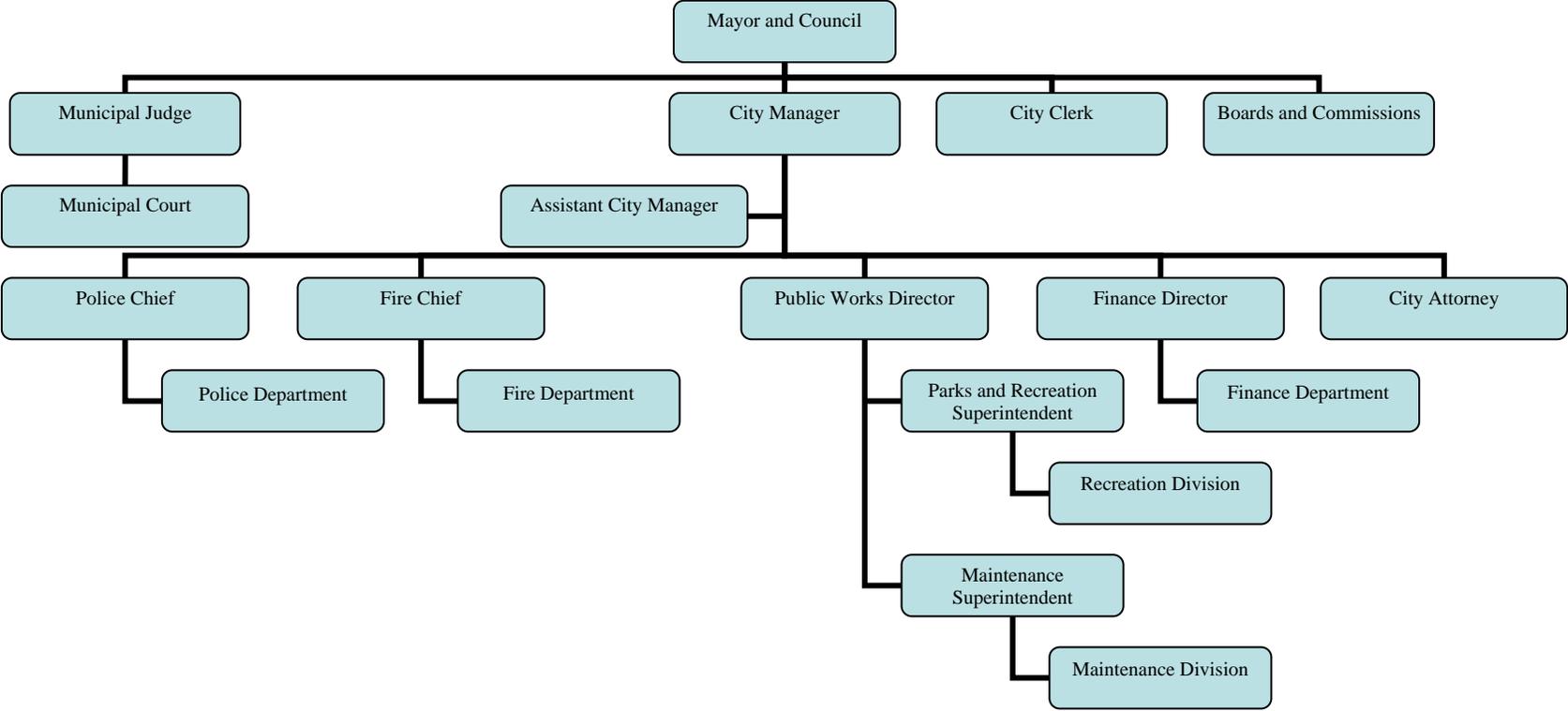


Lori A. Helle  
Finance Director

**CITY OF HAZELWOOD, MISSOURI**  
**PRINCIPAL CITY OFFICIALS**  
**JUNE 30, 2015**

<b>Position</b>	<b>Name</b>	<b>Election/Hire Date</b>	<b>Term Dates</b>
Mayor	Matthew Robinson	4/2009	4/2015 - 4/2018
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	Vacant		
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  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Hazelwood  
Missouri**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



**Section II**

**Financial Section**



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

## INDEPENDENT AUDITOR'S REPORT

November 24, 2015

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, 2015, 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

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 the 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, 2015, 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.

## **Other Matters**

### *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 our report dated November 24, 2015 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, 2015

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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, 2015. 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 \$6,500,903 (net position). The City had negative unrestricted net position totaling (\$23,412,671). This deficit is mainly due to \$17,055,000 of tax increment financing (TIF) revenue notes plus \$9,465,331 in accrued interest on those 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 \$14,148,230, a decrease of \$3,138,351 in comparison with the prior year fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,350,004 or 26.5% of total General Fund expenditures.
- The City's total long-term debt decreased \$6,046,871 during the most recent fiscal year due to the payoff of the crossover refunding general obligation bonds and 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, 2015**

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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 nine 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 four 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, the General Fund and Economic Development Fund budgetary comparison schedules and pension schedules represent financial information required by accounting principles generally accepted in the United States of America to be presented.

**CITY OF HAZELWOOD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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

**Other supplemental information.** This part of the annual report includes optional financial information such as combining statements for the 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 - PRIMARY GOVERNMENT**

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 \$6,500,903 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:

**CITY OF HAZELWOOD, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>June 30</b>		<b>2015 Change</b>	
	<b>2015</b>	<b>2014</b>	<b>Amount</b>	<b>Percent</b>
<b>ASSETS</b>				
Current and other assets	\$ 17,294,919	26,570,563	(9,275,644)	(34.9) %
Capital assets	37,400,206	37,617,049	(216,843)	(0.6)
Total Assets	<u>54,695,125</u>	<u>64,187,612</u>	<u>(9,492,487)</u>	<u>(14.8)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows - pension related	<u>827,770</u>	<u>-</u>	<u>827,770</u>	100.0
<b>LIABILITIES</b>				
Current and other liabilities	11,848,182	16,885,260	(5,037,078)	(29.8)
Long-term liabilities	<u>37,173,810</u>	<u>42,486,065</u>	<u>(5,312,255)</u>	<u>(12.5)</u>
Total Liabilities	<u>49,021,992</u>	<u>59,371,325</u>	<u>(10,349,333)</u>	<u>(17.4)</u>
<b>NET POSITION</b>				
Net investment in capital assets	21,730,322	21,436,564	293,758	1.4
Restricted	8,183,252	6,236,403	1,946,849	31.2
Unrestricted	<u>(23,412,671)</u>	<u>(22,856,680)</u>	<u>(555,991)</u>	<u>(2.4)</u>
Total Net Position	<u>\$ 6,500,903</u>	<u>4,816,287</u>	<u>1,684,616</u>	<u>35.0 %</u>

Governmental activities increased the City's net position by \$1,684,616.

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

**CITY OF HAZELWOOD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>For The Years Ended June 30</b>		<b>2015 Change</b>	
	<b>2015</b>	<b>2014</b>	<b>Amount</b>	<b>Percent</b>
<b>REVENUES</b>				
Program revenues:				
Charges for services	\$ 2,531,579	3,291,134	(759,555)	(23.1) %
Operating grants and contributions	2,276,605	2,932,605	(656,000)	(22.4)
Capital grants and contributions	616,661	846,496	(229,835)	(27.2)
General revenues:				
Taxes	28,911,602	27,824,797	1,086,805	3.9
Licenses and other	4,781,426	3,948,021	833,405	21.1
Total Revenues	<u>39,117,873</u>	<u>38,843,053</u>	<u>274,820</u>	0.7
<b>EXPENSES</b>				
General government	2,977,964	2,902,583	75,381	2.6
Police	7,917,507	9,316,264	(1,398,757)	(15.0)
Fire and ambulance	9,379,951	8,271,077	1,108,874	13.4
Public works	3,824,403	3,695,178	129,225	3.5
Parks and recreation	2,760,122	2,915,181	(155,059)	(5.3)
Economic development	7,805,287	7,858,298	(53,011)	(0.7)
Sewer lateral	97,294	96,021	1,273	1.3
Interest on long-term debt	2,670,729	2,869,492	(198,763)	(6.9)
Special item	-	1,292,129	(1,292,129)	(100.0)
Total Expenses	<u>37,433,257</u>	<u>39,216,223</u>	<u>(1,782,966)</u>	(4.5)
<b>CHANGE IN NET POSITION</b>	<u>\$ 1,684,616</u>	<u>(373,170)</u>	<u>2,057,786</u>	551.4 %

Revenues increased mainly due to a new sales tax. The voters passed the ¼ cent fire sales tax in August 2014, which began January 2015. Expenses decreased mainly due to a one time Asset Forfeiture Fund expenditures in FY 2014.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

**CITY OF HAZELWOOD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,148,230, a decrease of \$3,138,351 in comparison with the prior year. The City currently has an unassigned fund balance of \$6,350,004. 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 \$6,350,004, while total fund balance reached \$6,366,444. 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 26.5% of total General Fund expenditures, while total fund balance represents 26.5% of that same amount. The fund balance of the General Fund increased by \$392,110 during the current fiscal year. This increase is due to a new revenue source (¼ cent fire sales tax) that was passed by the voters in August 2014.

The Capital Projects Fund balance decreased \$176,670 during the fiscal year to \$715,595. The main reason for the decrease was increases in capital outlay expenses which were partially funded by grants and issuance of capital leases.

The Debt Service Fund decreased its fund balance \$5,392,630 during the fiscal year to \$870,237. The main reason for the decrease is the payoff of the crossover refunding general obligation bonds and normal debt service payments. The entire fund balance is restricted for payment of the general obligations bonds.

The Economic Development Fund increased its fund balance \$714,286 during the fiscal year to \$2,723,209. 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 \$839,382 above the budgeted amount of \$24,254,397, due to various revenues being over or under budget. Expenditures were \$375,527 below the budgeted amount of \$24,354,671 due to adjustments made to spending.

**CAPITAL ASSETS**

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

	<b>June 30</b>	
	<b>2015</b>	<b>2014</b>
Land, right-of-way, and construction in progress	\$ 4,933,859	4,731,765
Buildings and improvements	11,811,203	12,429,745
Infrastructure	16,814,081	17,900,981
Machinery, equipment, and furniture and fixtures	1,568,394	820,993
Automotive equipment	2,272,669	1,733,565
<b>Total Capital Assets</b>	<b>\$ 37,400,206</b>	<b>37,617,049</b>

**CITY OF HAZELWOOD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

**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.

	<b>June 30</b>	
	<b>2015</b>	<b>2014</b>
General obligation bonds	\$ 10,590,847	16,632,324
Certificates of participation	4,009,412	4,236,615
Special obligation bonds	-	117,541
Tax increment revenue notes	17,055,000	17,055,000
Note payable	9,027	12,380
Capital lease obligations	1,480,598	1,104,219
Compensated absences	1,456,290	1,489,966
	<b>\$ 34,601,174</b>	<b>40,648,045</b>
Total Long-term Debt		

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Economic conditions may be highlighted as follows at the close of fiscal year 2015:

- Gas prices average \$2.778 in the Midwest and \$2.796 nationally for All Grades (all history) per [www.eia.gov/petroleum/gasdiesel/](http://www.eia.gov/petroleum/gasdiesel/).
- Midwest urban wage earners and clerical workers consumer price index at June 30, 2015 has decreased 1.1% since February 2014.
- The unemployment rate in the United States has decreased for fiscal year 2014 to 5.8% according to the Missouri Economic Research Center. The City's unemployment rate, has also decreased from fiscal year 2014 to 5.9%.
- Total 2015 General Fund revenues were \$1,114,065, or 4.6%, more than 2014 due mainly to a new sales tax passed by the votes in August 2014 (¼ cent fire sales tax), an increase in overall sale tax revenues and a one-time lawsuit settlement. In addition to the revenues being up, they were also \$839,382 more than budget.
- All 2015 General Fund sales taxes (including park and stormwater, capital improvements, and economic development, as well as the use tax, the hotel tax and the new fire sales tax) increased 11%, or \$843,850, over 2014 and 5.8%, or 492,076, more than budget. A 2.6% overall increase is included in the 2016 budget, but most of that is due to the new ¼ cent general option sales tax that was passed by the voters in April 2015, which will begin October 2015 (9 months in FY 2016).

**CITY OF HAZELWOOD, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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- 2015 is a reassessment year. And while assessment values are down, the budget does include a 1% increase in Property Taxes in fiscal year 2016.
- The City's Fund Balance Policy requires a minimum General Fund unassigned fund balance of 17% of revenue. 2015 unassigned fund balance represents 26.5% of expenditures, which is slightly more 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 2016 budget includes \$453,000 for a pay plan revision including the costs of benefits. A pay plan committee was formed and made a recommendation to the City Council, which they approved. All employees received something effective November 1, 2015.
- The 2016 Budget projects a \$45,118 increase in the General Fund balance (unassigned fund balance of 25% of expenditures).

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our residents and taxpayers with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have 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, 2015**

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Industrial Development Authority</b>
<b>ASSETS</b>		
Cash and investments	\$ 10,944,296	7,699,253
Receivables:		
Property taxes	1,556,259	-
Sales taxes	2,715,292	-
Special assessments	420,000	-
Ambulance	248,000	-
Court	113,227	-
Other	1,165,912	528,693
Due from Fiduciary Fund	26,243	-
Prepaid items	34,974	-
Cash - restricted	70,716	-
Capital assets:		
Land and construction in progress	4,933,859	-
Other capital assets, net of accumulated depreciation	32,466,347	-
Total Assets	54,695,125	8,227,946
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows - pension related	827,770	-
<b>LIABILITIES</b>		
Accounts payable	1,082,849	6,092,866
Accrued payroll	667,133	-
Accrued interest	9,742,359	135,656
Other liabilities	280,841	-
Unearned revenue	75,000	-
Long-term liabilities:		
Due within one year	2,505,638	445,000
Due in more than one year	32,095,536	5,172,717
Due in more than one year - net OPEB obligation	271,990	-
Due in more than one year - net pension liability	2,300,646	-
Total Liabilities	49,021,992	11,846,239
<b>NET POSITION</b>		
Net investment in capital assets	21,730,322	-
Restricted for:		
Asset forfeiture	261,086	-
Capital projects	278,596	-
Debt service	1,727,236	1,464,619
Economic development	5,585,800	-
Sewer lateral	330,534	-
Unrestricted	(23,412,671)	(5,082,912)
Total Net Position	\$ 6,500,903	(3,618,293)

**CITY OF HAZELWOOD, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	Net Revenues (Expenses) And Changes In Net Position					
	Expenses	Program Revenues			Primary Government	Component Unit
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Industrial Development Authority
<b>Primary Government</b>						
<b>Governmental Activities</b>						
General government	\$ 2,977,964	487,791	-	-	(2,490,173)	-
Police	7,917,507	912,185	643,349	-	(6,361,973)	-
Fire and ambulance	9,379,951	558,919	96,325	199,264	(8,525,443)	-
Public works	3,824,403	-	1,536,931	160,897	(2,126,575)	-
Parks and recreation	2,760,122	537,660	-	256,500	(1,965,962)	-
Economic development	7,805,287	-	-	-	(7,805,287)	-
Sewer lateral	97,294	35,024	-	-	(62,270)	-
Interest on long-term debt	2,670,729	-	-	-	(2,670,729)	-
Total Governmental Activities	<u>\$ 37,433,257</u>	<u>2,531,579</u>	<u>2,276,605</u>	<u>616,661</u>	<u>(32,008,412)</u>	<u>-</u>
<b>Component Unit</b>						
Industrial Development Authority	<u>\$ 6,718,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,718,340)</u>
<b>General Revenues</b>						
Property taxes				10,911,903	-	
Sales taxes				14,532,163	-	
Utility taxes				3,399,153	-	
Other taxes				68,383	7,200,084	
Licenses				3,733,034	-	
Investment income				72,557	25,474	
Other				975,835	-	
Total General Revenues				<u>33,693,028</u>	<u>7,225,558</u>	
<b>CHANGE IN NET POSITION</b>				1,684,616	507,218	
NET POSITION, JULY 1, AS RESTATED				<u>4,816,287</u>	<u>(4,125,511)</u>	
<b>NET POSITION, JUNE 30</b>				<u>\$ 6,500,903</u>	<u>(3,618,293)</u>	

See notes to financial statements

**CITY OF HAZELWOOD, MISSOURI**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

JUNE 30, 2015

	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>370/MO Bottom Road Tax Increment Financing District</b>	<b>Economic Development</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>							
Cash and investments	\$ 4,527,730	436,999	797,559	2,421	2,430,461	2,749,126	10,944,296
Receivables, net:							
Property taxes	583,089	-	72,942	-	-	900,228	1,556,259
Sales taxes	1,805,264	287,241	-	305,838	288,170	28,779	2,715,292
Special assessments	-	-	420,000	-	-	-	420,000
Ambulance	248,000	-	-	-	-	-	248,000
Court	113,227	-	-	-	-	-	113,227
Other	753,630	256,500	-	1,200	154,394	188	1,165,912
Due from other funds	172,723	-	-	-	-	-	172,723
Prepaid items	16,440	-	-	-	2,660	15,874	34,974
Cash - restricted	70,716	-	-	-	-	-	70,716
<b>Total Assets</b>	<b>\$ 8,290,819</b>	<b>980,740</b>	<b>1,290,501</b>	<b>309,459</b>	<b>2,875,685</b>	<b>3,694,195</b>	<b>17,441,399</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 297,044	118,665	264	309,459	135,967	221,450	1,082,849
Accrued payroll	665,624	-	-	-	1,509	-	667,133
Due to other funds	-	146,480	-	-	-	-	146,480
Other liabilities	280,841	-	-	-	-	-	280,841
Unearned revenue:							
Fire protection service	60,000	-	-	-	-	-	60,000
Other	-	-	-	-	15,000	-	15,000
<b>Total Liabilities</b>	<b>1,303,509</b>	<b>265,145</b>	<b>264</b>	<b>309,459</b>	<b>152,476</b>	<b>221,450</b>	<b>2,252,303</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues:							
Property taxes	345,519	-	-	-	-	-	345,519
Special assessments	-	-	420,000	-	-	-	420,000
Ambulance	162,120	-	-	-	-	-	162,120
Court	113,227	-	-	-	-	-	113,227
<b>Total Deferred Inflows Of Resources</b>	<b>620,866</b>	<b>-</b>	<b>420,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,040,866</b>
<b>FUND BALANCES</b>							
Nonspendable:							
Prepaid items	16,440	-	-	-	2,660	15,874	34,974
Restricted for:							
Asset forfeiture	-	-	-	-	-	261,086	261,086
Capital projects	-	278,596	-	-	-	-	278,596
Debt service	-	436,999	870,237	-	-	-	1,307,236
Economic development	-	-	-	-	2,720,549	2,865,251	5,585,800
Sewer lateral	-	-	-	-	-	330,534	330,534
Unassigned	6,350,004	-	-	-	-	-	6,350,004
<b>Total Fund Balances</b>	<b>6,366,444</b>	<b>715,595</b>	<b>870,237</b>	<b>-</b>	<b>2,723,209</b>	<b>3,472,745</b>	<b>14,148,230</b>
<b>Total Liabilities, Deferred Inflows Of Resources, And Fund Balances</b>	<b>\$ 8,290,819</b>	<b>980,740</b>	<b>1,290,501</b>	<b>309,459</b>	<b>2,875,685</b>	<b>3,694,195</b>	<b>17,441,399</b>

**CITY OF HAZELWOOD, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

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Total Fund Balances - Governmental Funds	\$ 14,148,230
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 \$75,627,535 and the accumulated depreciation is \$38,227,329.	37,400,206
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.	1,040,866
Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:	
Net OPEB obligation	(271,990)
Net pension liability	(2,300,646)
Deferred outflows - pension related	827,770
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	(1,456,290)
Bonds, notes, and capital leases	(32,923,672)
Accrued interest	(9,742,359)
Unamortized bond premium/discount	(221,212)
Net Position Of Governmental Activities	\$ 6,500,903

**CITY OF HAZELWOOD, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<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>
<b>REVENUES</b>							
Property taxes	\$ 4,234,894	-	1,078,219	3,443,597	-	2,134,035	10,890,745
Sales taxes	8,503,585	1,684,418	-	2,357,105	2,065,605	127,579	14,738,292
Utility taxes	3,336,886	-	-	62,267	-	-	3,399,153
Other taxes	1,399,185	-	-	-	-	-	1,399,185
Permits and inspections	471,362	-	-	-	-	-	471,362
Licenses	3,733,034	-	-	-	-	-	3,733,034
Intergovernmental	463,189	455,764	-	-	160,897	361,857	1,441,707
Fines and forfeitures	1,081,830	-	-	-	-	-	1,081,830
Investment income	45,774	8,703	17,507	-	430	143	72,557
Recreation fees	537,660	-	-	-	-	-	537,660
Sewer lateral	-	-	-	-	-	35,024	35,024
Other	1,286,380	49,448	83,138	-	103,178	-	1,522,144
Total Revenues	<u>25,093,779</u>	<u>2,198,333</u>	<u>1,178,864</u>	<u>5,862,969</u>	<u>2,330,110</u>	<u>2,658,638</u>	<u>39,322,693</u>
<b>EXPENDITURES</b>							
Current:							
Mayor and council	125,725	-	-	-	-	-	125,725
City manager	518,276	-	-	-	-	-	518,276
Information system	497,195	-	-	-	-	-	497,195
Finance	419,602	-	2,564	-	-	-	422,166
Legal	463,806	-	-	-	-	-	463,806
City clerk	247,379	-	-	-	-	-	247,379
Police	7,774,849	-	-	-	-	63,517	7,838,366
Fire and ambulance	9,087,169	-	-	-	-	-	9,087,169
Public works:							
Administration	1,247,460	-	-	-	-	-	1,247,460
General maintenance	1,057,317	-	-	-	-	-	1,057,317
Park maintenance	729,793	-	-	-	-	-	729,793
Recreation	1,678,093	-	-	-	-	-	1,678,093
Sewer lateral	-	-	-	-	-	97,294	97,294
Economic development	-	650,084	-	5,862,969	975,967	220,291	7,709,311
Capital outlay	132,480	2,501,033	-	-	370,900	-	3,004,413
Debt service:							
Principal	-	491,223	6,015,000	-	198,041	-	6,704,264
Interest	-	169,937	553,930	-	70,916	952,983	1,747,766
Total Expenditures	<u>23,979,144</u>	<u>3,812,277</u>	<u>6,571,494</u>	<u>5,862,969</u>	<u>1,615,824</u>	<u>1,334,085</u>	<u>43,175,793</u>
<b>REVENUES OVER (UNDER) EXPEN- DITURES</b>	<u>1,114,635</u>	<u>(1,613,944)</u>	<u>(5,392,630)</u>	<u>-</u>	<u>714,286</u>	<u>1,324,553</u>	<u>(3,853,100)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Capital lease	-	714,749	-	-	-	-	714,749
Transfers in	-	722,525	-	-	-	-	722,525
Transfers out	<u>(722,525)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(722,525)</u>
Total Other Financing Sources (Uses)	<u>(722,525)</u>	<u>1,437,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>714,749</u>
<b>NET CHANGE IN FUND BALANCES</b>	392,110	(176,670)	(5,392,630)	-	714,286	1,324,553	(3,138,351)
FUND BALANCES, JULY 1	<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>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 6,366,444</u>	<u>715,595</u>	<u>870,237</u>	<u>-</u>	<u>2,723,209</u>	<u>3,472,745</u>	<u>14,148,230</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, 2015**

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Net Change In Fund Balances - Governmental Funds \$ (3,138,351)

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 (\$2,791,077) exceeded capital outlays over the capitalization threshold (\$2,614,943) in the current period. (176,134)

The net effect of various miscellaneous transactions involving capital assets:  
 Cost of disposals, net of accumulated depreciation (40,709)

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 (153,572)

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 (714,749)  
 Repayments during the current year:  
     Bonds and notes payable 6,365,894  
     Capital leases payable 338,370

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 33,676  
     Accrued interest (946,643)  
     Amortization of premium/discount 23,680  
     Net OPEB obligation (127,287)  
     Net pension liability (607,329)  
     Deferred outflows - pension related 827,770

Change In Net Position Of Governmental Activities \$ 1,684,616

**CITY OF HAZELWOOD, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION - PENSION TRUST FUND**  
**JUNE 30, 2015**

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**ASSETS**

Investments at fair value:	
Common stock	\$ 12,198,542
Corporate obligations	6,476,921
Money market funds	416,149
Mutual funds	13,703,557
Government and agency securities	3,074,978
Interest receivable	69,588
Total Assets	<u>35,939,735</u>

**LIABILITIES**

Accounts payable	22,000
Due to other funds	26,243
Total Liabilities	<u>48,243</u>

**NET POSITION**

Held in trust for pension benefits	<u>\$ 35,891,492</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, 2015**

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**ADDITIONS**

Employer contributions	\$ 1,317,197
Investment income:	
Interest and dividends	801,849
Net increase in fair value of investments	847,780
Trustee fees - asset management	(118,956)
Net Investment Earnings	<u>1,530,673</u>
Total Additions	<u>2,847,870</u>

**DEDUCTIONS**

Benefits	<u>1,751,201</u>
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**CHANGE IN NET POSITION**

1,096,669

NET POSITION HELD IN TRUST FOR  
PENSION BENEFITS, JULY 1

34,794,823

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

\$ 35,891,492

# CITY OF HAZELWOOD, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

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### 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. 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**

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**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**

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**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 \$328,246 for the Economic Development Fund and \$3,485 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 \$75,485, and ambulance revenues are shown net of an allowance for uncollectibles of \$247,999.

**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 currently has deferred outflows related to the pension.

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**

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**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.

**17. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's defined benefit pension plan (the Plan) and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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, 2015, 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.

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

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

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

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

As of June 30, 2015, the City had the following investments:

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

<b>Investments</b>	<b>Fair Value</b>	<b>Maturities</b>					<b>Credit Risk</b>
		<b>No Maturity</b>	<b>Less Than One Year</b>	<b>1 - 5 Years</b>	<b>6 - 10 Years</b>	<b>More Than 10 Years</b>	
<b>Primary Government</b>							
Certificates of deposit	\$ 3,360,022	-	1,463,401	1,896,621	-	-	N/A
Repurchase agreement	5,861,175	-	5,861,175	-	-	-	N/A
Money market funds	153,354	153,354	-	-	-	-	Not rated
Government securities:							
Federal agency notes	284,970	-	-	284,970	-	-	AAA
Total Primary Government	<u>9,659,521</u>	<u>153,354</u>	<u>7,324,576</u>	<u>2,181,591</u>	<u>-</u>	<u>-</u>	
<b>Component Unit (IDA)</b>							
Certificates of deposit	75,394	-	75,394	-	-	-	N/A
Money market funds	7,032,001	7,032,001	-	-	-	-	Not rated
Government securities:							
Federal agency notes	576,932	-	-	364,966	-	211,966	AAA
Total Component Unit (IDA)	<u>7,684,327</u>	<u>7,032,001</u>	<u>75,394</u>	<u>364,966</u>	<u>-</u>	<u>211,966</u>	
<b>Fiduciary Fund</b>							
Common stock	12,198,542	12,198,542	-	-	-	-	N/A
Corporate obligations	1,690,739	-	-	905,602	-	785,137	AAA
Corporate obligations	496,456	-	-	293,956	202,500	-	AA
Corporate obligations	2,045,843	-	-	956,537	1,089,306	-	A
Corporate obligations	2,243,883	-	-	896,807	1,165,783	181,293	BBB
Money market funds	416,149	416,149	-	-	-	-	Not rated
Mutual funds	13,703,557	13,703,557	-	-	-	-	N/A
Government securities:							
Federal agency notes	1,192,932	-	285,673	627,891	198,631	80,737	AAA
Municipal issues	59,148	-	-	59,148	-	-	A
U.S. Treasury notes	1,822,898	-	190,674	1,376,912	255,312	-	AAA
Total Fiduciary Fund	<u>35,870,147</u>	<u>26,318,248</u>	<u>476,347</u>	<u>5,116,853</u>	<u>2,911,532</u>	<u>1,047,167</u>	
Total Investments	<u>\$ 53,213,995</u>	<u>33,503,603</u>	<u>7,876,317</u>	<u>7,663,410</u>	<u>2,911,532</u>	<u>1,259,133</u>	

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS**

Capital assets activity was as follows:

	<b>For The Year Ended June 30, 2015</b>			<b>Balance June 30 2015</b>
	<b>Balance June 30 2014</b>	<b>Increases</b>	<b>Decreases</b>	
Capital assets not being depreciated:				
Land and right-of-way	\$ 4,391,069	90,713	-	4,481,782
Construction in progress	340,696	427,444	316,063	452,077
Total Capital Assets Not Being Depreciated	<u>4,731,765</u>	<u>518,157</u>	<u>316,063</u>	<u>4,933,859</u>
Capital assets being depreciated:				
Buildings and improvements	22,767,291	198,793	99,518	22,866,566
Infrastructure	36,985,857	216,466	-	37,202,323
Machinery, equipment, and furniture and fixtures	4,924,610	1,017,281	288,939	5,652,952
Automotive equipment	4,602,008	980,309	610,482	4,971,835
Total Capital Assets Being Depreciated	<u>69,279,766</u>	<u>2,412,849</u>	<u>998,939</u>	<u>70,693,676</u>
Less - Accumulated depreciation for:				
Buildings and improvements	10,337,546	797,493	79,676	11,055,363
Infrastructure	19,084,876	1,303,366	-	20,388,242
Machinery, equipment, and furniture and fixtures	4,103,617	254,883	273,942	4,084,558
Automotive equipment	2,868,443	435,335	604,612	2,699,166
Total Accumulated Depreciation	<u>36,394,482</u>	<u>2,791,077</u>	<u>958,230</u>	<u>38,227,329</u>
Total Capital Assets Being Depreciated, Net	<u>32,885,284</u>	<u>(378,228)</u>	<u>40,709</u>	<u>32,466,347</u>
Capital Assets, Net	<u>\$ 37,617,049</u>	<u>139,929</u>	<u>356,772</u>	<u>37,400,206</u>

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

	<b>For The Year Ended June 30 2015</b>
General government	\$ 564,853
Police	178,795
Fire and ambulance	304,045
Public works, including depreciation of infrastructure assets	1,458,421
Parks and recreation	<u>284,963</u>
 Total	 <u>\$2,791,077</u>

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE D - LONG-TERM DEBT**

Long-term debt consisted of the following:

	<u>June 30</u> <u>2015</u>
<b>General Obligation Bonds</b>	
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.	\$ 420,000
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.	4,625,000
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, 2015, \$108,815 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.	<u>5,289,047</u>
Total General Obligation Bonds	<u>\$10,334,047</u>
<b>Certificates of Participation</b>	
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.	<u>\$4,045,000</u>
<b>Note Payable</b>	
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.	<u>\$9,027</u>

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

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - LONG-TERM DEBT (Continued)**

<b>For The Years Ending June 30</b>	<b>General Obligation Bonds</b>		<b>Certificates Of Participation</b>		<b>Note Payable</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>
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	990,000	205,487	280,000	148,490	-
2021 - 2025	4,709,047	972,947	1,600,000	533,952	-
2026 - 2028	935,000	59,925	1,165,000	118,250	-
<b>Total</b>	<b>\$ 10,334,047</b>	<b>2,302,969</b>	<b>4,045,000</b>	<b>1,503,922</b>	<b>9,027</b>

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, 2015 amounted to \$9,465,331 and amounts outstanding are as follows:

	<b><u>Date Issued</u></b>	<b><u>Date Of Maturity</u></b>	<b><u>Original Amount</u></b>	<b><u>Balance June 30 2015</u></b>
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>
<b>Total</b>				<b><u>\$17,055,000</u></b>

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%.

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 \$481,664 to the Capital Projects Fund for its portion of the pledged revenues. The Capital Projects Fund paid \$650,084 to the IDA for the year ended June 30, 2015. The interest rates on the bonds range from 5.31% to 5.875%.

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - LONG-TERM DEBT (Continued)**

	<u>Date Issued</u>	<u>Date Of Maturity</u>	<u>Original Amount</u>	<u>Balance June 30 2015</u>
Tax increment financing bonds:				
370/Missouri Bottom Road Redevelopment Area	11-25-2003	8-1-2020	\$26,385,000	\$1,120,000
Taxable annual appropriation capital projects bonds:				
Cabela's Project	03-07-2007	2-1-2027	5,845,000	<u>4,645,000</u>
Total				<u>\$5,765,000</u>

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

	<u>For The Year Ended June 30, 2015</u>			<u>Balance June 30 2015</u>	<u>Amounts Due Within One Year</u>
	<u>Balance June 30 2014</u>	<u>Additions</u>	<u>Deletions</u>		
<b>Primary Government</b>					
General obligation bonds	\$ 16,349,047	-	6,015,000	10,334,047	885,000
Plus - Premium	283,277	-	26,477	256,800	-
Certificates of participation	4,275,000	-	230,000	4,045,000	235,000
Less - Discount	(38,385)	-	(2,797)	(35,588)	-
Special obligation bonds	117,541	-	117,541	-	-
Tax increment revenue notes	17,055,000	-	-	17,055,000	-
Note payable	12,380	-	3,353	9,027	3,353
Capital lease obligations	1,104,219	714,749	338,370	1,480,598	363,285
Compensated absences	1,489,966	843,150	876,826	1,456,290	1,019,000
Total	<u>\$ 40,648,045</u>	<u>1,557,899</u>	<u>7,604,770</u>	<u>34,601,174</u>	<u>2,505,638</u>
<b>Component Unit</b>					
Capital projects bonds	\$ 4,910,000	-	265,000	4,645,000	280,000
Less - Discount	(20,888)	-	(1,649)	(19,239)	-
Tax increment financing revenue bonds	1,275,000	-	155,000	1,120,000	165,000
Less - Discount	(151,325)	-	(23,281)	(128,044)	-
Total	<u>\$ 6,012,787</u>	<u>-</u>	<u>395,070</u>	<u>5,617,717</u>	<u>445,000</u>

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

**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 \$2,865,212 and \$649,754 accumulated depreciation is included in the government-wide financial statements.

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE E - CAPITAL LEASES (Continued)**

The future minimum lease payment under the capital leases and the present value of the net minimum lease payment as of June 30, 2015 is as follows:

<b>For The Years Ending June 30</b>	
2016	\$ 397,824
2017	376,071
2018	261,721
2019	193,388
2020	193,388
2021 - 2022	<u>158,840</u>
Total Minimum Lease Payments	1,581,232
Less - Amount representing interest	<u>100,634</u>
Present Value Of Future Minimum Lease Payments	<u><u>\$1,480,598</u></u>

**NOTE F - EMPLOYEE RETIREMENT PLAN**

**General Information about the Plan**

**Plan description.** The City's defined benefit pension plan (the Plan) provides pensions for all permanent full-time policemen, firemen, and other employees of the City. The Plan was created and is governed by City ordinance. 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.

**Benefits provided.** 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.

**Employees covered by benefit terms.** At June 30, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	80
Inactive employees entitled to but not yet receiving benefits	25
Active employees	<u>177</u>
	<u><u>282</u></u>

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - EMPLOYEE RETIREMENT PLAN (Continued)**

**Contributions.** The City contributes to the Plan based on an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the Plan. For the year ended June 30, 2014, the City's contribution to the Plan was 13.2% of annual covered payroll.

**Net Pension Liability**

The City's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial assumptions.** The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	4.5%, average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with a 70% Blue Collar adjustment with a static projection using Scale AA for all participants to 10 years after the valuation date.

The actuarial assumptions used in the June 30, 2014 valuation were based upon an annual review of actual experience compared to previous assumptions used, and a perspective on future expectations.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	48.0 %	N/A %
International equity	12.0	N/A
Fixed income	40.0	N/A

**Discount rate.** The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that City contributions will continue to follow the current funding policy of contributing employer normal cost plus Plan expense plus a 15-year amortization (on an open basis) of unfunded liabilities. Based on this assumption, the Plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members.

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - EMPLOYEE RETIREMENT PLAN (Continued)**

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at June 30, 2013</b>	\$ 36,390,789	34,697,472	1,693,317
<b>Changes for the year:</b>			
Service cost	720,751	-	720,751
Interest	2,719,167	-	2,719,167
Difference between expected and actual experience	-	-	-
Contributions - employer	-	1,281,985	(1,281,985)
Projected earnings on plan investments	-	1,550,604	(1,550,604)
Difference between projected and actual earnings	-	-	-
Benefit payments, including refunds	(1,743,486)	(1,743,486)	-
Administrative expense	-	-	-
Other changes	-	-	-
<b>Net Changes</b>	<u>1,696,432</u>	<u>1,089,103</u>	<u>607,329</u>
<b>Balances at June 30, 2014</b>	<u>\$ 38,087,221</u>	<u>35,786,575</u>	<u>2,300,646</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability (Asset)	\$ 7,024,285	2,300,646	(1,697,523)

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

For the year ended June 30, 2015, the City recognized pension expense of \$1,061,544. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - EMPLOYEE RETIREMENT PLAN (Continued)**

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>827,770</u>	<u>-</u>
Total	<u>\$ 827,770</u>	<u>-</u>

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

<u>For The Years Ending June 30</u>	
2016	\$ 206,943
2017	206,942
2018	206,943
2019	<u>206,942</u>
Total	<u>\$ 827,770</u>

**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.

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**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.

**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 (\$23,412,671). This total is comprised of \$3,107,660 in unrestricted net position from operations and a negative unrestricted net position resulting from the issuance of TIF Revenue Notes in the amount of \$17,055,000 plus \$9,465,331 in accrued interest, which is for development not owned by the City.

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

**NOTE 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.

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE K - TAX INCREMENT REVENUES PLEDGED (Continued)**

For the current year, the IDA's principal and interest paid and total incremental tax revenues were \$768,045 and \$7,200,084, respectively. For the current year, the City's tax increment financing interest paid and total incremental tax revenues were \$952,983 and \$2,346,986, 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.

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:

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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

	<b>For The Year Ended June 30 2015</b>
Amortization of past service cost	\$ 54,539
Normal cost	34,352
Interest to end of fiscal year	3,556
Annual Required Contribution	92,447
Interest on net OPEB obligation	9,731
Adjustment to annual required contribution	(17,901)
Annual OPEB Cost	84,277
Contributions made	(55,574)
Increase In Net OPEB Obligation	28,703
Net OPEB obligation, July 1, 2014	243,287
Net OPEB Obligation, June 30, 2015	\$ 271,990

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.

**Schedule Of Funding Progress**

<b>Valuation For The Actuarial Valuation July 1</b>	<b>Actuarial Value Of Assets (1)</b>	<b>AAL (2)</b>	<b>UAAL (1) - (2)</b>	<b>Funded Ratio (1)/(2)</b>	<b>Covered Payroll (3)</b>	<b>UAAL As A Percentage Of Covered Payroll (1 - 2)/(3)</b>
2014	\$ -	\$ 770,846	\$ 770,846	- %	\$ 10,162,059	8 %
2013	-	633,636	633,636	-	10,091,285	6
2012	-	633,636	633,636	-	10,242,470	6

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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

<b>OPEB Plan</b>				
<b>For The Years Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Contribution Made</b>	<b>Percent Contributed</b>	<b>Net OPEB Obligation</b>
2015	\$ 84,277	\$ 55,574	65.9 %	\$ 271,990
2014	73,650	28,590	38.8	243,287
2013	75,448	21,924	29.1	198,227
2012	77,485	16,792	21.7	144,703
2011	45,037	15,987	35.5	84,010

The latest actuarial valuation was for the Plan year ended June 30, 2015. 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, 2015
Discount rate	4% per annum
Amortization method	Level dollar, open
Amortization period	20 years for initial UAAL, open
Payroll inflation	4%
Mortality	RP-2000 Combined Healthy Mortality Table
Medical premium rates	9.0% initial rate; 4.5% alternate rate

**NOTE M - INTERFUND ASSETS/LIABILITIES**

Individual interfund assets and liabilities are as follows:

**Due from/to other funds:**

<b><u>Receivable Fund</u></b>	<b><u>Payable Fund</u></b>	<b><u>June 30 2015</u></b>
General Fund	Pension Trust Fund	\$ 26,243
General Fund	Capital Projects Fund	<u>146,480</u>
Total		<u>\$172,723</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, 2016.

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE N - INTERFUND TRANSFERS**

Individual interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>June 30</u> <u>2015</u>
Capital Projects Fund	General Fund	<u>\$722,525</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, 2015, the City had \$1,543,300 of these loans outstanding. The City also has loans with other companies for \$3,223,829. An offsetting allowance for these amounts has been established.

**NOTE P - CONDUIT DEBT**

The City issued Industrial Revenue Bonds during 2015 to provide financial assistance to the private sector entity, Silgan Plastics Corporation Project, for the purpose of acquiring, constructing, and equipping an industrial development project deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. The 2015 Series is structured to pay the principal balance at maturity, December 1, 2025. At June 30, 2015, the principal amount payable for Silgan Plastics Corporation Project was \$108,760.

**NOTE Q - RESTRICTED NET POSITION**

The government-wide statement of net position reports \$8,183,252 of restricted net position of which \$6,456,016 is restricted by enabling legislation.

**CITY OF HAZELWOOD, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE R - RESTATEMENT OF NET POSITION**

The previously stated net position has been restated as follows:

	<b><u>Governmental Activities</u></b>
Net position, June 30, 2014, as previously reported	\$ 7,295,496
Restatement for GASB 68 implementation	<u>(2,479,209)</u>
Net Position, June 30, 2014, As Restated	<u><u>\$ 4,816,287</u></u>

**NOTE S - 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 \$743,267, \$20,890,089 and 3.56% respectively, which is below the threshold of 30% identified in RSMo 302.341.2.

**NOTE T - SUBSEQUENT EVENTS**

Subsequent to year end the City refunded a general obligation bond issue and a certificate of participation issue in the amount of \$13,959,047 to take advantage of lower interest rates.

City voters approved a ¼ cent local option sales tax on all retail sales within the City to begin on October 1, 2015.

In October 2015, the City approved to issue Industrial Revenue Bonds to provide financial assistance to the private sector entity, NP Hazelwood 140, LLC Project, for the purpose of acquiring, constructing, and equipping an industrial development project deemed to be in the public interest. The bonds will be secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof will be obligated in any manner for repayment of the bonds. The bonds are authorized up to \$14,000,000.

**REQUIRED SUPPLEMENTAL INFORMATION SECTION**

**CITY OF HAZELWOOD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
<b>Property taxes</b>				
Real estate	\$ 3,180,737	3,180,737	2,922,284	(258,453)
Personal property	733,402	733,402	891,141	157,739
Property surtax	380,254	380,254	421,469	41,215
Total Property Taxes	<u>4,294,393</u>	<u>4,294,393</u>	<u>4,234,894</u>	<u>(59,499)</u>
<b>Sales taxes</b>				
Hotel/motel tax	329,670	329,670	346,800	17,130
Fire	-	581,500	407,558	(173,942)
Park and stormwater	2,093,425	2,093,425	2,002,141	(91,284)
Sales	3,492,053	3,492,053	3,840,470	348,417
Use	1,514,861	1,514,861	1,906,616	391,755
Total Sales Taxes	<u>7,430,009</u>	<u>8,011,509</u>	<u>8,503,585</u>	<u>492,076</u>
<b>Utility taxes</b>				
	<u>4,677,727</u>	<u>3,375,967</u>	<u>3,336,886</u>	<u>(39,081)</u>
<b>Other taxes</b>				
Cigarette	67,357	67,357	68,383	1,026
Gasoline	682,736	682,736	680,020	(2,716)
Road and bridge	553,724	553,726	539,977	(13,749)
Vehicle fees	104,909	104,909	110,805	5,896
Total Other Taxes	<u>1,408,726</u>	<u>1,408,728</u>	<u>1,399,185</u>	<u>(9,543)</u>
<b>Permits and inspections</b>				
Building permits	225,000	225,000	294,898	69,898
Occupancy permits	177,428	177,428	176,464	(964)
Total Permits And Inspections	<u>402,428</u>	<u>402,428</u>	<u>471,362</u>	<u>68,934</u>
<b>Licenses</b>				
Manufacturers	1,231,000	1,231,000	1,132,145	(98,855)
Occupation services	1,408,000	1,408,000	1,697,519	289,519
Merchants	556,000	556,000	606,699	50,699
Liquor	11,046	11,046	12,725	1,679
Coin devices	5,000	5,000	4,110	(890)
Franchises	251,580	251,580	279,836	28,256
Total Licenses	<u>3,462,626</u>	<u>3,462,626</u>	<u>3,733,034</u>	<u>270,408</u>
<b>Intergovernmental</b>				
Grant income	<u>334,798</u>	<u>426,486</u>	<u>463,189</u>	<u>36,703</u>
<b>Fines and forfeitures</b>				
Court fines	1,475,560	1,475,560	1,040,369	(435,191)
Police fines	32,756	32,756	25,032	(7,724)
License fines	13,000	13,000	13,488	488
Property fines	30,000	30,000	2,941	(27,059)
Total Fines And Forfeitures	<u>1,551,316</u>	<u>1,551,316</u>	<u>1,081,830</u>	<u>(469,486)</u>
<b>Investment income</b>				
	<u>59,409</u>	<u>59,409</u>	<u>45,774</u>	<u>(13,635)</u>

(Continued)

**CITY OF HAZELWOOD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES (Continued)</b>				
<b>Recreation fees</b>				
Swimming pools	120,952	120,952	126,774	5,822
Rentals	73,395	73,395	102,894	29,499
Classes	126,569	126,569	145,877	19,308
Disc golf	574	574	244	(330)
Recreation programs and trips	19,725	19,725	15,704	(4,021)
Concessions	62,442	62,442	50,200	(12,242)
Resident cards	59,336	59,336	55,364	(3,972)
Sports complex	10,390	10,390	40,603	30,213
Total Recreation Fees	<u>473,383</u>	<u>473,383</u>	<u>537,660</u>	<u>64,277</u>
<b>Other</b>				
Fire protection service	120,000	120,000	120,000	-
Ambulance fees	385,310	385,310	400,433	15,123
Other	252,842	272,842	764,147	491,305
Sale of capital assets	10,000	10,000	1,800	(8,200)
Total Other	<u>768,152</u>	<u>788,152</u>	<u>1,286,380</u>	<u>498,228</u>
Total Revenues	<u>24,862,967</u>	<u>24,254,397</u>	<u>25,093,779</u>	<u>839,382</u>
<b>EXPENDITURES</b>				
<b>Mayor and council</b>				
Personnel services	42,786	42,786	41,097	(1,689)
Contractual services	45,619	85,824	84,448	(1,376)
Commodities	400	400	180	(220)
Total Mayor And Council	<u>88,805</u>	<u>129,010</u>	<u>125,725</u>	<u>(3,285)</u>
<b>City manager</b>				
Personnel services	407,494	404,852	399,964	(4,888)
Contractual services	70,442	79,563	88,597	9,034
Commodities	34,740	34,740	28,132	(6,608)
Contingencies	-	-	1,583	1,583
Total City Manager	<u>512,676</u>	<u>519,155</u>	<u>518,276</u>	<u>(879)</u>
<b>Information system</b>				
Personnel services	169,570	168,084	161,988	(6,096)
Contractual services	315,714	301,714	310,938	9,224
Commodities	29,100	29,100	24,269	(4,831)
Capital outlay	3,500	3,500	-	(3,500)
Total Information System	<u>517,884</u>	<u>502,398</u>	<u>497,195</u>	<u>(5,203)</u>
<b>Finance</b>				
Personnel services	332,137	280,204	282,271	2,067
Contractual services	123,087	140,262	136,133	(4,129)
Commodities	1,550	1,550	1,198	(352)
Capital outlay	200	200	-	(200)
Total Finance	<u>456,974</u>	<u>422,216</u>	<u>419,602</u>	<u>(2,614)</u>

**(Continued)**

**CITY OF HAZELWOOD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>EXPENDITURES (Continued)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Legal</b>				
Personnel services	232,835	230,798	196,625	(34,173)
Contractual services	354,922	354,922	263,179	(91,743)
Commodities	6,300	6,300	4,002	(2,298)
Capital outlay	-	-	375	375
Total Legal	<u>594,057</u>	<u>592,020</u>	<u>464,181</u>	<u>(127,839)</u>
<b>City clerk</b>				
Personnel services	217,353	191,795	193,265	1,470
Contractual services	53,454	55,869	53,351	(2,518)
Commodities	1,000	1,000	763	(237)
Total City Clerk	<u>271,807</u>	<u>248,664</u>	<u>247,379</u>	<u>(1,285)</u>
<b>Police</b>				
Personnel services	7,430,899	7,314,938	7,230,427	(84,511)
Contractual services	306,370	264,120	278,264	14,144
Commodities	290,803	281,803	242,424	(39,379)
Capital outlay	44,913	44,913	32,696	(12,217)
Contingencies	11,040	11,040	23,734	12,694
Total Police	<u>8,084,025</u>	<u>7,916,814</u>	<u>7,807,545</u>	<u>(109,269)</u>
<b>Fire</b>				
Personnel services	3,769,336	3,643,354	3,626,758	(16,596)
Contractual services	4,292,036	5,034,598	5,037,396	2,798
Commodities	59,450	54,000	53,958	(42)
Capital outlay	31,800	31,800	32,213	413
Contingencies	3,000	3,000	2,740	(260)
Total Fire	<u>8,155,622</u>	<u>8,766,752</u>	<u>8,753,065</u>	<u>(13,687)</u>
<b>Ambulance</b>				
Personnel services	264,583	264,769	267,236	2,467
Contractual services	60,743	64,193	64,332	139
Commodities	35,696	35,696	34,249	(1,447)
Capital outlay	1,700	1,700	500	(1,200)
Contingencies	500	500	500	-
Total Ambulance	<u>363,222</u>	<u>366,858</u>	<u>366,817</u>	<u>(41)</u>
<b>Public works</b>				
Administration:				
Personnel services	877,006	787,947	781,754	(6,193)
Contractual services	444,811	440,261	450,623	10,362
Commodities	22,200	22,200	15,083	(7,117)
Capital outlay	4,500	4,500	3,271	(1,229)
Total Administration	<u>1,348,517</u>	<u>1,254,908</u>	<u>1,250,731</u>	<u>(4,177)</u>

**(Continued)**

**CITY OF HAZELWOOD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>EXPENDITURES (Continued)</b>				
<b>Public works (continued)</b>				
General maintenance:				
Personnel services	754,205	726,754	699,459	(27,295)
Contractual services	115,546	90,836	76,602	(14,234)
Commodities	329,600	264,175	281,199	17,024
Capital outlay	8,500	25,039	24,502	(537)
Contingencies	1,000	1,000	57	(943)
Total General Maintenance	1,208,851	1,107,804	1,081,819	(25,985)
Park maintenance:				
Personnel services	777,572	644,557	633,385	(11,172)
Contractual services	49,793	44,543	36,067	(8,476)
Commodities	87,851	87,851	59,351	(28,500)
Capital outlay	25,400	25,400	17,547	(7,853)
Contingencies	1,000	1,000	990	(10)
Total Park Maintenance	941,616	803,351	747,340	(56,011)
Recreation:				
Personnel services	1,278,592	1,196,446	1,176,360	(20,086)
Contractual services	432,918	403,563	386,907	(16,656)
Commodities	113,525	110,437	106,888	(3,549)
Capital outlay	12,775	12,775	21,376	8,601
Contingencies	1,500	1,500	7,938	6,438
Total Recreation	1,839,310	1,724,721	1,699,469	(25,252)
Total Public Works	5,338,294	4,890,784	4,779,359	(111,425)
Total Expenditures	24,383,366	24,354,671	23,979,144	(375,527)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	479,601	(100,274)	1,114,635	1,214,909
<b>OTHER FINANCING USES</b>				
Transfers out	(637,896)	(827,972)	(722,525)	(105,447)
<b>NET CHANGE IN FUND BALANCE</b>	\$ (158,295)	(928,246)	392,110	1,320,356
FUND BALANCE, JULY 1			5,974,334	
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 6,366,444</b>	

**CITY OF HAZELWOOD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Sales taxes	\$ 2,192,633	2,065,605	(127,028)
Intergovernmental	1,719,012	160,897	(1,558,115)
Investment income	120	430	310
Other	24,600	103,178	78,578
Total Revenues	3,936,365	2,330,110	(1,606,255)
<b>EXPENDITURES</b>			
Current:			
Economic development	1,354,168	975,967	(378,201)
Capital outlay	2,477,765	370,900	(2,106,865)
Debt service:			
Principal	198,041	198,041	-
Interest	70,916	70,916	-
Total Expenditures	4,100,890	1,615,824	(2,485,066)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (164,525)</b>	<b>714,286</b>	<b>878,811</b>
FUND BALANCE, JULY 1		2,008,923	
<b>FUND BALANCE, JUNE 30</b>		<b>\$ 2,723,209</b>	

**CITY OF HAZELWOOD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO**  
**SCHEDULES OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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**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, Economic Development Fund, and Sewer Lateral 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.

**CITY OF HAZELWOOD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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<b>Total Pension Liability</b>	
Service cost	\$ 720,751
Interest	2,719,167
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments	(1,743,486)
Net Change In Total Pension Liability	<u>1,696,432</u>
<b>Total pension liability, beginning</b>	<u>36,390,789</u>
Total Pension Liability, Ending (a)	<u><u>\$ 38,087,221</u></u>
<b>Plan Fiduciary Net Position</b>	
Contributions - employer	\$ 1,281,985
Net investment income	1,550,604
Benefit payments	(1,743,486)
Net Change In Plan Fiduciary Net Position	<u>1,089,103</u>
<b>Plan Fiduciary Net Position Beginning</b>	<u>34,697,472</u>
Plan Fiduciary Net Position Ending (b)	<u><u>\$ 35,786,575</u></u>
Net Pension Liability Ending (a-b)	<u><u>\$ 2,300,646</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.96 %
Covered Employee Payroll	\$ 10,162,059
Net Pension Liability as a Percentage of Covered Employee Payroll	22.64 %

Note: Required supplemental information is not available for fiscal years prior to 2014.

**CITY OF HAZELWOOD, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF PENSION CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

	For The Years Ended June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined pension contribution	\$ 1,300,321	1,299,535	1,224,684	1,129,979	1,057,468	1,039,281	1,017,336	973,769	1,006,404	981,321
Contributions in relation to the actuarially determined contribution	<u>1,339,373</u>	<u>1,340,227</u>	<u>1,491,935</u>	<u>1,187,655</u>	<u>1,105,631</u>	<u>1,091,569</u>	<u>1,073,125</u>	<u>1,027,006</u>	<u>1,044,593</u>	<u>1,022,318</u>
Contribution deficiency (excess)	<u>\$ (39,052)</u>	<u>(40,692)</u>	<u>(267,251)</u>	<u>(57,676)</u>	<u>(48,163)</u>	<u>(52,288)</u>	<u>(55,789)</u>	<u>(53,237)</u>	<u>(38,189)</u>	<u>(40,997)</u>
Covered-employee payroll	\$ 10,162,059	10,091,285	10,242,470	9,980,009	9,827,733	9,885,427	9,445,097	9,123,360	8,411,660	8,242,582
Contributions as a percentage of covered-employee payroll	13.18 %	13.28	14.57	11.90	11.25	11.04	11.36	11.26	12.42	12.40

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5 year smoothed market
Inflation	3%
Salary increases	4.5%, average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Mortality	RP-2000 Combined Healthy Mortality Table with a 70% Blue Collar adjustment with a static projection using Scale AA for all participants to 10 years after the valuation date.

Other information:

There were no benefit changes during the year.

**OTHER SUPPLEMENTAL INFORMATION SECTION**

**CITY OF HAZELWOOD, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING**  
**BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<b>Special Revenue Funds</b>				<b>Total</b>
	<b>Sewer Lateral</b>	<b>Elm Grove Area Tax Incremental Financing District</b>	<b>Robertson Area Tax Increment Financing District</b>	<b>Asset Forfeiture</b>	
<b>ASSETS</b>					
Cash and investments	\$ 334,264	1,468,340	685,436	261,086	2,749,126
Receivables:					
Property taxes	-	-	900,228	-	900,228
Sales taxes	-	28,695	84	-	28,779
Other	188	-	-	-	188
Prepaid items	-	-	-	15,874	15,874
<b>Total Assets</b>	<b>\$ 334,452</b>	<b>1,497,035</b>	<b>1,585,748</b>	<b>276,960</b>	<b>3,694,195</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 3,918	217,532	-	-	221,450
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	-	-	-	15,874	15,874
Restricted for:					
Asset forfeiture	-	-	-	261,086	261,086
Economic development	-	1,279,503	1,585,748	-	2,865,251
Sewer lateral	330,534	-	-	-	330,534
<b>Total Fund Balances</b>	<b>330,534</b>	<b>1,279,503</b>	<b>1,585,748</b>	<b>276,960</b>	<b>3,472,745</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 334,452</b>	<b>1,497,035</b>	<b>1,585,748</b>	<b>276,960</b>	<b>3,694,195</b>

**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, 2015**

	<b>Special Revenue Funds</b>				<b>Total</b>
	<b>Sewer Lateral</b>	<b>Elm Grove Area Tax Incremental Financing District</b>	<b>Robertson Area Tax Increment Financing District</b>	<b>Asset Forfeiture</b>	
<b>REVENUES</b>					
Property taxes	\$ -	64,921	2,069,114	-	2,134,035
Sales taxes	-	127,287	292	-	127,579
Intergovernmental	-	-	85,372	276,485	361,857
Investment income	82	-	61	-	143
Sewer lateral	35,024	-	-	-	35,024
Total Revenues	<u>35,106</u>	<u>192,208</u>	<u>2,154,839</u>	<u>276,485</u>	<u>2,658,638</u>
<b>EXPENDITURES</b>					
Current:					
Police	-	-	-	63,517	63,517
Sewer lateral	97,294	-	-	-	97,294
Economic development	-	217,533	2,758	-	220,291
Debt service - interest	-	-	952,983	-	952,983
Total Expenditures	<u>97,294</u>	<u>217,533</u>	<u>955,741</u>	<u>63,517</u>	<u>1,334,085</u>
<b>NET CHANGES IN FUND BALANCES</b>	(62,188)	(25,325)	1,199,098	212,968	1,324,553
FUND BALANCES, JULY 1	<u>392,722</u>	<u>1,304,828</u>	<u>386,650</u>	<u>63,992</u>	<u>2,148,192</u>
<b>FUND BALANCES, JUNE 30</b>	<u><u>\$ 330,534</u></u>	<u><u>1,279,503</u></u>	<u><u>1,585,748</u></u>	<u><u>276,960</u></u>	<u><u>3,472,745</u></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, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Sales taxes	\$ 1,598,625	1,598,625	1,684,418	85,793
Intergovernmental	260,040	515,490	455,764	(59,726)
Investment income	-	-	8,703	8,703
Other	50,000	50,000	49,448	(552)
Total Revenues	1,908,665	2,164,115	2,198,333	34,218
<b>EXPENDITURES</b>				
Current:				
Economic development	550,559	740,635	650,084	(90,551)
Capital outlay	2,310,674	3,238,686	2,501,033	(737,653)
Debt service:				
Principal	448,152	491,223	491,223	-
Interest	168,463	169,937	169,937	-
Total Expenditures	3,477,848	4,640,481	3,812,277	(828,204)
<b>REVENUES UNDER EXPENDI- TURES</b>	(1,569,183)	(2,476,366)	(1,613,944)	862,422
<b>OTHER FINANCING SOURCES</b>				
Capital lease	641,600	1,356,349	714,749	(641,600)
Transfers in	637,896	827,972	722,525	(105,447)
Total Other Financing Sources	1,279,496	2,184,321	1,437,274	(747,047)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (289,687)</b>	<b>(292,045)</b>	<b>(176,670)</b>	<b>115,375</b>
FUND BALANCE, JULY 1			892,265	
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 715,595</b>	

**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, 2015**

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	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Investment income	\$ 40	82	42
Sewer lateral	35,630	35,024	(606)
Total Revenues	35,670	35,106	(564)
<b>EXPENDITURES</b>			
Current:			
Sewer lateral	125,175	97,294	(27,881)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (89,505)</b>	<b>(62,188)</b>	<b>27,317</b>
FUND BALANCE, JULY 1		392,722	
<b>FUND BALANCE, JUNE 30</b>		<b>\$ 330,534</b>	



**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.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	59 - 62
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City’s most significant local revenue sources.	63 - 67
<b>Debt Capacity</b> 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.	68 - 71
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	72 - 73
<b>Operating Information</b> 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.	74 - 76

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 21,730,322	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
Restricted	8,183,252	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
Unrestricted	<u>(23,412,671)</u>	<u>(22,856,680)</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>
 Total Governmen- tal Activities Net Position	 <u>\$ 6,500,903</u>	 <u>4,816,287</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>

Source: Basic financial statements

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

2013 amount was restated for accounting principle change.

2014 amount was restated for implementation of GASB 68.

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

	For The Years Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>EXPENSES</b>										
General government	\$ 2,977,964	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
Police	7,917,507	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
Fire and ambulance	9,379,951	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
Public works	3,824,403	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
Parks and recreation	2,760,122	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
Economic development	7,805,287	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
Sewer lateral	97,294	96,021	115,874	105,482	70,560	113,739	60,549	104,127	104,454	173,934
Interest on long-term debt	2,670,729	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
Special item	-	1,292,129	-	-	-	-	-	-	-	-
Total Expenses	<u>37,433,257</u>	<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>
<b>PROGRAM REVENUES</b>										
Charges for services:										
General government	487,791	389,332	524,869	417,250	426,826	255,810	368,801	381,132	631,949	487,576
Police	912,185	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
Fire and ambulance	558,919	471,578	508,978	417,264	359,209	335,649	453,861	439,731	352,505	468,918
Parks and recreation	537,660	498,353	506,838	562,242	507,906	473,284	560,978	313,148	325,064	308,855
Sewer lateral	35,024	35,482	35,449	35,630	36,123	37,887	72,519	127,995	129,418	192,044
Operating grants and contributions	2,276,605	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
Capital grants and contributions	616,661	846,496	91,836	1,037,655	909,734	292,830	1,138,393	55,581	364,320	-
Total Program Revenues	<u>5,424,845</u>	<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>
<b>NET REVENUES (EXPENSES)</b>	<u>(32,008,412)</u>	<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>
<b>GENERAL REVENUES</b>										
Property taxes	10,911,903	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
Sales taxes	14,532,163	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
Utility taxes	3,399,153	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
Other taxes	68,383	66,703	70,128	71,043	72,868	76,689	82,848	85,921	89,475	93,331
Licenses	3,733,034	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
Investment income	72,557	63,076	20,194	21,020	19,826	31,232	105,316	267,842	263,127	424,989
Other	975,835	484,752	551,724	734,440	477,741	350,452	292,508	237,161	386,485	535,322
Contributed capital	-	-	-	-	-	-	-	-	5,000,000	-
Total General Revenues	<u>33,693,028</u>	<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>
<b>CHANGE IN NET POSITION</b>	<u>\$ 1,684,616</u>	<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>

Source: Basic financial statements

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

	June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Fund</b>										
Nonspendable	\$ 16,440	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	6,350,004	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
Unreserved	-	-	-	-	-	4,863,430	4,205,313	3,842,018	1,763,241	1,615,749
Total General Fund	<u>\$ 6,366,444</u>	<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>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 18,534	230,791	-	-	9,659	-	-	-	-	-
Restricted	7,763,252	11,081,456	10,131,437	10,165,766	6,570,977	-	-	-	-	-
Unassigned	-	-	(310,311)	(213,544)	(11,278)	-	-	-	-	-
Reserved	-	-	-	-	-	1,607,230	1,980,507	1,687,749	2,695,376	3,561,286
Unreserved, reported in:										
Capital Projects Funds	-	-	-	-	-	(622,491)	(196,026)	2,010,434	(2,835,211)	4,119,255
Special Revenue Funds	-	-	-	-	-	3,636,934	3,310,179	2,591,497	938,360	796,418
Total All Other Governmental Funds	<u>\$ 7,781,786</u>	<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>

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>REVENUES</b>										
Property taxes	\$ 10,890,745	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
Sales taxes	14,738,292	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
Utility taxes	3,399,153	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
Other taxes	1,399,185	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
Permits and inspections	471,362	371,908	510,677	396,349	406,077	236,088	340,767	363,908	608,253	465,329
Licenses	3,733,034	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
Intergovernmental	1,441,707	2,186,136	511,125	1,493,672	1,447,687	755,443	600,352	332,654	751,179	81,217
Fines and forfeitures	1,081,830	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
Investment income	72,557	63,076	20,194	21,020	19,826	31,232	105,316	267,842	263,127	424,989
Recreation fees	537,660	498,353	506,838	562,242	507,906	473,284	560,978	313,148	325,064	308,855
Sewer lateral	35,024	35,482	35,449	35,630	36,123	37,887	72,519	127,995	129,418	192,044
Other	1,522,144	1,032,985	1,088,966	1,239,156	949,245	810,509	728,620	654,629	853,141	931,500
<b>Total Revenues</b>	<b>39,322,693</b>	<b>38,720,756</b>	<b>35,941,290</b>	<b>38,260,526</b>	<b>38,891,395</b>	<b>36,008,873</b>	<b>37,849,731</b>	<b>37,926,729</b>	<b>30,764,647</b>	<b>32,555,789</b>
<b>EXPENDITURES</b>										
Current:										
Mayor and council	125,725	79,378	100,284	81,451	46,334	72,157	80,693	87,212	86,426	93,030
City manager	518,276	522,425	537,533	500,278	514,153	618,390	803,883	937,796	960,133	866,343
Information system	497,195	540,309	470,385	467,413	429,938	456,916	404,377	292,118	326,577	344,742
Finance	422,166	441,459	433,140	448,432	389,657	386,544	378,533	355,565	328,347	315,169
Legal	463,806	495,596	575,724	567,732	538,314	512,820	501,183	405,689	376,802	357,769
City clerk	247,379	247,960	250,123	253,423	227,964	227,854	230,127	215,710	217,936	234,143
Police	7,838,366	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
Fire and ambulance	9,087,169	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
Public works:										
Administration	1,247,460	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
General maintenance	1,057,317	977,058	858,639	1,020,863	922,765	919,287	1,148,052	1,053,512	960,177	962,004
Park maintenance	729,793	784,335	878,348	935,160	920,953	904,521	982,270	841,625	851,366	722,594
Recreation	1,678,093	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
Street	-	-	-	-	-	-	93,215	234,016	757,849	430,763
Sewer lateral	97,294	96,021	115,874	105,482	70,560	113,739	60,549	104,127	104,454	173,934
Economic development	7,709,311	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
Capital outlay	3,004,413	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
Debt service:										
Principal	6,704,264	1,627,087	1,612,502	1,512,630	1,120,632	1,157,837	1,089,413	525,000	335,000	70,000
Interest	1,747,766	1,626,798	965,760	1,133,145	866,970	1,950,504	895,889	572,659	401,138	355,796
Bond issuance costs	-	-	-	103,580	-	-	-	176,138	-	-
<b>Total Expenditures</b>	<b>43,175,793</b>	<b>37,128,082</b>	<b>36,745,228</b>	<b>41,785,749</b>	<b>37,359,769</b>	<b>37,456,595</b>	<b>40,090,445</b>	<b>56,534,132</b>	<b>38,238,824</b>	<b>35,882,273</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,853,100)</b>	<b>1,592,674</b>	<b>(803,938)</b>	<b>(3,525,223)</b>	<b>1,531,626</b>	<b>(1,447,722)</b>	<b>(2,240,714)</b>	<b>(18,607,403)</b>	<b>(7,474,177)</b>	<b>(3,326,484)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of debt	714,749	63,333	-	6,639,047	1,798,702	1,436,764	1,712,275	26,664,461	-	163,076
Premium/discount on debt issuance	-	-	-	256,919	-	-	-	(55,941)	-	-
Transfers in	722,525	421,991	631,352	507,745	430,498	396,069	362,259	309,458	145,928	-
Transfers out	(722,525)	(421,991)	(631,352)	(507,745)	(430,498)	(396,069)	(362,259)	(309,458)	(145,928)	-
<b>Total Other Financing Sources (Uses)</b>	<b>714,749</b>	<b>63,333</b>	<b>-</b>	<b>6,895,966</b>	<b>1,798,702</b>	<b>1,436,764</b>	<b>1,712,275</b>	<b>26,608,520</b>	<b>-</b>	<b>163,076</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>\$ (3,138,351)</b>	<b>1,656,007</b>	<b>(803,938)</b>	<b>3,370,743</b>	<b>3,330,328</b>	<b>(10,958)</b>	<b>(528,439)</b>	<b>8,001,117</b>	<b>(7,474,177)</b>	<b>(3,163,408)</b>
Debt service as a percentage of noncapital expenditures	20.8 %	9.2	7.4	6.9	5.9	8.9	5.3	2.3	2.5	1.3

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					
2015	2014	\$ 161,974,130	\$ 224,841,330	\$ 289,650	\$ 387,105,110	\$ 130,288,197	\$ 517,393,307	0.767	\$ 1,948,402,918	26.6 %
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	0.755	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

(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>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>
City of Hazelwood *	<u>0.767</u>	<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>
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	0.200	0.190	0.190	0.190	0.190	0.190	0.190
County Park Maintenance	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.035	0.035
County Bond Retire	0.028	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	0.140	0.150	0.150	0.150	0.150	0.165	0.165
Metro Zoo	0.280	0.280	0.268	0.267	0.255	0.249	0.234	0.233	0.261	0.265
Sheltered Workshop	0.090	0.089	0.084	0.084	0.079	0.074	0.069	0.070	0.082	0.082
County Library	0.250	0.250	0.173	0.163	0.157	0.140	0.140	0.140	0.150	0.150
Special School District	1.261	1.240	1.012	1.013	0.995	0.938	0.918	0.908	0.824	0.840
St. Louis Community College	0.220	0.220	0.220	0.220	0.218	0.214	0.201	0.200	0.223	0.223
Hazelwood School District	6.220	6.220	6.220	6.220	6.220	6.039	5.370	5.124	5.463	5.230
Metro Sewer District	0.088	0.087	0.064	0.082	0.079	-	-	0.067	0.069	0.069
Coldwater Creek Sewer District	0.100	0.100	0.100	0.100	0.097	-	-	0.070	0.070	0.070
Total Overlapping Governments	<u>9.062</u>	<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>
Total City And Overlapping Governments	<u>9.829</u>	<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>

(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	2014			2005		
	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	\$ 32,007,630	1	6.19 %	\$ 25,762,900	3	4.67 %
IBM Corporation	25,471,560	2	4.92	7,383,290	6	1.34
Ryan Tax Compliance Services LLC	18,855,040	3	3.64	-	-	-
Mallinckrodt Pharmaceuticals	18,048,400	4	3.49	11,970,720	5	2.17
MSCI 2007-IQ Retail 5555 LLC	16,002,910	5	3.09	-	-	-
Colony Realty Partners	15,526,400	6	3.00	-	-	-
bioMerieux, Inc.	8,433,090	7	1.63	5,778,000	7	1.05
Westcore Delta LLC	8,414,010	8	1.63	-	-	-
Hazelwood Ab Bynah LLC	6,244,830	9	1.21	-	-	-
Aviator Business Park LLC	5,849,500	10	1.13	-	-	-
Ford Motor Company	-	-	-	59,998,020	1	10.89
St. Louis Mills Limited Partnership	-	-	-	36,864,410	2	6.69
DP Properties LP	-	-	-	13,120,000	4	2.38
Welsh Lambert Pointe Development	-	-	-	5,709,190	8	1.04
PPF Financial	-	-	-	5,244,710	9	0.95
Eastern Industrial Capital LP	-	-	-	4,277,350	10	0.78
<b>Total</b>	<b>\$ 154,853,370</b>		<b>29.93 %</b>	<b>\$ 176,108,590</b>		<b>31.96 %</b>

(1) Source: St. Louis County Assessor

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

<b>Fiscal Year</b>	<b>Tax Levy Year</b>	<b>Net Tax Levy (2)</b>	<b>Current Tax Collections</b>	<b>Percent Collected As Current</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Total Collections As Percent Of Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes As Percent Of Levy</b>
2015	2014	\$ 4,806,775	\$ 3,839,448	79.9 %	\$ 949,738	4,789,186	99.6 %	\$ 1,201,310	25.0 %
2014	2013	4,610,158	3,568,026	77.4	769,952	4,364,978	94.7	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

(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>
2015	1.750 %	2.888 %	4.225 %	8.863 %	\$ 14,738,292	\$ 505,385,586
2014	1.500	2.888	4.225	8.613	13,680,453	527,893,274
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

(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
- 0.250% Fire sales tax effective January 2015

**CITY OF HAZELWOOD, MISSOURI**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Governmental Activities</b>						<b>Total Primary Government</b>	<b>Percentage Of Personal Income (1)</b>	<b>Per Capita</b>	
	<b>General Obligation Bonds</b>	<b>Special Obligation Bonds</b>	<b>Tax Increment Financing Notes</b>	<b>Certificates Of Participation</b>	<b>Note Payable</b>	<b>Special Assessment GO Bonds</b>				<b>Capital Lease Obligations</b>
2015	\$ 10,170,847	\$ -	\$ 17,055,000	\$ 4,009,412	\$ 9,027	\$ 420,000	\$ 1,480,598	\$ 33,144,884	N/A	1,290
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

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**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Actual Taxable Value Of Property (2)</b>	<b>General Obligation Debt (3)</b>	<b>Amount Available In Debt Service Fund (4)</b>	<b>Net General Bonded Debt</b>	<b>Percentage Of Actual Taxable Value Of Property</b>	<b>Net General Bonded Debt Per Capita</b>
2015	25,703	\$ 1,948,402,918	\$ 10,170,847	\$ 870,237	\$ 9,300,610	0.48 %	\$ 362
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

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 from 2012 to 2014.

**CITY OF HAZELWOOD, MISSOURI**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2015**

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<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	\$ 105,615,000	2.5 %	\$ 2,640,375
Hazelwood School District	253,309,121	26.9	68,140,154
Ferguson-Florissant School District	26,170,000	8.7	2,276,790
Pattonville School District	<u>66,085,000</u>	0.4	<u>264,340</u>
Total Overlapping	451,179,121		73,321,659
City direct debt	<u>33,144,884</u>	100.0 %	<u>33,144,884</u>
Total Direct And Overlapping Debt	<u>\$ 484,324,005</u>		<u>\$ 106,466,543</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**

	<b>For The Years Ended June 30</b>									
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Debt Limit	<u>\$ 51,739,331</u>	<u>54,708,939</u>	<u>52,258,707</u>	<u>54,850,847</u>	<u>54,359,467</u>	<u>59,471,501</u>	<u>59,077,844</u>	<u>64,358,741</u>	<u>63,009,490</u>	<u>55,111,390</u>
<b>Amount of Debt Subject to Limit</b>										
Total Bonded Debt	10,170,847	16,152,324	16,848,801	17,520,277	12,603,214	13,204,606	13,785,998	14,342,390	8,203,782	8,505,174
Less - Amounts Available in Debt Service Fund	<u>870,237</u>	<u>6,177,274</u>	<u>6,320,034</u>	<u>6,384,431</u>	<u>944,935</u>	<u>842,984</u>	<u>859,330</u>	<u>511,956</u>	<u>326,558</u>	<u>312,149</u>
Total Amount Of Debt Applicable To Debt Limit	<u>9,300,610</u>	<u>9,975,050</u>	<u>10,528,767</u>	<u>11,135,846</u>	<u>11,658,279</u>	<u>12,361,622</u>	<u>12,926,668</u>	<u>13,830,434</u>	<u>7,877,224</u>	<u>8,193,025</u>
Legal Debt Margin	<u>\$ 42,438,721</u>	<u>44,733,889</u>	<u>41,729,940</u>	<u>43,715,001</u>	<u>42,701,188</u>	<u>47,109,879</u>	<u>46,151,176</u>	<u>50,528,307</u>	<u>55,132,266</u>	<u>46,918,365</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	17.98 %	18.23	20.15	20.30	21.45	20.79	21.88	21.49	12.50	14.87

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**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (1) (In Thousands)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (1)</b>	<b>Education Level In Years Of Formal Schooling (1)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (3)</b>
2015	25,703	N/A	N/A	37	N/A	N/A	6.2 %
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

(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**

<b>2015</b>				<b>2006</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percent Of Total City Employment</b>	<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percent Of Total City Employment</b>
The Boeing Company	5,610	1	26.28 %	IBM Corporation	1,250	1	8.34 %
Mallinckrodt, LLC	1,346	2	6.30	McDonnell Douglas Corporation	823	2	5.49
Convergys Corporation	1,018	3	4.77	bioMerieux, Inc.	609	3	4.06
bioMerieux, Inc.	609	4	2.85	GKN Aerospace North America, Inc.	600	4	4.00
IBM Corporation	599	5	2.81	Mallinckrodt, LLC	574	5	3.83
GKN Aerospace North America, Inc.	464	6	2.17	First Bank	426	6	2.84
Supervalu St. Louis Division	355	7	1.66	Home Decorators Collection	399	7	2.66
First Bank	344	8	1.61	Supervalu St. Louis Division	355	8	2.37
SAK Construction	318	9	1.49	General Motors Service Parts	354	9	2.36
Fiserv Solutions, Inc.	283	10	1.33	Printpack, Inc.	290	10	1.93
Total	<u>10,946</u>		<u>51.27 %</u>	Total	<u>5,680</u>		<u>37.88 %</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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government:										
City manager	5	5	5	5	5	7	7	7	7	7
Information technology	2	-	-	-	-	-	-	-	-	-
Economic development	3	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	4	3	3	3
City clerk	3	3	3	3	3	3	3	3	3	3
Public safety:										
Police	84	84	85	85	85	89	85	83	81	81
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	11	12	11	11	11	11
General/street maintenance	10	10	10	9	9	11	11	13	13	13
Parks maintenance	11	10	11	12	12	13	13	11	11	11
Recreation	36	42	42	41	42	43	35	29	30	30

(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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Police:</b>										
Arrests	2,117	3,118	3,394	3,307	2,964	2,984	3,090	3,002	3,054	2,393
Traffic citations	6,645	11,838	12,044	14,087	12,484	10,366	12,939	13,584	17,613	16,260
<b>Fire:</b>										
Fire calls	601	804	766	765	826	843	556	604	997	973
Ambulance calls	2,224	2,006	1,840	1,665	1,595	1,553	1,611	1,593	1,568	1,587
Inspections	1,132	1,013	710	984	998	1,168	1,155	1,151	1,124	1,124
<b>Public works:</b>										
<b>Streets:</b>										
Streets resurfacing (miles)	3	2	2	-	-	2	2	4	11	8
Sidewalk repairs (lineal ft.)	60	100	865	85	40	231	271	145	12,665	6,115
Potholes repaired (tons of material)	80	80	30	80	160	289	141	125	84	185
<b>Administration:</b>										
Building permits issued	883	989	913	751	732	646	629	714	883	820
Residential occupancy permits issued	1,400	1,961	2,066	1,988	2,071	2,000	1,564	1,728	2,068	1,958
<b>Recreation:</b>										
Community center admissions	93,464	106,598	112,231	103,620	104,068	103,528	103,868	99,486	101,440	110,548
<b>Finance:</b>										
Business licenses issued	901	952	1,008	1,031	1,029	1,072	985	969	1,101	1,163
Payroll transactions	7,343	7,415	7,380	7,260	7,365	7,340	7,545	7,119	7,221	6,865
Accounting funds	16	16	15	15	15	15	15	15	13	13
Payable checks issued	4,349	4,824	4,930	5,043	4,940	5,339	5,882	5,602	5,577	5,702
Payable EFT's issued	459	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Public safety/police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	31	31	31	31	31	31	31	32	25	39
Sectors	6	6	6	6	6	6	6	6	6	6
<b>Public safety/fire:</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Fire hydrants	586	586	586	586	583	580	580	580	573	573
Vehicles	10	10	10	10	10	11	10	10	7	7
<b>Public works:</b>										
Miles of streets	168	168	168	168	168	168	168	168	158	158
Street lights and signals	111	111	111	111	111	111	111	111	108	108
<b>Parks and recreation:</b>										
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