



CITY OF O'FALLON, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2022



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INTRODUCTORY SECTION

CITY OF O'FALLON, ILLINOIS

CITY OFFICIALS

AS OF APRIL 30, 2022

MAYOR

Herb Roach

CLERK

Jerry Mouser

TREASURER

David Hursey

CITY COUNCIL

Ross Rosenberg

Jessica Lotz

Andrea Fohne

Todd Roach

Chris Monroe

Tom Vorce

Nathan Parchman

Dennis Muyleart

Jerry Albrecht

Roy Carney

Jim Campbell

Gwen Randolph

Stephanie Smallheer

Eric Van Hook

DEPARTMENT HEADS

City Administrator – Walter Denton

Chief Financial Officer – Sandy Evans

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

3051 Hollis Dr., 3rd Floor
Springfield, IL 62704
217.793.3363

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2022, and the related notes to the financial statements, which collectively comprise the City of O'Fallon's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Qualified
Discretely Presented Component Unit	Qualified
General Fund	Unmodified
Motor Fuel Tax Fund	Unmodified
Tax Increment Financing Fund	Unmodified
Fire Fund	Unmodified
Water Fund	Qualified
Sewer Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on the Governmental Activities, Business-Type Activities, Discretely Presented Component Unit, Water Fund, and Sewer Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities, Business-Type Activities, Discretely Presented Component Unit, Water Fund, and Sewer Fund of the City of O'Fallon, Illinois, as of April 30, 2022, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on General Fund, Motor Fuel Tax Fund, Tax Increment Financing Fund, Fire Fund, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, Motor Fuel Tax Fund, Tax Increment Financing Fund, Fire Fund, and Aggregate Remaining Fund Information of the City of O'Fallon, Illinois, as of April 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of O'Fallon, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matters Giving Rise to the Qualified Opinion on the Governmental Activities, Business-Type Activities, Discretely Presented Component Unit, Water Fund, and Sewer Fund

The City has not determined whether the annual pension costs for the Police Pension and Firefighters' Pension are overstated or understated in accordance with accounting principles generally accepted in the United States of America, 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 and net position in the governmental activities on the statement of 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 Firefighters' Pension disclosures to the Pension Trust Funds. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

The City has not recognized the other postemployment benefit (OPEB) expense or liability which is required in accordance with accounting principles generally accepted in the United States of America and under Government Accounting Standards Board (GASB) Statement No. 75, to be recorded in the governmental activities, business-type activities, discretely presented component unit, Water Fund, and Sewer Fund. The amount by which this departure would affect assets, liabilities, net position, and expenses of the governmental activities, business-type activities, discretely presented component unit, Water Fund, and Sewer Fund is not reasonably determinable. The City has also not disclosed the descriptive information about the other post-employment benefits required by standards. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted accounting standards (GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and other information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
October 7, 2022

3051 Hollis Dr., 3rd Floor
Springfield, IL 62704
217.793.3363

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

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

We have examined management's assertion that the City of O'Fallon, Illinois (the City), complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2022 for the Green Mount Medical Campus TIF Fund, the Central Park TIF Fund, the Route 50/Scott Troy Road TIF Fund, and the Central City TIF Fund. Management is responsible for the City's assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with specific requirements based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, management's assertion that the City complied with the aforementioned requirements for the year ended April 30, 2022, is fairly stated in all material respects.

This report is intended solely for the information and use of the Mayor, City Council, management of the City, the Illinois State Comptroller's Office and the Joint Review Boards and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Springfield, Illinois
October 7, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF O'FALLON, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)

April 30, 2022

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, 2022.

The MD&A provides an analysis of the overall financial position and results of the previous year's operations 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.

Fiscal year 2022 was the beginning of recovery from the global Covid-19 pandemic. Many of the comparisons to revenues and expenditures mentioned in this report are due to the impact Covid-19 had on fiscal year 2021. During that time, city staff took steps to control expenditures and continued to do so in FY2022.

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 the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, 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 firefighters' pension and special service area 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.

CITY OF O'FALLON, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 Balance.

Proprietary fund financial statements (enterprise/business-type) and fiduciary fund financial statements (police and firefighters' pensions and SSA's) 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 Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

The O'Fallon Public Library has been determined to be part of the reporting entity because the city exercises financial accountability over the assets and operations. The governing board is appointed by the mayor with city council approval. Therefore, the Library is included in the accompanying financial statements as a component unit.

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.

CITY OF O’FALLON, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Financial Analysis of the City as a Whole

Statement of Net Position

The City’s combined net position increased \$19,236,968. Governmental activities increased \$14,263,066 and business activities had an increase of \$4,973,902. Net position of the City’s governmental activities totals \$129.9 million with 55.6% of that being invested in capital assets (buildings, roads, equipment, etc.) net of related debt. The net position of the business-type activities totals \$74.0 million with 54.3% invested in capital assets net of related debt.

Statement of Net Position
April 30, 2022

	Governmental Activities		Business-Type Activities		Primary Government Total		Component Unit	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
ASSETS								
Other assets	\$ 76,565,965	\$ 63,689,903	\$ 35,996,911	\$ 34,000,799	\$ 112,562,876	\$ 97,690,702	\$ 7,130,831	\$ 6,997,121
Capital assets (net of accumulated depreciation)	80,068,827	78,100,979	43,053,524	39,978,072	123,122,351	118,079,051	1,215,975	1,392,305
Capital assets, non-depreciable	30,120,519	30,929,435	1,899,712	3,307,594	32,020,231	34,237,029	-	-
TOTAL ASSETS	<u>186,755,311</u>	<u>172,720,317</u>	<u>80,950,147</u>	<u>77,286,465</u>	<u>267,705,458</u>	<u>250,006,782</u>	<u>8,346,806</u>	<u>8,389,426</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflow - pension related	1,244,472	1,140,193	450,269	412,538	1,694,741	1,552,731	86,385	79,146
Deferred loss on refunding	806,340	935,731	-	-	806,340	935,731	-	-
TOTAL DEFERRED OUTFLOWS	<u>2,050,812</u>	<u>2,075,924</u>	<u>450,269</u>	<u>412,538</u>	<u>2,501,081</u>	<u>2,488,462</u>	<u>86,385</u>	<u>79,146</u>
LIABILITIES								
Accounts payable	2,869,638	2,070,127	733,017	1,873,411	3,602,655	3,943,538	63,174	47,195
Other liabilities	5,750,576	1,936,665	777,909	39,744	6,528,485	1,976,409	36,856	9,194
Non-current liabilities	38,247,089	44,502,139	4,563,993	5,828,602	42,811,082	50,330,741	80,183	89,599
TOTAL LIABILITIES	<u>46,867,303</u>	<u>48,508,931</u>	<u>6,074,919</u>	<u>7,741,757</u>	<u>52,942,222</u>	<u>56,250,688</u>	<u>180,213</u>	<u>145,988</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflow - pension related	3,574,699	2,484,779	1,293,379	899,030	4,868,078	3,383,809	248,136	172,480
Deferred property taxes	8,468,663	8,170,139	-	-	8,468,663	8,170,139	1,281,500	1,256,500
TOTAL DEFERRED INFLOWS	<u>12,043,362</u>	<u>10,654,918</u>	<u>1,293,379</u>	<u>899,030</u>	<u>13,336,741</u>	<u>11,553,948</u>	<u>1,529,636</u>	<u>1,428,980</u>
NET POSITION								
Net Investment in								
Capital Assets	72,160,713	67,952,461	40,183,236	37,955,666	112,343,949	105,908,127	1,215,975	1,392,305
Restricted	28,180,347	26,794,498	-	-	28,180,347	26,794,498	4,133,094	4,318,718
Unrestricted	29,554,398	20,885,433	33,848,882	31,102,550	63,403,280	51,987,983	1,374,273	1,182,581
TOTAL NET POSITION	<u>\$ 129,895,458</u>	<u>\$ 115,632,392</u>	<u>\$ 74,032,118</u>	<u>\$ 69,058,216</u>	<u>\$ 203,927,576</u>	<u>\$ 184,690,608</u>	<u>\$ 6,723,342</u>	<u>\$ 6,893,604</u>

CITY OF O'FALLON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Statement of Changes in Net Position

Governmental Activities

As noted, net position from governmental activities increased \$14,263,066 (12.33% growth). Total revenues increased by \$7,257,567 (17.2%). Expenses increased this year \$874,781 (2.5%).

Statement of Changes in Net Position April 30, 2022								
	Governmental Activities		Business-Type Activities		Primary Government Total		Component Unit	
	2022	2021	2022	2021	2022	2021	2022	2021
REVENUES								
Program Revenues								
Charges for services	\$ 11,439,099	\$ 9,811,000	\$ 19,870,287	\$ 20,345,267	\$ 31,309,386	\$ 30,156,267	\$ 55,597	\$ 40,255
Operating grants	1,419,330	3,258,727	2,260	108	1,421,590	3,258,835	45,935	47,775
Capital grants	3,085,712	1,351,488	1,839,343	208,672	4,925,055	1,560,160	-	-
General Revenues								
Taxes	11,305,217	10,476,221	-	-	11,305,217	10,476,221	1,243,276	1,228,727
Unrestricted - Intergovernmental	21,830,471	16,673,018	-	-	21,830,471	16,673,018	24,551	14,266
Investment income	100,370	467,636	97,132	146,905	197,502	614,541	(200,577)	934,078
Gain (loss) on disposal of fixed assets	31,710	45,881	32,698	43,460	64,408	89,341	-	-
Miscellaneous	322,272	192,643	40,995	46,115	363,267	238,758	47,895	51,706
TOTAL REVENUES	49,534,181	42,276,614	21,882,715	20,790,527	71,416,896	63,067,141	1,216,677	2,316,807
EXPENSES								
General government	3,375,835	3,785,369			3,375,835	3,785,369		
Public safety	14,224,890	13,589,716			14,224,890	13,589,716		
Highways and streets	7,818,970	7,622,746			7,818,970	7,622,746		
Zoning	1,013,612	1,077,655			1,013,612	1,077,655		
Cemetery	156,502	165,292			156,502	165,292		
Culture and recreation	5,740,181	5,222,573			5,740,181	5,222,573		
Tax increment financing	1,213,451	1,146,334			1,213,451	1,146,334		
Tourism	331,564	221,578			331,564	221,578		
Interest on long-term debt	1,396,110	1,565,071			1,396,110	1,565,071		
Water			11,846,116	10,653,586	11,846,116	10,653,586		
Sewer			4,984,443	4,203,028	4,984,443	4,203,028		
Library							1,386,939	1,197,609
TOTAL EXPENSES	35,271,115	34,396,334	16,830,559	14,856,614	52,101,674	49,252,948	1,386,939	1,197,609
Transfers	-	218	-	(218)	-	-		
Change in Net Position	14,263,066	7,880,498	5,052,156	5,933,695	19,315,222	13,814,193	(170,262)	1,119,198
NET POSITION BEGINNING	115,632,392	105,160,053	69,058,216	62,966,106	184,690,608	168,126,159	6,893,604	5,774,406
Prior Period Adjustments:								
Asset infrastructure		5,224	(78,254)	158,415	(78,254)	163,639		
Correction of deferred revenue & liabilities		61,878				61,878		
Record revenue of Pension Trusts property tax receipt in GF		1,264,000				1,264,000		
Record expense of employer contributions to Pension Trusts		(1,264,000)				(1,264,000)		
GASB33 revenue recognition		239,245				239,245		
Reclassification of LT debt as no commitment debt		3,135,987				3,135,987		
Reclass debt service funds as custodial funds		(850,493)				(850,493)		
NET POSITION ENDING	\$ 129,895,458	\$ 115,632,392	\$ 74,032,118	\$ 69,058,216	\$ 203,927,576	\$ 184,690,608	\$ 6,723,342	\$ 6,893,604

CITY OF O'FALLON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Significant revenue changes were:

- Charges for Service revenues increased mainly due to the removal of Covid 19 restrictions. Attendance numbers for park programs were back to normal which generated an increase of approximately \$326,000 over prior year which offset the lost revenue from the Kixx soccer program. Most of the city's hotels were operating all twelve months of the year which generated almost \$1.1 million more revenue this fiscal year. Revenue from reserves was transferred to the Capital Fund to cover the implementation of all-weather fields and additional lights project.
- Operating grant revenue declined from the prior year by \$1.8 million due to monies received in fiscal year 2021 from the Cures Act.
- Capital grants increased \$1.7 million mainly due to contributed capital from new development construction.
- Intergovernmental revenue increased \$5,157,453 mostly due to higher income tax and sales tax. Income tax, which jumped approximately \$1 million over last year, is a state distribution to local governments based on per capita. The 2020 census resulted in an 1,849 increase of O'Fallon residents. Sales tax also increased approximately \$1 million over fiscal year 2021. Use tax remained steady to prior year. Additionally, the City recognized approximately \$2 million of additional grant revenue from the American Rescue Plan Act (ARPA).
- Investment income dropped significantly from prior year due to market fluctuations (\$367,266).

Significant expense changes were:

- General Government spending decreased \$409,534 due to the business relief grants paid out prior year. This reduction was offset by slight increases across various expenditures and a GASB 68 pension audit adjustment.
- Public safety expenses increased \$635,174 over prior. Changes include the first quarter payout for the Ground Emergency Medical Transportation program, increased compensated absences, and a GASB 68 pension audit adjustment. IT and computer services were down from prior year.
- Highways and streets spending is up slightly over prior year (\$196,224). Changes include a reduction of costs in street maintenance, engineering services, and workmen's compensation offset by increased contributed capital for new developments and a GASB 68 pension audit adjustment.
- Culture and recreations costs increased \$517,608 over prior year mainly due to the installation of new all-weather fields and additional lights at the sports park and a GASB 68 pension audit adjustment.
- TIF expenditures are relatively flat to prior year (increased \$67,117).
- Interest expense decreased due to the refinancing of bond series 2010 prior year.

Business-type Activities

As noted, net position from business-type activities increased by \$4,973,902. Total revenues of the City's business-type activities increased \$1,092,188 (5.25%) mainly due to contributed capital for infrastructure at new developments. Expenses increased \$1,973,945 or 13.3%. Increased expenses are due to the purchase of land for Public Works, a compact excavator, lagoon pump, backhoe, and three trucks, higher maintenance utility system and supplies spending, and sludge removal. Fund net position balances for the City's business-type activities are \$74.0 million for fiscal year 2022, with \$33.8 million being unrestricted.

CITY OF O'FALLON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fiscal Year 2022 required adjustments be made to prior year activities. Business-type activities were decreased a total of \$78,254 for asset infrastructure correction. These are mentioned in Note 12 Prior Period Adjustments in the annual financial report. All totals for 2021 are reclassified for comparative purposes as necessary. The totals in the Statement of Activities below include restatements to reflect what ending net position would have been had the prior period adjustments been posted.

Financial Analysis of the City's Fund Financial Statements

For the fiscal year ended April 30, 2022, the Governmental Funds reflect a \$8,704,602 increase in fund balance. Cash and investments increased by \$9,036,687. Revenues increased by 13.6% (\$5,707,582). The expenses increased over last year 15.7% (\$5,287,025), leaving a positive net change in fund balance of \$8.7 million.

Status of Fund Balance
Governmental Funds

	Fiscal Year 5/1/2021-4/30/2022	Fiscal Year 5/1/2020-4/30/2021	Increase/ (Decrease)
General	\$ 34,631,919	\$ 27,189,730	\$ 7,442,189
Motor Fuel Tax	6,663,519	5,942,002	721,517
Tax Increment Financing	(4,291,641)	(4,736,593)	444,952
Fire	2,747,858	2,437,628	310,230
Non-major Funds			
Park	3,374,852	2,846,129	528,723
Ambulance	4,074,631	4,055,677	18,954
IMRF	438,773	284,038	154,735
Other non-major	12,161,406	13,078,104	(916,698)
TOTAL	\$ 59,801,317	\$ 51,096,715	\$ 8,704,602

Significant changes were:

- General fund balance increased mainly due to receipt of higher state sales and income tax, receipt of funds from the American Rescue Plan Act, and receipt of matured investments.
- MFT increased mainly due to contributed capital on completed infrastructure projects.
- TIF fund balance shows a positive change mainly due to higher property tax revenues received in each district, in particular the Greenmount TIF district which almost doubled.
- Park reported an increase in fund balance due to higher revenues in excess of higher spending.
- Fire department increased its fund balance due to revenues in excess of spending.

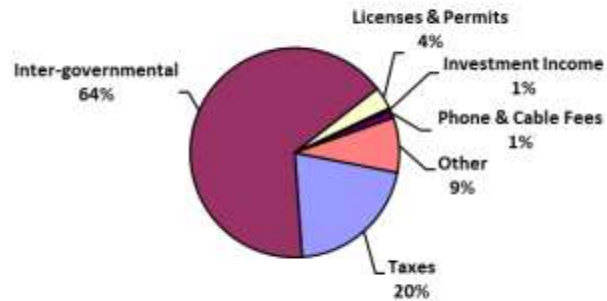
Within the Governmental Funds, the General Fund is the primary operating fund of the City. During the year, revenues exceeded expenditures in the General Fund by \$11,688,099.

Management believes that this level of fund balance is acceptable.

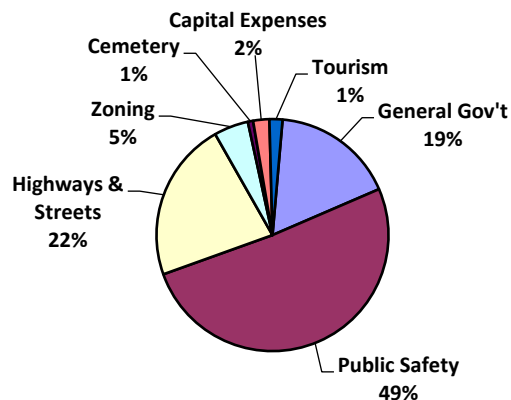
Revenues for the City are generated from a number of sources and for the most part are dependent on different financial factors. This relative mix of different sources, as illustrated in the chart below, provides long-term stability.

CITY OF O'FALLON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 \$3,993,436 and expenses were \$3,164,728. Other financing uses were \$299,985, leaving an increase in fund balance of \$528,723. 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 upgrade of several soccer fields to all-weather fields and the addition of lights. The ending fund balance in the Park Fund is \$3,374,852.

CITY OF O'FALLON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

General Fund Budgetary Highlights

General Fund actual revenues are \$8,127,923 higher than the final budget and operating expenses are \$645,865 higher than the final budget amount. This amounts to a net gain of \$7,482,058 actual vs budget. The revenue increase was mainly due to receipt of higher than budgeted state sales and income tax, and receipt of federal grant money from ARPA. Expenses were over budget due to an audit reclassification of the revenue transfer for IT departmental allocations.

Capital Asset and Debt Administration

At the end of 2022, the city had \$155.1 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 \$110.2 million and business-type activities had \$44.9 million invested at the end of fiscal year 2022, net of depreciation.

**Governmental Activities
Changes in Capital Assets
For the Year Ended April 30, 2022**

Governmental Activities

	Balance 4/30/2021	Increases	Decreases	Balance 4/30/2022
Non-depreciable capital assets:				
Land	\$ 29,894,424			\$ 29,894,424
Construction in progress	1,035,011	2,677,571	3,486,487	226,095
Total Non-depreciable capital assets	30,929,435	2,677,571	3,486,487	30,120,519
Depreciable capital assets:				
Land/building improvements	12,736,066	2,863,470		15,599,536
Buildings	25,493,943			25,493,943
Equipment	7,988,631	139,997	22,551	8,106,077
Vehicles	8,001,187	150,289	81,186	8,070,290
Parks/Sportsplex	30,624,557			30,624,557
Infrastructure	145,694,528	5,288,304		150,982,832
Total Depreciable capital assets	230,538,912	8,442,060	103,737	238,877,235
Less accumulated depreciation	152,437,933	6,451,464	80,989	158,808,408
Depreciable capital assets, net	78,100,979	1,990,596	22,748	80,068,827
Governmental Activities Capital Assets, net	\$ 109,030,414	\$ 4,668,167	\$ 3,509,235	\$ 110,189,346

This year's major changes to the capital assets include the following:

CIP decreased overall with the completion of Venita Drive reconstruction and West Presidential Street Phase 1 construction

Land/building improvements include installation of new all-weather soccer fields and additional lighting at the Sports Park

Equipment purchases include towable lift, compact excavator, backhoe, and EMS chest compression system

Vehicles include 2 SUV's and 2 Dodge Chargers for Public Safety and an SUV for Community Development offset by the trade in of several vehicles for the newer models.

Infrastructure includes the completion of road reconstruction projects and commercial developments

CITY OF O'FALLON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-Type Activities

	Balance 4/30/2021	Increases	Decreases	Balance 4/30/2022
Non-depreciable capital assets:				
Land	\$ 584,357	\$ 214,790		\$ 799,147
Construction in progress	2,644,983	2,048,911	3,593,329	1,100,565
Total Non-depreciable capital assets	3,229,340	2,263,701	3,593,329	1,899,712
Depreciable capital assets:				
Buildings and improvements	2,580,958			2,580,958
Equipment	12,145,629	264,636	137,060	12,273,205
Utility systems	73,450,122	5,432,672		78,882,794
Total Depreciable capital assets	88,176,709	5,697,308	137,060	93,736,957
Less accumulated depreciation	48,198,637	2,608,868	124,072	50,683,433
Depreciable capital assets, net	39,978,072	3,088,440	12,988	43,053,524
Business-Type Activities Capital Assets, net	\$ 43,207,412	\$ 5,352,141	\$ 3,606,317	\$ 44,953,236

This year's major changes to the capital assets include the following:

Purchased a parcel of land on Rte 50 for Public Works

CIP decreased overall with construction completed on W Presidential Streets and water tank improvements at State and

Seven Hills and a prior year adjustment to correct a project

Equipment includes purchase a compact excavator, backhoe, and lagoon pump offset by the trade in of several older models

Infrastructure includes the completion of water/sewer rehabilitation projects and commercial developments

See Note 3 in the annual financial report for additional information on capital assets

Debt Outstanding

<u>Governmental Activities</u>						
Bond	Bond Description	Date to Mature	Sourced by	Principal Issued	Principal Paid to Date	Principal Balance 4/30/2022
2020 Series	Public Safety Building	Jan 2024	Utility Tax	\$ 575,956	\$ 575,956	\$ -
2020 Series	Infrastructure	Jan 2022	Sales Tax	\$ 1,529,044	\$ 514,044	\$ 1,015,000
2018 B & C Series	Convention Ctr	Jan 2035	Food & Beverage Tax	\$ 14,850,000	\$ 1,615,000	\$ 13,235,000
	Sports park		Hotel/Motel Tax			
	Infrastructure		1/2 Cent Sales Tax			
	<i>refinanced 2019</i>					
2018A Series	Sports park	Jan 2029	Hotel/Motel Tax	\$ 723,000	\$ 195,000	\$ 528,000
	<i>refinanced 2019</i>					
2018A Series	EMS	Jan 2029	EMS	\$ 482,000	\$ 130,000	\$ 352,000
	<i>refinanced 2019</i>					
2018A Series	Sports park	Jan 2039	Hotel/Motel Tax	\$ 7,185,000	\$ -	\$ 7,185,000
	<i>refinanced 2019</i>					
2015 Series	HSHS Mine Remediation	Jan 2030	TIF Revenue	\$ 5,175,000	\$ 935,000	\$ 4,240,000
2015 Series	HSHS Roadwork	Jan 2034	TIF Revenue	\$ 1,950,000	\$ -	\$ 1,950,000
2016 Bond	Convention Ctr	Jan 2025	Food & Beverage Tax	\$ 3,450,000	\$ 2,275,000	\$ 1,175,000
	Sports park		Hotel/Motel Tax			
	Infrastructure		1/2 Cent Sales Tax			
2017 Series	Destination O'Fallon	Jan 2037	Hotel/Motel Tax	\$ 9,460,000	\$ 1,840,000	\$ 7,620,000
	Amortization of bond premiums					\$ 1,223,015
Governmental Activities Total				\$ 45,380,000	\$ 8,080,000	\$ 38,523,015

CITY OF O'FALLON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-Type Activities						
Bond	Bond Description	Date to Mature	Sourced by	Principal Issued	Principal Paid to Date	Principal Balance 4/30/2022
Series 2021	Pump Station	Apr 2030	Water Sales	\$ 420,000	\$ 55,000	\$ 365,000
Series 2021	Water Towers	Apr 2029	Water Sales	\$ 2,845,000	\$ 305,000	\$ 2,540,000
Series 2021	Headworks/Disinfection	Apr 2031	Sewer Sales	\$ 2,065,000	\$ 200,000	\$ 1,865,000
Business-Type Activities Total				\$ 5,330,000	\$ 560,000	\$ 4,770,000
No Commitment Debt-Special Service Area Bonds (payable by a tax levy)						
Bond	Bond Description	Date to Mature	Sourced by	Principal Issued	Principal Paid to Date	Principal Balance 4/30/2022
SSA #1	Shoppes at Greenmount	Dec 2025	Property Tax	\$ 975,000	\$ 485,000	\$ 490,000
SSA #2	Greenmount Common	Dec 2024	Property Tax	\$ 185,000	\$ 115,000	\$ 70,000
SSA #4	Regency Extension	Dec 2025	Property Tax	\$ 650,000	\$ 320,000	\$ 330,000
SSA #6	Newbold	Dec 2026	Property Tax	\$ 1,540,000	\$ 890,000	\$ 650,000
SSA #7	Frieze Harley Davidson	Dec 2027	Property Tax	\$ 1,360,000	\$ 710,000	\$ 650,000
No-Commitment Debt Total				\$ 4,710,000	\$ 2,520,000	\$ 2,190,000

The City's notes payable for governmental activities total \$311,958 for a fire truck. 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 bond Series 2010 to refund and defease prior 2001 and 2002 issues. In 2021, Series 2010 bonds were refunded, and the City issued \$2,105,000 general obligation refunding bonds. A portion of Series 2020 bond was paid off in fiscal year 2022 (\$575,956).

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 (\$3,450,000).

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.

CITY OF O'FALLON, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 fiscal year 2019, SSA1 (\$975,000), SSA2 (\$185,000), and SSA4 (\$650,000) bonds were refunded with the SSA 2017 bond issue. In fiscal year 2021, these special service area bonds were reclassified from Governmental Activities with a prior period adjustment and are represented as custodial funds in the Fiduciary Activities report.

See Note 4 in the annual financial report for additional information on long-term debt.

Economic Factors

The most recent assessed valuation for the city is \$781,855,505. The assessed valuation for the City increased by \$16,440,615 over last year due to population growth, new home development and increased property value. The City's tax rate decreased by \$0.0658 for a current rate of \$.8358, a rate lower than the rate in 2007, in comparison to last year's rate of \$.9016.

O'Fallon today is recognized as one of the fastest growing cities in southern Illinois with a population of 32,289 according to the 2020 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 15 dealers in a 2-mile area. With 14 modern hotels, 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 2021 began 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 opened early 2021. 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 160 new homes every year.

CITY OF O'FALLON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

O'Fallon has a median family income of \$104,389 (average household income of \$101,873) with 70.4% of the population working in management, professional, sales and related occupations. 96.6% of the residents have graduated from high school and 80.3% 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 37.9.

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.

BASIC FINANCIAL STATEMENTS

CITY OF O'FALLON, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Cash and cash equivalents	\$ 51,438,949	\$ 26,544,169	\$ 77,983,118	\$ 1,757,022
Restricted cash and cash equivalents	395,549	-	395,549	-
Investments	7,102,312	4,292,441	11,394,753	3,827,987
Receivables, net:				
Property tax	8,468,663	-	8,468,663	1,281,500
Due from other governmental entities	3,674,816	-	3,674,816	-
Interest	35,031	29,456	64,487	4,280
Other	1,102,042	2,596	1,104,638	-
Water and sewer fees	-	2,760,856	2,760,856	-
Service fees	475,923	-	475,923	-
Due from fiduciary funds	2,551	-	2,551	-
Internal balances	(859,089)	859,089	-	-
Prepaid items	1,253,411	250,705	1,504,116	18,770
Net pension asset - IMRF	3,475,807	1,257,599	4,733,406	241,272
Capital assets:				
Land and construction in progress	30,120,519	1,899,712	32,020,231	-
Other capital assets, net of accumulated depreciation	80,068,827	43,053,524	123,122,351	1,215,975
Total assets	186,755,311	80,950,147	267,705,458	8,346,806
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF	1,244,472	450,269	1,694,741	86,385
Unamortized loss on refunding	806,340	-	806,340	-
Total deferred outflows of resources	2,050,812	450,269	2,501,081	86,385
Total assets and deferred outflows of resources	188,806,123	81,400,416	270,206,539	8,433,191

This statement is continued on the following page.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	
LIABILITIES				
Accounts payable	\$ 2,869,638	\$ 733,017	\$ 3,602,655	\$ 63,174
Accrued payroll and benefits	188,555	36,528	225,083	8,785
Unearned revenue	1,761,985	-	1,761,985	-
Accrued interest	472,092	24,645	496,737	-
Noncurrent liabilities:				
Due within one year	3,327,944	716,736	4,044,680	28,071
Due in more than one year	38,247,089	4,563,993	42,811,082	80,183
Total liabilities	46,867,303	6,074,919	52,942,222	180,213
DEFERRED INFLOWS OF RESOURCES				
Pension items - IMRF	3,574,699	1,293,379	4,868,078	248,136
Deferred property taxes	8,468,663	-	8,468,663	1,281,500
Total deferred inflows of resources	12,043,362	1,293,379	13,336,741	1,529,636
Total liabilities and deferred inflows of resources	58,910,665	7,368,298	66,278,963	1,709,849
NET POSITION				
Net investment in capital assets	72,160,713	40,183,236	112,343,949	1,215,975
Restricted:				
Debt service	143,691	-	143,691	-
Construction/capital projects	9,065,788	-	9,065,788	-
Highways and streets	6,663,519	-	6,663,519	-
Culture and recreation	3,361,132	-	3,361,132	-
Public safety	7,142,196	-	7,142,196	-
Retirement	585,032	-	585,032	86,077
Cemetery	983,231	-	983,231	-
Special service areas	235,758	-	235,758	-
Specific purpose	-	-	-	4,047,017
Unrestricted	29,554,398	33,848,882	63,403,280	1,374,273
Total net position	<u>\$ 129,895,458</u>	<u>\$ 74,032,118</u>	<u>\$ 203,927,576</u>	<u>\$ 6,723,342</u>

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2022

FUNCTIONS/PROGRAMS	Program Revenues				Net Revenues (Expenses) And Changes in Net Position			Component Unit
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government								
Government activities:								
General government	\$ 3,375,835	\$ 1,738,256	\$ 7,849	\$ -	\$ (1,629,730)	\$ -	\$ (1,629,730)	\$ -
Public safety	14,224,890	3,918,512	125,248	-	(10,181,130)	-	(10,181,130)	-
Highway and streets	7,818,970	-	1,283,772	3,085,712	(3,449,486)	-	(3,449,486)	-
Zoning	1,013,612	807,275	-	-	(206,337)	-	(206,337)	-
Cemetery	156,502	46,925	-	-	(109,577)	-	(109,577)	-
Culture and recreation	5,740,181	2,144,637	2,461	-	(3,593,083)	-	(3,593,083)	-
Tax increment financing	1,213,451	1,000	-	-	(1,212,451)	-	(1,212,451)	-
Tourism	331,564	2,782,494	-	-	2,450,930	-	2,450,930	-
Interest and fiscal charges	1,396,110	-	-	-	(1,396,110)	-	(1,396,110)	-
Total governmental activities	35,271,115	11,439,099	1,419,330	3,085,712	(19,326,974)	-	(19,326,974)	-
Business-type activities								
Water	11,846,106	12,816,589	940	530,930	-	1,502,353	1,502,353	-
Sewer	4,984,433	7,053,698	1,320	1,308,413	-	3,378,998	3,378,998	-
Total business-type activities	16,830,539	19,870,287	2,260	1,839,343	-	4,881,351	4,881,351	-
Total primary government	\$ 52,101,654	\$ 31,309,386	\$ 1,421,590	\$ 4,925,055	(19,326,974)	4,881,351	(14,445,623)	-
Component Unit:								
Library	\$ 1,386,939	\$ 55,597	\$ 45,935	\$ -	\$ -	\$ -	\$ -	\$ (1,285,407)
General Revenues								
Taxes:								
Property					7,800,743	-	7,800,743	1,243,276
Road and bridge					303,034	-	303,034	-
Utility					2,095,634	-	2,095,634	-
Food and beverage					1,105,806	-	1,105,806	-
Unrestricted - intergovernmental								
Income taxes					4,495,129	-	4,495,129	-
TIF surplus					35,183	-	35,183	7,843
Replacement					76,841	-	76,841	16,708
Sales tax					15,210,422	-	15,210,422	-
Grants					2,012,896			
Investment income					100,370	97,132	197,502	(200,577)
Gain (loss) on disposal of capital assets					31,710	32,678	64,388	-
Miscellaneous					322,272	40,995	363,267	47,895
Transfers in (out)					-	-	-	-
Total general revenues and transfers					33,590,040	170,805	31,747,949	1,115,145
Change in net position					14,263,066	5,052,156	19,315,222	(170,262)
Net position - May 1					115,632,392	69,058,216	184,690,608	6,893,604
Prior period adjustment					-	(78,254)	(78,254)	-
Net position - May 1, restated					115,632,392	68,979,962	184,612,354	6,893,604
Net position - April 30					\$ 129,895,458	\$ 74,032,118	\$ 203,927,576	\$ 6,723,342

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

BALANCE SHEET - GOVERNMENTAL FUNDS

April 30, 2022

	General Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund	Fire Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 25,829,348	6,454,746	214,618	1,766,250	\$ 17,173,987	\$ 51,438,949
Investments	2,096,918	1,326,791	-	449,321	3,229,282	7,102,312
Restricted cash and cash equivalents	395,549	-	-	-	-	395,549
Receivables, net:						
Taxes	1,721,572	-	2,911,891	1,400,000	2,435,200	8,468,663
Due from other governmental entities	2,860,938	102,145	-	-	711,733	3,674,816
Interest	11,699	6,334	-	3,259	13,739	35,031
Service fees	-	-	-	-	475,923	475,923
Other	734,834	-	-	49,192	318,016	1,102,042
Prepaid items	660,886	-	-	515,683	76,842	1,253,411
Due from other funds	5,339	-	-	-	-	5,339
Advances to other funds	3,640,659	-	-	-	-	3,640,659
Due from fiduciary funds	2,551	-	-	-	-	2,551
Total assets	<u>37,960,293</u>	<u>7,890,016</u>	<u>3,126,509</u>	<u>4,183,705</u>	<u>24,434,722</u>	<u>77,595,245</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 37,960,293</u>	<u>\$ 7,890,016</u>	<u>\$ 3,126,509</u>	<u>\$ 4,183,705</u>	<u>\$ 24,434,722</u>	<u>\$ 77,595,245</u>
LIABILITIES						
Accounts payable	\$ 490,349	\$ 1,226,497	\$ 1,172	\$ 28,242	\$ 1,123,378	\$ 2,869,638
Accrued payroll and benefits	138,642	-	-	7,605	42,308	188,555
Unearned revenue	977,811	-	-	-	784,174	1,761,985
Due to other funds	-	-	5,000	-	-	5,000
Advances from other funds	-	-	4,500,087	-	-	4,500,087
Total liabilities	<u>1,606,802</u>	<u>1,226,497</u>	<u>4,506,259</u>	<u>35,847</u>	<u>1,949,860</u>	<u>9,325,265</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	<u>1,721,572</u>	<u>-</u>	<u>2,911,891</u>	<u>1,400,000</u>	<u>2,435,200</u>	<u>8,468,663</u>
FUND BALANCES						
Nonspendable						
Advances	3,640,659	-	-	-	-	3,640,659
Prepaid items	660,886	-	-	515,683	76,842	1,253,411
Restricted						
Forfeiture funds	382,829	-	-	-	-	382,829
Debt service	-	-	-	-	143,691	143,691
Capital projects	-	-	-	-	9,065,788	9,065,788
Highways and streets	-	6,663,519	-	-	-	6,663,519
Culture and recreation	-	-	-	-	3,361,132	3,361,132
Public safety	-	-	-	2,232,175	4,011,509	6,243,684
Retirement	-	-	-	-	585,032	585,032
Cemetery	-	-	-	-	983,231	983,231
Special service areas	-	-	-	-	235,758	235,758
Assigned						
Strategic planning	-	-	-	-	1,676,524	1,676,524
Tourism	2,650,590	-	-	-	-	2,650,590
Unassigned (deficit)	<u>27,296,955</u>	<u>-</u>	<u>(4,291,641)</u>	<u>-</u>	<u>(89,845)</u>	<u>22,915,469</u>
Total fund balances	<u>34,631,919</u>	<u>6,663,519</u>	<u>(4,291,641)</u>	<u>2,747,858</u>	<u>20,049,662</u>	<u>59,801,317</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$37,960,293</u>	<u>\$7,890,016</u>	<u>\$ 3,126,509</u>	<u>\$4,183,705</u>	<u>\$ 24,434,722</u>	<u>\$ 77,595,245</u>

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

**RECONCILIATION OF THE FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2022

Total Fund Balances - Governmental Funds	\$	59,801,317
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Amounts reported for governmental activities in the statement
of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		110,189,346
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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 absences payable		(2,740,060)
Accrued interest payable		(472,092)
Bonds payable		(37,300,000)
Notes payable		(311,958)

The net pension asset for the Illinois Municipal Retirement Fund is shown as an asset on the statement of net position		3,475,807
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Unamortized 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:

Unamortized loss on refunding		806,340
Unamortized bond premiums		(1,223,015)

Differences between expected and actual experiences, assumption
changes, net differences between projected and actual earnings
and contributions after the measurement date are recognized as
deferred outflows and inflows of resources on the statement of
net position

Deferred outflows - IMRF		1,244,472
Deferred inflows - IMRF		(3,574,699)

Total Net Position of Governmental Activities	\$	129,895,458
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See notes to financial statements.

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CITY OF O'FALLON, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2022

	General Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund	Fire Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$ 1,434,635	\$ -	\$ 2,206,621	\$ 1,310,544	\$ 2,848,943	\$ 7,800,743
Utility	806,786	-	-	-	1,288,848	2,095,634
Food and beverage	1,105,806	-	-	-	-	1,105,806
Rural fire district	-	-	-	-	273,163	273,163
Intergovernmental receipts						
Replacement tax	14,266	-	-	-	62,575	76,841
Motor fuel tax allotments	-	1,283,772	-	-	-	1,283,772
Rebuild Illinois Fund Program	-	668,705	-	-	-	668,705
State sales tax	12,373,055	-	-	-	2,837,367	15,210,422
State income tax	4,495,129	-	-	-	-	4,495,129
Road and bridge tax	303,034	-	-	-	-	303,034
Grants	2,089,212	615,190	-	50,689	2,461	2,757,552
Metropolitan Enforcement Group	6,092	-	-	-	-	6,092
TIF surplus distribution	35,183	-	-	-	-	35,183
Other	-	-	-	467,568	-	467,568
Licenses and permits	1,017,599	-	-	35,553	-	1,053,152
Subdivision fees	81,505	-	-	-	-	81,505
Police reports	5,926	-	-	-	-	5,926
Combined dispatch	902,307	-	-	-	-	902,307
Municipal aggregation fees	118,890	-	-	-	-	118,890
Fines and fees	249,906	-	-	100	-	250,006
Service fees	135,916	-	-	23,556	2,062,914	2,222,386
Recreation fees	-	-	-	-	657,649	657,649
Room tax	2,782,494	-	-	-	-	2,782,494
Investment income	95,560	30,167	-	5,897	(31,254)	100,370
Phone and cable television franchise fees	378,971	-	-	-	212,861	591,832
Rentals	10,278	-	-	-	590,735	601,013
Fees in lieu of taxes	801,570	-	-	-	52,300	853,870
Concession income	-	-	-	-	287,132	287,132
Donations	99,116	-	-	1,000	17,525	117,641
Annex fees	-	-	-	-	256,195	256,195
Cemetery revenue	33,013	-	-	-	-	33,013
Miscellaneous revenues and reimbursements	47,576	-	1,000	19,843	137,210	205,629
Total revenues	<u>29,423,825</u>	<u>2,597,834</u>	<u>2,207,621</u>	<u>1,914,750</u>	<u>11,556,624</u>	<u>47,700,654</u>

This statement is continued on the following page.

CITY OF O'FALLON, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (Continued)**

For the Year Ended April 30, 2022

	General Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund	Fire Fund	Other Governmental Funds	Total Governmental Funds
EXPENDITURES						
Current:						
General government	\$ 3,038,652	\$ -	\$ -	\$ -	\$ 408,676	\$ 3,447,328
Public safety	9,043,368	-	-	1,366,310	3,397,391	13,807,069
Highways and streets	3,950,165	303,740	-	-	712,956	4,966,861
Zoning	851,310	-	-	-	147,079	998,389
Cemetery	130,335	-	-	-	37,678	168,013
Culture and recreation	-	-	-	-	3,265,832	3,265,832
Tax increment financing	-	-	1,213,451	-	-	1,213,451
Tourism	321,903	-	-	-	21,009	342,912
Capital outlay	399,993	1,485,767	-	-	4,484,520	6,370,280
Debt service:						
Principal	-	-	-	221,538	2,810,000	3,031,538
Interest and fiscal charges	-	-	-	16,672	1,422,165	1,438,837
Bond issuance costs	-	-	-	-	-	-
Total expenditures	<u>17,735,726</u>	<u>1,789,507</u>	<u>1,213,451</u>	<u>1,604,520</u>	<u>16,707,306</u>	<u>39,050,510</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>11,688,099</u>	<u>808,327</u>	<u>994,170</u>	<u>310,230</u>	<u>(5,150,682)</u>	<u>8,650,144</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	45,958	-	-	-	8,500	54,458
Transfers in	86,810	-	-	-	7,277,498	7,364,308
Transfers out	(4,378,678)	(86,810)	(549,218)	-	(2,349,602)	(7,364,308)
Total other financing sources (uses)	<u>(4,245,910)</u>	<u>(86,810)</u>	<u>(549,218)</u>	<u>-</u>	<u>4,936,396</u>	<u>54,458</u>
NET CHANGE IN FUND BALANCES	7,442,189	721,517	444,952	310,230	(214,286)	8,704,602
FUND BALANCES (DEFICIT), MAY 1	<u>27,189,730</u>	<u>5,942,002</u>	<u>(4,736,593)</u>	<u>2,437,628</u>	<u>20,263,948</u>	<u>51,096,715</u>
FUND BALANCES (DEFICIT), APRIL 30	<u>\$ 34,631,919</u>	<u>\$ 6,663,519</u>	<u>\$ (4,291,641)</u>	<u>\$ 2,747,858</u>	<u>\$ 20,049,662</u>	<u>\$ 59,801,317</u>

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2022

Net Change in Fund Balances - Governmental Funds	\$ 8,704,602
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	5,831,327
Contributions of capital assets are reported only in the statement of activities	1,801,817
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation of capital assets	(6,451,464)
Sales of capital assets are reported as a proceed in governmental funds but as a gain (loss) from sale on the statement of activities	(22,748)
The repayment and refunding of the principal portion long-term debt are reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Principal repaid	3,031,538
Amortization of debt related costs	17,782
Certain changes in long-term debt are reported as (increases) decreases in interest expense on the statement of activities	
Change in accrued interest	24,945
The change in the net pension liability (asset) for the Illinois Municipal Retirement Fund is reported only in the statement of activities	2,562,513
The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(985,641)
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 the governmental funds.	
Compensated absences	(251,605)
Change in Net Position of Governmental Activities	\$ 14,263,066

See notes to financial statements.

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CITY OF O'FALLON, ILLINOIS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

April 30, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 13,440,849	\$ 13,103,320	\$ 26,544,169
Investments	2,419,943	1,872,498	4,292,441
Receivables, net:			
Service charges	1,727,479	1,033,377	2,760,856
Interest	15,279	14,177	29,456
Other	2,596	-	2,596
Prepaid items	90,230	160,475	250,705
Total current assets	<u>17,696,376</u>	<u>16,183,847</u>	<u>33,880,223</u>
Noncurrent assets			
Non-depreciable capital assets:			
Land and construction in progress	585,950	1,313,762	1,899,712
Depreciable capital assets:			
Other capital assets, net	21,147,662	21,905,862	43,053,524
Net pension asset - IMRF	803,908	453,691	1,257,599
Advances to other funds	217,963	641,465	859,428
Total noncurrent assets	<u>22,755,483</u>	<u>24,314,780</u>	<u>47,070,263</u>
Total assets	<u>40,451,859</u>	<u>40,498,627</u>	<u>80,950,486</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	<u>287,830</u>	<u>162,439</u>	<u>450,269</u>
Total assets and deferred outflows of resources	<u>40,739,689</u>	<u>40,661,066</u>	<u>81,400,755</u>

This statement is continued on the following page.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS (Continued)

April 30, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 651,897	\$ 81,120	\$ 733,017
Accrued payroll	23,927	12,601	36,528
Accrued interest	15,009	9,636	24,645
Compensated absences payable	111,276	55,460	166,736
Due to other funds	-	339	339
Current portion of bonds payable	355,000	195,000	550,000
Total current liabilities	<u>1,157,109</u>	<u>354,156</u>	<u>1,511,265</u>
Long-term liabilities			
Compensated absences payable	234,749	109,244	343,993
Long-term portion of bonds payable	<u>2,550,000</u>	<u>1,670,000</u>	<u>4,220,000</u>
Total long-term liabilities	<u>2,784,749</u>	<u>1,779,244</u>	<u>4,563,993</u>
Total liabilities	<u>3,941,858</u>	<u>2,133,400</u>	<u>6,075,258</u>
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	<u>826,780</u>	<u>466,599</u>	<u>1,293,379</u>
Total liabilities and deferred inflows of resources	<u>4,768,638</u>	<u>2,599,999</u>	<u>7,368,637</u>
NET POSITION			
Net investment in capital assets	18,828,612	21,354,624	40,183,236
Unrestricted	<u>17,142,439</u>	<u>16,706,443</u>	<u>33,848,882</u>
Total net position	<u>\$ 35,971,051</u>	<u>\$ 38,061,067</u>	<u>\$ 74,032,118</u>

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS**

For the Year Ended April 30, 2022

	Water	Sewer	Total
OPERATING REVENUES			
Charges for services:			
Sales	\$ 11,994,846	\$ 6,365,352	\$ 18,360,198
Tap-on fees	565,890	167,905	733,795
Service charges and fees	170,640	520,441	691,081
Sprinklers and hydrants	85,213	-	85,213
Total operating revenues	<u>12,816,589</u>	<u>7,053,698</u>	<u>19,870,287</u>
OPERATING EXPENSES			
Personal services	2,091,085	1,100,520	3,191,605
Contractual services	7,198,036	1,698,026	8,896,062
Commodities	564,465	614,859	1,179,324
Fee in lieu of taxes	616,430	237,440	853,870
Depreciation	1,313,950	1,294,918	2,608,868
Miscellaneous	6,383	3,072	9,455
Total operating expenses	<u>11,790,349</u>	<u>4,948,835</u>	<u>16,739,184</u>
OPERATING INCOME (LOSS)	<u>1,026,240</u>	<u>2,104,863</u>	<u>3,131,103</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	63,552	33,580	97,132
Interest expense	(55,757)	(35,598)	(91,355)
Miscellaneous refunds and reimbursements	36,872	4,123	40,995
Intergovernmental	940	1,320	2,260
Gain on sale of capital assets	28,032	4,646	32,678
Total nonoperating revenues (expenses)	<u>73,639</u>	<u>8,071</u>	<u>81,710</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>1,099,879</u>	<u>2,112,934</u>	<u>3,212,813</u>
CAPITAL CONTRIBUTIONS			
Capital contributions	<u>530,930</u>	<u>1,308,413</u>	<u>1,839,343</u>
Total capital contributions	<u>530,930</u>	<u>1,308,413</u>	<u>1,839,343</u>
CHANGE IN NET POSITION	<u>1,630,809</u>	<u>3,421,347</u>	<u>5,052,156</u>
NET POSITION, MAY 1	34,340,242	34,717,974	69,058,216
Prior period adjustment	<u>-</u>	<u>(78,254)</u>	<u>(78,254)</u>
NET POSITION, MAY 1, AS RESTATED	<u>34,340,242</u>	<u>34,639,720</u>	<u>68,979,962</u>
NET POSITION, APRIL 30	<u>\$ 35,971,051</u>	<u>\$ 38,061,067</u>	<u>\$ 74,032,118</u>

See notes to financial statements.

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CITY OF O'FALLON, ILLINOIS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended April 30, 2022

	Water	Sewer	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 12,727,085	\$ 6,987,095	\$ 19,714,180
Payments to suppliers	(8,696,265)	(3,428,205)	(12,124,470)
Payments to employees	(2,442,073)	(1,308,898)	(3,750,971)
Miscellaneous receipts	36,872	4,123	40,995
Net cash provided from operating activities	1,625,619	2,254,115	3,879,734
Cash flows from noncapital financing activities:			
Decrease (increase) of interfund balances	-	340	340
Intergovernmental	940	1,320	2,260
Net cash used by noncapital financing activities	940	1,660	2,600
Cash flows from capital and related financing activities:			
Payments on long-term debt	(360,000)	(200,000)	(560,000)
Interest on debt	(40,748)	(25,962)	(66,710)
Capital assets purchased	(570,227)	(1,912,444)	(2,482,671)
Net cash used by capital and related financing activities	(970,975)	(2,138,406)	(3,109,381)
Cash flows from investing activities			
Purchase (sale) of investment, net	1,722,462	1,116,652	2,839,114
Interest on investments	60,793	32,321	93,114
Net cash used by investing activities	1,783,255	1,148,973	2,932,228
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,438,839	1,266,342	3,705,181
CASH AND CASH EQUIVALENTS, MAY 1	11,002,010	11,836,978	22,838,988
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 13,440,849</u>	<u>\$ 13,103,320</u>	<u>\$ 26,544,169</u>

This statement is continued on the following page.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)

For the Year Ended April 30, 2022

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	<u>\$ 1,026,240</u>	<u>\$ 2,104,863</u>	<u>\$ 3,131,103</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,313,950	1,294,918	2,608,868
Miscellaneous	36,872	4,123	40,995
(Increase) decrease in:			
Accounts receivable	(88,564)	(65,283)	(153,847)
Prepaid items	(18,419)	(26,946)	(45,365)
Deferred outflows - IMRF	(24,119)	(13,612)	(37,731)
Increase (decrease) in:			
Accounts payable	(292,532)	(847,862)	(1,140,394)
Accrued payroll liabilities	(161)	(795)	(956)
Compensated absences payable	13,883	(1,756)	12,127
Deferred revenues	(940)	(1,320)	(2,260)
Net pension liability (asset) - IMRF	(592,675)	(334,480)	(927,155)
Deferred inflows - IMRF	<u>252,084</u>	<u>142,265</u>	<u>394,349</u>
 Net cash provided by (used in) operating activities	 <u><u>\$ 1,625,619</u></u>	 <u><u>\$ 2,254,115</u></u>	 <u><u>\$ 3,879,734</u></u>
 NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Capital contribution	<u>530,930</u>	<u>1,308,413</u>	<u>1,839,343</u>
 Total noncash investing, capital, and financing activities	 <u><u>\$ 530,930</u></u>	 <u><u>\$ 1,308,413</u></u>	 <u><u>\$ 1,839,343</u></u>

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION

April 30, 2022

	Pension Trust Funds	Custodial Funds	Total
ASSETS			
Cash and cash equivalents	\$ 1,930,820	\$ 224,211	\$ 2,155,031
Restricted cash	-	611,537	611,537
Investments			
U.S. Treasuries	1,761,114	-	1,761,114
U.S. agency obligations	1,713,324	-	1,713,324
Corporate bonds	7,193,829	-	7,193,829
Municipal Bonds	142,833		142,833
Negotiable certificates of deposit	2,258,961	-	2,258,961
Equity mutual funds	24,353,040	-	24,353,040
Receivables, net:			
Interest receivable	77,849	-	77,849
Total assets	<u>39,431,770</u>	<u>835,748</u>	<u>40,267,518</u>
LIABILITIES			
Due to primary government	2,551	-	2,551
Accounts Payable	10,940		10,940
Total liabilities	<u>13,491</u>	<u>-</u>	<u>13,491</u>
NET POSITION RESTRICTED			
Pension benefits	39,418,279	-	39,418,279
Debt service	-	835,748	835,748
Total net position	<u>\$ 39,418,279</u>	<u>\$ 835,748</u>	<u>\$ 40,254,027</u>

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended April 30, 2022

	Pension Trust Funds	Custodial Funds	Total
ADDITIONS			
Contributions:			
Plan members	\$ 547,377	\$ -	\$ 547,377
Employer	1,349,781	-	1,349,781
Property owners	-	561,427	561,427
Total contributions	<u>1,897,158</u>	<u>561,427</u>	<u>2,458,585</u>
Investment income:			
Interest earned	1,002,197	944	1,003,141
Net appreciation (depreciation) in fair value of investments	(3,870,192)	-	(3,870,192)
Less: investment fees	<u>(51,224)</u>	<u>-</u>	<u>(51,224)</u>
Net investment income	<u>(2,919,219)</u>	<u>944</u>	<u>(2,918,275)</u>
Total additions	<u>(1,022,061)</u>	<u>562,371</u>	<u>(459,690)</u>
DEDUCTIONS			
Benefits	1,971,887	-	1,971,887
Refunds	46,000	-	46,000
Administration services	18,884	-	18,884
Debt service			
Principal	-	440,000	440,000
Interest and fiscal charges	<u>-</u>	<u>129,585</u>	<u>129,585</u>
Total deductions	<u>2,036,771</u>	<u>569,585</u>	<u>2,606,356</u>
CHANGE IN NET POSITION	(3,058,832)	(7,214)	(3,066,046)
NET POSITION, MAY 1	<u>42,477,111</u>	<u>842,962</u>	<u>43,320,073</u>
NET POSITION, APRIL 30	<u><u>\$ 39,418,279</u></u>	<u><u>\$ 835,748</u></u>	<u><u>\$ 40,254,027</u></u>

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2022

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). However, the City has not determined whether the annual pension costs for the Police Pension and Firefighters' Pension Funds are overstated or understated, has not recognized the net pension liability (asset), deferred outflows of resources, or deferred inflows of resources for the Police and Firefighters' Pension Funds, has not recognized the other postemployment benefit (OPEB) expense, liability, deferred outflows of resources, or deferred inflows of resources, and has omitted required disclosures in accordance with accounting principles generally accepted in the United States of America. 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 component units due to the fiduciary responsibility exercised over these Pension Funds.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit

The O'Fallon Public Library (the 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 Library is included in the accompanying financial statements as a discretely presented component unit. Separately audited financial statements of the Library are not available.

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.

Fiduciary Component Units

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected by pension beneficiaries, and two elected police employees constitute the pension board. The City is obligated to fund all PPERS costs not funded by PPERS participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the PPERS being fiscally dependent upon the City. PPERS is reported as a pension trust fund. PPERS does not issue a stand-alone financial report.

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected pension beneficiary, and two elected fire employees constitute the pension board. The City is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations, which creates a financial on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the FPERS being fiscally dependent on the City. FPERS is reported as a pension trust fund. FPERS does not issue a stand-alone financial report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 accounted for in another fund.

The Motor Fuel Tax Special Revenue Fund is used to account for street maintenance and improvements financed by the City's restricted share of the state allotments.

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 Fire Special Revenue Fund is used to account for the financial transactions of the O'Fallon Fire Rescue.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

The City reports the following major fiduciary funds:

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund. In addition, the City reports the following custodial funds as fiduciary funds: the Special Service Area Debt Service Fund, the Newbold Debt Service Fund, and the Harley Davidson Debt Service Fund, which accounts for the repayment of no commitment debt.

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.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the City 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 fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The City utilizes pension trust funds which is generally used to account for assets that the City holds in a fiduciary capacity (for its Police and Firefighters' Pension Funds). The City utilizes custodial funds to account for funds received and restricted for debt service on the special service area (noncommitment) debt (for its Special Service Area Debt Service Fund, Newbold Debt Service Fund, and Harley Davidson Debt Service Fund.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and sewer 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 unavailable/deferred revenue and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or year intended to finance criteria for recognition in the current period. Unearned revenues 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 deferred inflow for unavailable/deferred revenue or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

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

Cash and Cash Equivalents

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

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Investments (Continued)

Investments (Continued)

The Illinois Public Reserves Investment Management Trust, known as IPRIME, is a Local Government Investment Pool (LGIP) and operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. GASB Statement No. 79 defines how LGIPs that comply with certain rules may continue to be valued at amortized cost and maintain a stable \$1.00 share price. IPRIME meets all of these requirements and is exempt from the requirements of Rule 2a-7 promulgated under the Investment Company Act of 1940. For the fiscal year ending 2020, IPRIME is audited under GASB accounting standards.

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.

	<u>2022</u>
Ambulance Fund	\$ 2,287,956
Water Fund	29,472
Sewer Fund	<u>15,795</u>
	<u>\$ 2,333,223</u>

Advances and 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."

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.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 July and September 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 2020 property tax levy in revenue.

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

	<u>2021</u>		<u>2020</u>	
Assessed Valuation	<u>\$ 781,855,505</u>		<u>\$ 765,414,890</u>	
	<u>Maximum</u>	<u>Actual</u>	<u>Maximum</u>	<u>Actual</u>
Tax Rates				
General	n/a	0.0000	n/a	0.0131
Fire protection	n/a	0.1791	n/a	0.1732
Fire pension	n/a	0.0103	n/a	0.0066
Ambulance	n/a	0.0928	n/a	0.0784
Library	n/a	0.1503	n/a	0.1503
Library – municipal retirement	n/a	0.0066	n/a	0.0068
Library – social security	n/a	0.0071	n/a	0.0072
Park and recreation	n/a	0.0000	n/a	0.0889
Police pension	n/a	0.1727	n/a	0.1699
Municipal retirement	n/a	0.0909	n/a	0.0928
Social security	n/a	0.1260	n/a	0.1144
		<u>0.8358</u>		<u>0.9016</u>

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

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

The City also levies for seven 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 \$39,165,312. Each area has a maximum rate of \$0.3500. The total extension for all areas combined is \$15,229.

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.

Capital assets of the City and its component unit (O'Fallon Public Library), in excess of the following cost totals, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</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

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Vacation

Vested or accumulated vacation leave that is matured and payable 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 (two 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.

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:

	<u>Total</u>	<u>Due Within One Year</u>
Governmental activities	\$ 2,740,060	\$ 817,579
Business-type activities	510,729	166,736
Component unit	<u>108,254</u>	<u>28,071</u>
	<u>\$ 3,359,043</u>	<u>\$ 1,012,386</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

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.

Fund Balance/Net Position

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance/Net Position (Continued)

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.

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, which is considered the City's highest level of decision-making authority, 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. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the City has delayed the implement of GASB Statement No. 87, *Leases*, to April 30, 2023.

2. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available-for-use by all funds except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and cash equivalents." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies; one policy for the City adopted by the City Council which the Library also follows, and a policy each for the Police Pension Fund and the Firefighters' Pension Fund approved by their respective boards.

The City has adopted an investment policy consistent with Illinois Compiled Statutes (ILCS) governing the investments of the City. Statutes and the investment policy authorize the City to make deposits/invest in commercial banks, obligations of the United States Government, United States Government agencies and United States Government instrumentality obligations, obligations of corporations rated within the three highest classifications by one standard rating service, money market mutual funds, mutual funds with underlying investments guaranteed by the full faith and credit of the United States or other similar obligations of the United States and its instrumentalities, municipal bonds, Illinois Metropolitan Investment Fund, The Illinois Funds, and all other as allowable by ILCS. 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.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, deposits may not be returned to it. The investment policies of the City, Police Pension Fund, and Firefighters' Pension Fund require pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance. Collateral is to be held by the City or Pension Funds or in safekeeping or evidenced by a tri-party signed safekeeping agreement. At April 30, 2022, the City, Police Pension Fund, and Firefighters' Pension Fund had no uncollateralized deposits.

Investments

The City and Pension Funds categorize its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

City of O'Fallon

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

In accordance with its investment policy, the City limits its exposure to interest rate risk by attempting to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City shall not directly invest in securities maturing more than three (3) years from the date of purchase. However, reserve funds may be invested in securities exceeding three (3) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

The following table presents the investments and maturities of the City's debt securities as of April 30, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Fixed income mutual funds	\$ 413,553	\$ -	\$ 204,899	\$ 208,654	\$ -
TOTAL	\$ 413,553	\$ -	\$ 204,899	\$ 208,654	\$ -

The City has the following recurring fair value measurements as of April 30, 2022: the fixed income mutual funds of \$413,553 and the equity mutual funds of \$482,555, are valued using quoted prices in active markets for identical assets (Level 1 inputs).

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. 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, 2022, the City's deposits in the Illinois Funds external investment pool was rated AAA by Standard & Poor's. The investments in fixed income mutual funds are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

Investments (Continued)

City of O'Fallon (Continued)

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. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the City's name. The Illinois Funds, equity mutual funds, fixed income mutual funds, and money market mutual fund are not subject to custodial credit risk.

Concentration of credit risk – The City's investment policy diversifies investments by limiting investments to avoid over-concentration in securities from a specific issuer, investing in securities with varying maturities, investing a portion of the portfolio in readily available funds such as bank cash management accounts, money market funds, Illinois Funds to ensure liquidity is maintained to meet ongoing obligations. With the exception of U.S. Treasuries and U.S. agency obligations, as well as Illinois Investment Pools, no more than 50% of the City of O'Fallon's total investment portfolio shall be invested in a single security type and no more than 50% of the City's total investment portfolio shall be invested with a single financial institution.

O'Fallon Police Pension Fund

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by attempting to match its investments with anticipated cash flow requirements. The investment policy does not limit the maximum maturity length of investments in the Fund.

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasuries	\$ 1,659,836	\$ -	\$ 1,659,836	\$ -	\$ -
U.S. agency obligations	1,588,125	218	462,701	591,464	533,742
Corporate bonds	6,945,402	953,476	4,645,577	1,346,349	-
Municipal bonds	142,833	-	-	142,833	-
Negotiable certificates of deposit	2,066,820	611,300	1,455,520	-	-
TOTAL	\$ 12,403,016	\$ 1,564,994	\$ 8,223,634	\$ 2,080,646	\$ 533,742

2. DEPOSITS AND INVESTMENTS

Investments (Continued)

O'Fallon Police Pension Fund (Continued)

The Police Pension Fund has the following recurring fair value measurements as of April 30, 2022: the U.S. Treasuries of \$1,659,836 and the equity mutual funds of \$24,247,501 are valued using quoted prices in active markets for identical assets (Level 1 inputs), the U.S. agency obligations of \$1,588,125, corporate bonds of \$6,945,402, municipal bonds of \$142,833, and negotiable certificates of deposit of \$2,066,820, are valued using quoted matrix pricing models (Level 2 inputs).

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, certificates of deposit issued by federally chartered banks or savings and loan institutions, interest bearing bonds of any county, township, or municipal corporation of the state of Illinois, and investment-grade corporate bonds rated at or above BBB- by Standard and Poor's or Baa3 by Moody's. The U.S. agency obligations are rated AA+ to AAA, the corporate bonds are rated A to AAA, the municipal bonds are rated AA, and the certificates of deposit are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The Illinois Funds, money market mutual funds, and equity mutual funds are not subject to custodial credit risk.

Concentration of credit risk – There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represents 5% or more of the Police Pension Fund's investments.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

O'Fallon Firefighters' Pension Fund

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasuries	\$ 101,278	\$ 19,831	\$ 81,447	\$ -	\$ -
U.S. agency obligations	125,199	25,412	99,787	-	-
Corporate bonds	248,427	-	248,427	-	-
Negotiable certificates of deposit	192,141	70,939	121,202	-	-
TOTAL	\$ 667,045	\$ 116,182	\$ 550,863	\$ -	\$ -

The Firefighters' Pension Fund has the following recurring fair value measurements as of April 30, 2022: the U.S. Treasuries of \$101,278 and the equity mutual funds of \$105,539 are valued using quoted prices in active markets for identical assets (Level 1 inputs), the U.S. agency obligations of \$125,199, the corporate bonds of \$248,427, negotiable certificates of deposit of \$192,141, are valued using quoted matrix pricing models (Level 2 inputs).

The Firefighters' Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, certificates of deposit issued by federally chartered banks or savings and loan institutions, and investment-grade corporate bonds rated at or above BBB- by Standard and Poor's or Baa3 by Moody's. The U.S. agency obligations are rated AA+ to AAA, the corporate bonds are rated A to AAA, and the certificates of deposit are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The Illinois Funds, money market mutual funds, and equity mutual funds are not subject to custodial credit risk.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

O'Fallon Firefighters' Pension Fund (Continued)

Concentration of credit risk – There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represents 5% or more of the Police Pension Fund's investments, aside from one U.S. government obligation (5.35%), and three corporate bonds (5.94%, 5.94%, 6.38%).

3. CAPITAL ASSETS

The City's capital asset activity for the year ended April 30, 2022 was as follows:

	Balance May 1, 2022	Additions	Reductions	Balance April 30, 2022
<u>Governmental Activities</u>				
Non-depreciable capital assets				
Land	\$ 29,894,424	\$ -	\$ -	\$ 29,894,424
Construction in process	1,035,011	2,677,571	3,486,487	226,095
Total Non-depreciable capital assets	30,929,435	2,677,571	3,486,487	30,120,519
Depreciable capital assets				
Land/building improvements	12,736,066	2,863,470	-	15,599,536
Buildings	25,493,943	-	-	25,493,943
Equipment	7,988,631	139,997	22,551	8,106,077
Vehicles	8,001,187	150,289	81,186	8,070,290
Parks/Sportsplex	30,624,557	-	-	30,624,557
Infrastructure	145,694,528	5,288,304	-	150,982,832
Total Depreciable capital assets	230,538,912	8,442,060	103,737	238,877,235
Less: Accumulated depreciation				
Land/building improvements	3,696,501	418,631	-	4,115,132
Buildings	10,355,806	668,714	-	11,024,520
Equipment	6,780,012	318,604	11,317	7,087,299
Vehicles	6,274,848	559,204	69,672	6,764,380
Parks/Sportsplex	11,734,083	1,993,710	-	13,727,793
Infrastructure	113,596,683	2,492,601	-	116,089,284
Total Accumulated depreciation	152,437,933	6,451,464	80,989	158,808,408
Depreciable capital assets, net	78,100,979	1,990,596	22,748	80,068,827
Governmental Activities Capital Assets, Net	\$ 109,030,414	\$ 4,668,167	\$ 3,509,235	\$ 110,189,346

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS (Continued)

	Balance May 1, 2021, Restated	Additions	Reductions	Balance April 30, 2022
<u>Business-Type Activities</u>				
Non-depreciable capital assets				
Land	\$ 584,357	\$ 214,790	\$ -	\$ 799,147
Construction in process	2,644,983	2,048,911	3,593,329	1,100,565
Total Non-depreciable capital assets	3,229,340	2,263,701	3,593,329	1,899,712
Depreciable capital assets				
Buildings and improvements	2,580,958	-	-	2,580,958
Equipment	12,145,629	264,636	137,060	12,273,205
Utility systems	73,450,122	5,432,672	-	78,882,794
Total Depreciable capital assets	88,176,709	5,697,308	137,060	93,736,957
Less: Accumulated depreciation				
Buildings and improvements	1,254,671	79,992	-	1,334,663
Equipment	9,667,311	388,392	124,072	9,931,631
Utility systems	37,276,655	2,140,484	-	39,417,139
Total Accumulated depreciation	48,198,637	2,608,868	124,072	50,683,433
Depreciable capital assets, net	39,978,072	3,088,440	12,988	43,053,524
Business-Type Activities Capital Assets, Net	\$ 43,207,412	\$ 5,352,141	\$ 3,606,317	\$ 44,953,236
Primary Government Capital Assets, Net	\$ 152,237,826	\$ 10,020,308	\$ 7,115,552	\$ 155,142,582

Depreciation expense was charged to functions/programs of the primary government and component unit for the year ended April 30, 2022 as follows:

	Amount
<u>Governmental Activities:</u>	
General government	\$ 320,947
Public safety	922,042
Highways and streets, including depreciation of general infrastructure assets	2,811,922
Cultural and recreation	2,396,553
Total Depreciation Expense - Governmental Activities	\$ 6,451,464
<u>Business-type Activities:</u>	
Water Funds	\$ 1,313,950
Sewer Funds	1,294,918
Total Depreciation Expense - Business-type Activities	\$ 2,608,868

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT

Long-term liability activity for the year ended April 30, 2022 was as follows:

	Balance May 1, 2021	Additions	Reductions	Balance April 30, 2022	Due Within One Year
Governmental Activities:					
Bonds Payable					
Bonds payable 2015	\$ 6,520,000	\$ -	\$ 330,000	\$ 6,190,000	\$ 345,000
Bonds payable 2016	1,575,000	-	400,000	1,175,000	410,000
Bonds payable 2017	8,015,000	-	395,000	7,620,000	405,000
Bonds payable 2018A	8,175,000	-	110,000	8,065,000	115,000
Bonds payable 2018B	9,025,000	-	10,000	9,015,000	10,000
Bonds payable 2018C	4,695,000	-	475,000	4,220,000	490,000
Bonds payable 2020 (direct placement)	2,105,000	-	1,090,000	1,015,000	505,000
Add: Premiums on bonds	1,370,188	-	147,173	1,223,015	-
Total Bonds Payable	41,480,188	-	2,957,173	38,523,015	2,280,000
Notes Payable					
Fire truck (direct placement)	533,496	-	221,538	311,958	230,365
Total Notes Payable	533,496	-	221,538	311,958	230,365
Compensated absences	2,488,455	1,083,526	831,921	2,740,060	817,579
Total Governmental Activities	<u>\$ 44,502,139</u>	<u>\$ 1,083,526</u>	<u>\$ 4,010,632</u>	<u>\$ 41,575,033</u>	<u>\$ 3,327,944</u>

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

	Balance May 1, 2021,	Additions	Reductions	Balance April 30, 2022	Due Within One Year
Business-Type Activities:					
Water Fund – Bonds Payable					
Bonds payable 2021					
Water construction (direct placement)	\$ 420,000	\$ -	\$ 55,000	\$ 365,000	\$ 55,000
Bonds payable 2021					
Water tank (direct placement)	2,845,000	-	305,000	2,540,000	300,000
Total Water Fund – Bonds Payable	<u>3,265,000</u>	<u>-</u>	<u>360,000</u>	<u>3,905,000</u>	<u>355,000</u>
Sewer Fund – Bonds Payable					
Construction (direct placement)	<u>2,065,000</u>	<u>-</u>	<u>200,000</u>	<u>1,865,000</u>	<u>195,000</u>
Total Sewer Fund – Bonds Payable	<u>2,065,000</u>	<u>-</u>	<u>200,000</u>	<u>1,865,000</u>	<u>195,000</u>
Compensated absences	<u>498,602</u>	<u>195,442</u>	<u>183,315</u>	<u>510,729</u>	<u>166,736</u>
Total Business-Type Activities	<u>\$ 5,828,602</u>	<u>\$ 195,442</u>	<u>\$ 743,315</u>	<u>\$ 5,280,729</u>	<u>\$ 716,736</u>
Total Primary Government Long-Term Liabilities	<u>\$ 50,330,741</u>	<u>\$ 1,278,968</u>	<u>\$ 4,753,947</u>	<u>\$ 46,855,762</u>	<u>\$ 4,044,680</u>

Bonds payable

Governmental Activities

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.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

Bonds payable (Continued)

Governmental Activities (Continued)

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 Park Fund. The following is the future debt service maturity schedule.

For the years ending April 30,	Series 2018B		Series 2018C	
	Principal	Interest	Principal	Interest
2023	\$ 10,000	\$ 371,710	\$ 490,000	\$ 168,800
2024	10,000	371,410	510,000	149,200
2025	10,000	371,110	535,000	128,800
2026	10,000	370,810	550,000	107,400
2027	10,000	370,510	1,045,000	85,400
2028-2032	4,815,000	1,548,610	1,090,000	43,600
2033-2035	4,150,000	336,400	-	-
	<u>\$ 9,015,000</u>	<u>\$ 3,740,560</u>	<u>\$ 4,220,000</u>	<u>\$ 683,200</u>

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 had 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 Fund and the Build America Fund. The following is the future debt service maturity schedule:

For the years ending April 30,	Principal	Interest	Total
2023	\$ 115,000	\$ 308,800	\$ 423,800
2024	120,000	305,350	425,350
2025	120,000	301,750	421,750
2026	125,000	298,150	423,150
2027	130,000	294,400	424,400
2028-2032	270,000	1,424,150	1,694,150
2033-2037	3,375,000	1,351,400	4,726,400
2038-2039	3,810,000	230,800	4,040,800
	<u>\$ 8,065,000</u>	<u>\$ 4,514,800</u>	<u>\$ 12,579,800</u>

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

Bonds payable (Continued)

Governmental Activities (Continued)

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
2023	\$ 345,000	\$ 212,300	\$ 557,300
2024	355,000	205,400	560,400
2025	375,000	197,590	572,590
2026	635,000	188,965	823,965
2027	670,000	169,915	839,915
2028-2032	2,910,000	481,075	3,391,075
2033-2034	900,000	50,615	950,615
	<u>\$ 6,190,000</u>	<u>\$ 1,505,860</u>	<u>\$ 7,695,860</u>

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 Sports Park Fund. The following is the future debt service maturity schedule:

For the years ending April 30	Principal	Interest	Total
2023	\$ 410,000	\$ 35,250	\$ 445,250
2024	425,000	22,950	447,950
2025	340,000	10,200	350,200
	<u>\$ 1,175,000</u>	<u>\$ 68,400</u>	<u>\$ 1,243,400</u>

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.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

Bonds payable (Continued)

Governmental Activities (Continued)

The following is the future debt service maturity schedule:

<u>For the years ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 405,000	\$ 247,410	\$ 652,410
2024	420,000	235,260	655,260
2025	430,000	222,660	652,660
2026	445,000	209,760	654,760
2027	455,000	196,855	651,855
2028-2032	2,505,000	769,513	3,274,513
2033-2037	2,960,000	324,997	3,284,997
	<u>\$ 7,620,000</u>	<u>\$ 2,206,455</u>	<u>\$ 9,826,455</u>

The City issued \$2,105,000 in General Obligation Refunding Bonds Series 2020 during fiscal year 2020 to refund a portion of the General Obligation Refunding Bonds, Series 2001 and a portion of the General Obligation Bonds Series, 2002B.

On September 15, 2020, the City issued \$2,105,000 General Obligation Refunding Bonds Series 2020 to refund \$2,100,000 of the outstanding General Obligation Bonds, Series 2010. As a result of the refunding, the City realized a cash flow savings of \$81,719 and an economic gain of \$83,008. The bonds have an interest rate of 1.00%. This debt is paid from the 2002 Bond Issue Fund and the 2010 Bond Issue Fund. The following is the future debt service to maturity schedule:

<u>For the fiscal years ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 505,000	\$ 10,150	\$ 515,150
2024	510,000	5,100	515,100
	<u>\$ 1,015,000</u>	<u>\$ 15,250</u>	<u>\$ 1,030,250</u>

Business-type activities

On March 23, 2021, the City issued \$5,330,000 General Obligation Refunding Bonds, Series 2021 to refund \$413,258 of the outstanding IEPA Note Payable L17-2797, \$2,810,237 of the outstanding IEPA Note Payable L17-128600, and \$2,057,262 of the outstanding IEPA Note Payable L17-3318. As a result of the refunding, the City realized a cash flow savings of \$158,398 and an economic gain of \$161,668. The bonds have an interest rate of 1.55%. This debt is paid from the Water Fund and the Sewer Fund. The following is the future debt service to maturity schedule:

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

Bonds payable (Continued)

Business-type activities (Continued)

General Obligation Refunding Bonds, Series 2021 – Construction loan – water

The annual requirements to amortize the above debt outstanding including interest as of April 30, 2022 are as follows:

For the fiscal years ending April 30,	Water Construction Loan			Water (Tank) Construction Loan		
	Principal	Interest	Total	Interest	Principal	Total
2023	\$ 55,000	\$ 5,658	\$ 60,658	\$ 300,000	\$ 39,370	\$ 339,370
2024	55,000	4,805	59,805	305,000	34,720	339,720
2025	55,000	3,953	58,953	310,000	29,993	339,993
2026	55,000	3,100	58,100	315,000	25,188	340,188
2027	55,000	2,248	57,248	320,000	20,305	340,305
2028-2030	90,000	1,860	91,860	990,000	30,845	1,020,845
	<u>\$ 365,000</u>	<u>\$ 21,624</u>	<u>\$ 386,624</u>	<u>\$ 2,540,000</u>	<u>\$ 180,421</u>	<u>\$ 2,720,421</u>

General Obligation Refunding Bonds, Series 2021 – Construction loan – sewer

For the fiscal years ending April 30,	Principal	Interest	Total
2023	\$ 195,000	\$ 28,908	\$ 223,908
2024	200,000	25,885	225,885
2025	200,000	22,785	222,785
2026	205,000	19,685	224,685
2027	205,000	16,507	221,507
2028-2031	860,000	33,558	893,558
	<u>\$ 1,865,000</u>	<u>\$ 147,328</u>	<u>\$ 2,012,328</u>

Loans and notes payable

Governmental activities

During fiscal years 2013 and 2014, the City borrowed funds for the purchase of three fire trucks. In September 2016, the City refinanced this loan for \$1,440,473. The loan was again refinanced in December 2019 for \$809,616. The loan is payable in monthly installments of principal and interest of \$19,851, with interest at 3.90%, and matures in August 2023. This debt is paid from the Fire Fund.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

Loans and notes payable (Continued)

Governmental activities (Continued)

The following is the future debt service to maturity schedule:

For the fiscal years ending April 30,	Principal	Interest	Total
2023	\$ 230,365	\$ 7,845	\$ 238,210
2024	81,593	4,081	85,674
	<u>\$ 311,958</u>	<u>\$ 11,926</u>	<u>\$ 323,884</u>

No Commitment Debt - Special Service Area Bonds

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, which were refunded with the issuance of the Special Tax Refunding Bonds Series 2018. The bonds are payable by a tax levy from the SSA #1, SSA #2, and SSA #4 only, and are not City obligations. Bonds outstanding at April 30, 2022 were \$490,000, \$70,000, and \$330,000 for SSA #1, SSA #2, and SSA #4, respectively. These bonds are treated as special service area no commitment debt without City obligation. The City acts only as an agent for the property owners in collecting property taxes and forwarding payments to the bond paying agent. The bonds are not reflected in long-term debt.

During fiscal year ending April 30, 2013, the City issued the 2012A Special Service Area #6 (\$1,540,000) and 2012B Special Service Area #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. The bonds are payable by a tax levy from the SSA #6 (Newbold Debt Service Fund) and SSA #7 (Harley Davidson Debt Service Fund) only and are not City obligations. Bonds outstanding at April 30, 2022 were \$650,000 and \$650,000 for SSA #6 and SSA #7, respectively. These bonds are treated as special service area no commitment debt without City obligation. The City acts only as an agent for the property owners in collecting property taxes and forwarding payments to the bond paying agent. The bonds are not reflected in long-term debt.

4. 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 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 has no legal debt limitation.

5. EMPLOYEE RETIREMENT SYSTEMS

The City has three separate retirement plans 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.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police Pension Fund (Continued)

Plan Description (Continued)

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

At April 30, 2021 (most recent information available), the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	37
Current employees	<u>46</u>
Total	<u><u>83</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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% of such salary. Employees with at least eight 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, 1977 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$113,645, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. 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% of such salary.

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police Pension Fund (Continued)

Benefits Provided (Continued)

Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

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 Police Pension Plan as actuarially determined by an enrolled actuary, including amounts for administrative costs. Benefits and refunds are recorded as a liability when due and payable. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the pension year ended April 30, 2021 (most recent information available), the City's contribution as a percentage of covered payroll was 29.34%.

Annual Pension Cost

Employer contributions have been determined as follows:

Actuarial valuation date	May 1, 2021
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	6.50%
Interest rate, prior fiscal year	6.50%
Health mortality rates - Male	RP-2014 Health Annuitant with Blue Collar Adjustment, Males

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police Pension Fund (Continued)

Annual Pension Cost (Continued)

Employer contributions (Continued)

Significant Actuarial Assumptions: (Continued)

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

Firefighters' Pension Fund

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.

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Firefighters' Pension Fund (Continued)

Plan Description (Continued)

At April 30, 2021 (most recent information available), the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	1
Current employees	<u>2</u>
Total	<u><u>3</u></u>

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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 at the date of retirement. 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% of such salary. Employees with at least ten 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 covered employee who retired with 20 or more years of service after January 1, 1977 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$113,645, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. 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% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Firefighters' Pension Fund (Continued)

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' 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 finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary including amounts for administrative costs. Benefits and refunds are recorded as a liability when due and payable. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. For the pension year ended April 30, 2021 (most recent information available), the City's contribution as a percentage of covered payroll was 36.21%.

Annual Pension Cost

Employer contributions have been determined as follows:

Actuarial valuation date	May 1, 2021
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%

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Firefighters' Pension Fund (Continued)

Annual Pension Cost (Continued)

Employer contributions (Continued)

Significant Actuarial Assumptions: (Continued)

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

Schedule of Fiduciary Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 1,777,088	\$ 153,732	\$ 1,930,820
Investments			
U.S. Treasuries	1,659,836	101,278	1,761,114
U.S. agency obligations	1,588,125	125,199	1,713,324
Corporate bonds	6,945,402	248,427	7,193,829
Municipal bonds	142,833	-	142,833
Negotiable certificates of deposit	2,066,820	192,141	2,258,961
Equity mutual funds	24,247,501	105,539	24,353,040
Receivables			
Accrued interest	73,525	4,324	77,849
Total assets	38,501,130	930,640	39,431,770
LIABILITIES			
Due to primary government	2,551	-	2,551
Accounts Payable	9,721	1,219	10,940
Total liabilities	2,551	1,219	13,491
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 38,488,858	\$ 929,421	\$ 39,418,279

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Schedule of Changes in Fiduciary Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Plan members	\$ 529,523	\$ 17,854	\$ 547,377
Employer	1,299,839	49,942	1,349,781
Total contributions	1,829,362	67,796	1,897,158
INVESTMENT INCOME			
Interest earned	979,641	22,556	1,002,197
Net appreciation on fair value of investments	(3,805,204)	(64,988)	(3,870,192)
Less: investment fees	(49,101)	(2,123)	(51,224)
Net investment income	(2,874,664)	(44,555)	(2,919,219)
Total additions	(1,045,302)	23,241	(1,022,061)
DEDUCTIONS			
Benefits	1,971,887	-	1,971,887
Refunds	46,000	-	46,000
Administration services	15,229	3,655	18,884
Total deductions	2,033,116	3,655	2,036,771
CHANGE IN NET POSITION	(3,078,418)	19,587	(3,058,831)
NET POSITION			
May 1	41,567,276	909,835	42,477,111
April 30	\$ 38,488,858	\$ 929,421	\$ 39,418,279

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund

IMRF Plan Description

All employees (including those of the discretely presented component unit and other than those covered by the Police and Firefighters' Pension Plan) hired in positions that need or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable. 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. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by ILCS and can only be amended by the Illinois General Assembly.

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.

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

At December 31, 2021 (most recent information available), the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	100
Inactive Plan Members entitled to by not yet receiving benefits	108
Active Plan Members	155
	<u>363</u>

Contributions

As set by statute, the City'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's annual contribution rate for fiscal year 2022 was 8.35% of covered payroll. For the fiscal year ended April 30, 2022, the City contributed \$802,792 to the plan, of which \$41,738 were Library contributions. The City 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's net pension liability (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Fair Value of Assets
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, 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 2020 valuation according to an experience study from years 2017 to 2019.

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City and Library calculated using the discount rate of 7.25% as well as what the City's and Library's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset) – IMRF			
City	\$ 29,980	\$ (4,733,406)	\$ (8,271,081)
Library	1,528	(241,272)	(421,594)
Total	\$ 31,508	\$ (4,974,678)	\$ (8,692,675)

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2021	\$ 35,880,647	\$ 37,187,781	\$ (1,307,134)
Changes for the year:			
Service cost	852,784	-	852,784
Interest	2,563,630	-	2,563,630
Difference between expected and actual experience	786,989	-	786,989
Change in assumptions	-	-	-
Contributions - employer	-	849,717	(849,717)
Contributions - employee	-	622,244	(622,244)
Net investment income	-	6,420,885	(6,420,885)
Benefit payments, including refunds	(1,944,887)	(1,944,887)	-
Other (net transfer)	-	(21,899)	21,899
Net changes	2,258,516	5,926,060	(3,667,544)
Balances at December 31, 2021	\$ 38,139,163	\$ 43,113,841	\$ (4,974,678)
	City	Library	Total
Beginning Net Pension Liability (Asset) at January 1, 2021	\$ (1,243,738)	\$ (63,396)	\$ (1,307,134)
Employer contributions	\$ 808,506	\$ 41,211	\$ 849,717
Ending Net Pension Liability (Asset) at December 31, 2021	\$ (4,733,406)	\$ (241,272)	\$ (4,974,678)

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. 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, 2022, the City recognized pension expense of \$(1,386,355) and the Library recognized \$(67,721). At April 30, 2022, the City and Library 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
Difference between expected and actual experience	\$ 1,195,914	\$ 129,178
Changes in assumption	333,992	477,074
Net difference between projected and actual earnings on pension plan investments	-	4,509,962
Contributions subsequent to the measurement date	251,220	-
	<u>\$ 1,781,126</u>	<u>\$ 5,116,214</u>

\$251,220 reported as deferred outflows of resources related to pensions resulting from library contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the fiscal year ending April 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	City Net Deferred Inflows of Resources	Library Net Deferred Inflows of Resources	Total
2023	\$ (777,556)	\$ (39,634)	\$ (817,190)
2024	(1,309,764)	(66,762)	\$ (1,376,526)
2025	(872,876)	(44,492)	(917,368)
2026	(536,773)	(27,360)	(564,133)
2027	84,597	4,312	88,909
Thereafter	-	-	-
TOTAL	<u>\$ (3,412,372)</u>	<u>\$ (173,936)</u>	<u>\$ (3,586,308)</u>

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. INDIVIDUAL FUND DISCLOSURES

Due To/From Other Funds

The following are the due to/from balances as of April 30, 2022:

	Due To	Due From
Governmental activities		
General fund	\$ -	\$ 7,890
Tax increment financing fund	5,000	-
Total governmental activities	<u>5,000</u>	<u>7,890</u>
Business Type Activities		
Sewer Fund	<u>339</u>	<u>-</u>
Total Business Type Activities	<u>339</u>	<u>-</u>
Fiduciary funds		
Police Pension fund	<u>2,551</u>	<u>-</u>
Total fiduciary funds	<u>2,551</u>	<u>-</u>
Total due to/from	<u>\$ 7,890</u>	<u>\$ 7,890</u>

Due to/from other funds are the result of short-term loans between funds and are expected to be repaid within one year.

Advances

The following are the long-term advances as of April 30, 2022:

	Due To	Due From
Governmental activities		
General fund	\$	\$ 3,640,659
Tax increment financing fund	4,500,087	-
Total governmental activities	<u>4,500,087</u>	<u>3,640,659</u>
Business-type activities		
Water fund	-	217,963
Sewer fund	-	641,465
Total business-type activities	<u>-</u>	<u>859,428</u>
Total advances	<u>\$ 4,500,087</u>	<u>\$ 4,500,087</u>

Advances to/from other funds are the result of long-term loans between funds and are not expected to be repaid within one year.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. INDIVIDUAL FUND DISCLOSURES (Continued)

Interfund Transfers

The interfund transfers during the year ended April 30, 2022 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities		
General fund	\$ 86,810	\$ 4,378,678
Motor Fuel Tax fund	-	86,810
Tax increment financing fund	-	549,218
Nonmajor governmental funds	<u>7,277,498</u>	<u>2,349,602</u>
Total governmental activities	<u>7,364,308</u>	<u>7,364,308</u>
 Total interfund transfers	 <u>\$ 7,364,308</u>	 <u>\$ 7,364,308</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. The transfer from the Tax Increment Financing Fund was for debt service payments on the General Obligation Bonds, Series 2015.

Deficit Fund Balances

The following funds had deficit fund balances at April 30, 2022:

Tax Increment Financing Fund	\$ (4,291,641)
Capital Improvement Fund	(89,845)

7. TAX INCREMENT FINANCING FUND

The City has entered into a TIF agreement, called "Green Mount Medical Campus" 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. During the year ended April 30, 2016, \$7,125,000 of General Obligation Bonds were issued. Repayment terms of these bonds is further discussed in Note 4.

7. TAX INCREMENT FINANCING FUND (Continued)

The City has entered into a TIF agreement called "Central Park" with various redevelopment agreements 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 redevelopment agreements are fixed and expire at the earlier of twenty-three years after the TIF has been established or 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 term of this redevelopment agreements is fixed and expires at the earlier of twenty-three years after the TIF has been established or 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. The City has approved various redevelopment agreements within this TIF with separate entities. These agreements are to reimburse certain construction and/or operating expenses on an annual basis from the incremental property taxes collected on each property. The terms of these redevelopment agreements are fixed and expire at the earlier of twenty-three years after the TIF has been established or when the costs incurred have been fully reimbursed.

As of April 30, 2022, the TIF Fund has incurred cumulative costs totaling \$4,505,087 for the above projects that were paid through other funds and reflected as advances from other funds (\$4,500,087) and due to other funds (\$5,000).

8. TAX REBATES

The City has entered into various tax rebate and redevelopment agreements with private organizations to encourage economic development in the City. Some of the agreements provide for rebating a portion of sales taxes or special business taxes to local retailers and developers, agreed to by the City Council as follows:

	Maximum	Cumulative Payment as of April 30, 2022	Expiration Date	Specific
Auto Dealer	\$ 500,000	\$ 458,907	December 2026	50% of incremental sales tax
Retailer	500,000	279,695	June 2030	50% of incremental sales tax not to exceed \$50,000 per year

8. TAX REBATES (Continued)

The City paid a total of \$148,988 in tax rebates during the year ended April 30, 2022. The remaining balances owed are not presented in the accompanying financial statements because they are considered to be commitments and will not be a liability unless certain events occur in the future.

9. 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 adverse effect on the financial condition of the City.

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.

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City has purchased insurance through the Illinois Counties Risk Management Trust (ICRMT) for general liability and other risks and the Illinois Public Risk Fund (IPRF) for workers' compensation. Additionally, to limit exposure to employee health risks, the City has purchased third party indemnity insurance. 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, 2022.

11. DISCRETELY PRESENTED COMPONENT UNIT – O'FALLON PUBLIC LIBRARY

A. Financial Information

No separate financial statements are available for the O'Fallon Public Library (the Library).

11. DISCRETELY PRESENTED COMPONENT UNIT – O'FALLON PUBLIC LIBRARY
(Continued)

B. Cash and Investments

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, deposits may not be returned to it. The Library follows the investment policy of the City which requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance. Collateral is to be held by the Library or in safekeeping or evidenced by a tri-party signed safekeeping agreement. At April 30, 2022, the Library had no uncollateralized deposits.

Library Investments

The Library categorize its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Library follows the investment policy of the City which follows Illinois Compiled Statutes (ILCS). Statutes and the investment policy authorize the Library to make deposits/invest in commercial banks, obligations of the United States Government, United States Government agencies and United States Government instrumentality obligations, obligations of corporations rated within the three highest classifications by one standard rating service, money market mutual funds, mutual funds with underlying investments guaranteed by the full faith and credit of the United States or other similar obligations of the United States and its instrumentalities, municipal bonds, Illinois Metropolitan Investment Fund and The Illinois Funds, and all other as allowable by ILCS.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Library limits its exposure to interest rate risk by attempting to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Library shall not directly invest in securities maturing more than three years from the date of purchase. However, reserve funds may be invested in securities exceeding three years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

CITY OF O’FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DISCRETELY PRESENTED COMPONENT UNIT – O’FALLON PUBLIC LIBRARY
(Continued)

B. Cash and Investments (Continued)

Library Investments (Continued)

The following table presents the investments and maturities of the Library’s debt securities as of April 30, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Fixed income mutual funds	\$ 1,469,544	\$ -	\$ 809,117	\$ 586,082	\$ 74,345
Municipal bonds	25,064	-	25,064	-	-
Corporate bonds	211,734	-	211,734	-	-
TOTAL	\$ 1,706,342	\$ -	\$ 1,045,915	\$ 586,082	\$ 74,345

The Library has the following recurring fair value measurements as of April 30, 2022: fixed income mutual funds of \$1,469,544 and equity mutual funds of \$2,121,644 have quoted prices in active markets for identical assets (Level 1 inputs), and the municipal bonds of \$25,064 and corporate bonds of \$211,734 have significant other observable inputs and are part of a limited secondary market (Level 2 inputs).

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. 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 Library has an investment policy that further limits its investment choices. As of April 30, 2022, the fixed income mutual funds are not rated, the municipal bonds are rated AA by Standard and Poor’s, and the corporate bonds are rated between BBB to A+ by Standard and Poor’s.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in 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. To limit its exposure, the Library’s investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Library’s agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Library’s name. The Illinois Funds, fixed income mutual funds, equity mutual funds, and money market mutual fund are not subject to custodial credit risk.

**11. DISCRETELY PRESENTED COMPONENT UNIT – O'FALLON PUBLIC LIBRARY
(Continued)**

B. Cash and Investments (Continued)

Library Investments (Continued)

Concentration of credit risk – The Library's investment policy diversifies investments by limiting investments to avoid over-concentration in securities from a specific issuer, investing in securities with varying maturities, investing a portion of the portfolio in readily available funds such as bank cash management accounts, money market funds, Illinois Funds to ensure liquidity is maintained to meet ongoing obligations. With the exception of U.S. Treasuries and U.S. agency obligations, as well as Illinois Investment Pools, no more than 50% of the Library of O'Fallon's total investment portfolio shall be invested in a single security type and no more than 50% of the Library's total investment portfolio shall be invested with a single financial institution.

The fund did not have any significant individual investments that represented 5.00% or more of investments for the Library at April 30, 2022, aside from two fixed income mutual fund that represented 5.26% and 6.21% of total investments, and one equity mutual fund that represented 5.74% of total investments.

C. Receivables

The property tax is levied each year on all taxable real property located in the Library on or before the last Tuesday in December. The levy is passed by Library Council in December. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments due in July and September of the subsequent year. The Library 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 2020 property tax levy in revenue.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DISCRETELY PRESENTED COMPONENT UNIT – O'FALLON PUBLIC LIBRARY
(Continued)

D. Capital Assets

The following is a summary of the capital asset activity for the year ended April 30, 2022:

	Balance May 1, 2021	Additions	Reductions	Balance April 30, 2022
<u>Component Unit</u>				
Depreciable capital assets				
Buildings and improvements	\$ 3,730,496	\$ 16,485	\$ -	\$ 3,746,981
Total Depreciable capital assets	3,730,496	16,485	-	3,746,981
Less: Accumulated depreciation				
Buildings and improvements	2,338,191	192,815	-	2,531,006
Total Accumulated depreciation	2,338,191	192,815	-	2,531,006
Depreciable capital assets, net	1,392,305	(176,330)	-	1,215,975
Component Unit Capital Assets, Net	<u>\$ 1,392,305</u>	<u>\$ (176,330)</u>	<u>\$ -</u>	<u>\$ 1,215,975</u>
Component Unit:				
Culture and recreation				\$ 192,815
Total Depreciation Expense - Component Unit				<u>\$ 192,815</u>

E. Long-Term Debt

Changes in Long-Term Liabilities

During the year ended April 30, 2022, the following changes occurred in long-term liabilities for the Library:

	Balances April 30	Issuances	Reductions	Balances May 1	Current Portion
Compensated Absences Payable	\$ 89,599	\$ 44,246	\$ 25,591	\$ 108,254	\$ 28,071
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 89,599</u>	<u>\$ 44,246</u>	<u>\$ 25,591</u>	<u>\$ 108,254</u>	<u>\$ 28,071</u>

The compensated absences are generally liquidated by the Library's General Fund.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. PRIOR PERIOD ADJUSTMENTS

The City has restated fund balance/net position as of May 1, 2021 as follows:

	<u>Business-Type Activities</u>	<u>Sewer</u>
FUND BALANCE/NET POSITION, MAY 1	<u>\$ 69,058,216</u>	<u>\$ 34,717,974</u>
RESTATEMENTS		
To correct capital assets	<u>(78,254)</u>	<u>(78,254)</u>
Subtotal	<u>(78,254)</u>	<u>(78,254)</u>
FUND BALANCE/NET POSITION, MAY 1 (RESTATED)	<u>\$ 68,979,962</u>	<u>\$ 34,639,720</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes				
Property	\$ 100,000	\$ 100,000	\$ 1,434,635	\$ 1,334,635
Utility	921,400	921,400	806,786	(114,614)
Food and beverage	960,000	960,000	1,105,806	145,806
Intergovernmental				
Replacement tax	-	-	14,266	14,266
State sales tax	10,128,500	10,128,500	12,373,055	2,244,555
State income tax	3,100,000	3,100,000	4,495,129	1,395,129
Road and bridge tax	285,000	285,000	303,034	18,034
Grants	715	715	2,089,212	2,088,497
Metropolitan Enforcement Group	10,000	10,000	6,092	(3,908)
TIF surplus distribution	32,500	32,500	35,183	2,683
Licenses and permits	873,800	873,800	1,017,599	143,799
Subdivision fees	65,000	65,000	81,505	16,505
Police reports	3,800	3,800	5,926	2,126
Combined dispatch	878,321	878,321	902,307	23,986
Municipal aggregation fees	110,000	110,000	118,890	8,890
Fines and fees	245,350	245,350	249,906	4,556
Service fees	226,240	226,240	135,916	(90,324)
Room tax	1,944,000	1,944,000	2,782,494	838,494
Investment income	51,000	51,000	95,560	44,560
Phone and cable television fees	494,000	494,000	378,971	(115,029)
Rentals	12,000	12,000	10,278	(1,722)
Fee in lieu of taxes	801,570	801,570	801,570	-
Donations	2,500	2,500	99,116	96,616
Cemetery revenue	29,500	29,500	33,013	3,513
Miscellaneous revenues and reimbursements	17,000	20,706	47,576	26,870
Total revenues	21,292,196	21,295,902	29,423,825	8,127,923

This schedule is continued on the following page.

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND (Continued)**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES				
Current:				
General government	\$ 3,095,379	\$ 3,095,379	\$ 3,038,652	\$ (56,727)
Public safety	8,199,650	8,199,650	9,043,368	843,718
Highways and streets	3,903,845	3,903,845	3,950,165	46,320
Zoning	928,788	928,788	851,310	(77,478)
Cemetery	151,930	151,930	130,335	(21,595)
Tourism	339,069	339,069	321,903	(17,166)
Capital outlay	471,200	471,200	399,993	(71,207)
Total expenditures	<u>17,089,861</u>	<u>17,089,861</u>	<u>17,735,726</u>	<u>645,865</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>4,202,335</u>	<u>4,206,041</u>	<u>11,688,099</u>	<u>7,482,058</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	5,000	5,000	45,958	40,958
Transfers in	287,500	287,500	86,810	(200,690)
Transfers out	<u>(4,613,177)</u>	<u>(4,613,177)</u>	<u>(4,378,678)</u>	<u>234,499</u>
Total other financing sources (uses)	<u>(4,320,677)</u>	<u>(4,320,677)</u>	<u>(4,245,910)</u>	<u>74,767</u>
NET CHANGE IN FUND BALANCE	<u>\$ (118,342)</u>	<u>\$ (114,636)</u>	<u>7,442,189</u>	<u>\$ 7,556,825</u>
FUND BALANCE, MAY 1			<u>27,189,730</u>	
FUND BALANCE, APRIL 30			<u>\$ 34,631,919</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
MOTOR FUEL TAX SPECIAL REVENUE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental receipts:				
Motor fuel tax allotments	\$ 1,200,000	\$ 1,200,000	\$ 1,283,772	\$ 83,772
Rebuild Illinois Fund Program	668,705	668,705	668,705	-
Grants	680,000	680,000	615,190	(64,810)
Investment income	8,650	8,650	30,167	21,517
Total revenues	<u>2,557,355</u>	<u>2,557,355</u>	<u>2,597,834</u>	<u>40,479</u>
EXPENDITURES				
Current:				
Highways and streets	425,000	425,000	303,740	(121,260)
Capital outlay	<u>2,100,000</u>	<u>2,100,000</u>	<u>1,485,767</u>	<u>(614,233)</u>
Total expenditures	<u>2,525,000</u>	<u>2,525,000</u>	<u>1,789,507</u>	<u>(735,493)</u>
EXCESS (DEFICIENCY OF	<u>32,355</u>	<u>32,355</u>	<u>808,327</u>	<u>775,972</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(190,000)</u>	<u>(190,000)</u>	<u>(86,810)</u>	<u>103,190</u>
Total other financing sources (uses)	<u>(190,000)</u>	<u>(190,000)</u>	<u>(86,810)</u>	<u>103,190</u>
NET CHANGE IN FUND BALANCE	<u>\$ (157,645)</u>	<u>\$ (157,645)</u>	<u>\$ 721,517</u>	<u>\$ 879,162</u>
FUND BALANCE, MAY 1			<u>5,942,002</u>	
FUND BALANCE, APRIL 30			<u>\$ 6,663,519</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
TAX INCREMENT FINANCING FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 1,738,800	\$ 1,760,302	\$ 2,206,621	\$ 446,319
Miscellaneous revenues and reimbursements	-	-	1,000	1,000
Total revenues	<u>1,738,800</u>	<u>1,760,302</u>	<u>2,207,621</u>	<u>447,319</u>
EXPENDITURES				
Current:				
Tax increment financing	<u>1,253,800</u>	<u>1,275,302</u>	<u>1,213,451</u>	<u>(61,851)</u>
Total expenditures	<u>1,253,800</u>	<u>1,275,302</u>	<u>1,213,451</u>	<u>(61,851)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES)	<u>485,000</u>	<u>485,000</u>	<u>994,170</u>	<u>509,170</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	64,225	64,225	-	(64,225)
Transfers out	<u>(549,225)</u>	<u>(549,225)</u>	<u>(549,218)</u>	<u>7</u>
Total other financing sources (uses)	<u>(485,000)</u>	<u>(485,000)</u>	<u>(549,218)</u>	<u>(64,218)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>444,952</u>	<u>\$ 444,952</u>
FUND BALANCE (DEFICIT), MAY 1			<u>(4,736,593)</u>	
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (4,291,641)</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
FIRE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 1,325,000	\$ 1,325,000	\$ 1,310,544	\$ (14,456)
Intergovernmental:				
Grants	-	-	50,689	50,689
Other	445,186	445,186	467,568	22,382
Licenses and permits	16,000	16,000	35,553	19,553
Fines and fees	-	-	100	100
Service fees	7,500	7,500	23,556	16,056
Investment income	2,100	2,100	5,897	3,797
Donations	-	-	1,000	1,000
Miscellaneous revenues and reimbursements	-	-	19,843	19,843
Total revenues	<u>1,795,786</u>	<u>1,795,786</u>	<u>1,914,750</u>	<u>118,964</u>
EXPENDITURES				
Current:				
Public safety	\$ 1,562,583	\$ 1,562,583	\$ 1,366,310	(196,273)
Capital outlay	480,000	480,000	-	(480,000)
Debt service:				
Principal	221,570	221,570	221,538	(32)
Interest and fiscal charges	16,645	16,645	16,672	27
Total expenditures	<u>2,280,798</u>	<u>2,280,798</u>	<u>1,604,520</u>	<u>(676,278)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (485,012)</u>	<u>\$ (485,012)</u>	310,230	<u>\$ 795,242</u>
FUND BALANCE, MAY 1			<u>2,437,628</u>	
FUND BALANCE, APRIL 30			<u>\$ 2,747,858</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Seven Calendar Years

MEASUREMENT DATE DECEMBER 31,	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ 852,784	\$ 903,682	\$ 870,397	\$ 812,321	\$ 813,022	\$ 729,494	\$ 736,496
Interest on total pension liability	2,563,630	2,461,290	2,301,928	2,168,237	2,158,996	1,985,087	1,890,993
Benefit changes	-	-	-	-	-	-	-
Differences between expected and actual experience	786,989	261,962	531,527	268,836	(632,603)	705,433	(279,103)
Assumption changes	-	(439,380)	-	987,404	(921,609)	(38,096)	35,830
Benefit payments and refunds	(1,944,887)	(1,600,365)	(1,451,864)	(1,397,982)	(1,190,516)	(1,089,943)	(1,091,648)
Net change in total pension liability	2,258,516	1,587,189	2,251,988	2,838,816	227,290	2,291,975	1,292,568
Total pension liability beginning	35,880,647	34,293,458	32,041,470	29,202,654	28,975,364	26,683,389	25,390,820
Total pension liability ending	38,139,163	35,880,647	34,293,458	32,041,470	29,202,654	28,975,364	26,683,388
Plan fiduciary net position							
Contributions - employer	849,717	816,416	743,270	926,124	808,212	805,453	742,506
Contributions - employee	622,244	583,627	433,168	400,306	382,084	358,904	314,621
Pension plan net investment income	6,420,885	4,792,149	4,995,868	(1,412,804)	4,263,906	1,592,539	115,693
Benefit payments	(1,944,887)	(1,600,365)	(1,451,864)	(1,397,982)	(1,190,516)	(1,089,943)	(1,091,647)
Other	(21,899)	470,240	154,730	522,881	(772,984)	135,463	(318,103)
Net change in plan fiduciary net position	5,926,060	5,062,067	4,875,172	(961,475)	3,490,702	1,802,416	(236,930)
Plan fiduciary net position beginning	37,187,781	32,125,714	27,250,542	28,212,017	24,721,315	22,918,899	23,155,829
Plan fiduciary net position ending	43,113,841	37,187,781	32,125,714	27,250,542	28,212,017	24,721,315	22,918,899
Employer net pension liability (asset)	<u>\$ (4,974,678)</u>	<u>\$ (1,307,134)</u>	<u>\$ 2,167,744</u>	<u>\$ 4,790,928</u>	<u>\$ 990,637</u>	<u>\$ 4,254,049</u>	<u>\$ 3,764,489</u>
Plan fiduciary net position as a percentage of the total pension liability	113.04%	103.64%	93.68%	85.05%	96.61%	85.32%	85.89%
Covered payroll	\$ 9,533,219	\$ 9,235,477	\$ 9,099,755	\$ 8,834,119	\$ 8,461,759	\$ 7,798,223	\$ 6,991,582
Employer's net pension liability (asset) as a percentage of covered payroll	-52.18%	-14.15%	23.82%	54.23%	11.71%	54.55%	53.84%

Measurement Date December 31, 2020 - There was a change with respect to actuarial assumptions. The price inflation assumption was changed from 2.50% to 2.25%, the salary increase assumption was changed from 3.35% - 14.25% to 2.85% - 13.75% and the retirement and mortality assumptions were

Measurement Date December 31, 2018 - There was a change with respect to actuarial assumptions. The discount rate changed from 7.50% to 7.25%.

Measurement Date December 31, 2017 - There was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

Measurement Date December 31, 2016 - There was a change with respect to actuarial assumptions related to the assumed rate on the discount rate. The rate was changed to 7.50%.

Measurement Date December 31, 2015 - There was a change with respect to actuarial assumptions related to the assumed rate on the discount rate. The rate was changed to 7.46%.

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 EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

LAST TEN FISCAL YEARS

FISCAL YEAR ENDED APRIL 30,	2022	2021**	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined pension contributions	\$ 802,792	\$ 859,246	\$ 703,411	\$ 851,609	\$ 833,483	\$ 791,520	\$ 742,506	\$ 779,952	\$ 721,039	\$ 664,531
Contributions in relation to the actuarially determined contribution	<u>802,792</u>	<u>859,246</u>	<u>743,270</u>	<u>926,124</u>	<u>808,212</u>	<u>805,453</u>	<u>742,506</u>	<u>779,971</u>	<u>721,039</u>	<u>664,531</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,859)</u>	<u>\$ (74,515)</u>	<u>\$ 25,271</u>	<u>\$ (13,933)</u>	<u>\$ -</u>	<u>\$ (19)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,616,702	\$ 9,727,415	\$ 9,099,755	\$ 8,834,119	\$ 8,461,759	\$ 7,798,223	\$ 6,991,582	\$ 6,788,093	\$ 6,205,155	\$ 5,906,945
Contributions as a percentage of covered payroll	8.35%	8.83%	8.17%	10.48%	9.55%	10.33%	10.62%	11.49%	11.62%	11.25%

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 2021 contribution rates:*

Actuarial cost method Aggregate entry age normal

Amortization method Level percentage of payroll, closed

Remaining amortization period 22-year closed period

Asset valuation method 5-year smoothed market, 20% corridor

Wage growth 3.25%

Price inflation 2.50%

Salary increases 3.35% to 14.25%, including inflation

Investment rate of return 7.25%

Retirement age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016

Mortality

For non-disabled retirees, and 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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, and 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.

Other information

There were no benefit changes during the year.

*Based on valuation assumptions used in the December 31, 2019 actuarial valuation

**The City began presenting information on fiscal year basis in 2021. Prior years are presented on calendar year basis.

CITY OF O'FALLON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2022

1 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, 2022:

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 22, 2021 through March 22, 2021.
3. A public hearing on the proposed budget was held on April 19, 2021.
4. Formal adoption of the budget was on April 19, 2021.

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted at the fund level for the Governmental, Proprietary, and Fiduciary Funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end. Certain budget amendments were made during the current fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGET

The following funds had expenditures in excess of budgeted amounts:

<u>Fund</u>	<u>Excess</u>
General	\$ 645,865

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUND

CITY OF O'FALLON, ILLINOIS

COMBINING BALANCE SHEET - TAX INCREMENT FINANCING (TIF) FUNDS

April 30, 2022

	Green Mount Medical TIF	Central Park TIF	Rt. 50/ Scott Troy Rd TIF	Central City TIF	Total
ASSETS					
Cash and cash equivalents	\$ 28,576	\$ 65,315	\$ 1,895	\$ 118,832	\$ 214,618
Receivables, net:					
Taxes	899,855	1,440,987	391,083	179,966	2,911,891
Total assets	<u>928,431</u>	<u>1,506,302</u>	<u>392,978</u>	<u>298,798</u>	<u>3,126,509</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
Total assets and deferred outflows of resources	<u>928,431</u>	<u>1,506,302</u>	<u>392,978</u>	<u>298,798</u>	<u>3,126,509</u>
LIABILITIES					
Accounts payable	46	46	46	1,034	1,172
Due to other funds	-	-	5,000	-	5,000
Advances from other funds	4,500,087	-	-	-	4,500,087
Total liabilities	<u>4,500,133</u>	<u>46</u>	<u>5,046</u>	<u>1,034</u>	<u>4,506,259</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable resources - property taxes	899,855	1,440,987	391,083	179,966	2,911,891
Total liabilities and deferred inflows of resources	<u>5,399,988</u>	<u>1,441,033</u>	<u>396,129</u>	<u>181,000</u>	<u>7,418,150</u>
FUND BALANCES					
Restricted					
Tax increment financing	-	65,269	-	117,798	183,067
Unassigned (Deficit)	(4,471,557)	-	(3,151)	-	(4,474,708)
Total fund balances	<u>(4,471,557)</u>	<u>65,269</u>	<u>(3,151)</u>	<u>117,798</u>	<u>(4,291,641)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 928,431</u>	<u>\$ 1,506,302</u>	<u>\$ 392,978</u>	<u>\$ 298,798</u>	<u>\$ 3,126,509</u>

CITY OF O'FALLON, ILLINOIS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - TIF FUNDS**

For the Year Ended April 30, 2022

	Green Mount Medical TIF	Central Park TIF	Rte 50/ Scott Troy Rd TIF	Central City TIF	Total
REVENUES					
Taxes:					
Property	\$ 828,029	\$ 851,706	\$ 365,940	\$ 160,946	\$ 2,206,621
Miscellaneous revenues and reimbursements	-	-	-	1,000	1,000
Total revenues	<u>828,029</u>	<u>851,706</u>	<u>365,940</u>	<u>161,946</u>	<u>2,207,621</u>
EXPENDITURES					
Current:					
Tax increment financing	<u>235</u>	<u>764,501</u>	<u>353,252</u>	<u>95,463</u>	<u>1,213,451</u>
Total expenditures	<u>235</u>	<u>764,501</u>	<u>353,252</u>	<u>95,463</u>	<u>1,213,451</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>827,794</u>	<u>87,205</u>	<u>12,688</u>	<u>66,483</u>	<u>994,170</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(549,218)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(549,218)</u>
Total other financing sources (uses)	<u>(549,218)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(549,218)</u>
NET CHANGE IN FUND BALANCE	278,576	87,205	12,688	66,483	444,952
FUND BALANCE (DEFICIT), MAY 1	<u>(4,750,133)</u>	<u>(21,936)</u>	<u>(15,839)</u>	<u>51,315</u>	<u>(4,736,593)</u>
FUND BALANCE (DEFICIT), APRIL 30	<u>\$ (4,471,557)</u>	<u>\$ 65,269</u>	<u>\$ (3,151)</u>	<u>\$ 117,798</u>	<u>\$ (4,291,641)</u>

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NONMAJOR GOVERNMENTAL FUND

CITY OF O'FALLON, ILLINOIS

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2022

	Special Revenue					Capital Projects				
	Park Fund	Ambulance Fund	IMRF Fund	Cemetery Fund	Social Security Fund	Special Service Funds	Capital Improvement Fund	2002 Bond Issue Fund	Convention Center Fund	Sports Park Complex Fund
ASSETS										
Cash and cash equivalents	\$ 3,716,181	\$ 3,240,050	\$ 438,773	\$ 42,846	\$ 164,150	\$ 236,613	\$ 654,426	\$ 580,447	\$ 362,062	\$ 200,078
Investments	-	516,812	-	939,898	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Receivables:										
Taxes	-	725,000	710,000	-	985,000	15,200	-	-	-	-
Other governmental entities	20,255	-	-	-	-	-	-	-	-	-
Interest	-	3,078	-	487	-	-	-	-	-	-
Service fees	-	475,923	-	-	-	-	-	-	-	-
Other	306,864	11,152	-	-	-	-	-	-	-	-
Prepaid items	13,720	63,122	-	-	-	-	-	-	-	-
Total assets	<u>4,057,020</u>	<u>5,035,137</u>	<u>1,148,773</u>	<u>983,231</u>	<u>1,149,150</u>	<u>251,813</u>	<u>654,426</u>	<u>580,447</u>	<u>362,062</u>	<u>200,078</u>
DEFERRED OUTFLOWS OF RESOURCES										
None	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 4,057,020</u>	<u>\$ 5,035,137</u>	<u>\$ 1,148,773</u>	<u>\$ 983,231</u>	<u>\$ 1,149,150</u>	<u>\$ 251,813</u>	<u>\$ 654,426</u>	<u>\$ 580,447</u>	<u>\$ 362,062</u>	<u>\$ 200,078</u>
LIABILITIES										
Accounts payable	128,033	214,481	-	-	17,891	855	744,271	-	-	-
Accrued payroll and benefits	21,283	21,025	-	-	-	-	-	-	-	-
Unearned revenue	532,852	-	-	-	-	-	-	-	-	-
Total liabilities	<u>682,168</u>	<u>235,506</u>	<u>-</u>	<u>-</u>	<u>17,891</u>	<u>855</u>	<u>744,271</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - property taxes	-	725,000	710,000	-	985,000	15,200	-	-	-	-
FUND BALANCES										
Nonspendable										
Prepaid items	13,720	63,122	-	-	-	-	-	-	-	-
Restricted										
Debt service	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	580,447	362,062	200,078
Culture and recreation	3,361,132	-	-	-	-	-	-	-	-	-
Public safety	-	4,011,509	-	-	-	-	-	-	-	-
Retirement	-	-	438,773	-	146,259	-	-	-	-	-
Cemetery	-	-	-	983,231	-	-	-	-	-	-
Special service areas	-	-	-	-	-	235,758	-	-	-	-
Assigned										
Strategic planning	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(89,845)	-	-	-
Total fund balances	<u>3,374,852</u>	<u>4,074,631</u>	<u>438,773</u>	<u>983,231</u>	<u>146,259</u>	<u>235,758</u>	<u>(89,845)</u>	<u>580,447</u>	<u>362,062</u>	<u>200,078</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,057,020</u>	<u>\$ 5,035,137</u>	<u>\$ 1,148,773</u>	<u>\$ 983,231</u>	<u>\$ 1,149,150</u>	<u>\$ 251,813</u>	<u>\$ 654,426</u>	<u>\$ 580,447</u>	<u>\$ 362,062</u>	<u>\$ 200,078</u>

This schedule is continued on the following page.

CITY OF O'FALLON, ILLINOIS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Continued)

April 30, 2022

	Capital Projects			Debt Service							
	Park Land Fund	Prop S Infrastructure Fund	Strategic Plan Fund	2010 Bond Issue Fund	Build America Fund	Green Mount Fund	Destination O'Fallon Fund	Special Revenue Total	Capital Projects Total	Debt Service Total	Total
ASSETS											
Cash and cash equivalents	\$ 1,228,769	\$ 4,880,177	\$ 1,285,724	\$ 143,691	\$ -	\$ -	\$ -	\$ 7,838,613	\$ 9,191,683	\$ 143,691	\$ 17,173,987
Investments	380,305	1,002,339	389,928	-	-	-	-	1,456,710	1,772,572	-	3,229,282
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Receivables:											
Taxes	-	-	-	-	-	-	-	2,435,200	-	-	2,435,200
Other governmental entities	-	691,478	-	-	-	-	-	20,255	691,478	-	711,733
Interest	2,119	5,881	2,174	-	-	-	-	3,565	10,174	-	13,739
Service fees	-	-	-	-	-	-	-	475,923	-	-	475,923
Other	-	-	-	-	-	-	-	318,016	-	-	318,016
Prepaid items	-	-	-	-	-	-	-	76,842	-	-	76,842
Total assets	<u>1,611,193</u>	<u>6,579,875</u>	<u>1,677,826</u>	<u>143,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,625,124</u>	<u>11,665,907</u>	<u>143,691</u>	<u>24,434,722</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,611,193</u>	<u>\$ 6,579,875</u>	<u>\$ 1,677,826</u>	<u>\$ 143,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,625,124</u>	<u>\$ 11,665,907</u>	<u>\$ 143,691</u>	<u>\$ 24,434,722</u>
LIABILITIES											
Accounts payable	-	16,545	1,302	-	-	-	-	361,260	762,118	-	1,123,378
Accrued payroll and benefits	-	-	-	-	-	-	-	42,308	-	-	42,308
Unearned revenue	-	251,322	-	-	-	-	-	532,852	251,322	-	784,174
Total liabilities	<u>-</u>	<u>267,867</u>	<u>1,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>936,420</u>	<u>1,013,440</u>	<u>-</u>	<u>1,949,860</u>
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - property taxes	-	-	-	-	-	-	-	2,435,200	-	-	2,435,200
FUND BALANCES											
Nonspendable											
Prepaid items	-	-	-	-	-	-	-	76,842	-	-	76,842
Restricted											
Debt service	-	-	-	143,691	-	-	-	-	-	143,691	143,691
Capital projects	1,611,193	6,312,008	-	-	-	-	-	-	9,065,788	-	9,065,788
Culture and recreation	-	-	-	-	-	-	-	3,361,132	-	-	3,361,132
Public safety	-	-	-	-	-	-	-	4,011,509	-	-	4,011,509
Retirement	-	-	-	-	-	-	-	585,032	-	-	585,032
Cemetery	-	-	-	-	-	-	-	983,231	-	-	983,231
Special service areas	-	-	-	-	-	-	-	235,758	-	-	235,758
Assigned											
Strategic planning	-	-	1,676,524	-	-	-	-	-	1,676,524	-	1,676,524
Unassigned	-	-	-	-	-	-	-	-	(89,845)	-	(89,845)
Total fund balances	<u>1,611,193</u>	<u>6,312,008</u>	<u>1,676,524</u>	<u>143,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,253,504</u>	<u>10,652,467</u>	<u>143,691</u>	<u>20,049,662</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,611,193</u>	<u>\$ 6,579,875</u>	<u>\$ 1,677,826</u>	<u>\$ 143,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,625,124</u>	<u>\$ 11,665,907</u>	<u>\$ 143,691</u>	<u>\$ 24,434,722</u>

CITY OF O'FALLON, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2022

	Special Revenue				
	Park Fund	Ambulance Fund	IMRF Fund	Cemetery Fund	Social Security Fund
REVENUES					
Taxes					
Property	\$ 672,675	\$ 593,226	\$ 702,187	\$ -	\$ 865,627
Utility	1,288,848	-	-	-	-
Rural fire district	-	273,163	-	-	-
Intergovernmental receipts:					
Replacement tax	-	-	10,337	-	52,238
State sales tax	20,513	-	-	-	-
Grants	2,461	-	-	-	-
Service fees	140,065	1,908,936	-	13,913	-
Recreation fees	657,649	-	-	-	-
Investment income	2,152	9,423	13	(73,509)	-
Phone and cable television franchise fees	212,861	-	-	-	-
Rentals	590,735	-	-	-	-
Fee in lieu of taxes	-	-	-	-	52,300
Concession income	287,132	-	-	-	-
Donations	17,525	-	-	-	-
Annex fees	-	-	-	-	-
Miscellaneous revenues and reimbursements	100,820	2,261	-	-	-
Total revenues	<u>3,993,436</u>	<u>2,787,009</u>	<u>712,537</u>	<u>(59,596)</u>	<u>970,165</u>
EXPENDITURES					
Current:					
General government	-	-	104,309	-	197,930
Public safety	-	2,712,100	236,508	-	448,783
Highways and streets	-	-	82,555	-	156,651
Zoning	-	-	50,760	-	96,319
Cemetery	-	-	10,598	6,969	20,111
Culture and recreations	3,075,114	-	65,821	-	124,897
Tourism	-	-	7,251	-	13,758
Capital outlay	89,614	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>3,164,728</u>	<u>2,712,100</u>	<u>557,802</u>	<u>6,969</u>	<u>1,058,449</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>828,708</u>	<u>74,909</u>	<u>154,735</u>	<u>(66,565)</u>	<u>(88,284)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	25,000	-	-	-	-
Transfers out	(324,985)	(55,955)	-	-	-
Total other financing sources (uses)	<u>(299,985)</u>	<u>(55,955)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	528,723	18,954	154,735	(66,565)	(88,284)
FUND BALANCES, MAY 1	<u>2,846,129</u>	<u>4,055,677</u>	<u>284,038</u>	<u>1,049,796</u>	<u>234,543</u>
FUND BALANCES (DEFICIT), APRIL 30	<u>\$ 3,374,852</u>	<u>\$ 4,074,631</u>	<u>\$ 438,773</u>	<u>\$ 983,231</u>	<u>\$ 146,259</u>

(Continued)

CITY OF O'FALLON, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2022

	<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>Special Service Funds</u>	<u>Capital Improvement Fund</u>	<u>2002 Bond Issue Fund</u>	<u>Convention Center Fund</u>
REVENUES				
Taxes				
Property	\$ 15,228	\$ -	\$ -	\$ -
Utility	-	-	-	-
Rural fire district	-	-	-	-
Intergovernmental receipts:				
Replacement tax	-	-	-	-
State sales tax	-	-	-	-
Grants	-	-	-	-
Service fees	-	-	-	-
Recreation fees	-	-	-	-
Investment income	-	6	-	5
Phone and cable television franchise fees	-	-	-	-
Rentals	-	-	-	-
Fee in lieu of taxes	-	-	-	-
Concession income	-	-	-	-
Donations	-	-	-	-
Annex fees	-	-	-	-
Miscellaneous revenues and reimbursements	-	-	-	-
Total revenues	<u>15,228</u>	<u>6</u>	<u>-</u>	<u>5</u>
EXPENDITURES				
Current:				
General government	30,000	-	-	-
Public safety	-	-	-	-
Highways and streets	6,175	-	-	-
Zoning	-	-	-	-
Cemetery	-	-	-	-
Culture and recreations	-	-	-	-
Tourism	-	-	-	-
Capital outlay	-	3,088,671	-	-
Debt service:				
Principal	-	-	738,834	285,855
Interest and fiscal charges	-	-	173,845	195,643
Total expenditures	<u>36,175</u>	<u>3,088,671</u>	<u>912,679</u>	<u>481,498</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(20,947)</u>	<u>(3,088,665)</u>	<u>(912,679)</u>	<u>(481,493)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	2,820,212	912,679	481,493
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>2,820,212</u>	<u>912,679</u>	<u>481,493</u>
NET CHANGE IN FUND BALANCES	<u>(20,947)</u>	<u>(268,453)</u>	<u>-</u>	<u>-</u>
FUND BALANCES, MAY 1	<u>256,705</u>	<u>178,608</u>	<u>580,447</u>	<u>362,062</u>
FUND BALANCES (DEFICIT), APRIL 30	<u>\$ 235,758</u>	<u>\$ (89,845)</u>	<u>\$ 580,447</u>	<u>\$ 362,062</u>

(Continued)

CITY OF O'FALLON, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2022

	Capital Projects			
	Sports Park Complex Fund	Park Land Fund	Prop S Infrastructure Fund	Strategic Plan Fund
REVENUES				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Utility	-	-	-	-
Rural fire district	-	-	-	-
Intergovernmental receipts:				
Replacement tax	-	-	-	-
State sales tax	-	-	2,816,854	-
Grants	-	-	-	-
Service fees	-	-	-	-
Recreation fees	-	-	-	-
Investment income	192	2,165	27,154	1,145
Phone and cable television franchise fees	-	-	-	-
Rentals	-	-	-	-
Fee in lieu of taxes	-	-	-	-
Concession income	-	-	-	-
Donations	-	-	-	-
Annex fees	-	256,195	-	-
Miscellaneous revenues and reimbursements	-	-	34,129	-
Total revenues	<u>192</u>	<u>258,360</u>	<u>2,878,137</u>	<u>1,145</u>
EXPENDITURES				
Current:				
General government	-	-	41,949	34,488
Public safety	-	-	-	-
Highways and streets	-	-	467,575	-
Zoning	-	-	-	-
Cemetery	-	-	-	-
Culture and recreations	-	-	-	-
Tourism	-	-	-	-
Capital outlay	-	-	1,306,235	-
Debt service:				
Principal	374,355	-	-	-
Interest and fiscal charges	538,731	-	-	-
Total expenditures	<u>913,086</u>	<u>-</u>	<u>1,815,759</u>	<u>34,488</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(912,894)</u>	<u>258,360</u>	<u>1,062,378</u>	<u>(33,343)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	8,500
Transfers in	912,894	-	-	200,000
Transfers out	-	(911,600)	(378,662)	(678,400)
Total other financing sources (uses)	<u>912,894</u>	<u>(911,600)</u>	<u>(378,662)</u>	<u>(469,900)</u>
NET CHANGE IN FUND BALANCES	-	(653,240)	683,716	(503,243)
FUND BALANCES, MAY 1	<u>200,078</u>	<u>2,264,433</u>	<u>5,628,292</u>	<u>2,179,767</u>
FUND BALANCES (DEFICIT), APRIL 30	<u>\$ 200,078</u>	<u>\$ 1,611,193</u>	<u>\$ 6,312,008</u>	<u>\$ 1,676,524</u>

(Continued)

CITY OF O'FALLON, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2022

	Debt Service			
	2010 Bond Issue Fund	Build America Fund	Green Mount Fund	Destination O'Fallon Fund
REVENUES				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Utility	-	-	-	-
Rural fire district	-	-	-	-
Intergovernmental receipts:				
Replacement tax	-	-	-	-
State sales tax	-	-	-	-
Grants	-	-	-	-
Service fees	-	-	-	-
Recreation fees	-	-	-	-
Investment income	-	-	-	-
Phone and cable television franchise fees	-	-	-	-
Rentals	-	-	-	-
Fee in lieu of taxes	-	-	-	-
Concession income	-	-	-	-
Donations	-	-	-	-
Annex fees	-	-	-	-
Miscellaneous revenues and reimbursements	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Zoning	-	-	-	-
Cemetery	-	-	-	-
Culture and recreations	-	-	-	-
Tourism	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	575,956	110,000	330,000	395,000
Interest and fiscal charges	7,275	29,850	219,218	257,603
Total expenditures	583,231	139,850	549,218	652,603
REVENUES OVER (UNDER) EXPENDITURES	(583,231)	(139,850)	(549,218)	(652,603)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	583,231	139,850	549,218	652,921
Transfers out	-	-	-	-
Total other financing sources (uses)	583,231	139,850	549,218	652,921
NET CHANGE IN FUND BALANCES	-	-	-	318
FUND BALANCES, MAY 1	143,691	-	-	(318)
FUND BALANCES (DEFICIT), APRIL 30	\$ 143,691	\$ -	\$ -	\$ -

(Continued)

CITY OF O'FALLON, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2022

	Special Revenue Total	Capital Projects Total	Debt Service Total	Total
REVENUES				
Taxes				
Property	\$ 2,848,943	\$ -	\$ -	\$ 2,848,943
Utility	1,288,848	-	-	1,288,848
Rural fire district	273,163	-	-	273,163
Intergovernmental receipts:				
Replacement tax	62,575	-	-	62,575
State sales tax	20,513	2,816,854	-	2,837,367
Grants	2,461	-	-	2,461
Service fees	2,062,914	-	-	2,062,914
Recreation fees	657,649	-	-	657,649
Investment income	(61,921)	30,667	-	(31,254)
Phone and cable television franchise fees	212,861	-	-	212,861
Rentals	590,735	-	-	590,735
Fee in lieu of taxes	52,300	-	-	52,300
Concession income	287,132	-	-	287,132
Donations	17,525	-	-	17,525
Annex fees	-	256,195	-	256,195
Miscellaneous revenues and reimbursements	103,081	34,129	-	137,210
Total revenues	<u>8,418,779</u>	<u>3,137,845</u>	<u>-</u>	<u>11,556,624</u>
EXPENDITURES				
Current:				
General government	332,239	76,437	-	408,676
Public safety	3,397,391	-	-	3,397,391
Highways and streets	245,381	467,575	-	712,956
Zoning	147,079	-	-	147,079
Cemetery	37,678	-	-	37,678
Culture and recreations	3,265,832	-	-	3,265,832
Tourism	21,009	-	-	21,009
Capital outlay	89,614	4,394,906	-	4,484,520
Debt service:				
Principal	-	1,399,044	1,410,956	2,810,000
Interest and fiscal charges	-	908,219	513,946	1,422,165
Total expenditures	<u>7,536,223</u>	<u>7,246,181</u>	<u>1,924,902</u>	<u>16,707,306</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>882,556</u>	<u>(4,108,336)</u>	<u>(1,924,902)</u>	<u>(5,150,682)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	8,500	-	8,500
Transfers in	25,000	5,327,278	1,925,220	7,277,498
Transfers out	(380,940)	(1,968,662)	-	(2,349,602)
Total other financing sources (uses)	<u>(355,940)</u>	<u>3,367,116</u>	<u>1,925,220</u>	<u>4,936,396</u>
NET CHANGE IN FUND BALANCES	526,616	(741,220)	318	(214,286)
FUND BALANCES, MAY 1	<u>8,726,888</u>	<u>11,393,687</u>	<u>143,373</u>	<u>20,263,948</u>
FUND BALANCES (DEFICIT), APRIL 30	<u>\$ 9,253,504</u>	<u>\$ 10,652,467</u>	<u>\$ 143,691</u>	<u>\$ 20,049,662</u>

(Concluded)

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
PARK FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 680,000	\$ 680,000	\$ 672,675	\$ (7,325)
Utility	1,116,900	1,116,900	1,288,848	171,948
Intergovernmental:				
State sales tax	24,000	24,000	20,513	(3,487)
Grants	75,000	75,000	2,461	(72,539)
Service fees	135,250	135,250	140,065	4,815
Recreation fees	1,274,000	1,274,000	657,649	(616,351)
Investment income	1,800	1,800	2,152	352
Phone and cable television fees	336,000	336,000	212,861	(123,139)
Rentals	362,700	362,700	590,735	228,035
Concession income	296,650	296,650	287,132	(9,518)
Donations	15,300	15,300	17,525	2,225
Miscellaneous revenues and reimbursements	30,500	30,500	100,820	70,320
Total revenues	<u>4,348,100</u>	<u>4,348,100</u>	<u>3,993,436</u>	<u>(354,664)</u>
EXPENDITURES				
Current:				
Culture and recreation	\$ 3,655,715	\$ 3,655,715	\$ 3,075,114	(580,601)
Capital outlay	423,500	423,500	89,614	(333,886)
Total expenditures	<u>4,079,215</u>	<u>4,079,215</u>	<u>3,164,728</u>	<u>(914,487)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>268,885</u>	<u>268,885</u>	<u>828,708</u>	<u>559,823</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	97,435	97,435	25,000	(72,435)
Transfers out	(333,820)	(333,820)	(324,985)	8,835
Total other financing sources (uses)	<u>(236,385)</u>	<u>(236,385)</u>	<u>(299,985)</u>	<u>(63,600)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 32,500</u>	<u>\$ 32,500</u>	528,723	<u>\$ 496,223</u>
FUND BALANCE, MAY 1			<u>2,846,129</u>	
FUND BALANCE, APRIL 30			<u>\$ 3,374,852</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
AMBULANCE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 600,000	\$ 600,000	\$ 593,226	\$ (6,774)
Rural fire district	253,061	253,061	273,163	20,102
Service fees	1,490,000	1,490,000	1,908,936	418,936
Investment income	3,400	3,400	9,423	6,023
Miscellaneous revenues and reimbursements	3,000	3,000	2,261	(739)
Total revenues	<u>2,349,461</u>	<u>2,349,461</u>	<u>2,787,009</u>	<u>437,548</u>
EXPENDITURES				
Current:				
Public safety	\$ 2,736,436	\$ 2,736,436	\$ 2,712,100	(24,336)
Capital outlay	305,000	305,000	-	(305,000)
Total expenditures	<u>3,041,436</u>	<u>3,041,436</u>	<u>2,712,100</u>	<u>(329,336)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(691,975)</u>	<u>(691,975)</u>	<u>74,909</u>	<u>766,884</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(55,880)	(55,880)	(55,955)	(75)
Total other financing sources (uses)	<u>(55,880)</u>	<u>(55,880)</u>	<u>(55,955)</u>	<u>(75)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (747,855)</u>	<u>\$ (747,855)</u>	18,954	<u>\$ 766,809</u>
FUND BALANCE, MAY 1			<u>4,055,677</u>	
FUND BALANCE, APRIL 30			<u>\$ 4,074,631</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
IMRF FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 710,000	\$ 710,000	\$ 702,187	\$ (7,813)
Intergovernmental:				
Replacement tax	3,500	3,500	10,337	6,837
Investment income	-	-	13	13
Total revenues	<u>713,500</u>	<u>713,500</u>	<u>712,537</u>	<u>(963)</u>
EXPENDITURES				
Current:				
General government	133,425	133,425	104,309	(29,116)
Public safety	302,522	302,522	236,508	(66,014)
Highways and streets	105,598	105,598	82,555	(23,043)
Zoning	64,929	64,929	50,760	(14,169)
Cemetery	13,557	13,557	10,598	(2,959)
Culture and recreation	84,193	84,193	65,821	(18,372)
Tourism	9,276	9,276	7,251	(2,025)
Total expenditures	<u>713,500</u>	<u>713,500</u>	<u>557,802</u>	<u>(155,698)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	154,735	<u>\$ 154,735</u>
FUND BALANCE, MAY 1			<u>284,038</u>	
FUND BALANCE, APRIL 30			<u>\$ 438,773</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
CEMETERY SPECIAL REVENUE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Service fees	\$ 5,000	\$ 5,000	\$ 13,913	\$ 8,913
Investment income	25,000	25,000	(73,509)	(98,509)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>(59,596)</u>	<u>(89,596)</u>
EXPENDITURES				
Current:				
Cemetery	\$ 30,000	\$ 30,000	\$ 6,969	(23,031)
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>6,969</u>	<u>(23,031)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	\$ (66,565)	<u>\$ (66,565)</u>
FUND BALANCE, MAY 1			<u>1,049,796</u>	
FUND BALANCE, APRIL 30			<u>\$ 983,231</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
SOCIAL SECURITY SPECIAL REVENUE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 875,000	\$ 875,000	\$ 865,627	\$ (9,373)
Intergovernmental receipts:				
Replacement tax	15,000	15,000	52,238	37,238
Fee in lieu of taxes	52,300	52,300	52,300	-
Total revenues	<u>942,300</u>	<u>942,300</u>	<u>970,165</u>	<u>27,865</u>
EXPENDITURES				
Current:				
General government	195,270	197,935	197,930	(5)
Public safety	442,751	448,793	448,783	(10)
Highways and streets	154,545	156,654	156,651	(3)
Zoning	95,024	96,321	96,319	(2)
Cemetery	19,840	20,111	20,111	-
Culture and recreation	123,219	124,900	124,897	(3)
Tourism	13,576	13,761	13,758	(3)
Total expenditures	<u>1,044,225</u>	<u>1,058,475</u>	<u>1,058,449</u>	<u>(26)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (101,925)</u>	<u>\$ (116,175)</u>	(88,284)	<u>\$ 27,891</u>
FUND BALANCE, MAY 1			<u>234,543</u>	
FUND BALANCE, APRIL 30			<u>\$ 146,259</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
SPECIAL SERVICE SPECIAL REVENUE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 15,200	\$ 15,200	\$ 15,228	\$ 28
Total revenues	<u>15,200</u>	<u>15,200</u>	<u>15,228</u>	<u>28</u>
EXPENDITURES				
Current:				
General government	\$ 30,000	\$ 30,000	\$ 30,000	-
Highways and streets	<u>15,200</u>	<u>15,200</u>	<u>6,175</u>	<u>(9,025)</u>
Total expenditures	<u>45,200</u>	<u>45,200</u>	<u>36,175</u>	<u>(9,025)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (30,000)</u></u>	<u><u>\$ (30,000)</u></u>	<u><u>\$ (20,947)</u></u>	<u><u>\$ 9,053</u></u>
FUND BALANCE, MAY 1			<u>256,705</u>	
FUND BALANCE, APRIL 30			<u><u>\$ 235,758</u></u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 6	\$ 6
Total revenues	-	-	6	6
EXPENDITURES				
Capital outlay	2,920,000	3,089,000	3,088,671	(329)
Total expenditures	2,920,000	3,089,000	3,088,671	(329)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(2,920,000)</u>	<u>(3,089,000)</u>	<u>(3,088,665)</u>	<u>335</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,920,000	2,920,000	2,820,212	(99,788)
Total other financing sources (uses)	2,920,000	2,920,000	2,820,212	(99,788)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (169,000)</u>	<u>\$ (268,453)</u>	<u>\$ (99,453)</u>
FUND BALANCE, MAY 1			<u>178,608</u>	
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (89,845)</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
2002 BOND ISSUE CAPITAL PROJECTS FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service:				
Principal	738,834	738,834	738,834	-
Interest and fiscal charges	174,208	174,208	173,845	(363)
Total expenditures	913,042	913,042	912,679	(363)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	(913,042)	(913,042)	(912,679)	363
OTHER FINANCING SOURCES (USES)				
Transfers in	913,042	913,042	912,679	(363)
Total other financing sources (uses)	913,042	913,042	912,679	(363)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, MAY 1			580,447	
FUND BALANCE, APRIL 30			<u>\$ 580,447</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
CONVENTION CENTER CAPITAL PROJECTS FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 5	\$ 5
Total revenues	-	-	5	5
EXPENDITURES				
Debt service:				
Principal	285,855	285,855	285,855	-
Interest and fiscal charges	195,734	195,734	195,643	(91)
Total expenditures	481,589	481,589	481,498	(91)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(481,589)</u>	<u>(481,589)</u>	<u>(481,493)</u>	<u>96</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	481,589	481,589	481,493	(96)
Total other financing sources (uses)	481,589	481,589	481,493	(96)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, MAY 1			<u>362,062</u>	
FUND BALANCE, APRIL 30			<u>\$ 362,062</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
SPORTS PARK COMPLEX CAPITAL PROJECTS FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ 200	\$ 200	\$ 192	\$ (8)
Total revenues	<u>200</u>	<u>200</u>	<u>192</u>	<u>(8)</u>
EXPENDITURES				
Debt service:				
Principal	374,355	374,355	374,355	-
Interest and fiscal charges	538,890	538,890	538,731	(159)
Total expenditures	<u>913,245</u>	<u>913,245</u>	<u>913,086</u>	<u>(159)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(913,045)</u>	<u>(913,045)</u>	<u>(912,894)</u>	<u>151</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	913,045	913,045	912,894	(151)
Total other financing sources (uses)	<u>913,045</u>	<u>913,045</u>	<u>912,894</u>	<u>(151)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, MAY 1			<u>200,078</u>	
FUND BALANCE, APRIL 30			<u>\$ 200,078</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
PARK LAND CAPITAL PROJECTS FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ 550	\$ 550	\$ 2,165	\$ 1,615
Annex fees	225,000	225,000	256,195	31,195
Total revenues	225,550	225,550	258,360	32,810
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	225,550	225,550	258,360	32,810
OTHER FINANCING SOURCES (USES)				
Transfers out	(900,000)	(912,000)	(911,600)	400
Total other financing sources (uses)	(900,000)	(912,000)	(911,600)	400
NET CHANGE IN FUND BALANCE	<u>\$ (674,450)</u>	<u>\$ (686,450)</u>	\$ (653,240)	<u>\$ 33,210</u>
FUND BALANCE, MAY 1			<u>2,264,433</u>	
FUND BALANCE, APRIL 30			<u>\$ 1,611,193</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
PROPOSITION S INFRASTRUCTURE CAPITAL PROJECTS FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental receipts:				
State sales tax	\$ 2,100,000	\$ 2,100,000	\$ 2,816,854	\$ 716,854
Investment income	7,750	7,750	27,154	19,404
Miscellaneous revenues and reimbursements	30,000	30,000	34,129	4,129
Total revenues	<u>2,137,750</u>	<u>2,137,750</u>	<u>2,878,137</u>	<u>740,387</u>
EXPENDITURES				
Current:				
General government	31,500	31,500	41,949	10,449
Highways and streets	1,175,000	1,175,000	467,575	(707,425)
Capital outlay	770,000	770,000	1,306,235	536,235
Total expenditures	<u>1,976,500</u>	<u>1,976,500</u>	<u>1,815,759</u>	<u>(160,741)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>161,250</u>	<u>161,250</u>	<u>1,062,378</u>	<u>901,128</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(378,475)	(378,475)	(378,662)	(187)
Total other financing sources (uses)	<u>(378,475)</u>	<u>(378,475)</u>	<u>(378,662)</u>	<u>(187)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (217,225)</u>	<u>\$ (217,225)</u>	\$ 683,716	<u>\$ 900,941</u>
FUND BALANCE, MAY 1			<u>5,628,292</u>	
FUND BALANCE, APRIL 30			<u>\$ 6,312,008</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
STRATEGIC PLAN CAPITAL PROJECTS FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ 250	\$ 250	\$ 1,145	\$ 895
Total revenues	<u>250</u>	<u>250</u>	<u>1,145</u>	<u>895</u>
EXPENDITURES				
Current:				
General government	60,000	60,000	34,488	(25,512)
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>34,488</u>	<u>(25,512)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(59,750)</u>	<u>(59,750)</u>	<u>(33,343)</u>	<u>26,407</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	-	-	8,500	8,500
Transfers in	200,000	200,000	200,000	-
Transfers out	<u>(682,000)</u>	<u>(682,000)</u>	<u>(678,400)</u>	<u>3,600</u>
Total other financing sources (uses)	<u>(482,000)</u>	<u>(482,000)</u>	<u>(469,900)</u>	<u>12,100</u>
NET CHANGE IN FUND BALANCE	<u>\$ (541,750)</u>	<u>\$ (541,750)</u>	<u>\$ (503,243)</u>	<u>\$ 38,507</u>
FUND BALANCE, MAY 1			<u>2,179,767</u>	
FUND BALANCE, APRIL 30			<u>\$ 1,676,524</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
2010 BOND ISSUE DEBT SERVICE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service:				
Principal	575,956	575,956	575,956	-
Interest and fiscal charges	7,525	7,525	7,275	(250)
Total expenditures	583,481	583,481	583,231	(250)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	(583,481)	(583,481)	(583,231)	250
OTHER FINANCING SOURCES (USES)				
Transfers in	583,481	583,481	583,231	(250)
Total other financing sources (uses)	583,481	583,481	583,231	(250)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, MAY 1			143,691	
FUND BALANCE, APRIL 30			\$ 143,691	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
BUILD AMERICA DEBT SERVICE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service:				
Principal	110,000	110,000	110,000	-
Interest and fiscal charges	29,950	29,950	29,850	(100)
Total expenditures	139,950	139,950	139,850	(100)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	(139,950)	(139,950)	(139,850)	100
OTHER FINANCING SOURCES (USES)				
Transfers in	139,950	139,950	139,850	(100)
Total other financing sources (uses)	139,950	139,950	139,850	(100)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, MAY 1			-	
FUND BALANCE, APRIL 30			\$ -	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
GREEN MOUNT DEBT SERVICE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service:				
Principal	330,000	330,000	330,000	-
Interest and fiscal charges	219,225	219,225	219,218	(7)
Total expenditures	549,225	549,225	549,218	(7)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(549,225)</u>	<u>(549,225)</u>	<u>(549,218)</u>	<u>7</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	549,225	549,225	549,218	(7)
Total other financing sources (uses)	549,225	549,225	549,218	(7)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, MAY 1			-	
FUND BALANCE, APRIL 30			<u>\$ -</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
DESTINATION O'FALLON DEBT SERVICE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service:				
Principal	395,000	395,000	395,000	-
Interest and fiscal charges	257,885	257,885	257,603	(282)
Total expenditures	652,885	652,885	652,603	(282)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(652,885)</u>	<u>(652,885)</u>	<u>(652,603)</u>	<u>282</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	652,885	652,885	652,921	36
Total other financing sources (uses)	652,885	652,885	652,921	36
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318</u>	<u>\$ 318</u>
FUND BALANCE (DEFICIT), MAY 1			<u>(318)</u>	
FUND BALANCE, APRIL 30			<u>\$ -</u>	

FIDUCIARY FUNDS

CITY OF O'FALLON, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION - PENSION TRUST FUNDS

April 30, 2022

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,777,088	\$ 153,732	\$ 1,930,820
Investments			
U.S. Treasuries	1,659,836	101,278	1,761,114
U.S. agency obligations	1,588,125	125,199	1,713,324
Corporate bonds	6,945,402	248,427	7,193,829
Municipal bonds	142,833	-	142,833
Negotiable certificates of deposit	2,066,820	192,141	2,258,961
Equity mutual funds	24,247,501	105,539	24,353,040
Receivables, net:			
Interest receivable	73,525	4,324	77,849
Total assets	<u>38,501,130</u>	<u>930,640</u>	<u>39,431,770</u>
LIABILITIES			
Due to primary government	2,551	-	2,551
Accounts payable	9,721	1,219	10,940
Total liabilities	<u>12,272</u>	<u>1,219</u>	<u>13,491</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 38,488,858</u></u>	<u><u>\$ 929,421</u></u>	<u><u>\$ 39,418,279</u></u>

CITY OF O'FALLON, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION TRUST FUNDS**

For the Year Ended April 30, 2022

	Police Pension Fund	Firefighters' Pension Fund	Total
ADDITIONS			
Contributions:			
Plan members	\$ 529,523	\$ 17,854	\$ 547,377
Employer	1,299,839	49,942	1,349,781
Total contributions	<u>1,829,362</u>	<u>67,796</u>	<u>1,897,158</u>
Investment income:			
Interest earned	979,641	22,556	1,002,197
Net appreciation (depreciation) in fair value of investments	(3,805,204)	(64,988)	(3,870,192)
Less: investment fees	<u>(49,101)</u>	<u>(2,123)</u>	<u>(51,224)</u>
Net investment income	<u>(2,874,664)</u>	<u>(44,555)</u>	<u>(2,919,219)</u>
Total additions	<u>(1,045,302)</u>	<u>23,241</u>	<u>(1,022,061)</u>
DEDUCTIONS			
Benefits	1,971,887	-	1,971,887
Refunds	46,000	-	46,000
Administration services	<u>15,229</u>	<u>3,655</u>	<u>18,884</u>
Total deductions	<u>2,033,116</u>	<u>3,655</u>	<u>2,036,771</u>
CHANGE IN NET POSITION	<u>(3,078,418)</u>	<u>19,586</u>	<u>(3,058,832)</u>
NET POSITION, MAY 1	<u>41,567,276</u>	<u>909,835</u>	<u>42,477,111</u>
NET POSITION, APRIL 30	<u>\$ 38,488,858</u>	<u>\$ 929,421</u>	<u>\$ 39,418,279</u>

CITY OF O'FALLON, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
POLICE PENSION FUND**

For the Year Ended April 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
ADDITIONS				
Contributions:				
Plan members	\$ 480,000	\$ 480,000	\$ 529,523	\$ 49,523
Employer	1,305,000	1,305,000	1,299,839	(5,161)
Total contributions	<u>1,785,000</u>	<u>1,785,000</u>	<u>1,829,362</u>	<u>44,362</u>
Investment income:				
Investment income	777,500	777,500	979,641	202,141
Net appreciation (depreciation) in fair value of investments	-	-	(3,805,204)	(3,805,204)
Less: investment fees	<u>(50,000)</u>	<u>(50,000)</u>	<u>(49,101)</u>	<u>899</u>
Net investment income	<u>727,500</u>	<u>727,500</u>	<u>(2,874,664)</u>	<u>(3,602,164)</u>
Total additions	<u>2,512,500</u>	<u>2,512,500</u>	<u>(1,045,302)</u>	<u>(3,557,802)</u>
DEDUCTIONS				
Benefits	1,500,000	1,500,000	1,971,887	471,887
Refunds	20,000	20,000	46,000	26,000
Administration services	<u>992,500</u>	<u>992,500</u>	<u>15,229</u>	<u>(977,271)</u>
Total deductions	<u>2,512,500</u>	<u>2,512,500</u>	<u>2,033,116</u>	<u>(479,384)</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>(3,078,418)</u>	<u>\$ (3,078,418)</u>
NET POSITION, MAY 1			<u>41,567,276</u>	
NET POSITION, APRIL 30			<u>\$ 38,488,858</u>	

CITY OF O'FALLON, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
FIREFIGHTERS' PENSION FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
ADDITIONS				
Contributions:				
Plan members	\$ 17,500	\$ 17,500	\$ 17,854	\$ 354
Employer	50,000	50,000	49,942	(58)
Total contributions	<u>67,500</u>	<u>67,500</u>	<u>67,796</u>	<u>296</u>
Investment income:				
Investment income	20,100	20,100	22,556	2,456
Net appreciation (depreciation) in fair value of investments	-	-	(64,988)	(64,988)
Less: investment fees	<u>(3,000)</u>	<u>(3,000)</u>	<u>(2,123)</u>	<u>877</u>
Net investment income	<u>17,100</u>	<u>17,100</u>	<u>(44,555)</u>	<u>(61,655)</u>
Total additions	<u>84,600</u>	<u>84,600</u>	<u>23,241</u>	<u>(61,359)</u>
DEDUCTIONS				
Administration services	<u>84,600</u>	<u>84,600</u>	<u>3,655</u>	<u>(80,945)</u>
Total deductions	<u>84,600</u>	<u>84,600</u>	<u>3,655</u>	<u>(80,945)</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>19,586</u>	<u>\$ 19,586</u>
NET POSITION, MAY 1			<u>909,835</u>	
NET POSITION, APRIL 30			<u>\$ 929,421</u>	

CITY OF O'FALLON, ILLINOIS

**COMBINING STATEMENT OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS**

April 30, 2022

	Special Service Area Debt Service	Newbold Debt Service	Harley Davidson Debt Service	Total
ASSETS				
Cash and cash equivalents	\$ 92,032	\$ 85,134	\$ 47,045	\$ 224,211
Restricted cash	220,319	199,426	191,792	611,537
Total assets	<u>312,351</u>	<u>284,560</u>	<u>238,837</u>	<u>835,748</u>
LIABILITIES				
None	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION RESTRICTED FOR DEBT SERVICE	<u>\$ 312,351</u>	<u>\$ 284,560</u>	<u>\$ 238,837</u>	<u>\$ 835,748</u>

CITY OF O'FALLON, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

For the Year Ended April 30, 2022

	Special Service Area Debt Service	Newbold Debt Service	Harley Davidson Debt Service	Total
ADDITIONS				
Contributions:				
Property owners	\$ 270,262	\$ 158,458	\$ 132,707	\$ 561,427
Total contributions	270,262	158,458	132,707	561,427
Investment income	941	2	1	944
Total additions	271,203	158,460	132,708	562,371
DEDUCTIONS				
Debt service				
Principal	235,000	115,000	90,000	440,000
Interest and fiscal charges	38,505	46,290	44,790	129,585
Total deductions	273,505	161,290	134,790	569,585
CHANGE IN NET POSITION	(2,302)	(2,830)	(2,082)	(7,214)
NET POSITION, MAY 1	314,653	287,390	240,919	842,962
NET POSITION, APRIL 30	<u>\$ 312,351</u>	<u>\$ 284,560</u>	<u>\$ 238,837</u>	<u>\$ 835,748</u>

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
SPECIAL SERVICE AREA DEBT SERVICE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
ADDITIONS				
Contributions:				
Property owners	\$ 273,567	\$ 273,567	\$ 270,262	\$ (3,305)
Total contributions	<u>273,567</u>	<u>273,567</u>	<u>270,262</u>	<u>(3,305)</u>
Investment income	<u>-</u>	<u>-</u>	<u>941</u>	<u>941</u>
Total additions	<u>273,567</u>	<u>273,567</u>	<u>271,203</u>	<u>(2,364)</u>
DEDUCTIONS				
Debt service				
Principal	235,000	235,000	235,000	-
Interest and fiscal charges	<u>38,567</u>	<u>38,567</u>	<u>38,505</u>	<u>(62)</u>
Total deductions	<u>273,567</u>	<u>273,567</u>	<u>273,505</u>	<u>(62)</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>(2,302)</u>	<u>\$ (2,302)</u>
NET POSITION, MAY 1			<u>314,653</u>	
NET POSITION, APRIL 30			<u>\$ 312,351</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
NEWBOLD DEBT SERVICE FUND**

For the Year Ended April 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
ADDITIONS				
Contributions				
Property owners	\$ 161,300	\$ 161,300	\$ 158,458	\$ (2,842)
Total contributions	<u>161,300</u>	<u>161,300</u>	<u>158,458</u>	<u>(2,842)</u>
Investment income	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Total additions	<u>161,300</u>	<u>161,300</u>	<u>158,460</u>	<u>(2,840)</u>
DEDUCTIONS				
Debt service				
Principal	115,000	115,000	115,000	-
Interest and fiscal charges	<u>46,300</u>	<u>46,300</u>	<u>46,290</u>	<u>(10)</u>
Total deductions	<u>161,300</u>	<u>161,300</u>	<u>161,290</u>	<u>(10)</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,830)</u>	<u>\$ (2,830)</u>
NET POSITION, MAY 1			<u>287,390</u>	
NET POSITION, APRIL 30			<u>\$ 284,560</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
HARLEY DAVIDSON DEBT SERVICE FUND**

For the Year Ended April 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
ADDITIONS				
Contributions				
Property owners	\$ 134,750	\$ 134,790	\$ 132,707	\$ (2,083)
Total contributions	<u>134,750</u>	<u>134,790</u>	<u>132,707</u>	<u>(2,083)</u>
Investment income	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total additions	<u>134,750</u>	<u>134,790</u>	<u>132,708</u>	<u>(2,082)</u>
DEDUCTIONS				
Debt service:				
Principal	90,000	90,000	90,000	-
Interest and fiscal charges	<u>44,750</u>	<u>44,790</u>	<u>44,790</u>	<u>-</u>
Total deductions	<u>134,750</u>	<u>134,790</u>	<u>134,790</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,082)</u>	<u>\$ (2,082)</u>
NET POSITION, MAY 1			<u>240,919</u>	
NET POSITION, APRIL 30			<u>\$ 238,837</u>	

DISCRETELY PRESENTED COMPONENT UNIT

CITY OF O'FALLON, ILLINOIS

O'FALLON PUBLIC LIBRARY - COMPONENT UNIT
STATEMENT OF NET POSITION AND BALANCE SHEET

April 30, 2022

	General Operating	Ohlendorf Bequest	Total	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and cash equivalents	1,542,272	214,750	1,757,022	-	1,757,022
Investments	-	3,827,987	3,827,987	-	3,827,987
Receivables, net:					
Property taxes	1,281,500	-	1,281,500	-	1,281,500
Interest	-	4,280	4,280	-	4,280
Prepaid items	18,770	-	18,770	-	18,770
Net pension asset - IMRF	-	-	-	241,272	241,272
Capital assets:					
Other capital assets, net of accumulated depreciation	-	-	-	1,215,975	1,215,975
Total assets	<u>2,842,542</u>	<u>4,047,017</u>	<u>6,889,559</u>	<u>1,457,247</u>	<u>8,346,806</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension items - IMRF	-	-	-	86,385	86,385
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,385</u>	<u>86,385</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,842,542</u>	<u>\$ 4,047,017</u>	<u>\$ 6,889,559</u>	<u>\$ 1,543,632</u>	<u>\$ 8,433,191</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	63,174	-	63,174	-	63,174
Accrued payroll and benefits	8,785	-	8,785	-	8,785
Noncurrent liabilities:					
Due within one year	-	-	-	28,071	28,071
Due in more than one year	-	-	-	80,183	80,183
Total liabilities	<u>71,959</u>	<u>-</u>	<u>71,959</u>	<u>108,254</u>	<u>180,213</u>
DEFERRED INFLOWS OF RESOURCES					
Pension items - IMRF	-	-	-	248,136	248,136
Unavailable/deferred property taxes	1,281,500	-	1,281,500	-	1,281,500
Total deferred inflows of resources	<u>1,281,500</u>	<u>-</u>	<u>1,281,500</u>	<u>248,136</u>	<u>1,529,636</u>
FUND BALANCES/NET POSITION					
Nonspendable					
Prepaid items	18,770	-	18,770	(18,770)	-
Restricted:					
Retirement	86,077	-	86,077	-	86,077
Specific purpose	-	4,047,017	4,047,017	-	4,047,017
Unassigned	1,384,236	-	1,384,236	(1,384,236)	-
Net position:					
Net investment in capital assets	-	-	-	1,215,975	1,215,975
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,374,273</u>	<u>1,374,273</u>
Total fund balance/net position	<u>1,489,083</u>	<u>4,047,017</u>	<u>5,536,100</u>	<u>1,187,242</u>	<u>6,723,342</u>
Total liabilities, deferred inflows of resources and fund balances/net position	<u>\$ 2,842,542</u>	<u>\$ 4,047,017</u>	<u>\$ 6,889,559</u>	<u>\$ 1,543,632</u>	<u>\$ 8,433,191</u>

CITY OF O'FALLON, ILLINOIS

O'FALLON PUBLIC LIBRARY - COMPONENT UNIT

STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended April 30, 2022

	General Operating	Ohlendorf Bequest	Total	Adjustments	Statement of Activities
REVENUES					
Taxes					
Property	\$ 1,243,276	\$ -	\$ 1,243,276	\$ -	\$ 1,243,276
Intergovernmental					
Replacement tax	16,708	-	16,708	-	16,708
Grants	45,935	-	45,935	-	45,935
TIF surplus distribution	7,843	-	7,843	-	7,843
Investment income (loss)	(4,508)	(196,069)	(200,577)	-	(200,577)
Fines and fees	55,597	-	55,597	-	55,597
Donations	17,195	30,655	47,850	-	47,850
Miscellaneous	45	-	45	-	45
Total revenues	<u>1,382,091</u>	<u>(165,414)</u>	<u>1,216,677</u>	<u>-</u>	<u>1,216,677</u>
EXPENDITURES					
Current					
Culture and recreation	1,269,828	31,585	1,301,413	85,526	1,386,939
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,269,828</u>	<u>31,585</u>	<u>1,301,413</u>	<u>85,526</u>	<u>1,386,939</u>
NET CHANGES IN FUND BALANCES/NET POSITION	112,263	(196,999)	(84,736)	(85,526)	(170,262)
FUND BALANCES/ NET POSITION, MAY 1	<u>1,376,820</u>	<u>4,244,016</u>	<u>5,620,836</u>	<u>1,272,768</u>	<u>6,893,604</u>
FUND BALANCES/ NET POSITION, APRIL 30	<u>\$ 1,489,083</u>	<u>\$ 4,047,017</u>	<u>\$ 5,536,100</u>	<u>\$ 1,187,242</u>	<u>\$ 6,723,342</u>

OTHER INFORMATION

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND**

For the Last Five Fiscal Years

Police Pension Fund Trend Information

	(1)	(2)	(3)	(4)	(5)	
		Actuarial		Unfunded		UAAL as a
Actuarial	Actuarial	Liability	Funded	AAL	Covered	Percentage
Valuation	Value of	(AAL)	Ratio	(UAAL)	Payroll	of Covered
Date *	Assets	Entry Age	(1) / (2)	(2) - (1)		Payroll
						(4) / (5)
4/30/2021	\$ 37,553,090	\$ 48,225,064	78%	\$ 10,671,974	\$ 4,074,447	262%
4/30/2020	34,466,029	45,219,912	76%	10,753,883	4,142,103	260%
4/30/2019	33,043,202	41,138,556	80%	8,095,354	4,193,075	193%
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%

Employer Contributions

Actuarial	Employer
Year *	Contributions
4/30/2021	\$ 1,195,365
4/30/2020	1,202,429
4/30/2019	1,196,603
4/30/2018	1,200,725
4/30/2017	1,096,446

* Most recent information available

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND**

For the Last Five Fiscal Years

Firefighters' Pension Fund Trend Information

	(1)	(2)	(3)	(4)	(5)	
		Actuarial		Unfunded		UAAL as a
Actuarial	Actuarial	Accrued	Funded	AAL	Covered	Percentage
Valuation	Value of	Liability	Ratio	(UAAL)	Payroll	of Covered
Date *	Assets	(AAL)	(1) / (2)	(2) - (1)		Payroll
		Entry Age				(4) / (5)
4/30/2021	\$ 932,102	\$ 453,327	206%	\$ (478,775)	\$ 175,510	-273%
4/30/2020	796,082	365,017	218%	(431,065)	175,510	-246%
4/30/2019	606,282	260,551	233%	(345,731)	172,515	-200%
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%

Employer Contributions

Actuarial	Employer
Year *	Contributions
4/30/2021	\$ 63,545
4/30/2020	64,075
4/30/2019	44,663
4/30/2018	69,691
4/30/2017	135,865

* Most recent information available

CITY OF O'FALLON, ILLINOIS

COMPARATIVE STATEMENTS OF NET POSITION

April 30, 2022

	Primary Government		Component Unit	
	2022	2021	2022	2021
ASSETS				
Cash and cash equivalents	\$ 77,983,118	\$ 61,911,293	\$ 1,757,022	\$ 877,201
Restricted cash and cash equivalents	395,549	378,611	-	-
Investments	11,394,753	17,580,762	3,827,987	4,748,521
Receivables, net:				
Property tax	8,468,663	8,170,139	1,281,500	1,256,500
Due from other governmental entities	3,674,816	3,533,702	-	1,036
Interest	64,487	57,112	4,280	10,765
Other	1,104,638	1,236,497	-	207
Water and sewer fees	2,760,856	2,574,824	-	-
Service fees	475,923	397,066	-	-
Due from employees	-	82	-	-
Due from fiduciary funds	2,551	678	-	-
Prepaid items	1,504,116	606,198	18,770	39,495
Net pension asset - IMRF	4,733,406	1,243,738	241,272	63,396
Capital assets:				
Land and construction in progress	32,020,231	34,237,029	-	-
Other capital assets, net	123,122,351	118,079,051	1,215,975	1,392,305
Total assets	<u>267,705,458</u>	<u>250,006,782</u>	<u>8,346,806</u>	<u>8,389,426</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF	1,694,741	1,552,731	86,385	79,146
Unamortized loss on refunding	806,340	935,731	-	-
Total deferred outflows of resources	<u>2,501,081</u>	<u>2,488,462</u>	<u>86,385</u>	<u>79,146</u>
Total assets and deferred outflows of resources	<u>270,206,539</u>	<u>252,495,244</u>	<u>8,433,191</u>	<u>8,468,572</u>

This schedule is continued on the following page.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2022

	Primary Government		Component Unit	
	2022	2021	2022	2021
LIABILITIES				
Accounts payable	\$ 3,602,655	\$ 3,943,538	\$ 63,174	\$ 47,195
Accrued payroll and benefits	225,083	221,687	8,785	8,158
Unearned revenue	1,761,985	1,257,685	-	1,036
Accrued interest	496,737	497,037	-	-
Noncurrent liabilities:				
Due within one year	4,044,680	4,606,804	28,071	25,591
Due in more than one year	42,811,082	45,723,937	80,183	64,008
Total liabilities	52,942,222	56,250,688	180,213	145,988
DEFERRED INFLOWS OF RESOURCES				
Pension items - IMRF	4,868,078	3,383,809	248,136	172,480
Deferred property taxes	8,468,663	8,170,139	1,281,500	1,256,500
Total deferred inflows of resources	13,336,741	11,553,948	1,529,636	1,428,980
Total liabilities and deferred inflows of resources	66,278,963	67,804,636	1,709,849	1,574,968
NET POSITION				
Net investment in capital assets	112,343,949	105,908,127	1,215,975	1,392,305
Restricted:				
Debt service	143,691	143,691	-	-
Construction/capital projects	9,065,788	9,213,920	-	-
Highways and streets	6,663,519	5,942,002	-	-
Culture and recreation	3,361,132	2,830,171	-	-
Public safety	7,142,196	6,839,632	-	-
Retirement	585,032	518,581	86,077	74,702
Cemetery	983,231	1,049,796	-	-
Special service areas	235,758	256,705	-	-
Special purpose	-	-	4,047,017	4,244,016
Unrestricted	63,403,280	51,987,983	1,374,273	1,182,581
Total net position	\$ 203,927,576	\$ 184,690,608	\$ 6,723,342	\$ 6,893,604

CITY OF O'FALLON, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2022

	Primary Government		Component Unit	
	2022	2021	2022	2021
EXPENSES				
Government activities:				
General government	\$ 3,375,835	\$ 3,785,369	\$ -	\$ -
Public safety	14,224,890	13,589,716	-	-
Highway and streets	7,818,970	7,622,746	-	-
Zoning	1,013,612	1,077,655	-	-
Cemetery	156,502	165,292	-	-
Culture and recreation	5,740,181	5,222,573	-	-
Tax increment financing	1,213,451	1,146,334	-	-
Tourism	331,564	221,578	-	-
Interest and fiscal charges	1,396,110	1,565,071	-	-
Total governmental activities	<u>35,271,115</u>	<u>34,396,334</u>	<u>-</u>	<u>-</u>
Business-type activities				
Water	11,846,106	10,653,586	-	-
Sewer	4,984,433	4,203,028	-	-
Total business-type activities	<u>16,830,539</u>	<u>14,856,614</u>	<u>-</u>	<u>-</u>
Component Unit:				
Library	<u>-</u>	<u>-</u>	<u>1,386,939</u>	<u>1,197,609</u>
Total expenses	52,101,654	49,252,948	1,386,939	1,197,609
PROGRAM REVENUES				
Charges for services	31,309,386	30,156,267	55,597	40,255
Operating grants and contributions	1,421,590	3,258,835	45,935	47,775
Capital grants and contributions	4,925,055	1,560,160	-	-
Total program revenues	<u>37,656,031</u>	<u>34,975,262</u>	<u>101,532</u>	<u>88,030</u>
Net (Expense) Revenue and Changes in Net Position	<u>(14,445,623)</u>	<u>(14,277,686)</u>	<u>(1,285,407)</u>	<u>(1,109,579)</u>

This schedule is continued on the following page.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF ACTIVITIES (Continued)

For the Year Ended April 30, 2022

	Primary Government		Component Unit	
	2022	2021	2022	2021
GENERAL REVENUES				
Taxes:				
Property	7,800,743	7,298,908	1,243,276	1,228,727
Road and bridge	303,034	268,118	-	-
Utility	2,095,634	2,056,311	-	-
Food and beverage	1,105,806	852,884	-	-
Unrestricted - intergovernmental				
Income	4,495,129	3,489,559	-	-
TIF surplus	35,183	32,331	7,843	6,889
Replacement	76,841	34,008	16,708	7,377
Sales tax	15,210,422	13,117,120	-	-
Investment income	197,502	614,541	(200,577)	934,078
Gain (loss) on disposal of fixed assets	64,388	89,341	-	-
Miscellaneous	363,267	238,758	47,895	51,706
Total General Revenues				
and Transfers	31,747,949	28,091,879	1,115,145	2,228,777
Change in net position	17,302,326	13,814,193	(170,262)	1,119,198
Net position - May 1	184,690,608	168,126,159	6,893,604	5,774,406
Prior Period Adjustments	(78,254)	2,750,256	-	-
Net position - May 1, as restated	184,612,354	170,876,415	6,893,604	5,774,406
Net position - April 30	\$ 201,914,680	\$ 184,690,608	\$ 6,723,342	\$ 6,893,604

CITY OF O'FALLON, ILLINOIS

**ASSESSED VALUATIONS AND PROPERTY TAX
LAST TEN TAX LEVY YEARS**

For the Year Ended April 30, 2022

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assessed valuations	\$ 781,855,505	\$ 765,414,890	\$ 737,327,557	\$ 705,904,298	\$ 674,208,323	\$ 656,002,514	\$ 640,935,272	\$ 641,199,042	\$ 636,736,130	\$ 647,311,486
Property tax rates										
General	-	0.0131	0.0448	0.0709	0.0742	0.0389	0.0390	0.0388	0.0390	0.0382
Fire protection	0.1791	0.1732	0.1730	0.1736	0.1817	0.1868	0.1840	0.1821	0.1833	0.1802
Firefighter's pension	0.0103	0.0066	0.0087	0.0064	0.0104	0.0107	-	-	-	-
Ambulance	0.0928	0.0784	0.0746	0.0709	0.0520	0.1580	0.1616	0.1610	0.1814	0.1784
Library	0.1503	0.1503	0.1537	0.1534	0.1606	0.1650	0.1571	0.1502	0.1512	0.1487
Library - Municipal retirement	0.0066	0.0068	0.0070	0.0073	0.0077	0.0079	-	-	-	-
Library - Social security	0.0071	0.0072	0.0075	0.0078	0.0082	0.0084	-	-	-	-
Park and recreation	-	0.0889	0.0841	0.0836	0.0876	0.0892	0.0912	0.0902	0.0908	0.0892
Police pension	0.1727	0.1699	0.1628	0.1700	0.1780	0.1683	0.1720	0.1713	0.1724	0.1767
Municipal retirement	0.0909	0.0928	0.0959	0.0886	0.0895	0.0915	0.0905	0.0790	0.0602	0.0595
Social security	0.1260	0.1144	0.1106	0.1155	0.1338	0.1281	0.1311	0.1219	0.1227	0.1165
Total property tax rates	<u>0.8358</u>	<u>0.9016</u>	<u>0.9227</u>	<u>0.9480</u>	<u>0.9837</u>	<u>1.0528</u>	<u>1.0265</u>	<u>0.9945</u>	<u>1.0010</u>	<u>0.9874</u>