



CITY OF O'FALLON, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2023

The background of the lower half of the cover features a grayscale photograph of a modern building with a complex, geometric facade. Overlaid on this image are several large, semi-transparent, light gray geometric shapes, including triangles and polygons, creating a layered, architectural effect.

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INTRODUCTORY SECTION

CITY OF O'FALLON, ILLINOIS

CITY OFFICIALS

AS OF APRIL 30, 2023

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

Aaron Hudson

Stephanie Smallheer

Eric Van Hook

DEPARTMENT HEADS

City Administrator – Walter Denton

Chief Financial Officer – Sandy Evans

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT



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Springfield, IL 62704
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of O'Fallon, Illinois
255 S. Lincoln Ave.
O'Fallon, IL 62269

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, 2023, 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
Park Fund	Unmodified
Tax Increment Financing 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, 2023, 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, Park Fund, Tax Increment Financing 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, Park Fund, Tax Increment Financing Fund, and Aggregate Remaining Fund Information of the City of O'Fallon, Illinois, as of April 30, 2023, 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.

Management has omitted the Schedule of Employer Contributions for the Police Pension Fund and Firefighters' Pension Fund, the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios for the Police Pension Fund and Firefighters' Pension Fund, the Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios for the Other Postemployment Benefits Plan, and the Schedule of Investment Returns for the Police Pension Fund and Firefighters' Pension Fund that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the 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. Our opinions on the basic financial statements are not affected by this missing information.

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 27 2023 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 27, 2023



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor
Members of City Council and Management
City of O'Fallon Illinois
255 S. Lincoln Ave.
O'Fallon, IL 62269

We have audited, in accordance with the 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, the 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 (City), as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 27, 2023.

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.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal controls. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned cost as item 2023-001 that we considered a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of O'Fallon, Illinois' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Springfield, Illinois
October 27, 2023

Current Year Findings

Material Weakness

Finding 2023-001 – Financial Reporting

Criteria/Specific Requirement: The City's financial statements are to be presented in accordance with generally accepted accounting principles as well as include all necessary disclosures as required by the Government Accounting Standards Board (GASB).

Condition: During our audit, we identified and proposed audit adjustments, which were reviewed and approved by management, to present fairly the City's basic financial statements. The adjustments were to various accounts and were material in nature. These adjustments were related to correcting fund balances, revenues, grant receivables, and loans payable.

Cause and Effect: The accounting department has a limited number of staff who may not always have the time or specialized expertise required to prepare GAAP financial statements and include all disclosures as required by GASB. Without adequate internal control over financial reporting, the financial statements may not contain all the required disclosures or properly adjusted account balances if prepared by the City.

Recommendation: As part of the year-end closing process, we recommend the City review these and all other financial statement line items to ensure they are properly adjusted and agree to subsidiary ledgers.

Management's Response: City staff has implemented measures to properly review all general ledger accounts, especially where grant revenue or loan monies are received. They will continue to request assistance from the auditors as needed. The material weakness entries are a result of one-off situations that are not expected to recur in the future.

Summary of Prior Audit Findings

Material Weakness

Finding 2022-001 – Financial Reporting

Criteria/Specific Requirement: The City's financial statements are to be presented in accordance with generally accepted accounting principles as well as include all necessary disclosures as required by the Government Accounting Standards Board (GASB).

Condition: During our audit, we identified and proposed audit adjustments, which were reviewed and approved by management, to present fairly the City's basic financial statements. The adjustments were to various accounts and were material in nature. These adjustments were related to correcting capital expenditures, correcting IMRF GASBS No. 68 activity, adjusting grants, and accruing revenue.

Cause and Effect: The accounting department has a limited number of staff who may not always have the time or specialized expertise required to prepare GAAP financial statements and include all disclosures as required by GASB. Without adequate internal control over financial reporting, the financial statements may not contain all the required disclosures or properly adjusted account balances if prepared by the City.

Recommendation: As part of the year-end closing process, we recommend the City review these and all other financial statement line items to ensure they are properly adjusted and agree to subsidiary ledgers.

2023 Update

The condition that resulted in the financial reporting finding 2002-001 was corrected for the year ended April 30, 2023. See current year finding 2023-001 for updated condition.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF O'FALLON, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

April 30, 2023

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, 2023.

The Management's Discussion and Analysis (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 assets and long-term debt activity and concludes with information regarding currently known facts, decisions or conditions that are expected to have a significant effect on the City's future financial position and operations. Please read this analysis in conjunction with the City's financial statements including all supplementary information and note disclosures.

Using this Annual Report

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

Government-Wide Financial Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The government-wide statements consist of a Statement of Net Position and a Statement of Activities and are prepared using the economic resources measurement focus and accrual basis of accounting. These statements will report all 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 special service areas) 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 \$16,583,691. Governmental activities increased \$14,950,781 and business activities had an increase of \$1,632,910. Net position of the City's governmental activities totals \$144.8 million with 50.6% of that being invested in capital assets (buildings, roads, equipment, etc.) net of related debt. The net position of the business-type activities totals \$75.7 million with 54.1% invested in capital assets net of related debt.

Statement of Net Position								
April 30, 2023								
	Governmental Activities		Business-Type Activities		Primary Government Total		Component Unit	
	2023	2022	2023	2022	2023	2022	2023	2022
ASSETS								
Other assets	\$ 86,991,038	\$ 76,565,965	\$ 40,173,387	\$ 35,996,911	\$ 127,164,425	\$ 112,562,876	\$ 6,982,763	\$ 7,130,831
Capital assets (net of accumulated depreciation and amortization)	77,935,831	80,068,827	41,697,809	43,053,524	119,633,640	123,122,351	1,030,866	1,215,975
Land and construction in progress	30,881,405	30,120,519	9,073,807	1,899,712	39,955,212	32,020,231	-	-
TOTAL ASSETS	195,808,274	186,755,311	90,945,003	80,950,147	286,753,277	267,705,458	8,013,629	8,346,806
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflow - pension related	3,115,211	1,244,472	1,074,392	450,269	4,189,603	1,694,741	217,258	86,385
Deferred loss on refunding	676,949	806,340	-	-	676,949	806,340	-	-
TOTAL DEFERRED OUTFLOWS	3,792,160	2,050,812	1,074,392	450,269	4,866,552	2,501,081	217,258	86,385
LIABILITIES								
Accounts payable	2,961,962	2,869,638	5,115,545	733,017	8,077,507	3,602,655	35,488	63,174
Other liabilities	1,418,591	5,750,576	80,420	777,909	1,499,011	6,528,485	15,220	36,856
Non-current liabilities	41,126,999	38,247,089	11,089,827	4,563,993	52,216,826	42,811,082	290,396	80,183
TOTAL LIABILITIES	45,507,552	46,867,303	16,285,792	6,074,919	61,793,344	52,942,222	341,104	180,213
DEFERRED INFLOWS OF RESOURCES								
Deferred inflow - pension related	198,831	3,574,699	68,575	1,293,379	267,406	4,868,078	13,867	248,136
Deferred property taxes	9,047,812	8,468,664	-	-	9,047,812	8,468,664	1,281,500	1,281,500
TOTAL DEFERRED INFLOWS	9,246,643	12,043,363	68,575	1,293,379	9,315,218	13,336,742	1,295,367	1,529,636
NET POSITION								
Net Investment in Capital Assets	73,284,056	72,160,713	40,903,307	40,183,236	114,187,363	112,343,949	1,022,809	1,215,975
Restricted	30,534,652	28,180,347	-	-	30,534,652	28,180,347	4,185,008	4,133,094
Unrestricted	41,027,531	29,554,398	34,761,721	33,848,882	75,789,252	63,403,280	1,386,599	1,374,273
TOTAL NET POSITION	\$ 144,846,239	\$ 129,895,458	\$ 75,665,028	\$ 74,032,118	\$ 220,511,267	\$ 203,927,576	\$ 6,594,416	\$ 6,723,342

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 \$14,950,781 (11.5% growth). Total revenues increased by \$5,229,016 (10.6%). Expenses increased this year \$4,541,301 (12.9%).

Statement of Changes in Net Position April 30, 2023								
	Governmental Activities		Business-Type Activities		Primary Government Total		Component Unit	
	2023	2022	2023	2022	2023	2022	2023	2022
REVENUES								
Program Revenues								
Charges for services	\$ 12,234,268	\$ 11,439,099	\$ 20,809,489	\$ 19,870,287	\$ 33,043,757	\$ 31,309,386	\$ 65,241	\$ 55,597
Operating grants	1,672,059	1,419,330	-	2,260	1,672,059	1,421,590	47,626	45,935
Capital grants	851,430	3,085,712	144,712	1,839,343	996,142	4,925,055		-
General Revenues								
Taxes	11,538,254	11,305,217		-	11,538,254	11,305,217	1,277,212	1,243,276
Unrestricted - Intergovernmental	25,830,372	21,830,471		-	25,830,372	21,830,471	30,406	24,551
Investment income	1,924,410	100,370	981,909	97,132	2,906,319	197,502	95,413	(200,577)
Gain (loss) on disposal of fixed assets	289,271	31,710	156,282	32,698	445,553	64,408		-
Miscellaneous	423,133	322,272	109,947	40,995	533,080	363,267	57,952	47,895
TOTAL REVENUES	54,763,197	49,534,181	22,202,339	21,882,715	76,965,536	71,416,896	1,573,850	1,216,677
EXPENSES								
General government	4,324,495	3,375,835			4,324,495	3,375,835		
Public safety	15,821,900	14,224,890			15,821,900	14,224,890		
Highways and streets	8,558,114	7,818,970			8,558,114	7,818,970		
Zoning	1,444,177	1,013,612			1,444,177	1,013,612		
Cemetery	377,452	156,502			377,452	156,502		
Culture and recreation	6,305,572	5,740,181			6,305,572	5,740,181		
Tax increment financing	1,165,827	1,213,451			1,165,827	1,213,451		
Tourism	488,528	331,564			488,528	331,564		
Interest on long-term debt	1,326,351	1,396,110			1,326,351	1,396,110		
Water			13,115,430	11,846,116	13,115,430	11,846,116		
Sewer			7,453,999	4,984,443	7,453,999	4,984,443		
Library							1,702,776	1,386,939
TOTAL EXPENSES	39,812,416	35,271,115	20,569,429	16,830,559	60,381,845	52,101,674	1,702,776	1,386,939
Transfers	-	-	-	-	-	-		
Change in Net Position	14,950,781	14,263,066	1,632,910	5,052,156	16,583,691	19,315,222	(128,926)	(170,262)
NET POSITION BEGINNING	129,895,458	115,632,392	74,032,118	69,058,216	203,927,576	184,690,608	6,723,342	6,893,604
Prior Period Adjustments:								
Asset infrastructure				(78,254)		(78,254)		
NET POSITION ENDING	\$ 144,846,239	\$ 129,895,458	\$ 75,665,028	\$ 74,032,118	\$ 220,511,267	\$ 203,927,576	\$ 6,594,416	\$ 6,723,342

Significant revenue changes were:

- Charges for Service revenues increased mainly due to field rental (\$413,555) and concession sales (\$202,745) at the sports park with the completion of the of all-weather sport fields, an agreement with the local high school to help offset capital cost of the community park baseball diamond (\$103,000), and increased hotel accommodation revenues (\$179,486).
- Capital grants decreased due to less contributed capital from new development infrastructure.
- Intergovernmental revenue increased because of the additional ½ cent sales tax implemented in June 2022. This is split between the Park and Build O'Fallon Trust funds.
- Investment income increased significantly in fiscal year 2023 due to higher interest rates earned on balances of local checking accounts and IL Funds.
- Gain on asset was earned for the sale of a ladder truck.

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

Significant expense changes were:

- General Government spending increased \$948,660. Changes include new office furnishings, IT server storage, new city-wide phone system, new resident assistance program, and an increase of GASB68 pension reporting.
- Public safety expenses increased \$1,597,010 over prior. Changes include purchases of a new firetruck, an ambulance, and six police SUVs, payout of shared revenue from the Emergency Telephone Systems Board program, and an increase of GASB68 pension reporting
- Highways and streets spending is up over prior year \$739,144. Changes include improvements at Pausch Road, intersection improvements at Old Collinsville Road and Hwy 50, several culvert replacements, and an increase of GASB68 pension reporting.
- Cemetery expenditures include capital outlay for the new columbarium, a Ford F450, and a bobcat.
- Culture and recreations costs increased \$565,391 over prior year mainly due to improvements at Hesse Park pickle ball courts and Community Park baseball fields and design costs for the all abilities playground in development, and an increase of GASB68 pension reporting.
- TIF expenditures are relatively flat to prior year.
- Tourism expenses increased over last year for new gateway signage on the west side of the city and downpayment for a new electronic sign to be installed at city hall next year.

Business-type Activities

As noted, net position from business-type activities increased by \$1,632,910. Total revenues of the City's business-type activities increased \$319,624 (1.5%). This increase is mainly due to a water rate increase, higher usage for water and sewer service, increased sewer tap on fees, and increased interest earnings with IL Funds. These revenue increases offset the decreased revenue from capital contribution for infrastructure in completed developments. Expenses increased \$3,738,870 or 22.2%. Increased expenses are due to the improvements at the waste water treatment plant, water main replacement at Union Hill, and sewer line replacement on the presidential streets. Fund net position balances for the City's business-type activities are \$75.7 million for fiscal year 2023, with \$34.8 million being unrestricted.

Financial Analysis of the City's Fund Financial Statements

For the fiscal year ended April 30, 2023, the Governmental Funds reflect a \$12,714,565 increase in fund balance. Cash and investments increased by \$13,201,105. Revenues increased by 10.0% (\$4,766,205). The expenses increased over last year 2.5% (\$995,780), leaving a positive net change in fund balance of \$12.7 million.

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

Status of Fund Balance			
Governmental Funds			
	Fiscal Year	Fiscal Year	Increase/
	5/1/2022-4/30/2023	5/1/2021-4/30/2022	(Decrease)
General	\$ 39,254,800	\$ 34,631,919	\$ 4,622,881
Park	4,085,579	3,374,852	710,727
Tax Increment Financing	(3,510,854)	(4,291,641)	780,787
Non-major Funds			
Fire	2,236,492	2,747,858	(511,366)
Motor Fuel Tax	7,490,124	6,663,519	826,605
Ambulance	4,104,641	4,074,631	30,010
IMRF	646,607	438,773	207,834
Other non-major	18,208,493	12,161,406	6,047,087
TOTAL	\$ 72,515,882	\$ 59,801,317	\$ 12,714,565

* Data can be found in the Statement of Revenues, Expenditures, and Changes in Fund Balance reports in the audit.

Significant changes were:

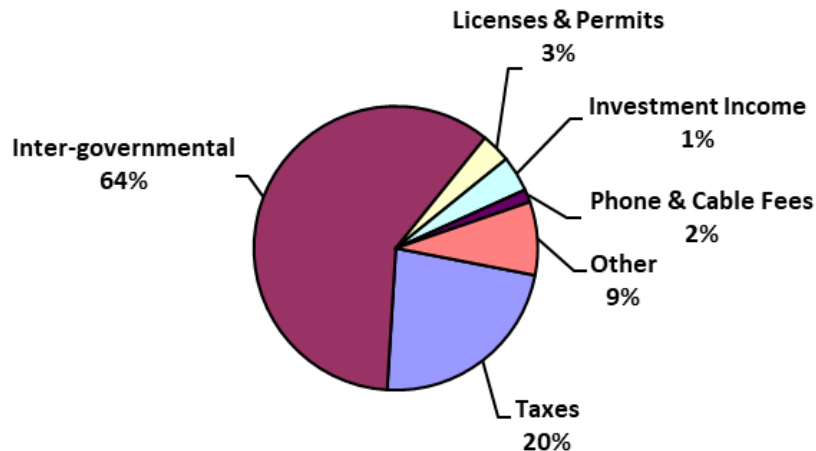
- General fund balance increased mainly due to increased investments from receipt of higher municipal taxes, sales and income tax, and bank interest.
- TIF fund balance shows a positive change mainly due to increased property tax revenues received in each district. An appeal of property values by developers in Central Park district prevented receipt of even higher property tax revenues.
- Park fund balance improved due to increased cash flow generated from the new ½ cent sales tax that was implemented in June 2022. This increased revenue source is shared with the Build O'Fallon Trust fund.
- The purchase of a new fire truck reduced the fund balance for the Fire department.

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 \$9,188,144.

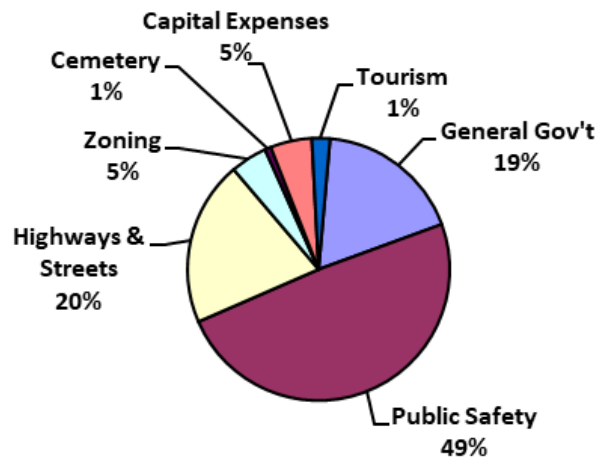
Management believes that this level of fund balance is acceptable.

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

Revenue by Sources-General Fund



Expenditures by Program-General Fund



The City has one fund set up for the parks system and the City pool. During the year, revenues were \$5,128,565 and expenses were \$4,248,298. Other financing uses were \$169,540, leaving an increase in fund balance of \$710,727. The city's park system continues to grow and offer recreational programs, facilities, and wonderful green space for all which will now include a new all-abilities playground that began development in fiscal year 2023. The ending fund balance in the Park Fund is \$4,085,579.

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

General Fund Budgetary Highlights

General Fund actual revenues are \$5,586,877 higher than the final budget and operating expenses are \$256,478 lower than the final budget amount. This amounts to a net gain of \$5,843,355 actual vs budget. This increase was mainly due to receipt of higher than budgeted state sales and income tax, investment income, and municipal taxes on food and beverage and hotel accommodations. Public safety expenditures reflect the transfer of property taxes for police and fire pension as employer contributions.

Capital Asset and Debt Administration

At the end of 2023, the city had \$159.6 million (net of accumulated depreciation and amortization) invested in a broad range of capital assets, including police, fire, park facilities, roads, water, and sewer lines, etc. Governmental activities had \$108.8 million and business-type activities had \$50.8 million invested at the end of fiscal year 2023, net of depreciation and amortization.

**Governmental Activities
Changes in Capital Assets
For the Year Ended April 30, 2023**

<u>Governmental Activities</u>	Balance 4/30/2022	Increases	Decreases	Balance 4/30/2023
Non-depreciable capital assets:				
Land	\$ 29,894,424			\$ 29,894,424
Construction in progress	226,095	2,017,989	1,257,103	986,981
Total Non-depreciable capital assets	30,120,519	2,017,989	1,257,103	30,881,405
Depreciable capital assets:				
Land/building improvements	15,599,536	705,182		16,304,718
Buildings	25,493,943			25,493,943
Equipment	8,106,076	500,603		8,606,679
Vehicles	8,070,290	1,545,957	466,192	9,150,055
Parks/Sportsplex	30,624,557			30,624,557
Infrastructure	150,982,832	1,766,215		152,749,047
Total Depreciable capital assets	238,877,234	4,517,957	466,192	242,928,999
Amortizable intangible capital assets				
Equipment	51,169	4,725		55,894
Total Amortizable intangible capital assets	51,169	4,725	0	55,894
Less accumulated depreciation	158,808,407	6,681,913	466,192	165,024,128
Less accumulated amortization	-	24,935	-	24,935
Depreciable and amortizable tangible and intangible capital assets, net	80,119,996	(2,184,166)	0	77,935,830
Governmental Activities Capital Assets, net	\$ 110,240,515	\$ (166,177)	\$ 1,257,103	\$ 108,817,235

Significant changes to the Governmental capital assets include:

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

- CIP completed projects to the Old Collinsville Rd and Hwy 50 intersection and various storm water culvert replacements. New CIP projects include a columbarium for the city cemetery, streetscaping, bike trails, and an all-abilities playground for community park.
- Land/Building improvements include installation of all-weather turf fields, new ball diamond fencing, and a garden gazebo.
- Equipment purchases include a bobcat, replacement of the city-wide phone system, IT data storage, portable fencing for the park, and a stretcher and chest compression machine for the new ambulance.
- Vehicles include a fire truck, ambulance, and 6 SUVs for public safety, a camp bus, and an SUV for community development offset by trade-in or sale of several other vehicles for the new models.
- Infrastructure includes the completion of CIP projects listed above and new residential developments.
- Intangible assets include equipment lease contracts for copy machines.

Business-Type Activities	Balance 4/30/2022	Increases	Decreases	Balance 4/30/2023
Non-depreciable capital assets:				
Land	\$ 799,147			\$ 799,147
Construction in progress	1,100,565	7,707,137	533,042	8,274,660
Total Non-depreciable capital assets	1,899,712	7,707,137	533,042	9,073,807
Depreciable capital assets:				
Buildings and improvements	2,580,958			2,580,958
Equipment	12,273,205	757,547	267,378	12,763,374
Utility systems	78,882,794	677,754		79,560,548
Total Depreciable capital assets	93,736,957	1,435,301	267,378	94,904,880
Amortizable intangible capital assets				
Equipment	13,694	9,593		23,287
Total Amortizable intangible capital assets	13,694	9,593	0	23,287
Less accumulated depreciation	50,683,433	2,806,470	267,378	53,222,525
Less accumulated amortization	-	7,833	-	7,833
Depreciable and amortizable tangible and intangible capital assets, net	43,067,218	(1,369,409)	0	41,697,809
Business-Type Activities Capital Assets, net	\$ 44,966,930	\$ 6,337,728	\$ 533,042	\$ 50,771,616

Significant changes to the Business-Type capital assets were:

- CIP increased overall due to the ongoing construction for water main replacements and waste-water facility improvements.
- Equipment purchases include a vac-con truck, utility dingo with bucket loader, replacement truck, and vehicle lift offset by the trade-in or sale of older models.

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

- Utility systems construction projects were completed at Mark Drive, Pausch Road, and Glen Hollow.
- Intangible assets include equipment lease contracts for copy machines.

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

Debt Outstanding

Governmental Activities						
Bond	Bond Description	Date to Mature	Sourced by	Principal Issued	Principal Paid to Date	Principal Balance 4/30/2023
2020 Series	Infrastructure	Jan 2022	Sales Tax	\$ 1,529,044	\$ 1,019,044	\$ 510,000
2018 B & C Series	Convention Ctr Sports park Infrastructure <i>refinanced 2019</i>	Jan 2035	Food & Beverage Tax Hotel/Motel Tax 1/2 Cent Sales Tax	\$ 14,850,000	\$ 2,115,000	\$ 12,735,000
2018A Series	Sports park <i>refinanced 2019</i>	Jan 2029	Hotel/Motel Tax	\$ 723,000	\$ 264,000	\$ 459,000
2018A Series	EMS <i>refinanced 2019</i>	Jan 2029	EMS	\$ 482,000	\$ 176,000	\$ 306,000
2018A Series	Sports park <i>refinanced 2019</i>	Jan 2039	Hotel/Motel Tax	\$ 7,185,000	\$ -	\$ 7,185,000
2015 Series	HSHS Mine Remediation	Jan 2030	TIF Revenue	\$ 5,175,000	\$ 1,280,000	\$ 3,895,000
2015 Series	HSHS Roadwork	Jan 2034	TIF Revenue	\$ 1,950,000	\$ -	\$ 1,950,000
2016 Bond	Convention Ctr Sports park Infrastructure	Jan 2025	Food & Beverage Tax Hotel/Motel Tax 1/2 Cent Sales Tax	\$ 3,450,000	\$ 2,685,000	\$ 765,000
2017 Series	Destination O'Fallon	Jan 2037	Hotel/Motel Tax	\$ 9,460,000	\$ 2,245,000	\$ 7,215,000
	Amortization of bond premiums					\$ 1,075,842
Governmental Activities Total				\$ 44,804,044	\$ 9,784,044	\$ 36,095,842

Business-Type Activities						
Bond	Bond Description	Date to Mature	Sourced by	Principal Issued	Principal Paid to Date	Principal Balance 4/30/2023
Series 2021	Pump Station	Apr 2030	Water Sales	\$ 420,000	\$ 110,000	\$ 310,000
Series 2021	Water Towers	Apr 2029	Water Sales	\$ 2,845,000	\$ 605,000	\$ 2,240,000
Series 2021	Headworks/Disinfection	Apr 2031	Sewer Sales	\$ 2,065,000	\$ 395,000	\$ 1,670,000
Business-Type Activities Total				\$ 5,330,000	\$ 1,110,000	\$ 4,220,000

* As of April 30, 2023, the IEPA loan for the WWTP improvements has not been fully disbursed and has a balance of \$5,632,092.

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 4/30/2023
SSA #1	Shoppes at Greenmount	Dec 2025	Property Tax	\$ 975,000	\$ 615,000	\$ 360,000
SSA #2	Greenmount Common	Dec 2024	Property Tax	\$ 185,000	\$ 145,000	\$ 40,000
SSA #4	Regency Extension	Dec 2025	Property Tax	\$ 650,000	\$ 405,000	\$ 245,000
SSA #6	Newbold	Dec 2026	Property Tax	\$ 1,540,000	\$ 1,010,000	\$ 530,000
SSA #7	Frieze Harley Davidson	Dec 2027	Property Tax	\$ 1,360,000	\$ 805,000	\$ 555,000
No-Commitment Debt Total				\$ 4,710,000	\$ 2,980,000	\$ 1,730,000

The City's notes payable for governmental activities total \$81,588 for a fire truck.

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.

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

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 percentage was reduced by 7.3% because of sequestration. In September 2018, these bonds were refunded, and the City issued \$8,390,000 general obligation refunding bonds, Series 2018A.

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

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

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

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

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 \$838,440,998. The assessed valuation for the City increased by \$56,585,493 over last year due to population growth, new home development and increased property value. The City's tax rate decreased by \$0.0216 for a current rate of \$.8142, a rate lower than the rate in 2007, in comparison to last year's rate of \$.8358.

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. 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 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 Cancer Care Center. Memorial Hospital in partnership with Barnes Jewish Christian (BJC), has a \$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 100 new homes every year.

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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Cash and cash equivalents	\$ 55,759,452	\$ 26,963,141	\$ 82,722,593	\$ 608,760
Restricted cash and cash equivalents	376,749	-	376,749	-
Investments	16,001,715	6,841,711	22,843,426	5,035,230
Receivables, net:				
Property tax	9,047,812	-	9,047,812	1,281,500
Due from other governmental entities	4,052,437	-	4,052,437	-
Interest	137,572	89,519	227,091	37,323
Other	1,286,498	4,797	1,291,295	-
Water and sewer fees	-	5,198,980	5,198,980	-
Service fees	718,424	-	718,424	-
Due from fiduciary funds	2,356	-	2,356	-
Internal balances	(859,089)	859,089	-	-
Prepaid items	467,112	216,150	683,262	19,950
Capital assets:				
Land and construction in progress	30,881,405	9,073,807	39,955,212	-
Other capital assets, net of accumulated depreciation and amortization	77,935,831	41,697,809	119,633,640	1,030,866
Total assets	195,808,274	90,945,003	286,753,277	8,013,629
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF	3,115,211	1,074,392	4,189,603	217,258
Unamortized loss on refunding	676,949	-	676,949	-
Total deferred outflows of resources	3,792,160	1,074,392	4,866,552	217,258
Total assets and deferred outflows of resources	199,600,434	92,019,395	291,619,829	8,230,887

This statement is continued on the following page.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	
LIABILITIES				
Accounts payable	\$ 2,961,962	\$ 5,115,545	\$ 8,077,507	\$ 35,488
Accrued payroll and benefits	297,799	58,564	356,363	15,208
Unearned revenue	669,628	-	669,628	-
Accrued interest	451,164	21,856	473,020	12
Noncurrent liabilities:				
Due within one year	2,804,953	706,118	3,511,071	51,143
Due in more than one year	38,322,046	10,383,709	48,705,755	239,253
Total liabilities	45,507,552	16,285,792	61,793,344	341,104
DEFERRED INFLOWS OF RESOURCES				
Pension items - IMRF	198,831	68,575	267,406	13,867
Deferred property taxes	9,047,812	-	9,047,812	1,281,500
Total deferred inflows of resources	9,246,643	68,575	9,315,218	1,295,367
Total liabilities and deferred inflows of resources	54,754,195	16,354,367	71,108,562	1,636,471
NET POSITION				
Net investment in capital assets	73,284,056	40,903,307	114,187,363	1,022,809
Restricted:				
Debt service	143,691	-	143,691	-
Construction/capital projects	10,070,611	-	10,070,611	-
Highways and streets	7,490,124	-	7,490,124	-
Culture and recreation	4,085,579	-	4,085,579	-
Public safety	6,645,950	-	6,645,950	-
Retirement	860,208	-	860,208	103,408
Cemetery	992,828	-	992,828	-
Special service areas	245,661	-	245,661	-
Specific purpose	-	-	-	4,081,600
Unrestricted	41,027,531	34,761,721	75,789,252	1,386,599
Total net position	\$ 144,846,239	\$ 75,665,028	\$ 220,511,267	\$ 6,594,416

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2023

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	\$ 4,324,495	\$ 1,847,929	\$ 20,744	\$ -	\$ (2,455,822)	\$ -	\$ (2,455,822)	\$ -
Public safety	15,821,900	4,057,693	54,777	-	(11,709,430)	-	(11,709,430)	-
Highway and streets	8,558,114	-	1,372,579	851,430	(6,334,105)	-	(6,334,105)	-
Zoning	1,444,177	692,667	-	-	(751,510)	-	(751,510)	-
Cemetery	377,452	56,650	-	-	(320,802)	-	(320,802)	-
Culture and recreation	6,305,572	2,617,349	223,959	-	(3,464,264)	-	(3,464,264)	-
Tax increment financing	1,165,827	-	-	-	(1,165,827)	-	(1,165,827)	-
Tourism	488,528	2,961,980	-	-	2,473,452	-	2,473,452	-
Interest and fiscal charges	1,326,351	-	-	-	(1,326,351)	-	(1,326,351)	-
Total governmental activities	39,812,416	12,234,268	1,672,059	851,430	(25,054,659)	-	(25,054,659)	-
Business-type activities								
Water	13,115,430	13,271,275	-	70,551	-	226,396	226,396	-
Sewer	7,453,999	7,538,214	-	74,161	-	158,376	158,376	-
Total business-type activities	20,569,429	20,809,489	-	144,712	-	384,772	384,772	-
Total primary government	\$ 60,381,845	\$ 33,043,757	\$ 1,672,059	\$ 996,142	(25,054,659)	384,772	(24,669,887)	-
Component Unit:								
Library	\$ 1,702,776	\$ 65,241	\$ 47,626	\$ -	\$ -	\$ -	\$ -	\$ (1,589,909)
General Revenues								
Taxes:								
Property					7,752,256	-	7,752,256	1,277,212
Road and bridge					293,522	-	293,522	-
Utility					2,255,278	-	2,255,278	-
Food and beverage					1,237,198	-	1,237,198	-
Unrestricted - intergovernmental								
Income taxes					5,217,204	-	5,217,204	-
TIF surplus					38,155	-	38,155	8,503
Replacement					100,733	-	100,733	21,903
Sales tax					18,461,384	-	18,461,384	-
Grants					2,012,896	-	2,012,896	-
Investment income					1,924,410	981,909	2,906,319	95,413
Gain (loss) on disposal of capital assets					289,271	156,282	445,553	-
Miscellaneous					423,133	109,947	533,080	57,952
Total general revenues and transfers					40,005,440	1,248,138	41,253,578	1,460,983
Change in net position					14,950,781	1,632,910	16,583,691	(128,926)
Net position - May 1					129,895,458	74,032,118	203,927,576	6,723,342
Net position - April 30					\$ 144,846,239	\$ 75,665,028	\$ 220,511,267	\$ 6,594,416

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

BALANCE SHEET - GOVERNMENTAL FUNDS

April 30, 2023

	General Fund	Park Fund	Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 26,639,908	\$ 4,119,659	\$ 1,245,103	\$ 23,754,782	\$ 55,759,452
Investments	6,741,732	-	-	9,259,983	16,001,715
Restricted cash and cash equivalents	376,749	-	-	-	376,749
Receivables, net:					
Taxes	1,760,411	-	3,199,831	4,087,570	9,047,812
Due from other governmental entities	2,579,713	407,209	-	1,065,515	4,052,437
Interest	44,413	-	-	93,159	137,572
Service fees	-	-	-	718,424	718,424
Other	577,640	564,581	-	144,277	1,286,498
Prepaid items	390,988	12,528	-	63,596	467,112
Due from other funds	339	-	-	-	339
Advances to other funds	3,390,659	-	-	-	3,390,659
Due from fiduciary funds	2,356	-	-	-	2,356
Total assets	<u>42,504,908</u>	<u>5,103,977</u>	<u>4,444,934</u>	<u>39,187,306</u>	<u>91,241,125</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 42,504,908</u>	<u>\$ 5,103,977</u>	<u>\$ 4,444,934</u>	<u>\$ 39,187,306</u>	<u>\$ 91,241,125</u>
LIABILITIES					
Accounts payable	\$ 343,494	\$ 159,046	\$ 505,870	\$ 1,953,552	\$ 2,961,962
Accrued payroll and benefits	190,530	41,281	-	65,988	297,799
Unearned revenue	-	669,628	-	-	669,628
Advances from other funds	-	-	4,250,087	-	4,250,087
Total liabilities	<u>534,024</u>	<u>869,955</u>	<u>4,755,957</u>	<u>2,019,540</u>	<u>8,179,476</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	1,760,411	-	3,199,831	4,087,570	9,047,812
Unavailable revenue - taxes	955,673	148,443	-	393,839	1,497,955
Total deferred inflows of resources	<u>2,716,084</u>	<u>148,443</u>	<u>3,199,831</u>	<u>4,481,409</u>	<u>10,545,767</u>
FUND BALANCES					
Nonspendable					
Advances	3,390,659	-	-	-	3,390,659
Prepaid items	390,988	-	-	63,596	454,584
Restricted					
Forfeiture funds	368,413	-	-	-	368,413
Debt service	-	-	-	143,691	143,691
Capital projects	-	-	-	10,070,611	10,070,611
Highways and streets	-	-	-	7,490,124	7,490,124
Culture and recreation	-	4,085,579	-	-	4,085,579
Public safety	-	-	-	6,277,537	6,277,537
Retirement	-	-	-	860,208	860,208
Cemetery	-	-	-	992,828	992,828
Special service areas	-	-	-	245,661	245,661
Assigned					
Strategic planning	-	-	-	1,766,505	1,766,505
Capital projects	-	-	-	4,775,914	4,775,914
Tourism	3,771,513	-	-	-	3,771,513
Unassigned (deficit)	31,333,227	-	(3,510,854)	(318)	27,822,055
Total fund balances	<u>39,254,800</u>	<u>4,085,579</u>	<u>(3,510,854)</u>	<u>32,686,357</u>	<u>72,515,882</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,504,908</u>	<u>\$ 5,103,977</u>	<u>\$ 4,444,934</u>	<u>\$ 39,187,306</u>	<u>\$ 91,241,125</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, 2023

Total Fund Balances - Governmental Funds	\$ 72,515,882
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.	108,817,236
Unavailable revenue reported in the governmental funds that does not provide current financial resources is recognized as revenue for the government-wide financial statements	1,497,955
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	(2,699,896)
Accrued interest payable	(451,164)
Bonds payable	(35,020,000)
Notes payable	(81,588)
Leases payable	(32,699)
The net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(2,216,974)
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	676,949
Unamortized bond premiums	(1,075,842)
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	3,115,211
Deferred inflows - IMRF	(198,831)
Total Net Position of Governmental Activities	\$ 144,846,239

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

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

For the Year Ended April 30, 2023

	General Fund	Park Fund	Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property	\$ 1,425,433	\$ -	\$ 2,504,232	\$ 3,822,591	\$ 7,752,256
Utility	1,066,282	1,167,542	-	-	2,233,824
Food and beverage	1,237,198	-	-	-	1,237,198
Intergovernmental receipts					
Replacement tax	18,702	-	-	82,031	100,733
Motor fuel tax allotments	-	-	-	1,292,962	1,292,962
Rebuild Illinois Fund Program	-	-	-	342,318	342,318
State sales tax	11,831,113	1,131,551	-	4,070,630	17,033,294
State income tax	5,217,204	-	-	-	5,217,204
Road and bridge tax	293,522	-	-	-	293,522
Grants	65,884	30,000	-	2,014,496	2,110,380
Metropolitan Enforcement Group	8,037	-	-	-	8,037
TIF surplus distribution	38,155	-	-	-	38,155
Other	-	-	-	457,018	457,018
Licenses and permits	982,719	-	-	4,253	986,972
Subdivision fees	26,520	-	-	-	26,520
Police reports	4,914	-	-	-	4,914
Combined dispatch	585,992	-	-	-	585,992
Municipal aggregation fees	102,709	-	-	-	102,709
Fines and fees	363,643	221,574	-	100	585,317
Service fees	233,800	333,757	-	2,301,618	2,869,175
Rural fire district fees	-	-	-	275,794	275,794
Recreation fees	-	809,475	-	-	809,475
Room tax	2,961,980	-	-	-	2,961,980
Investment income	1,184,096	111,414	-	628,900	1,924,410
Phone and cable television franchise fees	430,478	-	-	-	430,478
Rentals	11,144	809,142	-	-	820,286
Fees in lieu of taxes	832,930	-	-	53,870	886,800
Concession income	-	472,492	-	-	472,492
Donations	111,478	11,615	-	31,551	154,644
Annex fees	-	-	-	164,868	164,868
Cemetery revenue	43,100	-	-	-	43,100
Miscellaneous revenues and reimbursements	117,539	30,003	-	96,490	244,032
Total revenues	<u>29,194,572</u>	<u>5,128,565</u>	<u>2,504,232</u>	<u>15,639,490</u>	<u>52,466,859</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, 2023

	General Fund	Park Fund	Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
EXPENDITURES					
Current:					
General government	\$ 3,593,671	\$ -	\$ -	\$ 584,093	\$ 4,177,764
Public safety	9,812,111	-	-	5,102,294	14,914,405
Highways and streets	4,063,187	-	-	1,012,098	5,075,285
Zoning	904,791	-	-	498,857	1,403,648
Cemetery	151,204	-	-	35,553	186,757
Culture and recreation	-	3,876,145	-	182,974	4,059,119
Tax increment financing	-	-	1,165,827	-	1,165,827
Tourism	442,298	-	-	20,158	462,456
Capital outlay	1,024,562	370,275	-	3,307,566	4,702,403
Debt service:					
Principal	13,937	1,820	-	2,517,808	2,533,565
Interest and fiscal charges	667	58	-	1,364,336	1,365,061
Total expenditures	<u>20,006,428</u>	<u>4,248,298</u>	<u>1,165,827</u>	<u>14,625,737</u>	<u>40,046,290</u>
REVENUES OVER (UNDER)					
EXPENDITURES	<u>9,188,144</u>	<u>880,267</u>	<u>1,338,405</u>	<u>1,013,753</u>	<u>12,420,569</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	11,420	600	-	277,251	289,271
Issuance of leases	4,725	-	-	-	4,725
Transfers in	2,111,753	164,775	-	7,855,099	10,131,627
Transfers out	<u>(6,693,161)</u>	<u>(334,915)</u>	<u>(557,618)</u>	<u>(2,545,933)</u>	<u>(10,131,627)</u>
Total other financing sources (uses)	<u>(4,565,263)</u>	<u>(169,540)</u>	<u>(557,618)</u>	<u>5,586,417</u>	<u>293,996</u>
NET CHANGE IN FUND BALANCES	4,622,881	710,727	780,787	6,600,170	12,714,565
FUND BALANCES (DEFICIT), MAY 1	<u>34,631,919</u>	<u>3,374,852</u>	<u>(4,291,641)</u>	<u>26,086,187</u>	<u>59,801,317</u>
FUND BALANCES (DEFICIT), APRIL 30	<u>\$ 39,254,800</u>	<u>\$ 4,085,579</u>	<u>\$ (3,510,854)</u>	<u>\$ 32,686,357</u>	<u>\$ 72,515,882</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, 2023

Net Change in Fund Balances - Governmental Funds	\$ 12,714,565
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/amortized in the statement of activities	4,774,456
Contributions of capital assets are reported only in the statement of activities	509,112
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/amortization of capital assets	(6,706,847)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	1,497,955
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	2,533,565
Amortization of debt related costs	17,782
The issuance of leases is reported as an other financing source in governmental funds but as an increase of principal outstanding on the statement of activities	
Issuance of leases	(4,725)
Certain changes in long-term debt are reported as (increases) decreases in interest expense on the statement of activities	
Change in accrued interest	20,928
The change in the net pension liability (asset) for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(5,692,781)
The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	5,246,607
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	40,164
Change in Net Position of Governmental Activities	\$ 14,950,781

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

April 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 11,658,687	\$ 15,304,454	\$ 26,963,141
Investments	4,784,620	2,057,091	6,841,711
Receivables, net:			
Service charges	1,771,703	3,427,277	5,198,980
Interest	31,393	58,126	89,519
Other	4,797	-	4,797
Prepaid items	83,627	132,523	216,150
Total current assets	<u>18,334,827</u>	<u>20,979,471</u>	<u>39,314,298</u>
Noncurrent assets			
Non-depreciable capital assets:			
Land and construction in progress	2,246,737	6,827,070	9,073,807
Depreciable/amortizable capital assets:			
Other capital assets, net	20,304,804	21,393,005	41,697,809
Advances to other funds	<u>217,963</u>	<u>641,465</u>	<u>859,428</u>
Total noncurrent assets	<u>22,769,504</u>	<u>28,861,540</u>	<u>51,631,044</u>
Total assets	<u>41,104,331</u>	<u>49,841,011</u>	<u>90,945,342</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	<u>670,724</u>	<u>403,668</u>	<u>1,074,392</u>
Total assets and deferred outflows of resources	<u>41,775,055</u>	<u>50,244,679</u>	<u>92,019,734</u>

This statement is continued on the following page.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS (Continued)

April 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 1,553,809	\$ 3,561,736	\$ 5,115,545
Accrued payroll	37,200	21,364	58,564
Accrued interest	13,221	8,635	21,856
Compensated absences payable	91,926	46,520	138,446
Due to other funds	-	339	339
Current portion of leases payable	5,161	2,511	7,672
Current portion of bonds payable	360,000	200,000	560,000
Total current liabilities	<u>2,061,317</u>	<u>3,841,105</u>	<u>5,902,422</u>
Long-term liabilities			
Net pension liability	477,328	287,275	764,603
Compensated absences payable	209,937	108,532	318,469
Long-term portion of leases payable	5,738	2,807	8,545
Long-term portion of bonds payable	2,190,000	7,102,092	9,292,092
Total long-term liabilities	<u>2,883,003</u>	<u>7,500,706</u>	<u>10,383,709</u>
Total liabilities	<u>4,944,320</u>	<u>11,341,811</u>	<u>16,286,131</u>
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	<u>42,810</u>	<u>25,765</u>	<u>68,575</u>
Total liabilities and deferred inflows of resources	<u>4,987,130</u>	<u>11,367,576</u>	<u>16,354,706</u>
NET POSITION			
Net investment in capital assets	19,990,642	20,912,665	40,903,307
Unrestricted	<u>16,797,283</u>	<u>17,964,438</u>	<u>34,761,721</u>
Total net position	<u>\$ 36,787,925</u>	<u>\$ 38,877,103</u>	<u>\$ 75,665,028</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, 2023

	Water	Sewer	Total
OPERATING REVENUES			
Charges for services:			
Sales	\$ 12,511,669	\$ 6,667,170	\$ 19,178,839
Tap-on fees	511,375	385,982	897,357
Service charges and fees	166,841	485,062	651,903
Sprinklers and hydrants	81,390	-	81,390
Total operating revenues	<u>13,271,275</u>	<u>7,538,214</u>	<u>20,809,489</u>
OPERATING EXPENSES			
Personal services	2,619,304	1,530,186	4,149,490
Contractual services	7,854,117	3,412,565	11,266,682
Commodities	481,742	719,871	1,201,613
Fee in lieu of taxes	642,230	244,570	886,800
Depreciation and amortization	1,310,624	1,503,679	2,814,303
Miscellaneous	163,910	15,075	178,985
Total operating expenses	<u>13,071,927</u>	<u>7,425,946</u>	<u>20,497,873</u>
OPERATING INCOME (LOSS)	<u>199,348</u>	<u>112,268</u>	<u>311,616</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	553,206	428,703	981,909
Interest expense	(43,503)	(28,053)	(71,556)
Miscellaneous refunds and reimbursements	33,741	76,206	109,947
Gain on sale of capital assets	3,531	152,751	156,282
Total nonoperating revenues (expenses)	<u>546,975</u>	<u>629,607</u>	<u>1,176,582</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>746,323</u>	<u>741,875</u>	<u>1,488,198</u>
CAPITAL CONTRIBUTIONS			
Capital contributions	<u>70,551</u>	<u>74,161</u>	<u>144,712</u>
Total capital contributions	<u>70,551</u>	<u>74,161</u>	<u>144,712</u>
CHANGE IN NET POSITION	<u>816,874</u>	<u>816,036</u>	<u>1,632,910</u>
NET POSITION, MAY 1	35,971,051	38,061,067	74,032,118
NET POSITION, APRIL 30	<u>\$ 36,787,925</u>	<u>\$ 38,877,103</u>	<u>\$ 75,665,028</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, 2023

	Water	Sewer	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 13,224,850	\$ 6,905,041	\$ 20,129,891
Payments to suppliers	(8,642,404)	(3,514,258)	(12,156,662)
Payments to employees	(2,535,821)	(1,472,172)	(4,007,993)
Miscellaneous receipts	33,741	76,206	109,947
Net cash provided from operating activities	2,080,366	1,994,817	4,075,183
Cash flows from capital and related financing activities:			
Payments on long-term debt	(359,651)	(197,419)	(557,070)
Interest on debt	(45,292)	(29,053)	(74,345)
Proceeds from sale of capital assets	3,531	2,751	6,282
Loan Issuance	-	3,871,365	3,871,365
Capital assets purchased	(1,633,531)	(3,641,488)	(5,275,019)
Net cash used by capital and related financing activities	(2,034,943)	6,156	(2,028,787)
Cash flows from investing activities			
Purchase (sale) of investment, net	(2,364,677)	(184,593)	(2,549,270)
Interest on investments	537,092	384,754	921,846
Net cash used by investing activities	(1,827,585)	200,161	(1,627,424)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,782,162)	2,201,134	418,972
CASH AND CASH EQUIVALENTS, MAY 1	13,440,849	13,103,320	26,544,169
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 11,658,687</u>	<u>\$ 15,304,454</u>	<u>\$ 26,963,141</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, 2023

	<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>\$ 199,348</u>	<u>\$ 112,268</u>	<u>\$ 311,616</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,310,624	1,503,679	2,814,303
Miscellaneous	33,741	76,206	109,947
(Increase) decrease in:			
Accounts receivable	(46,425)	(633,173)	(679,598)
Prepaid items	6,603	27,952	34,555
Deferred outflows - IMRF	(382,894)	(241,229)	(624,123)
Increase (decrease) in:			
Accounts payable	492,992	849,871	1,342,863
Accrued payroll liabilities	13,273	8,763	22,036
Compensated absences payable	(44,162)	(9,652)	(53,814)
Net pension liability (asset) - IMRF	1,281,236	740,966	2,022,202
Deferred inflows - IMRF	<u>(783,970)</u>	<u>(440,834)</u>	<u>(1,224,804)</u>
Net cash provided by (used in) operating activities	<u>\$ 2,080,366</u>	<u>\$ 1,994,817</u>	<u>\$ 4,075,183</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
IEPA Payable	-	(1,760,727)	(1,760,727)
IEPA Receivable	-	1,760,727	1,760,727
Capital assets acquired through accounts payable	408,920	2,630,745	
Equipment acquired through leases	6,443	3,150	9,593
Capital contribution	<u>70,551</u>	<u>74,161</u>	<u>144,712</u>
Total noncash investing, capital, and financing activities	<u>\$ 485,914</u>	<u>\$ 2,708,056</u>	<u>\$ 154,305</u>

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION

April 30, 2023

	Pension Trust Funds	Custodial Funds	Total
ASSETS			
Cash and cash equivalents	\$ 928,105	\$ 222,256	\$ 1,150,361
Restricted cash	-	611,595	611,595
Investments			
Pooled investments	38,886,124	-	38,886,124
Total assets	<u>39,814,229</u>	<u>833,851</u>	<u>40,648,080</u>
LIABILITIES			
Due to primary government	2,356	-	2,356
Accounts payable	3,373	-	3,373
Total liabilities	<u>5,729</u>	<u>-</u>	<u>5,729</u>
NET POSITION RESTRICTED			
Pension benefits	39,808,500	-	39,808,500
Debt service	<u>-</u>	<u>833,851</u>	<u>833,851</u>
Total net position	<u><u>\$ 39,808,500</u></u>	<u><u>\$ 833,851</u></u>	<u><u>\$ 40,642,351</u></u>

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended April 30, 2023

	Pension Trust Funds	Custodial Funds	Total
ADDITIONS			
Contributions:			
Plan members	\$ 459,138	\$ -	\$ 459,138
Employer	1,444,135	-	1,444,135
Property owners	-	561,595	561,595
Total contributions	<u>1,903,273</u>	<u>561,595</u>	<u>2,464,868</u>
Investment income:			
Interest earned	294,733	6,965	301,698
Net appreciation (depreciation) in fair value of investments	512,793	-	512,793
Less: investment fees	(39,967)	-	(39,967)
Net investment income	<u>767,559</u>	<u>6,965</u>	<u>774,524</u>
Total additions	<u>2,670,832</u>	<u>568,560</u>	<u>3,239,392</u>
DEDUCTIONS			
Benefits	2,130,638	-	2,130,638
Refunds	127,454	-	127,454
Administration services	22,522	-	22,522
Debt service			
Principal	-	460,000	460,000
Interest and fiscal charges	-	110,457	110,457
Total deductions	<u>2,280,614</u>	<u>570,457</u>	<u>2,851,071</u>
CHANGE IN NET POSITION	390,218	(1,897)	388,321
NET POSITION, MAY 1	<u>39,418,282</u>	<u>835,748</u>	<u>40,254,030</u>
NET POSITION, APRIL 30	<u><u>\$ 39,808,500</u></u>	<u><u>\$ 833,851</u></u>	<u><u>\$ 40,642,351</u></u>

See notes to financial statements.

CITY OF O'FALLON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2023

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 Friends of the O'Fallon Public Library, while a potential component unit, is not significant to the Library and, therefore, has been excluded from its reporting entity.

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 Park Special Revenue Fund is used to account for the operation and maintenance of the City's parks and related facilities.

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

The City reports the following major proprietary funds:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

The City reports the following 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>2023</u>
Ambulance Fund	\$ 2,445,324
Water Fund	29,472
Sewer Fund	<u>15,795</u>
	<u>\$ 2,490,592</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 2021 property tax levy in revenue.

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

	<u>2022</u>		<u>2021</u>	
Assessed Valuation	<u>\$ 838,440,988</u>		<u>\$ 781,855,505</u>	
	<u>Maximum</u>	<u>Actual</u>	<u>Maximum</u>	<u>Actual</u>
Tax Rates				
General	n/a	0.0000	n/a	0.0000
Fire protection	n/a	0.1754	n/a	0.1791
Fire pension	n/a	0.0084	n/a	0.0103
Ambulance	n/a	0.0990	n/a	0.0928
Library	n/a	0.1402	n/a	0.1503
Library – municipal retirement	n/a	0.0062	n/a	0.0066
Library – social security	n/a	0.0066	n/a	0.0071
Park and recreation	n/a	0.0000	n/a	0.0000
Police pension	n/a	0.1670	n/a	0.1727
Municipal retirement	n/a	0.0851	n/a	0.0909
Social security	n/a	0.1263	n/a	0.1260
		<u>0.8142</u>		<u>0.8358</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 \$40,675,647. Each area has a maximum rate of \$0.3500. The total extension for all areas combined is \$15,213.

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.

Intangible assets represent the City's right-to-use a leased asset. These intangible assets, as defined by GASB Statement No. 87, Leases, are for lease contracts of nonfinancial assets including equipment.

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

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	\$ 2,699,896	\$ 712,600
Business-type activities	456,915	138,445
Component unit	<u>127,725</u>	<u>45,573</u>
	<u>\$ 3,284,536</u>	<u>\$ 896,618</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. The City had \$8,922,288 of fund balances restricted by enabling legislation

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.

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 City and Library investments are governed by an investment policy adopted by the City Council which the Library also follows. The Police Pension Fund and the Firefighters’ Pension Fund follow the IPOPIF and IFPIF investment policies.

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 policy of the City 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 City in safekeeping or evidenced by a tri-party signed safekeeping agreement. At April 30, 2023, the City had no uncollateralized deposits.

Investments

The City categorizes 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, 2023:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Fixed income mutual funds	\$ 424,624	\$ -	\$ 203,103	\$ 221,521	\$ -
U.S. Treasury obligations	2,032,112	2,032,112	-	-	-
U.S. Agency obligations	3,000,000	-	-	3,000,000	-
Negotiable certificates of deposits	10,623,966	6,909,287	3,714,679	-	-
TOTAL	\$ 16,080,702	\$ 8,941,399	\$ 3,947,782	\$ 3,221,521	\$ -

The City has the following recurring fair value measurements as of April 30, 2023: the fixed income mutual funds of \$424,624, the equity mutual funds of \$1,659,913, the U.S. Treasury obligations of \$2,032,112, and the negotiable CDs of \$10,623,966 are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. Agency obligations of \$3,000,000 have significant other observable inputs and are part of a limited secondary market (Level 2).

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. The City limits their exposure to credit risk by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. As of April 30, 2023, the City's deposits in the Illinois Funds external investment pool and the U.S. Agency obligations were rated AAA. The investments in fixed income mutual funds and negotiable CDs were 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.

2. DEPOSITS AND INVESTMENTS (Continued)

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

Police Pension Funds

A. Deposits with Financial Institutions.

The Plan retains all of its available cash with two financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the Plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Pension Fund's deposits may not be returned to them. To guard against credit risk for deposits with financial institutions the Pension Fund's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 110% of the uninsured bank balance, with collateral held by an independent third party institution in the name of the Police Pension Fund and evidenced by a written collateral agreement.

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

Deposits with Financial Institutions

The Plan retains all its available cash with one financial institution and investments in money market mutual funds. Flow-through FDIC insurance is available for the Plan's deposits with financial institutions. Money market mutual funds are covered by Securities Investor Protection Corporation Insurance (SIPC). Available cash is determined to be that amount which is required for the current expenditures of the Plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Plan.

Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that in event of a bank failure, the Plan's deposits may not be returned to it. The Plan's investment policy does not address custodial credit risk for deposits with financial institutions. The Plan's past practice is for all deposits be guaranteed by the U.S. government, insured by the Federal Deposit Insurance Corporation (FDIC), or fully collateralized with securities held by the Plan or its agent in the Plan's name or by its counterparty's trust department or agent in the Fund's name.

Investments of the Plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

2. DEPOSITS AND INVESTMENTS (Continued)

Investments

Fair Value Measurement

The Plan categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the 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 plan held no investments subject to fair value measurement at April 30, 2023.

Net Asset Value

The Net Asset Value (NAV) of the Plan's pooled investment in IPOPIF was \$37,911,882 at 04/30/2023. The pooled investments consist of the investments as noted in the target allocation table below. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2023. The Plan may redeem shares with a seven-calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Rate of Return

For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Policy

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security object to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to Article 3 participating police pension funds. IPOPIF shall not be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and person with disabilities.

2. DEPOSITS AND INVESTMENTS (Continued)

Investments

Illinois Firefighters' Pension Investment Fund

The Illinois Firefighters Officers' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IFPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105. Participation in IFPIF by Illinois suburban and downstate firefighters pension funds is mandatory.

A. Deposits with Financial Institutions.

The Plan retains all of its available cash with two financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the Plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Plan. Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Plan's deposits may not be returned to it. The Plan's investment policy related to this risk provides that all deposits, certificates of deposit investments, and repurchase of agreements be guaranteed at 110% of market value of the funds secured, with the collateral held by an independent third party.

B. Investments

Investments of the Plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report. A copy of that report can be obtained from IFPIF at 1919 S. Highland Avenue, Suite 237, Lombard, IL 60148 or at www.ifpif.org.

Fair Value Measurement

The Plan categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the 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 Plan held no investments subject to fair value measurement at April 30, 2023.

2. DEPOSITS AND INVESTMENTS (Continued)

Investments

Net Asset Value

The Net Asset Value (NAV) of the Plan's pooled investment in IFPIF was \$974,242 at April 30, 2023. The pooled investments consist of the investments as note in the target allocation table below. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at 04/30/2023. The Plan may redeem shares with a seven calendar day notice. IFPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IFPIF.

Investment Policy

IFPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IFPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IFPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and persons with disabilities.

Rate of Return

For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

3. CAPITAL ASSETS

The City's capital asset activity for the year ended April 30, 2023 was as follows:

	Balance May 1, 2022, Restated	Additions	Reductions	Balance April 30, 2023
Governmental Activities				
Non-depreciable capital assets				
Land	\$ 29,894,424	\$ -	\$ -	\$ 29,894,424
Construction in process	226,095	2,017,989	1,257,103	986,981
Total Non-depreciable capital assets	30,120,519	2,017,989	1,257,103	30,881,405
Depreciable tangible capital assets				
Land/building improvements	15,599,536	705,182	-	16,304,718
Buildings	25,493,943	-	-	25,493,943
Equipment	8,106,077	500,603	-	8,606,680
Vehicles	8,070,290	1,545,957	466,192	9,150,055
Parks/Sportsplex	30,624,557	-	-	30,624,557
Infrastructure	150,982,832	1,766,215	-	152,749,047
Total Depreciable tangible capital assets	238,877,235	4,517,957	466,192	242,929,000
Amortizable intangible capital assets				
Equipment	51,169	4,725	-	55,894
Total Amortizable intangible capital assets	51,169	4,725	-	55,894
Less: Accumulated depreciation				
Land/building improvements	4,115,132	589,741	-	4,704,873
Buildings	11,024,520	660,676	-	11,685,196
Equipment	7,087,299	329,864	-	7,417,163
Vehicles	6,764,380	509,500	466,192	6,807,688
Parks/Sportsplex	13,727,793	1,993,709	-	15,721,502
Infrastructure	116,089,284	2,598,422	-	118,687,706
Total Accumulated depreciation	158,808,408	6,681,912	466,192	165,024,128
Less: Accumulated amortization				
Equipment	-	24,935	-	24,935
Total Accumulated amortization	-	24,935	-	24,935
Depreciable and amortizable tangible and intangible capital assets, net	80,119,996	(2,184,165)	-	77,935,831
Governmental Activities Capital Assets, Net	\$ 110,240,515	\$ (166,176)	\$ 1,257,103	\$ 108,817,236

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

3. CAPITAL ASSETS (Continued)

	Balance May 1, 2022, Restated	Additions	Reductions	Balance April 30, 2023
<u>Business-Type Activities</u>				
Non-depreciable capital assets				
Land	\$ 799,147	\$	\$ -	\$ 799,147
Construction in process	1,100,565	7,707,137	533,042	8,274,660
Total Non-depreciable capital assets	1,899,712	7,707,137	533,042	9,073,807
Depreciable capital assets				
Buildings and improvements	2,580,958	-	-	2,580,958
Equipment	12,273,205	757,547	267,378	12,763,374
Utility systems	78,882,794	677,754	-	79,560,548
Total Depreciable capital assets	93,736,957	1,435,301	267,378	94,904,880
Amortizable intangible capital assets				
Equipment	13,694	9,593	-	23,287
Total Amortizable intangible capital assets	13,694	9,593	-	23,287
Less: Accumulated depreciation				
Buildings and improvements	1,334,663	79,151	-	1,413,814
Equipment	9,931,631	399,702	267,348	10,063,955
Utility systems	39,417,139	2,327,617	-	41,744,756
Total Accumulated depreciation	50,683,433	2,806,470	267,348	53,222,525
Less: Accumulated amortization				
Equipment	-	7,833	-	7,833
Total Accumulated amortization	-	7,833	-	7,833
Depreciable capital assets, net	43,067,218	(1,369,409)	-	41,697,809
Business-Type Activities Capital Assets, Net	\$ 44,966,930	\$ 6,337,728	\$ 533,042	\$ 50,771,616
Primary Government Capital Assets, Net	\$ 155,207,445	\$ 6,171,552	\$ 1,790,145	\$ 159,588,852

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

3. CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions/programs of the primary government and component unit for the year ended April 30, 2023 as follows:

	Amount
Governmental Activities:	
General government	\$ 371,028
Public safety	888,424
Highways and streets, including depreciation of general infrastructure assets	2,910,760
Zoning	1,613
Cultural and recreation	2,535,022
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 6,706,847</u>
Business-type Activities:	
Water Funds	\$ 1,310,624
Sewer Funds	1,503,679
Total Depreciation and Amortization Expense - Business-type Activities	<u>\$ 2,814,303</u>

4. LONG-TERM DEBT

Long-term liability activity for the year ended April 30, 2023 was as follows:

	Balance May 1, 2022	Additions	Reductions	Balance April 30, 2023	Due Within One Year
Governmental Activities:					
Bonds Payable					
Bonds payable 2015	\$ 6,190,000	\$ -	\$ 345,000	\$ 5,845,000	\$ 355,000
Bonds payable 2016	1,175,000	-	410,000	765,000	425,000
Bonds payable 2017	7,620,000	-	405,000	7,215,000	420,000
Bonds payable 2018A	8,065,000	-	115,000	7,950,000	120,000
Bonds payable 2018B	9,015,000	-	10,000	9,005,000	10,000
Bonds payable 2018C	4,220,000	-	490,000	3,730,000	510,000
Bonds payable 2020 (direct placement)	1,015,000	-	505,000	510,000	510,000
Add: Premiums on bonds	1,223,015	-	147,173	1,075,842	147,173
Total Bonds Payable	38,523,015	-	2,427,173	36,095,842	1,987,173
Notes Payable					
Fire truck (direct placement)	311,958	-	230,370	81,588	81,588
Total Notes Payable	311,958	-	230,370	81,588	81,588
Compensated absences	2,740,060	1,115,724	1,155,888	2,699,896	712,600
Net pension liability - IMRF	-	2,216,974	-	2,216,974	-
Leases payable	51,169	4,725	23,195	32,699	23,592
Total Governmental Activities	<u>\$ 41,626,202</u>	<u>\$ 3,337,423</u>	<u>\$3,836,626</u>	<u>\$ 41,126,999</u>	<u>\$ 2,804,953</u>

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

4. LONG-TERM DEBT (Continued)

	Balance May 1, 2022,	Additions	Reductions	Balance April 30, 2023	Due Within One Year
Business-Type Activities:					
Water Fund – Bonds Payable					
Bonds payable 2021					
Water construction (direct placement)	\$ 365,000	\$ -	\$ 55,000	\$ 310,000	\$ 55,000
Bonds payable 2021					
Water tank (direct placement)	2,540,000	-	300,000	2,240,000	305,000
Total Water Fund – Bonds Payable	2,905,000	-	355,000	2,550,000	360,000
Sewer Fund – Bonds Payable					
Construction (direct placement)	1,865,000	-	195,000	1,670,000	200,000
IEPA Loan L175510*	-	5,632,092	-	5,632,092	-
Total Sewer Fund – Bonds Payable	1,865,000	5,632,092	195,000	7,302,092	200,000
Compensated absences	510,729	262,214	316,028	456,915	138,446
Net pension liability - IMRF	-	764,603	-	764,603	-
Leases payable	13,694	9,593	7,070	16,217	7,672
Total Business-Type Activities	\$ 5,294,423	\$ 6,668,502	\$ 873,098	\$ 11,089,827	\$ 706,118
Total Primary Government Long-Term Liabilities	\$ 46,920,625	\$ 10,005,925	\$ 4,709,724	\$ 52,216,826	\$ 3,511,071

*IEPA Loan L175510 was not fully disbursed as of April 30, 2023. Therefore, the annual installment amount is not available at the time of report issuance.

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
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	10,000	370,210	1,090,000	43,600
2029-2033	6,135,000	1,344,400	-	-
2034-2035	2,820,000	170,400	-	-
	<u>\$ 9,005,000</u>	<u>\$ 3,368,850</u>	<u>\$ 3,730,000</u>	<u>\$ 514,400</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
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	135,000	290,500	425,500
2029-2033	135,000	1,416,050	1,551,050
2034-2038	5,225,000	1,221,400	6,446,400
2039	1,960,000	78,400	2,038,400
	<u>\$ 7,950,000</u>	<u>\$ 4,206,000</u>	<u>\$ 12,156,000</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:

<u>For the years ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	715,000	149,815	864,815
2029-2033	2,665,000	364,675	3,029,675
2034	430,000	17,200	447,200
	<u>\$ 5,845,000</u>	<u>\$ 1,293,560</u>	<u>\$ 7,138,560</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:

<u>For the years ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 425,000	\$ 22,950	\$ 447,950
2025	340,000	10,200	350,200
	<u>\$ 765,000</u>	<u>\$ 33,150</u>	<u>\$ 798,150</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>
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	470,000	183,660	653,660
2029-2032	2,585,000	690,470	3,275,470
2033-2037	2,410,000	220,380	2,630,380
	<u>\$ 7,215,000</u>	<u>\$ 1,959,045</u>	<u>\$ 9,174,045</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>
2024	\$ 510,000	\$ 5,100	\$ 515,100
	<u>\$ 510,000</u>	<u>\$ 5,100</u>	<u>\$ 515,100</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, 2023 are as follows:

For the fiscal years ending April 30,	Water Construction Loan			Water (Tank) Construction Loan		
	Principal	Interest	Total	Principal	Interest	Total
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	60,000	1,395	61,395	325,000	15,345	340,345
2029-2030	30,000	465	30,465	665,000	15,500	680,500
	<u>\$ 310,000</u>	<u>\$ 15,965</u>	<u>\$ 325,965</u>	<u>\$ 2,240,000</u>	<u>\$ 141,050</u>	<u>\$ 2,381,050</u>

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

For the fiscal years ending April 30,	Principal	Interest	Total
2024	\$ 200,000	\$ 25,885	\$ 223,908
2025	200,000	22,785	225,885
2026	205,000	19,685	222,785
2027	205,000	16,507	224,685
2028	210,000	13,330	221,507
2029-2031	650,000	20,228	893,558
	<u>\$ 1,670,000</u>	<u>\$ 118,420</u>	<u>\$ 1,788,420</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
2024	\$ 81,588	\$ 4,081	\$ 85,669
	<u>\$ 81,588</u>	<u>\$ 4,081</u>	<u>\$ 85,669</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 #5 only, and are not City obligations. Bonds outstanding at April 30, 2023 were \$360,000, \$40,000, and \$245,000 for SSA #1, SSA #2, and SSA #5, 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, 2023 were \$530,000 and \$555,000 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.

Leases

The City entered into various lease agreements for the right to use equipment. Payments ranging from \$61 to \$2,574 are due in monthly installments, through July 2027. Total intangible right-to-use assets acquired under these agreements are \$79,182.

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

4. LONG-TERM DEBT (Continued)

Leases (Continued)

Governmental activities

The annual requirements to amortize to maturity leases outstanding as of April 30, 2023, are as follows:

<u>Years ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 23,592	\$ 549	\$ 24,141
2025	3,348	201	3,549
2026	3,437	112	3,549
2027	2,070	38	2,108
2028	<u>252</u>	<u>2</u>	<u>254</u>
Total	<u>\$ 32,699</u>	<u>\$ 902</u>	<u>\$ 33,601</u>

Business-type activities

The annual requirements to amortize to maturity leases outstanding as of April 30, 2023, are as follows:

<u>Years ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,672	\$ 369	8,041
2025	2,968	200	3,168
2026	3,050	118	3,168
2027	2,014	46	2,060
2028	<u>513</u>	<u>2</u>	<u>515</u>
Total	<u>\$ 16,217</u>	<u>\$ 735</u>	<u>\$ 16,952</u>

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."

4. LONG-TERM DEBT (Continued)

Legal Debt Margin (Continued)

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.

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.

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police Pension Fund (Continued)

Plan Description (Continued)

At April 30, 2022 (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	43
Current employees	<u>46</u>
Total	<u>89</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, 2022 (most recent information available), the City's contribution as a percentage of covered payroll was 31.26%.

Annual Pension Cost

Employer contributions have been determined as follows:

Actuarial valuation date	May 1, 2022
Funding method	Projected Unit Credit Cost Method
Amortization method	The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2040. The initial amortization amount is 90% of the Accrued Liability less the Actuarial Value of Assets.
Asset valuation method	Investment gains and losses are smoothed over a 5-year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return.
Significant Actuarial Assumptions:	
Interest rate	6.80%
Interest rate, prior fiscal year	6.50%

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police Pension Fund (Continued)

Annual Pension Cost (Continued)

Employer contributions (Continued)

Significant Actuarial Assumptions: (Continued)

Mortality Rates - Active	PubS-2010 Employee mortality, unadjusted, with generational improvements with most recent projection scale (currently Scale MP-2021). 10% of active deaths are assumed to be in the line of duty.
Mortality Rates - Inactive	PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.150 for male retirees and unadjusted for female retirees, with generational improvements with most recent projection scale (currently Scale MP-2021).
Mortality Rates - Beneficiaries	PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.150 for female beneficiaries, with generational improvements with most recent projection scale (currently Scale MP-2021).
Mortality Rates - Disabled	PubS-2010 Disabled mortality, adjusted by a factor of 1.080 for male disabled members and unadjusted for female disabled members, with generational improvements with most recent projection scale (currently Scale MP-2021).
Decrements other than mortality	Experience tables
Salary increases	Service-related table with rates grading from 11.00% to 3.50% at 30+ years of service
Payroll growth	3.00%
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, 2022 (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, 2022 (most recent information available), the City's contribution as a percentage of covered payroll was 28.45%.

Annual Pension Cost

Employer contributions have been determined as follows:

Actuarial valuation date	May 1, 2022
Funding method	Projected Unit Credit Cost Method
Amortization method	The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2040. The initial amortization amount is 90% of the Accrued Liability less the Actuarial Value of Assets.
Asset valuation method	Investment gains and losses are smoothed over a 5-year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return.
Significant Actuarial Assumptions:	
Interest rate	7.125%
Interest rate, prior fiscal year	5.00%
Mortality Rates - Active	PubS-2010 Employee mortality, unadjusted, with generational improvements with most recent projection scale (currently Scale MP-2021). 20% of active deaths are assumed to be in the line of duty.

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

5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Firefighters' Pension Fund (Continued)

Employer contributions (Continued)

Significant Actuarial Assumptions: (Continued)

Mortality Rates - Inactive	PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.081 for male retirees and unadjusted for female retirees, with generational improvements with most recent projection scale (currently Scale MP-2021).
Mortality Rates - Beneficiaries	PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.098 for female beneficiaries, with generational improvements with most recent projection scale (currently Scale MP-2021).
Mortality Rates - Disabled	PubS-2010 Disabled mortality, adjusted by a factor of 1.178 for male disabled members and unadjusted for female disabled members, with generational improvements with most recent projection scale (currently Scale MP-2021).
Decrement other than mortality	Experience tables
Salary increases	Service-related table with rates grading from 12.50% to 4.00% at 8+ years of service
Payroll growth	2.75%
Tier 2 cost-of-living adjustment	1.125%
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	\$ 896,247	\$ 31,858	\$ 928,105
Investments			
Pooled Investments	37,911,882	974,242	38,886,124
Total assets	38,808,129	1,006,100	39,814,229
LIABILITIES			
Due to primary government	2,356	-	2,356
Accounts payable	3,373	-	3,373
Total liabilities	5,729	-	5,729
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 38,802,400</u>	<u>\$ 1,006,100</u>	<u>\$ 39,808,500</u>

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	\$ 440,538	\$ 18,600	\$ 459,138
Employer	1,363,906	80,229	1,444,135
Total contributions	1,804,444	98,829	1,903,273
INVESTMENT INCOME			
Interest earned	288,371	6,362	294,733
Net appreciation on fair value of investments	507,894	4,899	512,793
Less: investment fees	(39,314)	(653)	(39,967)
Net investment income	756,951	10,608	767,559
Total additions	2,561,395	109,437	2,670,832
DEDUCTIONS			
Benefits	2,130,638	-	2,130,638
Refunds	97,082	30,372	127,454
Administration services	20,135	2,387	22,522
Total deductions	2,247,855	32,759	2,280,614
CHANGE IN NET POSITION	313,540	76,678	390,218
NET POSITION			
May 1	38,488,860	929,422	39,418,282
April 30	\$ 38,802,400	\$ 1,006,100	\$ 39,808,500

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, 2022 (most recent information available), the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	108
Inactive Plan Members entitled to by not yet receiving benefits	112
Active Plan Members	159
	<hr/>
	379

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 contribution rate for fiscal year 2023 was 7.10% of covered payroll. For the fiscal year ended April 30, 2023, the City contributed \$720,330 to the plan, of which \$35,864 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, 2022. 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, 2022, 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	\$ 8,134,665	\$ 2,981,576	\$ (699,648)
Library	421,836	154,615	(36,281)
Total	<u>\$ 8,556,501</u>	<u>\$ 3,136,191</u>	<u>\$ (735,929)</u>

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, 2022	\$ 38,139,163	\$ 43,113,841	\$ (4,974,678)
Changes for the year:			
Service cost	861,794	-	861,794
Interest	2,732,887	-	2,732,887
Difference between expected and actual experience	230,630	-	230,630
Change in assumptions	-	-	-
Contributions - employer	-	749,814	(749,814)
Contributions - employee	-	656,628	(656,628)
Net investment income	-	(5,666,577)	5,666,577
Benefit payments, including refunds	(1,927,789)	(1,927,789)	-
Other (net transfer)	-	(25,423)	25,423
Net changes	1,897,522	(6,213,347)	8,110,869
Balances at December 31, 2022	\$ 40,036,685	\$ 36,900,494	\$ 3,136,191

	City	Library	Total
Beginning Net Pension Liability (Asset) at January 1, 2022	\$ (4,733,406)	\$ (241,272)	\$ (4,974,678)
Employer contributions	\$ 712,848	\$ 36,966	\$ 749,814
Ending Net Pension Liability (Asset) at December 31, 2022	\$ 2,981,577	\$ 154,614	\$ 3,136,191

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, 2023, the City recognized pension expense of \$1,310,924 and the Library recognized \$66,608. At April 30, 2023, the City and Library reported deferred outflows of 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	\$ 1,032,078	\$ 28,493
Changes in assumption	170,639	252,780
Net difference between projected and actual earnings on pension plan investments	2,975,025	-
Contributions subsequent to the measurement date	229,119	-
	<u>\$ 4,406,861</u>	<u>\$ 281,273</u>

\$229,119 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, 2024. 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 Outflows of Resources	Library Net Deferred Outflows of Resources	Total
2024	\$ 273,572	\$ 14,187	\$ 287,759
2025	710,094	36,823	746,917
2026	1,045,915	54,237	1,100,152
2027	1,666,763	86,433	1,753,196
2028	8,029	416	8,445
Thereafter	-	-	-
TOTAL	<u>\$ 3,704,373</u>	<u>\$ 192,096</u>	<u>\$ 3,896,469</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, 2023:

	Due To	Due From
Governmental activities		
General fund	\$ -	\$ 339
Police Pension fund	-	2,356
Total governmental activities	-	2,695
Business Type Activities		
Sewer fund	339	-
Total Business Type Activities	339	-
Fiduciary funds		
Police Pension fund	2,356	-
Total fiduciary funds	2,356	-
Total due to/from	\$ 2,695	\$ 2,695

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, 2023:

	Due To	Due From
Governmental activities		
General fund	\$ -	\$ 3,390,659
Tax increment financing fund	4,250,087	-
Total governmental activities	4,250,087	3,390,659
Business-type activities		
Water fund	-	217,963
Sewer fund	-	641,465
Total business-type activities	-	859,428
Total advances	\$ 4,250,087	\$ 4,250,087

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, 2023 were as follows:

	Transfers In	Transfers Out
Governmental activities		
General fund	\$ 2,111,753	\$ 6,693,161
Park fund	164,775	334,915
Tax increment financing fund	-	557,618
Nonmajor governmental funds	7,855,099	2,545,933
Total governmental activities	10,131,627	10,131,627
 Total interfund transfers	 \$ 10,131,627	 \$ 10,131,627

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, 2023:

Tax Increment Financing Fund	\$ (3,510,854)
Destination O'Fallon Fund	\$ (318)

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, 2023, the TIF Fund has incurred cumulative costs totaling \$4,250,087 for the above projects that were paid through other funds and reflected as advances from other funds (\$4,250,087).

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, 2023	Expiration Date	Specific
Auto Dealer	\$ 500,000	\$ 500,000	December 2026	50% of incremental sales tax
Retailer	500,000	327,484	June 2030	50% of incremental sales tax not to exceed \$50,000 per year

8. TAX REBATES (Continued)

The City paid a total of \$88,882 in tax rebates during the year ended April 30, 2023 related to these tax rebate agreements. 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 Municipal League Risk Management Association (IMLRMA) for general liability, workers’ compensation, and other risks. 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, 2023.

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, 2023, 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, 2023:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Fixed income mutual funds	\$ 14,645	\$ -	\$ 14,645	\$ -	\$ -
U.S. Treasury obligations	999,455	999,455	-	-	-
Negotiable CDs	3,870,377	1,336,900	2,533,478	-	-
Municipal bonds	25,018	-	25,018	-	-
Corporate bonds	88,864	-	88,864	-	-
TOTAL	\$ 4,998,359	\$ 2,336,355	\$ 2,662,005	\$ -	\$ -

The Library has the following recurring fair value measurements as of April 30, 2023: the U.S. Treasury obligations (\$999,455) and negotiable CDs (\$3,870,377) have quoted prices in active markets for identical assets (Level 1 inputs), and the fixed income mutual funds (\$14,645), municipal bonds (\$25,018), and corporate bonds (\$88,864) 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. The Library limits their exposure to credit risk by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. As of April 30, 2023, the fixed income mutual funds and negotiable CDs 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.

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

B. Cash and Investments (Continued)

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, and money market mutual fund are not subject to custodial credit risk.

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% or more of investments (excluding U.S. Treasury securities and federal agency securities), for the Library at April 30, 2023, aside from one negotiable CD that represented 9.62% 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 2021 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, 2023:

	Balance May 1, 2022, Restated	Additions	Reductions	Balance April 30, 2023
Component Unit				
Depreciable capital assets				
Buildings and improvements	\$ 3,746,981	\$ -	\$ -	\$ 3,746,981
Total Depreciable capital assets	3,746,981	-	-	3,746,981
Amortizable intangible capital assets				
Buildings and improvements	\$ 13,651	\$ -	\$ -	\$ 13,651
Total Amortizable intangible capital assets	13,651	-	-	13,651
Less: Accumulated depreciation				
Buildings and improvements	2,531,006	192,815	-	2,723,822
Total Accumulated depreciation	2,531,006	192,815	-	2,723,822
Less: Accumulated amortization				
Buildings and improvements	-	5,945	-	5,945
Total Accumulated amortization	-	5,945	-	5,945
Depreciable capital assets, net	1,229,626	(198,760)	-	1,030,866
Component Unit Capital Assets, Net	\$ 1,229,626	\$ (198,760)	\$ -	\$ 1,030,866

Component Unit:

Culture and recreation	\$ 198,760
Total Depreciation Expense - Component Unit	\$ 198,760

E. Long-Term Debt

Changes in Long-Term Liabilities

During the year ended April 30, 2023, the following changes occurred in long-term liabilities for the Library:

	Balances April 30	Issuances	Reductions	Balances May 1	Current Portion
Compensated Absences Payable	\$ 108,254	\$ 47,542	\$ 28,071	\$ 127,725	\$ 45,573
Net pension liability - IMRF	-	154,614	-	154,614	-
Leases Payable	13,651	-	5,595	8,057	5,570
TOTAL GOVERNMENTAL ACTIVITIES	\$ 121,905	\$ 202,156	\$ 33,666	\$ 290,396	\$ 51,143

The compensated absences, net pension liability, and leases payable are generally liquidated by the Library's General Fund.

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

4. LONG-TERM DEBT (Continued)

Leases

The City entered into various lease agreements for the right to use equipment. Payments ranging from \$173 to \$321 are due in monthly installments, through June 2025. Total intangible right-to-use assets acquired under these agreements are \$13,652.

The annual requirements to amortize to maturity leases outstanding as of April 30, 2023, are as follows:

<u>Years ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 5,570	\$ 129	\$ 5,699
2025	2,127	37	2,164
2028	<u>360</u>	<u>1</u>	<u>361</u>
Total	<u>\$ 8,057</u>	<u>\$ 167</u>	<u>\$ 8,224</u>

12. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended April 30, 2023, the City implemented GASB Statement No. 87, *Leases*. With the implementation, the City is required to record the beginning net position of lease arrangements as intangible capital assets and lease liabilities

The beginning net position of the governmental activities has been restated to reflect the new guidance as follows:

GOVERNMENTAL ACTIVITIES

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 129,895,458</u>
Recording of Right-to-Use Intangible Capital Assets	51,169
Recording of Leases Payable	<u>(51,169)</u>
Total Net Restatement	<u>-</u>
BEGINNING NET POSITION, AS RESTATED	<u>\$ 129,895,458</u>

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

12. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

The beginning net position of the water fund has been restated to reflect the new guidance as follows:

<u>WATER FUND</u>	
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 35,971,051</u>
Recording of Right-to-Use Intangible Capital Asset	9,107
Recording of Lease Payable	<u>(9,107)</u>
Total Net Restatement	<u>-</u>
BEGINNING NET POSITION, AS RESTATED	<u><u>\$ 35,971,051</u></u>

The beginning net position of the water fund has been restated to reflect the new guidance as follows:

<u>SEWER FUND</u>	
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 38,061,067</u>
Recording of Right-to-Use Intangible Capital Asset	4,587
Recording of Lease Payable	<u>(4,587)</u>
Total Net Restatement	<u>-</u>
BEGINNING NET POSITION, AS RESTATED	<u><u>\$ 38,061,067</u></u>

The beginning net position of the business-type activities has been restated to reflect the new guidance as follows:

<u>BUSINESS-TYPE ACTIVITIES</u>	
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 74,032,118</u>
Recording of Right-to-Use Intangible Capital Asset	13,694
Recording of Lease Payable	<u>(13,694)</u>
Total Net Restatement	<u>-</u>
BEGINNING NET POSITION, AS RESTATED	<u><u>\$ 74,032,118</u></u>

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

12. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

The beginning net position of the discretely presented component unit has been restated to reflect the new guidance as follows:

<u>DISCRETELY PRESENTED COMPONENT UNIT</u>	
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 6,723,342</u>
Recording of Right-to-Use Intangible Capital Asset	13,651
Recording of Lease Payable	<u>(13,651)</u>
Total Net Restatement	<u>-</u>
BEGINNING NET POSITION, AS RESTATED	<u><u>\$ 6,723,342</u></u>

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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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes				
Property	\$ 1,430,000	\$ 1,430,000	\$ 1,425,433	\$ (4,567)
Utility	914,840	914,840	1,066,282	151,442
Food and beverage	1,100,000	1,100,000	1,237,198	137,198
Intergovernmental				
Replacement tax	5,000	5,000	18,702	13,702
State sales tax	9,675,750	9,675,750	11,831,113	2,155,363
State income tax	3,874,680	3,874,680	5,217,204	1,342,524
Road and bridge tax	290,000	290,000	293,522	3,522
Grants	44,000	44,000	65,884	21,884
Metropolitan Enforcement Group	10,000	10,000	8,037	(1,963)
TIF surplus distribution	36,000	36,000	38,155	2,155
Licenses and permits	976,300	976,300	982,719	6,419
Subdivision fees	65,000	65,000	26,520	(38,480)
Police reports	3,800	3,800	4,914	1,114
Combined dispatch	867,000	867,000	585,992	(281,008)
Municipal aggregation fees	110,000	110,000	102,709	(7,291)
Fines and fees	270,100	270,100	363,643	93,543
Service fees	225,095	225,095	233,800	8,705
Room tax	2,235,600	2,235,600	2,961,980	726,380
Investment income	49,100	49,100	1,184,096	1,134,996
Phone and cable television fees	440,000	440,000	430,478	(9,522)
Rentals	12,000	12,000	11,144	(856)
Fee in lieu of taxes	832,930	832,930	832,930	-
Donations	75,000	75,000	111,478	36,478
Cemetery revenue	34,000	34,000	43,100	9,100
Miscellaneous revenues and reimbursements	31,500	31,500	117,539	86,039
Total revenues	23,607,695	23,607,695	29,194,572	5,586,877

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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES				
Current:				
General government	\$ 3,607,446	\$ 3,607,446	\$ 3,593,671	\$ (13,775)
Public safety	8,378,386	9,820,046	9,812,111	(7,935)
Highways and streets	4,318,471	4,168,471	4,063,187	(105,284)
Zoning	808,683	958,683	904,791	(53,892)
Cemetery	173,773	173,773	151,204	(22,569)
Tourism	419,287	419,287	442,298	23,011
Capital outlay	1,095,200	1,115,200	1,024,562	(90,638)
Debt service:				
Principal	-	-	13,937	13,937
Interest and fiscal charges	-	-	667	667
Total expenditures	<u>18,801,246</u>	<u>20,262,906</u>	<u>20,006,428</u>	<u>(256,478)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES)	<u>4,806,449</u>	<u>3,344,789</u>	<u>9,188,144</u>	<u>5,843,355</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	5,000	5,000	11,420	6,420
Issuance of leases	-	-	4,725	4,725
Transfers in	4,210,000	4,210,000	2,111,753	(2,098,247)
Transfers out	<u>(8,129,532)</u>	<u>(6,694,532)</u>	<u>(6,693,161)</u>	<u>1,371</u>
Total other financing sources (uses)	<u>(3,914,532)</u>	<u>(2,479,532)</u>	<u>(4,565,263)</u>	<u>(2,085,731)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 891,917</u>	<u>\$ 865,257</u>	4,622,881	<u>\$ 3,757,624</u>
FUND BALANCE, MAY 1			<u>34,631,919</u>	
FUND BALANCE, APRIL 30			<u>\$ 39,254,800</u>	

See independent Auditor's Report.

CITY OF O'FALLON, ILLINOIS

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

For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes				
Utility	\$ 1,156,000	\$ 1,156,000	\$ 1,167,542	\$ 11,542
Intergovernmental receipts:				
State sales tax	939,000	939,000	1,131,551	192,551
Grants	25,000	25,000	30,000	5,000
Service fees	187,750	187,750	333,757	146,007
Recreation fees	824,350	824,350	809,475	(14,875)
Investment income	750	750	111,414	110,664
Phone and cable television franchise fees	240,000	240,000	221,574	(18,426)
Rentals	480,300	480,300	809,142	328,842
Concession income	333,600	333,600	472,492	138,892
Donations	17,300	17,300	11,615	(5,685)
Miscellaneous revenues and reimbursements	42,000	42,000	30,003	(11,997)
Total revenues	<u>4,246,050</u>	<u>4,246,050</u>	<u>5,128,565</u>	<u>882,515</u>
EXPENDITURES				
Current:				
Culture and Recreation	3,754,307	3,794,563	3,876,145	81,582
Capital outlay	217,890	386,260	370,275	(15,985)
Debt service:				
Principal	-	-	1,820	1,820
Interest and fiscal charges	-	-	58	58
Total expenditures	<u>3,972,197</u>	<u>4,180,823</u>	<u>4,248,298</u>	<u>67,475</u>
EXCESS (DEFICIENCY OF REVENUES	<u>273,853</u>	<u>65,227</u>	<u>880,267</u>	<u>815,040</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	600	600
Transfers in	164,775	164,775	164,775	-
Transfers out	<u>(335,128)</u>	<u>(335,128)</u>	<u>(334,915)</u>	<u>213</u>
Total other financing sources (uses)	<u>(170,353)</u>	<u>(170,353)</u>	<u>(169,540)</u>	<u>813</u>
NET CHANGE IN FUND BALANCE	<u>\$ 103,500</u>	<u>\$ (105,126)</u>	<u>\$ 710,727</u>	<u>\$ 815,853</u>
FUND BALANCE, MAY 1			<u>3,374,852</u>	
FUND BALANCE, APRIL 30			<u>\$ 4,085,579</u>	

See Independent Auditor's Report.

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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes:				
Property	\$ 2,209,000	\$ 2,209,000	\$ 2,504,232	\$ 295,232
Miscellaneous revenues and reimbursements	1,000	1,000	-	(1,000)
Total revenues	<u>2,210,000</u>	<u>2,210,000</u>	<u>2,504,232</u>	<u>294,232</u>
EXPENDITURES				
Current:				
Tax increment financing	<u>1,380,600</u>	<u>1,407,320</u>	<u>1,165,827</u>	<u>(241,493)</u>
Total expenditures	<u>1,380,600</u>	<u>1,407,320</u>	<u>1,165,827</u>	<u>(241,493)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES)	<u>829,400</u>	<u>802,680</u>	<u>1,338,405</u>	<u>535,725</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(557,635)</u>	<u>(557,635)</u>	<u>(557,618)</u>	<u>17</u>
Total other financing sources (uses)	<u>(557,635)</u>	<u>(557,635)</u>	<u>(557,618)</u>	<u>17</u>
NET CHANGE IN FUND BALANCE	<u>\$ 271,765</u>	<u>\$ 245,045</u>	<u>780,787</u>	<u>\$ 535,742</u>
FUND BALANCE (DEFICIT), MAY 1			<u>(4,291,641)</u>	
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (3,510,854)</u>	

See Independent Auditor's Report.

CITY OF O'FALLON, ILLINOIS

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

Last Eight Calendar Years

MEASUREMENT DATE DECEMBER 31,	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 861,794	\$ 852,784	\$ 903,682	\$ 870,397	\$ 812,321	\$ 813,022	\$ 729,494	\$ 736,496
Interest on total pension liability	2,732,887	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	230,630	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	(1,927,789)	(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	1,897,522	2,258,516	1,587,189	2,251,988	2,838,816	227,290	2,291,975	1,292,568
Total pension liability beginning	38,139,163	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	40,036,685	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	749,814	849,717	816,416	743,270	926,124	808,212	805,453	742,506
Contributions - employee	656,628	622,244	583,627	433,168	400,306	382,084	358,904	314,621
Pension plan net investment income	(5,666,577)	6,420,885	4,792,149	4,995,868	(1,412,804)	4,263,906	1,592,539	115,693
Benefit payments	(1,927,789)	(1,944,887)	(1,600,365)	(1,451,864)	(1,397,982)	(1,190,516)	(1,089,943)	(1,091,647)
Other	(25,423)	(21,899)	470,240	154,730	522,881	(772,984)	135,463	(318,103)
Net change in plan fiduciary net position	(6,213,347)	5,926,060	5,062,067	4,875,172	(961,475)	3,490,702	1,802,416	(236,930)
Plan fiduciary net position beginning	43,113,841	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	36,900,494	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)	\$ 3,136,191	\$ (4,974,678)	\$ (1,307,134)	\$ 2,167,744	\$ 4,790,928	\$ 990,637	\$ 4,254,049	\$ 3,764,489
Plan fiduciary net position as a percentage of the total pension liability	92.17%	113.04%	103.64%	93.68%	85.05%	96.61%	85.32%	85.89%
Covered payroll	\$ 9,935,316	\$ 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	31.57%	-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 updated.

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.

See Independent Auditor's Report.

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

LAST TEN FISCAL YEARS

FISCAL YEAR ENDED APRIL 30,	2023	2022	2021**	2020	2019	2018	2017	2016	2015	2014
Actuarially determined pension contributions	\$ 720,330	\$ 802,792	\$ 859,246	\$ 703,411	\$ 851,609	\$ 833,483	\$ 791,520	\$ 742,506	\$ 779,952	\$ 721,039
Contributions in relation to the actuarially determined contribution	720,330	802,792	859,246	743,270	926,124	808,212	805,453	742,506	779,971	721,039
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (39,859)	\$ (74,515)	\$ 25,271	\$ (13,933)	\$ -	\$ (19)	\$ -
Covered payroll	\$ 10,139,072	\$ 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
Contributions as a percentage of covered payroll	7.10%	8.35%	8.83%	8.17%	10.48%	9.55%	10.33%	10.62%	11.49%	11.62%

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 2022 contribution rates:*

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21-year closed period
Asset valuation method	5-year smoothed market, 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.85% to 13.75%, 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 2020 valuation pursuant to an experience study of the period 2017-2019
Mortality	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.
Other information	There were no benefit changes during the year.

*Based on valuation assumptions used in the December 31, 2020 actuarial valuation

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

See Independent Auditor's Report.

CITY OF O'FALLON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2023

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, 2023:

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 April 4, 2022 through April 18, 2022.
3. A public hearing on the proposed budget was held on April 18, 2022.
4. Formal adoption of the budget was on April 18, 2022.

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>
Park	\$ 67,475

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, 2023

	Green Mount Medical TIF	Central Park TIF	Rt. 50/ Scott Troy Rd TIF	Central City TIF	Total
ASSETS					
Cash and cash equivalents	\$ 120,591	\$ 716,683	\$ 158,161	\$ 249,668	\$ 1,245,103
Receivables, net:					
Taxes	971,014	1,557,821	426,866	244,130	3,199,831
Total assets	<u>1,091,605</u>	<u>2,274,504</u>	<u>585,027</u>	<u>493,798</u>	<u>4,444,934</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
Total assets and deferred outflows of resources	<u>1,091,605</u>	<u>2,274,504</u>	<u>585,027</u>	<u>493,798</u>	<u>4,444,934</u>
LIABILITIES					
Accounts payable	24	310,126	162,837	32,883	505,870
Advances from other funds	4,250,087	-	-	-	4,250,087
Total liabilities	<u>4,250,111</u>	<u>310,126</u>	<u>162,837</u>	<u>32,883</u>	<u>4,755,957</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable resources - property taxes	971,014	1,557,821	426,866	244,130	3,199,831
Total liabilities and deferred inflows of resources	<u>5,221,125</u>	<u>1,867,947</u>	<u>589,703</u>	<u>277,013</u>	<u>7,955,788</u>
FUND BALANCES					
Restricted					
Tax increment financing	-	406,557	-	216,785	623,342
Unassigned (Deficit)	(4,129,520)	-	(4,676)	-	(4,134,196)
Total fund balances	<u>(4,129,520)</u>	<u>406,557</u>	<u>(4,676)</u>	<u>216,785</u>	<u>(3,510,854)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,091,605</u>	<u>\$ 2,274,504</u>	<u>\$ 585,027</u>	<u>\$ 493,798</u>	<u>\$ 4,444,934</u>

CITY OF O'FALLON, ILLINOIS

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

For the Year Ended April 30, 2023

	Green Mount Medical TIF	Central Park TIF	Rte 50/ Scott Troy Rd TIF	Central City TIF	Total
REVENUES					
Taxes:					
Property	\$ 900,105	\$ 1,034,042	\$ 391,192	\$ 178,893	\$ 2,504,232
Total revenues	<u>900,105</u>	<u>1,034,042</u>	<u>391,192</u>	<u>178,893</u>	<u>2,504,232</u>
EXPENDITURES					
Current:					
Tax increment financing	450	692,754	392,717	79,906	1,165,827
Total expenditures	<u>450</u>	<u>692,754</u>	<u>392,717</u>	<u>79,906</u>	<u>1,165,827</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>899,655</u>	<u>341,288</u>	<u>(1,525)</u>	<u>98,987</u>	<u>1,338,405</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(557,618)	-	-	-	(557,618)
Total other financing sources (uses)	<u>(557,618)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(557,618)</u>
NET CHANGE IN FUND BALANCE	342,037	341,288	(1,525)	98,987	780,787
FUND BALANCE (DEFICIT), MAY 1	<u>(4,471,557)</u>	<u>65,269</u>	<u>(3,151)</u>	<u>117,798</u>	<u>(4,291,641)</u>
FUND BALANCE (DEFICIT), APRIL 30	<u><u>\$ (4,129,520)</u></u>	<u><u>\$ 406,557</u></u>	<u><u>\$ (4,676)</u></u>	<u><u>\$ 216,785</u></u>	<u><u>\$ (3,510,854)</u></u>

NONMAJOR GOVERNMENTAL FUND

CITY OF O'FALLON, ILLINOIS

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2023

	Special Revenue						Capital Projects					
	Motor Fuel Tax Fund	ARPA Fund	Fire 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	\$ 6,801,861	\$ -	\$ 1,668,421	\$ 2,946,618	\$ 646,607	\$ 56,696	\$ 234,764	\$ 246,363	\$ 527,048	\$ 580,447	\$ 362,062	\$ 205,814
Investments	1,720,178	-	565,066	584,307	-	935,174	-	-	4,015,977	-	-	-
Receivables:												
Taxes	-	-	1,470,000	830,000	713,500	-	1,058,870	15,200	-	-	-	-
Other governmental entities	-	-	-	-	-	-	-	-	355,172	-	-	-
Interest	16,297	-	6,371	5,638	-	958	-	-	49,821	-	-	-
Service fees	-	-	-	718,424	-	-	-	-	-	-	-	-
Other	144,277	-	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	40,294	23,302	-	-	-	-	-	-	-	-
Total assets	<u>8,682,613</u>	<u>-</u>	<u>3,750,152</u>	<u>5,108,289</u>	<u>1,360,107</u>	<u>992,828</u>	<u>1,293,634</u>	<u>261,563</u>	<u>4,948,018</u>	<u>580,447</u>	<u>362,062</u>	<u>205,814</u>
DEFERRED OUTFLOWS OF RESOURCES												
None	-	-	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 8,682,613</u>	<u>\$ -</u>	<u>\$ 3,750,152</u>	<u>\$ 5,108,289</u>	<u>\$ 1,360,107</u>	<u>\$ 992,828</u>	<u>\$ 1,293,634</u>	<u>\$ 261,563</u>	<u>\$ 4,948,018</u>	<u>\$ 580,447</u>	<u>\$ 362,062</u>	<u>\$ 205,814</u>
LIABILITIES												
Accounts payable	1,192,489	-	29,098	143,385	-	-	-	702	40,824	-	-	-
Accrued payroll and benefits	-	-	14,562	30,263	-	-	21,163	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>1,192,489</u>	<u>-</u>	<u>43,660</u>	<u>173,648</u>	<u>-</u>	<u>-</u>	<u>21,163</u>	<u>702</u>	<u>40,824</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue - property taxes	-	-	1,470,000	830,000	713,500	-	1,058,870	15,200	-	-	-	-
Unavailable revenue - taxes	-	-	-	-	-	-	-	-	131,280	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,470,000</u>	<u>830,000</u>	<u>713,500</u>	<u>-</u>	<u>1,058,870</u>	<u>15,200</u>	<u>131,280</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES												
Nonspendable												
Prepaid items	-	-	40,294	23,302	-	-	-	-	-	-	-	-
Restricted												
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	580,447	362,062	205,814
Highway and Streets	7,490,124	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	2,196,198	4,081,339	-	-	-	-	-	-	-	-
Retirement	-	-	-	-	646,607	-	213,601	-	-	-	-	-
Cemetery	-	-	-	-	-	992,828	-	-	-	-	-	-
Special service areas	-	-	-	-	-	-	-	245,661	-	-	-	-
Assigned												
Strategic planning	-	-	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	4,775,914	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>7,490,124</u>	<u>-</u>	<u>2,236,492</u>	<u>4,104,641</u>	<u>646,607</u>	<u>992,828</u>	<u>213,601</u>	<u>245,661</u>	<u>4,775,914</u>	<u>580,447</u>	<u>362,062</u>	<u>205,814</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,682,613</u>	<u>\$ -</u>	<u>\$ 3,750,152</u>	<u>\$ 5,108,289</u>	<u>\$ 1,360,107</u>	<u>\$ 992,828</u>	<u>\$ 1,293,634</u>	<u>\$ 261,563</u>	<u>\$ 4,948,018</u>	<u>\$ 580,447</u>	<u>\$ 362,062</u>	<u>\$ 205,814</u>

This schedule is continued on the following page.

CITY OF O'FALLON, ILLINOIS

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Continued)

April 30, 2023

	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	\$ 1,430,464	\$ 6,573,822	\$ 1,330,104	\$ 143,691	\$ -	\$ -	\$ -	\$ 12,601,330	\$ 11,009,761	\$ 143,691	\$ 23,754,782
Investments	-	898,563	540,718	-	-	-	-	3,804,725	5,455,258	-	9,259,983
Receivables:											
Taxes	-	-	-	-	-	-	-	4,087,570	-	-	4,087,570
Other governmental entities	-	710,343	-	-	-	-	-	-	1,065,515	-	1,065,515
Interest	-	9,668	4,406	-	-	-	-	29,264	63,895	-	93,159
Service fees	-	-	-	-	-	-	-	718,424	-	-	718,424
Other	-	-	-	-	-	-	-	144,277	-	-	144,277
Prepaid items	-	-	-	-	-	-	-	63,596	-	-	63,596
Total assets	<u>1,430,464</u>	<u>8,192,396</u>	<u>1,875,228</u>	<u>143,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,449,186</u>	<u>17,594,429</u>	<u>143,691</u>	<u>39,187,306</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,430,464</u>	<u>\$ 8,192,396</u>	<u>\$ 1,875,228</u>	<u>\$ 143,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,449,186</u>	<u>\$ 17,594,429</u>	<u>\$ 143,691</u>	<u>\$ 39,187,306</u>
LIABILITIES											
Accounts payable	-	438,013	108,723	-	-	-	318	1,365,674	587,560	318	1,953,552
Accrued payroll and benefits	-	-	-	-	-	-	-	65,988	-	-	65,988
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>438,013</u>	<u>108,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>318</u>	<u>1,431,662</u>	<u>587,560</u>	<u>318</u>	<u>2,019,540</u>
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - property taxes	-	-	-	-	-	-	-	4,087,570	-	-	4,087,570
Unavailable revenue - taxes	-	262,559	-	-	-	-	-	-	393,839	-	393,839
Total deferred inflows of resources	<u>-</u>	<u>262,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,087,570</u>	<u>393,839</u>	<u>-</u>	<u>4,481,409</u>
FUND BALANCES											
Nonspendable											
Prepaid items	-	-	-	-	-	-	-	63,596	-	-	63,596
Restricted											
Debt service	-	-	-	143,691	-	-	-	-	-	143,691	143,691
Capital projects	1,430,464	7,491,824	-	-	-	-	-	-	10,070,611	-	10,070,611
Highway and Streets	-	-	-	-	-	-	-	7,490,124	-	-	7,490,124
Public safety	-	-	-	-	-	-	-	6,277,537	-	-	6,277,537
Retirement	-	-	-	-	-	-	-	860,208	-	-	860,208
Cemetery	-	-	-	-	-	-	-	992,828	-	-	992,828
Special service areas	-	-	-	-	-	-	-	245,661	-	-	245,661
Assigned											
Strategic planning	-	-	1,766,505	-	-	-	-	-	1,766,505	-	1,766,505
Capital projects	-	-	-	-	-	-	-	-	4,775,914	-	4,775,914
Unassigned (deficit)	-	-	-	-	-	-	(318)	-	-	(318)	(318)
Total fund balances	<u>1,430,464</u>	<u>7,491,824</u>	<u>1,766,505</u>	<u>143,691</u>	<u>-</u>	<u>-</u>	<u>(318)</u>	<u>15,929,954</u>	<u>16,613,030</u>	<u>143,373</u>	<u>32,686,357</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,430,464</u>	<u>\$ 8,192,396</u>	<u>\$ 1,875,228</u>	<u>\$ 143,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,449,186</u>	<u>\$ 17,594,429</u>	<u>\$ 143,691</u>	<u>\$ 39,187,306</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, 2023

	Special Revenue							
	Motor Fuel Tax Fund	ARPA Fund	Fire Fund	Ambulance Fund	IMRF Fund	Cemetery Fund	Social Security Fund	Special Service Funds
REVENUES								
Taxes								
Property	\$ -	\$ -	\$ 1,395,052	\$ 722,840	\$ 708,041	\$ -	\$ 981,445	\$ 15,213
Utility	-	-	-	-	-	-	-	-
Intergovernmental receipts:								
Replacement tax	-	-	-	-	13,551	-	68,480	-
State sales tax	-	-	-	-	-	-	-	-
Motor Fuel Tax	1,292,962	-	-	-	-	-	-	-
Rebuild Illinois Fund Program	342,318	-	-	-	-	-	-	-
Grants	-	2,012,896	1,600	-	-	-	-	-
Other	-	-	457,018	-	-	-	-	-
Licenses and permits	-	-	4,253	-	-	-	-	-
Fines and fees	-	-	100	-	-	-	-	-
Service fees	79,617	-	16,547	2,191,604	-	13,850	-	-
Rural fire district fees	-	-	-	275,794	-	-	-	-
Investment income	207,911	-	48,961	96,703	421	1,838	-	-
Fee in lieu of taxes	-	-	-	-	-	-	53,870	-
Donations	-	-	500	-	-	-	-	-
Annex fees	-	-	-	-	-	-	-	-
Miscellaneous revenues and reimbursements	29,561	-	21,241	739	-	-	-	-
Total revenues	1,952,369	2,012,896	1,945,272	3,287,680	722,013	15,688	1,103,795	15,213
EXPENDITURES								
Current:								
General government	-	-	-	-	96,152	-	193,817	-
Public safety	-	-	1,541,943	2,902,883	218,012	-	439,456	-
Highways and streets	458,087	-	-	-	76,099	-	153,395	5,310
Zoning	-	-	-	-	46,790	-	94,317	-
Cemetery	-	-	-	-	9,769	6,091	19,693	-
Culture and recreations	-	-	-	-	60,673	-	122,301	-
Tourism	-	-	-	-	6,684	-	13,474	-
Capital outlay	568,820	-	947,267	296,680	-	-	-	-
Debt service:								
Principal	-	-	236,401	1,407	-	-	-	-
Interest and fiscal charges	-	-	8,278	65	-	-	-	-
Total expenditures	1,026,907	-	2,733,889	3,201,035	514,179	6,091	1,036,453	5,310
REVENUES OVER (UNDER) EXPENDITURES	925,462	2,012,896	(788,617)	86,645	207,834	9,597	67,342	9,903
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	-	-	277,251	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(98,857)	(2,012,896)	-	(56,635)	-	-	-	-
Total other financing sources (uses)	(98,857)	(2,012,896)	277,251	(56,635)	-	-	-	-
NET CHANGE IN FUND BALANCES	826,605	-	(511,366)	30,010	207,834	9,597	67,342	9,903
FUND BALANCES, MAY 1	6,663,519	-	2,747,858	4,074,631	438,773	983,231	146,259	235,758
FUND BALANCES (DEFICIT), APRIL 30	\$ 7,490,124	\$ -	\$ 2,236,492	\$ 4,104,641	\$ 646,607	\$ 992,828	\$ 213,601	\$ 245,661

This schedule is continued on the following page.

CITY OF O'FALLON, ILLINOIS

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

For the Year Ended April 30, 2023

	Capital Projects						
	Capital Improvement Fund	2002 Bond Issue Fund	Convention Center Fund	Sports Park Complex Fund	Park Land Fund	Prop S Infrastructure Fund	Strategic Plan Fund
REVENUES							
Taxes							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility	-	-	-	-	-	-	-
Intergovernmental receipts:							
Replacement tax	-	-	-	-	-	-	-
State sales tax	1,094,457	-	-	-	-	2,976,173	-
Motor Fuel Tax	-	-	-	-	-	-	-
Rebuild Illinois Fund Program	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Fines and fees	-	-	-	-	-	-	-
Service fees	-	-	-	-	-	-	-
Rural fire district fees	-	-	-	-	-	-	-
Investment income	76,167	-	156	6,156	12,153	167,823	10,611
Fee in lieu of taxes	-	-	-	-	-	-	-
Donations	31,051	-	-	-	-	-	-
Annex fees	-	-	-	-	164,868	-	-
Miscellaneous revenues and reimbursements	10,260	-	-	-	-	34,689	-
Total revenues	1,211,935	-	156	6,156	177,021	3,178,685	10,611
EXPENDITURES							
Current:							
General government	128,754	-	-	-	-	44,740	120,630
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	319,207	-
Zoning	-	-	-	-	357,750	-	-
Cemetery	-	-	-	-	-	-	-
Culture and recreations	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-
Capital outlay	237,422	-	-	-	-	1,257,377	-
Debt service:							
Principal	-	736,140	293,930	384,930	-	-	-
Interest and fiscal charges	-	156,555	186,176	526,366	-	-	-
Total expenditures	366,176	892,695	480,106	911,296	357,750	1,621,324	120,630
REVENUES OVER (UNDER) EXPENDITURES	845,759	(892,695)	(479,950)	(905,140)	(180,729)	1,557,361	(110,019)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	4,020,000	892,695	479,950	910,876	-	-	200,000
Transfers out	-	-	-	-	-	(377,545)	-
Total other financing sources (uses)	4,020,000	892,695	479,950	910,876	-	(377,545)	200,000
NET CHANGE IN FUND BALANCES	4,865,759	-	-	5,736	(180,729)	1,179,816	89,981
FUND BALANCES, MAY 1	(89,845)	580,447	362,062	200,078	1,611,193	6,312,008	1,676,524
FUND BALANCES (DEFICIT), APRIL 30	\$ 4,775,914	\$ 580,447	\$ 362,062	\$ 205,814	\$ 1,430,464	\$ 7,491,824	\$ 1,766,505

This schedule is continued on the following page.

CITY OF O'FALLON, ILLINOIS

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

For the Year Ended April 30, 2023

	Debt Service							
	2010 Bond Issue Fund	Build America Fund	Green Mount Fund	Destination O'Fallon Fund	Special Revenue Total	Capital Projects Total	Debt Service Total	Total
REVENUES								
Taxes								
Property	\$ -	\$ -	\$ -	\$ -	\$ 3,822,591	\$ -	\$ -	\$ 3,822,591
Utility	-	-	-	-	-	-	-	-
Intergovernmental receipts:								
Replacement tax	-	-	-	-	82,031	-	-	82,031
State sales tax	-	-	-	-	-	4,070,630	-	4,070,630
Motor Fuel Tax	-	-	-	-	1,292,962	-	-	1,292,962
Rebuild Illinois Fund Program	-	-	-	-	342,318	-	-	342,318
Grants	-	-	-	-	2,014,496	-	-	2,014,496
Other	-	-	-	-	457,018	-	-	457,018
Licenses and permits	-	-	-	-	4,253	-	-	4,253
Fines and fees	-	-	-	-	100	-	-	100
Service fees	-	-	-	-	2,301,618	-	-	2,301,618
Rural fire district fees	-	-	-	-	275,794	-	-	275,794
Investment income	-	-	-	-	355,834	273,066	-	628,900
Fee in lieu of taxes	-	-	-	-	53,870	-	-	53,870
Donations	-	-	-	-	500	31,051	-	31,551
Annex fees	-	-	-	-	-	164,868	-	164,868
Miscellaneous revenues and reimbursements	-	-	-	-	51,541	44,949	-	96,490
Total revenues	-	-	-	-	11,054,926	4,584,564	-	15,639,490
EXPENDITURES								
Current:								
General government	-	-	-	-	289,969	294,124	-	584,093
Public safety	-	-	-	-	5,102,294	-	-	5,102,294
Highways and streets	-	-	-	-	692,891	319,207	-	1,012,098
Zoning	-	-	-	-	141,107	357,750	-	498,857
Cemetery	-	-	-	-	35,553	-	-	35,553
Culture and recreations	-	-	-	-	182,974	-	-	182,974
Tourism	-	-	-	-	20,158	-	-	20,158
Capital outlay	-	-	-	-	1,812,767	1,494,799	-	3,307,566
Debt service:								
Principal	-	115,000	345,000	405,000	237,808	1,415,000	865,000	2,517,808
Interest and fiscal charges	-	26,550	212,618	247,728	8,343	869,097	486,896	1,364,336
Total expenditures	-	141,550	557,618	652,728	8,523,864	4,749,977	1,351,896	14,625,737
REVENUES OVER (UNDER) EXPENDITURES	-	(141,550)	(557,618)	(652,728)	2,531,062	(165,413)	(1,351,896)	1,013,753
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	-	-	-	-	277,251	-	-	277,251
Transfers in	-	141,550	557,618	652,410	-	6,503,521	1,351,578	7,855,099
Transfers out	-	-	-	-	(2,168,388)	(377,545)	-	(2,545,933)
Total other financing sources (uses)	-	141,550	557,618	652,410	(1,891,137)	6,125,976	1,351,578	5,586,417
NET CHANGE IN FUND BALANCES	-	-	-	(318)	639,925	5,960,563	(318)	6,600,170
FUND BALANCES, MAY 1	143,691	-	-	-	15,290,029	10,652,467	143,691	26,086,187
FUND BALANCES (DEFICIT), APRIL 30	\$ 143,691	\$ -	\$ -	\$ (318)	\$ 15,929,954	\$ 16,613,030	\$ 143,373	\$ 32,686,357

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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental Receipts				
Motor Fuel Tax Alotments	\$ 1,300,000	\$ 1,300,000	\$ 1,292,962	\$ (7,038)
Rebuild Illinois Fund Program	700,000	700,000	342,318	(357,682)
Service Fees	-	-	79,617	79,617
Investment Income	20,500	20,500	207,911	187,411
Miscellaneous revenues and reimbursements	-	-	29,561	29,561
Total Revenues	<u>2,020,500</u>	<u>2,020,500</u>	<u>1,952,369</u>	<u>(68,131)</u>
EXPENDITURES				
Current:				
Highways and Streets	475,000	475,000	458,087	(16,913)
Capital Outlay	1,425,000	1,425,000	568,820	(856,180)
Total expenditures	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,026,907</u>	<u>(873,093)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>120,500</u>	<u>120,500</u>	<u>925,462</u>	<u>804,962</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(190,000)	(190,000)	(98,857)	91,143
Total other financing sources (uses)	<u>(190,000)</u>	<u>(190,000)</u>	<u>(98,857)</u>	<u>91,143</u>
NET CHANGE IN FUND BALANCE	<u>(69,500)</u>	<u>(69,500)</u>	<u>826,605</u>	<u>896,105</u>
FUND BALANCE, MAY 1			<u>6,663,519</u>	
FUND BALANCE, APRIL 30			<u>\$ 7,490,124</u>	

CITY OF O'FALLON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
AMERICAN RESCUE PLAN ACT FUND**

For the Year Ended April 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Intergovernmental receipts:				
Grants	\$ 2,010,000	\$ 2,010,000	\$ 2,012,896	\$ 2,896
Total revenues	<u>2,010,000</u>	<u>2,010,000</u>	<u>2,012,896</u>	<u>2,896</u>
EXPENDITURES				
None	\$ -	\$ -	\$ -	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>2,010,000</u>	<u>2,010,000</u>	<u>2,012,896</u>	<u>2,896</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(4,020,000)</u>	<u>(4,020,000)</u>	<u>(2,012,896)</u>	<u>2,007,104</u>
Total other financing sources (uses)	<u>(4,020,000)</u>	<u>(4,020,000)</u>	<u>(2,012,896)</u>	<u>2,007,104</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,010,000)</u>	<u>\$ (2,010,000)</u>	\$ -	<u>\$ 2,010,000</u>
FUND BALANCE, MAY 1			<u>-</u>	
FUND BALANCE, APRIL 30			<u>\$ -</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 1,400,000	\$ 1,400,000	\$ 1,395,052	\$ (4,948)
Intergovernmental receipts:				
Grants	1,000	1,000	1,600	600
Other	445,440	445,440	457,018	11,578
Licenses and permits	18,000	18,000	4,253	(13,747)
Fines and fees	-	-	100	100
Service fees	22,000	22,000	16,547	(5,453)
Investment income	2,800	2,800	48,961	46,161
Donations	-	-	500	500
Miscellaneous revenues and reimbursements	-	-	21,241	21,241
Total revenues	<u>1,889,240</u>	<u>1,889,240</u>	<u>1,945,272</u>	<u>56,032</u>
EXPENDITURES				
Current:				
Public safety	\$ 1,549,280	\$ 1,549,280	\$ 1,541,943	(7,337)
Capital outlay	-	960,440	947,267	(13,173)
Debt service:				
Principal	230,370	230,370	236,401	6,031
Interest and fiscal charges	7,840	7,840	8,278	438
Total expenditures	<u>1,787,490</u>	<u>2,747,930</u>	<u>2,733,889</u>	<u>(14,041)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES)	<u>101,750</u>	<u>(858,690)</u>	<u>(788,617)</u>	<u>70,073</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	<u>1,000</u>	<u>1,000</u>	<u>277,251</u>	<u>276,251</u>
Total other financing sources (uses)	<u>1,000</u>	<u>1,000</u>	<u>277,251</u>	<u>276,251</u>
NET CHANGE IN FUND BALANCE	<u>\$ 102,750</u>	<u>\$ (857,690)</u>	<u>(511,366)</u>	<u>\$ 346,324</u>
FUND BALANCE, MAY 1			<u>2,747,858</u>	
FUND BALANCE, APRIL 30			<u>\$ 2,236,492</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 725,000	\$ 725,000	\$ 722,840	\$ (2,160)
Service fees	1,750,000	1,750,000	2,191,604	441,604
Rural fire district fees	288,060	288,060	275,794	(12,266)
Investment income	5,300	5,300	96,703	91,403
Miscellaneous revenues and reimbursements	3,000	3,000	739	(2,261)
Total revenues	<u>2,771,360</u>	<u>2,771,360</u>	<u>3,287,680</u>	<u>516,320</u>
EXPENDITURES				
Current:				
Public safety	\$ 2,953,494	\$ 2,953,494	\$ 2,902,883	(50,611)
Capital outlay	327,400	327,400	296,680	(30,720)
Debt service:				
Principal	-	-	1,407	1,407
Interest and fiscal charges	-	-	65	65
Total expenditures	<u>3,280,894</u>	<u>3,280,894</u>	<u>3,201,035</u>	<u>(79,859)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(509,534)</u>	<u>(509,534)</u>	<u>86,645</u>	<u>596,179</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(56,635)</u>	<u>(56,635)</u>	<u>(56,635)</u>	-
Total other financing sources (uses)	<u>(56,635)</u>	<u>(56,635)</u>	<u>(56,635)</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ (566,169)</u>	<u>\$ (566,169)</u>	<u>30,010</u>	<u>\$ 596,179</u>
FUND BALANCE, MAY 1			<u>4,074,631</u>	
FUND BALANCE, APRIL 30			<u>\$ 4,104,641</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 710,000	\$ 710,000	\$ 708,041	\$ (1,959)
Intergovernmental receipts:				
Replacement tax	3,500	3,500	13,551	10,051
Investment income	-	-	421	421
Total revenues	<u>713,500</u>	<u>713,500</u>	<u>722,013</u>	<u>8,513</u>
EXPENDITURES				
Current:				
General government	110,330	110,330	96,152	(14,178)
Public safety	250,160	250,160	218,012	(32,148)
Highways and streets	87,320	87,320	76,099	(11,221)
Zoning	53,690	53,690	46,790	(6,900)
Cemetery	11,210	11,210	9,769	(1,441)
Culture and recreation	69,620	69,620	60,673	(8,947)
Tourism	7,670	7,670	6,684	(986)
Total expenditures	<u>590,000</u>	<u>590,000</u>	<u>514,179</u>	<u>(75,821)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 123,500</u>	<u>\$ 123,500</u>	207,834	<u>\$ 84,334</u>
FUND BALANCE, MAY 1			<u>438,773</u>	
FUND BALANCE, APRIL 30			<u>\$ 646,607</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Service fees	\$ 10,000	\$ 10,000	\$ 13,850	\$ 3,850
Investment income	10,000	10,000	1,838	(8,162)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>15,688</u>	<u>(4,312)</u>
EXPENDITURES				
Current:				
Cemetery	\$ 20,000	\$ 20,000	\$ 6,091	(13,909)
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>6,091</u>	<u>(13,909)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	\$ 9,597	<u>\$ 9,597</u>
FUND BALANCE, MAY 1			<u>983,231</u>	
FUND BALANCE, APRIL 30			<u>\$ 992,828</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property	\$ 985,000	\$ 985,000	\$ 981,445	\$ (3,555)
Intergovernmental receipts:				
Replacement tax	20,000	20,000	68,480	48,480
Fee in lieu of taxes	53,870	53,870	53,870	-
Total revenues	<u>1,058,870</u>	<u>1,058,870</u>	<u>1,103,795</u>	<u>44,925</u>
EXPENDITURES				
Current:				
General government	198,009	198,009	193,817	(4,192)
Public safety	448,961	448,961	439,456	(9,505)
Highways and streets	156,713	156,713	153,395	(3,318)
Zoning	96,357	96,357	94,317	(2,040)
Cemetery	20,119	20,119	19,693	(426)
Culture and recreation	124,947	124,947	122,301	(2,646)
Tourism	13,764	13,764	13,474	(290)
Total expenditures	<u>1,058,870</u>	<u>1,058,870</u>	<u>1,036,453</u>	<u>(22,417)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	67,342	<u>\$ 67,342</u>
FUND BALANCE, MAY 1			<u>146,259</u>	
FUND BALANCE, APRIL 30			<u>\$ 213,601</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes:				
Property	\$ 15,200	\$ 15,200	\$ 15,213	\$ 13
Total revenues	<u>15,200</u>	<u>15,200</u>	<u>15,213</u>	<u>13</u>
EXPENDITURES				
Current:				
Highways and streets	\$ 15,200	\$ 15,200	\$ 5,310	(9,890)
Total expenditures	<u>15,200</u>	<u>15,200</u>	<u>5,310</u>	<u>(9,890)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	\$ 9,903	<u>\$ 9,903</u>
FUND BALANCE, MAY 1			<u>235,758</u>	
FUND BALANCE, APRIL 30			<u>\$ 245,661</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental receipts:				
State sales tax	\$ 915,000	\$ 915,000	\$ 1,094,457	\$ 179,457
Grants	700,000	700,000	-	(700,000)
Service fees	103,000	103,000	-	(103,000)
Investment income	6,000	6,000	76,167	70,167
Donations	-	-	31,051	31,051
Miscellaneous revenues and reimbursements	-	-	10,260	10,260
Total revenues	<u>1,724,000</u>	<u>1,724,000</u>	<u>1,211,935</u>	<u>(512,065)</u>
EXPENDITURES				
General government	916,000	916,000	128,754	(787,246)
Capital outlay	<u>1,206,000</u>	<u>1,206,000</u>	<u>237,422</u>	<u>(968,578)</u>
Total expenditures	<u>2,122,000</u>	<u>2,122,000</u>	<u>366,176</u>	<u>(1,755,824)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES)	<u>(398,000)</u>	<u>(398,000)</u>	<u>845,759</u>	<u>1,243,759</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>4,418,000</u>	<u>4,418,000</u>	<u>4,020,000</u>	<u>(398,000)</u>
Total other financing sources (uses)	<u>4,418,000</u>	<u>4,418,000</u>	<u>4,020,000</u>	<u>(398,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,020,000</u>	<u>\$ 4,020,000</u>	<u>\$ 4,865,759</u>	<u>\$ 845,759</u>
FUND BALANCE (DEFICIT), MAY 1			<u>(89,845)</u>	
FUND BALANCE, APRIL 30			<u>\$ 4,775,914</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service:				
Principal	736,140	736,140	736,140	-
Interest and fiscal charges	156,890	156,890	156,555	(335)
Total expenditures	893,030	893,030	892,695	(335)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(893,030)</u>	<u>(893,030)</u>	<u>(892,695)</u>	<u>335</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	893,030	893,030	892,695	(335)
Total other financing sources (uses)	<u>893,030</u>	<u>893,030</u>	<u>892,695</u>	<u>(335)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, MAY 1			<u>580,447</u>	
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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 156	\$ 156
Total revenues	-	-	156	156
EXPENDITURES				
Debt service:				
Principal	293,930	293,930	293,930	-
Interest and fiscal charges	186,270	186,270	186,176	(94)
Total expenditures	480,200	480,200	480,106	(94)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	(480,200)	(480,200)	(479,950)	250
OTHER FINANCING SOURCES (USES)				
Transfers in	480,200	480,200	479,950	(250)
Total other financing sources (uses)	480,200	480,200	479,950	(250)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, MAY 1			362,062	
FUND BALANCE, APRIL 30			\$ 362,062	

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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ -	\$ -	\$ 6,156	\$ 6,156
Total revenues	-	-	6,156	6,156
EXPENDITURES				
Debt service:				
Principal	384,930	384,930	384,930	-
Interest and fiscal charges	526,450	526,450	526,366	(84)
Total expenditures	911,380	911,380	911,296	(84)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	(911,380)	(911,380)	(905,140)	6,240
OTHER FINANCING SOURCES (USES)				
Transfers in	911,380	911,380	910,876	(504)
Total other financing sources (uses)	911,380	911,380	910,876	(504)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 5,736	\$ 5,736
FUND BALANCE, MAY 1			200,078	
FUND BALANCE, APRIL 30			\$ 205,814	

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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ 725	\$ 725	\$ 12,153	\$ 11,428
Annex fees	225,000	225,000	164,868	(60,132)
Total revenues	<u>225,725</u>	<u>225,725</u>	<u>177,021</u>	<u>(48,704)</u>
EXPENDITURES				
Zoning Projects	<u>357,750</u>	<u>357,750</u>	<u>357,750</u>	-
Total expenditures	<u>357,750</u>	<u>357,750</u>	<u>357,750</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ (132,025)</u>	<u>\$ (132,025)</u>	<u>\$ (180,729)</u>	<u>\$ (48,704)</u>
FUND BALANCE, MAY 1			<u>1,611,193</u>	
FUND BALANCE, APRIL 30			<u>\$ 1,430,464</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental receipts:				
State sales tax	\$ 2,200,000	\$ 2,200,000	\$ 2,976,173	\$ 776,173
Investment income	16,700	16,700	167,823	151,123
Miscellaneous revenues and reimbursements	30,000	30,000	34,689	4,689
Total revenues	<u>2,246,700</u>	<u>2,246,700</u>	<u>3,178,685</u>	<u>931,985</u>
EXPENDITURES				
Current:				
General government	44,000	44,000	44,740	740
Highways and streets	1,025,000	1,025,000	319,207	(705,793)
Capital outlay	1,275,000	1,275,000	1,257,377	(17,623)
Total expenditures	<u>2,344,000</u>	<u>2,344,000</u>	<u>1,621,324</u>	<u>(722,676)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES)	<u>(97,300)</u>	<u>(97,300)</u>	<u>1,557,361</u>	<u>1,654,661</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(378,000)	(378,000)	(377,545)	455
Total other financing sources (uses)	<u>(378,000)</u>	<u>(378,000)</u>	<u>(377,545)</u>	<u>455</u>
NET CHANGE IN FUND BALANCE	<u>\$ (475,300)</u>	<u>\$ (475,300)</u>	<u>\$ 1,179,816</u>	<u>\$ 1,655,116</u>
FUND BALANCE, MAY 1			<u>6,312,008</u>	
FUND BALANCE, APRIL 30			<u>\$ 7,491,824</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ 550	\$ 550	\$ 10,611	\$ 10,061
Total revenues	<u>550</u>	<u>550</u>	<u>10,611</u>	<u>10,061</u>
EXPENDITURES				
Current:				
General government	<u>200,550</u>	<u>200,550</u>	<u>120,630</u>	<u>(79,920)</u>
Total expenditures	<u>200,550</u>	<u>200,550</u>	<u>120,630</u>	<u>(79,920)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(200,000)</u>	<u>(200,000)</u>	<u>(110,019)</u>	<u>89,981</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,981</u>	<u>\$ 89,981</u>
FUND BALANCE, MAY 1			<u>1,676,524</u>	
FUND BALANCE, APRIL 30			<u>\$ 1,766,505</u>	

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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service:				
Principal	115,000	115,000	115,000	-
Interest and fiscal charges	26,550	26,550	26,550	-
Total expenditures	141,550	141,550	141,550	-
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES)	(141,550)	(141,550)	(141,550)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	141,550	141,550	141,550	-
Total other financing sources (uses)	141,550	141,550	141,550	-
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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service:				
Principal	345,000	345,000	345,000	-
Interest and fiscal charges	212,635	212,635	212,618	(17)
Total expenditures	557,635	557,635	557,618	(17)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(557,635)</u>	<u>(557,635)</u>	<u>(557,618)</u>	<u>17</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	557,635	557,635	557,618	(17)
Total other financing sources (uses)	557,635	557,635	557,618	(17)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, MAY 1			<u>-</u>	
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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service:				
Principal	405,000	405,000	405,000	-
Interest and fiscal charges	247,760	247,760	247,728	(32)
Total expenditures	652,760	652,760	652,728	(32)
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(652,760)</u>	<u>(652,760)</u>	<u>(652,728)</u>	<u>32</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	652,760	652,760	652,410	(350)
Total other financing sources (uses)	652,760	652,760	652,410	(350)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	\$ (318)	<u>\$ (318)</u>
FUND BALANCE, MAY 1			-	
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (318)</u>	

FIDUCIARY FUNDS

CITY OF O'FALLON, ILLINOIS

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

April 30, 2023

	Police Pension Fund	Firefighters' Pension Fund	Total
ASSETS			
Cash and cash equivalents	\$ 896,247	\$ 31,858	\$ 928,105
Investments			
Pooled Investments	37,911,882	974,242	38,886,124
Total assets	38,808,129	1,006,100	39,814,229
LIABILITIES			
Due to primary government	2,356	-	2,356
Accounts payable	3,373	-	3,373
Total liabilities	5,729	-	5,729
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 38,802,400	\$ 1,006,100	\$ 39,808,500

CITY OF O'FALLON, ILLINOIS

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

For the Year Ended April 30, 2023

	Police Pension Fund	Firefighters' Pension Fund	Total
ADDITIONS			
Contributions:			
Plan members	\$ 440,538	\$ 18,600	\$ 459,138
Employer	1,363,906	80,229	1,444,135
Total contributions	1,804,444	98,829	1,903,273
Investment income:			
Interest earned	288,371	6,362	294,733
Net appreciation (depreciation) in fair value of investments	507,894	4,899	512,793
Less: investment fees	(39,314)	(653)	(39,967)
Net investment income	756,951	10,608	767,559
Total additions	2,561,395	109,437	2,670,832
DEDUCTIONS			
Benefits	2,130,638	-	2,130,638
Refunds	97,082	30,372	127,454
Administration services	20,135	2,387	22,522
Total deductions	2,247,855	32,759	2,280,614
CHANGE IN NET POSITION	313,540	76,678	390,218
NET POSITION, MAY 1	38,488,860	929,422	39,418,282
NET POSITION, APRIL 30	<u>\$ 38,802,400</u>	<u>\$ 1,006,100</u>	<u>\$ 39,808,500</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
ADDITIONS				
Contributions:				
Plan members	\$ 480,000	\$ 480,000	\$ 440,538	\$ (39,462)
Employer	<u>1,355,000</u>	<u>1,355,000</u>	<u>1,363,906</u>	<u>8,906</u>
Total contributions	<u>1,835,000</u>	<u>1,835,000</u>	<u>1,804,444</u>	<u>(30,556)</u>
Investment income:				
Investment income	777,500	777,500	288,371	(489,129)
Net appreciation (depreciation) in fair value of investments	-	-	507,894	507,894
Less: investment fees	<u>(922,000)</u>	<u>(922,000)</u>	<u>(39,314)</u>	<u>882,686</u>
Net investment income	<u>(144,500)</u>	<u>(144,500)</u>	<u>756,951</u>	<u>901,451</u>
Total additions	<u>1,690,500</u>	<u>1,690,500</u>	<u>2,561,395</u>	<u>870,895</u>
DEDUCTIONS				
Benefits	1,600,000	1,600,000	2,130,638	530,638
Refunds	45,000	45,000	97,082	52,082
Administration services	<u>45,500</u>	<u>45,500</u>	<u>20,135</u>	<u>(25,365)</u>
Total deductions	<u>1,690,500</u>	<u>1,690,500</u>	<u>2,247,855</u>	<u>557,355</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	313,540	<u>\$ 313,540</u>
NET POSITION, MAY 1			<u>38,488,860</u>	
NET POSITION, APRIL 30			<u>\$ 38,802,400</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
ADDITIONS				
Contributions:				
Plan members	\$ 17,500	\$ 17,500	\$ 18,600	\$ 1,100
Employer	80,000	80,000	80,229	229
Total contributions	<u>97,500</u>	<u>97,500</u>	<u>98,829</u>	<u>1,329</u>
Investment income:				
Investment income	20,100	20,100	6,362	(13,738)
Net appreciation (depreciation) in fair value of investments	-	-	4,899	4,899
Less: investment fees	<u>(110,600)</u>	<u>(110,600)</u>	<u>(653)</u>	<u>109,947</u>
Net investment income	<u>(90,500)</u>	<u>(90,500)</u>	<u>10,608</u>	<u>101,108</u>
Total additions	<u>7,000</u>	<u>7,000</u>	<u>109,437</u>	<u>102,437</u>
DEDUCTIONS				
Administration services	7,000	7,000	2,387	(4,613)
Refunds	<u>-</u>	<u>-</u>	<u>30,372</u>	<u>30,372</u>
Total deductions	<u>7,000</u>	<u>7,000</u>	<u>32,759</u>	<u>25,759</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>76,678</u>	<u>\$ 76,678</u>
NET POSITION, MAY 1			<u>929,422</u>	
NET POSITION, APRIL 30			<u>\$ 1,006,100</u>	

CITY OF O'FALLON, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS

April 30, 2023

	Special Service Area Debt Service	Newbold Debt Service	Harley Davidson Debt Service	Total
ASSETS				
Cash and cash equivalents	\$ 89,955	\$ 85,214	\$ 47,087	\$ 222,256
Restricted cash	225,488	196,519	189,588	611,595
Total assets	<u>315,443</u>	<u>281,733</u>	<u>236,675</u>	<u>833,851</u>
LIABILITIES				
None	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION RESTRICTED FOR DEBT SERVICE	<u>\$ 315,443</u>	<u>\$ 281,733</u>	<u>\$ 236,675</u>	<u>\$ 833,851</u>

CITY OF O'FALLON, ILLINOIS

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

For the Year Ended April 30, 2023

	Special Service Area Debt Service	Newbold Debt Service	Harley Davidson Debt Service	Total
ADDITIONS				
Contributions:				
Property owners	\$ 272,965	\$ 156,443	\$ 132,187	\$ 561,595
Total contributions	<u>272,965</u>	<u>156,443</u>	<u>132,187</u>	<u>561,595</u>
Investment income	<u>6,843</u>	<u>80</u>	<u>42</u>	<u>6,965</u>
Total additions	<u>279,808</u>	<u>156,523</u>	<u>132,229</u>	<u>568,560</u>
DEDUCTIONS				
Debt service				
Principal	245,000	120,000	95,000	460,000
Interest and fiscal charges	<u>31,717</u>	<u>39,350</u>	<u>39,390</u>	<u>110,457</u>
Total deductions	<u>276,717</u>	<u>159,350</u>	<u>134,390</u>	<u>570,457</u>
CHANGE IN NET POSITION	3,091	(2,827)	(2,161)	(1,897)
NET POSITION, MAY 1	<u>312,352</u>	<u>284,560</u>	<u>238,836</u>	<u>835,748</u>
NET POSITION, APRIL 30	<u>\$ 315,443</u>	<u>\$ 281,733</u>	<u>\$ 236,675</u>	<u>\$ 833,851</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
ADDITIONS				
Contributions:				
Property owners	\$ 276,690	\$ 276,690	\$ 272,965	\$ (3,725)
Total contributions	<u>276,690</u>	<u>276,690</u>	<u>272,965</u>	<u>(3,725)</u>
Investment income	<u>-</u>	<u>-</u>	<u>6,843</u>	<u>6,843</u>
Total additions	<u>276,690</u>	<u>276,690</u>	<u>279,808</u>	<u>3,118</u>
DEDUCTIONS				
Debt service				
Principal	245,000	245,000	245,000	-
Interest and fiscal charges	31,690	31,785	31,717	(68)
Total deductions	<u>276,690</u>	<u>276,785</u>	<u>276,717</u>	<u>(68)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(95)</u>	<u>3,091</u>	<u>3,186</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>95</u>	<u>-</u>	<u>(95)</u>
Total other financing sources (uses)	<u>-</u>	<u>95</u>	<u>-</u>	<u>(95)</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>3,091</u>	<u>\$ 3,091</u>
NET POSITION, MAY 1			<u>312,352</u>	
NET POSITION, APRIL 30			<u>\$ 315,443</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
ADDITIONS				
Contributions				
Property owners	\$ 159,400	\$ 159,400	\$ 156,443	\$ (2,957)
Total contributions	<u>159,400</u>	<u>159,400</u>	<u>156,443</u>	<u>(2,957)</u>
Investment income	<u>-</u>	<u>-</u>	<u>80</u>	<u>80</u>
Total additions	<u>159,400</u>	<u>159,400</u>	<u>156,523</u>	<u>(2,877)</u>
DEDUCTIONS				
Debt service				
Principal	120,000	120,000	120,000	-
Interest and fiscal charges	<u>39,400</u>	<u>39,400</u>	<u>39,350</u>	<u>(50)</u>
Total deductions	<u>159,400</u>	<u>159,400</u>	<u>159,350</u>	<u>(50)</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,827)</u>	<u>\$ (2,827)</u>
NET POSITION, MAY 1			<u>284,560</u>	
NET POSITION, APRIL 30			<u><u>\$ 281,733</u></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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
ADDITIONS				
Contributions				
Property owners	\$ 134,400	\$ 134,400	\$ 132,187	\$ (2,213)
Total contributions	<u>134,400</u>	<u>134,400</u>	<u>132,187</u>	<u>(2,213)</u>
Investment income	<u>-</u>	<u>-</u>	<u>42</u>	<u>42</u>
Total additions	<u>134,400</u>	<u>134,400</u>	<u>132,229</u>	<u>(2,171)</u>
DEDUCTIONS				
Debt service:				
Principal	95,000	95,000	95,000	-
Interest and fiscal charges	<u>39,400</u>	<u>39,400</u>	<u>39,390</u>	<u>(10)</u>
Total deductions	<u>134,400</u>	<u>134,400</u>	<u>134,390</u>	<u>(10)</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,161)</u>	<u>\$ (2,161)</u>
NET POSITION, MAY 1			<u>238,836</u>	
NET POSITION, APRIL 30			<u>\$ 236,675</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, 2023

	General Operating	Ohlendorf Bequest	Total	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and cash equivalents	477,858	130,902	608,760	-	608,760
Investments	1,111,870	3,923,360	5,035,230	-	5,035,230
Receivables, net:					
Property taxes	1,281,500	-	1,281,500	-	1,281,500
Interest	9,985	27,338	37,323	-	37,323
Prepaid items	19,950	-	19,950	-	19,950
Capital assets:					
Other capital assets, net of accumulated depreciation	-	-	-	1,030,866	1,030,866
Total assets	2,901,163	4,081,600	6,982,763	1,030,866	8,013,629
DEFERRED OUTFLOWS OF RESOURCES					
Pension items - IMRF	-	-	-	217,258	217,258
Total deferred outflows of resources	-	-	-	217,258	217,258
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
	\$ 2,901,163	\$ 4,081,600	\$ 6,982,763	\$ 1,248,124	\$ 8,230,887
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	35,488	-	35,488	-	35,488
Accrued payroll and benefits	15,208	-	15,208	-	15,208
Accrued interest	-	-	-	12	12
Noncurrent liabilities:					
Due within one year	-	-	-	51,143	51,143
Due in more than one year	-	-	-	239,253	239,253
Total liabilities	50,696	-	50,696	290,408	341,104
DEFERRED INFLOWS OF RESOURCES					
Pension items - IMRF	-	-	-	13,867	13,867
Unavailable/deferred property taxes	1,281,500	-	1,281,500	-	1,281,500
Total deferred inflows of resources	1,281,500	-	1,281,500	13,867	1,295,367
FUND BALANCES/NET POSITION					
Nonspendable					
Prepaid items	19,950	-	19,950	(19,950)	-
Restricted:					
Retirement	103,408	-	103,408	-	103,408
Specific purpose	-	4,081,600	4,081,600	-	4,081,600
Unassigned	1,445,609	-	1,445,609	(1,445,609)	-
Net position:					
Net investment in capital assets	-	-	-	1,022,809	1,022,809
Unrestricted	-	-	-	1,386,599	1,386,599
Total fund balance/net position	1,568,967	4,081,600	5,650,567	943,849	6,594,416
Total liabilities, deferred inflows of resources and fund balances/net position	\$ 2,901,163	\$ 4,081,600	\$ 6,982,763	\$ 1,248,124	\$ 8,230,887

CITY OF O'FALLON, ILLINOIS

**O'FALLON PUBLIC LIBRARY - COMPONENT UNIT
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

For the Year Ended April 30, 2023

	General Operating	Ohlendorf Bequest	Total	Adjustments	Statement of Activities
REVENUES					
Taxes					
Property	\$ 1,277,212	\$ -	\$ 1,277,212	\$ -	\$ 1,277,212
Intergovernmental					
Replacement tax	21,903	-	21,903	-	21,903
Grants	47,626	-	47,626	-	47,626
TIF surplus distribution	8,503	-	8,503	-	8,503
Investment income (loss)	36,057	59,356	95,413	-	95,413
Fines and fees	65,241	-	65,241	-	65,241
Donations	25,931	-	25,931	-	25,931
Insurance claims	31,819	-	31,819	-	31,819
Miscellaneous	202	-	202	-	202
Total revenues	<u>1,514,494</u>	<u>59,356</u>	<u>1,573,850</u>	<u>-</u>	<u>1,573,850</u>
EXPENDITURES					
Current					
Culture and recreation	1,434,610	24,773	1,459,383	243,393	1,702,776
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,434,610</u>	<u>24,773</u>	<u>1,459,383</u>	<u>243,393</u>	<u>1,702,776</u>
NET CHANGES IN FUND BALANCES/NET POSITION	79,884	34,583	114,467	(243,393)	(128,926)
FUND BALANCES/ NET POSITION, MAY 1	<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>
FUND BALANCES/ NET POSITION, APRIL 30	<u>\$ 1,568,967</u>	<u>\$ 4,081,600</u>	<u>\$ 5,650,567</u>	<u>\$ 943,849</u>	<u>\$ 6,594,416</u>

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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)
4/30/2022	\$ 39,734,251	\$ 49,563,266	80%	9,829,015	\$ 4,158,042	236%
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%

Employer Contributions

Actuarial	Employer
Year *	Contributions
4/30/2022	\$ 1,299,839
4/30/2021	1,195,365
4/30/2020	1,202,429
4/30/2019	1,196,603
4/30/2018	1,200,725

* 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	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)
4/30/2022	\$ 1,039,944	\$ 404,292	257%	(635,652)	\$ 175,510	-362%
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%

Employer Contributions

Actuarial	Employer
Year *	Contributions
4/30/2022	\$ 49,942
4/30/2021	63,545
4/30/2020	64,075
4/30/2019	44,663
4/30/2018	69,691

* Most recent information available

CITY OF O'FALLON, ILLINOIS

COMPARATIVE STATEMENTS OF NET POSITION

April 30, 2023

	Primary Government		Component Unit	
	2023	2022	2023	2022
ASSETS				
Cash and cash equivalents	\$ 82,722,593	\$ 77,983,118	\$ 608,760	\$ 1,757,022
Restricted cash and cash equivalents	376,749	395,549	-	-
Investments	22,843,426	11,394,753	5,035,230	3,827,987
Receivables, net:				
Property tax	9,047,812	8,468,663	1,281,500	1,281,500
Due from other governmental entities	4,052,437	3,674,816	-	-
Interest	227,091	64,487	37,323	4,280
Other	1,291,295	1,104,638	-	-
Water and sewer fees	5,198,980	2,760,856	-	-
Service fees	718,424	475,923	-	-
Due from employees	-	-	-	-
Due from fiduciary funds	2,356	2,551	-	-
Prepaid items	683,262	1,504,116	19,950	18,770
Net pension asset - IMRF	-	4,733,406	-	241,272
Capital assets:				
Land and construction in progress	39,955,212	32,020,231	-	-
Other capital assets, net	119,633,640	123,122,351	1,030,866	1,215,975
Total assets	<u>286,753,277</u>	<u>267,705,458</u>	<u>8,013,629</u>	<u>8,346,806</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF	4,189,603	1,694,741	217,258	86,385
Unamortized loss on refunding	676,949	806,340	-	-
Total deferred outflows of resources	<u>4,866,552</u>	<u>2,501,081</u>	<u>217,258</u>	<u>86,385</u>
Total assets and deferred outflows of resources	<u>291,619,829</u>	<u>270,206,539</u>	<u>8,230,887</u>	<u>8,433,191</u>

This schedule is continued on the following page.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2023

	Primary Government		Component Unit	
	2023	2022	2023	2022
LIABILITIES				
Accounts payable	\$ 8,077,507	\$ 3,602,655	\$ 35,488	\$ 63,174
Accrued payroll and benefits	356,363	225,083	15,208	8,785
Unearned revenue	669,628	1,761,985	-	-
Accrued interest	473,020	496,737	12	-
Noncurrent liabilities:				
Due within one year	3,511,071	4,044,680	51,143	28,071
Due in more than one year	48,705,755	42,811,082	239,253	80,183
Total liabilities	61,793,344	52,942,222	341,104	180,213
DEFERRED INFLOWS OF RESOURCES				
Pension items - IMRF	267,406	4,868,078	13,867	248,136
Deferred property taxes	9,047,812	8,468,663	1,281,500	1,281,500
Total deferred inflows of resources	9,315,218	13,336,741	1,295,367	1,529,636
Total liabilities and deferred inflows of resources	71,108,562	66,278,963	1,636,471	1,709,849
NET POSITION				
Net investment in capital assets	114,187,363	112,343,949	1,022,809	1,215,975
Restricted:				
Debt service	143,691	143,691	-	-
Construction/capital projects	10,070,611	9,065,788	-	-
Highways and streets	7,490,124	6,663,519	-	-
Culture and recreation	4,085,579	3,361,132	-	-
Public safety	6,645,950	7,142,196	-	-
Retirement	860,208	585,032	103,408	86,077
Cemetery	992,828	983,231	-	-
Special service areas	245,661	235,758	-	-
Special purpose	-	-	4,081,600	4,047,017
Unrestricted	75,789,252	63,403,280	1,386,599	1,374,273
Total net position	\$ 220,511,267	\$ 203,927,576	\$ 6,594,416	\$ 6,723,342

CITY OF O'FALLON, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2023

	Primary Government		Component Unit	
	2023	2022	2023	2022
EXPENSES				
Government activities:				
General government	\$ 4,324,495	\$ 3,375,835	\$ -	\$ -
Public safety	15,821,900	14,224,890	-	-
Highway and streets	8,558,114	7,818,970	-	-
Zoning	1,444,177	1,013,612	-	-
Cemetery	377,452	156,502	-	-
Culture and recreation	6,305,572	5,740,181	-	-
Tax increment financing	1,165,827	1,213,451	-	-
Tourism	488,528	331,564	-	-
Interest and fiscal charges	1,326,351	1,396,110	-	-
Total governmental activities	<u>39,812,416</u>	<u>35,271,115</u>	<u>-</u>	<u>-</u>
Business-type activities				
Water	13,115,430	11,846,106	-	-
Sewer	7,453,999	4,984,433	-	-
Total business-type activities	<u>20,569,429</u>	<u>16,830,539</u>	<u>-</u>	<u>-</u>
Component Unit:				
Library	<u>-</u>	<u>-</u>	<u>1,702,776</u>	<u>1,386,939</u>
Total expenses	60,381,845	52,101,654	1,702,776	1,386,939
PROGRAM REVENUES				
Charges for services	33,043,757	31,309,386	65,241	55,597
Operating grants and contributions	1,672,059	1,421,590	47,626	45,935
Capital grants and contributions	996,142	4,925,055	-	-
Total program revenues	<u>35,711,958</u>	<u>37,656,031</u>	<u>112,867</u>	<u>101,532</u>
Net (Expense) Revenue and Changes in Net Position	<u>(24,669,887)</u>	<u>(14,445,623)</u>	<u>(1,589,909)</u>	<u>(1,285,407)</u>

This schedule is continued on the following page.

CITY OF O'FALLON, ILLINOIS

STATEMENT OF ACTIVITIES (Continued)

For the Year Ended April 30, 2023

	Primary Government		Component Unit	
	2023	2022	2023	2022
GENERAL REVENUES				
Taxes:				
Property	7,752,256	7,800,743	1,277,212	1,243,276
Road and bridge	293,522	303,034	-	-
Utility	2,255,278	2,095,634	-	-
Food and beverage	1,237,198	1,105,806	-	-
Unrestricted - intergovernmental				
Income	5,217,204	4,495,129	-	-
TIF surplus	38,155	35,183	8,503	7,843
Replacement	100,733	76,841	21,903	16,708
Sales tax	18,461,384	15,210,422	-	-
Grants	2,012,896	-	-	-
Investment income	2,906,319	197,502	95,413	(200,577)
Gain (loss) on disposal of fixed assets	445,553	64,388	-	-
Miscellaneous	533,080	363,267	57,952	47,895
Total General Revenues and Transfers	41,253,578	31,747,949	1,460,983	1,115,145
Change in net position	16,583,691	17,302,326	(128,926)	(170,262)
Net position - May 1	203,927,576	184,690,608	6,723,342	6,893,604
Prior Period Adjustments	-	(78,254)	-	-
Net position - May 1	203,927,576	184,612,354	6,723,342	6,893,604
Net position - April 30	\$ 220,511,267	\$ 201,914,680	\$ 6,594,416	\$ 6,723,342

CITY OF O'FALLON, ILLINOIS

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

For the Year Ended April 30, 2023

	<u>2022</u>	<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>
Assessed valuations	\$ 838,440,998	\$ 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
Property tax rates										
General	-	-	0.0131	0.0448	0.0709	0.0742	0.0389	0.0390	0.0388	0.0390
Fire protection	0.1754	0.1791	0.1732	0.1730	0.1736	0.1817	0.1868	0.1840	0.1821	0.1833
Firefighter's pension	0.0084	0.0103	0.0066	0.0087	0.0064	0.0104	0.0107	-	-	-
Ambulance	0.0990	0.0928	0.0784	0.0746	0.0709	0.0520	0.1580	0.1616	0.1610	0.1814
Library	0.1402	0.1503	0.1503	0.1537	0.1534	0.1606	0.1650	0.1571	0.1502	0.1512
Library - Municipal retirement	0.0062	0.0066	0.0068	0.0070	0.0073	0.0077	0.0079	-	-	-
Library - Social security	0.0066	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
Police pension	0.1670	0.1727	0.1699	0.1628	0.1700	0.1780	0.1683	0.1720	0.1713	0.1724
Municipal retirement	0.0851	0.0909	0.0928	0.0959	0.0886	0.0895	0.0915	0.0905	0.0790	0.0602
Social security	0.1263	0.1260	0.1144	0.1106	0.1155	0.1338	0.1281	0.1311	0.1219	0.1227
Total property tax rates	<u>0.8142</u>	<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>