

STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

Name of Municipality:	O'Fallon	Reporting Fiscal Year:	2018
County:	St Clair	Fiscal Year End:	4/30/2018
Unit Code:	088/110/30		

TIF Administrator Contact Information

First Name:	Sandra	Last Name:	Evans
Address:	255 S. Lincoln	Title:	Director of Finance
Telephone:	618-624-4500 ext 8723	City:	O'Fallon
E-mail- required	sevens@ofallon.org	Zip:	62269

I attest to the best of my knowledge, that this FY 2018 report of the redevelopment project area(s)	
in the City/Village of:	O'Fallon
is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].	

Sandra Evans

Written signature of TIF Administrator

10-25-18

Date _____

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTRICT

[illegible]

*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2018

Name of Redevelopment Project Area (below):

TIF #2 Green Mount

Primary Use of Redevelopment Project Area*: Central Business Distr

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

If "Combination/Mixed" List Component Types:

Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):

Tax Increment Allocation Redevelopment Act

X

Industrial Jobs Recovery Law

Please utilize the information below to properly label the Attachments.

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A).	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification (labeled Attachment B).		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C).		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D).		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E).	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).		X
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, then Analysis MUST be attached and (labeled Attachment J).	X	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose the list only, not actual agreements (labeled Attachment M).	X	

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))**Provide an analysis of the special tax allocation fund.****FY 2018****TIF NAME:****TIF #2 Green Mount**

Special Tax Allocation Fund Balance at Beginning of Reporting Period

\$ 38,859

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 11,617	\$ 111,397	1%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest			0%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 7,447,416	81%
Transfers from Municipal Sources	\$ 120,885	\$ 1,654,150	18%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

All Amount Deposited in Special Tax Allocation Fund

\$ 132,502

Cumulative Total Revenues/Cash Receipts

\$ 9,212,963 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 3,951,116

Transfers to Municipal Sources

\$ -

Distribution of Surplus**Total Expenditures/Disbursements**

\$ 3,951,116

Net/Income/Cash Receipts Over/(Under) Cash Disbursements

\$ (3,818,613)

FUND BALANCE, END OF REPORTING PERIOD*

\$ (3,779,754)

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c))

FY 2018

TIF NAME:

TIF #2 Green Mount

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment project costs)

PAGE 1

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
Legal fees	118	
Engineering fees	261,148	
		\$ 261,266
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
		\$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
		\$ -
6. Costs of the construction of public works or improvements.		
Relocation of utilities	227,014	
Road expansion and improvements	3,086,721	
Developer reimbursement HSHS - utility infrastructure	189,958	
		\$ 3,503,693

SECTION 3.2 A		
PAGE 2		
7. Costs of eliminating or removing contaminants and other impediments.		
		\$ -
8. Cost of job training and retraining projects.		
		\$ -
9. Financing costs.		
		\$ -
10. Capital costs.		
		\$ -
11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects.		
		\$ -
12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.		
		\$ -

FY 2018

TIF NAME:

TIF #2 Green Mount

Optional: Information in the following sections is not required by law, but would be helpful in creating fiscal transparency.

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

[illegible]

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d)

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FY 2018

TIF NAME:

TIF #2 Green Mount

FUND BALANCE BY SOURCE

\$ (3,779,754)

Amount of Original Issuance	Amount Designated
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1. Description of Debt Obligations

G.O. Bond Series 2015 for Roadwork (principle & interest)	\$ 3,185,520	\$ 3,024,425
G.O. Bond Series 2015 for Mine Remediation (principle & int)	\$ 6,844,782	\$ 6,512,435

Total Amount Designated for Obligations

\$ 10,030,302	\$ 9,536,860
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2. Description of Project Costs to be Paid

HSHS Redevelopment Agreements		\$ 15,100,000
Greenmount Road Improvements		\$ 198,000
Due to General Fund for TIF related expenses		\$ 3,600,810
Due to Enterprise Fund for TIF related expenses		\$ 859,428

Total Amount Designated for Project Costs

\$ 19,758,238

TOTAL AMOUNT DESIGNATED

\$ 29,295,098

SURPLUS/(DEFICIT)

\$ (33,074,853)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2018

TIF NAME:

TIF #2 Green Mount

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

X

**Check here if no property was acquired by the Municipality within the
Redevelopment Project Area.**

Property Acquired by the Municipality Within the Redevelopment Project Area.

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2018

TIF Name:

TIF #2 Green Mount

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	6

LIST the projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 315,882,725	\$ 9,500,000	\$ 330,682,725
Public Investment Undertaken	\$ 12,397,040	\$ 198,000	\$ 27,669,878
Ratio of Private/Public Investment	25 37/77		11 39/41

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: Hospital Sisters Health System

Private Investment Undertaken (See Instructions)	\$ 300,000,000		\$ 300,000,000
Public Investment Undertaken	\$ 7,425,162	\$ -	\$ 22,500,000
Ratio of Private/Public Investment	40 25/62		13 1/3

Project 2*: N Green Mount Rd Improvements

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 4,801,398	\$ 198,000	\$ 4,999,398
Ratio of Private/Public Investment	0		0

Project 3*: Regency Park Dr Lighting

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 170,480	\$ -	\$ 170,480
Ratio of Private/Public Investment	0		0

Project 4*: Greenmount Office Building

Private Investment Undertaken (See Instructions)	\$ 15,882,725		\$ 15,882,725
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 5*: Hotel Accomodations

Private Investment Undertaken (See Instructions)		\$ 6,000,000	\$ 7,800,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 6*: Medical Office Building I

Private Investment Undertaken (See Instructions)	\$ -	\$ 3,500,000	\$ 7,000,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. ***even though optional MUST be included as part of the complete TIF report**

SECTION 6
FY 2018

TIF NAME: TIF #2 Green Mount

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
11/21/2011	\$ 665,372	\$ 2,322,254

List all overlapping tax districts in the redevelopment project area.

If overlapping taxing district received a surplus, list the surplus.

☒ Check if the overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention:

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

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Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	



Certification of the Chief Executive
Officer of the municipality that the municipality
had complied with all of the requirements of this Act
during the preceding fiscal year
[65 ILCS 5/11-74.1-5 (d) (3) and 5/11-74.6-22 (d) (3)]

I, Herb Roach, the duly elected Mayor of the City of O'Fallon, County of St. Clair, Illinois, State of Illinois, and as such, do hereby certify that the City of O'Fallon has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act during the fiscal year covered by this report (May 1, 2017 – April 30, 2018).

10/26/18
Date

Herb Roach
Herb Roach
Mayor of the City of O'Fallon



“(C) An opinion of legal counsel that the municipality is in compliance with this Act.”
[65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)]

I, Terry Bruckert, am the Tax Increment Financing Attorney for the City of O’Fallon, Illinois and have been such throughout the fiscal year covered by this report (May 1, 2017- April 30, 2018).

I have reviewed all information provided to me by the City administration and staff, and I find that the City of O’Fallon, Illinois has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth hereunder to the best of my knowledge and belief.

This opinion relates only to the time period set forth and is based upon all information available to me as of the end of said fiscal year.

October 26, 2018
Date


Signature

City of O'Fallon
St. Clair County, Illinois

STATEMENT OF ACTIVITIES TO FURTHER
OBJECTIVES OF THE REDEVELOPMENT PLAN

Year Ended April 30, 2018

Hospital Sisters Health System

Hospital Sisters Health System (HSHS) previously entered into a redevelopment agreement with the City to build a new hospital and medical office building complex within the redevelopment project area. Mine mitigation was completed. The hospital and medical office building opened November 4, 2017. As of 4/30/18, the initial phase is complete.

Green Mount Road Improvements

The City retained a traffic engineering firm, a civil engineering firm and an architect to undertake traffic studies and to begin design of improvements and complimentary landscaping to Green Mount Road in support of the HSHS medical campus development project. The City issued General Obligation bonds to fund this project and was awarded a state grant from the Economic Development Program. The City also retained land acquisition services for right of way negotiations. Road improvements and landscape development were completed this year. As of 4/30/18, this project is complete.

Regency Road Lighting Improvements

The City retained an engineering firm to begin design improvements regarding street lighting to support the HSHS medical campus. As of 4/30/18, this project is complete.

Greenmount Office Building

The Greenmount Development Group, LLC is an Illinois company that constructed a new five-story professional building at the corner of Regency Park Drive and Greenmount Road. It is approximately 60,000 square foot of office and light retail space. As of 4/30/16, this project is complete.

Hotel Accommodations

The Hampton Inn has planned construction of a new hotel. The building proposed will have four floors for a total of 63,208 sq foot. No activity has taken place as of this date.

Medical Office Building I

Green Mount Investment Enterprises LLC has entered an agreement with the property owner, Shelton Investments, to construct a medical office building on their property. The building proposed will have one floor for a total of 30,882 sq foot. No activity has taken place as of this date.

**Joint Review Board Meeting
Tax Increment Financing
Redevelopment Project Area
City of O'Fallon, Illinois**

**April 26, 2018
Meeting Minutes
TIF #2 Central City**

Draft minutes of the annual meeting of the Joint Review Board held at City Hall, 255 S. Lincoln Ave, O'Fallon, Illinois on April 26, 2018.

Call to order occurred at 3:45 pm

It was confirmed that City Administrator, Walter Denton, would serve as the City Representative.

ROLL CALL:

Taxing District Representatives: A Hoerner (SWIC), D Elser (District #104), D Benway (District #203)

City Representatives: W Denton

Others: T Bruckert, T Shekell, S Evans, H Roach, D Arell-Martinez

The Board voted and approved Debbie Arell-Martinez to serve as the Public Member of the Joint Review Board.

The Board appointed Sandy Evans to take minutes of the meeting.

OTHER BUSINESS:

The annual TIF reports for fiscal years 2016 and 2017 were presented. The members asked for an update on the project. All expenses have been submitted and reviewed. Tax increment is only applied to the MOB. The Blade building and Sugarfire are included in the TIF but have no incentive agreements in place. Within five years of the TIF start date, another MOB should be constructed. There have been talks of adding another hospital wing and maybe more out buildings on the campus for different medical practices. They estimate 500,000 visitors between family, patients and employees in the area which creates demand for commercial activity. The Public Works department is discussing improvements at exit 14 and 16 with IDOT to alleviate heavy traffic issues. There were no other questions or discussion.

Motion to adjourn by D Benway and 2nd by A Hoerner at 3:56 pm.

Next Meeting: TBD

City of O'Fallon, Illinois
Combining Balance Sheet - Tax Increment Financing (TIF) Funds
April 30, 2018

	158 Corridor TIF	Green Mount Medical TIF	Central Park TIF	Rte. 50/ Scott Troy Rd. TIF	Central City TIF	Total TIF Fund
Assets						
Cash and cash equivalents	\$ 675,351	\$ 780,203	\$ 13,849	\$ -	\$ 10,379	\$ 1,479,782
Receivables, net						
Taxes	372,388	137,803	607,743	157,029	43,119	1,318,082
Other	-	72,635	-	-	-	72,635
Total Assets	1,047,739	990,641	621,592	157,029	53,498	2,870,499
Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 1,047,739</u>	<u>\$ 990,641</u>	<u>\$ 621,592</u>	<u>\$ 157,029</u>	<u>\$ 53,498</u>	<u>\$ 2,870,499</u>
Liabilities						
Accounts payable	285,598	480,275	70	70	399	766,412
Due to other funds	-	4,152,318	110,454	40,692	123,520	4,426,984
Total Liabilities	285,598	4,632,593	110,524	40,762	123,919	5,193,396
Deferred Inflows of Resources						
Unavailable resources - property taxes	372,388	137,803	607,743	157,029	43,119	1,318,082
Fund Balance						
Nonspendable:						
Prepaid items	-	-	-	-	-	-
Interfund advances	-	-	-	-	-	-
Restricted:						
Debt service	-	-	-	-	-	-
Special revenue fund	389,753	-	-	-	-	389,753
Unassigned:						
General fund	-	(3,779,755)	(96,675)	(40,762)	(113,540)	(4,030,732)
Total Fund Balances	<u>389,753</u>	<u>(3,779,755)</u>	<u>(96,675)</u>	<u>(40,762)</u>	<u>(113,540)</u>	<u>(3,640,979)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,047,739</u>	<u>\$ 990,641</u>	<u>\$ 621,592</u>	<u>\$ 157,029</u>	<u>\$ 53,498</u>	<u>\$ 2,870,499</u>

City of O'Fallon, Illinois
Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances - Tax Increment Financing (TIF) Funds
For the year ended April 30, 2018

	158 Corridor TIF	Green Mount Medical TIF	Central Park TIF	Rte. 50/ Scott Troy Rd. TIF	Central City TIF	Total TIF Fund
Revenues						
Taxes:						
Property	\$ 378,503	\$ 11,617	\$ 605,982	\$ 1,001	\$ 18,789	\$ 1,015,892
Intergovernmental receipts:						
Grants	-	120,885	-	-	-	120,885
Investment income	1,316	-	-	-	-	1,316
Miscellaneous revenues and reimbursements	-	-	-	-	500	500
Total Revenues	379,819	132,502	605,982	1,001	19,289	1,138,593
Expenditures						
Current:						
Highways and streets	-	-	-	-	-	-
Tax increment financing	2,245	118	208,441	460	11,420	222,684
Capital outlay	284,940	3,764,841	386,883	837	14	4,437,515
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total Expenditures	287,185	3,764,959	595,324	1,297	11,434	4,660,199
Excess (Deficiency) of Revenues over Expenditures	92,634	(3,632,457)	10,658	(296)	7,855	(3,521,606)
Other Financing Sources (Uses)						
Transfers in from other funds	-	-	-	-	-	-
Transfers out to other funds	-	(186,157)	-	-	-	(186,157)
Total Other Financing Sources	-	(186,157)	-	-	-	(186,157)
Net Change in Fund Balance	\$ 92,634	\$ (3,818,614)	\$ 10,658	\$ (296)	\$ 7,855	\$ (3,707,763)
Fund Balance (Deficit), May 1	297,119	38,859	(107,333)	(40,466)	(121,395)	66,784
Fund Balance (Deficit), April 30	<u>\$ 389,753</u>	<u>\$ (3,779,755)</u>	<u>\$ (96,675)</u>	<u>\$ (40,762)</u>	<u>\$ (113,540)</u>	<u>\$ (3,640,979)</u>



10425 Old Olive Street Road, Suite 101
Creve Coeur, MO 63141

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

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

We have audited the basic financial statements of the City of O'Fallon, Illinois, for the year ended April 30, 2018, and have issued our report thereon dated October 5, 2018, which was qualified for not determining whether the annual pension costs for the Police Pension and Fire Pension are overstated or understated in accordance with U. S. generally accepted accounting principles, which require an asset or liability to be recorded in the government-wide statement of net position for the governmental activities based on the net pension liability or asset, which would change the expenses in the governmental activities. Also, the City has not determined a cost or liability for other post-employment benefit costs and the omission of the other post-employment benefits disclosures. The financial statements are the responsibility of management for the City of O'Fallon, Illinois. Our responsibility is to express opinions on the financial statements based on our audit.

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

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

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

Creve Coeur, Missouri
October 5, 2018