

**City of O'Fallon
St. Clair County, Illinois**

**Financial Statements, Independent Auditor's Reports
and Supplementary Information**

April 30, 2019



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City of O'Fallon
St. Clair County, Illinois

April 30, 2019

City Officials

Mayor
Herb Roach

Clerk
Jerry Mouser

Treasurer
David Hursey

City Council

Ross Rosenberg
Robert Kueker
Kevin Hagarty
John Drolet
Chris Monroe
Ned Drolet
David Cozad

John Distler
Jerry Albrecht
Matt Gilreath
Mark Morton
Gwen Randolph
Ray Holden
Dan Witt

City Administrator
Walter Denton

Chief Financial Officer
Sandy Evans

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of O'Fallon, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of O'Fallon, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the City of O'Fallon, Illinois's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City of O'Fallon, Illinois's 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 from 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 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 entity'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 entity'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 statements.

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

Basis for Qualified Opinions on the Governmental Activities, the Business-Type Activities, Each Major Proprietary Fund, and Aggregate Discretely Presented Component Unit

The City has not determined whether the annual pension costs for the Police Pension and Fire Pension are overstated or understated in accordance with U. S. generally accepted accounting principles, which require an asset or liability to be recorded in the government-wide statement of net position for the governmental activities based on the net pension liability or asset, which would change the expenses in the governmental

activities. The amount by which this departure would affect assets, liabilities, net position, and expenses of the governmental activities is not reasonably determinable. The City has also excluded a portion of the Police Pension and Fire Pension Fund disclosures to the Pension Trust Funds. In our opinion, disclosure of this information is required by U.S. generally accepted accounting principles.

The City has not recognized the other post-employment benefit (OPEB) expense or obligation which is required in accordance with U. S. generally accepted accounting principles and under Government Accounting Standards Board (GASB) Statement No. 75, to be recorded in the governmental activities, business-type activities, proprietary fund financial statements, and aggregate discretely presented component unit. The effects of that departure on the financial statements are not reasonably determinable. The City has also not disclosed the descriptive information about the other post-employment benefits required by standards.

Qualified Opinions on the Governmental Activities, the Business-Type Activities, Each Major Proprietary Fund, and Aggregate Discretely Presented Component Unit

In our opinion, except for the omission of a portion of the Police and Fire Pension Fund disclosures as described in the "Basis for Qualified Opinions on the Governmental Activities, the Business-Type Activities, Each Major Proprietary Fund and Aggregate Discretely Presented Component Unit" paragraphs, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major proprietary fund and aggregate discretely presented component unit of the City of O'Fallon, Illinois, as of April 30, 2019, and the respective changes in financial position, thereof, for the year then ended in conformity with U. S. generally accepted accounting principles.

In addition, in our opinion, except for the other matters discussed in the "Basis for Qualified Opinions on the Governmental Activities, the Business-Type Activities, Each Major Proprietary Fund, and Aggregate Discretely Presented Component Unit" paragraphs, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major proprietary fund, and aggregate discretely presented component unit of the City of O'Fallon, Illinois, as of April 30, 2019, and the respective changes in net position and cash flows, where applicable, thereof, for the year then ended in conformity with U. S. generally accepted accounting principles.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund and aggregate remaining fund information of the City of O'Fallon, Illinois as of April 30, 2019, and the respective changes in financial position, thereof, for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of contributions, presented on pages MDA 1 through 10 and pages 57 through 64 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and

other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The City of O'Fallon, Illinois has not presented the schedule of funding progress for the other post-employment benefits that U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of O'Fallon, Illinois's basic financial statements. The accompanying supplementary information, other information, and the List of Officials, 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 supplementary 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 U. S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information and List of Officials, as listed in the table of contents, 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 September 19, 2019 on our consideration of the City of O'Fallon, Illinois'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 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 of O'Fallon, Illinois's internal control over financial reporting and compliance.



Creve Coeur, Missouri
September 19, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
TAX INCREMENT FINANCING ACT

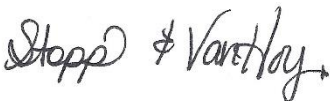
To the Honorable Mayor and City Council
City of O'Fallon, Illinois

We have audited the basic financial statements of the City of O'Fallon, Illinois, for the year ended April 30, 2019, and have issued our report thereon dated September 19, 2019, which was qualified for not determining whether the annual pension costs for the Police Pension and Fire Pension are overstated or understated in accordance with U. S. generally accepted accounting principles, which require an asset or liability to be recorded in the government-wide statement of net position for the governmental activities based on the net pension liability or asset, which would change the expenses in the governmental activities. Also, the City has not determined a cost or liability for other post-employment benefit costs and the omission of the other post-employment benefits disclosures. The financial statements are the responsibility of management for the City of O'Fallon, Illinois. Our responsibility is to express opinions on the financial statements based on our audit.

Our audit was made in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

The management of the City of O'Fallon, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the accounting provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142 insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced laws and regulations insofar as they relate to accounting matters.

This report is intended solely for the information and use of the City Council and management of the City of O'Fallon, Illinois and the State of Illinois, and is not intended to be and should not be used by anyone other than these specified parties.



Creve Coeur, Missouri
September 19, 2019

The City of O'Fallon, Illinois**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)****April 30, 2019**

This section of the City of O'Fallon's annual financial report presents an easily readable analysis of the government's financial performance for the fiscal year ended April 30, 2019.

The MD&A provides an analysis of the overall financial position and results of the previous year's operations in order to assess whether the City's finances have improved or deteriorated. The analysis describes capital asset and long-term debt activity and concludes with information regarding currently known facts, decisions, or conditions that are expected to have a significant effect on the City's future financial position and operations. Please read this analysis in conjunction with the City's financial statements including all supplementary information and note disclosures.

Using this Annual Report

The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison, and enhance the City's accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The government-wide statements consist of a Statement of Net Position and a Statement of Activities and are prepared using the economic resources measurement focus and accrual basis of accounting. These statements will report all of the assets, liabilities, revenues, and expenses of the government. Each statement distinguishes between the governmental and business-type activities of the primary government and presents a total primary government in a separate column. Fiduciary activities, such as the police and fire pension funds, whose resources are not available to finance the government's programs, are excluded from the government-wide financial statements.

The focus of the Statement of Net Position is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The Statement of Activities (Change in Net Position) is focused on both the gross and net cost of various activities (including governmental and business-type) that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities.

Fund-based Financial Statements

The fund-based financial statements consist of a series of statements that provide information about the government's major and non-major governmental, proprietary (enterprise/business-type), and fiduciary funds.

Governmental fund financial statements (including the general fund, special revenue, capital projects, and debt service) are prepared using the current financial resources measurement focus and modified accrual basis of

accounting. The statements consist of a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

Proprietary fund financial statements (enterprise/business-type) and fiduciary fund financial statements (police and fire pensions) are prepared using the economic resources measurement focus and the accrual basis of accounting. The proprietary fund statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows. The fiduciary fund statements include a Statement of Net Position and a Statement of Changes in Net Position.

The fund financial statements include a reconciliation between the government-wide and fund financial statements because of the difference in basis of accounting. The differences are primarily in how fixed assets and debt are treated and the timing for recording some revenues and expenses.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure-roads, bridges, storm sewers, etc...) have not been reported nor depreciated in governmental financial statements. The statement requires that these assets be valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) that periodically measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has chosen to depreciate assets over their useful life.

Financial Analysis of the City as a Whole

Statement of Net Position

The City's combined net position increased \$6,132,185. Governmental activities increased \$1,144,480 and business activities had an increase of \$4,987,705. Net position of the City's governmental activities totals \$98.4 million with 77.3% of that being invested in capital assets (buildings, roads, equipment, etc.) net of related debt. The net position of the business-type activities totals \$57.5 million with 58.2% invested in capital assets net of related debt.

Fiscal Year 2019 required prior year adjustments to be made. The first is to record against cash the unreconciled bank adjustments for the past three years (\$122,839). The second is to adjust the accounts payable balance in the TIF fund for an accrual that was settled in prior year \$40,000. The third is to record a charge that was never released from prepaid expense (\$5,133). The fourth is to reclass TIF Due To/Due From monies between Government and Business-type activities (\$593,138). The final adjustment is to remove the value of utilities that are not provided by O'Fallon from contributed capital (\$400,980). These are mentioned in Note 17 Prior Period Adjustments in the audit report. All totals for 2018 are restated to include these figures as appropriate.

| Statement of Net Position | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|---------------------|---------------------|
| April 30, 2019 | | | | | | | | |
| | Governmental | | Business-Type | | Primary | | Component | |
| | Activities | | Activities | | Government | | Unit | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| ASSETS | | | | | | | | |
| Other assets | \$ 47,212,050 | \$ 47,647,303 | \$ 26,935,134 | \$ 20,899,483 | \$ 74,147,184 | \$ 68,546,786 | \$ 5,523,657 | \$ 5,309,362 |
| Capital assets (net of accumulated depreciation) | 84,153,888 | 84,604,133 | 37,879,066 | 39,925,326 | 122,032,954 | 124,529,459 | 1,776,948 | 1,933,984 |
| Capital assets, non-depreciable | 31,356,313 | 32,600,708 | 2,364,677 | 1,028,151 | 33,720,990 | 33,628,859 | - | - |
| TOTAL ASSETS | 162,722,251 | 164,852,144 | 67,178,877 | 61,852,960 | 229,901,128 | 226,705,104 | 7,300,605 | 7,243,346 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| Deferred outflow - pension related | 3,242,979 | 1,004,265 | 1,321,502 | 393,799 | 4,564,481 | 1,398,064 | 286,685 | 79,819 |
| Deferred loss on refunding | 1,257,095 | 1,406,489 | - | - | 1,257,095 | 1,406,489 | - | - |
| TOTAL DEFERRED OUTFLOWS | 4,500,074 | 2,410,754 | 1,321,502 | 393,799 | 5,821,576 | 2,804,553 | 286,685 | 79,819 |
| LIABILITIES | | | | | | | | |
| Accounts payable | 2,473,164 | 2,625,182 | 1,663,112 | 877,780 | 4,136,276 | 3,502,962 | 32,115 | 8,185 |
| Other liabilities | 3,708,393 | 3,681,112 | 568,912 | 611,188 | 4,277,305 | 4,292,300 | 92,003 | 92,382 |
| Non-current liabilities | 54,709,501 | 54,940,596 | 8,133,886 | 7,554,130 | 62,843,387 | 62,494,726 | 275,743 | 42,691 |
| TOTAL LIABILITIES | 60,891,058 | 61,246,890 | 10,365,910 | 9,043,098 | 71,256,968 | 70,289,988 | 399,861 | 143,258 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Other | 1,826,472 | 2,347,438 | 667,060 | 882,944 | 2,493,532 | 3,230,382 | 153,071 | 201,210 |
| Unearned property taxes | 6,140,804 | 5,807,512 | - | - | 6,140,804 | 5,807,512 | 1,188,900 | 1,188,900 |
| TOTAL DEFERRED INFLOWS | 7,967,276 | 8,154,950 | 667,060 | 882,944 | 8,634,336 | 9,037,894 | 1,341,971 | 1,390,110 |
| NET POSITION | | | | | | | | |
| Net Investment in Capital Assets | 76,069,000 | 75,570,918 | 33,448,740 | 33,693,093 | 109,517,740 | 109,264,011 | 1,776,948 | 1,933,984 |
| Restricted | 18,278,212 | 20,502,264 | - | 1,595,177 | 18,278,212 | 22,097,441 | 4,068,510 | 3,855,813 |
| Unrestricted | 4,016,779 | 1,787,876 | 24,018,669 | 17,032,447 | 28,035,448 | 18,820,323 | - | - |
| TOTAL NET POSITION | \$ 98,363,991 | \$ 97,861,058 | \$ 57,467,409 | \$ 52,320,717 | \$ 155,831,400 | \$ 150,181,775 | \$ 5,845,458 | \$ 5,789,797 |
| Prior Period Adjustments: | | | | | | | | |
| Bank adjustment prior 3 years | | (83,276) | | (33,171) | | (116,447) | | (6,392) |
| Accounts payable adjustment | | 40,000 | | | | 40,000 | | |
| Prepaid expense not released | | (5,133) | | | | (5,133) | | |
| Due To/Due From reclass | | (593,138) | | 593,138 | | - | | |
| Contributed capital-not our utility | | | | (400,980) | | (400,980) | | |
| TOTAL NET POSITION RESTATED | \$ 98,363,991 | \$ 97,219,511 | \$ 57,467,409 | \$ 52,479,704 | \$ 155,831,400 | \$ 149,699,215 | \$ 5,845,458 | \$ 5,783,405 |

Statement of Changes in Net Position

Governmental Activities

As noted, net position from governmental activities increased \$1,144,480 (1.2% growth). Total revenues decreased by \$1,989,079. Expenses increased this year 9.7%.

| Statement of Changes in Net Position | | | | | | | | |
|---|-------------------------|----------------------|--------------------------|----------------------|--------------------------|-----------------------|---------------------|---------------------|
| April 30, 2019 | | | | | | | | |
| | Governmental Activities | | Business-Type Activities | | Primary Government Total | | Component Unit | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| REVENUES | | | | | | | | |
| Program Revenues | | | | | | | | |
| Charges for services | \$ 8,503,138 | \$ 8,100,142 | \$ 19,011,611 | \$ 19,315,831 | \$ 27,514,749 | \$ 27,415,973 | \$ 69,059 | \$ 56,887 |
| Operating grants | 865,759 | 1,647,457 | - | - | 865,759 | 1,647,457 | 38,050 | 22,048 |
| Capital grants | 462,528 | 3,047,671 | - | 1,240,567 | 462,528 | 4,288,238 | - | 32,401 |
| General Revenues | | | | | | | | |
| Taxes | 25,847,601 | 24,844,101 | - | - | 25,847,601 | 24,844,101 | 1,191,453 | 1,194,184 |
| Franchise fees | 954,111 | 994,627 | - | - | 954,111 | 994,627 | - | - |
| Investment income | 616,690 | 291,718 | 480,265 | 192,412 | 1,096,955 | 484,130 | 150,521 | 214,364 |
| Donations not restricted to specific activities | 16,117 | 9,395 | - | - | 16,117 | 9,395 | 59,486 | 23,735 |
| Gain (loss) on disposal of fixed assets | 170,334 | 242,547 | 34,101 | - | 204,435 | 242,547 | - | - |
| Transfers | 526,948 | 753,316 | (489,832) | (726,166) | 37,116 | 27,150 | (37,116) | (27,150) |
| Miscellaneous | 141,844 | 163,175 | 42,598 | 39,645 | 184,442 | 202,820 | 1,775 | 59 |
| TOTAL REVENUES | 38,105,070 | 40,094,149 | 19,078,743 | 20,062,289 | 57,183,813 | 60,156,438 | 1,473,228 | 1,516,528 |
| EXPENSES | | | | | | | | |
| General government | 5,223,320 | 5,251,557 | - | - | 5,223,320 | 5,251,557 | - | - |
| Public safety | 13,683,820 | 13,015,789 | - | - | 13,683,820 | 13,015,789 | - | - |
| Highways and streets | 7,875,776 | 6,898,569 | - | - | 7,875,776 | 6,898,569 | - | - |
| Culture and recreation | 6,021,095 | 4,939,428 | - | - | 6,021,095 | 4,939,428 | - | - |
| Tax increment financing | 1,708,101 | 1,084,855 | - | - | 1,708,101 | 1,084,855 | - | - |
| Interest on long-term debt | 2,448,478 | 2,508,579 | - | - | 2,448,478 | 2,508,579 | - | - |
| Water | - | - | 9,957,045 | 10,313,994 | 9,957,045 | 10,313,994 | - | - |
| Sewer | - | - | 4,133,993 | 4,398,710 | 4,133,993 | 4,398,710 | - | - |
| Library | - | - | - | - | - | - | 1,411,175 | 1,417,006 |
| TOTAL EXPENSES | 36,960,590 | 33,698,777 | 14,091,038 | 14,712,704 | 51,051,628 | 48,411,481 | 1,411,175 | 1,417,006 |
| Change in Net Position | 1,144,480 | 6,395,372 | 4,987,705 | 5,349,585 | 6,132,185 | 11,744,957 | 62,053 | 99,522 |
| NET POSITION BEGINNING | 97,219,511 | 91,465,686 | 52,479,704 | 46,971,132 | 149,699,215 | 138,436,818 | 5,783,405 | 5,690,275 |
| Prior Period Adjustments: | | | | | | | | |
| Bank adjustment prior 3 years | | (83,276) | | (33,171) | | (116,447) | | (6,392) |
| Expense over estimated | | 40,000 | | | | 40,000 | | |
| Prepaid expense not released | | (5,133) | | | | (5,133) | | |
| Due To/Due From reclass | | (593,138) | | 593,138 | | - | | |
| Contributed capital-not our utility | | | | (400,980) | | (400,980) | | |
| NET POSITION ENDING | \$ 98,363,991 | \$ 97,219,511 | \$ 57,467,409 | \$ 52,479,704 | \$ 155,831,400 | \$ 149,699,215 | \$ 5,845,458 | \$ 5,783,405 |

Significant revenue changes were:

- Sales and Use tax increased \$417,221 due to continued economic growth
- Intergovernmental agreement revenue for the Fairview Heights combined dispatch increased \$187,215
- Higher interest rates increased the investment income \$325,000
- Construction projects completed this year had received grant revenue prior year of \$3.4 million; in addition, there were fewer annexations and IDOT road projects in FY19
- Reimbursable expenses (\$64,500) is a new revenue source that reflects monies collected from developers for requested services like traffic studies
- Income tax reflects an increase of \$393,000 due to a prior year GASB audit adjustment
- Sale of equipment or land is down \$1.4 million

Significant expense changes were:

- Public safety costs are up over last year \$668,031 due to the purchase of non-capital equipment like handheld radios and an increase in salaries due to three new patrol officers
- Highway and streets increased due to road resurfacing for FY18 and FY19, road patchwork on Greenmount and reconstruction of Apple and 1st Street
- Culture and recreation are up over prior year due to higher depreciation for the recent construction upgrades at the Sportspark
- TIF development costs are up 57% because of the surplus distribution for TIF 1 – Rasp Farm which was closed out this year and larger payout for development costs in TIF 4

Business-type Activities

As noted, net position from business-type activities increased by \$4,987,705. Total revenues of the City's business-type activities dropped by \$983,546 or 4.9% mainly due to receipt of capital grants last year. Expenses dropped \$621,666 or 4.2%. Fund net position balances for the City's business-type activities are \$57.5 million for fiscal year 2019, with \$24.0 million being unrestricted.

Financial Analysis of the City's Fund Financial Statements

For the fiscal year ended April 30, 2019, the Governmental Funds reflect a \$135,422 decrease in fund balance. Cash and investments decreased by \$3,902,437. Revenues increased by 1.2% (\$422,175). The expenses decreased from last year 21.6% (\$10,715,432); leaving a negative net change in fund balance of \$135,422.

| Status of Fund Balance | | | |
|-------------------------------|----------------------|----------------------|---------------------|
| Governmental Funds | | | |
| | Fiscal Year | Fiscal Year | Increase/ |
| | 5/1/18 - 4/30/19 | 5/1/17 - 4/30/18 | (Decrease) |
| General | \$ 18,004,147 | \$ 16,481,126 | \$ 1,523,021 |
| Park | 2,031,218 | 2,071,195 | (39,977) |
| Fire | 2,266,220 | 2,727,985 | (461,765) |
| Ambulance | 3,754,792 | 4,396,053 | (641,261) |
| Capital Improvement | 178,474 | 1,481,441 | (1,302,967) |
| Tax Increment Financing | (4,577,241) | (4,194,117) | (383,124) |
| Non-Major | 16,220,104 | 15,049,453 | 1,170,651 |
| TOTAL | \$ 37,877,714 | \$ 38,013,136 | \$ (135,422) |

Significant changes were:

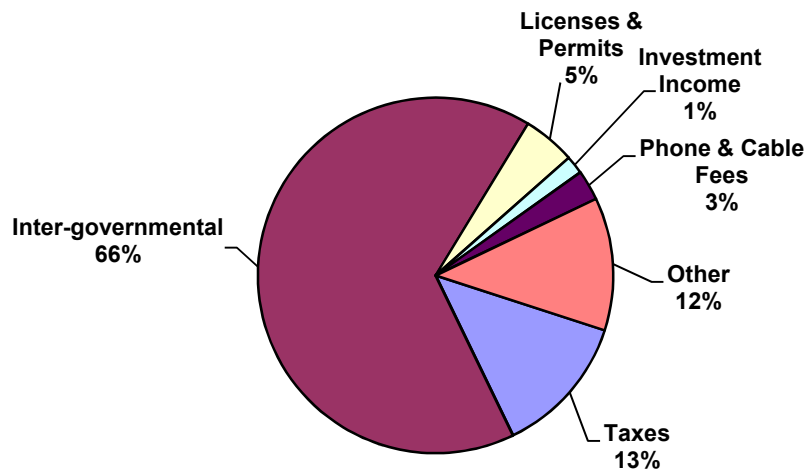
- Capital improvement project expenses for Destination O'Fallon were paid out this year from the bond proceeds received last year
- Tax Increment Financing includes distribution of surplus funds for TIF 1 – Rasp Farm which was closed out this year
- Fund balance increased for General Fund due to increased revenues for taxes, investment interest and combined dispatch
- Fund balance increased for Prop S due to less spending on street maintenance and higher investment revenue throughout other non-major funds

Within the Governmental Funds, the General Fund is the primary operating fund of the City. During the year, revenues exceeded expenditures in the General Fund by \$2,442,134. Additional proceeds from sale of capital

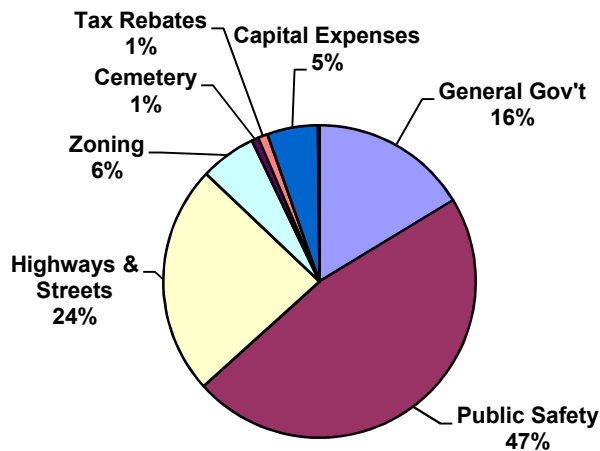
assets (\$65,197) and insurance refunds and claims (\$18,139) helped increase the fund balance. There were no capital contributions this year to offset the deficit of transfers in/out of other funds (\$1,002,449). Overall, Other Financing Sources reduced the fund balance by \$919,113. The ending fund balance in the General Fund account is \$18,004,147. Management believes that this level of fund balance is acceptable.

Revenues for the City are generated from a number of sources and for the most part are dependent on different financial factors. This relative mix of different sources, as illustrated in the chart below, provides long-term stability.

Revenue by Sources-General Fund



Expenditures by Program-General Fund



The City has one fund set up for the parks system and the City pool. During the year, revenues were \$4,339,129 and expenses were \$3,773,653. Other financing sources were a negative \$605,453, leaving a decrease in fund balance of \$39,977. The City's park system continues to escalate with new programs such as the Vine Street Market, and we expect continued growth at the Sports Park with the addition of several soccer and baseball/softball fields in recent years. The ending fund balance in the Park Fund is \$2,031,218.

General Fund Budgetary Highlights

General Fund actual operating expenses are \$502,935 lower than the final budget amount and actual operating revenues are \$1,140,897 higher than the final budget amount. This amounts to a net gain of \$1,643,832 actual vs budget. This increase was in part due to receipt of higher than budgeted State income tax and investment income as well as departments spending less than budgeted.

Capital Asset and Debt Administration

At the end of 2019, the City had \$155.7 million (net of accumulated depreciation) invested in a broad range of capital assets including police, fire, park facilities, roads, water and sewer lines, etc. Governmental activities had \$115.5 million and business-type activities had \$40.2 million invested at the end of fiscal year 2019, net of depreciation.

Governmental Activities Changes in Capital Assets For the Year Ended April 30, 2019

| <u>Governmental Activities</u> | Balance 4/30/2018 | Increases | Decreases | Balance 4/30/2019 |
|--|-----------------------|---------------------|---------------------|-----------------------|
| Non-depreciable capital assets: | | | | |
| Land | \$ 30,085,928 | | \$ 191,504 | \$ 29,894,424 |
| Construction in progress | 2,514,780 | 2,911,804 | 3,964,695 | 1,461,889 |
| Total Non-depreciable capital assets | 32,600,708 | 2,911,804 | 4,156,199 | 31,356,313 |
| Depreciable capital assets: | | | | |
| Land/building improvements | 10,799,699 | 1,820,190 | | 12,619,889 |
| Buildings | 25,203,923 | 50,880 | | 25,254,803 |
| Equipment | 7,650,903 | 299,085 | 78,903 | 7,871,085 |
| Vehicles | 6,461,391 | 460,111 | 36,596 | 6,884,906 |
| Parks/Sportsplex | 28,728,340 | 1,896,217 | | 30,624,557 |
| Infrastructure | 138,362,984 | 1,832,809 | | 140,195,793 |
| Total Depreciable capital assets | 217,207,240 | 6,359,292 | 115,499 | 223,451,033 |
| Less accumulated depreciation | 132,603,107 | 6,804,553 | 110,515 | 139,297,145 |
| Depreciable capital assets, net | 84,604,133 | (445,261) | 4,984 | 84,153,888 |
| Governmental Activities Capital Assets, net | \$ 117,204,841 | \$ 2,466,543 | \$ 4,161,183 | \$ 115,510,201 |
| This year's major changes to the capital assets include the following: | | | | |
| Land decreased for sale of Taylor Road parcels | | | | |
| CIP decreased overall due to the completion of Sportspark improvements and start of new road projects | | | | |
| Land/Bldg improvements increased for completion of the Downtown Pavilion and city hall parking lot expansion | | | | |
| Vehicles increased for a new ambulance | | | | |
| Park/Sportsplex increased for baseball/softball fields | | | | |
| Infrastructure increased for presidential streets stormwater improvements and the MSR/OCR roundabout | | | | |

| Business-Type Activities | | | | |
|---|----------------------|---------------------|-------------|----------------------|
| | Balance 4/30/2018 | Increases | Decreases | Balance 4/30/2019 |
| Non-depreciable capital assets: | | | | |
| Land | \$ 563,927 | | | \$ 563,927 |
| Construction in progress | 464,226 | 1,336,526 | | 1,800,752 |
| Total Non-depreciable capital assets | 1,028,153 | 1,336,526 | - | 2,364,679 |
| Depreciable capital assets: | | | | |
| Buildings and improvements | 2,580,957 | | | 2,580,957 |
| Equipment | 10,870,583 | 463,700 | | 11,334,283 |
| Utility systems | 67,178,670 | 200,000 | | 67,378,670 |
| Total Depreciable capital assets | 80,630,210 | 663,700 | - | 81,293,910 |
| Less accumulated depreciation | 41,105,866 | 2,308,979 | | 43,414,845 |
| Depreciable capital assets, net | 39,524,344 | (1,645,279) | - | 37,879,065 |
| Business-Type Activities Capital Assets, net | \$ 40,552,497 | \$ (308,753) | \$ - | \$ 40,243,744 |
| This year's major changes to the capital assets include the following: | | | | |
| CIP increased for State St rehabilitation and Southview water main improvements | | | | |
| Equipment increased for excavator and two dump trucks | | | | |
| Utility systems increased for presidential streets improvements | | | | |
| See Note 4 in the audit report for additional information on capital assets | | | | |

Debt Outstanding

| Governmental Activities | | | | | | |
|--------------------------------------|---|----------------|--|----------------------|------------------------|---------------------------|
| Bond | Bond Description | Date to Mature | Sourced by | Principal Issued | Principal Paid to Date | Principal Balance 4/30/19 |
| 2010 Series | Public Safety Building | Jan 2024 | Utility Tax | \$ 5,545,000 | \$ 3,085,000 | \$ 2,460,000 |
| 2010 Series | Infrastructure | Jan 2022 | Sales Tax | \$ 5,130,000 | \$ 3,450,000 | \$ 1,680,000 |
| 2018 B & C Series | Convention Ctr Sports park Infrastructure <i>refinanced 2019</i> | Jan 2035 | Food & Beverage Tax Hotel/Motel Tax 1/2 Cent Sales Tax | \$ 14,850,000 | \$ 210,000 | \$ 14,640,000 |
| 2018A Series | Sports park <i>refinanced 2019</i> | Jan 2029 | Hotel/Motel Tax | \$ 723,000 | \$ - | \$ 723,000 |
| 2018A Series | EMS <i>refinanced 2019</i> | Jan 2029 | EMS | \$ 482,000 | \$ - | \$ 482,000 |
| 2018A Series | Sports park <i>refinanced 2019</i> | Jan 2039 | Hotel/Motel Tax | \$ 7,185,000 | \$ - | \$ 7,185,000 |
| 2015 Series | HSHS Mine Remediation | Jan 2030 | TIF Revenue | \$ 5,175,000 | \$ - | \$ 5,175,000 |
| 2015 Series | HSHS Roadwork | Jan 2034 | TIF Revenue | \$ 1,950,000 | \$ - | \$ 1,950,000 |
| 2016 Bond | Convention Ctr Sports park Infrastructure | Jan 2025 | Food & Beverage Tax Hotel/Motel Tax 1/2 Cent Sales Tax | \$ 3,450,000 | \$ 1,100,000 | \$ 2,350,000 |
| 2017 Series | Destination O'Fallon | Jan 2037 | Hotel/Motel Tax | \$ 9,460,000 | \$ 685,000 | \$ 8,775,000 |
| TOTAL | | | | \$ 53,950,000 | \$ 8,530,000 | \$ 45,420,000 |
| SSA #1 | Shoppes at Greenmount | Dec 2025 | Property Tax | \$ 975,000 | \$ 115,000 | \$ 860,000 |
| SSA #2 | Greenmount Common | Dec 2024 | Property Tax | \$ 185,000 | \$ 25,000 | \$ 160,000 |
| SSA #4 | Regency Extension | Dec 2025 | Property Tax | \$ 650,000 | \$ 80,000 | \$ 570,000 |
| SSA #6 | Newbold | Dec 2026 | Property Tax | \$ 1,540,000 | \$ 570,000 | \$ 970,000 |
| SSA #7 | Frieze Harley Davidson | Dec 2027 | Property Tax | \$ 1,360,000 | \$ 455,000 | \$ 905,000 |
| TOTAL | | | | \$ 4,710,000 | \$ 1,245,000 | \$ 3,465,000 |
| Governmental Activities Total | | | | \$ 58,660,000 | \$ 9,775,000 | \$ 48,885,000 |

| Business-Type Activities | | | | | | |
|---------------------------------------|-------------------------|-----------------------|-------------------|-------------------------|-------------------------------|----------------------------------|
| Bond | Bond Description | Date to Mature | Sourced by | Principal Issued | Principal Paid to Date | Principal Balance 4/30/19 |
| IEPA 2797 | Pump Station | May 2028 | Water Sales | \$ 933,394 | \$ 446,330 | \$ 487,064 |
| IEPA 128600 | Water Towers | Feb 2030 | Water Sales | \$ 5,385,450 | \$ 2,031,555 | \$ 3,353,895 |
| IEPA 3318 | Headworks/Disinfection | Apr 2033 | Sewer Sales | \$ 3,630,062 | \$ 676,018 | \$ 2,954,044 |
| Business-Type Activities Total | | | | \$ 9,948,906 | \$ 3,153,903 | \$ 6,795,003 |

The City's notes payable for governmental activities total \$958,513 which includes fire vehicles and the 911 console in public safety. The City is not engaged in any capital lease agreements.

The City issued \$7,640,000 in general obligation bonds in September 2001. The entire proceeds of this issue were used to liquidate several other bond obligations. During fiscal year 2011, these bonds were defeased with the Series 2010 bond issue and the City removed this liability from its account.

The 2002 Bond Issue was a general obligation bond in the amount of \$14,000,000. This bond was issued to complete infrastructure projects and the police station on Seven Hills Road. In 2007 the City defeased the street infrastructure portion of these bonds. During fiscal year 2011, the City issued \$10,675,000 in general obligation bonds Series 2010 to refund and defease prior 2001 and 2002 issues.

The 2006 Bond Issue was a general obligation bond in the amount of \$20,100,000. This bond was issued to defease a portion of the 2002 bond issue and construct a convention center, sports complex and other road improvements. In 2010 the City defeased a portion of this 2006 issue. In 2017, another portion of the 2006 bond issue was refunded with the 2016 bond issuance (\$3,495,000).

The 2009 Bond Issue was a general obligation bond in the amount of \$18,450,000. As stated above, this bond was issued to defease a portion of the 2006 bond issue and to finance additions to the Family Sports Park. In October 2018, these bonds were refunded and the City issued \$9,205,000 general obligation refunding bonds, Series 2018B and \$5,645,000 general obligation refunding bonds, Series 2018C.

The City also issued \$9,295,000 in general obligation taxable bonds Series 2009A to finance an addition to the City library and additions to the Family Sports Park. During fiscal year 2013, the \$2 million portion that was originally intended to finance an addition to the City library, was reallocated to Parks and EMS. These bonds are Build America Bonds which provide a federal subsidy through a refundable tax credit in an amount equal to 35 percent (35%) of the total coupon interest. In late October of 2014, the percent was reduced by 7.3% because of sequestration. In September 2018, these bonds were refunded and the City issued \$8,390,000 general obligation refunding bonds, Series 2018A.

In 2016, the City issued general obligation bond Series 2015 in the amount of \$7,125,000. This bond was issued to finance the tax increment financing obligations for the mine remediation and Greenmount road improvements of the Greenmount Medical Complex.

The City issued \$9,460,000 of general obligation bond Series 2017 to finance cost of construction and/or improvements of the Destination O'Fallon project which included Phase 4 additions to the Sports Park and a downtown multi-seasonal pavilion.

In 2005 and 2007, various bonds were issued for the City's special service areas (SSA) to be used for various commercial ventures. During fiscal year 2013, the remaining portion of the SSA6 & SSA7 bonds were refunded with the 2012A SSA6 (\$1,540,000) and 2012B SSA7 (\$1,360,000) bond issues and the City has removed the original liabilities off its books. Although the liabilities were removed from the City's books, activities such as property tax revenue and bond payment are still reflected in the City records due to the nature of the refunding arrangement. During last fiscal year, SSA1 (\$975,000), SSA2 (\$185,000), and SSA4 (\$650,000) bonds were refunded with the SSA 2017 bond issue.

See Note 5 in the audit report for additional information on long-term debt.

Economic Factors

The most recent assessed valuation for the City is \$705,904,298. The assessed valuation for the City increased by \$31,695,975 over last year due to population growth, new home development and increased property value. The City's tax rate decreased by \$0.0357 for a current rate of \$.9480 in comparison to last year's rate of \$.9837.

O'Fallon today is recognized as one of the fastest growing cities in southern Illinois with a population of 30,440 according to the 2017 Special Census. Immediately adjacent to Scott Air Force Base, less than 20 minutes from downtown St. Louis and with four I-64 interchanges, O'Fallon has an excellent central location for serving major Midwest markets. Along with outstanding access and exceptional development potential, O'Fallon is nationally recognized for its rich heritage of education excellence and is renowned for its high standard of living.

In addition to its major employer Scott AFB, O'Fallon has a diverse retail base with several national retail businesses: Super Wal-Mart, Sam's Club, Home Depot, PetSmart, Walgreens, and Menard's. O'Fallon is the Auto Mart for the St. Louis Metro Area with 18 dealers in a 2-mile area. With 12 modern hotels, and two more currently under construction, O'Fallon has become a complementary location for the major tourist venues in the St. Louis region. Our 200-acre Family Sports Park, featuring all weather soccer fields and baseball/softball diamonds, and a free splash pad, draws thousands of visitors every year to take part in a variety of sporting events.

O'Fallon is the heart of the new growth corridor in the St. Louis Metro East. O'Fallon's Downtown District features O'Fallon Station, a new pavilion designed for special events and a Saturday morning farmers' market - Vine Street Market. HSHS-St. Elizabeth opened a \$300 million regional medical campus in O'Fallon November 2017 and in early 2020 will be offering comprehensive cancer care in their new Cancer Care Center. Memorial Hospital in partnership with Barnes Jewish Christian (BJC), has a brand new \$100 million campus on the borders of O'Fallon in neighboring Shiloh. This campus houses Medical Office Buildings including Siteman Cancer Center which is scheduled to open early next year. In addition to a growing commercial and industrial base, more homes are built annually in O'Fallon than in any nearby community. O'Fallon averages approximately 175 new homes every year.

O'Fallon has a median family income of \$82,632 (average household income of \$101,728) with 70.4% of the population working in management, professional, sales and related occupations. 95.8% of the residents have graduated from high school and 77.2% of O'Fallon residents have some college or more. For a 150-year-old city, O'Fallon has a young population with a median age of 38.8 and 38.35% of households with an individual under 18 years.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives.

If you have any questions about this report or need additional financial information, contact the Director of Finance, Sandy Evans at (618) 624-4500 extension 8723.

City of O'Fallon, Illinois
Statement of Net Position
April 30, 2019

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|----------------|----------------|
| | Governmental Activities | Business-Type Activities | Total | |
| Assets | | | | |
| Cash and cash equivalents | \$ 20,467,468 | \$ 18,700,270 | \$ 39,167,738 | \$ 350,836 |
| Investments | 13,646,238 | 8,383,410 | 22,029,648 | 3,960,265 |
| Restricted cash and cash equivalents | 1,014,343 | - | 1,014,343 | - |
| Receivables, net | | | | |
| Property taxes | 6,140,804 | - | 6,140,804 | 1,188,900 |
| Other governmental entities | 1,936,875 | - | 1,936,875 | 1,707 |
| Interest | 51,797 | 29,133 | 80,930 | 8,942 |
| Other | 734,841 | - | 734,841 | - |
| Water and sewer fees | - | 2,073,019 | 2,073,019 | - |
| Service fees | 379,946 | - | 379,946 | - |
| Restricted receivables, net | 4,052 | - | 4,052 | - |
| Prepaid items | 345,351 | 231,918 | 577,269 | 13,007 |
| Due from employees | 7,719 | - | 7,719 | - |
| Internal balances | 2,482,616 | (2,482,616) | - | - |
| Capital assets: | | | | |
| Land and construction in progress | 31,356,313 | 2,364,677 | 33,720,990 | - |
| Other capital assets, net | 84,153,888 | 37,879,066 | 122,032,954 | 1,776,948 |
| Total Assets | 162,722,251 | 67,178,877 | 229,901,128 | 7,300,605 |
| Deferred Outflows of Resources | | | | |
| Deferred outflows - pension related | 3,242,979 | 1,321,502 | 4,564,481 | 286,685 |
| Deferred loss on refunding | 1,257,095 | - | 1,257,095 | - |
| Total Deferred Outflows of Resources | 4,500,074 | 1,321,502 | 5,821,576 | 286,685 |
| Liabilities | | | | |
| Accounts payable | 2,473,164 | 1,663,112 | 4,136,276 | 32,115 |
| Accrued payroll | 521,352 | 105,318 | 626,670 | 25,652 |
| Unearned revenue | 199,016 | - | 199,016 | - |
| Accrued interest | 631,118 | 37,220 | 668,338 | - |
| Compensated absences payable | 2,356,907 | 426,374 | 2,783,281 | 66,351 |
| Noncurrent liabilities: | | | | |
| Net pension liability | 3,176,302 | 1,338,883 | 4,515,185 | 275,743 |
| Long-Term Debt - Due Within One Year | 3,231,896 | 477,900 | 3,709,796 | - |
| Long-Term Debt - Due in More Than One Year | 48,301,303 | 6,317,103 | 54,618,406 | - |
| Total Liabilities | 60,891,058 | 10,365,910 | 71,256,968 | 399,861 |
| Deferred Inflows of Resources | | | | |
| Deferred inflows - pension related | 1,826,472 | 667,060 | 2,493,532 | 153,071 |
| Unavailable resources - property taxes | 6,140,804 | - | 6,140,804 | 1,188,900 |
| Total Deferred Inflows of Resources | 7,967,276 | 667,060 | 8,634,336 | 1,341,971 |
| Net Position | | | | |
| Net investment in capital assets | 76,069,000 | 33,448,740 | 109,517,740 | 1,776,948 |
| Restricted: | | | | |
| Debt service | 833,201 | - | 833,201 | - |
| Construction/capital projects | 6,830,816 | - | 6,830,816 | - |
| Enabling legislation | 10,614,195 | - | 10,614,195 | 4,068,510 |
| Unrestricted | 4,016,779 | 24,018,669 | 28,035,448 | - |
| Total Net Position | \$ 98,363,991 | \$ 57,467,409 | \$ 155,831,400 | \$ 5,845,458 |

See Notes to the Financial Statements

City of O'Fallon, Illinois
Statement of Activities
For the year ended April 30, 2019

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Unit |
|---|---------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------|----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | |
| | | | | | Governmental Activities | Business-Type Activities | Total | |
| Primary Government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 3,519,325 | \$ 484,226 | \$ - | \$ - | \$ (3,035,099) | \$ - | \$ (3,035,099) | \$ - |
| Public safety | 13,683,820 | 3,284,287 | 287,182 | - | (10,112,351) | - | (10,112,351) | - |
| Highways and streets | 7,875,776 | - | 158,194 | 462,528 | (7,255,054) | - | (7,255,054) | - |
| Zoning | 1,075,985 | 530,987 | - | - | (544,998) | - | (544,998) | - |
| Cemetery | 129,992 | 26,800 | - | - | (103,192) | - | (103,192) | - |
| Culture and recreation | 6,021,095 | 2,384,923 | 244,736 | - | (3,391,436) | - | (3,391,436) | - |
| Tax increment financing | 1,708,101 | 3,000 | - | - | (1,705,101) | - | (1,705,101) | - |
| Tourism | 327,296 | 1,788,915 | - | - | 1,461,619 | - | 1,461,619 | - |
| Tax rebates | 170,722 | - | - | - | (170,722) | - | (170,722) | - |
| Interest and fiscal charges | 2,448,478 | - | 175,647 | - | (2,272,831) | - | (2,272,831) | - |
| Total Government Activities | 36,960,590 | 8,503,138 | 865,759 | 462,528 | (27,129,165) | - | (27,129,165) | - |
| Business-Type Activities: | | | | | | | | |
| Water | 9,957,045 | 11,905,012 | - | - | - | 1,947,967 | 1,947,967 | - |
| Sewer | 4,133,993 | 7,106,599 | - | - | - | 2,972,606 | 2,972,606 | - |
| Total Business-Type Activities | 14,091,038 | 19,011,611 | - | - | - | 4,920,573 | 4,920,573 | - |
| Total Primary Government | \$ 51,051,628 | \$ 27,514,749 | \$ 865,759 | \$ 462,528 | \$ (27,129,165) | \$ 4,920,573 | \$ (22,208,592) | \$ - |
| Component Unit: | | | | | | | | |
| Library | \$ 1,411,175 | \$ 69,059 | \$ 38,050 | \$ - | \$ - | \$ - | \$ - | \$ (1,304,066) |
| General Revenues | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | | | | | \$ 6,238,464 | \$ - | \$ 6,238,464 | \$ 1,186,433 |
| Replacement | | | | | 18,802 | - | 18,802 | 5,020 |
| Motor fuel | | | | | 814,768 | - | 814,768 | - |
| Sales | | | | | 11,315,075 | - | 11,315,075 | - |
| Utility | | | | | 2,109,484 | - | 2,109,484 | - |
| Income | | | | | 3,149,178 | - | 3,149,178 | - |
| Food and beverage | | | | | 932,343 | - | 932,343 | - |
| Miscellaneous | | | | | 859,402 | - | 859,402 | - |
| Other governmental entities | | | | | 410,085 | - | 410,085 | - |
| Franchise fees | | | | | 954,111 | - | 954,111 | - |
| Investment income | | | | | 616,690 | 480,265 | 1,096,955 | 150,521 |
| Unrestricted grants and contributions | | | | | 16,117 | - | 16,117 | 59,486 |
| Gain (loss) on disposal of fixed assets | | | | | 170,334 | 34,101 | 204,435 | - |
| Transfers in (out) | | | | | 526,948 | (489,832) | 37,116 | (37,116) |
| Miscellaneous | | | | | 141,844 | 42,598 | 184,442 | 1,775 |
| Total General Revenues | | | | | 28,273,645 | 67,132 | 28,340,777 | 1,366,119 |
| Change in Net Position | | | | | \$ 1,144,480 | \$ 4,987,705 | \$ 6,132,185 | \$ 62,053 |
| Net Position, May 1 (restated) | | | | | 97,219,511 | 52,479,704 | 149,699,215 | 5,783,405 |
| Net Position, April 30 | | | | | \$ 98,363,991 | \$ 57,467,409 | \$ 155,831,400 | \$ 5,845,458 |

See Notes to the Financial Statements

City of O'Fallon, Illinois
Balance Sheet - Governmental Funds
April 30, 2019

| | General Fund | Park Fund | Fire Fund | Ambulance Fund | Capital Improvement Fund | Tax Increment Financing Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------|---------------------|---------------------|--------------------------------|------------------------------------|--------------------------------|--------------------------------|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 9,275,412 | \$ 2,828,755 | \$ 308,455 | \$ 436,153 | \$ 235,474 | \$ 165,056 | \$ 7,218,163 | \$ 20,467,468 |
| Investments | 4,096,318 | - | 878,816 | 1,000,838 | - | - | 7,670,266 | 13,646,238 |
| Restricted cash and cash equivalents | 401,548 | - | - | - | - | - | 612,795 | 1,014,343 |
| Receivables, net | | | | | | | | |
| Taxes | 806,764 | 590,000 | 1,225,000 | 500,000 | - | 1,563,840 | 1,455,200 | 6,140,804 |
| Other governmental entities | 1,639,953 | 82,600 | - | - | - | - | 214,322 | 1,936,875 |
| Interest | 11,205 | - | 3,760 | 4,772 | - | - | 32,060 | 51,797 |
| Service fees | - | - | - | 379,946 | - | - | - | 379,946 |
| Other | 409,263 | 45,744 | 200 | - | - | - | 279,634 | 734,841 |
| Restricted receivables, net | 4,052 | - | - | - | - | - | - | 4,052 |
| Prepaid items | 305,028 | 14,308 | 2,602 | 23,413 | - | - | - | 345,351 |
| Due from employees | 7,719 | - | - | - | - | - | - | 7,719 |
| Due from other funds | 4,251,760 | - | 1,246,447 | 2,016,395 | - | - | 2,037,959 | 9,552,561 |
| Total Assets | <u>21,209,022</u> | <u>3,561,407</u> | <u>3,665,280</u> | <u>4,361,517</u> | <u>235,474</u> | <u>1,728,896</u> | <u>19,520,399</u> | <u>54,281,995</u> |
| Deferred Outflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 21,209,022</u> | <u>\$ 3,561,407</u> | <u>\$ 3,665,280</u> | <u>\$ 4,361,517</u> | <u>\$ 235,474</u> | <u>\$ 1,728,896</u> | <u>\$ 19,520,399</u> | <u>\$ 54,281,995</u> |
| Liabilities | | | | | | | | |
| Accounts payable | \$ 638,839 | \$ 282,761 | \$ 158,791 | \$ 49,635 | \$ 57,000 | \$ 165,955 | \$ 1,120,183 | \$ 2,473,164 |
| Accrued payroll | 390,136 | 55,613 | 15,269 | 57,090 | - | - | 3,244 | 521,352 |
| Unearned revenue | 13,270 | 185,746 | - | - | - | - | - | 199,016 |
| Due to other funds | <u>1,355,866</u> | <u>416,069</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,576,342</u> | <u>721,668</u> | <u>7,069,945</u> |
| Total Liabilities | <u>2,398,111</u> | <u>940,189</u> | <u>174,060</u> | <u>106,725</u> | <u>57,000</u> | <u>4,742,297</u> | <u>1,845,095</u> | <u>10,263,477</u> |
| Deferred Inflows of Resources | | | | | | | | |
| Unavailable resources - property taxes | 806,764 | 590,000 | 1,225,000 | 500,000 | - | 1,563,840 | 1,455,200 | 6,140,804 |
| Fund Balance | | | | | | | | |
| Nonspendable: | | | | | | | | |
| Prepaid items | 305,028 | 14,308 | 2,602 | 23,413 | - | - | - | 345,351 |
| Interfund advances | 4,251,760 | - | 1,246,447 | 2,016,395 | - | - | 2,037,959 | 9,552,561 |
| Restricted: | | | | | | | | |
| Forfeiture funds | 397,930 | - | - | - | - | - | - | 397,930 |
| Debt service | - | - | - | - | - | - | 1,141,121 | 1,141,121 |
| Capital projects | - | - | - | - | 178,474 | - | 6,169,735 | 6,348,209 |
| Special revenue fund | - | 2,016,910 | 1,017,171 | 1,714,984 | - | - | 6,181,682 | 10,930,747 |
| Assigned: | | | | | | | | |
| Strategic planning | - | - | - | - | - | - | 997,527 | 997,527 |
| Unassigned: | | | | | | | | |
| General fund | <u>13,049,429</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(4,577,241)</u> | <u>(307,920)</u> | <u>8,164,268</u> |
| Total Fund Balances | <u>18,004,147</u> | <u>2,031,218</u> | <u>2,266,220</u> | <u>3,754,792</u> | <u>178,474</u> | <u>(4,577,241)</u> | <u>16,220,104</u> | <u>37,877,714</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 21,209,022</u> | <u>\$ 3,561,407</u> | <u>\$ 3,665,280</u> | <u>\$ 4,361,517</u> | <u>\$ 235,474</u> | <u>\$ 1,728,896</u> | <u>\$ 19,520,399</u> | <u>\$ 54,281,995</u> |

See Notes to the Financial Statements

City of O'Fallon, Illinois
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
For the year ended April 30, 2019

| | |
|--|---------------|
| Total Fund Balances - Governmental Funds | \$ 37,877,714 |
|--|---------------|

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

| | |
|--|-------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds | 115,510,201 |
|--|-------------|

Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

| | |
|-------------------------------|--------------|
| Accrued compensated balances | (2,356,907) |
| Accrued net pension liability | (3,176,302) |
| Accrued interest payable | (631,118) |
| Bonds payable | (48,885,000) |
| Notes payable | (958,513) |

Deferred gains and losses on refunding bonds, bond premiums, and bond discounts are to be amortized over the life of the bonds and are not reported in the funds. Deferred gains and losses, bond premiums, and bond discounts at year-end consist of:

| | |
|---|-------------|
| Deferred loss on refunding, net of amortization | 1,257,095 |
| Deferred gain on refunding, net of amortization | - |
| Bond discounts, net of amortization | 38,668 |
| Bond premiums, net of amortization | (1,728,354) |

Certain assets and liabilities are not due and receivable/payable in the current period, and therefore, are not reported as assets and liabilities in the funds:

| | |
|-------------------------------------|-------------|
| Deferred outflows - pension related | 3,242,979 |
| Deferred inflows - pension related | (1,826,472) |

| | |
|---|-----------------------------|
| Net Position of Governmental Activities | <u><u>\$ 98,363,991</u></u> |
|---|-----------------------------|

City of O'Fallon, Illinois
Combined Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended April 30, 2019

| | General Fund | Park Fund | Fire Fund | Ambulance Fund | Capital Improvement Fund | Tax Incremental Financing Fund | Other Governmental Funds | Total Governmental Funds |
|---|-----------------|--------------|--------------|-------------------|--------------------------------|--------------------------------------|--------------------------------|--------------------------------|
| Revenues | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | \$ 516,098 | \$ 586,780 | \$ 1,217,102 | \$ 348,317 | \$ - | \$ 1,491,925 | \$ 2,078,242 | \$ 6,238,464 |
| Utility | 1,060,945 | 1,048,539 | - | - | - | - | - | 2,109,484 |
| Food and beverage | 932,343 | - | - | - | - | - | - | 932,343 |
| Rural fire district | - | - | - | 436,662 | - | - | - | 436,662 |
| Intergovernmental receipts: | | | | | | | | |
| Replacement tax | - | - | - | - | - | - | 18,802 | 18,802 |
| Motor fuel tax | - | - | - | - | - | - | 814,768 | 814,768 |
| State sales tax | 9,233,674 | 23,572 | - | - | - | - | 2,057,829 | 11,315,075 |
| State income tax | 3,149,178 | - | - | - | - | - | - | 3,149,178 |
| Road and bridge tax | 304,154 | - | - | - | - | - | - | 304,154 |
| Grants | 187,174 | 90,850 | - | 2,254 | - | 28,848 | 158,194 | 467,320 |
| Metropolitan Enforcement Group | 11,178 | - | - | - | - | - | - | 11,178 |
| Other | - | - | 441,068 | - | - | - | - | 441,068 |
| Licenses and permits | 934,165 | - | 20,958 | - | - | - | - | 955,123 |
| Subdivision fees | 43,747 | - | - | - | - | - | - | 43,747 |
| Police reports | 6,083 | - | - | - | - | - | - | 6,083 |
| Combined dispatch | 945,905 | - | - | - | - | - | - | 945,905 |
| Municipal aggregation fees | 105,931 | - | - | - | - | - | - | 105,931 |
| Fines and fees | 272,803 | - | - | - | - | - | - | 272,803 |
| Service fees | 102,657 | 132,751 | 2,400 | 1,248,574 | - | - | 5,450 | 1,491,832 |
| Recreation fees | - | 1,335,162 | - | - | - | - | - | 1,335,162 |
| Room tax | - | - | - | - | - | - | 1,788,915 | 1,788,915 |
| Investment income | 323,141 | 34,909 | 5,582 | 13,276 | 138 | 732 | 238,912 | 616,690 |
| Phone and cable television fees | 543,348 | 410,763 | - | - | - | - | - | 954,111 |
| Rentals | 9,528 | 291,931 | - | - | - | - | - | 301,459 |
| Fee in lieu of taxes | 712,660 | - | - | - | - | - | 47,860 | 760,520 |
| Concession income | - | 317,515 | - | - | - | - | - | 317,515 |
| Donations | 113,506 | 59,900 | - | - | - | - | - | 173,406 |
| Annex fees | - | - | - | - | - | - | 313,850 | 313,850 |
| Build America bond rebates | - | - | - | - | - | - | 175,647 | 175,647 |
| Cemetery revenue | 26,800 | - | - | - | - | - | - | 26,800 |
| Miscellaneous revenues and reimbursements | 23,961 | 6,457 | 502 | 2,845 | - | 3,000 | 62,640 | 99,405 |
| Total Revenues | 19,558,979 | 4,339,129 | 1,687,612 | 2,051,928 | 138 | 1,524,505 | 7,761,109 | 36,923,400 |

See Notes to the Financial Statements

City of O'Fallon, Illinois
Combined Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended April 30, 2019

| | General Fund | Park Fund | Fire Fund | Ambulance Fund | Capital Improvement Fund | Tax Increment Financing Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------|---------------------|---------------------|--------------------------------|------------------------------------|--------------------------------|--------------------------------|
| Total Revenues (page 9) | 19,558,979 | 4,339,129 | 1,687,612 | 2,051,928 | 138 | 1,524,505 | 7,761,109 | 36,923,400 |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| General government | 2,789,483 | - | - | - | - | - | 283,430 | 3,072,913 |
| Public safety | 8,046,584 | - | 1,463,796 | 2,288,551 | - | - | 853,498 | 12,652,429 |
| Highways and streets | 4,070,589 | - | - | - | - | - | 297,931 | 4,368,520 |
| Zoning | 988,958 | - | - | - | - | - | 111,728 | 1,100,686 |
| Cemetery | 121,546 | - | - | - | - | - | 10,236 | 131,782 |
| Culture and recreation | - | 3,457,841 | - | - | - | - | 186,178 | 3,644,019 |
| Tax increment financing | - | - | - | - | - | 658,951 | - | 658,951 |
| Tourism | - | - | - | - | - | - | 298,260 | 298,260 |
| Tax rebates | 170,722 | - | - | - | - | - | - | 170,722 |
| Capital outlay | 899,777 | 315,812 | 252,243 | 279,995 | 1,903,105 | 1,017,360 | 2,481,863 | 7,150,155 |
| Debt service: | | | | | | | | |
| Principal | 28,829 | - | 277,162 | 28,830 | - | - | 2,860,000 | 3,194,821 |
| Interest and fiscal charges | 357 | - | 43,012 | 358 | - | - | 2,291,961 | 2,335,688 |
| Bond issuance costs | - | - | - | - | - | - | 205,327 | 205,327 |
| Total Expenditures | 17,116,845 | 3,773,653 | 2,036,213 | 2,597,734 | 1,903,105 | 1,676,311 | 9,880,412 | 38,984,273 |
| Excess (Deficiency) of Revenues over Expenditures | 2,442,134 | 565,476 | (348,601) | (545,806) | (1,902,967) | (151,806) | (2,119,303) | (2,060,873) |
| Other Financing Sources (Uses) | | | | | | | | |
| Capital contributions | - | - | - | - | - | - | 433,680 | 433,680 |
| Insurance refunds and claims | 18,139 | - | 26,172 | 12,697 | - | - | - | 57,008 |
| Proceeds from sale of capital assets | 65,197 | 6,015 | - | 55,162 | - | - | 240,448 | 366,822 |
| Proceeds from refunding bonds | - | - | - | - | - | - | 23,240,000 | 23,240,000 |
| Proceeds from refunding bonds - premium | - | - | - | - | - | - | 1,085,993 | 1,085,993 |
| Debt service - principal | - | - | - | - | - | - | (23,785,000) | (23,785,000) |
| Transfers in from other funds | 901,684 | 130,932 | - | - | 600,000 | - | 4,269,878 | 5,902,494 |
| Transfers out to other funds | (1,904,133) | (742,400) | (139,336) | (163,314) | - | (231,318) | (2,195,045) | (5,375,546) |
| Total Other Financing Sources | (919,113) | (605,453) | (113,164) | (95,455) | 600,000 | (231,318) | 3,289,954 | 1,925,451 |
| Net Change in Fund Balance | \$ 1,523,021 | \$ (39,977) | \$ (461,765) | \$ (641,261) | \$ (1,302,967) | \$ (383,124) | \$ 1,170,651 | \$ (135,422) |
| Fund Balance (Deficit), May 1 (restated) | 16,481,126 | 2,071,195 | 2,727,985 | 4,396,053 | 1,481,441 | (4,194,117) | 15,049,453 | 38,013,136 |
| Fund Balance (Deficit), April 30 | <u>\$ 18,004,147</u> | <u>\$ 2,031,218</u> | <u>\$ 2,266,220</u> | <u>\$ 3,754,792</u> | <u>\$ 178,474</u> | <u>\$ (4,577,241)</u> | <u>\$ 16,220,104</u> | <u>\$ 37,877,714</u> |

See Notes to the Financial Statements

City of O'Fallon, Illinois
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the year ended April 30, 2019

| | | |
|--|----|-----------|
| Net Change in Fund Balances - Governmental Funds | \$ | (135,422) |
|--|----|-----------|

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold exceeded the depreciation in the current period.

| | | | |
|----------------------|-------------|--|-------------|
| Capital outlays | 5,306,401 | | |
| Depreciation expense | (6,804,553) | | |
| | | | (1,498,152) |

| | | | |
|------------------------------------|--|--|-----------|
| Gain/(Loss) on capital assets sold | | | (196,488) |
|------------------------------------|--|--|-----------|

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and included in the treatment of long-term debt and related items.

| | | | |
|---------------|--------------|--|-----------|
| Issuances: | | | |
| Bonds payable | (24,325,993) | | |
| Notes payable | - | | |
| Repayments: | | | |
| Bonds payable | 26,645,000 | | |
| Notes payable | 334,821 | | |
| | | | 2,653,828 |

| | | | |
|---------------------------------------|--|--|--------|
| Payment of interest on long-term debt | | | 92,537 |
|---------------------------------------|--|--|--------|

| | | | |
|---------------------|--|--|---------|
| Pension obligations | | | 237,578 |
|---------------------|--|--|---------|

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

| | | | |
|----------------------|--|--|---------|
| Compensated absences | | | (9,401) |
|----------------------|--|--|---------|

| | | |
|---|----|-----------|
| Change in Net Position of Governmental Activities | \$ | 1,144,480 |
|---|----|-----------|

City of O'Fallon, Illinois
Statement of Net Position
Proprietary Funds
April 30, 2019

| Assets | Water | Sewer | Total |
|---------------------------------------|---------------|---------------|---------------|
| Current Assets | | | |
| Cash and cash equivalents | \$ 12,419,095 | \$ 6,281,175 | \$ 18,700,270 |
| Investments | 4,488,726 | 3,894,684 | 8,383,410 |
| Restricted cash and cash equivalents | - | - | - |
| Receivables, net | | | |
| Service charges | 1,276,417 | 796,602 | 2,073,019 |
| Interest | 14,956 | 14,177 | 29,133 |
| Restricted receivables, net | - | - | - |
| Prepaid items | 82,567 | 149,351 | 231,918 |
| Due from other funds | 217,962 | 4,397,344 | 4,615,306 |
| Total Current Assets | 18,499,723 | 15,533,333 | 34,033,056 |
| Noncurrent Assets | | | |
| Non-depreciable capital assets: | | | |
| Land and construction in progress | 1,427,796 | 936,881 | 2,364,677 |
| Depreciable capital assets: | | | |
| Other capital assets, net | 20,708,503 | 17,170,563 | 37,879,066 |
| Total Noncurrent Assets | 22,136,299 | 18,107,444 | 40,243,743 |
| Deferred Outflows of Resources | | | |
| Deferred outflows - pension related | 883,685 | 437,817 | 1,321,502 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts payable | 1,388,815 | 274,297 | 1,663,112 |
| Accrued payroll | 69,762 | 35,556 | 105,318 |
| Compensated absences payable | 285,403 | 140,971 | 426,374 |
| Customer deposits | - | - | - |
| Due to other funds | 5,045,376 | 2,052,546 | 7,097,922 |
| Current portion of notes payable | 317,350 | 160,550 | 477,900 |
| Accrued interest | 17,468 | 19,752 | 37,220 |
| Total Current Liabilities | 7,124,174 | 2,683,672 | 9,807,846 |
| Long-Term Liabilities | | | |
| Net pension liability | 885,284 | 453,599 | 1,338,883 |
| Long-term portion of notes payable | 3,523,609 | 2,793,494 | 6,317,103 |
| Total Long-Term Liabilities | 4,408,893 | 3,247,093 | 7,655,986 |
| Deferred Inflows of Resources | | | |
| Deferred inflows - pension related | 405,372 | 261,688 | 667,060 |
| Net Position | | | |
| Net investment in capital assets | 18,295,340 | 15,153,400 | 33,448,740 |
| Restricted for: | | | |
| Debt service | - | - | - |
| Construction | - | - | - |
| Unrestricted | 11,285,928 | 12,732,741 | 24,018,669 |
| Total Net Position | \$ 29,581,268 | \$ 27,886,141 | \$ 57,467,409 |

See Notes to the Financial Statements

City of O'Fallon, Illinois
Statement of Revenue, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended April 30, 2019

| | Water | Sewer | Total |
|--|-----------------------------|-----------------------------|-----------------------------|
| Operating Revenues | | | |
| Charges for services: | | | |
| Sales | \$ 11,126,924 | \$ 6,062,824 | \$ 17,189,748 |
| Tap-on fees | 523,475 | 168,170 | 691,645 |
| Service charges and fees | 176,081 | 875,605 | 1,051,686 |
| Sprinklers and hydrants | 78,532 | - | 78,532 |
| Miscellaneous refunds and reimbursements | 35,080 | 41,619 | 76,699 |
| Total Operating Revenues | <u>11,940,092</u> | <u>7,148,218</u> | <u>19,088,310</u> |
| Operating Expenses | | | |
| Personnel services | 2,198,124 | 1,204,689 | 3,402,813 |
| Contractual services | 5,412,804 | 1,037,870 | 6,450,674 |
| Commodities | 473,365 | 489,839 | 963,204 |
| Fee in lieu of taxes | 543,230 | 217,290 | 760,520 |
| Depreciation and amortization | 1,209,325 | 1,099,655 | 2,308,980 |
| Miscellaneous | 19,720 | 15,755 | 35,475 |
| Total Operating Expenses | <u>9,856,568</u> | <u>4,065,098</u> | <u>13,921,666</u> |
| Operating Income (Loss) | 2,083,524 | 3,083,120 | 5,166,644 |
| Non-operating Revenues (Expenses) | | | |
| Capital contributions | - | - | - |
| Investment income | 349,766 | 130,499 | 480,265 |
| Interest expense | (100,477) | (68,895) | (169,372) |
| Gain (loss) on disposal of fixed assets | - | - | - |
| Total Non-operating Revenues (Expenses) | <u>249,289</u> | <u>61,604</u> | <u>310,893</u> |
| Income (Loss) Before Transfers | 2,332,813 | 3,144,724 | 5,477,537 |
| Transfers in (out) | <u>(357,456)</u> | <u>(132,376)</u> | <u>(489,832)</u> |
| Change in Net Position | \$ 1,975,357 | \$ 3,012,348 | \$ 4,987,705 |
| Net Position, May 1 (restated) | <u>27,605,911</u> | <u>24,873,793</u> | <u>52,479,704</u> |
| Net Position, April 30 | <u><u>\$ 29,581,268</u></u> | <u><u>\$ 27,886,141</u></u> | <u><u>\$ 57,467,409</u></u> |

See Notes to the Financial Statements

City of O'Fallon, Illinois
Statement of Cash Flows
Proprietary Funds
For the year ended April 30, 2019

| | Water | Sewer | Total |
|---|-----------------------------|----------------------------|-----------------------------|
| Increase (Decrease) in Cash and Cash Equivalents: | | | |
| Cash Flows from Operating Activities: | | | |
| Receipts from customers | \$ 12,008,918 | \$ 7,152,761 | \$ 19,161,679 |
| Payments to suppliers | (5,780,045) | (1,605,421) | (7,385,466) |
| Payments to employees | (2,294,780) | (1,242,926) | (3,537,706) |
| Net Cash Flows from Operating Activities | <u>3,934,093</u> | <u>4,304,414</u> | <u>8,238,507</u> |
| Cash Flows from Noncapital Financing Activities: | | | |
| Decrease (increase) of interfund balances | 5,183,328 | (1,248,147) | 3,935,181 |
| Transfer in (out) | (357,456) | (132,376) | (489,832) |
| Net Cash Used by Noncapital Financing Activities | <u>4,825,872</u> | <u>(1,380,523)</u> | <u>3,445,349</u> |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Payments on long-term debt | (309,563) | (155,818) | (465,381) |
| Interest on debt | (101,841) | (69,945) | (171,786) |
| Proceeds from sale of capital assets | - | - | - |
| Acquisition and construction of capital assets | (1,435,265) | (564,961) | (2,000,226) |
| Net Cash Used by Capital and Related Financing Activities | <u>(1,846,669)</u> | <u>(790,724)</u> | <u>(2,637,393)</u> |
| Cash Flows from Investing Activities: | | | |
| Purchase of investments, net | (3,966,514) | (3,887,819) | (7,854,333) |
| Interest on investments | 315,716 | 109,457 | 425,173 |
| Net Cash Used by Investing Activities | <u>(3,650,798)</u> | <u>(3,778,362)</u> | <u>(7,429,160)</u> |
| Net Increase in Cash and Cash Equivalents | \$ 3,262,498 | \$ (1,645,195) | \$ 1,617,303 |
| Cash and Cash Equivalents, May 1 (restated) | <u>9,156,597</u> | <u>7,926,370</u> | <u>17,082,967</u> |
| Cash and Cash Equivalents, April 30 | <u><u>\$ 12,419,095</u></u> | <u><u>\$ 6,281,175</u></u> | <u><u>\$ 18,700,270</u></u> |

See Notes to the Financial Statements

City of O'Fallon, Illinois
Statement of Cash Flows
Proprietary Funds
For the year ended April 30, 2019

| | Water | Sewer | Total |
|--|---------------------|---------------------|---------------------|
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | |
| Operating Profit (Loss) | \$ 2,083,524 | \$ 3,083,120 | \$ 5,166,644 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation expense | 1,209,325 | 1,099,655 | 2,308,980 |
| (Increase) decrease in: | | | |
| Accounts receivable | 72,245 | 4,543 | 76,788 |
| Prepaid items | 13,151 | 25,924 | 39,075 |
| Deferred outflows of resources | (648,876) | (278,827) | (927,703) |
| Increase (decrease) in: | | | |
| Accounts payable | 655,923 | 129,409 | 785,332 |
| Deposits payable | (3,419) | - | (3,419) |
| Net pension liability | 731,015 | 314,122 | 1,045,137 |
| Compensated absences payable | (36,816) | (9,261) | (46,077) |
| Deferred inflows of resources | (150,999) | (64,885) | (215,884) |
| Accrued payroll liabilities | 9,020 | 614 | 9,634 |
| Net cash provided by (used in) operating activities | <u>\$ 3,934,093</u> | <u>\$ 4,304,414</u> | <u>\$ 8,238,507</u> |
| Noncash Capital and Related Financing and/or Investing Activities: | | | |
| Capital contributions | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See Notes to the Financial Statements

City of O'Fallon, Illinois
Statement of Net Position
Fiduciary Funds
April 30, 2019

| | Police Pension Trust | Fire Pension Trust | Total |
|---|-----------------------------|--------------------------|-----------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 419,431 | \$ 21,938 | \$ 441,369 |
| Investments | 31,359,628 | 662,860 | 32,022,488 |
| Receivables, net | | | |
| Interest receivable | 84,873 | 4,004 | 88,877 |
| Property tax receivable | 1,200,000 | 45,000 | 1,245,000 |
| Due from other governmental entities | 1,458 | - | 1,458 |
| Due from brokers for securities sold | - | - | - |
| Total Assets | <u>33,065,390</u> | <u>733,802</u> | <u>33,799,192</u> |
| Liabilities | | | |
| Due to other funds | - | - | - |
| Accounts payable | 9,156 | - | 9,156 |
| Due to brokers for securities purchased | - | - | - |
| Total Liabilities | <u>9,156</u> | <u>-</u> | <u>9,156</u> |
| Net Position | | | |
| Held in Trust for Pension Benefits | <u>33,056,234</u> | <u>733,802</u> | <u>33,790,036</u> |
| Total Net Position | <u><u>\$ 33,056,234</u></u> | <u><u>\$ 733,802</u></u> | <u><u>\$ 33,790,036</u></u> |

See Notes to the Financial Statements

City of O'Fallon, Illinois
Statement of Changes in Net Position
Fiduciary Funds
For the year ended April 30, 2019

| | Police Pension Trust | Fire Pension Trust | Total |
|---|-----------------------------|--------------------------|-----------------------------|
| Additions | | | |
| Contributions: | | | |
| Plan members | \$ 402,974 | \$ 10,525 | \$ 413,499 |
| Other plan | 40,343 | - | 40,343 |
| Employer | 1,192,317 | 44,663 | 1,236,980 |
| Total Contributions | <u>1,635,634</u> | <u>55,188</u> | <u>1,690,822</u> |
| Intergovernmental revenue - replacement taxes | 4,287 | - | 4,287 |
| Investment income: | | | |
| Investment income | 1,721,666 | 27,897 | 1,749,563 |
| Less: investment fees | (43,829) | (1,533) | (45,362) |
| Net investment income | <u>1,677,837</u> | <u>26,364</u> | <u>1,704,201</u> |
| Total Additions | 3,317,758 | 81,552 | 3,399,310 |
| Deductions | | | |
| Benefits | 1,222,088 | - | 1,222,088 |
| Refunds | 54,305 | - | 54,305 |
| Administration services | 23,172 | 3,183 | 26,355 |
| Total Deductions | <u>1,299,565</u> | <u>3,183</u> | <u>1,302,748</u> |
| Change in Net Position Held in Trust | \$ 2,018,193 | \$ 78,369 | \$ 2,096,562 |
| Net Position Held in Trust, May 1 | <u>31,038,041</u> | <u>655,433</u> | <u>31,693,474</u> |
| Net Position Held in Trust, April 30 | <u><u>\$ 33,056,234</u></u> | <u><u>\$ 733,802</u></u> | <u><u>\$ 33,790,036</u></u> |

See Notes to the Financial Statements

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City of O'Fallon (the "City") are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

The Financial Reporting Entity

The City was incorporated on May 5, 1905 under the provisions of the State of Illinois. The City operates on a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services (ambulance), culture and recreation, public improvements, planning and zoning, and general administrative services. Other services include utilities (water and sewer).

As required by generally accepted accounting principles, these financial statements present the City (the primary government) and all related organizations for which the City exercises financial accountability. The Police Pension Fund and Fire Pension Fund have been included as fiduciary funds due to the fiduciary responsibility exercised over these Pension Funds.

Discretely Presented Component Unit

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City should be included within its financial statements as component units. The criteria for including organizations within the City's reporting entity, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, and updated in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, is financial accountability. Financial accountability is defined as either 1) appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government or 2) the component unit is fiscally dependent on the primary government and there are potential financial benefits or burdens on the primary government.

The O'Fallon Public Library has been determined to be part of the reporting entity because the City exercises financial accountability over the assets, operations, and management of the Library. The governing boards of the Library are appointed by the Mayor with approval of the City Council. Therefore, the O'Fallon Public Library is included in the accompanying financial statements as a discretely presented component unit.

The Library's budget is approved and adopted by the City Council. The Library also submits its property tax levy to the Council for approval and the taxes are levied under the City's authority and included as part of the City's total tax levy.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information for the City as a whole excluding fiduciary activities of the City such as employee pension plans. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) operating grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported in separate columns with composite columns for nonmajor funds in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Park Special Revenue Fund is used to account for the financial transactions and proceeds of parks and recreation programs and services for the City including the Sports Park Complex.

The Fire Special Revenue Fund is used to account for the financial transactions and proceeds of fire protection and public safety services for the City.

The Ambulance Special Revenue Fund is used to account for the financial transactions and proceeds of emergency services for the City.

The Capital Improvement Capital Projects Fund is used to account for the financial transactions and proceeds of debt issuances for capital projects.

The Tax Increment Financing (TIF) Special Revenue Fund is used to account for the financial transactions and proceeds of all the tax increment financing districts within the City.

The City reports the following major proprietary funds:

The Water and Sewer Enterprise Funds are used to account for the activities of the water and sewerage operations.

Fund Accounting

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

Funds are classified into three categories: governmental, proprietary, and fiduciary.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. These assets are held under the terms of formal trust agreements as pension funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are reported when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing water, sewer, and recreation services. Incidental revenues/expenses are reported as nonoperating.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considered revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports unearned revenue on its financial statements. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow of resources for unearned revenue is removed from the combined balance sheet and revenue is recognized.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budget

Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations for all funds lapse at the end of the year.

Cash, Cash Equivalents, and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value. Investment income earned on pooled cash or investments is allocated to the various funds. Investment income on restricted cash and investments is credited directly to the related fund.

Allowance for Uncollectable Accounts

The City maintains an allowance for doubtful accounts in the following funds. This comprises the balances on accounts outstanding over a certain period.

| | |
|----------------|---------------------|
| | 2019 |
| Ambulance Fund | \$ 1,759,099 |
| Water Fund | 29,472 |
| Sewer Fund | 15,795 |
| | <u>\$ 1,804,366</u> |

Due To/From Other Funds

Noncurrent portions of long-term interfund loans receivable (reported in "advances to" asset accounts) are equally offset by 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. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of proprietary funds are recorded as expenditures when purchased rather than consumed. Accounting principles generally accepted in the United States of America require that the consumption method be used to recognize inventory purchases, however, management believes the effect of using the purchase method does not result in a material difference in the statement of inventory.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Certain proceeds from the issuance of debt, as well as certain resources set aside for debt repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

Property Taxes

The City's property tax is levied each year on all taxable real property located in the City on or before the last Tuesday in December. The levy is passed by the Council in December. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments due in June and August of the subsequent year. The City receives significant distributions of tax receipts in the months of July and September.

For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end, are recorded as revenues. The accompanying financial statements include the 2017 property tax levy in revenue.

The applicable tax statistics for the City, for the latest years available, are as follows:

| | 2018 | | 2017 | |
|--------------------------------|---------|---------------|---------|---------------|
| Assessed Valuation | \$ | 705,904,298 | \$ | 674,208,383 |
| | Maximum | Actual | Maximum | Actual |
| Tax Rates | | | | |
| General | n/a | 0.0709 | n/a | 0.0742 |
| Fire Protection | n/a | 0.1736 | n/a | 0.1817 |
| Fire Pension | n/a | 0.0064 | n/a | 0.0104 |
| Ambulance | n/a | 0.0709 | n/a | 0.0520 |
| Library | n/a | 0.1534 | n/a | 0.1606 |
| Library - Municipal Retirement | n/a | 0.0073 | n/a | 0.0077 |
| Library - Social Security | n/a | 0.0078 | n/a | 0.0082 |
| Park and Recreation | n/a | 0.0836 | n/a | 0.0876 |
| Police Pension | n/a | 0.1700 | n/a | 0.1780 |
| Municipal Retirement | n/a | 0.0886 | n/a | 0.0895 |
| Social Security | n/a | 0.1155 | n/a | 0.1338 |
| | | <u>0.9480</u> | | <u>0.9837</u> |

The City is home rule so maximum rates are not applicable.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Property Taxes (continued)

The City also levies for seven (7) special service areas for maintenance expense. They have various assessed valuations depending on the area serviced and are accounted for in the special revenue fund in total. The assessed valuation of all areas combined is \$34,270,624. Each area has a maximum rate of 0.3500. The total extension for all areas combined is \$15,162.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (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, individual cost exceeding the totals listed below (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment, in excess of the following cost totals, is depreciated using the straight-line method over the following estimated useful lives:

| <u>Asset</u> | <u>Cost</u> | <u>Years</u> |
|----------------------------|-------------|--------------|
| Buildings | \$ 50,000 | 40 |
| Water and Sewer System | 50,000 | 20-40 |
| Infrastructure | 50,000 | 10-30 |
| Equipment | 25,000 | 5-20 |
| Land/Building Improvements | 50,000 | 20 |
| Vehicles | 15,000 | 5-10 |

Compensated Absences

Vacation

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. The entire accumulated vacation leave is accrued when incurred in the government-wide financial statements. For governmental funds, the expenditure for vacation leave is recorded in the fund when the employees who have accumulated vacation leave are paid. Therefore, the current portion of the liability is not reported in the governmental funds.

Sick Leave

Eligible full-time employees will accrue sick leave benefits at the rate of 13 days per year (2 hours for every full week worked). For part-time employees sick leave eligibility will be based on the foregoing schedule but will be prorated based on the total number of hours per week the employee is regularly scheduled to work as compared with a 40-hour work week. Sick leave benefits will be calculated based on the employee's base pay rate at the time of absence.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Compensated Absences (continued)

Sick Leave (continued)

For employees hired prior to January 1, 2002, unused sick leave benefits will be paid to employees in good standing while they are employed or upon termination of employment up to 1040 hours. Employees may sell back to the City during their employment the 1040 hours, but the employee must maintain a minimum of 400 hours of available sick time. For employees hired after January 1, 2002, however, the maximum amount of unused sick leave that will be paid for upon separation is 480 hours.

A schedule of the accrual for combined vacation and sick leave follows:

| | Total | Due Within One Year |
|--------------------------|---------------------|------------------------|
| Governmental Activities | \$ 2,356,907 | \$ 2,356,907 |
| Business-Type Activities | 426,374 | 426,374 |
| Component Unit | 66,351 | 66,351 |
| | <u>\$ 2,849,632</u> | <u>\$ 2,849,632</u> |

Compensatory Time

A non-exempt employee, except for police or firefighters, who works more than 40 hours during a work week can receive a comparable amount of compensatory time off during the same work week after approval by the department supervisor. If the supervisor determines that the comp time cannot be taken during the same work week, the supervisor shall grant the accrual of comp time at the rate of one and one-half times or grant pay at the rate of one and one-half times the employee's regular hourly rate. An employee may accrue up to a maximum of 40 hours of banked comp time and shall make every effort to use compensatory time before the end of the fiscal year. Any compensatory time not used prior to the end of the fiscal year shall be bought back at the employee's regular rate of pay.

Liabilities for compensated absences for the City are generally liquidated from the General Fund, Park Fund, Fire Fund, Ambulance Fund, Water Fund, and Sewer Fund

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Although the straight-line method is not considered to be a generally accepted accounting principle, management feels that the use of this method will not result in a material difference. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize interest expense paid, 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 costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Equity

The government-wide and proprietary fund financial statements are classified in the following categories:

Net investment in capital assets - represents capital assets, net of accumulated depreciation, less the outstanding balance of any notes, leases, or other borrowings that are attributable to the acquisition, construction, or improvements of the assets. Net investment in capital assets excludes unspent bond and loan proceeds.

Restricted - represents net position that is legally restricted or identified for specific purposes by outside parties or by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$18,278,212 in restricted net position, of which \$10,614,195 is restricted due to enabling legislation.

Unrestricted - represents net position that is the residual assets for future operations or distribution

The governmental fund equities, under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, are classified in the following categories:

Nonspendable - represents fund balances that cannot be spent because they are either a) not in spendable form (i.e. inventory and prepaid items) or b) legally or contractually required to be maintained intact

Restricted - represents fund balances that can be used only for specific purposes due to a) constitutional provisions or enabling legislation or b) externally imposed constraints such as creditors, grantors, laws, or other governments

Committed - represents fund balances that can be used only for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution

Assigned - represents fund balances that are any amounts for which it is the City's intent that the funds be used for specific purposes but there is no legal or binding restrictions or commitments (i.e. assignments made by the City's management)

Unassigned - represents fund balances that are residual amounts for the government's general fund and includes all spendable amounts not contained in the other classifications

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

Grant Revenue

Resources received by the City from other governments are accounted for within applicable funds based on the purpose and requirements of each grant. Revenues are recognized on an accounting basis consistent with the Fund's measurement objective.

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as unearned revenue or amounts receivable from the grantor.

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions (continued)

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

Use of Estimates

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position and the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Note 2 - Legal Compliance and Accountability

Budgetary Data

The City followed these procedures in establishing the budgetary data reported in the financial statements for the year ended April 30, 2019:

1. Prior to April 30 of the previous fiscal year, the proposed budget was distributed to the various committees for their review.
2. The committee reviews of the budget were conducted from February 26, 2018 through March 26, 2018.
3. A public hearing on the proposed budget was held on April 4, 2018.
4. Formal adoption of the budget was on April 16, 2018.

Note 3 - Deposits and Investments

The City is authorized to make deposits or investments in obligations of the U.S. Government, savings accounts, time deposits, certificates of deposit or other investments, which are direct obligations of banks as defined by the Illinois Banking Act. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations, tax anticipation warrants, veterans' loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, mutual funds and equity securities. The City has an investment policy that further limits what it is able to invest in.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 3 - Deposits and Investments (continued)

Deposits

Deposits held by the City as of April 30, 2019 consist of the following:

| | Primary Government | Component Unit | Police Pension | Fire Pension | Total |
|-----------------|-----------------------|-------------------|-------------------|-----------------|--------------|
| Demand deposits | \$ 7,946,368 | \$ 76,440 | \$ 419,431 | \$ 21,938 | \$ 8,464,177 |

Investments

Investments held by the City as of April 30, 2019 consist of the following:

| Investment Type | Primary Government | Component Unit | Police Pension | Fire Pension | Total |
|----------------------------|-----------------------|-------------------|-------------------|-----------------|---------------|
| Cash and Cash Equivalents | \$ 1,369,295 | \$ 103,871 | \$ 177,972 | \$ 3,181 | \$ 1,654,319 |
| Certificates of Deposit | 20,491,438 | 581,965 | 1,187,513 | 241,090 | 22,502,006 |
| U.S. Government Securities | - | 15,400 | 5,877,775 | 153,778 | 6,046,953 |
| Corporate Bonds | - | 463,089 | 4,074,514 | 196,738 | 4,734,341 |
| Municipal Bonds | - | 49,754 | 349,543 | - | 399,297 |
| Mutual Funds | 639,701 | 1,939,749 | 10,744,303 | 59,889 | 13,383,642 |
| Exchange Traded Funds | 99,766 | 551,712 | 8,948,008 | 8,184 | 9,607,670 |
| Alternative Investments | 42,243 | 254,725 | - | - | 296,968 |
| Total | \$ 22,642,443 | \$ 3,960,265 | \$ 31,359,628 | \$ 662,860 | \$ 58,625,196 |

Cash and Cash Equivalents in External Investment Pools

| | | | | | |
|------------------------------------|---------------|------------|------|------|---------------|
| Illinois Funds | \$ 31,616,189 | \$ 274,396 | \$ - | \$ - | \$ 31,890,585 |
| Illinois Metropolitan Invest. Fund | 6,729 | - | - | - | 6,729 |
| Total External Invest. Pools | \$ 31,622,918 | \$ 274,396 | \$ - | \$ - | \$ 31,897,314 |

The Illinois Funds and Illinois Metropolitan Investments Fund are pooled investments operated by the State of Illinois as a not-for-profit common law trust and are not registered with the SEC. The funds are monitored regularly through the state by internal and external audits. The goals of the funds are to provide liquidity and to maintain balances that are equal to the par value of invested shares with no loss to market fluctuations. The fair value of the City's position in the pool is the same as the value of the pool shares.

Credit Risk

State law limits investments in commercial paper, corporate bonds, and money market mutual funds to the top two ratings, issued by nationally recognized statistical rating organizations. The City has an investment policy that further limits its investment choices. As of April 30, 2019, the City's deposits in the Illinois Funds and Illinois Metropolitan Investment external investment pools were rated AAAm and AAAs by Standard & Poor's, respectively. The City's investments in corporate bonds, municipal bonds, mutual bond funds, and exchange traded bond funds are rated as follows:

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 3 - Deposits and Investments (continued)

Credit Risk (continued)

| | Moody's | S & P |
|--|---------|-------|
| Corporate Bonds | | |
| Exxon Mobil Corp. | Aaa | AA+ |
| Anheuser Busch In-Bev | Baa1 | A- |
| International Business Machines Corp. | A1 | A |
| Wal-Mart, Inc. | Aa2 | AA |
| Apple Inc. | Aa1 | AA+ |
| Deere & Company | A2 | A |
| Microsoft Corp. | Aaa | AAA |
| Coca Cola Company | A1 | A+ |
| Berkshire Hathaway, Inc. | Aa2 | AA |
| Hewlett-Packard Co. | Baa2 | BBB |
| JP Morgan Chase & Co. | A2 | A- |
| HSBC Holdings PLC | A2 | A |
| Wells Fargo & Co. | A3 | BBB+ |
| State Street Corporation | A1 | A |
| Deutsche Bank | Baa3 | BBB- |
| AT&T Inc. | Baa2 | BBB |
| Chevron Corporation | Aa2 | AA |
| Northern Trust Corporation | A2 | A |
| Target Corporation | A2 | A |
| Oracle Corporation | A1 | A+ |
| Altria Group, Inc. | A3 | BBB |
| Charles Schwab Corporation | A2 | A |
| Bank of America Corporation | A2 | A- |
| Municipal Bonds | | |
| Northbrook Illinois Refunding | Aaa | AAA |
| Libertyville Illinois Refunding | Aa2 | n/a |
| Gratiot County, Michigan | A2 | AA |
| Illinois Dev Fin Auth Rev Local Govt. Sch Dist No 304 2001-A | n/a | AA+ |
| Illinois Dev Fin Auth Rev Local Govt. Sch Dist No 304 2001-A | n/a | AA |
| Mutual Bond Funds | | |
| Vanguard High-Yield Corporate Fund | n/a | n/a |
| Dodge & Cox Income Fund | n/a | n/a |
| Vanguard Intermediate Term Investment Grade Fund | n/a | n/a |
| Capital World Bond Fund | n/a | n/a |
| Vanguard Short Term Bond Index Fund | n/a | n/a |
| Vanguard Short Term Investment Grade Fund | n/a | n/a |
| Fidelity High Income Fund | n/a | n/a |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 3 - Deposits and Investments (continued)

Credit Risk (continued)

Mutual Bond Funds (continued)

| | | |
|--|-----|-----|
| Stone Ridge High Yield Reinsurance Risk Premium Fund | n/a | n/a |
| Stone Ridge Reinsurance Risk Premium Interval Fund | n/a | n/a |
| Vanguard Inflation Protected Securities Fund | n/a | n/a |
| Federated Total Return Bond Fund | n/a | n/a |
| DFA Five-Year Global Fund | n/a | n/a |
| DFA World ex U.S. Governments Fixed Income Fund | n/a | n/a |
| DFA Dimensional 1 Yr Fixed Income Fund | n/a | n/a |
| DFA Short-Term Extended Quality Portfolio Fund | n/a | n/a |

Exchange Traded Bond Funds

| | | |
|--|-----|-----|
| IShares Barclays US Treasury Inflation Protected Securities Fund | n/a | n/a |
|--|-----|-----|

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. The City uses the segmented time distribution method to analyze interest rate risk as follows:

| | Fair Value | Segmented Time Distribution Investment Maturities (in Year) | | | |
|------------------------------------|----------------------|--|----------------------|---------------------|---------------------|
| | | <1 | 1-5 | 6-10 | >10 |
| Certificates of Deposit | \$ 22,502,006 | \$ 15,097,188 | \$ 7,134,531 | \$ 270,287 | \$ - |
| U.S. Government Securities | 6,046,953 | 308,487 | 1,877,756 | 2,829,554 | 1,031,156 |
| Corporate Bonds | 4,734,341 | 304,389 | 3,388,503 | 1,041,449 | - |
| Municipal Bonds | 399,297 | 374,239 | - | 25,058 | - |
| Mutual Funds | 13,383,642 | 13,383,642 | - | - | - |
| Exchange Traded Funds | 9,607,670 | 9,607,670 | - | - | - |
| Alternative Investments | 296,968 | 296,968 | - | - | - |
| Illinois Funds | 31,890,585 | 31,890,585 | - | - | - |
| Illinois Metropolitan Invest. Fund | 6,729 | 6,729 | - | - | - |
| | <u>\$ 88,868,191</u> | <u>\$ 71,269,897</u> | <u>\$ 12,400,790</u> | <u>\$ 4,166,348</u> | <u>\$ 1,031,156</u> |

Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of failure of the counter party, the City will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. State law requires depository financial institutions to pledge as collateral for public funds on deposit, governmental unit securities, which, when combined with Federal Deposit Insurance Corporation ("FDIC") insurance, are at least equal to the amount on deposit at all times.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 3 - Deposits and Investments (continued)

Custodial Credit Risk (continued)

As of April 30, 2019, bank balances on demand and time deposits totaled \$15,210,029. Of the bank balances, \$600 was held as cash at the City, \$1,282,922 was insured by the Federal Deposit Insurance Corporation (FDIC), \$13,765,888 was covered by pledged collateral, which was held in the City's name, and \$160,619 was uncollateralized. Bank balances of the City, component unit, police pension, and fire pension are commingled in several bank accounts.

The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the City's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the City's name. All investments subject to custodial credit risk fall under Category 2.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer.

Concentration of credit risk is required to be disclosed by the City for investments in any one issuer that represent 5% or more of total investments (investments issued by or explicitly guaranteed by the United States Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments are exempt). Defined benefit plans are required to disclose investments in any one issuer that represent 5% or more of total plan net position with the same exemptions as above. As of April 30, 2019, the City had the following investment concentrations:

| | Investment Type | Fair Value | % of Total Investments |
|----------------------------|----------------------------------|--------------|------------------------|
| Primary Government: | | | |
| Simmons Bank | Bank Certificates of Deposit | \$ 4,750,000 | 20.98% |
| Western Alliance Bank | Brokered Certificate of Deposit | 2,753,200 | 12.16% |
| Component Unit: | | | |
| Simmons Bank | Bank Certificate of Deposit | 506,592 | 12.79% |
| Police Pension: | | | |
| Farm Credit System | U.S. Agency Securities | 1,799,589 | 5.74% |
| Fire Pension: | | | |
| Capital One Bank | Brokered Certificate of Deposit | 48,876 | 7.37% |
| Morgan Stanley Bank | Brokered Certificates of Deposit | 80,636 | 12.16% |
| Wells Fargo & Co. | Brokered Certificates of Deposit | 50,313 | 7.59% |
| Citi Bank | Brokered Certificates of Deposit | 61,265 | 9.24% |
| Tennessee Valley Authority | U.S. Agency Securities | 34,563 | 5.21% |
| Farm Credit System | U.S. Agency Securities | 74,412 | 11.23% |
| Microsoft Corporation | Corporate Bond | 49,675 | 7.49% |
| Exxon Mobil | Corporate Bond | 49,875 | 7.52% |
| Apple, Inc. | Corporate Bond | 50,849 | 7.67% |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 3 - Deposits and Investments (continued)

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of April 30, 2019:

| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|------------------------------------|----------------------|---|---|--|
| Primary Government: | | | | |
| Cash and Cash Equivalents | \$ 1,369,295 | \$ 1,369,295 | \$ - | \$ - |
| Certificates of Deposit | 20,491,438 | - | 20,491,438 | - |
| Mutual Funds | 639,701 | 639,701 | - | - |
| Exchange Traded Funds | 99,766 | 99,766 | - | - |
| Alternative Investments | 42,243 | 42,243 | - | - |
| Illinois Funds | 31,616,189 | 31,616,189 | - | - |
| Illinois Metropolitan Invest. Fund | 6,729 | 6,729 | - | - |
| | <u>\$ 54,265,361</u> | <u>\$ 33,773,923</u> | <u>\$ 20,491,438</u> | <u>\$ -</u> |
| Component Unit: | | | | |
| Cash and Cash Equivalents | \$ 103,871 | \$ 103,871 | \$ - | \$ - |
| Certificates of Deposit | 581,965 | - | 581,965 | - |
| U.S. Government Securities | 15,400 | - | 15,400 | - |
| Corporate Bonds | 463,089 | - | 463,089 | - |
| Municipal Bonds | 49,754 | - | 49,754 | - |
| Mutual Funds | 1,939,749 | 1,939,749 | - | - |
| Exchange Traded Funds | 551,712 | 551,712 | - | - |
| Alternative Investments | 254,725 | 254,725 | - | - |
| Illinois Funds | 274,396 | 274,396 | - | - |
| | <u>\$ 4,234,661</u> | <u>\$ 3,124,453</u> | <u>\$ 1,110,208</u> | <u>\$ -</u> |
| Police Pension: | | | | |
| Cash and Cash Equivalents | \$ 177,972 | \$ 177,972 | \$ - | \$ - |
| Certificates of Deposit | 1,187,513 | - | 1,187,513 | - |
| U.S. Government Securities | 5,877,775 | - | 5,877,775 | - |
| Corporate Bonds | 4,074,514 | - | 4,074,514 | - |
| Municipal Bonds | 349,543 | - | 349,543 | - |
| Mutual Funds | 10,744,303 | 10,744,303 | - | - |
| Exchange Traded Funds | 8,948,008 | 8,948,008 | - | - |
| | <u>\$ 31,359,628</u> | <u>\$ 19,870,283</u> | <u>\$ 11,489,345</u> | <u>\$ -</u> |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 3 - Deposits and Investments (continued)

Fair Value Measurements (continued)

Fire Pension:

| | | | | |
|----------------------------|-------------------|------------------|-------------------|-------------|
| Cash and Cash Equivalents | \$ 3,181 | \$ 3,181 | \$ - | \$ - |
| Certificates of Deposit | 241,090 | - | 241,090 | - |
| U.S. Government Securities | 153,778 | - | 153,778 | - |
| Corporate Bonds | 196,738 | - | 196,738 | - |
| Mutual Funds | 59,889 | 59,889 | - | - |
| Exchange Traded Funds | 8,184 | 8,184 | - | - |
| | <u>\$ 662,860</u> | <u>\$ 71,254</u> | <u>\$ 591,606</u> | <u>\$ -</u> |

Note 4 - Capital Assets

Capital asset activity for the year ended April 30, 2019 was as follows:

| | Balance April 30, 2018 | Additions | Reductions | Balance April 30, 2019 |
|---|---------------------------|---------------------|-----------------------|---------------------------|
| <u>Governmental Activities</u> | | | | |
| Non-depreciable capital assets: | | | | |
| Land | \$ 30,085,928 | \$ - | \$ (191,504) | \$ 29,894,424 |
| Construction in process | 2,514,780 | 2,911,804 | (3,964,695) | 1,461,889 |
| Total Non-depreciable capital assets | <u>32,600,708</u> | <u>2,911,804</u> | <u>(4,156,199)</u> | <u>31,356,313</u> |
| Depreciable capital assets: | | | | |
| Land/building improvements | 10,799,699 | 1,820,190 | - | 12,619,889 |
| Buildings | 25,203,923 | 50,880 | - | 25,254,803 |
| Equipment | 7,650,903 | 299,085 | (78,903) | 7,871,085 |
| Vehicles | 6,461,391 | 460,111 | (36,596) | 6,884,906 |
| Parks/Sportsplex | 28,728,340 | 1,896,217 | - | 30,624,557 |
| Infrastructure | 138,362,984 | 1,832,809 | - | 140,195,793 |
| Total Depreciable capital assets | <u>217,207,240</u> | <u>6,359,292</u> | <u>(115,499)</u> | <u>223,451,033</u> |
| Less: Accumulated depreciation | | | | |
| Land/building improvements | 2,483,350 | 362,667 | - | 2,846,017 |
| Buildings | 8,159,584 | 724,836 | - | 8,884,420 |
| Equipment | 5,981,567 | 370,706 | (78,903) | 6,273,370 |
| Vehicles | 4,480,115 | 631,929 | (31,612) | 5,080,432 |
| Parks/Sportsplex | 5,768,755 | 1,977,908 | - | 7,746,663 |
| Infrastructure | 105,729,736 | 2,736,507 | - | 108,466,243 |
| Total Accumulated depreciation | <u>132,603,107</u> | <u>6,804,553</u> | <u>(110,515)</u> | <u>139,297,145</u> |
| Depreciable capital assets, net | <u>84,604,133</u> | <u>(445,261)</u> | <u>(4,984)</u> | <u>84,153,888</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 117,204,841</u> | <u>\$ 2,466,543</u> | <u>\$ (4,161,183)</u> | <u>\$ 115,510,201</u> |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 4 - Capital Assets (continued)

| | Balance April 30, 2018 (restated) | Additions | Reductions | Balance April 30, 2019 |
|--|---|---------------------|-----------------------|---------------------------|
| <u>Business-type Activities</u> | | | | |
| Non-depreciable capital assets: | | | | |
| Land | \$ 563,927 | \$ - | \$ - | \$ 563,927 |
| Construction in process | 464,224 | 1,336,526 | - | 1,800,750 |
| Total Non-depreciable capital assets | <u>1,028,151</u> | <u>1,336,526</u> | <u>-</u> | <u>2,364,677</u> |
| Depreciable capital assets: | | | | |
| Buildings and improvements | 2,580,958 | - | - | 2,580,958 |
| Equipment | 10,870,583 | 463,700 | - | 11,334,283 |
| Utility systems | 67,178,670 | 200,000 | - | 67,378,670 |
| Total Depreciable capital assets | <u>80,630,211</u> | <u>663,700</u> | <u>-</u> | <u>81,293,911</u> |
| Less: Accumulated depreciation | | | | |
| Buildings and improvements | 1,020,091 | 80,023 | - | 1,100,114 |
| Equipment | 8,594,158 | 452,242 | - | 9,046,400 |
| Utility systems | 31,491,617 | 1,776,714 | - | 33,268,331 |
| Total Accumulated depreciation | <u>41,105,866</u> | <u>2,308,979</u> | <u>-</u> | <u>43,414,845</u> |
| Depreciable capital assets, net | <u>39,524,345</u> | <u>(1,645,279)</u> | <u>-</u> | <u>37,879,066</u> |
| Business-type Activities Capital Assets, Net | <u>\$ 40,552,496</u> | <u>\$ (308,753)</u> | <u>\$ -</u> | <u>\$ 40,243,743</u> |
| Primary Government Capital Assets, Net | <u>\$ 157,757,337</u> | <u>\$ 2,157,790</u> | <u>\$ (4,161,183)</u> | <u>\$ 155,753,944</u> |

Depreciation expense was charged to functions/programs of the primary government for the year ended April 30, 2019 as follows:

| | <u>Amount</u> |
|--|---------------------|
| Governmental Activities: | |
| General government | \$ 320,357 |
| Public safety | 1,095,798 |
| Highways and streets, including depreciation of general infrastructure assets | 3,063,745 |
| Cultural and recreation | 2,324,653 |
| Total Depreciation Expense - Governmental Activities | <u>\$ 6,804,553</u> |
| Business-type Activities: | |
| Water Funds | \$ 1,209,324 |
| Sewer Funds | 1,099,655 |
| Total Depreciation Expense - Business-type Activities | <u>\$ 2,308,979</u> |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 5 - Long-Term Debt

Long-term liability activity for the year ended April 30, 2019 was as follows:

| | Balance April 30, 2018 | Additions | Reductions | Balance April 30, 2019 | Amounts Due Within One Year |
|--|---------------------------|----------------------|------------------------|---------------------------|-----------------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable | | | | | |
| Bonds payable 2018 SSA 1 | \$ 975,000 | \$ - | \$ (115,000) | \$ 860,000 | \$ 120,000 |
| Bonds payable 2018 SSA 2 | 185,000 | - | (25,000) | 160,000 | 30,000 |
| Bonds payable 2018 SSA 4 | 650,000 | - | (80,000) | 570,000 | 80,000 |
| Bonds payable 2012A SSA 6 | 1,070,000 | - | (100,000) | 970,000 | 100,000 |
| Bonds payable 2012B SSA 7 | 980,000 | - | (75,000) | 905,000 | 80,000 |
| Bonds payable 2009 | 15,715,000 | - | (15,715,000) | - | - |
| Bonds payable 2009A | 8,610,000 | - | (8,610,000) | - | - |
| Bonds payable 2010 | 5,115,000 | - | (975,000) | 4,140,000 | 1,005,000 |
| Bonds payable 2015 | 7,125,000 | - | - | 7,125,000 | 295,000 |
| Bonds payable 2016 | 2,720,000 | - | (370,000) | 2,350,000 | 380,000 |
| Bonds payable 2017 | 9,145,000 | - | (370,000) | 8,775,000 | 375,000 |
| Bonds payable 2018A | - | 8,390,000 | - | 8,390,000 | 105,000 |
| Bonds payable 2018B | - | 9,205,000 | (160,000) | 9,045,000 | 10,000 |
| Bonds payable 2018C | - | 5,645,000 | (50,000) | 5,595,000 | 440,000 |
| Less: Discounts on bonds | (43,501) | - | 4,833 | (38,668) | - |
| Add: Premiums on bonds | 746,563 | 1,085,993 | (104,202) | 1,728,354 | - |
| Total Bonds Payable | <u>52,993,062</u> | <u>24,325,993</u> | <u>(26,744,369)</u> | <u>50,574,686</u> | <u>3,020,000</u> |
| Other Long-Term Debt | | | | | |
| Rescue pumper | 51,228 | - | (51,228) | - | - |
| Fire truck | 1,148,492 | - | (197,098) | 951,394 | 204,777 |
| Public safety console equip. | 93,614 | - | (86,495) | 7,119 | 7,119 |
| Total Other Long-Term Debt | <u>1,293,334</u> | <u>-</u> | <u>(334,821)</u> | <u>958,513</u> | <u>211,896</u> |
| Total Governmental Activities | <u>\$ 54,286,396</u> | <u>\$ 24,325,993</u> | <u>\$ (27,079,190)</u> | <u>\$ 51,533,199</u> | <u>\$ 3,231,896</u> |
| Business-type Activities: | | | | | |
| Water Fund - Notes Payable | | | | | |
| Water construction note | \$ 534,762 | \$ - | \$ (47,698) | \$ 487,064 | \$ 48,898 |
| Water tank note | 3,615,760 | - | (261,865) | 3,353,895 | 268,452 |
| Total Water Fund - Notes Payable | <u>4,150,522</u> | <u>-</u> | <u>(309,563)</u> | <u>3,840,959</u> | <u>317,350</u> |
| Sewer Fund - Notes Payable | | | | | |
| Construction loan | 3,109,862 | - | (155,818) | 2,954,044 | 160,550 |
| Total Sewer Fund - Notes Payable | <u>3,109,862</u> | <u>-</u> | <u>(155,818)</u> | <u>2,954,044</u> | <u>160,550</u> |
| Total Business-type Activities: | <u>\$ 7,260,384</u> | <u>\$ -</u> | <u>\$ (465,381)</u> | <u>\$ 6,795,003</u> | <u>\$ 477,900</u> |
| Total Primary Government Long-Term Liabilities | <u>\$ 61,546,780</u> | <u>\$ 24,325,993</u> | <u>\$ (27,544,571)</u> | <u>\$ 58,328,202</u> | <u>\$ 3,709,796</u> |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 5 - Long-Term Debt (continued)

Bonds Payable

- 1) The City issued various ad valorem tax bonds during the fiscal year ended April 30, 2005 for some of its special service areas; the proceeds were used for various commercial ventures near a major interstate within the City. All of the bonds have a due date of June and December 1 for interest payments and December 1 for principal redemption beginning in December 2005. In January of 2018, these bonds were refunded and the City issued \$975,000 SSA #1 Special Tax Refunding Bonds Series 2017, \$185,000 SSA #2 Special Tax Refunding Bonds Series 2017, and \$650,000 SSA #4 Special Tax Refunding Bonds Series 2017. These debts are paid from the Special Service Areas Fund. They have the following interest rate ranges:

| | |
|-------|----------------|
| SSA 1 | 2.85% to 3.25% |
| SSA 2 | 3.15% |
| SSA 4 | 2.85% to 3.25% |

| For the years ending April 30, | SSA 1 | | SSA 2 | | SSA 4 | |
|--------------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2020 | \$ 120,000 | \$ 26,470 | \$ 30,000 | \$ 5,040 | \$ 80,000 | \$ 17,565 |
| 2021 | 125,000 | 23,050 | 30,000 | 4,095 | 80,000 | 15,285 |
| 2022 | 125,000 | 19,487 | 30,000 | 3,150 | 80,000 | 13,005 |
| 2023 | 130,000 | 15,925 | 30,000 | 2,205 | 85,000 | 10,725 |
| 2024 | 135,000 | 11,700 | 30,000 | 1,260 | 90,000 | 7,963 |
| 2025-2028 | 225,000 | 10,401 | 10,000 | 315 | 155,000 | 6,987 |
| | <u>\$ 860,000</u> | <u>\$ 107,033</u> | <u>\$ 160,000</u> | <u>\$ 16,065</u> | <u>\$ 570,000</u> | <u>\$ 71,530</u> |

- 2) During fiscal year ending April 30, 2013, the City issued the 2012A Special Service Area Number 6 (\$1,540,000) and 2012B Special Service Area Number 7 (\$1,360,000) ad valorem tax refunding bonds in order to refund bonds previously issued in 2007; the original proceeds were used for various commercial ventures within the City. These debts are paid from the Newbold Fund and the Harley Davidson Fund. They have the following interest rate ranges:

| | |
|---------------|----------------|
| 2012A - SSA 6 | 5.00% to 6.00% |
| 2012B - SSA 7 | 5.00% to 6.00% |

| For the years ending April 30, | 2012A - SSA 6 | | 2012B - SSA 7 | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 2020 | \$ 100,000 | \$ 57,200 | \$ 80,000 | \$ 53,500 |
| 2021 | 105,000 | 52,200 | 85,000 | 49,500 |
| 2022 | 115,000 | 45,900 | 90,000 | 44,400 |
| 2023 | 120,000 | 39,000 | 95,000 | 39,000 |
| 2024 | 130,000 | 31,800 | 100,000 | 33,300 |
| 2025-2028 | 400,000 | 46,500 | 455,000 | 69,900 |
| | <u>\$ 970,000</u> | <u>\$ 272,600</u> | <u>\$ 905,000</u> | <u>\$ 289,600</u> |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 5 - Long-Term Debt (continued)

Bonds Payable (continued)

- 3) The City issued \$18,450,000 in General Obligation Refunding Bonds Series 2009 to defease a portion of a previous 2006 bond issue and to finance additions to the City park. The bonds have interest rates ranging from 3.00% to 5.50%. In October of 2018, these bonds were refunded and the City issued \$9,205,000 General Obligation Refunding Bonds, Series 2018B and \$5,645,000 General Obligation Refunding Bonds, Series 2018C. The new bonds have interest rates ranging from 3.00% - 4.00%. This debt is paid from the 2002 Bond Issue Fund, the Convention Center Fund, and the Sports Plex Complex Fund. The following is the future debt service maturity schedule:

| For the years ending April 30, | Series 2018B | | Series 2018C | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2020 | \$ 10,000 | \$ 372,610 | \$ 440,000 | \$ 223,800 |
| 2021 | 10,000 | 372,310 | 460,000 | 187,800 |
| 2022 | 10,000 | 372,010 | 475,000 | 168,800 |
| 2023 | 10,000 | 371,710 | 490,000 | 149,200 |
| 2024 | 10,000 | 371,410 | 510,000 | 128,800 |
| 2025-2029 | 1,165,000 | 1,852,540 | 3,220,000 | 236,400 |
| 2030-2034 | 6,390,000 | 1,087,300 | - | - |
| 2035 | 1,440,000 | 57,600 | - | - |
| | <u>\$ 9,045,000</u> | <u>\$ 4,857,490</u> | <u>\$ 5,595,000</u> | <u>\$ 1,094,800</u> |

- 4) The City also issued \$9,295,000 in General Obligation Taxable Bonds Series 2009A to finance an addition to the City library and additions to the City park. These were Build America Bonds and have interest rates ranging from 2.50% to 6.30%. Build America Bonds provide a federal subsidy through a refundable credit payable to the City by the U.S. Treasury in an amount equal up to 35% of the total coupon interest payable, however, the City has not received the full 35% in recent years due to sequestration. These bonds were being paid from governmental funds and the component unit but the City approved in 2012 to pay all debt from governmental funds. In September of 2018, these bonds were refunded and the City issued \$8,390,000 General Obligation Refunding Bonds, Series 2018A. The new bonds have interest rates ranging from 3.00% - 4.00%. This debt is paid from the Sports Park Complex Fund and the Build America Fund. The following is the future debt service maturity schedule:

| For the years ending April 30, | Principal | Interest | Total |
|--------------------------------------|---------------------|---------------------|----------------------|
| 2020 | \$ 105,000 | \$ 318,550 | \$ 423,550 |
| 2021 | 110,000 | 315,400 | 425,400 |
| 2022 | 110,000 | 312,100 | 422,100 |
| 2023 | 115,000 | 308,800 | 423,800 |
| 2024 | 120,000 | 305,350 | 425,350 |
| 2025-2029 | 645,000 | 1,471,250 | 2,116,250 |
| 2030-2034 | - | 1,412,000 | 1,412,000 |
| 2035-2039 | 7,185,000 | 1,017,400 | 8,202,400 |
| | <u>\$ 8,390,000</u> | <u>\$ 5,460,850</u> | <u>\$ 13,850,850</u> |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 5 - Long-Term Debt (continued)

Bonds Payable (continued)

- 5) The City issued \$10,675,000 in General Obligation Bonds Series 2010 during fiscal year 2011 to refund and defease prior 2001 and 2002 issues. The bonds have interest rates ranging from 2.00% to 3.65%. This debt is paid from the 2010 Bond Issue Fund and the 2002 Bond Issue Fund. The following is the future debt service to maturity schedule:

| For the years ending April 30, | Principal | Interest | Total |
|--------------------------------------|---------------------|-------------------|---------------------|
| 2020 | \$ 1,005,000 | \$ 140,035 | \$ 1,145,035 |
| 2021 | 1,035,000 | 107,373 | 1,142,373 |
| 2022 | 1,070,000 | 73,218 | 1,143,218 |
| 2023 | 505,000 | 36,837 | 541,837 |
| 2024 | 525,000 | 19,162 | 544,162 |
| | <u>\$ 4,140,000</u> | <u>\$ 376,625</u> | <u>\$ 4,516,625</u> |

- 6) The City issued \$7,125,000 in General Obligation Bonds Series 2015 during the fiscal year ended April 30, 2016 for the purpose of financing the costs of remediation and certain other infrastructure costs in connection with developer improvements to a portion of a hospital medical campus. The bonds have interest rates ranging from 2.00% to 4.00%. This debt is paid from the Green Mount Fund. The following is the future debt service to maturity schedule:

| For the years ending April 30, | Principal | Interest | Total |
|--------------------------------------|---------------------|---------------------|---------------------|
| 2020 | \$ 295,000 | \$ 231,000 | \$ 526,000 |
| 2021 | 310,000 | 225,100 | 535,100 |
| 2022 | 330,000 | 218,900 | 548,900 |
| 2023 | 345,000 | 212,300 | 557,300 |
| 2024 | 355,000 | 205,400 | 560,400 |
| 2025-2039 | 3,145,000 | 827,500 | 3,972,500 |
| 2030-2034 | 2,345,000 | 260,660 | 2,605,660 |
| | <u>\$ 7,125,000</u> | <u>\$ 2,180,860</u> | <u>\$ 9,305,860</u> |

- 7) The City issued \$3,495,000 in General Obligation Bonds Series 2016 to refund a portion of a previous 2006 bond issue. The bonds have interest rates ranging from 2.00% to 3.00%. This debt is paid from the 2010 Bond Issue Fund, Convention Center Fund, and Park Sports Complex Fund. The following is the future debt service maturity schedule:

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 5 - Long-Term Debt (continued)

Bonds Payable (continued)

Series 2016 (continued):

| For the years ending April 30, | Principal | Interest | Total |
|--------------------------------------|---------------------|-------------------|---------------------|
| 2020 | \$ 380,000 | \$ 64,625 | \$ 444,625 |
| 2021 | 395,000 | 55,125 | 450,125 |
| 2022 | 400,000 | 45,250 | 445,250 |
| 2023 | 410,000 | 35,250 | 445,250 |
| 2024 | 425,000 | 22,950 | 447,950 |
| 2025 | 340,000 | 10,200 | 350,200 |
| | <u>\$ 2,350,000</u> | <u>\$ 233,400</u> | <u>\$ 2,583,400</u> |

- 8) The City issued \$9,460,000 of General Obligation Bonds Series 2017 to finance the costs of acquisition, construction, and/or improvements of a downtown plaza, the family sports park soccer complex, and other capital improvements related to the City's Destination O'Fallon Economic Development Project. The bonds have interest rates ranging from 2.00% to 3.65%. This debt is paid from the Destination O'Fallon Fund. The following is the future debt service maturity schedule:

| For the years ending April 30, | Principal | Interest | Total |
|--------------------------------------|---------------------|---------------------|----------------------|
| 2020 | \$ 375,000 | \$ 274,410 | \$ 649,410 |
| 2021 | 385,000 | 266,910 | 651,910 |
| 2022 | 395,000 | 257,285 | 652,285 |
| 2023 | 405,000 | 247,410 | 652,410 |
| 2024 | 420,000 | 235,260 | 655,260 |
| 2025-2029 | 2,285,000 | 982,495 | 3,267,495 |
| 2030-2034 | 2,670,000 | 606,828 | 3,276,828 |
| 2035-2037 | 1,840,000 | 134,462 | 1,974,462 |
| | <u>\$ 8,775,000</u> | <u>\$ 3,005,060</u> | <u>\$ 11,780,060</u> |

Loans and Notes Payable

Governmental Activities

- 1) During 2009, the City borrowed \$380,922 for a down payment on a rescue pumper fire vehicle. Repayment consists of annual payments of \$54,987 at an annual interest rate of 4.50%, with a maturity date of December 19, 2019. This debt was paid in full from the Fire Fund during the fiscal year.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 5 - Long-Term Debt (continued)

Loans and Notes Payable (continued)

Governmental Activities (continued)

- 2) During 2013 and 2014, the City borrowed funds for the purchase of 3 fire trucks. In September 2016, the City refinanced this loan for \$1,440,473. Repayment consists of 62 monthly payments of \$19,851 at an annual interest rate of 3.90% with a balloon payment at the end. This debt is paid from the Fire Fund. The following is the debt service schedule to maturity:

| For the years ending April 30, | Principal | Interest | Total |
|--------------------------------------|-------------------|------------------|---------------------|
| 2020 | \$ 204,777 | \$ 33,433 | \$ 238,210 |
| 2021 | 213,004 | 25,206 | 238,210 |
| 2022 | 533,613 | 12,143 | 545,756 |
| | <u>\$ 951,394</u> | <u>\$ 70,782</u> | <u>\$ 1,022,176</u> |

- 3) During 2016, the City borrowed \$254,652 for the purchase of public safety console equipment. Repayment consists of 36 monthly payments of \$7,325 at an annual interest rate of 2.28%. This debt is paid from the General Fund, Fire Fund, and Ambulance Fund. The following is the debt service schedule to maturity:

| For the years ending April 30, | Principal | Interest | Total |
|--------------------------------------|-----------|----------|----------|
| 2020 | \$ 7,119 | \$ 206 | \$ 7,325 |

Business-Type Activities

- 4) Construction Loan - Water

The City received loan proceeds from the Illinois Environmental Protection Agency (IEPA) for various water towers. During 2009, one loan was drawn down for \$939,994 with semiannual repayments of \$30,385 starting May 1, 2009 with a due date of May 1, 2028. The loan has an annual interest rate of 2.5%. Additionally, the City received drawdowns totaling \$5,255,014 for additional water towers and improvements. This debt is paid from the Water Fund. Both future debt services to maturity are shown below:

The annual requirements to amortize the above debt outstanding including interest as of April 30, 2019 are as follows:

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 5 - Long-Term Debt (continued)

Loans and Notes Payable (continued)

Business-Type Activities (continued)

4) Construction Loan - Water (continued)

| For the years ending April 30, | Water Construction Loan | | | Water (Tank) Construction Loan | | |
|--------------------------------------|----------------------------|------------------|-------------------|-----------------------------------|-------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2020 | \$ 48,898 | \$ 11,873 | \$ 60,771 | \$ 268,452 | \$ 82,180 | \$ 350,632 |
| 2021 | 50,128 | 10,643 | 60,771 | 275,205 | 75,427 | 350,632 |
| 2022 | 51,389 | 9,382 | 60,771 | 282,129 | 68,503 | 350,632 |
| 2023 | 52,682 | 8,089 | 60,771 | 289,226 | 61,406 | 350,632 |
| 2024 | 54,007 | 6,764 | 60,771 | 296,502 | 54,130 | 350,632 |
| 2025-2029 | 229,960 | 13,123 | 243,083 | 1,598,216 | 154,945 | 1,753,161 |
| 2030 | - | - | - | 344,165 | 6,467 | 350,632 |
| | <u>\$ 487,064</u> | <u>\$ 59,874</u> | <u>\$ 546,938</u> | <u>\$ 3,353,895</u> | <u>\$ 503,058</u> | <u>\$ 3,856,953</u> |

5) Construction Loan - Sewer

The City received a loan totaling \$3,630,062 of which \$3,558,155 was drawn down from the Illinois Environmental Protection Agency for sewer plant improvements. The loan is disbursed to the City based on drawdowns of construction. The current interest rate is 2.295% and accrued interest of \$71,907 has been added to the improvements costs. Repayment began when the construction period was complete. The loan is currently due on July 15, 2034 with semi-annual payments of \$113,677 beginning January 15, 2015. This debt is paid from the Sewer Fund. The future debt service to maturity is shown below:

| For the years ending April 30, | Sewer Construction Loan | | Total |
|--------------------------------------|----------------------------|-------------------|---------------------|
| | Principal | Interest | |
| 2020 | \$ 160,550 | \$ 66,805 | \$ 227,355 |
| 2021 | 164,256 | 63,099 | 227,355 |
| 2022 | 168,047 | 59,308 | 227,355 |
| 2023 | 171,926 | 55,429 | 227,355 |
| 2024 | 175,895 | 51,460 | 227,355 |
| 2025-2029 | 942,279 | 194,496 | 1,136,775 |
| 2030-2034 | 1,056,163 | 80,612 | 1,136,775 |
| 2035 | 114,928 | 1,281 | 116,209 |
| | <u>\$ 2,954,044</u> | <u>\$ 572,490</u> | <u>\$ 3,526,534</u> |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 5 - Long-Term Debt (continued)

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property: ... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent; ... Indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum ... shall not be included in the foregoing percentage amount."

To date the General Assembly has set no limits for home rule municipalities. The City of O'Fallon is a home rule municipality. Under the Illinois Compiled Statutes, home rule governments may issue notes and bonds in excess of any statutory limitation and they shall not reduce the debt incurring power otherwise authorized for any such unit of government. Therefore, the City of O'Fallon has no legal debt limitation.

Note 6 - Employee Retirement Systems

The City has three separate retirement entities for its employees as follows:

Police Pension Fund

Defined Benefit Pension Plan

The City contributes to a defined benefit pension plan, the Police Pension Plan, which is a single employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions are established and administered as prescribed by "Article 3. Police Pension Fund - Municipalities 500,000 and Under," of the Illinois Pension Code and can only be amended by the Illinois General Assembly. The pension plan does not issue a separate report.

Plan Description

Police sworn personnel are covered by the Police Pension Plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. At April 30, 2018, the Police Pension Plan membership consisted of:

| | |
|---|------------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them | 26 |
| Current employees | <u>47</u> |
| Total | <u><u>73</u></u> |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 6 - Employee Retirement Systems (continued)

Police Pension Fund (continued)

Plan Description (continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 8 years, but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1986 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter. These retirement provisions were amended for any new officers who first become police officers after January 1, 2011. The monthly pension for those officers shall be increased on January 1 occurring either on or after the attainment of age 60 of the first anniversary of the pension date, whichever is later. Each annual increase shall be calculated at 3% or 1/2 the annual unadjusted percentage increase (but not less than zero) in the consumer price index for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted pension.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. For the pension year ended April 30, 2018, the City's contribution as a percentage of covered payroll was 31.21%.

Significant Investments

The fund had the following significant individual investments (other than U.S. Government guaranteed obligations) that represented 5.00% or more of plan net position for the Police Pension Plan at April 30, 2019 as listed below:

| | <u>Investment Type</u> | <u>Fair Value</u> | <u>% of Total Investments</u> |
|--------------------|------------------------|-------------------|-----------------------------------|
| Farm Credit System | U.S. Agency Securities | \$ 1,799,589 | 5.74% |

Annual Pension Cost

Employer contributions have been determined as follows:

| | |
|--------------------------|---|
| | <u>Police Pension</u> |
| Actuarial valuation date | 5/1/2018 |
| Funding method | Projected Unit Credit |
| Amortization method | Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040 |

Note 6 - Employee Retirement Systems (continued)

Annual Pension Cost (continued)

Significant Actuarial Assumptions:

| | |
|--------------------------------------|--|
| Interest rate | 6.50% |
| Interest rate, prior fiscal year | 6.50% |
| Health mortality rates - Male | RP-2014 Health Annuitant with Blue Collar Adjustment, Males |
| Health mortality rates - Female | RP-2014 Health Annuitant with Blue Collar Adjustment, Females |
| Disability mortality rates - Male | 115% of RP-2014 Health Annuitant with Blue Collar Adjustment, Males |
| Disability mortality rates - Female | 115% of RP-2014 Health Annuitant with Blue Collar Adjustment, Females |
| Decrements other than mortality | Experience tables |
| Rate of service-related deaths | 10.00% |
| Rate of service-related disabilities | 60.00% |
| Salary increases | Service-related table with rates grading from 11.00% to 3.50% at 33 years of service |
| Payroll growth | 3.50% |
| Tier 2 cost-of-living adjustment | 1.25% |
| Marital assumptions | 80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses |

Defined Benefit Pension Plan

The City contributes to a defined benefit pension plan, the Firefighters' Pension Fund, which is a single employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions are established and administered as prescribed by “*Article 4. Firefighters’ Pension Fund – Municipalities 500,000 and Under*” of the Illinois Pension Code and can only be amended by the Illinois General Assembly. The pension plan does not issue a separate report.

Plan Description

The Firefighters' Pension Fund is administered by a Board of Trustees located in each municipality maintaining a pension fund for its firefighters. Its duties are to control and manage the pension fund, to hear and determine applications for pensions, to authorize payment of pensions, to establish rules, to pay expenses, to invest funds, and to keep records. The City accounts for the plan as a pension trust fund. At April 30, 2018, the Firefighters' Pension Plan membership consisted of:

| | |
|--|----------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but no yet receiving them | 0 |
| Current employees | <u>1</u> |
| Total | <u>1</u> |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 6 - Employee Retirement Systems (continued)

Firefighters' Pension Fund (continued)

Plan Description (continued)

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 with at least 20 years of creditable service and no longer a firefighter. The annual benefit shall be 50% of final salary and is payable commencing at retirement for 20 years of service. An additional 2.5% of final salary is added for each additional year of service (prorated monthly) in excess of 20 years of service (not to exceed 75% of final salary). "Final salary" is based on the pay rate for the firefighters' rank held by him or her at retirement. A firefighter is entitled to an initial pension increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the later of the first day of the month following the attainment of age 55, or the first anniversary of the date of retirement. Subsequent increases of 3% of the current pension amount will be provided in each January thereafter. Beginning on January 1, 2011, for all purposes under the Code, the annual salary based on the plan year of a member or participant to whom the Section applies shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of 3% or 1/2 the annual unadjusted percentage increase (but not less than zero) in the consumer price index for the 12 months ending with the September preceding each November 1.

Employees are required by the Plan to contribute 9.445% of their base salary to the Firefighters' Pension Plan. For the pension year ended April 30, 2018, the City's contribution as a percentage of covered payroll was 71.21%.

Significant Investments

The fund had the following significant individual investments (other than U. S. Government guaranteed obligations) that represented 5.00% or more of plan net position for the Firefighters' Pension Plan at April 30, 2019 as listed below:

| | Investment Type | Fair Value | % of Total Investments |
|----------------------------|----------------------------------|------------|------------------------|
| Capital One Bank | Brokered Certificate of Deposit | \$ 48,876 | 7.37% |
| Morgan Stanley Bank | Brokered Certificates of Deposit | 80,636 | 12.16% |
| Wells Fargo & Co. | Brokered Certificates of Deposit | 50,313 | 7.59% |
| Citi Bank | Brokered Certificates of Deposit | 61,265 | 9.24% |
| Tennessee Valley Authority | U.S. Agency Securities | 34,563 | 5.21% |
| Farm Credit System | U.S. Agency Securities | 74,412 | 11.23% |
| Microsoft Corporation | Corporate Bond | 49,675 | 7.49% |
| Exxon Mobil | Corporate Bond | 49,875 | 7.52% |
| Apple, Inc. | Corporate Bond | 50,849 | 7.67% |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 6 - Employee Retirement Systems (continued)

Firefighters' Pension Fund (continued)

Annual Pension Cost

Employer contributions have been determined as follows:

| | |
|--------------------------------------|---|
| | <div>Fire</div> <div>Pension</div> <hr/> <div>5/1/2018</div> |
| Actuarial valuation date | |
| Funding method | Projected Unit Credit |
| Amortization method | Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040 |
| Asset valuation method | Investment gains and losses are recognized over a 5-year period |
| Significant Actuarial Assumptions: | |
| Interest rate | 5.00% |
| Interest rate, prior fiscal year | 5.00% |
| Health mortality rates - Male | RP-2014 Health Annuitant with Blue Collar Adjustment, Males |
| Health mortality rates - Female | RP-2014 Health Annuitant with Blue Collar Adjustment, Females |
| Disability mortality rates - Male | 115% of RP-2014 Health Annuitant with Blue Collar Adjustment, Males |
| Disability mortality rates - Female | 115% of RP-2014 Health Annuitant with Blue Collar Adjustment, Females |
| Decrements other than mortality | Experience tables |
| Rate of service-related deaths | 20.00% |
| Rate of service-related disabilities | 80.00% |
| Salary increases | Service-related table with rates grading from 12.50% to 3.50% at 31 years of service |
| Payroll growth | 3.50% |
| Tier 2 cost-of-living adjustment | 1.25% |
| Marital assumptions | 80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 6 - Employee Retirement Systems (continued)

Illinois Municipal Retirement Fund

IMRF Plan Description

The City of O'Fallon's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City of O'Fallon's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

All IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

| | |
|---|------------|
| Retirees and Beneficiaries currently receiving benefits | 83 |
| Inactive Plan Members entitled to by not yet receiving benefits | 91 |
| Active Plan Members | 159 |
| | <u>333</u> |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 6 - Employee Retirement Systems (continued)

Illinois Municipal Retirement Fund (continued)

Contributions

As set by statute, the City of O'Fallon's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City of O'Fallon's annual contribution rate for calendar year 2018 was 9.64%. For the fiscal year ended April 30, 2019, the City of O'Fallon contributed \$895,624 to the plan. The City of O'Fallon also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The City of O'Fallon's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- 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 rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 6 - Employee Retirement Systems (continued)

Illinois Municipal Retirement Fund (continued)

Actuarial Assumptions (continued)

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------|--|---|
| Domestic Equity | 37.00% | 7.15% |
| International Equity | 18.00% | 7.25% |
| Fixed Income | 28.00% | 3.75% |
| Real Estate | 9.00% | 6.25% |
| Alternative Investments | 7.00% | 3.20% - 8.50% |
| Cash Equivalents | 1.00% | 2.50% |
| | <u>100.00%</u> | |

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 6 - Employee Retirement Systems (continued)

Illinois Municipal Retirement Fund (continued)

Changes in Pension Liability

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------|-----------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a) - (b) |
| Balances at December 31, 2017 | \$ 29,202,654 | \$ 28,212,017 | \$ 990,637 |
| Changes for the year: | | | |
| Service cost | 812,321 | - | 812,321 |
| Interest | 2,168,237 | - | 2,168,237 |
| Changes in benefit terms | - | - | - |
| Difference between expected and actual experience | 268,836 | - | 268,836 |
| Change in assumptions | 987,404 | - | 987,404 |
| Contributions - employer | - | 926,124 | (926,124) |
| Contributions - employee | - | 400,306 | (400,306) |
| Net investment income | - | (1,412,804) | 1,412,804 |
| Benefit payments, including refunds | (1,397,982) | (1,397,982) | - |
| Administrative expense | - | - | - |
| Other changes | - | 522,881 | (522,881) |
| Net changes | 2,838,816 | (961,475) | 3,800,291 |
| Balances at December 31, 2018 | \$ 32,041,470 | \$ 27,250,542 | \$ 4,790,928 |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

| | 1% Decrease | Current Rate | 1% Increase |
|-----------------------------|---------------|---------------|---------------|
| Total Pension Liability | \$ 36,547,889 | \$ 32,041,470 | \$ 28,378,385 |
| Plan Fiduciary Net Position | (27,250,542) | (27,250,542) | (27,250,542) |
| Net Pension Liability | \$ 9,297,347 | \$ 4,790,928 | \$ 1,127,843 |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 6 - Employee Retirement Systems (continued)

Illinois Municipal Retirement Fund (continued)

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

For the year ended April 30, 2019, the City of O'Fallon recognized pension expense of \$537,643. At April 30, 2019, the City of O'Fallon reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences in experience | \$ 591,652 | \$ (535,244) |
| Differences in assumptions | 837,405 | (648,078) |
| Excess (deficit) investment returns | 3,211,758 | (1,463,281) |
| Contributions subsequent to the measurement date* | 210,351 | - |
| | <u>\$ 4,851,166</u> | <u>\$ (2,646,603)</u> |

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ended April 30, 2019.

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

| Plan Year December 31, | Amount |
|---------------------------|----------------------------|
| 2019 | \$ 809,054 |
| 2020 | 277,147 |
| 2021 | 274,105 |
| 2022 | 697,161 |
| 2023 | 137,824 |
| Thereafter | 9,272 |
| | <u><u>\$ 2,204,563</u></u> |

Payable to the Pension Plan

The City of O'Fallon had no outstanding amount of contributions to the pension plan required for the year ended April 30, 2019.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 7 - Due To and Due From Other Funds

The following are the interfund balances as of April 30, 2019:

| | Fund | Due To | Due From |
|---------------------------|--------------------------------|----------------------|----------------------|
| Governmental Activities: | General Fund | \$ 1,355,866 | \$ 4,251,760 |
| | Park Fund | 416,069 | - |
| | Fire Fund | - | 1,246,447 |
| | Ambulance Fund | - | 2,016,395 |
| | Tax Increment Financing Fund | 4,576,342 | - |
| | Nonmajor Governmental Funds | 721,668 | 2,037,959 |
| | Total Governmental Activities | 7,069,945 | 9,552,561 |
| Business-Type Activities: | Water Fund | 5,045,376 | 217,962 |
| | Sewer Fund | 2,052,546 | 4,397,344 |
| | Total Business-Type Activities | 7,097,922 | 4,615,306 |
| | Total Interfund Balances | <u>\$ 14,167,867</u> | <u>\$ 14,167,867</u> |

Interfund receivables and payables are the result of short-term loans between funds.

Note 8 - Interfund Transfers

Interfund transfers for the year ended April 30, 2019 consisted of the following amounts:

| | Fund | Transfers In | Transfers Out |
|---------------------------|--------------------------------|---------------------|----------------------|
| Governmental Activities: | General Fund | \$ 901,684 | \$ 1,904,133 |
| | Park Fund | 130,932 | 742,400 |
| | Fire Fund | - | 139,336 |
| | Ambulance Fund | - | 163,314 |
| | Capital Improvement Fund | 600,000 | - |
| | Tax Increment Financing Fund | - | 231,318 |
| | Nonmajor Governmental Funds | 4,269,878 | 2,195,045 |
| | Total Governmental Activities | 5,902,494 | 5,375,546 |
| Business-Type Activities: | Water Fund | 10,664 | 368,120 |
| | Sewer Fund | - | 132,376 |
| | Total Business-Type Activities | 10,664 | 500,496 |
| Component Unit: | Library | - | 37,116 |
| | Total Transfers | <u>\$ 5,913,158</u> | <u>\$ 5,913,158</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in the other fund in accordance with budgetary authorizations.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 9 - Tax Increment Financing Fund

During the fiscal year ended April 30, 1996, the City began the Illinois 158 Corridor TIF District or O'Fallon TIF District #1. The Tax Increment Financing (TIF) Fund was established to account for the transactions within this TIF District. The City has three projects which this redevelopment plan supports. Williamsburg Center is an office development that the City contracted with the developer to design, engineer, manage and finance construction of drives, sidewalks, sanitary sewer extensions and other improvements. Lakepointe Center is a development including retail, office and restaurant spaces and the City contracted with the developer to design, engineer and construct drives, sidewalks, storm water control facilities and other improvements. Terms of the above agreements provided the City would pay to the developer funds it was entitled to receive, which were derived from the development project area, over a period of ten years, up to a contractually limited amount. These projects and associated repayments have been completed. The City also entered into an agreement with a developer to correct ongoing flooding issues on the RASP Farm property. Terms of the agreement are for the developer to receive \$1.3 million the TIF has already generated over its life plus additional amounts generated over the remaining TIF life of 5 years. The developer plans to create a business park and eventually donate the drainage area and 15 acres of green space back to the City. During the year ended April 30, 2016, the 158 Corridor TIF was amended to remove some parcels in order to create TIF #4 for Route 50/Scott Troy Road. This TIF District was closed during the year ended April 30, 2019.

Also, the City has entered into a TIF agreement, called "Green Mount Redevelopment" with a health care entity that provides for the establishment of a separate TIF district for the construction of improvements and mine remediation. This agreement calls for the issuance of bonds to cover certain preconstruction costs and is to be partially or fully funded by the incremental property tax revenues of the project. As of April 30, 2016, \$7,125,000 of General Obligation Bonds have been issued. Repayment terms of these bonds is further discussed in Note 5.

The City has also approved five redevelopment agreements, called "Central Park Redevelopment", with separate entities for the reimbursement of certain construction and/or operating expenses on an annual basis from the incremental property taxes collected on each property. The terms of these agreements are not fixed, but expire when the costs incurred have been fully reimbursed.

During fiscal year 2016, the City began Route 50/Scott Troy Road TIF District or O'Fallon TIF District #4. The Tax Increment Financing (TIF) Fund was established to account for the transactions within this TIF District. The City has approved one project which this redevelopment plan supports. The agreement is to reimburse certain construction and/or operating expenses on an annual basis from the incremental property taxes collected on each property. The terms of this agreement are not fixed, but expire when the costs incurred have been fully reimbursed.

During fiscal year 2016, the City began Central City TIF District or O'Fallon TIF District #5. The Tax Increment Financing (TIF) Fund was established to account for the transactions within this TIF District.

As of April 30, 2019, the TIF Fund has incurred cumulative costs totaling \$4,576,342 for the above projects that were paid through other funds and reflected as an interfund balance at year-end.

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 10 - Rebates

The City rebates sales taxes to local retailers based upon various agreements agreed to by the City Council, summarized as follows:

| | Total Rebate | Balance Owed April 30, 2019 | Interest Rate | Expiration Date | Specific |
|-------------|-----------------|--------------------------------|------------------|--------------------|--|
| Auto Dealer | \$ 350,000 | \$ 350,000 | n/a | January 2020 | 50% of collections |
| Auto Dealer | 350,000 | 350,000 | n/a | January 2020 | 50% of collections |
| Auto Dealer | 500,000 | 335,139 | n/a | December 2026 | 50% of collections |
| Retailer | n/a | n/a | n/a | December 2027 | Special business tax - 1% of retail sales |
| Retailer | 500,000 | 404,728 | n/a | June 2030 | 50% of collections not to exceed \$50,000 per year |
| Hotel | n/a | n/a | n/a | February 2028 | Hotel - 2% of receipts and Special business tax - 1 % of receipts |
| Hotel | n/a | n/a | n/a | December 2033 | Special business tax - 1% of hotel receipts and 1% of food and beverage receipts |

The City paid a total of \$170,722 in tax rebates during the year ended April 30, 2019. The remaining balances owed are not presented in the accompanying General Fund because they are considered to be commitments and will not be a liability unless certain events occur in the future.

Note 11- Claims and Contingencies

Litigation

The City is involved in various legal actions arising in the normal course of business. In the opinion of management and legal counsel, such matters will not have a material effect on the financial position of the City. As of April 30, 2019, the City had accrued fees for legal services in the amount of 29,703.

Federal and State Assisted Programs

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

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 12 - Expenditures in Excess of Budget

The following funds had expenditures in excess of budgeted amounts:

| | Actual Expenditures | Budgeted Expenditures | Excess Expenditures |
|----------------------------|------------------------|--------------------------|------------------------|
| Park Fund | \$ 4,516,053 | \$ 4,244,278 | \$ 271,775 |
| Motor Fuel Tax Fund | 1,199,391 | 985,000 | 214,391 |
| Social Security Fund | 965,666 | 964,340 | 1,326 |
| 2002 Bond Issue Cap. Fund* | 4,940,106 | 962,495 | 3,977,611 |
| Convention Center Fund* | 5,594,457 | 525,525 | 5,068,932 |
| Sports Park Complex Fund* | 15,117,955 | 1,146,760 | 13,971,195 |
| 2002 Bond Issue Debt Fund | 10,750 | - | 10,750 |
| Build America Bond Fund* | 1,451,511 | 175,620 | 1,275,891 |
| Capital Improvement Fund | 1,903,105 | 1,550,000 | 353,105 |

*Expenditures in excess of budget due to refunding of bonds payable and associated debt issuance costs.

Note 13 - Leases

The City, as lessor, entered into a long-term lease beginning January 1, 1993 with the O'Fallon Community Center, Inc. (lessee), a nonprofit corporation, to lease a building within the City park. The terms of the lease are for \$1 per year. The lessee is responsible for all operating costs, except general insurance and exterior maintenance and improvements, which are provided by the City.

Note 14 - Commitments

The City had the following contractual matters in progress at April 30, 2019:

| | |
|-------------------------------------|---------------------|
| Street and transportation projects | \$ 130,364 |
| Professional services | 184,800 |
| Public safety vehicle | 294,998 |
| Stormwater improvements | 208,114 |
| Water and sewer system improvements | 1,945,402 |
| | <u>\$ 2,763,678</u> |

Note 15 - Risk Management

The City of O'Fallon is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City of O'Fallon purchases commercial insurance from third parties for all risks and thus retains no significant amounts of risk. No settlements have exceeded insurance coverage for the past three years. There have been no material changes in insurance coverage limits during the year ended April 30, 2019.

Note 16 - Deficit Fund Balances

The following funds had deficit fund balances at April 30, 2019:

| | |
|-------------------------------|----------------|
| Tax Increment Financing Fund | \$ (4,577,241) |
| Green Mount Debt Service Fund | (307,920) |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 17 - Prior Period Adjustments

In order to correct previous misstatements due to errors in cash, expenses, payables, and fixed assets, the previously stated net position and fund balances have been restated. These corrections will have no material effect on operations of the City.

| | Governmental Activities | Business-type Activities | Total | Component Unit |
|---|---------------------------------|-----------------------------|-----------------------|---------------------|
| Net position, as previously stated on April 30, 2018: | \$ 97,861,058 | \$ 52,320,717 | \$ 150,181,775 | \$ 5,789,797 |
| Prior Period Adjustment - correction 1 | (83,276) | (33,171) | (116,447) | (6,392) |
| Prior Period Adjustment - correction 2 | 40,000 | - | 40,000 | - |
| Prior Period Adjustment - correction 3 | (5,133) | - | (5,133) | - |
| Prior Period Adjustment - correction 4 | (593,138) | 593,138 | - | - |
| Prior Period Adjustment - correction 5 | - | (400,980) | (400,980) | - |
| Net position, as restated on April 30, 2018: | <u>\$ 97,219,511</u> | <u>\$ 52,479,704</u> | <u>\$ 149,699,215</u> | <u>\$ 5,783,405</u> |
| | Water Fund | Sewer Fund | Total | |
| Net position, as previously stated on April 30, 2018: | \$ 27,488,844 | \$ 24,831,873 | \$ 52,320,717 | |
| Prior Period Adjustment - correction 1 | (20,885) | (12,286) | (33,171) | |
| Prior Period Adjustment - correction 4 | 137,952 | 455,186 | 593,138 | |
| Prior Period Adjustment - correction 5 | - | (400,980) | (400,980) | |
| Net position, as restated on April 30, 2018: | <u>\$ 27,605,911</u> | <u>\$ 24,873,793</u> | <u>\$ 52,479,704</u> | |
| | General Fund | Park Fund | Fire Fund | Ambulance Fund |
| Fund balance, as previously stated on April 30, 2018: | \$ 16,531,860 | \$ 2,082,528 | \$ 2,730,319 | \$ 4,419,544 |
| Prior Period Adjustment - correction 1 | (50,734) | (11,333) | (2,334) | (18,358) |
| Prior Period Adjustment - correction 2 | - | - | - | - |
| Prior Period Adjustment - correction 3 | - | - | - | (5,133) |
| Prior Period Adjustment - correction 4 | - | - | - | - |
| Fund balance, as restated on April 30, 2018: | <u>\$ 16,481,126</u> | <u>\$ 2,071,195</u> | <u>\$ 2,727,985</u> | <u>\$ 4,396,053</u> |
| | Tax Increment Financing Fund | Hotel/Motel Tax Fund | | |
| Fund balance, as previously stated on April 30, 2018: | \$ (3,640,979) | \$ 1,537,663 | | |
| Prior Period Adjustment - correction 1 | - | (517) | | |
| Prior Period Adjustment - correction 2 | 40,000 | - | | |
| Prior Period Adjustment - correction 3 | - | - | | |
| Prior Period Adjustment - correction 4 | (593,138) | - | | |
| Fund balance, as restated on April 30, 2018: | <u>\$ (4,194,117)</u> | <u>\$ 1,537,146</u> | | |

City of O'Fallon, Illinois
Notes to the Financial Statements
For the year ended April 30, 2019

Note 18 - Subsequent Events

The City has evaluated events subsequent to April 30, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through September 19, 2019, the date the financial statements were available to be issued.

Note 19 - Adoption of New Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities*, This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement will be effective for the year ended April 30, 2020.

GASB Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources and outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be effective for the year ended April 30, 2021.

GASB Statement No. 88, *Certain Disclosures Related to Debt* - The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement will be effective for the year ended April 30, 2020.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of A Construction Period* - The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement will be effective for the year ended April 30, 2021.

Required Supplementary Information

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|-------------|----------------------|--|
| Revenues | Original | Final | Actual | |
| Taxes: | | | | |
| Property | \$ 518,000 | \$ 518,000 | \$ 516,098 | \$ (1,902) |
| Utility | 1,029,300 | 1,029,300 | 1,060,945 | 31,645 |
| Food and beverage | 865,000 | 865,000 | 932,343 | 67,343 |
| Intergovernmental receipts: | | | | |
| State sales tax | 9,261,500 | 9,261,500 | 9,233,674 | (27,826) |
| State income tax | 2,750,000 | 2,750,000 | 3,149,178 | 399,178 |
| Road and bridge tax | 290,000 | 290,000 | 304,154 | 14,154 |
| Grants | 95,000 | 95,000 | 187,174 | 92,174 |
| Metropolitan Enforcement Group | 20,000 | 20,000 | 11,178 | (8,822) |
| Licenses and permits | 801,250 | 801,250 | 934,165 | 132,915 |
| Subdivision fees | 85,000 | 85,000 | 43,747 | (41,253) |
| Police reports | 3,500 | 3,500 | 6,083 | 2,583 |
| Combined dispatch | 790,000 | 790,000 | 945,905 | 155,905 |
| Municipal aggregation fees | 105,000 | 105,000 | 105,931 | 931 |
| Fines and fees | 297,950 | 297,950 | 272,803 | (25,147) |
| Service fees | 55,000 | 55,000 | 102,657 | 47,657 |
| Investment income | 37,000 | 37,000 | 323,141 | 286,141 |
| Phone and cable television fees | 589,000 | 589,000 | 543,348 | (45,652) |
| Rentals | 15,000 | 15,000 | 9,528 | (5,472) |
| Fee in lieu of taxes | 712,660 | 712,660 | 712,660 | - |
| Donations | - | - | 113,506 | 113,506 |
| Cemetery revenue | 23,500 | 23,500 | 26,800 | 3,300 |
| Miscellaneous revenues and reimbursements | 8,525 | 74,422 | 23,961 | (50,461) |
| Total Revenues | 18,352,185 | 18,418,082 | 19,558,979 | 1,140,897 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 3,176,253 | 3,176,253 | 2,789,483 | (386,770) |
| Public safety | 8,037,276 | 8,126,526 | 8,046,584 | (79,942) |
| Highways and streets | 4,098,797 | 4,098,797 | 4,070,589 | (28,208) |
| Zoning | 988,327 | 988,327 | 988,958 | 631 |
| Cemetery | 124,190 | 124,190 | 121,546 | (2,644) |
| Tax rebates | 185,000 | 185,000 | 170,722 | (14,278) |
| Capital outlay | 738,500 | 885,487 | 899,777 | 14,290 |
| Debt service: | | | | |
| Principal | 34,380 | 34,380 | 28,829 | (5,551) |
| Interest and fiscal charges | 820 | 820 | 357 | (463) |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 17,383,543 | 17,619,780 | 17,116,845 | (502,935) |
| Excess (Deficiency) of Revenues over Expenditures | 968,642 | 798,302 | 2,442,134 | 1,643,832 |
| Other Financing Sources (Uses) | | | | |
| Capital contributions | - | - | - | - |
| Insurance refunds and claims | 2,000 | 2,000 | 18,139 | 16,139 |
| Proceeds from sale of capital assets | 10,000 | 10,000 | 65,197 | 55,197 |
| Transfers in from other funds | 916,558 | 1,086,898 | 901,684 | (185,214) |
| Transfers out to other funds | (1,897,200) | (1,897,200) | (1,904,133) | (6,933) |
| Total Other Financing Sources (Uses) | (968,642) | (798,302) | (919,113) | (120,811) |
| Net Change in Fund Balance | \$ - | \$ - | \$ 1,523,021 | \$ 1,523,021 |
| Fund Balance, May 1 (restated) | | | 16,481,126 | |
| Fund Balance, April 30 | | | <u>\$ 18,004,147</u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|------------------|---------------------|--|
| Revenues | Original | Final | Actual | |
| Taxes: | | | | |
| Property | \$ 590,000 | \$ 590,000 | \$ 586,780 | \$ (3,220) |
| Utility | 875,700 | 875,700 | 1,048,539 | 172,839 |
| Intergovernmental receipts: | | | | |
| State sales tax | 20,000 | 20,000 | 23,572 | 3,572 |
| Grants | 50,000 | 50,000 | 90,850 | 40,850 |
| Service fees | 150,700 | 150,700 | 132,751 | (17,949) |
| Recreation fees | 1,192,800 | 1,192,800 | 1,335,162 | 142,362 |
| Investment income | 10,000 | 10,000 | 34,909 | 24,909 |
| Phone and cable television fees | 456,000 | 456,000 | 410,763 | (45,237) |
| Rentals | 298,300 | 298,300 | 291,931 | (6,369) |
| Concession income | 285,494 | 285,494 | 317,515 | 32,021 |
| Donations | 15,500 | 15,500 | 59,900 | 44,400 |
| Miscellaneous revenues and reimbursements | 3,100 | 11,674 | 6,457 | (5,217) |
| Total Revenues | 3,947,594 | 3,956,168 | 4,339,129 | 382,961 |
| Expenditures | | | | |
| Current: | | | | |
| Culture and recreation | 3,399,735 | 3,399,735 | 3,457,841 | 58,106 |
| Capital outlay | 382,000 | 382,000 | 315,812 | (66,188) |
| Debt service: | | | | |
| Principal | 1,220 | 1,220 | - | (1,220) |
| Interest and fiscal charges | 100 | 100 | - | (100) |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 3,783,055 | 3,783,055 | 3,773,653 | (9,402) |
| Excess (Deficiency) of Revenues over Expenditures | 164,539 | 173,113 | 565,476 | 392,363 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from sale of capital assets | - | - | 6,015 | 6,015 |
| Transfers in from other funds | 288,110 | 288,110 | 130,932 | (157,178) |
| Transfers out to other funds | (452,649) | (461,223) | (742,400) | (281,177) |
| Total Other Financing Sources (Uses) | (164,539) | (173,113) | (605,453) | (438,355) |
| Net Change in Fund Balance | \$ - | \$ - | \$ (39,977) | \$ (45,992) |
| Fund Balance, May 1 (restated) | | | 2,071,195 | |
| Fund Balance, April 30 | | | \$ 2,031,218 | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Fire Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|--------------|--------------|--|
| | Original | Final | Actual | |
| Revenues | | | | |
| Taxes: | | | | |
| Property | \$ 1,225,000 | \$ 1,225,000 | \$ 1,217,102 | \$ (7,898) |
| Intergovernmental receipts: | | | | |
| Other | 513,970 | 513,970 | 441,068 | (72,902) |
| Licenses and permits | 6,000 | 6,000 | 20,958 | 14,958 |
| Fines and fees | 300 | 300 | - | (300) |
| Service fees | 1,500 | 1,500 | 2,400 | 900 |
| Investment income | - | - | 5,582 | 5,582 |
| Miscellaneous revenues and reimbursements | - | - | 502 | 502 |
| Total Revenues | 1,746,770 | 1,746,770 | 1,687,612 | (59,158) |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 1,470,064 | 1,619,064 | 1,463,796 | (155,268) |
| Capital outlay | 565,000 | 565,000 | 252,243 | (312,757) |
| Debt service: | | | | |
| Principal | 318,940 | 318,940 | 277,162 | (41,778) |
| Interest and fiscal charges | 60,240 | 60,240 | 43,012 | (17,228) |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 2,414,244 | 2,563,244 | 2,036,213 | (527,031) |
| Excess (Deficiency) of Revenues over Expenditures | (667,474) | (816,474) | (348,601) | 467,873 |
| Other Financing Sources (Uses) | | | | |
| Insurance refunds and claims | - | - | 26,172 | 26,172 |
| Proceeds from notes payable | 500,000 | 500,000 | - | (500,000) |
| Transfers in from other funds | 314,362 | 482,715 | - | (482,715) |
| Transfers out to other funds | (146,888) | (166,241) | (139,336) | 26,905 |
| Total Other Financing Sources (Uses) | 667,474 | 816,474 | (113,164) | (929,638) |
| Net Change in Fund Balance | \$ - | \$ - | \$ (461,765) | \$ (461,765) |
| Fund Balance, May 1 (restated) | | | 2,727,985 | |
| Fund Balance, April 30 | | | \$ 2,266,220 | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Ambulance Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|------------|---------------------|--|
| | Original | Final | Actual | |
| Revenues | | | | |
| Taxes: | | | | |
| Property | \$ 350,000 | \$ 350,000 | \$ 348,317 | (1,683) |
| Rural fire district | 456,458 | 456,458 | 436,662 | (19,796) |
| Intergovernmental receipts: | | | | |
| Grants | - | - | 2,254 | 2,254 |
| Service fees | 1,082,000 | 1,082,000 | 1,248,574 | 166,574 |
| Investment income | 1,000 | 1,000 | 13,276 | 12,276 |
| Miscellaneous revenues and reimbursements | 2,750 | 2,750 | 2,845 | 95 |
| Total Revenues | 1,892,208 | 1,892,208 | 2,051,928 | 159,720 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 2,438,683 | 2,518,683 | 2,288,551 | (230,132) |
| Capital outlay | 280,750 | 280,750 | 279,995 | (755) |
| Debt service: | | | | |
| Principal | 29,520 | 29,520 | 28,830 | (690) |
| Interest and fiscal charges | 370 | 370 | 358 | (12) |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 2,749,323 | 2,829,323 | 2,597,734 | (231,589) |
| Excess (Deficiency) of Revenues over Expenditures | (857,115) | (937,115) | (545,806) | 391,309 |
| Other Financing Sources (Uses) | | | | |
| Insurance refunds and claims | - | - | 12,697 | 12,697 |
| Proceeds from sale of capital assets | - | - | 55,162 | 55,162 |
| Transfers in from other funds | 1,017,873 | 1,110,612 | - | (1,110,612) |
| Transfers out to other funds | (160,758) | (173,497) | (163,314) | 10,183 |
| Total Other Financing Sources (Uses) | 857,115 | 937,115 | (95,455) | (1,032,570) |
| Net Change in Fund Balance | \$ - | \$ - | \$ (641,261) | \$ (641,261) |
| Fund Balance, May 1 (restated) | | | 4,396,053 | |
| Fund Balance, April 30 | | | <u>\$ 3,754,792</u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Tax Increment Financing Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|------------------|-----------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Taxes: | | | | |
| Property | \$ 1,285,000 | \$ 1,285,000 | \$ 1,491,925 | \$ 206,925 |
| Intergovernmental receipts: | | | | |
| Grants | - | - | 28,848 | 28,848 |
| Investment income | - | - | 732 | 732 |
| Miscellaneous revenues and reimbursements | - | - | 3,000 | 3,000 |
| Total Revenues | <u>1,285,000</u> | <u>1,285,000</u> | <u>1,524,505</u> | <u>239,505</u> |
| Expenditures | | | | |
| Current: | | | | |
| Tax increment financing | 1,802,000 | 1,802,000 | 658,951 | (1,143,049) |
| Capital outlay | 653,000 | 653,000 | 1,017,360 | 364,360 |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | <u>2,455,000</u> | <u>2,455,000</u> | <u>1,676,311</u> | <u>(778,689)</u> |
| Excess (Deficiency) of Revenues over Expenditures | (1,170,000) | (1,170,000) | (151,806) | 1,018,194 |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | 1,401,325 | 1,401,325 | - | (1,401,325) |
| Transfers out to other funds | (231,325) | (231,325) | (231,318) | 7 |
| Total Other Financing Sources (Uses) | <u>1,170,000</u> | <u>1,170,000</u> | <u>(231,318)</u> | <u>(1,401,318)</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | \$ (383,124) | <u>\$ (383,124)</u> |
| Fund Balance, May 1 (restated) | | | <u>(4,194,117)</u> | |
| Fund Balance, April 30 | | | <u>\$ (4,577,241)</u> | |

City of O'Fallon, Illinois
Schedule of Changes in Net Pension Liability and Related Ratios
For the year ended April 30, 2019

| <i>Calendar year ending December 31,</i> | 2018 | 2017 | 2016 | 2015 |
|---|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | |
| Service Cost | \$ 812,321 | \$ 813,022 | \$ 729,494 | \$ 736,496 |
| Interest on the Total Pension Liability | 2,168,237 | 2,158,996 | 1,985,087 | 1,890,993 |
| Benefit Changes | - | - | - | - |
| Difference between expected and actual experience | 268,836 | (632,603) | 705,433 | (279,103) |
| Assumption Changes | 987,404 | (921,609) | (38,096) | 35,830 |
| Benefit Payments | (1,397,982) | (1,190,516) | (1,089,943) | (1,091,647) |
| Refunds | - | - | - | - |
| Net Change in Total Pension Liability | 2,838,816 | 227,290 | 2,291,975 | 1,292,569 |
| Total Pension Liability beginning | 29,202,654 | 28,975,364 | 26,683,389 | 25,390,820 |
| Total Pension Liability ending | \$ 32,041,470 | \$ 29,202,654 | \$ 28,975,364 | \$ 26,683,389 |
| Plan Fiduciary Net Position | | | | |
| Contributions-employer | \$ 926,124 | \$ 808,212 | \$ 805,453 | \$ 742,506 |
| Contributions-employee | 400,306 | 382,084 | 358,904 | 314,621 |
| Pension Plan Net Investment income | (1,412,804) | 4,263,906 | 1,592,539 | 115,693 |
| Benefit Payments | (1,397,982) | (1,190,516) | (1,089,943) | (1,091,647) |
| Refunds | - | - | - | - |
| Pension Plan Administrative expense | - | - | - | - |
| Other | 522,881 | (772,984) | 135,463 | (318,103) |
| Net Change in Plan Fiduciary Net Position | (961,475) | 3,490,702 | 1,802,416 | (236,930) |
| Plan Fiduciary Net Position beginning | 28,212,017 | 24,721,315 | 22,918,899 | 23,155,829 |
| Plan Fiduciary Net Position ending | \$ 27,250,542 | \$ 28,212,017 | \$ 24,721,315 | \$ 22,918,899 |
| Employer Net Pension Liability | \$ 4,790,928 | \$ 990,637 | \$ 4,254,049 | \$ 3,764,490 |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 85.05% | 96.61% | 85.32% | 85.89% |
| Covered Employee Payroll | \$ 8,834,119 | \$ 8,461,759 | \$ 7,798,223 | \$ 6,991,582 |
| Employer's Net Pension Liability as a percentage of covered employee payroll | 54.23% | 11.71% | 54.55% | 53.84% |

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

City of O'Fallon, Illinois
Schedule of Contributions - Last 10 Fiscal Years
For the year ended April 30, 2019

| <i>Calendar year ending December 31,</i> | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|--------------------|------------------|--------------------|-------------|----------------|-------------|-------------|---------------|-------------|-------------|
| Actuarially determined pension contribution | \$ 851,609 | \$ 833,483 | \$ 791,520 | \$ 742,506 | \$ 779,952 | \$ 721,039 | \$ 664,531 | \$ 621,416 | \$ 545,955 | \$ 497,978 |
| Contributions in relation to the actuarially determined contributions | 926,124 | 808,212 | 805,453 | 742,506 | 779,971 | 721,039 | 664,531 | 620,896 | 545,955 | 497,978 |
| Contribution deficiency (excess) | <u>\$ (74,515)</u> | <u>\$ 25,271</u> | <u>\$ (13,933)</u> | <u>\$ -</u> | <u>\$ (19)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 520</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Employee Payroll | \$8,834,119 | \$8,461,759 | \$7,798,223 | \$6,991,582 | \$6,788,093 | \$6,205,155 | \$5,906,945 | \$5,732,623 | \$5,475,980 | \$5,496,444 |
| Contributions as a percentage of covered employee payroll | 10.48% | 9.55% | 10.33% | 10.62% | 11.49% | 11.62% | 11.25% | 10.83% | 9.97% | 9.06% |

Notes to Schedule:

Valuation date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine 2018 contribution rates*:

| | |
|-------------------------------|--|
| Actuarial cost method | Aggregate entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 25-year closed period |
| Asset valuation method | 5-year smoothed market; 20% corridor |
| Wage growth | 3.50% |
| Price Inflation | 2.75%, approximate: No explicit price inflation assumption is used in this valuation |
| Salary increases | 3.75% to 14.50%, including inflation |
| Investment rate of return | 7.5% |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013. |

Mortality RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2016, actuarial valuation; note two year lag between valuation and rate setting.

City of O'Fallon, Illinois
Notes to the Required Supplementary Information
For the year ended April 30, 2019

Note 1 - Expenditures in Excess of Budget

The following funds had expenditures in excess of budgeted amounts: Park Fund

Supplementary Information

City of O'Fallon, Illinois
Combining Balance Sheet - Non-Major Governmental Funds
April 30, 2019

| | Special Revenue Funds | | | | | | Total Capital Projects (Page 66) | Total Debt Service (Page 67) | Total Nonmajor Governmental Funds |
|--|-----------------------|-------------------|---------------------------|----------------------------|----------------------------|----------------------------|---|---------------------------------------|--|
| | Cemetery Fund | IMRF Fund | Motor Fuel Tax Fund | Social Security Fund | Special Service Fund | Hotel/Motel Tax Fund | Total Special Revenue | | |
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ 9,221 | \$ 21,499 | \$ 2,238,239 | \$ 487,287 | \$ 237,219 | \$ 253,211 | \$ 3,246,676 | \$ 3,695,954 | \$ 7,218,163 |
| Investments | 823,702 | - | 2,301,923 | - | - | 600,520 | 3,726,145 | 3,691,328 | 7,670,266 |
| Restricted cash and cash equivalents | - | - | - | - | - | - | - | 612,795 | 612,795 |
| Receivables, net | | | | | | | | | |
| Taxes | - | 625,000 | - | 815,000 | 15,200 | - | 1,455,200 | - | 1,455,200 |
| Other governmental entities | - | 1,056 | 67,378 | 5,337 | - | - | 73,771 | 140,551 | 214,322 |
| Interest | 1,412 | - | 11,257 | - | - | 2,897 | 15,566 | 16,494 | 32,060 |
| Other | - | 61,853 | - | - | - | 217,781 | 279,634 | - | 279,634 |
| Prepaid items | - | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | 559,594 | 559,594 | 1,478,365 | 2,037,959 |
| Total Assets | 834,335 | 709,408 | 4,618,797 | 1,307,624 | 252,419 | 1,634,003 | 9,356,586 | 9,022,692 | 19,520,399 |
| Deferred Outflows of Resources | - | - | - | - | - | - | - | - | - |
| Total Assets and Deferred Outflows of Resources | <u>\$ 834,335</u> | <u>\$ 709,408</u> | <u>\$ 4,618,797</u> | <u>\$ 1,307,624</u> | <u>\$ 252,419</u> | <u>\$ 1,634,003</u> | <u>\$ 9,356,586</u> | <u>\$ 9,022,692</u> | <u>\$ 19,520,399</u> |
| Liabilities | | | | | | | | | |
| Accounts payable | \$ - | \$ 18,557 | \$ 955,996 | \$ 36,039 | \$ 501 | \$ 30,914 | \$ 1,042,007 | \$ 78,176 | \$ 1,120,183 |
| Accrued payroll | - | - | - | - | - | 3,244 | - | - | 3,244 |
| Due to other funds | - | - | 114,859 | - | - | - | 114,859 | 307,920 | 721,668 |
| Total Liabilities | - | 18,557 | 1,070,855 | 36,039 | 501 | 34,158 | 1,160,110 | 377,065 | 1,845,095 |
| Deferred Inflows of Resources | | | | | | | | | |
| Unavailable resources - property taxes | - | 625,000 | - | 815,000 | 15,200 | - | 1,455,200 | - | 1,455,200 |
| Fund Balance | | | | | | | | | |
| Nonspendable: | | | | | | | | | |
| Prepaid items | - | - | - | - | - | - | - | - | - |
| Interfund advances | - | - | - | - | - | 559,594 | 559,594 | - | 2,037,959 |
| Restricted: | | | | | | | | | |
| Debt service | - | - | - | - | - | - | - | 1,141,121 | 1,141,121 |
| Capital projects | - | - | - | - | - | - | 6,169,735 | - | 6,169,735 |
| Special revenue funds | 834,335 | 65,851 | 3,547,942 | 456,585 | 236,718 | 1,040,251 | 6,181,682 | - | 6,181,682 |
| Assigned: | | | | | | | | | |
| Strategic planning | - | - | - | - | - | - | 997,527 | - | 997,527 |
| Unassigned | | | | | | | | | |
| General fund | - | - | - | - | - | - | - | (307,920) | (307,920) |
| Total Fund Balance | 834,335 | 65,851 | 3,547,942 | 456,585 | 236,718 | 1,599,845 | 6,741,276 | 8,645,627 | 16,220,104 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 834,335</u> | <u>\$ 709,408</u> | <u>\$ 4,618,797</u> | <u>\$ 1,307,624</u> | <u>\$ 252,419</u> | <u>\$ 1,634,003</u> | <u>\$ 9,356,586</u> | <u>\$ 9,022,692</u> | <u>\$ 19,520,399</u> |

City of O'Fallon, Illinois
Combining Balance Sheet - Non-Major Governmental Funds
April 30, 2019

| | Capital Projects | | | | | | Total Capital Projects (Page 65) |
|--|-------------------------|------------------------------|--------------------------------|---------------------|----------------------------------|------------------------|---|
| | 2002 Bond Issue Fund | Convention Center Fund | Sports Park Complex Fund | Park Land Fund | Prop S Infrastructure Fund | Strategic Plan Fund | |
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 424,194 | \$ 182,168 | \$ 197,012 | \$ 210,821 | \$ 2,681,759 | \$ - | \$ 3,695,954 |
| Investments | - | 251,451 | - | 1,000,866 | 1,438,316 | 1,000,695 | 3,691,328 |
| Restricted cash and cash equivalents | - | - | - | - | - | - | - |
| Receivables, net | | | | | | | |
| Property taxes | - | - | - | - | - | - | - |
| Other governmental entities | - | - | - | - | 140,551 | - | 140,551 |
| Interest | - | - | - | 4,827 | 6,455 | 5,212 | 16,494 |
| Other | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | 482,607 | - | 995,758 | 1,478,365 |
| Total Assets | <u>424,194</u> | <u>433,619</u> | <u>197,012</u> | <u>1,699,121</u> | <u>4,267,081</u> | <u>2,001,665</u> | <u>9,022,692</u> |
| Deferred Outflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 424,194</u> | <u>\$ 433,619</u> | <u>\$ 197,012</u> | <u>\$ 1,699,121</u> | <u>\$ 4,267,081</u> | <u>\$ 2,001,665</u> | <u>\$ 9,022,692</u> |
| Liabilities | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 69,796 | \$ 8,380 | \$ 78,176 |
| Accrued payroll | - | - | - | - | - | - | - |
| Due to other funds | - | 79,200 | - | - | 219,689 | - | 298,889 |
| Total Liabilities | <u>-</u> | <u>79,200</u> | <u>-</u> | <u>-</u> | <u>289,485</u> | <u>8,380</u> | <u>377,065</u> |
| Deferred Inflows of Resources | | | | | | | |
| Unavailable resources - property taxes | - | - | - | - | - | - | - |
| Fund Balance | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid items | - | - | - | - | - | - | - |
| Interfund advances | - | - | - | 482,607 | - | 995,758 | 1,478,365 |
| Restricted: | | | | | | | |
| Debt service | - | - | - | - | - | - | - |
| Capital projects | 424,194 | 354,419 | 197,012 | 1,216,514 | 3,977,596 | - | 6,169,735 |
| Special revenue funds | - | - | - | - | - | - | - |
| Assigned | | | | | | | |
| Strategic planning | - | - | - | - | - | 997,527 | 997,527 |
| Unassigned | | | | | | | |
| General fund | - | - | - | - | - | - | - |
| Total Fund Balance | <u>424,194</u> | <u>354,419</u> | <u>197,012</u> | <u>1,699,121</u> | <u>3,977,596</u> | <u>1,993,285</u> | <u>8,645,627</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 424,194</u> | <u>\$ 433,619</u> | <u>\$ 197,012</u> | <u>\$ 1,699,121</u> | <u>\$ 4,267,081</u> | <u>\$ 2,001,665</u> | <u>\$ 9,022,692</u> |

City of O'Fallon, Illinois
Combining Balance Sheet - Non-Major Governmental Funds
April 30, 2019

| | Debt Service Funds | | | | | | | | Total Debt Service (Page 65) |
|--|----------------------------|----------------------------|----------------------------------|-------------------|----------------------------|--------------------------|---------------------|---------------------------------|---------------------------------------|
| | 2010 Bond Issue Fund | 2002 Bond Issue Fund | Special Service Areas Fund | Newbold Fund | Harley Davidson Fund | Build America Fund | Green Mount Fund | Destination O'Fallon Fund | |
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ 125 | \$ 35,875 | \$ 104,861 | \$ 94,398 | \$ 39,956 | \$ - | \$ - | \$ 318 | \$ 275,533 |
| Investments | - | 252,793 | - | - | - | - | - | - | 252,793 |
| Restricted cash and cash equivalents | - | - | 211,389 | 197,248 | 204,158 | - | - | - | 612,795 |
| Receivables, net | | | | | | | | | |
| Property taxes | - | - | - | - | - | - | - | - | - |
| Other governmental entities | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - | - | - |
| Total Assets | 125 | 288,668 | 316,250 | 291,646 | 244,114 | - | - | 318 | 1,141,121 |
| Deferred Outflows of Resources | - | - | - | - | - | - | - | - | - |
| Total Assets and Deferred Outflows of Resources | <u>\$ 125</u> | <u>\$ 288,668</u> | <u>\$ 316,250</u> | <u>\$ 291,646</u> | <u>\$ 244,114</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 318</u> | <u>\$ 1,141,121</u> |
| Liabilities | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | 307,920 | - | 307,920 |
| Total Liabilities | - | - | - | - | - | - | 307,920 | - | 307,920 |
| Deferred Inflows of Resources | | | | | | | | | |
| Unavailable resources - property taxes | - | - | - | - | - | - | - | - | - |
| Fund Balance | | | | | | | | | |
| Nonspendable: | | | | | | | | | |
| Prepaid items | - | - | - | - | - | - | - | - | - |
| Interfund advances | - | - | - | - | - | - | - | - | - |
| Restricted: | | | | | | | | | |
| Debt service | 125 | 288,668 | 316,250 | 291,646 | 244,114 | - | - | 318 | 1,141,121 |
| Capital projects | - | - | - | - | - | - | - | - | - |
| Special revenue funds | - | - | - | - | - | - | - | - | - |
| Unassigned | | | | | | | | | |
| General fund | - | - | - | - | - | - | (307,920) | - | (307,920) |
| Total Fund Balance | 125 | 288,668 | 316,250 | 291,646 | 244,114 | - | (307,920) | 318 | 833,201 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 125</u> | <u>\$ 288,668</u> | <u>\$ 316,250</u> | <u>\$ 291,646</u> | <u>\$ 244,114</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 318</u> | <u>\$ 1,141,121</u> |

City of O'Fallon, Illinois
Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended April 30, 2019

| | Special Revenue Funds | | | | | | | Total Capital Projects (Page 69) | Total Debt Service (Page 70) | Total Nonmajor Governmental Funds |
|--|------------------------------|------------------|---------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|---|---------------------------------------|--|
| | Cemetery Fund | IMRF Fund | Motor Fuel Tax Fund | Social Security Fund | Special Service Fund | Hotel/Motel Tax Fund | Total Special Revenue | | | |
| Revenues | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property | \$ - | \$ 599,508 | \$ - | \$ 896,248 | \$ 15,162 | \$ - | \$ 1,510,918 | \$ - | \$ 567,324 | \$ 2,078,242 |
| Intergovernmental receipts: | | | | | | | | | | |
| Replacement tax | - | 3,106 | - | 15,696 | - | - | 18,802 | - | - | 18,802 |
| Motor fuel tax | - | - | 814,768 | - | - | - | 814,768 | - | - | 814,768 |
| State sales tax | - | - | - | - | - | - | - | 2,057,829 | - | 2,057,829 |
| Grants | - | - | 158,194 | - | - | - | 158,194 | - | - | 158,194 |
| Service fees | 5,450 | - | - | - | - | - | 5,450 | - | - | 5,450 |
| Room tax | - | - | - | - | - | 1,788,915 | 1,788,915 | - | - | 1,788,915 |
| Investment income | 32,362 | 521 | 92,884 | 383 | 5 | 5,204 | 131,359 | 99,050 | 8,503 | 238,912 |
| Fee in lieu of taxes | - | - | - | 47,860 | - | - | 47,860 | - | - | 47,860 |
| Annex fees | - | - | - | - | - | - | - | 313,850 | - | 313,850 |
| Build America bond rebates | - | - | - | - | - | - | - | 151,056 | 24,591 | 175,647 |
| Miscellaneous revenues and reimbursements | - | - | - | - | - | - | - | 60,012 | 2,628 | 62,640 |
| Total Revenues | 37,812 | 603,135 | 1,065,846 | 960,187 | 15,167 | 1,794,119 | 4,476,266 | 2,681,797 | 603,046 | 7,761,109 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 5,583 | 124,632 | - | 106,959 | - | - | 237,174 | 46,256 | - | 283,430 |
| Public safety | - | 243,661 | - | 609,837 | - | - | 853,498 | - | - | 853,498 |
| Highways and streets | - | 79,996 | 23,961 | 76,611 | 4,943 | - | 185,511 | 112,420 | - | 297,931 |
| Zoning | - | 60,080 | - | 51,648 | - | - | 111,728 | - | - | 111,728 |
| Cemetery | - | 4,654 | - | 5,582 | - | - | 10,236 | - | - | 10,236 |
| Culture and recreation | - | 76,690 | - | 109,488 | - | - | 186,178 | - | - | 186,178 |
| Tourism | - | 5,881 | - | 5,541 | - | 286,838 | 298,260 | - | - | 298,260 |
| Capital outlay | - | - | 1,175,430 | - | - | 31,542 | 1,206,972 | 1,274,891 | - | 2,481,863 |
| Debt service: | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | 1,470,000 | 1,390,000 | 2,860,000 |
| Interest and fiscal charges | - | - | - | - | - | - | - | 1,433,449 | 858,512 | 2,291,961 |
| Bond issuance costs | - | - | - | - | - | - | - | 188,319 | 17,008 | 205,327 |
| Total Expenditures | 5,583 | 595,594 | 1,199,391 | 965,666 | 4,943 | 318,380 | 3,089,557 | 4,525,335 | 2,265,520 | 9,880,412 |
| Excess (Deficiency) of Revenues over Expenditures | 32,229 | 7,541 | (133,545) | (5,479) | 10,224 | 1,475,739 | 1,386,709 | (1,843,538) | (1,662,474) | (2,119,303) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Capital contributions | - | - | 433,680 | - | - | - | 433,680 | - | - | 433,680 |
| Proceeds from sale of capital assets | - | - | - | - | - | - | - | 240,448 | - | 240,448 |
| Proceeds from refunding bonds | - | - | - | - | - | - | - | 22,035,000 | 1,205,000 | 23,240,000 |
| Proceeds from refunding bonds - premium | - | - | - | - | - | - | - | 1,035,376 | 50,617 | 1,085,993 |
| Debt service - principal | - | - | - | - | - | - | - | (22,550,000) | (1,235,000) | (23,785,000) |
| Transfers in from other funds | - | - | - | - | - | - | - | 2,612,400 | 1,657,478 | 4,269,878 |
| Transfers out to other funds | - | - | - | - | - | (1,413,040) | (1,413,040) | (771,255) | (10,750) | (2,195,045) |
| Total Other Financing Sources (Uses) | - | - | 433,680 | - | - | (1,413,040) | (979,360) | 2,601,969 | 1,667,345 | 3,289,954 |
| Net Change in Fund Balance | \$ 32,229 | \$ 7,541 | \$ 300,135 | \$ (5,479) | \$ 10,224 | \$ 62,699 | \$ 407,349 | \$ 758,431 | \$ 4,871 | \$ 1,170,651 |
| Fund Balance (Deficit), May 1 (restated) | 802,106 | 58,310 | 3,247,807 | 462,064 | 226,494 | 1,537,146 | 6,333,927 | 7,887,196 | 828,330 | 15,049,453 |
| Fund Balance (Deficit), April 30 | \$ 834,335 | \$ 65,851 | \$ 3,547,942 | \$ 456,585 | \$ 236,718 | \$ 1,599,845 | \$ 6,741,276 | \$ 8,645,627 | \$ 833,201 | \$ 16,220,104 |

City of O'Fallon, Illinois
Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended April 30, 2019

| | Capital Projects | | | | | | Total Capital Projects (Page 68) |
|--|-------------------------|------------------------------|--------------------------------|-------------------|----------------------------------|------------------------|---|
| Revenues | 2002 Bond Issue Fund | Convention Center Fund | Sports Park Complex Fund | Park Land Fund | Prop S Infrastructure Fund | Strategic Plan Fund | |
| Taxes: | | | | | | | |
| Property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental receipts: | | | | | | | |
| Replacement tax | - | - | - | - | - | - | - |
| Motor fuel tax | - | - | - | - | - | - | - |
| State sales tax | - | - | - | - | 2,057,829 | - | 2,057,829 |
| Grants | - | - | - | - | - | - | - |
| Service fees | - | - | - | - | - | - | - |
| Room tax | - | - | - | - | - | - | - |
| Investment income | - | 3,683 | 4,134 | 6,062 | 79,266 | 5,905 | 99,050 |
| Fee in lieu of taxes | - | - | - | - | - | - | - |
| Annex fees | - | - | - | 313,850 | - | - | 313,850 |
| Build America bond rebates | - | - | 151,056 | - | - | - | 151,056 |
| Miscellaneous revenues and reimbursements | 1,974 | 2,510 | 6,988 | - | 48,540 | - | 60,012 |
| Total Revenues | 1,974 | 6,193 | 162,178 | 319,912 | 2,185,635 | 5,905 | 2,681,797 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | 32,142 | 14,114 | 46,256 |
| Public safety | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | 112,420 | - | 112,420 |
| Culture and recreation | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | 1,138,097 | 136,794 | 1,274,891 |
| Debt service: | | | | | | | |
| Principal | 709,080 | 329,460 | 431,460 | - | - | - | 1,470,000 |
| Interest and fiscal charges | 318,901 | 279,379 | 835,169 | - | - | - | 1,433,449 |
| Bond issuance costs | 32,275 | 41,043 | 115,001 | - | - | - | 188,319 |
| Total Expenditures | 1,060,256 | 649,882 | 1,381,630 | - | 1,282,659 | 150,908 | 4,525,335 |
| Excess (Deficiency) of Revenues over Expenditures | (1,058,282) | (643,689) | (1,219,452) | 319,912 | 902,976 | (145,003) | (1,843,538) |
| Other Financing Sources (Uses) | | | | | | | |
| Capital contributions | - | - | - | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | 140,448 | - | 100,000 | 240,448 |
| Proceeds from refunding bonds | 3,771,900 | 4,796,550 | 13,466,550 | - | - | - | 22,035,000 |
| Proceeds from refunding bonds - premium | 216,682 | 275,544 | 543,150 | - | - | - | 1,035,376 |
| Debt service - principal | (3,879,850) | (4,933,825) | (13,736,325) | - | - | - | (22,550,000) |
| Transfers in from other funds | 949,550 | 516,386 | 946,464 | - | - | 200,000 | 2,612,400 |
| Transfers out to other funds | - | (10,750) | - | (60,000) | (400,505) | (300,000) | (771,255) |
| Total Other Financing Sources (Uses) | 1,058,282 | 643,905 | 1,219,839 | 80,448 | (400,505) | - | 2,601,969 |
| Net Change in Fund Balance | \$ - | \$ 216 | \$ 387 | \$ 400,360 | \$ 502,471 | \$ (145,003) | \$ 758,431 |
| Fund Balance (Deficit), May 1 | 424,194 | 354,203 | 196,625 | 1,298,761 | 3,475,125 | 2,138,288 | 7,887,196 |
| Fund Balance (Deficit), April 30 | \$ 424,194 | \$ 354,419 | \$ 197,012 | \$ 1,699,121 | \$ 3,977,596 | \$ 1,993,285 | \$ 8,645,627 |

City of O'Fallon, Illinois
Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended April 30, 2019

| | Debt Service Funds | | | | | | | | Total Debt Service Service (Page 68) |
|--|----------------------------|----------------------------|----------------------------------|-----------------|----------------------------|--------------------------|---------------------|---------------------------------|--|
| | 2010 Bond Issue Fund | 2002 Bond Issue Fund | Special Service Areas Fund | Newbold Fund | Harley Davidson Fund | Build America Fund | Green Mount Fund | Destination O'Fallon Fund | |
| Revenues | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property | \$ - | \$ - | \$ 275,248 | \$ 160,701 | \$ 131,375 | \$ - | \$ - | \$ - | \$ 567,324 |
| Intergovernmental receipts: | | | | | | | | | |
| Replacement tax | - | - | - | - | - | - | - | - | - |
| Motor fuel tax | - | - | - | - | - | - | - | - | - |
| State sales tax | - | - | - | - | - | - | - | - | - |
| Grants | - | - | - | - | - | - | - | - | - |
| Service fees | - | - | - | - | - | - | - | - | - |
| Room tax | - | - | - | - | - | - | - | - | - |
| Investment income | - | 5,245 | 3,058 | 119 | 81 | - | - | - | 8,503 |
| Fee in lieu of taxes | - | - | - | - | - | - | - | - | - |
| Annex fees | - | - | - | - | - | - | - | - | - |
| Build America bond rebates | - | - | - | - | - | 24,591 | - | - | 24,591 |
| Miscellaneous revenues and reimbursements | - | - | - | 1,000 | 1,000 | 628 | - | - | 2,628 |
| Total Revenues | - | 5,245 | 278,306 | 161,820 | 132,456 | 25,219 | - | - | 603,046 |
| Expenditures | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Highways and streets | - | - | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | |
| Principal | 525,000 | - | 220,000 | 100,000 | 75,000 | 100,000 | - | 370,000 | 1,390,000 |
| Interest and fiscal charges | 73,055 | - | 52,278 | 62,590 | 57,640 | 99,503 | 231,318 | 282,128 | 858,512 |
| Bond issuance costs | - | - | - | - | - | 17,008 | - | - | 17,008 |
| Total Expenditures | 598,055 | - | 272,278 | 162,590 | 132,640 | 216,511 | 231,318 | 652,128 | 2,265,520 |
| Excess (Deficiency) of Revenues over Expenditures | (598,055) | 5,245 | 6,028 | (770) | (184) | (191,292) | (231,318) | (652,128) | (1,662,474) |
| Other Financing Sources (Uses) | | | | | | | | | |
| Capital contributions | - | - | - | - | - | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - | - | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - | - | 1,205,000 | - | - | 1,205,000 |
| Proceeds from refunding bonds - premium | - | - | - | - | - | 50,617 | - | - | 50,617 |
| Debt service - principal | - | - | - | - | - | (1,235,000) | - | - | (1,235,000) |
| Transfers in from other funds | 598,055 | 4,984 | - | - | - | 170,675 | 231,318 | 652,446 | 1,657,478 |
| Transfers out to other funds | - | (10,750) | - | - | - | - | - | - | (10,750) |
| Total Other Financing Sources (Uses) | 598,055 | (5,766) | - | - | - | 191,292 | 231,318 | 652,446 | 1,667,345 |
| Net Change in Fund Balance | \$ - | \$ (521) | \$ 6,028 | \$ (770) | \$ (184) | \$ - | \$ - | \$ 318 | \$ 4,871 |
| Fund Balance (Deficit), May 1 | 125 | 289,189 | 310,222 | 292,416 | 244,298 | - | (307,920) | - | 828,330 |
| Fund Balance (Deficit), April 30 | \$ 125 | \$ 288,668 | \$ 316,250 | \$ 291,646 | \$ 244,114 | \$ - | \$ (307,920) | \$ 318 | \$ 833,201 |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Cemetery Special Revenue Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|----------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Service fees | \$ 5,000 | \$ 5,000 | \$ 5,450 | \$ 450 |
| Investment income | 30,000 | 30,000 | 32,362 | 2,362 |
| Total Revenues | <u>35,000</u> | <u>35,000</u> | <u>37,812</u> | <u>2,812</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 30,000 | 30,000 | 5,583 | (24,417) |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | <u>30,000</u> | <u>30,000</u> | <u>5,583</u> | <u>(24,417)</u> |
| Excess (Deficiency) of Revenues over Expenditures | 5,000 | 5,000 | 32,229 | 27,229 |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | - | - | - | - |
| Transfers out to other funds | (5,000) | (5,000) | - | 5,000 |
| Total Other Financing Sources (Uses) | <u>(5,000)</u> | <u>(5,000)</u> | <u>-</u> | <u>5,000</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 32,229</u> | <u>\$ 32,229</u> |
| Fund Balance, May 1 | | | <u>802,106</u> | |
| Fund Balance, April 30 | | | <u>\$ 834,335</u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
IMRF Special Revenue Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|------------|------------|--|
| Revenues | Original | Final | Actual | |
| Taxes: | | | | |
| Property | \$ 603,000 | \$ 603,000 | \$ 599,508 | \$ (3,492) |
| Intergovernmental receipts: | | | | |
| Replacement tax | 3,000 | 3,000 | 3,106 | 106 |
| Investment income | 100 | 100 | 521 | 421 |
| Miscellaneous revenues and reimbursements | - | - | - | - |
| Total Revenues | 606,100 | 606,100 | 603,135 | (2,965) |
| Expenditures | | | | |
| Current: | | | | |
| General government | 129,973 | 129,973 | 124,632 | (5,341) |
| Public safety | 256,578 | 256,578 | 243,661 | (12,917) |
| Highways and streets | 84,237 | 84,237 | 79,996 | (4,241) |
| Zoning | 63,264 | 63,264 | 60,080 | (3,184) |
| Cemetery | 4,900 | 4,900 | 4,654 | (246) |
| Culture and recreation | 80,755 | 80,755 | 76,690 | (4,065) |
| Tourism | 6,193 | 6,193 | 5,881 | (312) |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 625,900 | 625,900 | 595,594 | (30,306) |
| Excess (Deficiency) of Revenues over Expenditures | (19,800) | (19,800) | 7,541 | 27,341 |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | 19,800 | 19,800 | - | (19,800) |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | 19,800 | 19,800 | - | (19,800) |
| Net Change in Fund Balance | \$ - | \$ - | \$ 7,541 | \$ 7,541 |
| Fund Balance, May 1 | | | 58,310 | |
| Fund Balance, April 30 | | | \$ 65,851 | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Motor Fuel Tax Special Revenue Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|------------|--------------|--|
| Revenues | Original | Final | Actual | |
| Intergovernmental receipts: | | | | |
| Motor fuel tax | \$ 805,000 | \$ 805,000 | \$ 814,768 | \$ 9,768 |
| Grants | 50,000 | 50,000 | 158,194 | 108,194 |
| Investment income | 35,000 | 35,000 | 92,884 | 57,884 |
| Total Revenues | 890,000 | 890,000 | 1,065,846 | 175,846 |
| Expenditures | | | | |
| Current: | | | | |
| Highways and streets | 50,000 | 50,000 | 23,961 | (26,039) |
| Capital outlay | 935,000 | 935,000 | 1,175,430 | 240,430 |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 985,000 | 985,000 | 1,199,391 | 214,391 |
| Excess (Deficiency) of Revenues over Expenditures | (95,000) | (95,000) | (133,545) | (38,545) |
| Other Financing Sources (Uses) | | | | |
| Capital contributions | - | - | 433,680 | 433,680 |
| Transfers in from other funds | 95,000 | 95,000 | - | (95,000) |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | 95,000 | 95,000 | 433,680 | 338,680 |
| Net Change in Fund Balance | \$ - | \$ - | \$ 300,135 | \$ 300,135 |
| Fund Balance, May 1 (restated) | | | 3,247,807 | |
| Fund Balance, April 30 | | | \$ 3,547,942 | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Social Security Special Revenue Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|-------------|--------------------------|--|
| Revenues | Original | Final | Actual | |
| Taxes: | | | | |
| Property | \$ 901,470 | \$ 901,470 | \$ 896,248 | (5,222) |
| Intergovernmental receipts: | | | | |
| Replacement tax | 15,000 | 15,000 | 15,696 | 696 |
| Investment income | - | - | 383 | 383 |
| Fee in lieu of taxes | 47,870 | 47,870 | 47,860 | (10) |
| Total Revenues | 964,340 | 964,340 | 960,187 | (4,153) |
| Expenditures | | | | |
| Current: | | | | |
| General government | 106,811 | 106,811 | 106,959 | 148 |
| Public safety | 609,000 | 609,000 | 609,837 | 837 |
| Highways and streets | 76,506 | 76,506 | 76,611 | 105 |
| Zoning | 51,577 | 51,577 | 51,648 | 71 |
| Cemetery | 5,575 | 5,575 | 5,582 | 7 |
| Culture and recreation | 109,337 | 109,337 | 109,488 | 151 |
| Tourism | 5,534 | 5,534 | 5,541 | 7 |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 964,340 | 964,340 | 965,666 | 1,326 |
| Excess (Deficiency) of Revenues over Expenditures | - | - | (5,479) | (5,479) |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | - | - | - | - |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (5,479)</u> | <u>\$ (5,479)</u> |
| Fund Balance, May 1 | | | <u>462,064</u> | |
| Fund Balance, April 30 | | | <u><u>\$ 456,585</u></u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Service Special Revenue Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|-------------|--------------------------|--|
| Revenues | Original | Final | Actual | |
| Taxes: | | | | |
| Property | \$ 13,200 | \$ 15,200 | \$ 15,162 | \$ (38) |
| Investment income | - | - | 5 | 5 |
| Total Revenues | 13,200 | 15,200 | 15,167 | (33) |
| Expenditures | | | | |
| Current: | | | | |
| Highways and streets | 13,200 | 15,200 | 4,943 | (10,257) |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 13,200 | 15,200 | 4,943 | (10,257) |
| Excess (Deficiency) of Revenues over Expenditures | - | - | 10,224 | 10,224 |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | - | - | - | - |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,224</u> | <u>\$ 10,224</u> |
| Fund Balance, May 1 | | | <u>226,494</u> | |
| Fund Balance, April 30 | | | <u><u>\$ 236,718</u></u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Hotel/Motel Tax Special Revenue Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|--------------|--------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Room tax | \$ 2,305,000 | \$ 2,305,000 | \$ 1,788,915 | \$ (516,085) |
| Investment income | - | - | 5,204 | 5,204 |
| Total Revenues | 2,305,000 | 2,305,000 | 1,794,119 | (510,881) |
| Expenditures | | | | |
| Current: | | | | |
| Tourism | 554,660 | 554,660 | 286,838 | (267,822) |
| Capital outlay | 145,500 | 145,500 | 31,542 | (113,958) |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 700,160 | 700,160 | 318,380 | (381,780) |
| Excess (Deficiency) of Revenues over Expenditures | 1,604,840 | 1,604,840 | 1,475,739 | (129,101) |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | - | - | - | - |
| Transfers out to other funds | (1,604,840) | (1,604,840) | (1,413,040) | 191,800 |
| Total Other Financing Sources (Uses) | (1,604,840) | (1,604,840) | (1,413,040) | 191,800 |
| Net Change in Fund Balance | \$ - | \$ - | \$ 62,699 | \$ 62,699 |
| Fund Balance, May 1 (restated) | | | 1,537,146 | |
| Fund Balance, April 30 | | | \$ 1,599,845 | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
2002 Bond Issue Capital Projects Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|-------------|--------------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Miscellaneous revenues and reimbursements | \$ - | \$ - | \$ 1,974 | \$ (1,974) |
| Total Revenues | - | - | 1,974 | (1,974) |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | 655,740 | 655,740 | 709,080 | 53,340 |
| Interest and fiscal charges | 306,755 | 306,755 | 318,901 | 12,146 |
| Bond issuance costs | - | - | 32,275 | 32,275 |
| Total Expenditures | 962,495 | 962,495 | 1,060,256 | 97,761 |
| Excess (Deficiency) of Revenues over Expenditures | (962,495) | (962,495) | (1,058,282) | (99,735) |
| Other Financing Sources (Uses) | | | | |
| Proceeds from refunding bonds | - | - | 3,771,900 | 3,771,900 |
| Proceeds from refunding bonds - premium | - | - | - | - |
| Debt service - principal | - | - | (3,879,850) | (3,879,850) |
| Transfers in from other funds | 962,495 | 962,495 | 949,550 | (12,945) |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | 962,495 | 962,495 | 841,600 | (120,895) |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (216,682)</u> | <u>\$ (220,630)</u> |
| Fund Balance, May 1 | | | <u>424,194</u> | |
| Fund Balance, April 30 | | | <u><u>\$ 207,512</u></u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Convention Center Capital Projects Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|-------------|---------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ - | \$ - | \$ 3,683 | \$ 3,683 |
| Miscellaneous revenues and reimbursements | - | - | 2,510 | 2,510 |
| Total Revenues | - | - | 6,193 | 6,193 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | 261,630 | 261,630 | 329,460 | 67,830 |
| Interest and fiscal charges | 263,895 | 263,895 | 279,379 | 15,484 |
| Bond issuance costs | - | - | 41,043 | 41,043 |
| Total Expenditures | 525,525 | 525,525 | 649,882 | 124,357 |
| Excess (Deficiency) of Revenues over Expenditures | (525,525) | (525,525) | (643,689) | (118,164) |
| Other Financing Sources (Uses) | | | | |
| Proceeds from refunding bonds | - | - | 4,796,550 | 4,796,550 |
| Proceeds from refunding bonds - premium | - | - | - | - |
| Debt service - principal | - | - | (4,933,825) | (4,933,825) |
| Transfers in from other funds | 525,525 | 525,525 | 516,386 | (9,139) |
| Transfers out to other funds | - | - | (10,750) | (10,750) |
| Total Other Financing Sources (Uses) | 525,525 | 525,525 | 368,361 | (157,164) |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (275,328)</u> | <u>\$ (275,328)</u> |
| Fund Balance, May 1 | | | <u>354,203</u> | |
| Fund Balance, April 30 | | | <u>\$ 78,875</u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Sports Park Complex Capital Projects Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|-------------|----------------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ - | \$ - | \$ 4,134 | \$ 4,134 |
| Build America bond rebates | 149,345 | 149,345 | 151,056 | 1,711 |
| Miscellaneous revenues and reimbursements | - | - | 6,988 | 6,988 |
| Total Revenues | 149,345 | 149,345 | 162,178 | 12,833 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | 342,630 | 342,630 | 431,460 | 88,830 |
| Interest and fiscal charges | 804,130 | 804,130 | 835,169 | 31,039 |
| Bond issuance costs | - | - | 115,001 | 115,001 |
| Total Expenditures | 1,146,760 | 1,146,760 | 1,381,630 | 234,870 |
| Excess (Deficiency) of Revenues over Expenditures | (997,415) | (997,415) | (1,219,452) | (222,037) |
| Other Financing Sources (Uses) | | | | |
| Proceeds from refunding bonds | - | - | 13,466,550 | 13,466,550 |
| Proceeds from refunding bonds - premium | - | - | - | - |
| Debt service - principal | - | - | (13,736,325) | (13,736,325) |
| Transfers in from other funds | 997,415 | 997,415 | 946,464 | (50,951) |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | 997,415 | 997,415 | 676,689 | (320,726) |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (542,763)</u> | <u>\$ (542,763)</u> |
| Fund Balance, May 1 | | | <u>196,625</u> | |
| Fund Balance, April 30 | | | <u><u>\$ (346,138)</u></u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Land Capital Projects Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|----------|--------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ 500 | \$ 500 | \$ 6,062 | \$ 5,562 |
| Annex fees | 210,000 | 210,000 | 313,850 | 103,850 |
| Total Revenues | 210,500 | 210,500 | 319,912 | 109,412 |
| Expenditures | | | | |
| Current: | | | | |
| Culture and recreation | 150,500 | 150,500 | - | (150,500) |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 150,500 | 150,500 | - | (150,500) |
| Excess (Deficiency) of Revenues over Expenditures | 60,000 | 60,000 | 319,912 | 259,912 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from sale of capital assets | - | - | 140,448 | 140,448 |
| Transfers in from other funds | - | - | - | - |
| Transfers out to other funds | (60,000) | (60,000) | (60,000) | - |
| Total Other Financing Sources (Uses) | (60,000) | (60,000) | 80,448 | 140,448 |
| Net Change in Fund Balance | \$ - | \$ - | \$ 400,360 | \$ 400,360 |
| Fund Balance, May 1 | | | 1,298,761 | |
| Fund Balance, April 30 | | | \$ 1,699,121 | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Proposition S Infrastructure Capital Projects Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|--------------|---------------------|--|
| Revenues | Original | Final | Actual | |
| Intergovernmental receipts: | | | | |
| State sales tax | \$ 1,950,000 | \$ 1,950,000 | \$ 2,057,829 | \$ 107,829 |
| Investment income | 20,000 | 20,000 | 79,266 | 59,266 |
| Miscellaneous revenues and reimbursements | 30,000 | 30,000 | 48,540 | 18,540 |
| Total Revenues | 2,000,000 | 2,000,000 | 2,185,635 | 185,635 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | 32,142 | 32,142 |
| Highways and streets | 300,000 | 300,000 | 112,420 | (187,580) |
| Capital outlay | 1,315,000 | 1,315,000 | 1,138,097 | (176,903) |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 1,615,000 | 1,615,000 | 1,282,659 | (332,341) |
| Excess (Deficiency) of Revenues over Expenditures | 385,000 | 385,000 | 902,976 | 517,976 |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | 28,575 | 28,575 | - | (28,575) |
| Transfers out to other funds | (413,575) | (413,575) | (400,505) | 13,070 |
| Total Other Financing Sources (Uses) | (385,000) | (385,000) | (400,505) | (15,505) |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 502,471</u> | <u>\$ 502,471</u> |
| Fund Balance, May 1 | | | <u>3,475,125</u> | |
| Fund Balance, April 30 | | | <u>\$ 3,977,596</u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Strategic Plan Capital Projects Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|-----------|--------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ - | \$ - | \$ 5,905 | \$ 5,905 |
| Total Revenues | - | - | 5,905 | 5,905 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | 14,114 | 14,114 |
| Capital outlay | 199,000 | 199,000 | 136,794 | (62,206) |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 199,000 | 199,000 | 150,908 | (48,092) |
| Excess (Deficiency) of Revenues over Expenditures | (199,000) | (199,000) | (145,003) | 53,997 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from sale of capital assets | - | - | 100,000 | 100,000 |
| Transfers in from other funds | 499,000 | 499,000 | 200,000 | (299,000) |
| Transfers out to other funds | (300,000) | (300,000) | (300,000) | - |
| Total Other Financing Sources (Uses) | 199,000 | 199,000 | - | (199,000) |
| Net Change in Fund Balance | \$ - | \$ - | \$ (145,003) | \$ (145,003) |
| Fund Balance, May 1 | | | 2,138,288 | |
| Fund Balance, April 30 | | | \$ 1,993,285 | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
2010 Bond Issue Debt Service Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|-----------|-----------|--|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | 525,000 | 525,000 | 525,000 | - |
| Interest and fiscal charges | 73,055 | 73,055 | 73,055 | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 598,055 | 598,055 | 598,055 | - |
| Excess (Deficiency) of Revenues over Expenditures | (598,055) | (598,055) | (598,055) | - |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | 598,055 | 598,055 | 598,055 | - |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | 598,055 | 598,055 | 598,055 | - |
| Net Change in Fund Balance | \$ - | \$ - | \$ - | \$ - |
| Fund Balance, May 1 | | | 125 | |
| Fund Balance, April 30 | | | \$ 125 | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
2002 Bond Issue Debt Service Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|-------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ - | \$ - | \$ 5,245 | \$ 5,245 |
| Total Revenues | - | - | 5,245 | 5,245 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues over Expenditures | - | - | 5,245 | 5,245 |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | - | - | 4,984 | 4,984 |
| Transfers out to other funds | - | - | (10,750) | (10,750) |
| Total Other Financing Sources (Uses) | - | - | (5,766) | (5,766) |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | \$ (521) | <u>\$ (521)</u> |
| Fund Balance, May 1 | | | <u>289,189</u> | |
| Fund Balance, April 30 | | | <u>\$ 288,668</u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Service Areas Debt Service Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|-------------|-------------------|--|
| Revenues | Original | Final | Actual | |
| Taxes: | | | | |
| Property | \$ 321,700 | \$ 321,700 | \$ 275,248 | \$ (46,452) |
| Investment income | - | - | 3,058 | 3,058 |
| Total Revenues | 321,700 | 321,700 | 278,306 | (43,394) |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | 195,000 | 195,000 | 220,000 | 25,000 |
| Interest and fiscal charges | 126,700 | 126,700 | 52,278 | (74,422) |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 321,700 | 321,700 | 272,278 | (49,422) |
| Excess (Deficiency) of Revenues over Expenditures | - | - | 6,028 | 6,028 |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | - | - | - | - |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,028</u> | <u>\$ 6,028</u> |
| Fund Balance, May 1 | | | <u>310,222</u> | |
| Fund Balance, April 30 | | | <u>\$ 316,250</u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Newbold Debt Service Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|-------------|-------------------|--|
| Revenues | Original | Final | Actual | |
| Taxes: | | | | |
| Property | \$ 166,400 | \$ 166,400 | \$ 160,701 | \$ (5,699) |
| Investment income | - | - | 119 | 119 |
| Miscellaneous revenues and reimbursements | - | - | 1,000 | 1,000 |
| Total Revenues | 166,400 | 166,400 | 161,820 | (4,580) |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | 100,000 | 100,000 | 100,000 | - |
| Interest and fiscal charges | 66,400 | 66,400 | 62,590 | (3,810) |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 166,400 | 166,400 | 162,590 | (3,810) |
| Excess (Deficiency) of Revenues over Expenditures | - | - | (770) | (770) |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | - | - | - | - |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (770)</u> | <u>\$ (770)</u> |
| Fund Balance, May 1 | | | <u>292,416</u> | |
| Fund Balance, April 30 | | | <u>\$ 291,646</u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Harley Davidson Debt Service Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|--|------------------|-------------|-------------------|--|
| Revenues | Original | Final | Actual | |
| Taxes: | | | | |
| Property | \$ 134,400 | \$ 134,400 | \$ 131,375 | \$ (3,025) |
| Investment income | - | - | 81 | 81 |
| Miscellaneous revenues and reimbursements | - | - | 1,000 | 1,000 |
| Total Revenues | 134,400 | 134,400 | 132,456 | (1,944) |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | 75,000 | 75,000 | 75,000 | - |
| Interest and fiscal charges | 59,400 | 59,400 | 57,640 | (1,760) |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 134,400 | 134,400 | 132,640 | (1,760) |
| Excess (Deficiency) of Revenues over Expenditures | - | - | (184) | (184) |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | - | - | - | - |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (184)</u> | <u>\$ (184)</u> |
| Fund Balance, May 1 | | | <u>244,298</u> | |
| Fund Balance, April 30 | | | <u>\$ 244,114</u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Build America Debt Service Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|-------------|---------------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Build America bond rebates | \$ 24,560 | \$ 24,560 | \$ 24,591 | \$ 31 |
| Miscellaneous revenues and reimbursements | - | - | 628 | 628 |
| Total Revenues | 24,560 | 24,560 | 25,219 | 659 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | 100,000 | 100,000 | 100,000 | - |
| Interest and fiscal charges | 75,620 | 75,620 | 99,503 | 23,883 |
| Bond issuance costs | - | - | 17,008 | 17,008 |
| Total Expenditures | 175,620 | 175,620 | 216,511 | 40,891 |
| Excess (Deficiency) of Revenues over Expenditures | (151,060) | (151,060) | (191,292) | (40,232) |
| Other Financing Sources (Uses) | | | | |
| Proceeds from refunding bonds | - | - | 1,205,000 | 1,205,000 |
| Proceeds from refunding bonds - premium | - | - | - | - |
| Debt service - principal | - | - | (1,235,000) | (1,235,000) |
| Transfers in from other funds | 151,060 | 151,060 | 170,675 | 19,615 |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | 151,060 | 151,060 | 140,675 | (10,385) |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (50,617)</u> | <u>\$ (50,617)</u> |
| Fund Balance, May 1 | | | <u>-</u> | |
| Fund Balance, April 30 | | | <u><u>\$ (50,617)</u></u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Green Mount Debt Service Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|-------------|----------------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | 231,325 | 231,325 | 231,318 | (7) |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 231,325 | 231,325 | 231,318 | (7) |
| Excess (Deficiency) of Revenues over Expenditures | (231,325) | (231,325) | (231,318) | 7 |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | 231,325 | 231,325 | 231,318 | (7) |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | 231,325 | 231,325 | 231,318 | (7) |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund Balance, May 1 | | | <u>(307,920)</u> | |
| Fund Balance, April 30 | | | <u><u>\$ (307,920)</u></u> | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Destination O'Fallon Debt Service Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|-----------|-----------|--|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt Service: | | | | |
| Principal | 370,000 | 370,000 | 370,000 | - |
| Interest and fiscal charges | 282,410 | 282,410 | 282,128 | (282) |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 652,410 | 652,410 | 652,128 | (282) |
| Excess (Deficiency) of Revenues over Expenditures | (652,410) | (652,410) | (652,128) | 282 |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | 652,410 | 652,410 | 652,446 | 36 |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | 652,410 | 652,410 | 652,446 | 36 |
| Net Change in Fund Balance | \$ - | \$ - | \$ 318 | \$ 318 |
| Fund Balance, May 1 | | | - | |
| Fund Balance, April 30 | | | \$ 318 | |

City of O'Fallon, Illinois
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Improvement Capital Projects Fund
For the year ended April 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|-------------|----------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental receipts: | | | | |
| Grants | \$ 300,000 | \$ 300,000 | \$ - | (300,000) |
| Investment income | - | - | 138 | 138 |
| Total Revenues | 300,000 | 300,000 | 138 | (299,862) |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Capital outlay | 1,550,000 | 1,550,000 | 1,903,105 | 353,105 |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total Expenditures | 1,550,000 | 1,550,000 | 1,903,105 | 353,105 |
| Excess (Deficiency) of Revenues over Expenditures | (1,250,000) | (1,250,000) | (1,902,967) | (652,967) |
| Other Financing Sources (Uses) | | | | |
| Transfers in from other funds | 1,250,000 | 1,250,000 | 600,000 | (650,000) |
| Transfers out to other funds | - | - | - | - |
| Total Other Financing Sources (Uses) | 1,250,000 | 1,250,000 | 600,000 | (650,000) |
| Net Change in Fund Balance | \$ - | \$ - | \$ (1,302,967) | \$ (1,302,967) |
| Fund Balance, May 1 | | | 1,481,441 | |
| Fund Balance, April 30 | | | \$ 178,474 | |

City of O'Fallon, Illinois
Combining Balance Sheet - Tax Increment Financing (TIF) Funds
April 30, 2019

| | 158 Corridor TIF | Green Mount Medical TIF | Central Park TIF | Rte. 50/ Scott Troy Rd. TIF | Central City TIF | Total TIF Fund |
|--|---------------------|-------------------------------|---------------------|-----------------------------------|---------------------|----------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 6,334 | \$ 143,484 | \$ 15,238 | \$ 165,056 |
| Receivables, net | | | | | | |
| Taxes | - | 470,045 | 615,094 | 363,181 | 115,520 | 1,563,840 |
| Other | - | - | - | - | - | - |
| Total Assets | - | 470,045 | 621,428 | 506,665 | 130,758 | 1,728,896 |
| Deferred Outflows of Resources | - | - | - | - | - | - |
| Total Assets and Deferred Outflows of Resources | <u>\$ -</u> | <u>\$ 470,045</u> | <u>\$ 621,428</u> | <u>\$ 506,665</u> | <u>\$ 130,758</u> | <u>\$ 1,728,896</u> |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ 19,684 | \$ 1,964 | \$ 143,931 | \$ 376 | \$ 165,955 |
| Due to other funds | - | 4,346,676 | 85,454 | 40,692 | 103,520 | 4,576,342 |
| Total Liabilities | - | 4,366,360 | 87,418 | 184,623 | 103,896 | 4,742,297 |
| Deferred Inflows of Resources | | | | | | |
| Unavailable resources - property taxes | - | 470,045 | 615,094 | 363,181 | 115,520 | 1,563,840 |
| Fund Balance | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid items | - | - | - | - | - | - |
| Interfund advances | - | - | - | - | - | - |
| Restricted: | | | | | | |
| Debt service | - | - | - | - | - | - |
| Special revenue fund | - | - | - | - | - | - |
| Unassigned: | | | | | | |
| General fund | - | (4,366,360) | (81,084) | (41,139) | (88,658) | (4,577,241) |
| Total Fund Balances | - | (4,366,360) | (81,084) | (41,139) | (88,658) | (4,577,241) |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ -</u> | <u>\$ 470,045</u> | <u>\$ 621,428</u> | <u>\$ 506,665</u> | <u>\$ 130,758</u> | <u>\$ 1,728,896</u> |

City of O'Fallon, Illinois
Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances - Tax Increment Financing (TIF) Funds
For the year ended April 30, 2019

| | 158 Corridor TIF | Green Mount Medical TIF | Central Park TIF | Rte. 50/ Scott Troy Rd. TIF | Central City TIF | Total TIF Fund |
|--|---------------------|-------------------------------|---------------------|-----------------------------------|---------------------|-----------------------|
| Revenues | | | | | | |
| Taxes: | | | | | | |
| Property | \$ 372,300 | \$ 137,803 | \$ 607,743 | \$ 345,171 | \$ 28,908 | \$ 1,491,925 |
| Intergovernmental receipts: | | | | | | |
| Grants | - | 28,848 | - | - | - | 28,848 |
| Investment income | 282 | 55 | 245 | 139 | 11 | 732 |
| Miscellaneous revenues and reimbursements | - | 31,790 | 1,000 | - | 2,000 | 34,790 |
| Total Revenues | <u>372,582</u> | <u>198,496</u> | <u>608,988</u> | <u>345,310</u> | <u>30,919</u> | <u>1,556,295</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Highways and streets | - | - | - | - | - | - |
| Tax increment financing | 304,817 | 645 | 203,026 | 144,694 | 5,769 | 658,951 |
| Capital outlay | 457,518 | - | 390,371 | 200,993 | 268 | 1,049,150 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Bond issuance costs | - | - | - | - | - | - |
| Total Expenditures | <u>762,335</u> | <u>645</u> | <u>593,397</u> | <u>345,687</u> | <u>6,037</u> | <u>1,708,101</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(389,753)</u> | <u>197,851</u> | <u>15,591</u> | <u>(377)</u> | <u>24,882</u> | <u>(151,806)</u> |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in from other funds | - | - | - | - | - | - |
| Transfers out to other funds | - | (231,318) | - | - | - | (231,318) |
| Total Other Financing Sources | <u>-</u> | <u>(231,318)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(231,318)</u> |
| Net Change in Fund Balance | \$ (389,753) | \$ (33,467) | \$ 15,591 | \$ (377) | \$ 24,882 | \$ (383,124) |
| Fund Balance (Deficit), May 1 (restated) | <u>389,753</u> | <u>(4,332,893)</u> | <u>(96,675)</u> | <u>(40,762)</u> | <u>(113,540)</u> | <u>(4,194,117)</u> |
| Fund Balance (Deficit), April 30 | <u>\$ -</u> | <u>\$ (4,366,360)</u> | <u>\$ (81,084)</u> | <u>\$ (41,139)</u> | <u>\$ (88,658)</u> | <u>\$ (4,577,241)</u> |

City of O'Fallon, Illinois
Schedule of Funding Progress - Police Pension
For the year ended April 30, 2019

Police Pension Fund Trend Information

| | (1) | (2) | (3) | (4) | (5) | UAAL As a Percentage of Covered Payroll (4) / (5) |
|--------------------------------|---------------------------------|---|------------------------------|--|--------------------|--|
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Entry Age | Funded Ratio (1) / (2) | Unfunded AAL (UAAL) (2) - (1) | Covered Payroll | |
| 4/30/2018 | \$ 30,904,738 | \$ 38,678,400 | 80% | \$ 7,773,662 | \$ 3,827,498 | 203% |
| 4/30/2017 | 28,712,290 | 35,937,502 | 80% | 7,225,212 | 3,567,343 | 203% |
| 4/30/2016 | 26,702,483 | 32,399,686 | 82% | 5,697,203 | 3,325,342 | 171% |

Employer Contributions

| Actuarial Year | Employer Contributions |
|-------------------|---------------------------|
| 4/30/2018 | \$ 1,580,569 |
| 4/30/2017 | 1,456,298 |
| 4/30/2016 | 1,439,160 |

City of O'Fallon, Illinois
Schedule of Funding Progress - Fire Pension
For the year ended April 30, 2019

Firefighters' Pension Fund Trend Information

| | (1) | (2) | (3) | (4) | (5) | UAAL As a Percentage of Covered Payroll (4) / (5) |
|--------------------------------|---------------------------------|---|------------------------------|--|--------------------|--|
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Entry Age | Funded Ratio (1) / (2) | Unfunded AAL (UAAL) (2) - (1) | Covered Payroll | |
| 4/30/2018 | \$ 546,823 | \$ 446,603 | 122% | \$ (100,220) | \$ 97,864 | -102% |
| 4/30/2017 | 418,735 | 64,273 | 651% | (354,462) | 95,014 | -373% |
| 4/30/2016 | 259,409 | - | 100% | (259,409) | 89,547 | -290% |

Employer Contributions

| Actuarial Year | Employer Contributions |
|-------------------|---------------------------|
| 4/30/2018 | \$ 78,934 |
| 4/30/2017 | 144,868 |
| 4/30/2016 | 258,942 |

Other Information

City of O'Fallon, Illinois
Comparative Statements of Net Position
April 30, 2019

| | Primary Government | | Component Unit | |
|--|-----------------------|-----------------------|---------------------|---------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Assets | | | | |
| Cash and cash equivalents | \$ 39,167,738 | \$ 51,128,985 | \$ 350,836 | \$ 538,792 |
| Investments | 22,029,648 | 2,815,755 | 3,960,265 | 3,556,725 |
| Restricted cash and cash equivalents | 1,014,343 | 2,705,002 | - | - |
| Receivables, net | | | | |
| Property taxes | 6,140,804 | 5,807,512 | 1,188,900 | 1,188,900 |
| Other governmental entities | 1,936,875 | 1,472,565 | 1,707 | - |
| Interest | 80,930 | 878 | 8,942 | 7,185 |
| Other | 734,841 | 1,358,659 | - | 2,477 |
| Water and sewer fees | 2,073,019 | 2,139,155 | - | - |
| Service fees | 379,946 | 496,625 | - | - |
| Restricted receivables, net | 4,052 | 10,652 | - | - |
| Prepaid items | 577,269 | 604,738 | 13,007 | 15,283 |
| Due from employees | 7,719 | 6,260 | - | - |
| Internal balances | - | - | - | - |
| Capital assets: | | | | |
| Land and construction in progress | 33,720,990 | 33,628,859 | - | - |
| Other capital assets, net | 122,032,954 | 124,529,459 | 1,776,948 | 1,933,984 |
| Total Assets | <u>229,901,128</u> | <u>226,705,104</u> | <u>7,300,605</u> | <u>7,243,346</u> |
| Deferred Outflows of Resources | | | | |
| Deferred outflows - pension related | 4,564,481 | 1,398,064 | 286,685 | 79,819 |
| Deferred loss on refunding | 1,257,095 | 1,406,489 | - | - |
| Total Deferred Outflows of Resources | <u>5,821,576</u> | <u>2,804,553</u> | <u>286,685</u> | <u>79,819</u> |
| Liabilities | | | | |
| Accounts payable | 4,136,276 | 3,502,962 | 32,115 | 8,185 |
| Accrued payroll | 626,670 | 586,667 | 25,652 | 24,696 |
| Unearned revenue | 199,016 | 68,943 | - | - |
| Accrued interest | 668,338 | 813,314 | - | - |
| Deposits payable | - | 3,419 | - | - |
| Compensated absences payable | 2,783,281 | 2,819,957 | 66,351 | 67,686 |
| Noncurrent liabilities: | | | | |
| Net Pension Liability | 4,515,185 | 947,946 | 275,743 | 42,691 |
| Long-Term Debt - Due Within One Year | 3,709,796 | 3,307,266 | - | - |
| Long-Term Debt - Due in More Than One Year | 54,618,406 | 58,239,514 | - | - |
| Total Liabilities | <u>71,256,968</u> | <u>70,289,988</u> | <u>399,861</u> | <u>143,258</u> |
| Deferred Inflows of Resources | | | | |
| Deferred inflows - pension related | 2,493,532 | 3,230,382 | 153,071 | 201,210 |
| Unavailable resources - property taxes | 6,140,804 | 5,807,512 | 1,188,900 | 1,188,900 |
| Total Deferred Inflows of Resources | <u>8,634,336</u> | <u>9,037,894</u> | <u>1,341,971</u> | <u>1,390,110</u> |
| Net Position | | | | |
| Net investment in capital assets | 109,517,740 | 109,264,011 | 1,776,948 | 1,933,984 |
| Restricted: | | | | |
| Debt service | 833,201 | 1,158,293 | - | - |
| Construction/capital projects | 6,830,816 | 8,495,563 | - | - |
| Enabling legislation | 10,614,195 | 12,443,585 | 4,068,510 | 3,855,813 |
| Unrestricted | 28,035,448 | 18,820,323 | - | - |
| Total Net Position | <u>\$ 155,831,400</u> | <u>\$ 150,181,775</u> | <u>\$ 5,845,458</u> | <u>\$ 5,789,797</u> |

City of O'Fallon, Illinois
Comparative Statements of Activities
For the year ended April 30, 2019

| | Primary Government | | Component Unit | |
|---|--------------------|----------------|----------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| Expenses: | | | | |
| Governmental Activities: | | | | |
| General government | \$ 3,519,325 | \$ 3,652,826 | \$ - | \$ - |
| Public safety | 13,683,820 | 13,015,789 | - | - |
| Highways and streets | 7,875,776 | 6,898,569 | - | - |
| Zoning | 1,075,985 | 1,063,337 | - | - |
| Development | - | 136,444 | - | - |
| Cemetery | 129,992 | 129,067 | - | - |
| Culture and recreation | 6,021,095 | 4,939,428 | - | - |
| Tax increment financing | 1,708,101 | 1,084,855 | - | - |
| Tourism | 327,296 | 182,068 | - | - |
| Tax rebates | 170,722 | 87,815 | - | - |
| Interest and fiscal charges | 2,448,478 | 2,508,579 | - | - |
| Total Government Activities | 36,960,590 | 33,698,777 | - | - |
| Business-type Activities: | | | | |
| Water | 9,957,045 | 10,313,994 | - | - |
| Sewer | 4,133,993 | 4,398,710 | - | - |
| Total Business-type Activities | 14,091,038 | 14,712,704 | - | - |
| Component Unit: | | | | |
| Library | - | - | 1,411,175 | 1,417,006 |
| Total Component Unit | - | - | 1,411,175 | 1,417,006 |
| Total Expenses | 51,051,628 | 48,411,481 | 1,411,175 | 1,417,006 |
| Program Revenues: | | | | |
| Charges for services | 27,514,749 | 27,415,973 | 69,059 | 56,887 |
| Operating grants and contributions | 865,759 | 1,647,457 | 38,050 | 22,048 |
| Capital grants and contributions | 462,528 | 4,288,238 | - | 32,401 |
| Total Program Revenues | 28,843,036 | 33,351,668 | 107,109 | 111,336 |
| Net (Expense) Revenue and Changes in Net Position | (22,208,592) | (15,059,813) | (1,304,066) | (1,305,670) |
| General Revenues | | | | |
| Taxes: | | | | |
| Property | 6,238,464 | 6,164,966 | 1,186,433 | 1,187,160 |
| Replacement | 18,802 | 26,304 | 5,020 | 7,024 |
| Motor fuel | 814,768 | 793,998 | - | - |
| Sales | 11,315,075 | 10,915,255 | - | - |
| Utility | 2,109,484 | 2,038,168 | - | - |
| Income | 3,149,178 | 2,755,690 | - | - |
| Food and beverage | 932,343 | 876,830 | - | - |
| Miscellaneous | 859,402 | 864,918 | - | - |
| Other governmental entities | 410,085 | 407,972 | - | - |
| Franchise fees | 954,111 | 994,627 | - | - |
| Investment income | 1,096,955 | 484,130 | 150,521 | 214,364 |
| Unrestricted grants and contributions | 16,117 | 9,395 | 59,486 | 23,735 |
| Gain (loss) on disposal of fixed assets | 204,435 | 242,547 | - | - |
| Transfers in (out) | 37,116 | 27,150 | (37,116) | (27,150) |
| Miscellaneous | 184,442 | 202,820 | 1,775 | 59 |
| | 28,340,777 | 26,804,770 | 1,366,119 | 1,405,192 |
| Change in Net Position | \$ 6,132,185 | \$ 11,744,957 | \$ 62,053 | \$ 99,522 |
| Net Position, May 1 | 150,181,775 | 122,124,815 | 5,789,797 | 5,690,275 |
| Prior Period Adjustments | (482,560) | 16,312,003 | (6,392) | - |
| Net Position, April 30 | \$ 155,831,400 | \$ 150,181,775 | \$ 5,845,458 | \$ 5,789,797 |

City of O'Fallon, Illinois
Assessed Valuations and Property Tax Rates - Last Ten Years
For the year ended April 30, 2019

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Assessed Valuations | \$ 705,904,298 | \$ 674,208,323 | \$ 656,002,514 | \$ 640,935,272 | \$ 641,199,042 | \$ 636,736,130 | \$ 647,311,486 | \$ 646,896,915 | \$ 656,365,349 | \$ 658,364,306 |
| Property Tax Rates | | | | | | | | | | |
| General | 0.0709 | 0.0742 | 0.0389 | 0.0390 | 0.0388 | 0.0390 | 0.0382 | 0.0426 | 0.0430 | 0.0365 |
| Fire Protection | 0.1736 | 0.1817 | 0.1868 | 0.1840 | 0.1821 | 0.1833 | 0.1802 | 0.1818 | 0.1738 | 0.1561 |
| Firefighter's Pension | 0.0064 | 0.0104 | 0.0107 | - | - | - | - | - | - | - |
| Ambulance | 0.0709 | 0.0520 | 0.1580 | 0.1616 | 0.1610 | 0.1814 | 0.1784 | 0.2017 | 0.2035 | 0.2003 |
| Library | 0.1534 | 0.1606 | 0.1650 | 0.1571 | 0.1502 | 0.1512 | 0.1487 | 0.1500 | 0.1500 | 0.1500 |
| Library - Muni. Ret. | 0.0073 | 0.0077 | 0.0079 | - | - | - | - | - | - | - |
| Library - Soc. Sec. | 0.0078 | 0.0082 | 0.0084 | - | - | - | - | - | - | - |
| Park and Recreation | 0.0836 | 0.0876 | 0.0892 | 0.0912 | 0.0902 | 0.0908 | 0.0892 | 0.0900 | 0.0900 | 0.0900 |
| Police Pension | 0.1700 | 0.1780 | 0.1683 | 0.1720 | 0.1713 | 0.1724 | 0.1767 | 0.1619 | 0.1452 | 0.1316 |
| Municipal Retirement | 0.0886 | 0.0895 | 0.0915 | 0.0905 | 0.0790 | 0.0602 | 0.0595 | 0.0535 | 0.0527 | 0.0521 |
| Social Security | 0.1155 | 0.1338 | 0.1281 | 0.1311 | 0.1219 | 0.1227 | 0.1165 | 0.1009 | 0.0832 | 0.0807 |
| Total Property Tax Rates | 0.9480 | 0.9837 | 1.0528 | 1.0265 | 0.9945 | 1.0010 | 0.9874 | 0.9824 | 0.9414 | 0.8973 |

City of O'Fallon, Illinois
General Governmental Funds and Component Unit Revenues by Source - Last Ten Years
For the year ended April 30, 2019

| Fiscal year ended April 30, | Property Taxes | Replacement Taxes | Foreign Fire Tax | Rural Fire Protection District Taxes | Food and Beverage Taxes | Intergov- ernmental | Utility Tax | Fee in Lieu of Taxes | Subtotal |
|-----------------------------------|-------------------|----------------------|---------------------|---|-------------------------------|------------------------|----------------|-------------------------|------------|
| 2010 | 6,023,244 | 25,598 | 16,729 | 311,857 | 571,928 | 11,191,318 | 1,172,662 | - | 19,313,336 |
| 2011 | 6,164,513 | 31,157 | - | 325,618 | 595,617 | 13,151,472 | 1,429,106 | - | 21,697,483 |
| 2012 | 6,347,573 | 27,632 | - | 326,987 | 597,880 | 13,587,611 | 1,462,057 | 585,218 | 22,934,958 |
| 2013 | 6,468,313 | 29,245 | - | 343,670 | 644,581 | 14,145,480 | 1,623,582 | 644,830 | 23,899,701 |
| 2014 | 6,241,847 | 30,651 | - | 379,545 | 662,903 | 14,160,449 | 1,732,857 | 640,420 | 23,848,672 |
| 2015 | 6,530,752 | 32,082 | - | 363,699 | 722,643 | 14,825,961 | 2,537,740 | 663,790 | 25,676,667 |
| 2016 | 6,682,197 | 35,987 | - | 377,476 | 805,995 | 16,364,255 | 1,873,640 | 688,280 | 26,827,830 |
| 2017 | 7,019,710 | 26,357 | - | 426,432 | 841,268 | 16,420,217 | 2,119,273 | 713,957 | 27,567,214 |
| 2018 | 7,369,200 | 33,328 | - | 427,118 | 876,830 | 16,881,456 | 2,038,168 | 740,910 | 28,367,010 |
| 2019 | 7,424,897 | 23,822 | - | 436,662 | 932,343 | 16,540,791 | 2,109,484 | 760,520 | 28,228,519 |

City of O'Fallon, Illinois
General Governmental Funds and Component Unit Revenues by Source - Last Ten Years
For the year ended April 30, 2019

| Fiscal year ended April 30, | Subtotal From Previous Page | Licenses and Permits | Charges for Service | Fines and Fees | Investment Income | Insurance Claims | Miscella- neous | Cable TV | Subtotal |
|-----------------------------------|--------------------------------------|----------------------------|---------------------------|-------------------|----------------------|---------------------|--------------------|-------------|------------|
| 2010 | 19,313,336 | 302,434 | 2,516,068 | 310,375 | 483,817 | 44,800 | 265,121 | 1,267,959 | 24,503,910 |
| 2011 | 21,697,483 | 662,683 | 2,808,564 | 282,305 | 601,379 | 61 | 340,466 | 1,320,132 | 27,713,073 |
| 2012 | 22,934,958 | 495,600 | 2,716,362 | 321,011 | 28,430 | 765 | 193,627 | 1,345,239 | 28,035,992 |
| 2013 | 23,899,701 | 662,645 | 2,919,950 | 320,021 | 317,808 | 22,670 | 286,348 | 1,577,453 | 30,006,596 |
| 2014 | 23,848,672 | 501,309 | 3,022,873 | 412,214 | 375,551 | 2,795 | 265,042 | 1,311,497 | 29,739,953 |
| 2015 | 25,676,667 | 634,374 | 3,392,687 | 356,105 | 172,330 | 18,386 | 311,686 | 1,195,503 | 31,757,738 |
| 2016 | 26,827,830 | 1,517,688 | 3,846,722 | 284,902 | (14,695) | 53,266 | 422,378 | 1,232,204 | 34,170,295 |
| 2017 | 27,567,214 | 899,972 | 4,285,899 | 520,453 | 476,956 | 51,211 | 545,610 | 1,121,350 | 35,468,665 |
| 2018 | 28,367,010 | 921,329 | 5,873,278 | 590,452 | 506,082 | - | 504,279 | 994,627 | 37,757,057 |
| 2019 | 28,228,519 | 955,123 | 6,249,847 | 378,734 | 767,211 | - | 491,660 | 954,111 | 38,025,205 |

City of O'Fallon, Illinois
General Governmental Funds and Component Unit Revenues by Source - Last Ten Years
For the year ended April 30, 2019

| Fiscal year ended April 30, | Subtotal From Previous Page | Donations | Bond Rebates | Total |
|-----------------------------------|-----------------------------------|-----------|-----------------|------------|
| 2010 | 24,503,910 | 28,291 | - | 24,532,201 |
| 2011 | 27,713,073 | 128,262 | 306,020 | 28,147,355 |
| 2012 | 28,035,992 | 47,189 | 197,092 | 28,280,273 |
| 2013 | 30,006,596 | 51,243 | 160,414 | 30,218,253 |
| 2014 | 29,739,953 | 585,043 | 177,259 | 30,502,255 |
| 2015 | 31,757,738 | 68,576 | 174,077 | 32,000,391 |
| 2016 | 34,170,295 | 64,433 | 180,758 | 34,415,486 |
| 2017 | 35,468,665 | 59,288 | 172,692 | 35,700,645 |
| 2018 | 37,757,057 | 112,080 | 175,766 | 38,044,903 |
| 2019 | 38,025,205 | 232,892 | 175,647 | 38,433,744 |

City of O'Fallon, Illinois
General Governmental Funds and Component Unit Expenditures by Function - Last Ten Years
For the year ended April 30, 2019

| Fiscal year ended April 30, | Adminis- tration | Police | Fire | Street | Zoning | Cemetery | Park | Ambulance | Subtotal |
|-----------------------------------|---------------------|-----------|-----------|------------|-----------|----------|------------|-----------|------------|
| 2010 | 1,579,004 | 5,490,865 | 792,180 | 3,488,457 | 762,502 | 66,993 | 3,718,479 | 1,663,294 | 17,561,774 |
| 2011 | 4,514,824 | 5,843,502 | 792,507 | 3,336,367 | 743,762 | 68,632 | 9,227,525 | 1,715,168 | 26,242,287 |
| 2012 | 3,558,955 | 6,039,314 | 900,559 | 5,066,411 | 796,169 | 87,235 | 4,988,267 | 1,722,223 | 23,159,133 |
| 2013 | 3,037,563 | 6,556,535 | 1,962,941 | 5,529,144 | 829,698 | 84,009 | 3,484,302 | 2,198,829 | 23,683,021 |
| 2014 | 3,154,131 | 6,866,063 | 3,542,323 | 4,360,405 | 830,096 | 100,689 | 3,121,806 | 1,994,365 | 23,969,878 |
| 2015 | 2,698,244 | 6,481,761 | 5,044,802 | 9,684,329 | 851,874 | 94,638 | 4,290,121 | 2,022,907 | 31,168,676 |
| 2016 | 2,859,369 | 6,712,673 | 1,387,973 | 5,204,996 | 899,396 | 116,998 | 3,159,847 | 2,186,818 | 22,528,070 |
| 2017 | 3,441,186 | 7,393,572 | 1,265,526 | 8,921,803 | 1,025,309 | 109,497 | 4,868,382 | 2,420,224 | 29,445,499 |
| 2018 | 3,313,398 | 8,230,742 | 1,294,425 | 13,168,209 | 1,063,337 | 129,067 | 13,444,340 | 2,390,498 | 43,034,016 |
| 2019 | 3,621,504 | 8,764,935 | 1,782,915 | 7,200,628 | 1,123,019 | 131,782 | 5,657,554 | 2,786,460 | 31,068,797 |

City of O'Fallon, Illinois
General Governmental Funds and Component Unit Expenditures by Function - Last Ten Years
For the year ended April 30, 2019

| Fiscal year ended April 30, | Subtotal From Previous Page | Debt Service | Special Service Areas | Economic Develop- ment | Tourism | TIF | Library | Total |
|-----------------------------------|--------------------------------------|-----------------|-----------------------------|------------------------------|---------|-----------|-----------|------------|
| 2010 | 17,561,774 | 3,442,824 | 10,981 | 372,459 | 59,755 | 27,517 | 855,176 | 22,330,486 |
| 2011 | 26,242,287 | 4,405,388 | 4,674 | 379,108 | 51,102 | 22,987 | 912,746 | 32,018,292 |
| 2012 | 23,159,133 | 4,073,017 | 6,001 | 400,114 | 48,543 | 67,718 | 998,165 | 28,752,691 |
| 2013 | 23,683,021 | 7,469,294 | 6,222 | 299,553 | 50,464 | 19,323 | 981,656 | 32,509,533 |
| 2014 | 23,969,878 | 5,341,473 | 4,526 | 1,504,652 | 49,414 | 102,683 | 972,079 | 31,944,705 |
| 2015 | 31,168,676 | 4,783,727 | 4,951 | 311,649 | 48,553 | 591,651 | 1,077,898 | 37,987,105 |
| 2016 | 22,528,070 | 4,453,507 | 3,586 | 299,771 | 55,482 | 238,648 | 1,151,543 | 28,730,607 |
| 2017 | 29,445,499 | 4,759,992 | 5,310 | 174,014 | 55,550 | 207,423 | 1,338,786 | 35,986,574 |
| 2018 | 43,034,016 | 5,254,137 | 8,685 | 136,444 | 182,068 | 1,084,855 | 1,417,006 | 51,117,211 |
| 2019 | 31,068,797 | 5,735,836 | 4,943 | - | 298,260 | 1,876,437 | 1,411,175 | 40,395,448 |