

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

**ANNUAL FINANCIAL REPORT  
Year Ended April 30, 2015**

**AND  
INDEPENDENT AUDITOR'S REPORT**



City of O'Fallon  
St. Clair County, Illinois

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2015

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City of O'Fallon  
St. Clair County, Illinois

April 30, 2015

CITY OFFICIALS

MAYOR  
Gary L. Graham

CLERK  
Philip Goodwin

TREASURER  
David Hursey

CITY COUNCIL

Rich Meile  
Ed True  
Jerry Mouser  
John Drolet  
Michael Bennett  
Jim Hursey  
David Cozad

Gene McCoskey  
Jerry Albrecht  
Kevin Hagarty  
Herb Roach  
Courtney Marsh  
Ray Holden  
Harlan Gerrish

CITY ADMINISTRATOR  
Walter Denton

CHIEF FINANCIAL OFFICER  
Sandy Evans



ALTON      EDWARDSVILLE      BELLEVILLE      HIGHLAND  
JERSEYVILLE      COLUMBIA      CARROLLTON      BARTELSON

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

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of O'Fallon, Illinois, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U. S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Basis for Qualified Opinions on the Governmental Activities, the Business-Type Activities, Each Major Proprietary Fund and the Aggregate Remaining Fund Information**

The City has not determined whether the annual pension costs for the Police Pension are over or underfunded 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 aggregate annual pension costs in relation to annual contributions made, which would change the expenses in the governmental activities. The amount by which this departure would affect assets, liabilities, net position and expenses of the governmental activities is not reasonably determinable. The City has also excluded a portion of the Police Pension Fund disclosures to the Pension Trust Funds. In our opinion, disclosure of this information is required by U. S. generally accepted accounting principles.

The City has not recognized the other post-employment benefit (OPEB) expense or obligation which is required in accordance with U. S. generally accepted accounting principles and under Government Accounting Standards Board (GASB) Statement No. 45, to be recorded in the governmental activities, business-type activities and in the proprietary fund financial statements. The effects of that departure on the financial statements are not reasonably determinable. The City has also not disclosed the descriptive information about the other post-employment benefits required by standards.

**Qualified Opinions on the Governmental Activities, the Business-Type Activities, Each Major Proprietary Fund and the Aggregate Remaining Fund Information**

In our opinion, except for the omission of a portion of the Police Pension Fund disclosures as described in the “Basis for Qualified Opinions on the Governmental Activities, the Business-Type Activities, Each Major Proprietary Fund and the Aggregate Remaining Fund Information” paragraphs, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate remaining fund information of the City of O’Fallon, Illinois, as of April 30, 2015, and the respective changes in financial position, thereof, for the year then ended in conformity with U. S. generally accepted accounting principles.

In addition, in our opinion, except for the other matters discussed in the “Basis for Qualified Opinions on the Governmental Activities, the Business-Type Activities, Each Major Proprietary Fund and the Aggregate Remaining Fund Information” paragraphs, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major proprietary fund of the City of O’Fallon, Illinois, as of April 30, 2015, and the respective changes in net position and cash flows, where applicable, thereof, for the year then ended in conformity with U. S. generally accepted accounting principles.

**Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component unit and each major governmental fund of the City of O’Fallon, Illinois as of April 30, 2015, and the respective changes in financial position, thereof, for the year then ended in accordance with U. S. generally accepted accounting principles.

## **Other Matters**

### **Prior Year Summarized Comparative Information**

The prior year summarized comparative information has been derived from the City's April 30, 2014 financial statements, and, in our report dated October 21, 2014, we expressed unmodified opinions on the respective financial statements of the aggregate discretely presented component unit and each major governmental fund. We expressed qualified opinions on the governmental activities, business-type activities and each major proprietary fund for not determining the net pension obligation funding status, not recognizing the other post-employment benefits (OPEB) expense or obligation or disclosing descriptive information about OPEB and on the aggregate remaining fund information because a portion of the Police Pension Fund disclosures were omitted.

### **Required Supplementary Information**

U. S. generally accepted accounting principles require that the management's discussion and analysis, budgetary comparison information, IMRF Trend Information and Police Pension Trend Information, presented on pages MDA 1 through 10 and Schedules A through D, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U. S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The City of O'Fallon, Illinois has not presented the Police Pension Annual Pension Cost in the Schedule of Employer Contributions or the schedule of funding progress for the other post-employment benefits that U. S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of O'Fallon's basic financial statements. The accompanying supplementary information and other supplementary information and the List of Officials, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U. S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



The other supplementary information and List of Officials, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script, reading "Scheffel Boyle". The ink is dark and the signature is centered horizontally.

Belleville, Illinois

October 22, 2015



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON

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

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

We have audited the basic financial statements of the City of O'Fallon, Illinois, for the year ended April 30, 2015, and have issued our report thereon dated October 22, 2015, which was qualified for not determining whether the net pension obligation for the Police Pension is over or underfunded, an omission of a portion of the Police Pension disclosures, not determining 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. 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.

A handwritten signature in cursive script that reads "Scheffel Boyle". The ink is dark and the signature is centered on the page.

Belleville, Illinois

October 22, 2015

**The City of O'Fallon, Illinois****MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)****April 30, 2015**

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, 2015.

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

**Using this Annual Report**

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

***Government-Wide Financial Statements***

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

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

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

### ***Fund-based Financial Statements***

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

Governmental fund financial statements (including the general fund, special revenue, capital projects and debt service) are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The statements consist of a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance.

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

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

### **Infrastructure Assets**

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

### **Financial Analysis of the City as a Whole**

#### ***Statement of Net Position***

The City's combined net position increased by \$6,811,528. Governmental activities had an increase of \$4,166,095 and business activities had an increase of \$2,645,433. Net position of the City's governmental activities total \$82.7 million with 61% of that being invested in capital assets (buildings, roads, equipment, etc.) net of related debt. The net position of the business-type activities total \$39.5 million with 77% invested in capital assets net of related debt.

Statement of Net Position								
April 30, 2015								
	Governmental Activities		Business-Type Activities		Primary Government Total		Component Unit	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>								
Other assets	\$ 39,247,689	\$ 42,990,075	\$ 10,787,001	\$ 8,711,650	\$ 50,034,690	\$ 51,701,725	\$ 5,641,859	\$ 5,413,548
Capital assets (net of accumulated depreciation)	59,393,101	55,665,390	39,355,370	35,832,760	98,748,471	91,498,150	1,149,782	1,160,237
Capital assets, non-depreciable	35,751,773	33,533,540	710,487	4,293,969	36,462,260	37,827,509	-	-
<b>TOTAL ASSETS</b>	<b>134,392,563</b>	<b>132,189,005</b>	<b>50,852,858</b>	<b>48,838,379</b>	<b>185,245,421</b>	<b>181,027,384</b>	<b>6,791,641</b>	<b>6,573,785</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred loss on refunding	1,854,673	2,004,066	-	-	1,854,673	2,004,066	-	-
<b>LIABILITIES</b>								
Other liabilities	3,952,122	4,005,178	1,468,669	1,358,342	5,420,791	5,363,520	62,430	70,216
Long-term liabilities	46,393,305	48,523,162	9,875,140	10,616,421	56,268,445	59,139,583	84,533	82,525
<b>TOTAL LIABILITIES</b>	<b>50,345,427</b>	<b>52,528,340</b>	<b>11,343,809</b>	<b>11,974,763</b>	<b>61,689,236</b>	<b>64,503,103</b>	<b>146,963</b>	<b>152,741</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unearned property taxes	3,232,308	3,161,325	-	-	3,232,308	3,161,325	963,081	962,745
<b>NET POSITION</b>								
Net Investment in Capital Assets	50,442,852	42,307,728	30,286,976	29,459,176	80,729,828	71,766,904	1,149,782	1,160,237
Restricted	21,508,908	26,225,711	1,215,691	1,231,631	22,724,599	27,457,342	4,531,815	4,298,062
Unrestricted	10,717,741	9,969,967	8,006,382	6,172,809	18,724,123	16,142,776	-	-
<b>TOTAL NET POSITION</b>	<b>\$ 82,669,501</b>	<b>\$ 78,503,406</b>	<b>\$ 39,509,049</b>	<b>\$ 36,863,616</b>	<b>\$ 122,178,550</b>	<b>\$ 115,367,022</b>	<b>\$ 5,681,597</b>	<b>\$ 5,458,299</b>

**Statement of Changes in Net Position**

As noted, net position from governmental activities increased \$4,166,095 (5% growth). Total revenues increased by \$3,039,903. Expenses increased this year 2.6%, mainly due higher spending in the highways and streets category.

Statement of Changes in Net Position								
April 30, 2015								
	Governmental		Business-Type		Primary Government		Component	
	Activities		Activities		Total		Unit	
	2015	2014	2015	2014	2014	2013	2015	2014
<b>REVENUES</b>								
Program Revenues								
Charges for services	\$ 5,229,193	\$ 4,747,526	\$ 16,491,830	\$ 15,393,123	\$ 21,721,023	\$ 20,140,649	\$ 49,283	\$ 44,082
Operating grants	825,667	1,126,618	-	-	825,667	1,126,618	35,351	29,063
Capital grants	2,324,027	501,051	-	-	2,324,027	501,051	34,398	34,339
General Revenues								
Taxes	23,441,489	21,695,357	-	-	23,441,489	21,695,357	965,274	963,662
Franchise fees	1,195,504	1,311,497	-	-	1,195,504	1,311,497	-	-
Investment income	38,355	76,046	1,580	3,268	39,935	79,314	133,973	299,505
Donations not restricted to specific activities	21,706	34,426	-	-	21,706	34,426	12,472	15,227
Gain (loss) on abandonment of fixed assets	(10,254)	491,556	-	-	(10,254)	491,556	-	-
Transfers	(82,908)	-	-	-	(82,908)	-	82,908	-
Miscellaneous	94,246	53,045	-	-	94,246	53,045	-	-
<b>TOTAL REVENUES</b>	<b>33,077,025</b>	<b>30,037,122</b>	<b>16,493,410</b>	<b>15,396,391</b>	<b>49,570,435</b>	<b>45,433,513</b>	<b>1,313,659</b>	<b>1,385,878</b>
<b>EXPENSES</b>								
General government	5,198,938	6,017,414	-	-	5,198,938	6,017,414	-	-
Public safety	10,534,090	10,416,706	-	-	10,534,090	10,416,706	-	-
Highways and streets	7,021,899	5,580,389	-	-	7,021,899	5,580,389	-	-
Cultural and recreation	3,816,880	3,739,582	-	-	3,816,880	3,739,582	-	-
Interest on long-term debt	2,339,123	2,417,334	-	-	2,339,123	2,417,334	-	-
Water	-	-	9,456,998	10,296,710	9,456,998	10,296,710	-	-
Sewer	-	-	4,390,979	4,586,508	4,390,979	4,586,508	-	-
Library	-	-	-	-	-	-	1,090,361	1,039,815
<b>TOTAL EXPENSES</b>	<b>28,910,930</b>	<b>28,171,425</b>	<b>13,847,977</b>	<b>14,883,218</b>	<b>42,758,907</b>	<b>43,054,643</b>	<b>1,090,361</b>	<b>1,039,815</b>
<b>CHANGE IN NET POSITION</b>	<b>4,166,095</b>	<b>1,865,697</b>	<b>2,645,433</b>	<b>513,173</b>	<b>6,811,528</b>	<b>2,378,870</b>	<b>223,298</b>	<b>346,063</b>
Net position beginning	78,503,406	77,187,122	36,863,616	36,350,443	115,367,022	113,537,565	5,458,299	5,129,569
Prior Period Adjustment	-	(549,413)	-	-	-	(549,413)	-	(17,333)
<b>NET POSITION ENDING</b>	<b>\$ 82,669,501</b>	<b>\$ 78,503,406</b>	<b>\$ 39,509,049</b>	<b>\$ 36,863,616</b>	<b>\$ 122,178,550</b>	<b>\$ 115,367,022</b>	<b>\$ 5,681,597</b>	<b>\$ 5,458,299</b>

Significant revenue changes were:

- Ameren Electric Franchise revenue is a new revenue source adding \$102,000 in fiscal year 2015.
- Sales and Use tax increased \$342,000 (4%). This is attributed to an improvement in the economy.
- IDOT's capital contribution for the Venita Overpass increased revenue by \$2.3 million.
- Utility tax increased due to the settlement received from Ameren regarding the audit on City addresses.
- Income tax increased \$149,000 (5%).

As noted, expenses only increased by 2.6% during fiscal year 2015. Significant expense changes were:

- Highways and streets spending increased by \$1.4 million over last year mainly due to maintenance for streets, sidewalks and storm water systems.
- General government expenses decreased by 14%. While there was a small reimbursement for TIF #3 eligible costs (\$269K) in 2015, none were reimbursed for TIF #1. This is a drop from last year by \$1.2 million.
- Cultural and recreation expenses remained fairly flat to last year with just a slight 2% increase with the purchase of several new mowers and the addition of a new park shelter.

### ***Business-type Activities***

As noted, net position from business-type activities increased by \$2,645,433. Operating revenues of the City's business-type activities increased by \$1,097,019 or 7%. Expenses decreased by \$1,035,241 or 7%. Fund net position balances for the City's business-type activities are \$39.5 million for fiscal year 2015, with \$8 million being unrestricted.

### **Financial Analysis of the City's Fund Financial Statements**

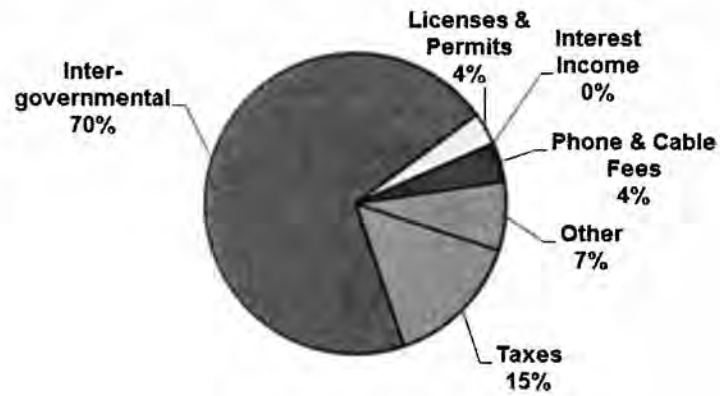
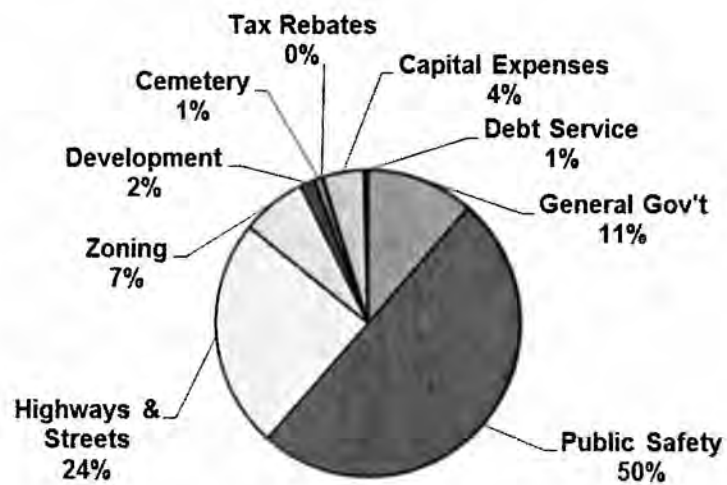
For the fiscal year ended April 30, 2015, the Governmental Funds reflect a \$3,873,889 decrease in fund balance. The Governmental Fund's cash and investments decreased by \$3,842,742. The Governmental Fund revenues increased by 6% (\$1,649,957). The expenses increased by 19% (\$5,936,581) over last year; leaving a net change in fund balance of negative \$3,873,889.

<b>Status of Fund Balance</b>			
<b>Governmental Funds</b>			
	Fiscal Year	Fiscal Year	Increase/
	5/1/14 - 4/30/15	5/1/13 - 4/30/14	(Decrease)
General	\$ 11,062,942	\$ 10,031,229	\$ 1,031,713
Park	1,810,280	1,319,866	490,414
Fire	2,686,129	2,635,356	50,773
Ambulance	3,605,896	3,283,879	322,017
Capital Improvement	1,867	4,432,653	(4,430,786)
Non-Major	13,393,930	14,731,950	(1,338,020)
<b>TOTAL</b>	<b>\$ 32,561,044</b>	<b>\$ 36,434,933</b>	<b>\$(3,873,889)</b>

The General Fund is the primary operating fund of the City. During the year, revenues exceeded expenditures in the General Fund by \$3,381,993. Proceeds from the issuance of short-term debt increased the fund balance by \$18,665 and proceeds from the sale of assets increased balance by \$5,900. Planned transfers to various other funds reduced the fund balance by \$2,374,845. The ending fund balance in the General Fund account is \$11,062,942. 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 Source - General Fund****Expenditures by Program - General Fund**

This City has one fund set up for the parks system and the City pool. During the year, revenues were \$3,701,060 and expenses were \$2,870,646, before other financing uses of \$340,000 leaving a net change in fund balance of \$490,414. The City's park system is growing every year. The ending fund balance in the Park Fund is \$1,810,280.

The City has several Debt Service Funds. The 1997 Bond Issue was a general obligation bond in the amount of \$7,450,000. This bond was issued to complete various infrastructure and development projects within the City. These bonds were defeased in fiscal year 2002 by the issuance of additional bonds.

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

The 2002 Bond Issue was a general obligation bond in the amount of \$14,000,000 in two equal subsections. This bond was issued to complete Prop S infrastructure projects and to complete the police station on Seven Hills Road. In 2007 the City defeased the Prop S portion of these bonds. During fiscal year 2011, the remaining portion of these bonds was defeased with the Series 2010 bond issue and the City removed this liability from its account.

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. During the year, the City made payments to retire \$255,000 of principal and paid \$196,850 in interest. In 2010 the City defeased a portion of this 2006 issue.

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.

The City also issued \$9,295,000 in general obligation taxable bonds Series 2009A to finance additions to the Family Sports Park. These bonds are Build America Bonds which provide a federal subsidy through a refundable tax credit in an amount equal to 35 percent (35%) of the total coupon interest. In late October of 2014, the percent was reduced by 7.3% because of sequestration. These bonds are taxable and not tax-exempt.

### ***General Fund Budgetary Highlights***

Actual General Fund operating expenses are \$280,169 less than the final budget amount and actual operating revenues are \$422,807 lower than the final budget amount. This amounts to a net loss of \$142,638 actual vs budget. Each department, with the exception of Streets, recorded lower spending than budget. Group insurance came in 10% lower than budget. Higher expenses in the Street Department are a result of \$193K in snow removal, \$107K for street sign replacement due to an unbudgeted state mandate and unexpected maintenance of stormwater systems. Revenues are lower than budget because a portion of the Utility Tax and Telephone Franchise revenues are reclassified to Park & Rec although they are budgeted in General Fund.

### ***Capital Asset and Debt Administration***

At the end of 2015, the City had \$135 million (net of accumulated depreciation) invested in a broad range of capital assets, including police, fire, park facilities, roads, water and sewer lines, etc. Governmental funds had \$95.1 million and business-type activities had \$40 million invested at the end of fiscal year 2015, net of depreciation.

**Government Funds  
Changes in Capital Assets  
For the Year Ended April 30, 2015**

	Governmental Capital Assets 5/1/2014	Increases	Decreases	Governmental Capital Assets 4/30/2014
Capital assets not being depreciated:				
Land	\$ 31,112,379	\$ -	\$ -	\$ 31,112,379
Construction in progress	<u>2,421,161</u>	<u>4,303,088</u>	<u>2,084,855</u>	<u>4,639,394</u>
Total capital assets not being depreciated	33,533,540	4,303,088	2,084,855	35,751,773
Capital assets being depreciated:				
Land/building improvements	2,693,403	305,628	-	2,999,031
Buildings	19,032,469	6,661,788	-	25,694,257
Equipment	6,644,467	356,814	-	7,001,281
Vehicles	6,058,898	402,548	262,017	6,199,429
Parks/Sportsplex	19,158,340	195,139	-	19,353,479
Infrastructure	<u>114,783,678</u>	<u>332,889</u>	<u>-</u>	<u>115,116,567</u>
Total capital assets being depreciated	168,371,255	8,254,806	262,017	176,364,044
Less accumulated depreciation	<u>112,705,865</u>	<u>4,507,641</u>	<u>242,563</u>	<u>116,970,943</u>
Total capital assets being depreciated, net	55,665,390	3,747,165	19,454	59,393,101
Governmental funds				
Total capital assets, net	<u>\$ 89,198,930</u>	<u>\$ 8,050,253</u>	<u>\$ 2,104,309</u>	<u>\$ 95,144,874</u>
This year's major additions to the capital assets include the following:				
Governmental activities:				
Fire Station/EMS Headquarters		3,751,899		
Streets-Street Sweeper		171,304		
Streets-Single Axle Dump Truck		142,994		
Park & Rec-Maintenance Building		1,316,811		
Sportspark-Toolcat 5600 G Series		61,912		
See note 6 for additional information on capital assets				

### ***Debt Outstanding***

The City issued General Obligation Bonds in 1993, 2001, 2002, 2006, 2009 and 2010. In 1993, a bond was issued in the amount of \$1,500,000 for the construction of a new library. These bonds were paid off in fiscal year 2009.

In 2001, a bond was issued in the amount of \$7,640,000 for various infrastructure and development projects. In 2011, the above bonds were defeased with the Series 2010 bond issue. In 2002, a bond was issued in the amount of \$14,000,000 for the construction of a new police station and various road improvements. The Prop S portion of this bond was defeased and reissued as a 20 year bond under the 2006 issue. In 2006, a bond was issued in the amount of \$20,100,000 to defease a portion of the 2002 bond issue for roads and construct a Family Sports Park, Convention Center and other road improvements. The principal outstanding for this bond on April 30, 2015 is \$3,760,000. In 2009, a bond was issued in the amount of \$18,450,000 to defease a portion of the 2006 bond issue and to finance additions to the Family Sports Park. The principal outstanding on this 2009 bond at April 30, 2015 is \$16,950,000. Also in 2009, a Build America bond was issued for \$9,295,000 to finance an addition to the City library and additions to the Family Sports Park. However, in FY13 a \$2 million portion of the 2009 Build America bond that was originally intended to finance an addition to the City library, was reallocated to Parks and EMS. The principal outstanding on this 2009A bond is \$8,895,000. In 2005 and 2007, various bonds were issued for the City's special service areas to be used for various commercial ventures. The principal amount outstanding for these bonds at April 30, 2015 is \$4,950,000. During fiscal year 2013, the remaining portion of the SSA6 & SSA7 bonds were defeased 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 of the outstanding defeased bonds, such as property tax revenue and bond payment, are still reflected in the City records due to the nature of the refunding arrangement. The City's capital leases and notes payable for governmental activities total \$1,993,120, a purchase agreement for land (\$184,500) was retired this year.

The City issued Alternate Revenue Source Waterworks Bonds in 2004. The business-type activities bond was issued in the amount of \$3,310,000 for construction and installation of new encoder water meters. The amount outstanding for this bond at April 30, 2015 is \$-0-. In addition, the business-type activities have a Construction Loan (from the IEPA for sewer plant improvements) with a balance of \$4,861,053, two additional Construction Loans (from the IEPA for water towers) one with a balance of \$670,948 and the other, \$4,363,425.

See Note 7 for additional information on long-term debt.

### ***Economic Factors***

The most recent assessed valuation for the City is \$641,199,042. The assessed valuation for the City increased by \$4,462,912 over last year. The City's tax rate decreased by \$0.006 for a current rate of \$.9945 in comparison to last year's rate of \$1.001.

O'Fallon today is recognized as one of the fastest growing cities in southwest Illinois with a population according to the 2010 Census of 28,396. Located just five minutes from Scott Air Force Base, 20 minutes from downtown St. Louis and with three (soon to be 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, Gander Mountain and Menard's. O'Fallon is the Auto Mart for the St. Louis Metro Area with 19 dealers in a 2-mile area. With 12 modern hotels, O'Fallon has become a complementary location for the major tourist and sports venues in the St. Louis region. Additionally, following the completion of Phase 3 of the 200 acre Family Sports Park and construction of the City's Regency Conference Center, thousands of visitors come to O'Fallon every year to take part in all O'Fallon has to offer. O'Fallon is the heart of the new growth corridor in the St. Louis Metro East. Three hospitals; St. Elizabeth's, Barnes Jewish Cristian (BJC), and Memorial Hospital, have all purchased large tracks of land in or near O'Fallon. Memorial Hospital will finish construction on a \$124 million facility in neighboring Shiloh, Illinois in 2016, and St. Elizabeth's is currently in the process of constructing a \$300 million regional medical campus within O'Fallon's borders to be completed in 2017.

O'Fallon has a median family income of \$70,248 with 70% of the population working in management, professional, sales and related occupations. In O'Fallon, 95.4% of the residents have graduated from high school and 77% of residents have some college or more. For a 150-year-old city, O'Fallon has a young population with a median age of 36.4 and 27% of households with an individual under 18 years.

### **Contacting the City's Financial Management**

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

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

City of O'Fallon  
St. Clair County, Illinois

STATEMENT OF NET POSITION

April 30, 2015

(With Summarized Comparative Information for April 30, 2014)

	Governmental Activities	Business-Type Activities	2015 Total Primary Government
<b>ASSETS</b>			
Cash and cash equivalents	\$ 31,075,428	\$ 7,214,617	\$ 38,290,045
Investments	679,662	-	679,662
Restricted			
Cash and cash equivalents	-	1,260,434	1,260,434
Accounts receivable, net	-	12,801	12,801
Receivables			
Property taxes	4,330,682	-	4,330,682
Other governmental entities	2,288,915	-	2,288,915
Interest receivable	923	-	923
Other	97,930	-	97,930
Water and sewer fees, net	-	1,801,678	1,801,678
Service fees	367,805	-	367,805
Prepaid expenses	461,504	372,217	833,721
Due from employees	12,094	-	12,094
Due from police pension	-	-	-
Due from other funds	(125,254)	125,254	-
Discounts on bonds, net	58,000	-	58,000
Capital assets, nondepreciable	35,751,773	710,487	36,462,260
Capital assets, net of accumulated depreciation	59,393,101	39,355,370	98,748,471
Total assets	134,392,563	50,852,858	185,245,421
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	1,854,673	-	1,854,673
<b>LIABILITIES</b>			
Accounts payable	1,330,332	822,370	2,152,702
Accrued payroll	322,754	78,941	401,695
Unearned revenue			
Fees	135,862	-	135,862
Other	-	-	-
Unearned credits, net	439,995	-	439,995
Accrued interest payable	624,805	-	624,805
Pension contributions payable	1,098,374	-	1,098,374

(continued on next page)

## EXHIBIT A

<u>2014</u> <u>Total</u> <u>Primary</u> <u>Government</u>	<u>2015</u> <u>Component</u> <u>Unit</u>	<u>2014</u> <u>Component</u> <u>Unit</u>
\$ 40,482,264	\$ 1,321,930	\$ 1,740,560
604,727	3,330,259	2,682,155
1,256,501	-	-
11,884	-	-
4,328,462	963,081	962,745
1,927,164	-	-
312	7,543	8,426
301,811	1,360	1,066
1,421,270	-	-
247,216	-	-
927,564	17,686	18,596
11,223	-	-
118,494	-	-
-	-	-
62,833	-	-
37,827,509	-	-
<u>91,498,150</u>	<u>1,149,782</u>	<u>1,160,237</u>
<u>181,027,384</u>	<u>6,791,641</u>	<u>6,573,785</u>
<u>2,004,066</u>	<u>-</u>	<u>-</u>
1,997,264	13,331	19,371
413,206	14,604	15,494
123,299	-	-
26,981	34,495	35,351
483,788	-	-
619,595	-	-
1,167,137	-	-

STATEMENT OF NET POSITION  
(continued)  
April 30, 2015  
(With Summarized Comparative Information for April 30, 2014)

	Governmental Activities	Business-Type Activities	2015 Total Primary Government
LIABILITIES (continued)			
Deposits - customers	-	3,419	3,419
Payable from restricted assets			
Long-term debt - portion due within one year	-	506,395	506,395
Accrued interest	-	57,544	57,544
Notes payable, bonds payable and compensated absences			
Long-term debt - portion due within one year	2,266,837	433,873	2,700,710
Equipment notes payable - portion due after one year	1,691,283	-	1,691,283
Compensated absences - portion due after one year	1,975,185	486,109	2,461,294
Notes payable - portion due after one year	-	8,955,158	8,955,158
Bonds payable - portion due after one year	40,460,000	-	40,460,000
Total liabilities	<u>50,345,427</u>	<u>11,343,809</u>	<u>61,689,236</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned property taxes	<u>3,232,308</u>	<u>-</u>	<u>3,232,308</u>
NET POSITION			
Net investment in capital assets	50,442,852	30,286,976	80,729,828
Restricted	21,508,908	1,215,691	22,724,599
Unrestricted	<u>10,717,741</u>	<u>8,006,382</u>	<u>18,724,123</u>
TOTAL NET POSITION	<u>\$ 82,669,501</u>	<u>\$ 39,509,049</u>	<u>\$ 122,178,550</u>

The accompanying notes are an integral part of these financial statements.



## EXHIBIT A

Page 2

<u>2014</u> <u>Total</u> <u>Primary</u> <u>Government</u>	<u>2015</u> <u>Component</u> <u>Unit</u>	<u>2014</u> <u>Component</u> <u>Unit</u>
3,419	-	-
492,077	-	-
36,754	-	-
2,770,528	-	-
1,975,952	-	-
2,232,905	84,533	82,525
9,735,198	-	-
42,425,000	-	-
<u>64,503,103</u>	<u>146,963</u>	<u>152,741</u>
<u>3,161,325</u>	<u>963,081</u>	<u>962,745</u>
71,766,904	1,149,782	1,160,237
27,457,342	4,531,815	4,298,062
16,142,776	-	-
<u>\$ 115,367,022</u>	<u>\$ 5,681,597</u>	<u>\$ 5,458,299</u>

STATEMENT OF ACTIVITIES

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants	Grants and Contributions
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 5,198,938	\$ 1,876,555	\$ -	\$ -
Public safety	10,534,090	1,244,476	267,391	-
Highways and streets	7,021,899	179,980	354,199	2,324,027
Culture and recreation	3,816,880	1,928,182	30,000	-
Interest on long-term debt	2,339,123	-	174,077	-
Total governmental activities	28,910,930	5,229,193	825,667	2,324,027
Business-type activities				
Water	9,456,998	10,479,808	-	-
Sewer	4,390,979	6,012,022	-	-
Total business-type activities	13,847,977	16,491,830	-	-
TOTAL PRIMARY GOVERNMENT	42,758,907	21,721,023	825,667	2,324,027
COMPONENT UNIT				
Library	1,090,361	49,283	35,351	34,398
General revenues				
Taxes				
Property				
Replacement				
Motor fuel				
Sales				
Utility				
Income				
Food and beverage				
Miscellaneous				
Other governmental entities				

City of O'Fallon  
St. Clair County, Illinois

STATEMENT OF ACTIVITIES

Year Ended April 30, 2015  
(With Summarized Comparative Information for Year Ended April 30, 2014)

Net (Expenses) Revenues and Changes in Net Position				2015 Component Unit	2014 Component Unit
Primary Government					
Governmental Activities	Business-Type Activities	2015 Total	2014 Total		
\$ (3,322,383)	\$ -	\$ (3,322,383)	\$ (3,760,269)	\$ -	\$ -
(9,022,223)	-	(9,022,223)	(9,218,470)	-	-
(4,163,693)	-	(4,163,693)	(4,797,651)	-	-
(1,858,698)	-	(1,858,698)	(1,779,765)	-	-
(2,165,046)	-	(2,165,046)	(2,240,075)	-	-
(20,532,043)	-	(20,532,043)	(21,796,230)	-	-
-	1,022,810	1,022,810	(295,819)	-	-
-	1,621,043	1,621,043	805,724	-	-
-	2,643,853	2,643,853	509,905	-	-
(20,532,043)	2,643,853	(17,888,190)	(21,286,325)	-	-
-	-	-	-	(971,329)	(932,331)
5,853,157	-	5,853,157	5,558,321	958,513	957,203
25,321	-	25,321	24,192	6,761	6,459
987,469	-	987,469	864,801	-	-
9,676,579	-	9,676,579	9,326,065	-	-
2,537,740	-	2,537,740	1,732,857	-	-
2,860,776	-	2,860,776	2,711,772	-	-
722,643	-	722,643	662,903	-	-
363,699	-	363,699	379,545	-	-
414,105	-	414,105	434,901	-	-

(continued on next page)

<u>Expenses</u>	<u>Program Revenues</u>		
	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants and Contributions</u>
General revenues (continued)			
Franchise fees			
Investment income			
Donations not restricted to specific activities			
Gain (loss) on disposition of fixed assets			
Transfers			
Miscellaneous			
	Total general revenues		
	Change in net position		
	NET POSITION - BEGINNING		
	Prior period adjustment		
	NET POSITION - ENDING		

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACTIVITIES

(continued)

Year Ended April 30, 2015

(With Summarized Comparative Information for Year Ended April 30, 2014)

Net (Expenses) Revenues and Changes in Net Position					
Primary Government					
Governmental Activities	Business-Type Activities	2015 Total	2014 Total	2015 Component Unit	2014 Component Unit
1,195,504	-	1,195,504	1,311,497	-	-
38,355	1,580	39,935	79,314	133,973	299,505
21,706	-	21,706	34,426	12,472	15,227
(10,254)	-	(10,254)	491,556	-	-
(82,908)	-	(82,908)	-	82,908	-
94,246	-	94,246	53,045	-	-
24,698,138	1,580	24,699,718	23,667,209	1,194,627	1,278,394
4,166,095	2,645,433	6,811,528	2,378,870	223,298	346,063
78,503,406	36,863,616	115,367,022	113,537,565	5,458,299	5,129,569
-	-	-	(549,413)	-	(17,333)
\$ 82,669,501	\$ 39,509,049	\$ 122,178,550	\$ 115,367,022	\$ 5,681,597	\$ 5,458,299

	General	Park
ASSETS		
Cash	\$ 9,413,922	\$ 2,009,358
Investments	-	-
Prepaid expenses	293,416	23,433
Receivables		
Property taxes	248,785	578,362
Other governmental entities	1,961,573	30,000
Interest receivable	-	-
Other	-	-
Ambulance fees	-	-
Due from employees	12,094	-
Due from Police Pension	-	-
Due from other funds	576,262	-
TOTAL ASSETS	<u>\$ 12,506,052</u>	<u>\$ 2,641,153</u>
LIABILITIES		
Accounts payable	\$ 397,409	\$ 82,386
Accrued payroll	237,901	34,263
Unearned revenue		
Fees	-	135,862
Other	-	-
Due to other funds	50,000	-
Total liabilities	<u>685,310</u>	<u>252,511</u>

City of O'Fallon  
St. Clair County, Illinois

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2015  
(With Summarized Comparative Information for April 30, 2014)

				2015	2014
			Other	Total	Total
Fire	Ambulance	Capital	Governmental	Governmental	Governmental
		Improvement	Funds	Funds	Funds
\$ 2,837,746	\$ 3,223,100	\$ 64,200	\$ 13,527,102	\$ 31,075,428	\$ 34,917,851
-	-	-	679,662	679,662	604,727
35,075	109,580	-	-	461,504	569,982
1,167,623	1,032,330	-	1,303,582	4,330,682	4,328,462
1,970	-	-	295,372	2,288,915	1,927,164
-	-	-	923	923	312
-	-	-	97,930	97,930	301,811
-	367,805	-	-	367,805	247,216
-	-	-	-	12,094	11,223
-	-	-	-	-	118,494
-	-	-	-	576,262	199,223
<u>\$ 4,042,414</u>	<u>\$ 4,732,815</u>	<u>\$ 64,200</u>	<u>\$ 15,904,571</u>	<u>\$ 39,891,205</u>	<u>\$ 43,226,465</u>
\$ 179,919	\$ 53,755	\$ 62,333	\$ 554,530	\$ 1,330,332	\$ 1,237,793
8,743	40,834	-	1,013	322,754	346,585
-	-	-	-	135,862	123,299
-	-	-	-	-	26,981
-	-	-	651,516	701,516	299,223
<u>188,662</u>	<u>94,589</u>	<u>62,333</u>	<u>1,207,059</u>	<u>2,490,464</u>	<u>2,033,881</u>

(continued on next page)



	<u>General</u>	<u>Park</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue		
Property taxes	248,785	578,362
Income taxes	509,015	-
	<u>757,800</u>	<u>578,362</u>
Total deferred inflows of resources		
FUND BALANCE		
Nonspendable	305,510	23,433
Restricted	-	1,786,847
Unassigned	10,757,432	-
	<u>11,062,942</u>	<u>1,810,280</u>
Total fund balance		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 12,506,052</u>	<u>\$ 2,641,153</u>

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET  
GOVERNMENTAL FUNDS

(continued)

April 30, 2015

(With Summarized Comparative Information for April 30, 2014)

				2015	2014
			Other	Total	Total
Fire	Ambulance	Capital	Governmental	Governmental	Governmental
		Improvement	Funds	Funds	Funds
1,167,623	1,032,330	-	1,303,582	4,330,682	4,328,462
-	-	-	-	509,015	429,189
1,167,623	1,032,330	-	1,303,582	4,839,697	4,757,651
35,075	109,580	-	-	473,598	581,205
2,651,054	3,496,316	1,867	13,572,824	21,508,908	26,225,711
-	-	-	(178,894)	10,578,538	9,628,017
2,686,129	3,605,896	1,867	13,393,930	32,561,044	36,434,933
\$ 4,042,414	\$ 4,732,815	\$ 64,200	\$ 15,904,571	\$ 39,891,205	\$ 43,226,465

EXHIBIT D

City of O'Fallon  
St. Clair County, Illinois

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION

April 30, 2015

TOTAL FUND BALANCE OF GOVERNMENTAL FUNDS (EXHIBIT C)	\$ 32,561,044
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$212,115,817, net of accumulated depreciation of \$116,970,943, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	95,144,874
Deferred gains and losses on refunded bonds, bond premiums and bond discounts are to be amortized over the life of the bonds and are not reported in the governmental funds.	
Bond premiums of \$761,651, net of accumulated amortization of \$327,575	(434,076)
Bond discounts of \$72,500, net of accumulated amortization of \$14,500	58,000
Gain on refunded bonds of \$23,675, net of accumulated amortization of \$17,756	(5,919)
Loss on refunded bonds of \$2,695,225, net of accumulated amortization of \$840,552	1,854,673
Revenues reported in the statement of activities from state income tax received more than sixty days after the end of the fiscal year are not financial resources and, therefore, are reported in the governmental funds as unearned revenue.	509,015
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Long-term liabilities	(46,393,305)
Accrued interest payable	(624,805)
NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT A)	<u>\$ 82,669,501</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

	<u>General</u>	<u>Park</u>
REVENUES		
Taxes		
Property	\$ 247,375	\$ 575,612
Utility	1,404,041	1,133,699
Food and beverage	722,643	-
Rural fire district	-	-
Intergovernmental receipts		
Replacement tax	-	-
Motor fuel taxes	-	-
State sales tax	7,919,352	19,777
State income tax	2,780,950	-
Road and bridge tax	280,918	-
Grants	220,822	30,000
MEGSI	46,569	-
Other	-	-
Licenses and permits	557,530	-
Subdivision fees	24,871	-
Police reports	5,529	-
Combined dispatch	104,040	-
Municipal aggregation fees	109,319	-
Fines and fees	246,785	-
Service fees	-	123,603
Recreation fees	-	853,012
Room tax	-	-
Interest income	2,542	115
Phone and cable television fees	679,688	515,816
Rentals	15,647	160,806
Miscellaneous revenues and reimbursements	13,335	6,716
Concession income	-	260,198
Donations	-	21,706
Annex fees	-	-
Park extraction fees	-	-
Build America bond rebates	-	-
Cemetery revenue	21,963	-
Insurance refunds and claims	18,386	-
Fee in lieu of taxes	621,262	-
Contributions from developer	-	-
	<u>16,043,567</u>	<u>3,701,060</u>

City of O'Fallon  
St. Clair County, Illinois

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

Year Ended April 30, 2015  
(With Summarized Comparative Information for Year Ended April 30, 2014)

				2015	2014
				Total	Total
Fire	Ambulance	Capital Improvement	Other Governmental Funds	Governmental Funds	Governmental Funds
\$ 1,161,998	\$ 1,149,952	\$ -	\$ 2,437,302	\$ 5,572,239	\$ 5,284,644
-	-	-	-	2,537,740	1,732,857
-	-	-	-	722,643	662,903
-	363,699	-	-	363,699	379,545
-	-	-	25,321	25,321	24,192
-	-	-	987,469	987,469	864,801
-	-	-	1,737,450	9,676,579	9,326,065
-	-	-	-	2,780,950	2,282,583
-	-	-	-	280,918	273,677
-	-	-	354,199	605,021	895,053
-	-	-	-	46,569	54,306
414,105	-	-	-	414,105	434,901
75,844	-	-	-	633,374	501,309
-	-	-	-	24,871	42,636
-	-	-	-	5,529	10,418
-	-	-	-	104,040	102,000
-	-	-	-	109,319	125,004
-	-	-	-	246,785	287,210
-	1,007,591	-	3,713	1,134,907	919,391
-	-	-	-	853,012	898,487
-	-	-	814,972	814,972	690,888
-	41	230	35,427	38,355	76,046
-	-	-	-	1,195,504	1,311,497
-	-	-	-	176,453	131,165
718	5,819	-	49,272	75,860	50,250
-	-	-	-	260,198	206,354
-	-	-	-	21,706	34,426
-	-	-	179,980	179,980	143,806
-	-	-	-	-	20,088
-	-	-	174,077	174,077	177,259
-	-	-	-	21,963	28,350
-	-	-	-	18,386	2,795
-	-	-	42,528	663,790	640,420
-	-	-	-	-	501,051
1,652,665	2,527,102	230	6,841,710	30,766,334	29,116,377

(continued on next page)

	General	Park
EXPENDITURES		
Current		
General government	1,442,805	-
Public safety	6,342,854	-
Fire	-	-
Highways and streets	3,076,411	-
Zoning	870,529	-
Development	208,311	-
Cemetery	94,638	-
Culture and recreation	-	2,556,739
Tax increment financing	-	-
Tourism	-	-
Tax rebates	15,358	-
Capital expenditures	553,256	274,451
Debt service		
Principal retirement	54,984	38,891
Interest and fiscal charges	2,428	565
Total expenditures	12,661,574	2,870,646
Excess (deficiency) of revenues over expenditures	3,381,993	830,414
OTHER FINANCING SOURCES (USES)		
Proceeds from issuance of notes	18,665	-
Proceeds from sale of assets	5,900	-
Capital contribution	-	-
Transfer to component unit	-	-
Transfer from other funds	-	-
Transfer (to) other funds	(2,374,845)	(340,000)
Total other financing sources (uses)	(2,350,280)	(340,000)
Net change in fund balance	1,031,713	490,414
FUND BALANCE, BEGINNING OF YEAR	10,031,229	1,319,866
FUND BALANCE, END OF YEAR	\$ 11,062,942	\$ 1,810,280

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
(continued)  
Year Ended April 30, 2015  
(With Summarized Comparative Information for Year Ended April 30, 2014)

				2015	2014
			Other	Total	Total
Fire	Ambulance	Capital Improvement	Governmental Funds	Governmental Funds	Governmental Funds
-	-	305	1,255,134	2,698,244	2,987,716
-	2,012,160	-	-	8,355,014	8,616,777
1,032,748	-	-	-	1,032,748	979,778
-	-	-	2,084,765	5,161,176	3,709,170
-	-	-	-	870,529	830,096
-	-	-	87,980	296,291	1,504,652
-	-	-	-	94,638	100,689
-	-	-	-	2,556,739	2,572,522
-	-	-	591,651	591,651	102,683
-	-	-	48,553	48,553	49,414
-	-	-	-	15,358	9,650
179,385	10,747	5,098,711	4,356,489	10,473,039	4,168,006
303,372	-	184,500	1,910,000	2,491,747	2,998,709
86,387	-	-	2,134,100	2,223,480	2,342,764
<u>1,601,892</u>	<u>2,022,907</u>	<u>5,283,516</u>	<u>12,468,672</u>	<u>36,909,207</u>	<u>30,972,626</u>
<u>50,773</u>	<u>504,195</u>	<u>(5,283,286)</u>	<u>(5,626,962)</u>	<u>(6,142,873)</u>	<u>(1,856,249)</u>
-	-	-	-	18,665	1,451,193
-	3,300	-	-	9,200	685,027
-	-	-	2,324,027	2,324,027	-
-	-	-	(82,908)	(82,908)	-
-	-	852,500	3,432,628	4,285,128	7,628,090
-	(185,478)	-	(1,384,805)	(4,285,128)	(7,628,090)
<u>-</u>	<u>(182,178)</u>	<u>852,500</u>	<u>4,288,942</u>	<u>2,268,984</u>	<u>2,136,220</u>
50,773	322,017	(4,430,786)	(1,338,020)	(3,873,889)	279,971
<u>2,635,356</u>	<u>3,283,879</u>	<u>4,432,653</u>	<u>14,731,950</u>	<u>36,434,933</u>	<u>36,154,962</u>
<u>\$2,686,129</u>	<u>\$3,605,896</u>	<u>\$ 1,867</u>	<u>\$ 13,393,930</u>	<u>\$ 32,561,044</u>	<u>\$ 36,434,933</u>



EXHIBIT F

City of O'Fallon  
St. Clair County, Illinois

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

Year Ended April 30, 2015

NET CHANGE IN FUND BALANCE -  
TOTAL GOVERNMENTAL FUNDS (EXHIBIT E)

\$ (3,873,889)

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

Governmental funds report capital outlays as expenditures.

However, they are capitalized and depreciated in the statement of  
activities. This is the amount of capital outlays in the current period.

10,473,039

Income taxes received more than sixty days after the end of the fiscal  
year are reported as unearned revenue in the governmental funds.

However, in the government-wide financial statements this is treated  
as revenue.

79,826

Proceeds from the sale of assets are included in the governmental funds.

However, the cost of the assets sold is removed from capital assets and  
offset against the sale proceeds in the government-wide statements.

(9,200)

Governmental funds report the proceeds from sale of property as revenue.

This is the amount of gain (loss) from disposition of fixed assets.

(10,254)

The repayment of long-term debt is reported as an expenditure when due  
in governmental funds but as a reduction of principal outstanding in the  
statement of activities.

2,491,747

The proceeds of long-term debt issuances provide current financial  
resources to governmental funds but issuing debt increases long-term  
liabilities in the statement of net position.

(18,665)

The changes in compensated absences provide or use current financial  
resources in the governmental funds but the change increases or  
decreases long-term liabilities in the statement of net position.

(343,225)

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 expense

(4,507,641)

(continued on next page)

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

(continued)

Year Ended April 30, 2015

NET CHANGE IN FUND BALANCE -

TOTAL GOVERNMENTAL FUNDS (EXHIBIT E) (continued)

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

Governmental funds report the effect of premiums, discounts,  
deferred gain or loss on refunding and similar items when  
debt is first issued, whereas these amounts are deferred and  
amortized in the statement of activities.

Amortization reported in the government-wide statements

(110,433)

The changes in accrued interest payable provide or use current financial  
resources in the statement of activities but are not reported in  
the governmental funds.

(5,210)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)

\$ 4,166,095

The accompanying notes are an integral part of these financial statements.

EXHIBIT G

City of O'Fallon  
St. Clair County, Illinois

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

April 30, 2015  
(With Summarized Comparative Information for April 30, 2014)

	Business-Type Activities			
	Water Funds	Sewer Funds	2015	2014
			Total Proprietary Funds	Total Proprietary Funds
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 4,880,514	\$ 2,334,103	\$ 7,214,617	\$ 5,564,413
Prepaid expenses	161,164	211,053	372,217	357,582
Receivables				
Customers	1,094,211	752,735	1,846,946	1,463,123
Less allowance for doubtful accounts	(29,472)	(15,796)	(45,268)	(41,853)
Due from other funds	117,627	37,627	155,254	130,000
Total current assets	6,224,044	3,319,722	9,543,766	7,473,265
<b>RESTRICTED ASSETS</b>				
Cash and cash equivalents	510,042	750,392	1,260,434	1,256,501
Accounts receivable	11,673	1,128	12,801	11,884
Total restricted assets	521,715	751,520	1,273,235	1,268,385
<b>NONCURRENT ASSETS</b>				
Capital assets				
Cost	41,933,322	32,341,449	74,274,771	72,210,341
Accumulated depreciation	19,848,136	14,360,778	34,208,914	32,083,612
Total noncurrent assets	22,085,186	17,980,671	40,065,857	40,126,729
<b>OTHER ASSETS</b>				
Due from other funds	-	-	-	130,000
Total assets	28,830,945	22,051,913	50,882,858	48,998,379
<b>CURRENT LIABILITIES</b>				
Accounts payable	543,392	278,978	822,370	759,471
Accrued payroll	50,511	28,430	78,941	66,621

(continued on next page)

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
(continued)  
April 30, 2015  
(With Summarized Comparative Information for April 30, 2014)

	Business-Type Activities		2015 Total Proprietary Funds	2014 Total Proprietary Funds
	Water Funds	Sewer Funds		
CURRENT LIABILITIES (continued)				
Due to other funds	-	30,000	30,000	80,000
Customer deposits	3,419	-	3,419	3,419
Current portion of long-term debt	287,328	146,545	433,873	280,278
Total current liabilities	884,650	483,953	1,368,603	1,191,803
LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
Current portion of long-term debt	-	506,395	506,395	492,077
Accrued interest	22,726	34,818	57,544	36,754
Total liabilities payable from restricted assets	22,726	541,213	563,939	528,831
NONCURRENT LIABILITIES				
Compensated absences	364,462	121,647	486,109	600,945
Due to other funds	-	-	-	80,000
Notes payable	4,747,045	4,208,113	8,955,158	9,735,198
Total noncurrent liabilities	5,111,507	4,329,760	9,441,267	10,416,143
Total liabilities	6,018,883	5,354,926	11,373,809	12,136,777
NET POSITION				
Net investment in capital assets	17,050,813	13,236,163	30,286,976	29,459,176
Restricted for				
Construction	453,377	490,949	944,326	818,327
Debt service	45,612	225,753	271,365	413,304
Unrestricted	5,262,260	2,744,122	8,006,382	6,172,809
TOTAL NET POSITION	\$ 22,812,062	\$ 16,696,987	\$ 39,509,049	\$ 36,863,616

The accompanying notes are an integral part of these financial statements.

EXHIBIT H

City of O'Fallon  
St. Clair County, Illinois

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

Year Ended April 30, 2015  
(With Summarized Comparative Information for Year Ended April 30, 2014)

	Business-Type Activities			
	Water Funds	Sewer Funds	2015	2014
			Total Proprietary Funds	Total Proprietary Funds
OPERATING REVENUES				
Charges for services				
Sales	\$ 9,660,172	\$ 5,211,974	\$ 14,872,146	\$ 14,110,572
Tap-on fees	416,550	134,904	551,454	429,480
Service charges and fees	281,080	651,637	932,717	731,693
Sprinklers and hydrants	110,529	-	110,529	106,681
Miscellaneous refunds and rebates	11,477	13,507	24,984	14,697
Total operating revenues	10,479,808	6,012,022	16,491,830	15,393,123
OPERATING EXPENSES				
Personnel services	2,014,951	1,266,052	3,281,003	3,288,696
Contractual services	4,980,028	1,540,297	6,520,325	7,489,095
Commodities	480,995	522,483	1,003,478	1,082,064
Miscellaneous	8,028	4,383	12,411	6,563
Fee in lieu of taxes	470,726	193,064	663,790	640,420
Depreciation and amortization	1,372,379	752,923	2,125,302	2,172,396
Total operating expenses	9,327,107	4,279,202	13,606,309	14,679,234
Operating income	1,152,701	1,732,820	2,885,521	713,889
NONOPERATING REVENUES (EXPENSES)				
Interest expense	(129,891)	(111,777)	(241,668)	(203,984)
Interest income	1,244	336	1,580	3,268
Total nonoperating revenues (expenses)	(128,647)	(111,441)	(240,088)	(200,716)
Change in net position	1,024,054	1,621,379	2,645,433	513,173
TOTAL NET POSITION, BEGINNING OF YEAR	21,788,008	15,075,608	36,863,616	36,350,443
TOTAL NET POSITION, END OF YEAR	<u>\$ 22,812,062</u>	<u>\$ 16,696,987</u>	<u>\$ 39,509,049</u>	<u>\$ 36,863,616</u>

The accompanying notes are an integral part of these financial statements.

City of O'Fallon  
St. Clair County, Illinois

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

Year Ended April 30, 2015  
(With Summarized Comparative Information for Year Ended April 30, 2014)

	Business-Type Activities			
	Water Funds	Sewer Funds	2015	2014
			Total Proprietary Funds	Total Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 9,889,114	\$ 5,149,746	\$ 15,038,860	\$ 14,081,186
Receipts from miscellaneous revenues	403,086	665,144	1,068,230	1,282,551
Payments to suppliers	(5,823,494)	(2,261,296)	(8,084,790)	(9,851,620)
Payments to and for employees	(2,078,364)	(1,347,901)	(3,426,265)	(3,124,776)
Net cash provided by operating activities	2,390,342	2,205,693	4,596,035	2,387,341
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Proceeds (repayment) of interfund balances	142,373	(167,627)	(25,254)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal payments on notes	(280,277)	(564,562)	(844,839)	(772,236)
Acquisition and construction of capital assets	(707,666)	(1,284,856)	(1,992,522)	(3,316,260)
Disposition of capital assets	-	-	-	130,000
Principal payments on bonds	-	-	-	(375,000)
Proceeds from notes	-	160,805	160,805	2,723,418
Interest paid on debt	(129,891)	(111,777)	(241,668)	(203,984)
Net cash (used) by capital and related financing activities	(1,117,834)	(1,800,390)	(2,918,224)	(1,814,062)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	1,244	336	1,580	3,268
Net increase in cash and cash equivalents	1,416,125	238,012	1,654,137	576,547
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	3,974,431	2,846,483	6,820,914	6,244,367

(continued on next page)

EXHIBIT I

Page 2

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

(continued)

Year Ended April 30, 2015

(With Summarized Comparative Information for Year Ended April 30, 2014)

	Business-Type Activities			
	Water Funds	Sewer Funds	2015	2014
			Total Proprietary Funds	Total Proprietary Funds
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,390,556	\$ 3,084,495	\$ 8,475,051	\$ 6,820,914
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income	\$ 1,152,701	\$ 1,732,820	\$ 2,885,521	\$ 713,889
Adjustments to reconcile income from operations to net cash provided (used) by operating activities				
Depreciation expense	1,372,379	752,923	2,125,302	2,171,327
Amortization expense	-	-	-	1,069
Bad debt allowance	2,089	1,325	3,414	2,228
Changes in assets and liabilities				
(Increase) decrease in current assets				
Receivables	(187,608)	(197,132)	(384,740)	64,144
Prepaid expenses	(3,311)	(11,324)	(14,635)	11,144
Increase (decrease) in current liabilities				
Accounts payable	118,740	(55,841)	62,899	(646,055)
Accrued payroll	8,677	3,643	12,320	1,678
Accrued interest	(1,235)	22,025	20,790	(13,204)
Accrued compensated absences	(72,090)	(42,746)	(114,836)	81,121
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,390,342	\$ 2,205,693	\$ 4,596,035	\$ 2,387,341
ACCOUNTED FOR AS FOLLOWS				
Unrestricted cash and cash equivalents			\$ 7,214,617	\$ 5,564,413
Restricted cash and cash equivalents			1,260,434	1,256,501
TOTAL AS ABOVE			\$ 8,475,051	\$ 6,820,914
NONCASH ACTIVITIES				
Acquisition of property through interfund borrowing	\$ -	\$ 71,908	\$ 71,908	\$ 160,000
Disposition of property through interfund borrowing	\$ -	\$ -	\$ -	\$ 260,000

The accompanying notes are an integral part of these financial statements.

City of O'Fallon  
St. Clair County, Illinois

STATEMENT OF NET POSITION  
FIDUCIARY FUNDS

April 30, 2015  
(With Summarized Comparative Information for April 30, 2014)

	Pension Trust Funds	2015 Fiduciary Total	2014 Fiduciary Total
<b>ASSETS</b>			
Cash	\$ 128,502	\$ 128,502	\$ 441,043
Investments	24,064,212	24,064,212	21,848,870
Receivables, less allowance for uncollectible amounts			
Interest receivable	74,267	74,267	78,591
Contribution from City of O'Fallon	1,098,374	1,098,374	1,167,137
Due from other governmental entities	1,161	1,161	910
Due from brokers for securities sold	-	-	781,176
Total assets	<u>25,366,516</u>	<u>25,366,516</u>	<u>24,317,727</u>
<b>LIABILITIES</b>			
Due to General Fund	-	-	118,494
Due to brokers for securities purchased	-	-	825,000
Total liabilities	<u>-</u>	<u>-</u>	<u>943,494</u>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 25,366,516</u>	<u>\$ 25,366,516</u>	<u>\$ 23,374,233</u>

The accompanying notes are an integral part of these financial statements.



EXHIBIT K

City of O'Fallon  
St. Clair County, Illinois

STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS

Year Ended April 30, 2015  
(With Summarized Comparative Information for Year Ended April 30, 2014)

	2015	2014
	Pension	Pension
	Trust	Trust
	Funds	Funds
ADDITIONS		
Contributions		
Plan members	\$ 320,337	\$ 322,252
Other plan	99,060	76,438
Employer	1,024,134	1,160,959
Total contributions	1,443,531	1,559,649
Intergovernmental revenue - replacement taxes	5,773	5,515
Investment income		
Net appreciation in fair value of investments	295,268	714,809
Realized gain on sale of investments	21,991	199,236
Investment income	1,286,831	957,095
	1,604,090	1,871,140
Less investment fees	(39,960)	(30,330)
Net investment income	1,564,130	1,840,810
Total additions	3,013,434	3,405,974
DEDUCTIONS		
Benefits	946,991	770,555
Refunds	56,696	109,175
Administration services	17,464	26,087
Total deductions	1,021,151	905,817
Change in net position	1,992,283	2,500,157
Net position held in trust for pension benefits		
Net position, beginning of year	23,374,233	20,874,076
NET POSITION, END OF YEAR	\$ 25,366,516	\$ 23,374,233

The accompanying notes are an integral part of these financial statements.

City of O'Fallon  
St. Clair County, Illinois

NOTES TO FINANCIAL STATEMENTS

April 30, 2015

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City of O'Fallon  
St. Clair County, Illinois

NOTES TO FINANCIAL STATEMENTS

April 30, 2015

Note 1: Summary of Significant Accounting Policies

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

A. 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-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 has been included as a fiduciary fund due to the fiduciary responsibility exercised over this Pension Fund.

Discretely Presented Component Unit

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

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

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

(continued on next page)

## NOTES TO FINANCIAL STATEMENTS

(continued)

April 30, 2015

### Note 1: Summary of Significant Accounting Policies (continued)

#### B. 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 inter-governmental 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 required to be accounted for in another fund.

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

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

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

The Capital Improvement Capital Projects Fund is used to account for large capital purchases and construction projects.

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.

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

(continued on next page)

NOTES TO FINANCIAL STATEMENTS

(continued)

April 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

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.

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.

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

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.

E. 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.

F. Cash, Cash Equivalents and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

F. Cash, Cash Equivalents and Investments (continued)

date of acquisition. Investments are stated at fair value. All investments are certificates of deposit or U. S. Treasury investments held in local financial institutions, which have pledged various collateral on balances over the Federal Deposit Insurance Corporation (FDIC) limitations.

G. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of a fiscal year are referred to as due to and from other funds.

H. Allowance for Uncollectible Accounts

The City maintains an allowance for doubtful accounts amounting to \$45,268 and \$41,853 for 2015 and 2014, respectively, in the following funds. This comprises the balances on accounts outstanding over a certain period.

	2015	2014
Water Funds	\$ 29,472	\$ 27,383
Sewer Funds	15,796	14,470
Total	<u>\$ 45,268</u>	<u>\$ 41,853</u>

I. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

J. 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 was passed by the Council in December. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments due in June and 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 2013 property tax levy in revenue.

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

(continued on next page)



NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

J. Property Taxes (continued)

ASSESSED VALUATION	2014		2013
	\$	641,199,042	\$ 636,736,130

	2014		2013
	Maximum	Actual	Actual
Tax rates			
General	N/A	0.0388	0.0390
Fire Protection	N/A	0.1821	0.1833
Ambulance	N/A	0.1610	0.1814
Library	N/A	0.1502	0.1512
Park and Recreation	N/A	0.0902	0.0908
Police Pension	N/A	0.1713	0.1724
Municipal Retirement	N/A	0.0790	0.0602
Social Security	N/A	0.1219	0.1227
		<u>0.9945</u>	<u>1.0010</u>

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

The City also levies for seven (7) special service areas for maintenance expense. They have various assessed valuations depending on the area serviced and are accounted for in the special revenue fund in total. The assessed valuation of all areas combined is \$32,607,643. Each area has a maximum rate of 0.3500 and the actual rate for all areas combined is 0.6001. The total extension for all areas combined is \$15,212.

K. 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 of more than \$5,000 (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 assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend 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 of business-type activities is included as part of the capitalized value of the assets constructed.

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

K. Capital Assets (continued)

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Water and Sewer System	20 - 40 years
Infrastructure	10 - 30 years
Equipment	5 - 20 years
Land/Building Improvements	20 years
Vehicles	5 - 10 years

L. Accrued Expense - Compensated Absences

In the fund financial statements, vested or accumulated vacation and/or sick pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation and/or sick pay of proprietary funds and in the government-wide financial statements is recorded as an expense and a liability of those funds as the benefits accrue to employees.

M. Long-Term Obligations

In 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 financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond issuance costs are expensed in the year incurred and reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Net Position/Fund Balance

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 1: Summary of Significant Accounting Policies (continued)

N. Net Position/Fund Balance (continued)

Net Position (continued)

assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Commitments and assignments of fund balance represent tentative board and management plans that are subject to change.

O. Restricted Net Position

Restricted net position for governmental activities is equivalent to restricted fund balances in the governmental funds. Note 4 outlines the detail of these restrictions.

Certain net positions of the City of O'Fallon Water and Sewer System have been restricted for construction and debt service:

	Water Funds	Sewer Funds	Total
Contingency and construction	\$ 453,377	\$ 490,949	\$ 944,326
Debt service	45,612	225,753	271,365
Total restricted net position	<u>\$ 498,989</u>	<u>\$ 716,702</u>	<u>\$ 1,215,691</u>

P. Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

Q. Comparative Data

Comparative data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position

(continued on next page)

## NOTES TO FINANCIAL STATEMENTS

(continued)

April 30, 2015

### Note 1: Summary of Significant Accounting Policies (continued)

#### Q. Comparative Data (continued)

and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) has not been presented since this inclusion would make the statements unduly complex and difficult to read.

#### R. Date of Management Evaluation

Management has evaluated events through the date of the auditor's report, the date on which the financial statements were available to be issued.

#### S. Reclassification

Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 financial statement presentation.

#### T. New GASB Pronouncements

The Governmental Accounting Standards Board has issued several new pronouncements that the City has reviewed for application to their accounting and reporting.

For the year ended April 30, 2016, the City will be adopting GASB Statement No. 68, *Financial Reporting for Pension Plans*, effective for periods beginning after June 15, 2014, which establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenditures for pension plans. In addition, GASB Statement No. 68 will require a net pension liability to be recognized on the government-wide financial statements.

#### U. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and the balance sheet will sometimes report 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. The City only has one item that qualifies for reporting in this category. It is the deferred loss on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition to liabilities, the statement of net position and the balance sheet will sometimes report 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. The City has only two types of this item, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category in the governmental funds. There is

(continued on next page)

## NOTES TO FINANCIAL STATEMENTS

(continued)

April 30, 2015

### Note 1: Summary of Significant Accounting Policies (continued)

#### U. Deferred Outflows and Inflows of Resources (continued)

income tax revenue which is collected more than 60 days after year-end. Accordingly, this item, unearned income tax revenue, is reported only in the governmental funds balance sheet. The statement of net position and governmental funds report unearned revenues from property taxes as these revenues are intended for use in the subsequent year. These amounts are unearned and recognized as an inflow of resources in the period that the amounts are budgeted for use.

### Note 2: Legal Compliance and Accountability

#### Budgetary Data

The City followed these procedures in establishing the budgetary data reported in the financial statements for the year ended April 30, 2015:

1. Prior to April 30, the proposed budget was distributed to the various committees for their review.
2. The committee reviews of the budget were conducted from February 15, 2014 through March 31, 2014.
3. A public hearing on the proposed budget was held on April 21, 2014.
4. Formal adoption of the budget was on April 21, 2014.

### Note 3: Deposits and Investments

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

#### Deposits

At year-end the carrying amount of the City's deposits totaled \$6,945,825 and bank balances totaled \$8,201,136. Of the bank balances, \$1,000,000 was insured by the Federal Deposit Insurance Corporation (FDIC), \$6,572,220 was covered by pledged collateral, which was held in the City's name and \$628,916 was uncollateralized. The carrying amount of the component unit's deposits totaled \$1,321,930. Bank balances are included in the bank balance noted above due to commingled bank accounts.

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 3: Deposits and Investments (continued)

Investments

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

<u>Investment Type</u>	<u>Primary Government</u>		<u>Component Unit</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
U. S. Government Securities	\$ 5,180,169	\$ 5,651,192	\$ 109,206	\$ 105,230
Corporate Bonds	900,629	897,010	431,067	443,026
Municipal Bonds	811,795	818,677	155,977	181,941
Certificate of Deposit	438,035	427,769	500,000	500,000
	<u>7,330,628</u>	<u>7,794,648</u>	<u>1,196,250</u>	<u>1,230,197</u>
Investments not subject to custodial credit risk				
External Investment Pools				
Illinois Funds	32,947,121	32,947,121	237,139	237,139
Illinois Metropolitan Investment Fund	9,338	4,999	-	-
Mutual Funds	13,058,603	16,730,262	1,684,447	2,100,062
	<u>\$ 53,345,690</u>	<u>\$57,477,030</u>	<u>\$3,117,836</u>	<u>\$3,567,398</u>

Reconciliation to financial statements:

Primary Government

	<u>Deposits</u>	<u>Investments</u>	<u>Total</u>
Exhibit A			
Cash and cash equivalents	\$ 5,646,178	\$ 32,643,867	\$ 38,290,045
Investments	-	679,662	679,662
Restricted cash	1,064,992	195,442	1,260,434
Exhibit J			
Cash	20,690	107,812	128,502
Investments	<u>213,965</u>	<u>23,850,247</u>	<u>24,064,212</u>
Above Carrying Amounts	<u>\$ 6,945,825</u>	<u>\$ 57,477,030</u>	<u>\$ 64,422,855</u>

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 3: Deposits and Investments (continued)

Component Unit

Exhibit A

Cash	\$ 1,084,791	\$ 237,139	\$ 1,321,930
Investments	<u>-</u>	<u>3,330,259</u>	<u>3,330,259</u>
Above Carrying Amounts	<u>\$ 1,084,791</u>	<u>\$ 3,567,398</u>	<u>\$ 4,652,189</u>

Credit Risk

State law limits investments in commercial paper, corporate bonds and money market mutual funds to the top two ratings, issued by nationally recognized statistical rating organizations. The City has an investment policy that further limits its investment choices. As of April 30, 2015 the City's investment in the Illinois Funds and Illinois Metropolitan Investment external investment pools were rated AAAM and AAAF by Standard & Poor's, respectively. The City's investments in corporate bonds, municipal bonds and mutual bond funds are rated as follows:

	<u>Moody's</u>	<u>S &amp; P</u>
Corporate Bonds		
Anheuser Busch	A2	A
Walmart Stores	AA2	AA
John Deere	A2	A
Int'l Business Machs Corp	AA3	AA-
Coca-Cola		
Apple Inc	AA1	AA+
Berkshire Hathaway	Aa2	AA
General Electric	Aa3	AA+
Microsoft Corp	Aaa	AAA
The Hershey Company	A1	A
Municipal Bonds		
Illinois State Pension Bonds	A3	A-
Chicago, Illinois Project Refunding	BAA1	A+
Northbrook, Illinois Refunding	AAA	AAA
Libertyville, Illinois Refunding	AA2	No rating
Mutual Bond Funds		
American Capital World Bond Fund	Aaa	No rating
Dodge & Cox Income Fund	Aa2	No rating
Vanguard High-Yield Corporate Fund Admiral	Ba3	No rating
Vanguard Intermediate Term Investment Grade Admiral	No rating	No rating
Vanguard Short-Term Investment Grade Admiral	Aaa	No rating
Vanguard Short-Term Bond Index Admiral	Aaa	No rating
iShares Barclays US TIPS	Aaa	AAA

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NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 3: Deposits and Investments (continued)

Interest Rate Risk

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

Segmented Time Distribution Investment Maturities (in Years)					
	Fair Value	<1	1-5	6-10	>10
U. S. Government securities	\$ 5,651,192	\$ 202,438	\$ 1,471,924	\$ 3,578,456	\$ 398,374
Corporate bonds	897,010	-	431,675	465,335	-
Municipal bonds	818,677	-	202,368	616,309	-
Certificates of deposit	427,769	-	-	427,769	-
Illinois Funds	32,947,121	32,947,121	-	-	-
Illinois Metropolitan Investment Fund	4,999	4,999	-	-	-
Mutual Funds	16,730,262	16,730,262	-	-	-
	<u>\$ 57,477,030</u>	<u>\$ 49,884,820</u>	<u>\$ 2,105,967</u>	<u>\$ 5,087,869</u>	<u>\$ 398,374</u>

Note 4: Fund Balances - Governmental Funds

As of April 30, 2015, fund balances of the governmental funds are classified as follows:

Nonspendable - consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - consists of fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action by the City's highest level of decision making authority. The City has no committed fund balances as of April 30, 2015.

Assigned - consists of fund balances that are intended to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the City's Board or their designee. The City has no assigned fund balances as of April 30, 2015.

Unassigned - fund balance that has not been assigned to other funds and has not been restricted, committed or assigned to specific purposes within the fund.

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NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 4: Fund Balances - Governmental Funds (continued)

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources - committed, assigned and unassigned - in order as needed.

As of April 30, 2015, fund balances are comprised of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Unassigned</u>
Major Funds			
General	\$ 305,510	\$ -	\$ 10,757,432
Park	23,433	1,786,847	-
Fire	35,075	2,651,054	-
Ambulance	109,580	3,496,316	-
Capital Improvements	-	1,867	-
Other Governmental Funds			
Cemetery	-	688,351	-
IMRF - Retirement contributions	-	-	(169,545)
Motor Fuel Tax - Highways and streets	-	3,255,094	-
Social Security - Payroll tax expenses	-	283,496	-
Special Service Areas (SR) - Maintenance and repairs	-	198,647	-
Tax Increment Financing Projects	-	-	(4,690)
Hotel/Motel - Tourism	-	866,242	-
2002 Bond Issue (CP)	-	424,224	-
Convention Center	-	1,383,116	-
Park Sports Complex	-	189,510	-
Park Land Fund	-	1,018,338	-
Prop S Infrastructure - Capital outlay	-	3,122,955	-
Strategic Plan - Capital outlay	-	807,100	-
1997 Bond Issue	-	-	(125)
2002 Bond Issue (DS)	-	287,192	-
Special Service Areas (DS)	-	503,610	-
Subaru	-	-	(1,765)
Newbold (DS)	-	293,512	-
Harley Davidson (DS)	-	251,437	-
Build America	-	-	(2,769)
Total all funds	<u>\$ 473,598</u>	<u>\$ 21,508,908</u>	<u>\$ 10,578,538</u>

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 5: Employee Retirement Systems

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

A. 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 governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The pension plan does not issue a separate report.

1. Plan Description

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. At April 30, 2015 the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	27
Current employees	<u>44</u>
TOTAL	<u><u>71</u></u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 8 years, but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 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 3.00% of the original pension and 3.00% compounded annually thereafter.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 5: Employee Retirement Systems (continued)

A. Police Pension Fund (continued)

Defined Benefit Pension Plan (continued)

1. Plan Description (continued)

determined by an enrolled actuary. For the year ended April 30, 2015, the City's contribution as a percentage of covered payroll was 44.78%.

2. Significant Investments

The fund did not have any significant individual investments (other than U. S. Government guaranteed obligations) in any one organization that represented 5.00% or more of plan net position for the Police Pension Plan.

3. Annual Pension Cost

Employer contributions have been determined as follows:

	Police Pension
Actuarial Valuation Date	5/1/2014
Funding Method	Projected Unit Credit
Asset Valuation Method	Investment gains and losses are recog- nized over 5-year period
Amortization Method	Normal cost plus adjustment
Amortization Period	2040 for 90% funding
Significant Actuarial Assumptions	
a. Rate of Return on Present and Future Assets	6.75% Compounded Annually

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 5: Employee Retirement Systems (continued)

A. Police Pension Fund (continued)

Defined Benefit Pension Plan (continued)

3. Annual Pension Cost (continued)

Significant Actuarial Assumptions (continued)	Police Pension
b. Projected Salary Increase - Attributable to Inflation	4.50%
c. Additional Increases - Tier 2 Cost of Living	1.25%

B. Pension Plan - Illinois Municipal Retirement Fund

Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

Funding Policy

As set by statute, the City's regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual required contribution rate for calendar year 2014 was 11.49%. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

The City's required contribution for calendar year 2014 was \$779,952.

(continued on next page)

# NOTES TO FINANCIAL STATEMENTS

(continued)

April 30, 2015

## Note 5: Employee Retirement Systems (continued)

### B. Pension Plan - Illinois Municipal Retirement Fund (continued)

#### Annual Pension Cost (continued)

##### Trend Information

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/14	\$ 779,952	100%	\$ 55,656
12/31/13	721,039	100%	54,611
12/31/12	664,531	100%	53,524

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the City's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

#### Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the regular plan was 77.16% funded. The actuarial accrued liability for benefits was \$14,178,379 and the actuarial value of assets was \$10,940,603, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,237,776. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$6,788,093 and the ratio of the UAAL to the covered payroll was 48%.

The schedule of funding progress, presented as RSI (Schedule B) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## Note 6: Capital Assets

Capital asset activity for the year ended April 30, 2015 was as follows:

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 6: Capital Assets (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 31,112,379	\$ -	\$ -	\$ 31,112,379
Construction in progress	2,421,161	4,303,088	2,084,855	4,639,394
Total capital assets not being depreciated	33,533,540	4,303,088	2,084,855	35,751,773
Capital assets being depreciated				
Land/building improvements	2,693,403	305,628	-	2,999,031
Buildings	19,032,469	6,661,788	-	25,694,257
Equipment	6,644,467	356,814	-	7,001,281
Vehicles	6,058,898	402,548	262,017	6,199,429
Parks/Sportsplex	19,158,340	195,139	-	19,353,479
Infrastructure	114,783,678	332,889	-	115,116,567
Total capital assets being depreciated	168,371,255	8,254,806	262,017	176,364,044
Less accumulated depreciation for				
Land/building improvements	1,370,636	112,111	-	1,482,747
Buildings	5,618,472	616,353	-	6,234,825
Equipment	4,272,728	510,748	-	4,783,476
Vehicles	2,763,076	567,463	242,563	3,087,976
Parks/Sportsplex	1,903,286	971,822	-	2,875,108
Infrastructure	96,777,667	1,729,144	-	98,506,811
Total accumulated depreciation	112,705,865	4,507,641	242,563	116,970,943
Total capital assets being depreciated, net	55,665,390	3,747,165	19,454	59,393,101
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<u>\$ 89,198,930</u>	<u>\$ 8,050,253</u>	<u>\$ 2,104,309</u>	<u>\$ 95,144,874</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Construction in process	\$ 3,757,514	\$ 146,561	\$ 3,757,514	\$ 146,561
Land	536,455	27,471	-	563,926
Total capital assets not being depreciated	4,293,969	174,032	3,757,514	710,487

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 6: Capital Assets (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES (continued)</b>				
Capital assets being depreciated				
Buildings and improvements	2,246,518	-	-	2,246,518
Equipment	8,942,399	513,791	-	9,456,190
Utility systems	56,727,455	5,134,121	-	61,861,576
Total capital assets being depreciated	67,916,372	5,647,912	-	73,564,284
Less accumulated depreciation for				
Buildings and improvements	712,795	71,940	-	784,735
Equipment	6,267,225	733,541	-	7,000,766
Utility systems	25,103,592	1,319,821	-	26,423,413
Total accumulated depreciation	32,083,612	2,125,302	-	34,208,914
Total capital assets being depreciated, net	35,832,760	3,522,610	-	39,355,370
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 40,126,729</u>	<u>\$ 3,696,642</u>	<u>\$ 3,757,514</u>	<u>\$ 40,065,857</u>
<b>PRIMARY GOVERNMENT</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 129,325,659</u>	<u>\$ 11,746,895</u>	<u>\$ 5,861,823</u>	<u>\$ 135,210,731</u>

Depreciation expense is charged to functions/programs as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 443,679
Public safety	1,006,775
Highways and streets, including depreciation of general infrastructure assets	1,873,298
Cultural and recreational	1,183,889
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 4,507,641</u></u>
<b>BUSINESS-TYPE ACTIVITIES</b>	
Water Funds	\$ 1,372,379
Sewer Funds	752,923
<b>TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES</b>	<u><u>\$ 2,125,302</u></u>

(continued on next page)

NOTES TO FINANCIAL STATEMENTS

(continued)

April 30, 2015

Note 7: Long-Term Debt

A. Summary and Discussion Relating to Debt Recorded on Accompanying Financial Statements

The following is a summary of changes in long-term debt for the year ended April 30, 2015 and the related fund where this debt is recorded on the accompanying financial statements.

Description and Purpose	Balance May 1, 2014	New Debt Issued	Debt Retired	Balance April 30, 2015	Due Within One Year
Primary Government					
GOVERNMENTAL ACTIVITIES					
Debt Service Funds					
Bonds payable SSA 1	\$ 1,370,000	\$ -	\$ 80,000	\$ 1,290,000	\$ 85,000
Bonds payable SSA 2	285,000	-	20,000	265,000	20,000
Bonds payable SSA 4	915,000	-	55,000	860,000	55,000
Bonds payable 2006	4,015,000	-	255,000	3,760,000	265,000
Bonds payable 2009	17,340,000	-	390,000	16,950,000	400,000
Bonds payable 2009A	8,985,000	-	90,000	8,895,000	90,000
Bonds payable 2010	8,745,000	-	875,000	7,870,000	895,000
Bonds payable 2012A SSA 6	1,420,000	-	80,000	1,340,000	85,000
Bonds payable 2012B SSA 7	1,260,000	-	65,000	1,195,000	70,000
Total debt service funds	44,335,000	-	1,910,000	42,425,000	1,965,000
Other Funds - Capital Assets					
Fire truck	118,577	-	92,543	26,034	26,034
Rescue pumper	235,745	-	44,382	191,363	46,379
Venita Dr land	184,500	-	184,500	-	-
Planning and zoning vehicle	-	18,665	1,497	17,168	6,079
Police car	1,336	-	1,336	-	-
Pickup truck	2,553	-	2,553	-	-
Pickup truck	2,696	-	2,696	-	-
Transit vehicle	6,255	-	6,255	-	-
Planning and zoning vehicle	8,870	-	6,227	2,643	2,643
Lawn mower	24,031	-	16,870	7,161	7,161
Core aerator	10,848	-	7,615	3,233	3,233
Tractor/loader	8,151	-	8,151	-	-
Police car	16,180	-	10,140	6,040	6,040
Fire truck	1,858,522	-	166,447	1,692,075	172,884
3 Police cars	77,938	-	30,535	47,403	31,384
Total other funds - capital assets	2,556,202	18,665	581,747	1,993,120	301,837
Other Funds - Compensated Absences	1,631,960	343,225	-	1,975,185	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 48,523,162	\$ 361,890	\$ 2,491,747	\$ 46,393,305	\$ 2,266,837

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NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 7: Long-Term Debt (continued)

A. Summary and Discussion Relating to Debt Recorded on Accompanying Financial Statements (continued)

Description and Purpose	Balance May 1, 2014	New Debt Issued	Debt Retired	Balance April 30, 2015	Due Within One Year
Primary Government (continued)					
BUSINESS-TYPE ACTIVITIES					
Water Funds - Capital Assets					
Water construction note	\$ 714,133	\$ -	\$ 43,185	\$ 670,948	\$ 44,272
Water tank note	4,600,517	-	237,092	4,363,425	243,056
Total water funds - capital assets	5,314,650	-	280,277	5,034,373	287,328
Sewer Funds - Capital Assets					
Construction loan	1,795,553	-	492,077	1,303,476	506,395
Construction loan	3,397,350	232,712	72,485	3,557,577	146,545
Total sewer funds - capital assets	5,192,903	232,712	564,562	4,861,053	652,940
Water/Sewer Funds - Compensated Absences	600,945	-	114,836	486,109	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 11,108,498	\$ 232,712	\$ 959,675	\$ 10,381,535	\$ 940,268
TOTAL PRIMARY GOVERNMENT LONG-TERM LIABILITIES	\$ 59,631,660	\$ 594,602	\$ 3,451,422	\$ 56,774,840	\$ 3,207,105
COMPONENT UNIT					
Compensated absences	\$ 82,525	\$ 2,008	\$ -	\$ 84,533	\$ -
TOTAL COMPONENT UNIT	\$ 82,525	\$ 2,008	\$ -	\$ 84,533	\$ -

Debt Service Requirements to Maturity

The annual debt service requirements to maturity for bonded debt as of April 30, 2015 are as follows:

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NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 7: Long-Term Debt (continued)

A. Summary and Discussion Relating to Debt Recorded on Accompanying Financial Statements (continued)

Debt Service Requirements to Maturity (continued)

Fiscal Year Ending April 30,	Primary Government Governmental Activities	
	General	
	Obligation Bonds	
	Principal	Interest
2016	\$ 1,965,000	\$ 1,874,415
2017	2,030,000	1,810,102
2018	2,120,000	1,733,282
2019	2,190,000	1,651,630
2020	2,270,000	1,563,654
2021	2,370,000	1,472,465
2022	2,460,000	1,373,010
2023	1,960,000	1,267,954
2024	2,060,000	1,177,783
2025	1,615,000	1,082,055
2026	1,650,000	1,000,192
2027	1,440,000	916,824
2028	1,380,000	850,511
2029	1,315,000	787,587
2030	1,220,000	730,886
2031	1,275,000	677,511
2032	1,345,000	608,980
2033	1,415,000	536,686
2034	1,490,000	458,861
2035	1,580,000	376,911
2036	1,650,000	297,911
2037	1,755,000	230,344
2038	1,875,000	158,477
2039	1,995,000	81,695
	<u>\$ 42,425,000</u>	<u>\$ 22,719,726</u>

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 7: Long-Term Debt (continued)

A. Summary and Discussion Relating to Debt Recorded on Accompanying Financial Statements (continued)

Debt Service Requirements to Maturity (continued)

1. The City issued \$14,000,000 in general obligation bonds since 2002 in two equal subsections for the construction of a police station and various road improvements. In 2007 the City defeased the road improvement portion of these bonds. See Note 7A-5 below. These bonds were issued through the Illinois Development Finance Authority at rates from 3.2% to 5.25% due January 1, 2024.

During fiscal year 2011 the remaining portion of these bonds was defeased with the Series 2010 bond issue and the City has removed this liability from its accounts. The outstanding portion of the defeased bonds was \$5,170,000. From the 2010 bond issue, \$5,538,287 was transferred to an irrevocable trust to purchase U. S. government securities for future debt service on the refunded portion. The market value of these assets held in trust is \$-0- at April 30, 2012 as the escrow was fully paid during fiscal year 2012. This refunding resulted in a net present value loss of \$368,287. See Note 7A-7 for further details on the 2010 issue.

2. The City issued various bonds during 2005 for some of its special service areas. All of the bonds have a due date of June and December 1 for interest payments and December 1 for principal redemption beginning in December 2005. They have the following interest rate ranges:

SSA 1	5.10% to 6.50%
SSA 2	5.00% to 6.50%
SSA 4	5.10% to 6.50%

The proceeds were used for various commercial ventures near a major interstate within the City.

Fiscal Year Ending April 30,	SSA 1		SSA 2		SSA 4	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 85,000	\$ 82,660	\$ 20,000	\$ 17,225	\$ 55,000	\$ 55,130
2017	90,000	78,325	20,000	15,925	60,000	52,325
2018	95,000	72,475	25,000	14,625	65,000	48,425
2019	100,000	66,300	25,000	13,000	70,000	44,200
2020	110,000	59,800	25,000	11,375	70,000	39,250
2021	115,000	52,650	30,000	9,750	75,000	35,100

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NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 7: Long-Term Debt (continued)

A. Summary and Discussion Relating to Debt Recorded on Accompanying Financial Statements (continued)

Debt Service Requirements to Maturity (continued)

2. (continued)

Fiscal Year Ending April 30,	SSA 1		SSA 2		SSA 4	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	120,000	45,175	30,000	7,800	80,000	30,225
2023	130,000	37,375	30,000	5,850	85,000	25,025
2024	140,000	28,925	30,000	3,900	95,000	19,500
2025	150,000	19,825	30,000	1,950	100,000	13,725
2026	155,000	10,075	-	-	105,000	6,825
	<u>\$ 1,290,000</u>	<u>\$ 553,585</u>	<u>\$ 265,000</u>	<u>\$ 101,400</u>	<u>\$ 860,000</u>	<u>\$ 369,730</u>

3. The City issued various bonds in fiscal year 2007 for some of its special service areas. All of the bonds have a due date of June and December 1 for interest payments and December 1 for principal redemption. They have the following interest rate ranges:

SSA 5	8.00% to 10.00%
SSA 6	8.00% to 10.00%
SSA 7	8.00% to 10.00%

The proceeds are to be used for various commercial ventures within the City.

During fiscal year ending April 30, 2013, the remaining portion of the SSA 6 and SSA 7 bonds were defeased with the 2012A Special Service Area Number 6 (\$1,540,000) and 2012B Special Service Area Number 7 (\$1,360,000) bond issues and the City has removed the original liabilities from its books. This refunding resulted in a net present value loss of \$91,888. Below is the revised debt service to maturity for SSA 6 and SSA 7.

Fiscal Year Ending April 30,	SSA 6 (refunding issue)		SSA 7 (refunding issue)	
	Principal	Interest	Principal	Interest
2016	\$ 85,000	\$ 75,700	\$ 70,000	\$ 68,000
2017	90,000	71,450	70,000	64,500

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NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 7: Long-Term Debt (continued)

A. Summary and Discussion Relating to Debt Recorded on Accompanying Financial Statements (continued)

Debt Service Requirements to Maturity (continued)

3. (continued)

Fiscal Year Ending April 30,	SSA 6 (refunding issue)		SSA 7 (refunding issue)	
	Principal	Interest	Principal	Interest
2018	95,000	66,950	75,000	61,000
2019	100,000	62,200	75,000	57,250
2020	100,000	57,200	80,000	53,500
2021	105,000	52,200	85,000	49,500
2022	115,000	45,900	90,000	44,400
2023	120,000	39,000	95,000	39,000
2024	130,000	31,800	100,000	33,300
2025	140,000	24,000	105,000	27,300
2026	145,000	15,600	110,000	21,000
2027	115,000	6,900	120,000	14,400
2028	-	-	120,000	7,200
	<u>\$1,340,000</u>	<u>\$ 548,900</u>	<u>\$1,195,000</u>	<u>\$ 540,350</u>

4. The City issued \$20,100,000 in general obligation bonds Series 2006 to defease a portion of the 2002 bond issue for roads and to construct a sports complex, convention center and other road improvements. The bonds have interest rates ranging from 4.25% to 5.00%. The following is the future debt service maturity schedule:

Fiscal Year Ending April 30,	Principal	Interest	Total
2016	\$ 265,000	\$ 186,012	\$ 451,012
2017	280,000	174,750	454,750
2018	295,000	160,750	455,750
2019	305,000	146,000	451,000
2020	320,000	130,750	450,750
2021	340,000	114,750	454,750
2022	355,000	97,750	452,750
2023	370,000	80,000	450,000

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# NOTES TO FINANCIAL STATEMENTS

(continued)

April 30, 2015

## Note 7: Long-Term Debt (continued)

### A. Summary and Discussion Relating to Debt Recorded on Accompanying Financial Statements (continued)

#### Debt Service Requirements to Maturity (continued)

#### 4. (continued)

Fiscal Year Ending April 30,	Principal	Interest	Total
2024	390,000	61,500	451,500
2025	410,000	42,000	452,000
2026	430,000	21,500	451,500
	<u>\$ 3,760,000</u>	<u>\$ 1,215,762</u>	<u>\$ 4,975,762</u>

Included in this bond issue above was an advance refunding of \$5,375,000, which was used for a portion of the 2002 bond issue. The City used \$5,351,325 to deposit in an irrevocable trust to purchase U. S. government securities for future debt service on this refunded portion. As a result, that portion of the 2002 issue is considered defeased and the City has removed the liability from its accounts. The outstanding portion of the defeased bonds was \$3,046,850 which has since been paid off from escrow. In 2010, the City defeased a portion of the 2006 issue. See Note 7A-5 below. The debt service to maturity indicated above is for the remaining portion of the 2006 issue.

- The City issued \$18,450,000 in general obligation refunding bonds Series 2009 to defease a portion of the 2006 bond issue and to finance additions to the City park. The bonds have interest rates ranging from 3.00% to 5.50%. The following is the future debt service maturity schedule:

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total
2016	3.000%	\$ 400,000	\$ 784,258	\$ 1,184,258
2017	3.000%	410,000	772,258	1,182,258
2018	3.500%	425,000	758,933	1,183,933
2019	3.650%	440,000	744,058	1,184,058
2020	3.800%	455,000	727,998	1,182,998
2021	3.900%	475,000	710,707	1,185,707
2022	4.000%	490,000	692,182	1,182,182
2023	4.100%	510,000	672,582	1,182,582

(continued on next page)

# NOTES TO FINANCIAL STATEMENTS

(continued)

April 30, 2015

## Note 7: Long-Term Debt (continued)

### A. Summary and Discussion Relating to Debt Recorded on Accompanying Financial Statements (continued)

#### Debt Service Requirements to Maturity (continued)

5. (continued)

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total
2024	4.150%	530,000	651,672	1,181,672
2025	4.200%	555,000	629,677	1,184,677
2026	4.300%	575,000	606,367	1,181,367
2027	4.400%	1,070,000	581,642	1,651,642
2028	4.500%	1,120,000	534,562	1,654,562
2029	4.375%	1,170,000	484,162	1,654,162
2030	4.375%	1,220,000	432,975	1,652,975
2031	5.375%	1,275,000	379,600	1,654,600
2032	5.375%	1,345,000	311,069	1,656,069
2033	5.500%	1,415,000	238,775	1,653,775
2034	5.500%	1,490,000	160,950	1,650,950
2035	5.000%	1,580,000	79,000	1,659,000
		<u>\$16,950,000</u>	<u>\$10,953,427</u>	<u>\$27,903,427</u>

Included in this bond issue was an advance refunding of \$13,395,000, which was used for a portion of the 2006 issue. The City used \$15,511,735 to deposit in an irrevocable trust to purchase U. S. government securities for future debt service on this refunded portion. As a result, that portion of the 2006 issue is considered defeased and the City has removed the liability from its books. The outstanding portion of the defeased bonds was \$12,104,650 and the market value of the assets held in trust at April 30, 2015 is \$10,446,071.

- The City also issued \$9,295,000 in general obligation taxable bonds Series 2009A to finance an addition to the City library and additions to the City park. These were Build America Bonds and have interest rates ranging from 2.50% to 6.30%. Build America Bonds provide a federal subsidy through a refundable credit payable to the City by the U. S. Treasury in an amount equal to 35% of the total coupon interest payable. 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. The following is the future debt service maturity schedule:

(continued on next page)

# NOTES TO FINANCIAL STATEMENTS

(continued)

April 30, 2015

## Note 7: Long-Term Debt (continued)

### A. Summary and Discussion Relating to Debt Recorded on Accompanying Financial Statements (continued)

#### Debt Service Requirements to Maturity (continued)

6. (continued)

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total
2016	4.250%	\$ 90,000	\$ 355,532	\$ 445,532
2017	4.850%	95,000	353,046	448,046
2018	4.850%	100,000	350,051	450,051
2019	4.850%	100,000	346,899	446,899
2020	4.850%	105,000	343,746	448,746
2021	5.700%	110,000	340,436	450,436
2022	5.700%	110,000	336,361	446,361
2023	5.700%	115,000	332,285	447,285
2024	5.700%	120,000	328,024	448,024
2025	5.850%	125,000	323,578	448,578
2026	5.850%	130,000	318,825	448,825
2027	5.850%	135,000	313,882	448,882
2028	5.850%	140,000	308,749	448,749
2029	5.850%	145,000	303,425	448,425
2030	N/A	-	297,911	297,911
2031	N/A	-	297,911	297,911
2032	N/A	-	297,911	297,911
2033	N/A	-	297,911	297,911
2034	N/A	-	297,911	297,911
2035	N/A	-	297,911	297,911
2036	6.300%	1,650,000	297,911	1,947,911
2037	6.300%	1,755,000	230,344	1,985,344
2038	6.300%	1,875,000	158,477	2,033,477
2039	6.300%	1,995,000	81,695	2,076,695
		<u>\$8,895,000</u>	<u>\$7,210,732</u>	<u>\$16,105,732</u>

7. The City issued \$10,675,000 in general obligation bonds Series 2010 during fiscal year 2011 to defease prior 2001 and 2002 issues. The bonds have interest rates ranging from 2.00% to 3.65%. The following is the future debt service to maturity schedule:

(continued on next page)



# NOTES TO FINANCIAL STATEMENTS

(continued)

April 30, 2015

## Note 7: Long-Term Debt (continued)

### A. Summary and Discussion Relating to Debt Recorded on Accompanying Financial Statements (continued)

#### Debt Service Requirements to Maturity (continued)

7. (continued)

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total
2016	2.500%	\$ 895,000	\$ 249,898	\$ 1,144,898
2017	3.000%	915,000	227,523	1,142,523
2018	3.000%	945,000	200,073	1,145,073
2019	3.250%	975,000	171,723	1,146,723
2020	3.250%	1,005,000	140,035	1,145,035
2021	3.300%	1,035,000	107,372	1,142,372
2022	3.400%	1,070,000	73,217	1,143,217
2023	3.500%	505,000	36,837	541,837
2024	3.650%	525,000	19,162	544,162
		<u>\$ 7,870,000</u>	<u>\$ 1,225,840</u>	<u>\$ 9,095,840</u>

### B. Loans and Notes Payable

The annual debt service requirements to maturity for loans and notes as of April 30, 2015 are as follows:

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	Notes Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2016	\$ 301,837	\$ 75,658	\$ 940,268	\$ 238,909
2017	1,589,941	46,639	965,614	213,563
2018	101,342	4,400	731,304	187,526
2019	-	-	466,490	172,268
2020	-	-	477,900	160,858
2021	-	-	489,589	149,169
2022	-	-	501,564	137,194
2023	-	-	513,834	124,924
2024	-	-	526,404	112,354
2025	-	-	539,280	99,478
2026	-	-	552,473	86,284

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 7: Long-Term Debt (continued)

B. Loans and Notes Payable (continued)

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	Notes Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2027	-	-	565,991	72,768
2028	-	-	579,837	58,921
2029	-	-	532,874	45,114
2030	-	-	545,871	32,117
2031	-	-	206,359	20,996
2032	-	-	211,123	16,232
2033	-	-	215,996	11,359
2034	-	-	220,981	6,374
2035	-	-	111,674	1,281
	<u>\$ 1,993,120</u>	<u>\$ 126,697</u>	<u>\$ 9,895,426</u>	<u>\$ 1,947,689</u>

Governmental Activities

- During 2006 and 2007 the City borrowed \$750,000 for the purchase of a fire truck. Repayment consists of 120 payments of \$8,047 at an annual rate of 5.25%. The following is the future debt service to maturity:

Fiscal Year Ending April 30,	Principal	Interest	Total
<u>2016</u>	<u>\$ 26,034</u>	<u>\$ 237</u>	<u>\$ 26,271</u>

- During 2009 the City borrowed \$380,922 for a down payment on a rescue pumper fire vehicle. Repayment consists of annual payments of \$54,987 at an annual interest rate of 4.50%, with a maturity date of December 19, 2017, according to the following future debt service schedule:

Fiscal Year Ending April 30,	Principal	Interest	Total
<u>2016</u>	<u>\$ 46,379</u>	<u>\$ 8,608</u>	<u>\$ 54,987</u>
2017	48,466	6,521	54,987
2018	96,518	4,340	100,858
	<u>\$ 191,363</u>	<u>\$ 19,469</u>	<u>\$ 210,832</u>

- During 2011 the City entered into a purchase agreement to purchase 84.6 acres of land near Venita Drive. The total purchase agreement was for \$2,538,000. This debt was completely liquidated in 2105.

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NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 7: Long-Term Debt (continued)

B. Loans and Notes Payable (continued)

Governmental Activities (continued)

4. During 2012 the City borrowed \$22,218 for the purchase of a police car. Repayment consists of 36 monthly payments of \$672 at an annual interest rate of 5.655%. This debt was completely liquidated in 2015.
5. During 2012 the City borrowed \$17,263 for the purchase of a pickup truck. Repayment consists of 36 monthly payments of \$517 at an annual interest rate of 4.951%. This debt was completely liquidated in 2015.
6. During 2012 the City borrowed \$18,230 for the purchase of a pickup truck. Repayment consists of 36 monthly payments of \$546 at an annual interest rate of 4.951%. This debt was completely liquidated in 2015.
7. During 2015, the City borrowed \$18,665 for the purchase of a pickup truck. Repayment consists of 36 monthly payments of \$543 at an annual interest rate of 3.00%. The following is the debt service schedule to maturity.

Fiscal year Ending April 30,	Principal	Interest	Total
2016	\$ 6,079	\$ 433	\$ 6,512
2017	6,265	247	6,512
2018	4,824	60	4,884
	<u>\$ 17,168</u>	<u>\$ 740</u>	<u>\$ 17,908</u>

8. During 2012 the City borrowed \$21,890 for the purchase of a transit vehicle. Repayment consists of 36 monthly payments of \$633 at an annual interest rate of 2.645%. This debt was completely liquidated in 2015.
9. During 2013 the City borrowed \$18,400 for the purchase of a vehicle. Repayment consists of 36 monthly payments of \$532 at an annual interest rate of 2.65%. The following is the debt service schedule to maturity.

Fiscal Year Ending April 30,	Principal	Interest	Total
2016	<u>\$ 2,643</u>	<u>\$ 17</u>	<u>\$ 2,660</u>

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 7: Long-Term Debt (continued)

B. Loans and Notes Payable (continued)

Governmental Activities (continued)

10. During 2013 the City borrowed \$49,850 for the purchase of a mower. Repayment consists of 36 monthly payments of \$1,442 at an annual interest rate of 2.70%. The following is the debt service schedule to maturity.

Fiscal Year Ending April 30,	Principal	Interest	Total
<u>2016</u>	<u>\$ 7,161</u>	<u>\$ 48</u>	<u>\$ 7,209</u>

11. During 2013 the City borrowed \$22,503 for the purchase of an aerator. Repayment consists of 36 monthly payments of \$651 at an annual interest rate of 2.70%. The following is the debt service schedule to maturity.

Fiscal Year Ending April 30,	Principal	Interest	Total
<u>2016</u>	<u>\$ 3,233</u>	<u>\$ 22</u>	<u>\$ 3,255</u>

12. During 2013 the City borrowed \$38,322 for the purchase of a tractor/loader. Repayment consists of 24 monthly payments of \$1,641 at an annual interest rate of 2.70%. This debt was completely liquidated in 2015.
13. During 2013 the City borrowed \$30,097 for the purchase of a police car. Repayment consists of 36 monthly payments of \$871 at an annual interest rate of 2.70%. The following is the debt service schedule to maturity.

Fiscal Year Ending April 30,	Principal	Interest	Total
<u>2016</u>	<u>\$ 6,040</u>	<u>\$ 54</u>	<u>\$ 6,094</u>

14. During 2013 the City borrowed \$642,010 for the partial purchase of a fire truck. During 2014, the fire truck was completed as well as the addition of two additional trucks. The previous loan was modified to add the additional debt service. Repayment consists of 35 monthly payments of \$19,851 at an annual interest rate of 3.90% with a balloon payment at the end. The following is the debt service schedule to maturity.

(continued on next page)

NOTES TO FINANCIAL STATEMENTS

(continued)

April 30, 2015

Note 7: Long-Term Debt (continued)

B. Loans and Notes Payable (continued)

Governmental Activities (continued)

14. (continued)

Fiscal Year Ending April 30,	Principal	Interest	Total
2016	\$ 172,884	\$ 65,326	\$ 238,210
2017	1,519,191	39,742	1,558,933
	<u>\$ 1,692,075</u>	<u>\$ 105,068</u>	<u>\$ 1,797,143</u>

15. During 2014 the City borrowed \$92,904 for the purchase of 3 police cars. Repayment consists of 36 monthly payments of \$2,691 at an annual interest rate of 2.75%. The following is the debt service schedule to maturity.

Fiscal Year Ending April 30,	Principal	Interest	Total
2016	\$ 31,384	\$ 913	\$ 32,297
2017	16,019	129	16,148
	<u>\$ 47,403</u>	<u>\$ 1,042</u>	<u>\$ 48,445</u>

Business-Type Activities

16. Construction Loan - Sewer

The City received loans totaling \$8,105,534 of which \$8,018,298 was drawn down from the Illinois Environmental Protection Agency for sewer plant improvements. The loan is disbursed to the City based on drawdowns of construction. The current interest rate is 2.89% and 2.865% and accrued interest of \$123,386 has been added to the improvements costs. Repayment began when the construction period was complete. The loan is currently due on August 1, 2017 with semi-annual payments of \$270,210 beginning August 1, 1998.

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

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 7: Long-Term Debt (continued)

B. Loans and Notes Payable (continued)

Business-Type Activities (continued)

17. Construction Loan - Water

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

18. Recapture Agreement

The City entered into an agreement with a developer to reimburse them for a sewer main installed up to \$184,038, depending upon the services installed over a ten year period ending July 2006. Through 2008 the City had the balance reflected as a liability. Management elected to have the balance reclassified to contributed equity in 2009, since no repayments were made during any prior period and they expect none in the future.

The annual requirements to amortize the above debt outstanding (numbers 16 and 17) including interest as of April 30, 2015 are as follows:

Fiscal Year Ending April 30,	Water (Tank) Construction Loan		Water Construction Loan	
	Principal	Interest	Principal	Interest
2016	\$ 243,056	\$ 107,576	\$ 44,272	\$ 16,499
2017	249,170	101,462	45,386	15,385
2018	255,439	95,193	46,527	14,243
2019	261,864	88,768	47,698	13,073
2020	268,452	82,180	48,898	11,873
2021	275,205	75,427	50,128	10,643
2022	282,128	68,504	51,389	9,382
2023	289,226	61,406	52,682	8,089
2024	296,502	54,130	54,007	6,764
2025	303,960	46,672	55,366	5,405
2026	311,607	39,025	56,758	4,012
2027	319,446	31,186	58,186	2,585
2028	327,482	23,150	59,651	1,121
2029	335,721	14,912	-	-
2030	344,167	6,466	-	-
	<u>\$4,363,425</u>	<u>\$ 896,057</u>	<u>\$ 670,948</u>	<u>\$ 119,074</u>

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 7: Long-Term Debt (continued)

B. Loans and Notes Payable (continued)

Business-Type Activities (continued)

Fiscal Year Ending April 30,	Sewer Construction Loan		Sewer Construction Loan	
	Principal	Interest	Principal	Interest
2016	\$ 506,395	\$ 34,024	\$ 146,545	\$ 80,810
2017	521,131	19,288	149,927	77,428
2018	275,950	4,123	153,388	73,967
2019	-	-	156,928	70,427
2020	-	-	160,550	66,805
2021	-	-	164,256	63,099
2022	-	-	168,047	59,308
2023	-	-	171,926	55,429
2024	-	-	175,895	51,460
2025	-	-	179,954	47,401
2026	-	-	184,108	43,247
2027	-	-	188,358	38,997
2028	-	-	192,705	34,650
2029	-	-	197,153	30,202
2030	-	-	201,704	25,651
2031	-	-	206,359	20,996
2032	-	-	211,123	16,232
2033	-	-	215,996	11,359
2034	-	-	220,981	6,374
2035	-	-	111,674	1,281
	<u>\$1,303,476</u>	<u>\$ 57,435</u>	<u>\$ 3,557,577</u>	<u>\$ 875,123</u>

The compensated absences listed below reflect the liabilities at April 30, 2015 and 2014:

	2015	2014
Governmental Activities	\$1,975,185	\$1,631,960
Business-Type Activities	486,109	600,945
Component Unit	84,533	82,525
Total	<u>\$2,545,827</u>	<u>\$2,315,430</u>

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 7: Long-Term Debt (continued)

C. 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 and valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property.. (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amount.”

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

Note 8: Contributed Capital and Grants

The City has received certain infrastructure donations from developers and grants in prior fiscal years for capital purposes within its governmental activities and proprietary funds. For 2015, the City received \$2,324,027 in governmental assets and \$-0- in proprietary assets.

Note 9: Interfund Receivables and Payables

The following are the interfund balances as of April 30, 2015:

	<u>Due From</u>	<u>Due To</u>
GOVERNMENTAL FUNDS		
MAJOR FUNDS		
General Fund		
Tax Increment Financing	\$ 401,217	\$ -
Water Maintenance	-	50,000
IMRF	170,386	-
1997 Bond issue	125	-
Subaru Debt Service	1,765	-
Build America	2,769	-
	<u>576,262</u>	<u>50,000</u>
Total Major Funds		

(continued on next page)



NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 9: Interfund Receivables and Payables (continued)

	<u>Due From</u>	<u>Due To</u>
NONMAJOR FUNDS		
Tax Increment Financing		
General	-	401,217
Water Maintenance	-	37,627
Sewer Maintenance	-	37,627
IMRF		
General	-	170,386
1997 Debt Service		
General	-	125
Subaru Debt Service		
General	-	1,765
Build America		
General	-	2,769
	<u>-</u>	<u>651,516</u>
Total Nonmajor Funds	<u>-</u>	<u>651,516</u>
	<u>576,262</u>	<u>701,516</u>
TOTAL GOVERNMENTAL FUNDS		
PROPRIETARY FUNDS		
Water Maintenance		
General	50,000	-
Sewer Maintenance	30,000	-
Tax Increment Financing	37,627	-
Sewer Maintenance		
Water Maintenance	-	30,000
Tax Increment Financing	37,627	-
	<u>155,254</u>	<u>30,000</u>
Total Proprietary Funds	<u>155,254</u>	<u>30,000</u>
	<u>\$ 731,516</u>	<u>\$ 731,516</u>
TOTAL GOVERNMENTAL AND PROPRIETARY FUNDS		

Interfund receivables and payables are the result of loans between funds. Some interfund loans are included in noncurrent liabilities as they are not expected to be paid back within one year.

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 10: Tax Increment Financing Funds

During the fiscal year ended April 30, 1996 the City began the Illinois 158 Corridor TIF District or O'Fallon TIF District #1. The Tax Increment Financing (TIF) Fund was established to account for the transactions within this TIF District. The City has three projects which this redevelopment plan supports. Williamsburg Center is an office development that the City contracted with the developer to design, engineer, manage and finance construction of drives, sidewalks, sanitary sewer extensions and other improvements. Lakepointe Center is a development including retail, office and restaurant spaces and the City contracted with the developer to design, engineer and construct drives, sidewalks, storm water control facilities and other improvements. Terms of the above agreements provided the City would pay to the developer funds it was entitled to receive, which were derived from the development project area, over a period of ten years, up to a contractually limited amount. The City recently entered into an agreement with a developer to correct ongoing flooding issues on the RASP Farm property. Terms of the agreement are for the developer to receive \$1.3 million the TIF has already generated over its life plus additional amounts generated over the remaining TIF life of 6 years. The developer plans to create a business park and eventually donate the drainage area and 15 acres of green space back to the City.

Also, the City has entered into a TIF agreement, called "Green Mount Redevelopment" with a health care entity that provides for the establishment of a separate TIF district for the construction of improvements and mine remediation. This agreement calls for the issuance of bonds to cover certain preconstruction costs and is to be partially or fully funded by the incremental property tax revenues of the project. As of April 30, 2015, no debt issuance has occurred.

During fiscal year 2013, the City also approved three (3) redevelopment agreements, called "Central Park Redevelopment", with separate entities for the reimbursement of certain construction and/or operating expenses on an annual basis from the incremental property taxes collected on each property. During this fiscal year, a fourth agreement was approved. The terms of these agreements are not fixed, but expire when the costs incurred have been fully reimbursed.

As of April 30, 2015, the TIF had incurred cumulative costs totaling \$476,471 for the above projects that were paid through other funds and reflected as an interfund balance at year-end.

Note 11: Rebates

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

	Total Rebate	Balance Owed April 30, 2015	Interest Rate	Expiration Date	Specific
Auto Dealer	\$ 250,000	\$ 198,892	N/A	July 2017	50% of collections over specific amount
Auto Dealer*	150,000	125,552	N/A	November 2016	50% of collections

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 11: Rebates (continued)

Retailer	Total Rebate	Balance Owed April 30, 2015	Interest Rate	Expiration Date	Specific
Retailer	125,000	-	N/A	October 2017	75% rebate first year/50% thereafter
Auto Dealer**	350,000	350,000	N/A	January 2020	50% of collections
Auto Dealer**	350,000	350,000	N/A	January 2020	50% of collections
Hotel	N/A	N/A	N/A	February 2028	Hotel-2% of receipts/Special business tax-1% of receipts
Hotel	N/A	N/A	N/A	December 2033	Special business tax-1% of hotel receipts and 1% of food and beverage receipts

\* Remaining balance not expected to be paid due to closure of the dealer.

\*\* New rebates during fiscal year 2010, but as of current there has been no activity on these accounts.

The balances owed are not presented in the accompanying General Fund because they are considered to be commitments and will not be a liability unless certain events occur in the future.

Note 12: Contingent Liabilities

The City is involved in various legal actions arising in the normal course of business. In the opinion of management and legal counsel, such matters will not have a material effect on the financial position of the City.

Note 13: Expenditures in Excess of Budget

The following funds had expenditures in excess of budgeted amounts:

	Actual Expenditures	Budgeted Expenditures
Cemetery	\$ 4,868	\$ -
IMRF	524,613	514,739
Motor Fuel Tax	5,018,659	2,855,000
Tax Increment Financing	591,651	500,000
2002 Bond Issue Capital Project	965,749	965,685
Park Sports Complex	1,151,686	1,151,620
Prop S	1,417,644	1,309,500
Special Service Areas Debt Service	320,230	320,150

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NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 14: Leases

- A. The City, as lessor, entered into a long-term lease beginning January 1, 1993 with the O'Fallon Community Center, Inc. (lessee), a nonprofit corporation, to lease a building within the City park. The terms of the lease are for \$1 per year. The lessee is responsible for all operating costs, except general insurance, which is provided by the City. Also, the City has responsibility for all building exterior maintenance and improvements.
- B. The City, as lessor, entered into an agreement in July 2001 with a long distance carrier to construct a communication tower. The initial term of the lease is ten years with the lessee having the right to extend the lease for two successive five-year terms. The current contract states the monthly rent to be \$2,040 through 2010. In 2010 the lease was amended to permit the carrier to add, modify and/or replace equipment in order to be in compliance with future federal, state or local mandates. Monthly rent was increased by \$500 per month. During 2014, the City sold the tower and this agreement is no longer in effect.
- C. The City, as a lessor, entered into an agreement in March 2005 with a cell phone carrier to lease property for the purpose of constructing a communications structure. The initial term of the lease is ten years with the lessee having the right to extend the lease for two successive five-year terms. The rent on this agreement was \$20,400 for the first year and shall be increased by 3% each year thereafter. For 2015, the City received \$27,416.

The above mentioned property is owned by a limited liability company (LLC) with which the City entered into a separate agreement in June 2005 to acquire the property. The City must pay the limited liability company 40% of the gross receipts, or rent payments, received by the City from the lease mentioned above. Payment must be made to the limited liability company by January 30 of the year following the collection of the rent payments. During 2015, the City paid the LLC \$10,647, which was 40% of the prior year receipts.

Note 15: Statistical Data

	2015	2014
Number of customers billed		
Water	18,046	18,023
Sewer	9,157	9,110

Note 16: Component Unit

The City recognizes the Library Special Revenue Fund along with the Library Construction Fund, Library Bond Issue Debt Service Fund and Ohlendorf Bequest Fund as a component unit. The summarized financial data of the fund financial statements is as follows as of April 30, 2015 and for the year then ended.

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 16: Component Unit (continued)

	General Fund	Construction Fund	Debt Service Fund	Ohldendorf Bequest Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,264,191	\$ 41,123	\$ 16,616	\$ -	\$ 1,321,930
Investments	500,000	-	-	2,830,259	3,330,259
Prepaid expenses	17,686	-	-	-	17,686
Accrued interest	-	-	-	7,543	7,543
Accounts receivable	1,360	-	-	-	1,360
Property tax receivable	963,081	-	-	-	963,081
	<u>2,746,318</u>	<u>41,123</u>	<u>16,616</u>	<u>2,837,802</u>	<u>5,641,859</u>
<b>LIABILITIES</b>					
Unearned revenue - grant	34,495	-	-	-	34,495
Accounts payable	13,331	-	-	-	13,331
Accrued wages	14,604	-	-	-	14,604
	<u>62,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,430</u>
DEFERRED INFLOWS OF RESOURCES	<u>963,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>963,081</u>
<b>EQUITY</b>					
Fund balance - restricted	<u>\$ 1,720,807</u>	<u>\$ 41,123</u>	<u>\$ 16,616</u>	<u>\$ 2,837,802</u>	<u>\$ 4,616,348</u>
<b>REVENUES</b>					
Taxes	\$ 965,274	\$ -	\$ -	\$ -	\$ 965,274
Investment income	533	-	-	133,440	133,973
Grant	35,351	-	-	-	35,351
Donations	-	-	-	34,398	34,398
Others	61,755	-	-	-	61,755
	<u>1,062,913</u>	<u>-</u>	<u>-</u>	<u>167,838</u>	<u>1,230,751</u>
<b>EXPENDITURES</b>					
Library services	<u>1,057,281</u>	<u>-</u>	<u>-</u>	<u>20,617</u>	<u>1,077,898</u>
Excess of revenues over expenditures	5,632	-	-	147,221	152,853
<b>OTHER FINANCING SOURCES</b>					
Transfer from other funds	<u>82,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,908</u>

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 16: Component Unit (continued)

	General Fund	Construction Fund	Debt Service Fund	Ohldendorf Bequest Fund	Total
Net change in fund balance	88,540	-	-	147,221	235,761
Fund balance, beginning of year	1,632,267	41,123	16,616	2,690,581	4,380,587
FUND BALANCE, END OF YEAR	<u>\$ 1,720,807</u>	<u>\$ 41,123</u>	<u>\$ 16,616</u>	<u>\$ 2,837,802</u>	<u>\$ 4,616,348</u>

Note 17: Commitments

The City had the following contractual matters in progress at April 30, 2015:

The City has entered into various special rebate agreements with various retail entities and developers. These agreements call for the City to reimburse the entity for various costs incurred for infrastructure and construction over a specific time period based on tax collections. See Note 11 for details.

Note 18: Risk Management

The City of O'Fallon is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City of O'Fallon purchases commercial insurance from third parties for all risks and thus retains no significant amounts of risk. No settlements have exceeded insurance coverage for the past three years. There have been no material changes in insurance coverage limits during the year ended April 30, 2015.

Note 19: Interfund Transfers

Interfund transfers for the year ended April 30, 2015 consisted of the following amounts:

	<u>Transfers From</u>	<u>Transfers To</u>
GOVERNMENTAL FUNDS		
MAJOR FUNDS		
General Fund		
1997 Bond Issue Debt Service	\$ -	\$ 595,905
2002 Bond Issue Capital Project	-	549,430
Convention Center	-	529,510
Capital Improvement	-	500,000
Strategic Plan	-	200,000

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 19: Interfund Transfers (continued)

	<u>Transfers From</u>	<u>Transfers To</u>
GOVERNMENTAL FUNDS (continued)		
<u>MAJOR FUNDS (continued)</u>		
Park Fund		
Park Sports Complex	-	340,000
Ambulance Fund		
Capital Improvement	-	125,435
Build America	-	60,043
Capital Improvement Fund		
General	500,000	-
Ambulance	125,435	-
Park Complex	167,695	-
Park Land	59,370	-
	<hr/>	<hr/>
Total Major Funds	852,500	2,900,323
	<hr/>	<hr/>
<u>NONMAJOR FUNDS</u>		
Prop S Infrastructure Fund		
2002 Bond Issue Capital Project Fund	-	416,255
Hotel/Motel Fund		
Park Sports Complex	-	651,168
Build America	-	90,317
1997 Bond Issue Debt Service Fund		
General	595,905	-
2002 Bond Issue Capital Project Fund		
General	549,430	-
Prop S Infrastructure	416,255	-
Convention Center Fund		
General	529,510	-
Park Sports Complex Fund		
Park	340,000	-
Capital Improvements	-	167,695
Hotel/Motel Fund	651,168	-
Park Land Fund		
Capital Improvements	-	59,370
Build America Fund		
Ambulance	60,043	-
Hotel/Motel	90,317	-

(continued on next page)

NOTES TO FINANCIAL STATEMENTS  
(continued)  
April 30, 2015

Note 19: Interfund Transfers (continued)

	<u>Transfers From</u>	<u>Transfers To</u>
GOVERNMENTAL FUNDS (continued)		
<u>NONMAJOR FUNDS (continued)</u>		
Strategic Plan		
General	200,000	-
	<u>3,432,628</u>	<u>1,384,805</u>
Total Nonmajor Funds		
	<u>3,432,628</u>	<u>1,384,805</u>
TOTAL GOVERNMENTAL FUNDS	<u>\$ 4,285,128</u>	<u>\$ 4,285,128</u>
Component Unit		
Library Fund		
IMRF	\$ 47,866	\$ -
Social Security	35,042	-
IMRF		
Library Fund	-	47,866
Social Security		
Library Fund	-	35,042
	<u>\$ 82,908</u>	<u>\$ 82,908</u>

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

Note 20: Prior Period Adjustment

The April 30, 2014 governmental activities and component unit contain a prior period adjustment for \$549,413 and \$17,333, respectively, to remove bond issuance costs from the Statement of Net Position. This is a result of a change in accounting due to the implementation of GASB Statement No. 65.

Note 21: Deficit Fund Balances

The following funds had deficit fund balances at April 30, 2015:

Tax Increment Financing	\$ (4,690)
1997 Bond Issue	(125)
Subaru Debt Service	(1,765)
Build America	(2,769)
IMRF	(169,545)



	General Fund	
	Original and Final Budget	Actual
REVENUES		
Taxes		
Property	\$ 247,690	\$ 247,375
Utility	1,600,000	1,404,041
Food and beverage	689,116	722,643
Intergovernmental receipts		
State sales tax	7,759,720	7,919,352
State income tax	2,610,000	2,780,950
Road and bridge tax	240,000	280,918
Federal grants	-	219,282
MEGSI	40,000	46,569
State and County grants	5,000	1,540
Other	-	-
Licenses and permits	551,135	557,530
Subdivision fees	20,000	24,871
Police reports	5,700	5,529
Combined dispatch	102,000	104,040
Municipal aggregation fees	100,000	109,319
Fines and fees	261,500	246,785
Service and administrative fees	-	-
Interest income	7,050	2,542
Phone and cable television fees	1,571,000	679,688
Rentals	7,500	15,647
Miscellaneous revenues and reimbursements	6,200	13,335
Cemetery revenue	21,000	21,963
Insurance refunds and claims	500	18,386
Concessions	-	-
Recreation program fees	-	-
Donations	-	-
Fee in lieu of taxes	621,263	621,262
Total revenues	<u>16,466,374</u>	<u>16,043,567</u>
EXPENDITURES		
Administration		
Personnel services		
Salaries	869,200	859,044

City of O'Fallon  
St. Clair County, Illinois

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS

Year Ended April 30, 2015

Park Fund		Fire Fund		Ambulance Fund	
Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
\$ 577,735	\$ 575,612	\$ 1,187,955	\$ 1,161,998	\$ 1,504,825	\$ 1,513,651
792,500	1,133,699	-	-	-	-
-	-	-	-	-	-
15,000	19,777	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50,000	30,000	-	-	-	-
-	-	408,700	414,105	-	-
-	-	14,000	75,844	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
84,900	123,603	-	-	775,000	1,007,591
-	115	-	-	100	41
680,000	515,816	-	-	-	-
122,200	160,806	-	-	-	-
1,100	6,716	-	718	300	5,819
-	-	-	-	-	-
-	-	-	-	-	-
198,600	260,198	-	-	-	-
901,200	853,012	-	-	-	-
9,500	21,706	-	-	-	-
-	-	-	-	-	-
<u>3,432,735</u>	<u>3,701,060</u>	<u>1,610,655</u>	<u>1,652,665</u>	<u>2,280,225</u>	<u>2,527,102</u>
-	-	-	-	-	-

(continued on next page)

	General Fund	
	Original and Final Budget	Actual
EXPENDITURES (continued)		
Administration (continued)		
Personnel services (continued)		
Payroll taxes	7,500	427
Group insurance	234,800	209,196
Contractual services		
Insurance	25,000	19,932
Utilities and telephone	6,500	4,911
Travel and training	44,000	40,185
Legal and accounting fees	18,000	21,150
Engineering and other professional fees	11,500	2,977
Other contractual services	213,905	199,213
Commodities		
Operating and maintenance supplies	40,022	15,044
Computer and office supplies	34,200	50,348
Miscellaneous	18,900	20,378
Tax rebates	12,500	15,358
Capital purchases	5,000	-
Debt service		
Principal retirement	8,930	-
Police Department		
Personnel services		
Salaries	4,280,000	4,285,836
Payroll taxes	13,000	15,819
Group insurance	954,400	897,424
Contractual services		
Maintenance and repairs	224,900	158,077
Insurance	185,000	162,852
Utilities and telephone	133,200	101,104
Travel and training	59,200	57,043
Legal and accounting fees	35,000	48,299
Engineering and other professional fees	21,800	47,997
Other contractual services	264,486	264,867
Commodities		
Operating and maintenance supplies	59,895	77,223
Gasoline and oil	130,000	111,815
Uniforms and food	61,700	62,406
Computer and office supplies	18,900	46,610
Miscellaneous	1,000	5,482
Capital purchases	50,000	138,607



	General Fund	
	Original and Final Budget	Actual
EXPENDITURES (continued)		
Police Department (continued)		
Debt service		
Principal retirement	73,110	42,011
Interest and fiscal charges	2,140	2,077
Street Department		
Personnel services		
Salaries	883,000	762,127
Payroll taxes	6,000	3,420
Group insurance	242,680	187,694
Contractual services		
Maintenance and repairs	810,482	548,305
Insurance	170,000	122,670
Utilities and telephone	279,000	514,838
Travel and training	10,500	6,225
Legal and accounting fees	30,000	19,822
Engineering and other professional fees	107,000	297,685
Other contractual services	83,716	88,592
Commodities		
Operating and maintenance supplies	63,200	247,097
Gasoline and oil	42,000	59,751
Uniforms	8,000	7,963
Computer and office supplies	12,200	14,489
Miscellaneous	2,000	789
Capital purchases	427,500	377,584
Debt service		
Principal retirement	11,170	-
Facilities		
Personnel services	96,870	-
Contractual services		
Maintenance and repairs	103,000	149,900
Utilities and telephone	46,300	35,852
Travel and training	-	-
Engineering and other professional fees	26,400	725
Commodities		
Operating and maintenance supplies	6,500	8,467
Uniforms	-	-
Capital purchases	-	-
Planning and Zoning Department		
Personnel services		
Salaries	573,413	599,135



	General Fund	
	Original and Final Budget	Actual
EXPENDITURES (continued)		
Planning and Zoning Department (continued)		
Personnel services (continued)		
Payroll taxes	2,900	2,565
Group insurance	106,602	97,740
Contractual services		
Maintenance and repairs	6,700	5,106
Insurance	23,500	22,537
Telephone	6,000	7,975
Travel and training	14,600	13,001
Legal and accounting fees	33,500	31,474
Other professional fees	10,000	8,663
Abatements	7,000	5,625
Other contractual services	52,868	40,322
Commodities		
Operating and maintenance supplies	11,165	5,060
Gasoline and oil	9,500	8,150
Uniforms	2,250	1,785
Computer and office supplies	17,030	18,357
Miscellaneous	500	3,034
Capital purchases	19,116	18,655
Debt service		
Principal retirement	22,323	10,277
Interest and fiscal charges	200	320
Economic Development		
Personnel services		
Salaries	56,000	48,983
Group insurance	6,200	3,899
Contractual services		
Travel and training	41,200	17,899
Legal fees	5,000	3,737
Other professional fees	100,000	57,856
Other contractual services	5,900	32,934
Commodities		
Computer and office supplies	29,100	7,866
Miscellaneous	500	10,687
Development	65,000	24,450
Capital purchases	-	11,005
Debt service		
Principal retirement	5,425	-





	General Fund	
	Original and Final Budget	Actual
EXPENDITURES (continued)		
Cemetery		
Personnel services		
Salaries	62,000	56,704
Payroll taxes	500	428
Group insurance	13,750	8,968
Contractual services		
Maintenance and repairs	18,950	12,580
Insurance	2,600	2,107
Telephone and utilities	2,160	1,901
Training	250	245
Other professional fees	2,000	-
Other contractual services	-	-
Commodities		
Operating and maintenance supplies	5,250	6,705
Office supplies	350	249
Gasoline and oil	4,500	4,265
Uniforms	500	486
Capital purchase	7,500	7,405
Debt service		
Principal retirement	2,700	2,696
Interest and fiscal charges	35	31
Parks Department		
Personnel services		
Salaries	-	-
Payroll taxes	-	-
Group insurance	-	-
Contractual services		
Maintenance and repairs	-	-
Insurance	-	-
Telephone and utilities	-	-
Travel and training	-	-
Legal and accounting fees	-	-
Other professional fees	-	-
Other contractual services	-	-
Commodities		
Operating and maintenance supplies	-	-
Computer and office supplies	-	-
Gasoline and oil	-	-



	General Fund	
	Original and Final Budget	Actual
EXPENDITURES (continued)		
Parks Department (continued)		
Commodities (continued)		
Uniforms and food	-	-
Recreation programs	-	-
Miscellaneous	-	-
Capital purchases	-	-
Debt service		
Principal retirement	-	-
Interest and fiscal charges	-	-
Fire Department		
Personnel services		
Salaries	-	-
Payroll taxes	-	-
Pension expense	-	-
Group insurance	-	-
Contractual services		
Maintenance and repairs	-	-
Insurance	-	-
Telephone and utilities	-	-
Travel and training	-	-
Other professional fees	-	-
Other contractual services	-	-
Fire run expenses and fees	-	-
Commodities		
Operating and maintenance supplies	-	-
Computer and office supplies	-	-
Gasoline and oil	-	-
Uniforms	-	-
Miscellaneous	-	-
Capital purchases	-	-
Debt service		
Principal retirement	-	-
Interest and fiscal charges	-	-
Ambulance		
Personnel services		
Salaries	-	-
Payroll taxes	-	-
Group insurance	-	-

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
(continued)  
Year Ended April 30, 2015

Park Fund		Fire Fund		Ambulance Fund	
Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
123,800	168,401	-	-	-	-
398,250	503,955	-	-	-	-
3,350	818	-	-	-	-
347,900	274,451	-	-	-	-
45,633	38,891	-	-	-	-
779	565	-	-	-	-
-	-	272,552	262,358	-	-
-	-	300	428	-	-
-	-	53,913	12,087	-	-
-	-	86,936	64,232	-	-
-	-	224,015	134,702	-	-
-	-	47,140	79,488	-	-
-	-	63,360	58,575	-	-
-	-	40,300	34,624	-	-
-	-	11,500	38,304	-	-
-	-	121,156	91,660	-	-
-	-	172,292	103,620	-	-
-	-	22,660	64,598	-	-
-	-	9,975	33,192	-	-
-	-	32,500	26,754	-	-
-	-	46,000	22,665	-	-
-	-	-	5,461	-	-
-	-	276,000	179,385	-	-
-	-	325,365	303,372	-	-
-	-	83,035	86,387	-	-
-	-	-	-	1,205,000	1,175,066
-	-	-	-	5,000	3,848
-	-	-	-	290,458	241,557

(continued on next page)

	General Fund	
	Original and Final Budget	Actual
EXPENDITURES (continued)		
Ambulance (continued)		
Contractual services		
Maintenance and repairs	-	-
Insurance	-	-
Telephone and utilities	-	-
Travel and training	-	-
Legal and accounting fees	-	-
Other professional fees	-	-
Other contractual services	-	-
Commodities		
Operating and maintenance supplies	-	-
Computer and office supplies	-	-
Gasoline and oil	-	-
Uniforms	-	-
Capital purchases	-	-
Debt service		
Principal retirement	-	-
Total expenditures	12,941,743	12,661,574
Excess (deficiency) of revenues over expenditures	3,524,631	3,381,993
OTHER FINANCING SOURCES (USES)		
Proceeds from issuance of long-term debt	19,116	18,665
Proceeds from sale of assets	10,000	5,900
Transfer (to) other funds	(3,553,747)	(2,374,845)
Total other financing sources (uses)	(3,524,631)	(2,350,280)
Net change in fund balance	\$ -	1,031,713
Fund balance, beginning of year		10,031,229
FUND BALANCE, END OF YEAR		\$ 11,062,942

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
(continued)  
Year Ended April 30, 2015

Park Fund		Fire Fund		Ambulance Fund	
Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
-	-	-	-	128,500	106,948
-	-	-	-	67,975	43,868
-	-	-	-	75,000	75,065
-	-	-	-	31,000	18,613
-	-	-	-	25,000	37,142
-	-	-	-	84,320	98,431
-	-	-	-	126,772	98,658
-	-	-	-	45,850	50,759
-	-	-	-	8,250	16,993
-	-	-	-	40,000	33,204
-	-	-	-	15,000	12,008
-	-	-	-	30,000	10,747
-	-	-	-	7,555	-
3,105,095	2,870,646	1,888,999	1,601,892	2,185,680	2,022,907
327,640	830,414	(278,344)	50,773	94,545	504,195
-	-	-	-	-	-
-	-	20,000	-	-	3,300
(357,640)	(340,000)	(58,423)	-	(220,045)	(185,478)
(357,640)	(340,000)	(38,423)	-	(220,045)	(182,178)
\$ (30,000)	490,414	\$ (316,767)	50,773	\$ (125,500)	322,017
	1,319,866		2,635,356		3,283,879
	\$ 1,810,280		\$ 2,686,129		\$ 3,605,896

SCHEDULE B

City of O'Fallon  
St. Clair County, Illinois

IMRF TREND INFORMATION

April 30, 2015

Illinois Municipal Retirement Fund (IMRF)  
Schedule of Funding Progress

	(a)	(b)	(b-a)	(a)/(b)	(c)	((b-a)/(c))
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	Unfunded as Percent of Payroll
12/31/14	\$ 10,940,603	\$ 14,178,379	\$ 3,237,776	77.16%	\$ 6,788,093	47.70%
12/31/13	10,133,539	13,003,839	2,870,300	77.93%	6,205,155	46.26%
12/31/12	9,141,746	12,716,254	3,574,508	71.89%	5,906,945	60.51%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$13,051,221. On a market basis, the funded ratio would be 92.05%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the City of O'Fallon. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

City of O'Fallon  
St. Clair County, Illinois

POLICE PENSION FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
POLICE PENSION TREND INFORMATION

April 30, 2015

Schedule of Funding Progress

	(1)	(2)	(3)	(4)	(5)	UAAL As a Percentage of Covered Payroll (4) / (5)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Funded Ratio (1) / (2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	
4/30/14	\$ 22,775,453	\$ 27,719,332	82%	\$ 4,943,879	\$ 3,324,689	149%
4/30/13	20,597,835	24,995,214	82%	4,397,379	3,201,169	137%
4/30/12	18,473,548	21,820,195	85%	3,346,647	3,054,453	110%

Employer Contributions

Actuarial Year	Employer Contributions
4/30/14	\$ 1,488,726
4/30/13	1,460,224
4/30/12	1,361,985



SCHEDULE D

City of O'Fallon  
St. Clair County, Illinois

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2015

Note 1: Expenditures in Excess of Budget

The following funds had an expenditures in excess of budgeted amounts:

None

City of O'Fallon  
St. Clair County, Illinois

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
MAJOR CAPITAL PROJECTS FUNDS

Year Ended April 30, 2015

	Capital Improvement	
	Original and Final Budget	Actual
REVENUES		
Interest income	\$ 1,500	\$ 230
Miscellaneous	1,875,000	-
Total revenues	1,876,500	230
EXPENDITURES		
Administration		
Miscellaneous	1,500	305
Capital purchases	185,000	-
Fire department		
Capital purchases	5,800,000	5,098,711
Park department		
Capital purchases	2,500,000	-
Debt service		
Principal retirement	-	184,500
Total expenditures	8,486,500	5,283,516
Excess (deficiency) of revenues over expenditures	(6,610,000)	(5,283,286)
OTHER FINANCING SOURCES		
Transfer from other funds	6,610,000	852,500
Net change in fund balance	\$ -	(4,430,786)
Fund balance, beginning of year		4,432,653
FUND BALANCE, END OF YEAR		\$ 1,867

	Special Revenue Funds				
	Cemetery Fund	IMRF Fund	Motor Fuel Tax Fund	Social Security Fund	Special Service Funds
ASSETS					
Cash	\$ 7,766	\$ -	\$ 3,582,005	\$ 279,245	\$ 198,951
Investments	679,662	-	-	-	-
Receivables, less allowance for uncollectible amounts					
Property taxes	-	506,547	-	781,622	15,413
Other governmental entities	-	841	168,474	4,251	-
Other	-	-	-	-	-
Accrued interest	923	-	-	-	-
TOTAL ASSETS	<u>\$ 688,351</u>	<u>\$ 507,388</u>	<u>\$ 3,750,479</u>	<u>\$ 1,065,118</u>	<u>\$ 214,364</u>
LIABILITIES					
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	495,385	-	304
Due to other funds	-	170,386	-	-	-
Total liabilities	<u>-</u>	<u>170,386</u>	<u>495,385</u>	<u>-</u>	<u>304</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned property taxes	<u>-</u>	<u>506,547</u>	<u>-</u>	<u>781,622</u>	<u>15,413</u>
MUNICIPAL EQUITY					
Fund balance					
Restricted	688,351	-	3,255,094	283,496	198,647
Unassigned	-	(169,545)	-	-	-
Total municipal equity	<u>688,351</u>	<u>(169,545)</u>	<u>3,255,094</u>	<u>283,496</u>	<u>198,647</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND MUNICIPAL EQUITY	<u>\$ 688,351</u>	<u>\$ 507,388</u>	<u>\$ 3,750,479</u>	<u>\$ 1,065,118</u>	<u>\$ 214,364</u>

City of O'Fallon  
St. Clair County, Illinois

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2015

Tax Increment Financing	Hotel/ Motel Fund	Capital Projects					
		2002 Bond Issue	Convention Center	Park Sports Complex	Park Land Fund	Prop S Infrastructure	Strategic Plan
\$ 506,083	\$ 777,518	\$ 424,224	\$ 1,383,116	\$ 189,510	\$ 1,018,338	\$ 3,011,695	\$ 812,900
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	121,806	-
-	97,930	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 506,083</u>	<u>\$ 875,448</u>	<u>\$ 424,224</u>	<u>\$ 1,383,116</u>	<u>\$ 189,510</u>	<u>\$ 1,018,338</u>	<u>\$ 3,133,501</u>	<u>\$ 812,900</u>
\$ -	\$ 1,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34,302	8,193	-	-	-	-	10,546	5,800
476,471	-	-	-	-	-	-	-
<u>510,773</u>	<u>9,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,546</u>	<u>5,800</u>
-	-	-	-	-	-	-	-
-	866,242	424,224	1,383,116	189,510	1,018,338	3,122,955	807,100
(4,690)	-	-	-	-	-	-	-
<u>(4,690)</u>	<u>866,242</u>	<u>424,224</u>	<u>1,383,116</u>	<u>189,510</u>	<u>1,018,338</u>	<u>3,122,955</u>	<u>807,100</u>
<u>\$ 506,083</u>	<u>\$ 875,448</u>	<u>\$ 424,224</u>	<u>\$ 1,383,116</u>	<u>\$ 189,510</u>	<u>\$ 1,018,338</u>	<u>\$ 3,133,501</u>	<u>\$ 812,900</u>

## STATEMENT 2

Debt Service							
1997 Bond Issue	2002 Bond Issue	Special Service Areas	Subaru	Newbold	Harley Davidson	Build America	Totals
\$ -	\$ 287,192	\$ 503,610	\$ -	\$ 293,512	\$ 251,437	\$ -	\$ 13,527,102
-	-	-	-	-	-	-	679,662
-	-	-	-	-	-	-	1,303,582
-	-	-	-	-	-	-	295,372
-	-	-	-	-	-	-	97,930
-	-	-	-	-	-	-	923
<u>\$ -</u>	<u>\$ 287,192</u>	<u>\$ 503,610</u>	<u>\$ -</u>	<u>\$ 293,512</u>	<u>\$ 251,437</u>	<u>\$ -</u>	<u>\$ 15,904,571</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,013
-	-	-	-	-	-	-	554,530
125	-	-	1,765	-	-	2,769	651,516
<u>125</u>	<u>-</u>	<u>-</u>	<u>1,765</u>	<u>-</u>	<u>-</u>	<u>2,769</u>	<u>1,207,059</u>
-	-	-	-	-	-	-	1,303,582
-	287,192	503,610	-	293,512	251,437	-	13,572,824
(125)	-	-	(1,765)	-	-	(2,769)	(178,894)
<u>(125)</u>	<u>287,192</u>	<u>503,610</u>	<u>(1,765)</u>	<u>293,512</u>	<u>251,437</u>	<u>(2,769)</u>	<u>13,393,930</u>
<u>\$ -</u>	<u>\$ 287,192</u>	<u>\$ 503,610</u>	<u>\$ -</u>	<u>\$ 293,512</u>	<u>\$ 251,437</u>	<u>\$ -</u>	<u>\$ 15,904,571</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS

	Special Revenue Funds				
	Cemetery Fund	IMRF Fund	Motor Fuel Tax Fund	Social Security Fund	Special Service Fund
REVENUES					
Property taxes	\$ -	\$ 381,626	\$ -	\$ 777,835	\$ 15,178
Intergovernmental receipts					
Sales tax	-	-	-	-	-
Replacement taxes	-	4,181	-	21,140	-
Grants	-	-	354,199	-	-
Motor fuel taxes	-	-	987,469	-	-
Administrative fees and rentals	3,713	-	-	-	-
Room tax	-	-	-	-	-
Investment income	37,046	2	714	-	-
Annex fees	-	-	-	-	-
Build America bond rebates	-	-	-	-	-
Miscellaneous income	-	-	-	-	-
Fee in lieu of taxes	-	-	-	42,528	-
Total revenues	40,759	385,809	1,342,382	841,503	15,178
EXPENDITURES					
General government	4,868	524,613	-	702,160	-
Highways and streets	-	-	779,400	-	4,951
Development	-	-	-	-	-
Tax Increment Financing	-	-	-	-	-
Tourism	-	-	-	-	-
Capital expenditures	-	-	4,239,259	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	4,868	524,613	5,018,659	702,160	4,951
Excess (deficiency) of revenues over expenditures	35,891	(138,804)	(3,676,277)	139,343	10,227
OTHER FINANCING SOURCES (USES)					
Capital contributions	-	-	2,324,027	-	-
Transfer to component unit	-	(47,866)	-	(35,042)	-
Transfer from other funds	-	-	-	-	-
Transfer (to) other funds	-	-	-	-	-
Total other financing sources (uses)	-	(47,866)	2,324,027	(35,042)	-

City of O'Fallon  
St. Clair County, Illinois

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS

Year Ended April 30, 2015

Tax Increment Financing	Hotel/ Motel Fund	Capital Projects					
		2002 Bond Issue	Convention Center	Park Sports Complex	Park Land Fund	Prop S Infrastructure	Strategic Plan
\$ 651,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	1,737,450	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	814,972	-	-	-	-	-	-
27	873	-	2,083	51	(2,460)	488	-
-	-	-	-	-	179,980	-	-
-	-	-	-	144,484	-	-	-
-	-	-	-	-	-	49,272	-
-	-	-	-	-	-	-	-
651,406	815,845	-	2,083	144,535	177,520	1,787,210	-
-	-	-	-	-	-	-	23,493
-	-	-	-	-	-	1,300,414	-
-	87,980	-	-	-	-	-	-
591,651	-	-	-	-	-	-	-
-	48,553	-	-	-	-	-	-
-	-	-	-	-	-	117,230	-
-	-	568,830	208,335	272,835	-	-	-
-	-	396,919	320,993	878,851	-	-	-
591,651	136,533	965,749	529,328	1,151,686	-	1,417,644	23,493
59,755	679,312	(965,749)	(527,245)	(1,007,151)	177,520	369,566	(23,493)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	965,685	529,510	991,168	-	-	200,000
-	(741,485)	-	-	(167,695)	(59,370)	(416,255)	-
-	(741,485)	965,685	529,510	823,473	(59,370)	(416,255)	200,000

(continued on next page)



Debt Service							
1997 Bond Issue	2002 Bond Issue	Special Service Areas	Subaru	Newbold	Harley Davidson	Build America	Totals
\$ -	\$ -	\$ 316,959	\$ -	\$ 158,700	\$ 135,625	\$ -	\$ 2,437,302
-	-	-	-	-	-	-	1,737,450
-	-	-	-	-	-	-	25,321
-	-	-	-	-	-	-	354,199
-	-	-	-	-	-	-	987,469
-	-	-	-	-	-	-	3,713
-	-	-	-	-	-	-	814,972
-	-	(3,403)	5	1	-	-	35,427
-	-	-	-	-	-	-	179,980
-	-	-	-	-	-	29,593	174,077
-	-	-	-	-	-	-	49,272
-	-	-	-	-	-	-	42,528
-	-	313,556	5	158,701	135,625	29,593	6,841,710
-	-	-	-	-	-	-	1,255,134
-	-	-	-	-	-	-	2,084,765
-	-	-	-	-	-	-	87,980
-	-	-	-	-	-	-	591,651
-	-	-	-	-	-	-	48,553
-	-	-	-	-	-	-	4,356,489
470,000	-	155,000	-	80,000	65,000	90,000	1,910,000
125,655	-	165,230	-	81,090	72,640	92,722	2,134,100
595,655	-	320,230	-	161,090	137,640	182,722	12,468,672
(595,655)	-	(6,674)	5	(2,389)	(2,015)	(153,129)	(5,626,962)
-	-	-	-	-	-	-	2,324,027
-	-	-	-	-	-	-	(82,908)
595,905	-	-	-	-	-	150,360	3,432,628
-	-	-	-	-	-	-	(1,384,805)
595,905	-	-	-	-	-	150,360	4,288,942

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
(continued)

	Special Revenue Funds				
	Cemetery Fund	IMRF Fund	Motor Fuel Tax Fund	Social Security Fund	Special Service Fund
Net change in fund balance	35,891	(186,670)	(1,352,250)	104,301	10,227
Fund balance (deficit), beginning of year	652,460	17,125	4,607,344	179,195	188,420
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$688,351</u>	<u>\$ (169,545)</u>	<u>\$ 3,255,094</u>	<u>\$ 283,496</u>	<u>\$ 198,647</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
(continued)  
Year Ended April 30, 2015

Tax Increment Financing	Hotel/ Motel Fund	Capital Projects					
		2002 Bond Issue	Convention Center	Park Sports Complex	Park Land Fund	Prop S Infrastructure	Strategic Plan
59,755	(62,173)	(64)	2,265	(183,678)	118,150	(46,689)	176,507
(64,445)	928,415	424,288	1,380,851	373,188	900,188	3,169,644	630,593
<u>\$ (4,690)</u>	<u>\$866,242</u>	<u>\$ 424,224</u>	<u>\$ 1,383,116</u>	<u>\$ 189,510</u>	<u>\$1,018,338</u>	<u>\$ 3,122,955</u>	<u>\$807,100</u>

Debt Service							
1997 Bond Issue	2002 Bond Issue	Special Service Areas	Subaru	Newbold	Harley Davidson	Build America	Totals
250	-	(6,674)	5	(2,389)	(2,015)	(2,769)	(1,338,020)
(375)	287,192	510,284	(1,770)	295,901	253,452	-	14,731,950
<u>\$ (125)</u>	<u>\$287,192</u>	<u>\$503,610</u>	<u>\$ (1,765)</u>	<u>\$293,512</u>	<u>\$251,437</u>	<u>\$ (2,769)</u>	<u>\$13,393,930</u>

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS

	Cemetery Fund		IMRF Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ 383,025	\$ 381,626
Intergovernmental receipts				
Replacement taxes	-	-	3,000	4,181
Grant revenues	-	-	-	-
Motor fuel taxes	-	-	-	-
Administrative fees and rentals	-	3,713	-	-
Room tax	-	-	-	-
Investment income	5,000	37,046	150	2
Miscellaneous	-	-	-	-
Fee in lieu of taxes	-	-	-	-
Total revenues	5,000	40,759	386,175	385,809
EXPENDITURES				
Personnel services				
Salaries	-	-	-	-
Payroll taxes	-	-	-	-
Group insurance	-	-	-	-
IMRF expense	-	-	514,789	524,613
Contractual services				
Maintenance and repairs	-	-	-	-
Legal and accounting fees	-	-	-	-
Engineering and other professional fees	-	4,868	-	-
Development projects	-	-	-	-
Capital purchases	-	-	-	-
Total expenditures	-	4,868	514,789	524,613
Excess (deficiency) of revenues over expenditures	5,000	35,891	(128,614)	(138,804)

City of O'Fallon  
St. Clair County, Illinois

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS

Year Ended April 30, 2015

Motor Fuel Tax Fund		Social Security Fund		Special Service Funds	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ 780,735	\$ 777,835	\$ 15,200	\$ 15,178
-	-	15,000	21,140	-	-
-	91,833	-	-	-	-
795,000	1,249,835	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,000	714	-	-	-	-
-	-	-	-	-	-
-	-	42,528	42,528	-	-
<u>797,000</u>	<u>1,342,382</u>	<u>838,263</u>	<u>841,503</u>	<u>15,200</u>	<u>15,178</u>
-	-	-	-	-	-
-	-	799,331	702,160	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,000	99,723	-	-	9,800	4,951
-	-	-	-	1,350	-
2,815,000	679,677	-	-	4,050	-
-	-	-	-	-	-
15,000	4,239,259	-	-	-	-
<u>2,855,000</u>	<u>5,018,659</u>	<u>799,331</u>	<u>702,160</u>	<u>15,200</u>	<u>4,951</u>
<u>(2,058,000)</u>	<u>(3,676,277)</u>	<u>38,932</u>	<u>139,343</u>	<u>-</u>	<u>10,227</u>

(continued on next page)



## STATEMENT 4

Tax Increment Financing		Hotel/Motel Fund	
Final Budget	Actual	Final Budget	Actual
\$ 377,600	\$ 651,379	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	700,000	814,972
-	27	300	873
-	-	-	-
-	-	-	-
<u>377,600</u>	<u>651,406</u>	<u>700,300</u>	<u>815,845</u>
-	-	32,800	32,656
-	-	-	-
-	-	4,440	2,599
-	-	-	-
-	-	-	-
50,000	15,594	-	-
105,000	296,403	4,000	13,298
345,000	279,654	142,000	87,980
-	-	-	-
<u>500,000</u>	<u>591,651</u>	<u>183,240</u>	<u>136,533</u>
<u>(122,400)</u>	<u>59,755</u>	<u>517,060</u>	<u>679,312</u>

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
(continued)

	Cemetery Fund		IMRF Fund	
	Final Budget	Actual	Final Budget	Actual
OTHER FINANCING SOURCES (USES)				
Capital contributions	-	-	-	-
Transfer to component unit	-	-	(45,000)	(47,866)
Transfer from other funds	-	-	173,614	-
Transfer (to) other funds	(5,000)	-	-	-
Total other financing sources (uses)	(5,000)	-	128,614	(47,866)
Net change in fund balance	<u>\$ -</u>	35,891	<u>\$ -</u>	(186,670)
Fund balance (deficit), beginning of year		652,460		17,125
FUND BALANCE (DEFICIT), END OF YEAR		<u>\$ 688,351</u>		<u>\$ (169,545)</u>

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
(continued)  
Year Ended April 30, 2015

Motor Fuel Tax Fund		Social Security Fund		Special Service Funds	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
-	2,324,027	-	-	-	-
-	-	(38,932)	(35,042)	-	-
2,058,000	-	-	-	-	-
-	-	-	-	-	-
2,058,000	2,324,027	(38,932)	(35,042)	-	-
\$ -	(1,352,250)	\$ -	104,301	\$ -	10,227
	4,607,344		179,195		188,420
	<u>\$ 3,255,094</u>		<u>\$ 283,496</u>		<u>\$ 198,647</u>

## STATEMENT 4

Page 2

Tax Increment Financing		Hotel/Motel Fund	
Final Budget	Actual	Final Budget	Actual
-	-	-	-
-	-	-	-
122,400	-	225,425	-
-	-	(742,485)	(741,485)
122,400	-	(517,060)	(741,485)
\$ -	59,755	\$ -	(62,173)
	(64,445)		928,415
	\$ (4,690)		\$ 866,242

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
NONMAJOR CAPITAL PROJECTS FUNDS

	2002 Bond Issue		Convention Center	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Sales tax	\$ -	\$ -	\$ -	\$ -
Annex fees	-	-	-	-
Park extraction fees	-	-	-	-
Subdivision fees	-	-	-	-
Interest income	-	-	-	2,083
Grant income	-	-	-	-
Build America bond rebates	-	-	-	-
Miscellaneous income	-	-	-	-
Total revenues	-	-	-	2,083
EXPENDITURES				
Administration				
Miscellaneous	-	-	-	-
Street Department				
Maintenance and repairs	-	-	-	-
Engineering and other professional services	-	-	-	-
Capital purchases	-	-	-	-
Park Department				
Capital purchases	-	-	-	-
Fire Department				
Capital purchases	-	-	-	-
Debt Service				
Principal retirement	568,830	568,830	208,335	208,335
Interest and fiscal charges	396,855	396,919	321,175	320,993
Total expenditures	965,685	965,749	529,510	529,328
Excess (deficiency) of revenues over expenditures	(965,685)	(965,749)	(529,510)	(527,245)

City of O'Fallon  
St. Clair County, Illinois

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
NONMAJOR CAPITAL PROJECTS FUNDS

Year Ended April 30, 2015

Park Sports Complex		Park Land Fund		Prop S Infrastructure		Strategic Plan	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ 1,700,000	\$ 1,737,450	\$ -	\$ -
-	-	150,000	179,980	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
500	51	150	(2,460)	500	488	-	-
-	-	-	-	-	-	-	-
160,410	144,484	-	-	-	49,272	-	-
-	-	-	-	25,000	-	-	-
<u>160,910</u>	<u>144,535</u>	<u>150,150</u>	<u>177,520</u>	<u>1,725,500</u>	<u>1,787,210</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	23,493
-	-	-	-	1,284,500	1,217,192	-	-
-	-	-	-	25,000	83,222	50,000	-
-	-	-	-	-	117,230	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
272,835	272,835	-	-	-	-	-	-
878,785	878,851	-	-	-	-	-	-
<u>1,151,620</u>	<u>1,151,686</u>	<u>-</u>	<u>-</u>	<u>1,309,500</u>	<u>1,417,644</u>	<u>50,000</u>	<u>23,493</u>
<u>(990,710)</u>	<u>(1,007,151)</u>	<u>150,150</u>	<u>177,520</u>	<u>416,000</u>	<u>369,566</u>	<u>(50,000)</u>	<u>(23,493)</u>

(continued on next page)



	2002 Bond Issue		Convention Center	
	Final Budget	Actual	Final Budget	Actual
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	965,685	965,685	529,510	529,510
Transfer (to) other funds	-	-	-	-
Total other financing sources (uses)	965,685	965,685	529,510	529,510
Net change in fund balance	<u>\$ -</u>	(64)	<u>\$ -</u>	2,265
Fund balance, beginning of year		<u>424,288</u>		<u>1,380,851</u>
FUND BALANCE, END OF YEAR		<u>\$ 424,224</u>		<u>\$1,383,116</u>

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
NONMAJOR CAPITAL PROJECTS FUNDS  
(continued)

Year Ended April 30, 2015

Park Sports Complex		Park Land Fund		Prop S Infrastructure		Strategic Plan	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
990,710	991,168	-	-	-	-	200,000	200,000
-	(167,695)	(150,150)	(59,370)	(416,000)	(416,255)	(150,000)	-
990,710	823,473	(150,150)	(59,370)	(416,000)	(416,255)	50,000	200,000
\$ -	(183,678)	\$ -	118,150	\$ -	(46,689)	\$ -	176,507
	373,188		900,188		3,169,644		630,593
	<u>\$ 189,510</u>		<u>\$1,018,338</u>		<u>\$3,122,955</u>		<u>\$ 807,100</u>

	1997 Bond Issue		2002 Bond Issue		Special Service Areas	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES						
Property tax	\$ -	\$ -	\$ -	\$ -	\$317,940	\$316,959
Build America bond rebates	-	-	-	-	-	-
Investment income	-	-	-	-	2,210	(3,403)
Contributions from developer	-	-	-	-	-	-
Total revenues	-	-	-	-	320,150	313,556
EXPENDITURES						
Debt Service						
Principal retirement	470,000	470,000	-	-	155,000	155,000
Interest and fiscal charges	125,905	125,655	-	-	165,150	165,230
Total expenditures	595,905	595,655	-	-	320,150	320,230
Excess (deficiency) of revenues over expenditures	(595,905)	(595,655)	-	-	-	(6,674)
OTHER FINANCING SOURCES (USES)						
Transfer from other funds	595,905	595,905	-	-	-	-
Net change in fund balance	\$ -	250	\$ -	-	\$ -	(6,674)
Fund balance (deficit), beginning of year		(375)		287,192		510,284
FUND BALANCE (DEFICIT), END OF YEAR		\$ (125)		\$287,192		\$503,610

City of O'Fallon  
St. Clair County, Illinois

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
NONMAJOR DEBT SERVICE FUNDS

Year Ended April 30, 2015

Subaru		Newbold		Harley Davidson		Build America	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ 79,500	\$ -	\$ 196,600	\$ 158,700	\$ 164,800	\$ 135,625	\$ -	\$ -
-	-	-	-	-	-	32,365	29,593
750	5	-	1	-	-	-	-
-	-	-	-	-	-	-	-
<u>80,250</u>	<u>5</u>	<u>196,600</u>	<u>158,701</u>	<u>164,800</u>	<u>135,625</u>	<u>32,365</u>	<u>29,593</u>
55,250	-	60,000	80,000	45,000	65,000	90,000	90,000
<u>25,000</u>	<u>-</u>	<u>136,600</u>	<u>81,090</u>	<u>119,800</u>	<u>72,640</u>	<u>92,725</u>	<u>92,722</u>
<u>80,250</u>	<u>-</u>	<u>196,600</u>	<u>161,090</u>	<u>164,800</u>	<u>137,640</u>	<u>182,725</u>	<u>182,722</u>
-	5	-	(2,389)	-	(2,015)	(150,360)	(153,129)
-	-	-	-	-	-	150,360	150,360
<u>\$ -</u>	<u>5</u>	<u>\$ -</u>	<u>(2,389)</u>	<u>\$ -</u>	<u>(2,015)</u>	<u>\$ -</u>	<u>(2,769)</u>
	<u>(1,770)</u>		<u>295,901</u>		<u>253,452</u>		<u>-</u>
	<u>\$ (1,765)</u>		<u>\$ 293,512</u>		<u>\$ 251,437</u>		<u>\$ (2,769)</u>

FUNCTION/ACTIVITY	Total	Land	Construction in Progress
General administration			
Administration	\$ 35,499,556	\$ 23,807,738	\$ -
Building	281,049	-	-
Planning and zoning	94,369	-	-
Total general administration	35,874,974	23,807,738	-
Recreational and education			
Park	30,876,172	5,778,749	-
Public safety			
Police	9,538,402	398,136	-
Fire	10,007,314	71,173	138,530
Ambulance	1,495,802	-	-
Total public safety	21,041,518	469,309	138,530
Highways and streets			
Streets	124,323,153	1,056,583	4,500,864
GOVERNMENTAL CAPITAL ASSETS	\$ 212,115,817	\$ 31,112,379	\$ 4,639,394

City of O'Fallon  
St. Clair County, Illinois

SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS  
BY FUNCTION/ACTIVITY

As of April 30, 2015

<u>Sports Park</u>	<u>Land/Building Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Infrastructure/ Improvements</u>
\$ -	\$ 144,378	\$ 10,021,288	\$ 1,507,922	\$ 18,230	\$ -
-	77,073	183,963	18,377	1,636	-
-	-	-	-	94,369	-
-	221,451	10,205,251	1,526,299	114,235	-
19,353,479	2,117,556	2,217,446	1,095,902	313,040	-
-	23,722	6,945,472	1,056,122	1,114,950	-
-	70,703	5,758,062	498,690	3,470,156	-
-	17,742	50,123	679,584	748,353	-
-	112,167	12,753,657	2,234,396	5,333,459	-
-	547,857	517,903	2,144,684	438,695	115,116,567
<u>\$ 19,353,479</u>	<u>\$ 2,999,031</u>	<u>\$ 25,694,257</u>	<u>\$ 7,001,281</u>	<u>\$ 6,199,429</u>	<u>\$ 115,116,567</u>

SCHEDULE 2

City of O'Fallon  
St. Clair County, Illinois

SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS  
BY FUNCTION/ACTIVITY

Year Ended April 30, 2015

FUNCTION/ACTIVITY	Governmental Capital Assets 5/01/14	Additions	Deletions	Governmental Capital Assets 4/30/15
General administration				
Administration	\$ 35,731,061	\$ 18,410	\$ -	\$ 35,749,471
Building	252,129	-	-	252,129
Planning and zoning	75,714	18,655	-	94,369
Total general administration	36,058,904	37,065	-	36,095,969
Recreation and education				
Park	29,080,873	1,801,882	-	30,882,755
Public safety				
Police	9,521,929	138,907	115,170	9,545,666
Fire	6,046,029	3,961,285	-	10,007,314
Ambulance	1,598,317	10,747	120,522	1,488,542
Total public safety	17,166,275	4,110,939	235,692	21,041,522
Highways and streets				
Streets	119,598,743	4,523,153	26,325	124,095,571
GOVERNMENTAL CAPITAL ASSETS	\$ 201,904,795	\$ 10,473,039	\$ 262,017	\$ 212,115,817

ASSESSED VALUATIONS AND  
PROPERTY TAX RATES



	2014	2013	2012	2011
ASSESSED VALUATIONS	<u>\$641,199,042</u>	<u>\$636,736,130</u>	<u>\$647,311,486</u>	<u>\$656,896,915</u>
PROPERTY TAX RATES				
General	0.0388	0.0390	0.0382	0.0426
Fire Protection	0.1821	0.1833	0.1802	0.1818
Ambulance	0.1610	0.1814	0.1784	0.2017
Library	0.1502	0.1512	0.1487	0.1500
Park and Recreation	0.0902	0.0908	0.0892	0.0900
Bond and Interest	-	-	-	-
Police Pension	0.1713	0.1724	0.1767	0.1619
Municipal Retirement	0.0790	0.0602	0.0595	0.0535
Social Security	<u>0.1219</u>	<u>0.1227</u>	<u>0.1165</u>	<u>0.1009</u>
TOTAL PROPERTY TAX RATES	<u>0.9945</u>	<u>1.0010</u>	<u>0.9874</u>	<u>0.9824</u>

TABLE 1

City of O'Fallon  
St. Clair County, Illinois

ASSESSED VALUATIONS AND PROPERTY TAX RATES

Tax Years 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006 and 2005

2010	2009	2008	2007	2006	2005
<u>\$ 656,365,349</u>	<u>\$ 658,364,306</u>	<u>\$ 656,149,272</u>	<u>\$ 606,824,865</u>	<u>\$ 537,911,627</u>	<u>\$ 471,138,334</u>
0.0430	0.0365	0.0375	0.0370	0.0419	0.0456
0.1738	0.1561	0.1500	0.1356	0.1303	0.1113
0.2035	0.2003	0.1944	0.1873	0.2038	0.2277
0.1500	0.1500	0.1480	0.1448	0.1442	0.1500
0.0900	0.0900	0.0900	0.0869	0.0900	0.0900
-	-	-	0.0237	0.0261	0.0305
0.1452	0.1316	0.1173	0.1045	0.1056	0.1202
0.0527	0.0521	0.0540	0.0552	0.0576	0.0680
0.0832	0.0807	0.0820	0.0836	0.0925	0.1074
<u>0.9414</u>	<u>0.8973</u>	<u>0.8732</u>	<u>0.8586</u>	<u>0.8920</u>	<u>0.9507</u>

<u>Fiscal Year April 30,</u>	<u>Total</u>	<u>Property Taxes</u>	<u>Replace- ment Taxes</u>	<u>Foreign Fire Tax</u>	<u>Rural Fire Protection District Taxes</u>	<u>Food and Beverage Taxes</u>
2006	\$21,248,999	\$4,166,981	\$ 22,477	\$ 23,921	\$185,152	\$ -
2007	24,411,818	4,419,967	31,654	25,202	164,770	300,950
2008	27,187,102	5,769,784	35,109	12,661	270,032	534,893
2009	26,526,654	5,682,398	31,018	27,661	322,099	575,707
2010	24,532,201	6,023,244	25,598	16,729	311,857	571,928
2011	28,147,355	6,164,513	31,157	-	325,618	595,617
2012	28,280,273	6,347,573	27,632	-	326,987	597,880
2013	30,218,253	6,468,313	29,245	-	343,670	644,581
2014	30,502,255	6,241,847	30,651	-	379,545	662,903
2015	31,997,085	6,530,752	32,082	-	363,699	722,643

City of O'Fallon  
St. Clair County, Illinois

GENERAL GOVERNMENTAL FUNDS AND COMPONENT UNIT  
REVENUES BY SOURCE

Last Ten Fiscal Years

<u>Intergov- ernmental</u>	<u>Utility Tax</u>	<u>Fee in lieu of taxes</u>	<u>Licenses and Permits</u>	<u>Charges for Services</u>	<u>Fines and Fees</u>	<u>Interest Received</u>
\$ 11,358,564	\$ 1,301,367	\$ -	\$ 632,551	\$1,352,614	\$139,407	\$ 631,154
12,726,463	1,184,546	-	578,784	2,204,722	130,231	1,427,464
13,566,578	1,149,925	-	495,222	1,972,922	225,614	1,092,190
12,409,665	1,327,070	-	317,557	2,354,598	249,415	334,777
11,191,318	1,172,662	-	302,434	2,516,068	310,375	483,817
13,151,472	1,429,106	-	662,683	2,808,564	282,305	601,379
13,587,611	1,462,057	585,218	495,600	2,716,362	321,011	28,430
14,145,480	1,623,582	644,830	662,645	2,919,950	320,021	317,808
14,160,449	1,732,857	640,420	501,309	3,022,873	412,214	375,551
14,826,962	2,537,740	663,790	633,374	3,398,394	356,104	172,328

TABLE 2

<u>Insurance Claims</u>	<u>Miscella- neous</u>	<u>Cable TV</u>	<u>Donations</u>	<u>Bond Rebates</u>
\$ 80,761	\$ 735,219	\$ 570,576	\$ 48,255	\$ -
41,657	621,612	492,932	60,864	-
6,418	490,457	1,148,153	417,144	-
492	279,557	1,213,695	1,400,945	-
44,800	265,121	1,267,959	28,291	-
61	340,466	1,320,132	128,262	306,020
765	193,627	1,345,239	47,189	197,092
22,670	286,348	1,577,453	51,243	160,414
2,795	265,042	1,311,497	585,043	177,259
18,386	315,146	1,195,504	56,104	174,077

GENERAL GOVERNMENTAL FUNDS AND COMPONENT UNIT  
EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

<u>Fiscal Year April 30,</u>	<u>Total</u>	<u>Adminis- tration</u>	<u>Police</u>	<u>Fire</u>	<u>Street</u>	<u>Zoning</u>
2006	\$ 23,321,224	\$ 2,262,492	\$ 4,887,141	\$ 941,463	\$ 3,316,786	\$ 740,158
2007	30,240,063	1,978,030	5,200,281	771,632	4,601,296	831,954
2008	30,447,339	6,670,576	5,322,428	621,165	4,386,742	851,802
2009	26,746,882	4,480,444	5,601,140	1,075,249	4,895,817	850,766
2010	21,330,486	1,579,004	5,490,865	792,180	3,488,457	762,502
2011	32,018,292	4,514,824	5,843,502	792,507	3,336,367	743,762
2012	28,752,691	3,558,955	6,039,314	900,559	5,066,411	796,169
2013	32,509,533	3,037,563	6,556,535	1,962,941	5,529,144	829,698
2014	31,944,705	3,154,131	6,866,063	3,542,323	4,360,405	830,096
2015	37,987,105	2,698,244	6,481,761	5,044,802	9,684,329	851,874

(1) Pool was consolidated with the park in 2005.

City of O'Fallon  
St. Clair County, Illinois

GENERAL GOVERNMENTAL FUNDS AND COMPONENT UNIT  
EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

<u>Cemetery</u>	<u>Park</u>	<u>Pool (1)</u>	<u>Ambulance</u>	<u>Debt Service</u>	<u>Special Service Areas</u>	<u>Economic Develop- ment</u>
\$ 84,474	\$ 3,640,007	\$ -	\$ 1,430,276	\$ 2,697,191	\$ 2,004,665	\$ 405,348
87,565	8,584,101	-	1,642,374	2,647,930	303,388	2,658,015
84,643	3,611,343	-	1,811,043	4,467,719	97,592	1,530,252
49,029	2,141,112	-	1,872,803	4,308,378	23,475	454,526
66,993	2,718,479	-	1,663,294	3,442,824	10,981	372,459
68,632	9,227,525	-	1,715,168	4,405,388	4,674	379,108
87,235	4,988,267	-	1,722,223	4,073,017	6,001	400,114
84,009	3,484,302	-	2,198,829	7,469,294	6,222	299,553
100,689	3,121,806	-	1,994,365	5,341,473	4,526	1,504,652
94,638	4,290,121	-	2,022,907	4,783,727	4,951	311,649



TABLE 3

<u>Tourism</u>	<u>TIF</u>	<u>Library</u>
\$ 52,251	\$ 50,929	\$ 808,043
63,003	60,019	810,475
150,600	90,876	750,558
49,038	66,442	878,663
59,755	27,517	855,176
51,102	22,987	912,746
48,543	67,718	998,165
50,464	19,323	981,656
49,414	102,683	972,079
48,553	591,651	1,077,898