



# 2013 Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2013 • City of O'Fallon



# City of O'Fallon, Missouri Comprehensive Annual Financial Report



**Fiscal Year Ended**  
December 31, 2013

**Prepared By: Department of Finance**

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# Introduction

2013 Comprehensive Annual Financial Report

City of O'Fallon, Missouri



100 NORTH MAIN STREET  
O'FALLON, MISSOURI 63366  
636.240.2000  
www.ofallon.mo.us

May 16, 2014

Honorable Mayor, City Councilmen, City Administrator, and Citizens of O'Fallon:

Dear Ladies and Gentlemen:

The comprehensive annual financial report of the City of O'Fallon, Missouri for the fiscal year ended December 31, 2013 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City of O'Fallon's financial statements have been audited by Hochschild, Bloom & Company, LLP a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of O'Fallon for the fiscal year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of O'Fallon's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The City of O'Fallon's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

O'Fallon was incorporated in 1912. On April 7, 2009, the City adopted a home-rule charter under Missouri Revised Statutes utilizing the Mayor – City Council – City Administrator form of government. The Council is comprised of two councilmen duly elected from each of the City's five wards, and a Mayor who is elected at large. The Mayor serves a four-year term and the Council serves three-year terms. The City Administrator is appointed by the Mayor and approved by the City Council to serve as the chief executive officer of the City.

The City Council sets the policy for the City, and the City Administrator is responsible for administering this policy in the day-to-day activities of City operations.

The City of O'Fallon encompasses 29.69 square miles. The City of O'Fallon is located in St. Charles County, Missouri, about 30 minutes west of the St. Louis City limits on Interstate 70. The City is bisected in a north-south direction by Missouri State Highways M and K and in an east-west direction by Interstates 70 and 40/61. The population of the City for 2013, as provided by the City's Economic Development Division, is 83,377 persons.

The City of O'Fallon is a full-service city and provides general administrative services, police protection, highways and streets, water and sewer, community development, parks and recreation, and environmental services.

City management is responsible for establishing and maintaining an internal control framework designed to ensure the assets of the City are protected from loss, theft, or misuse and to ensure that accurate accounting data are recorded to allow for the preparation of financial statements in conformity with U.S. generally accepted accounting principles. The system of internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

## **Economic Condition**

The economic condition and outlook for the City is positive. The economic base is diverse and consists of a mix of residential, manufacturing, financial services, governmental services, education and healthcare. Essentially a "bedroom community" in the early 1980's to the St. Louis Metropolitan area, the City's economic growth now supports over 1,500 businesses. Our major employers consist of Citigroup, 4,900 employees; MasterCard Int., 2,800 employees; and Fort Zumwalt School District with 2,777 employees.

The City is experiencing an increase in Per Capita Personal Income of \$31,244 which is an increase of 3.2% for 2013 as compared to 2012. The Federal Reserve Bank of St. Louis released a report in October stating that the year-over-year home prices in the St. Louis Region have decreased by .3%. The City has seen a 27% increase in the number of residential building permits issued for 2013 as compared to 2012.

The City's sales tax revenues increased by .47% in 2013 as compared to 2012. The current unemployment rate is 4.1% compared to the high of 8.2% which occurred during the peak of the Great Recession in 2009. This rate has dropped each of the successive 4 years. The City Council chose to maintain the City's general fund property tax rate for 2013 at \$.5512 per \$100 of assessed valuation. The outlook on the City's long-term economic base is stable.

Wentzville School District completed construction of a high school within the City that opened for the 2013/2014 school year. The facility is approximately 263,500 square foot and is currently enrolling freshman students only. It is expected to have 1,600 students at full enrollment which is anticipated to occur for the 2016/2017 school year.

### **Long-term Financial Planning**

The City Charter requires the submission of a Capital Improvement Program (CIP) to be included with the City's budget. The program consists of a) a clear general summary; b) a list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements; c) cost estimates, method of financing and recommended time schedules for each such improvement; and d) the estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

During 2013, City Council adopted a Strategic Plan prioritizing the City's goals. The goals listed are as follows: 1) focus on infrastructure, 2) building/facility plans, 3) economic development, 4) leverage new technologies, 5) public safety, and 6) operational/employee issues.

The City continues to seek funding through general obligation bonds on the April 2014 ballot for the development of O'Day Park as a Metropolitan Park which encompasses 59 acres south of Hwy 40/61, a new Civic Hall and the expansion of Alligator's Creek Aquatic Center. The total cost for construction of this project is estimated at \$19,050,000.

In addition to the park funding, the City is seeking funding through general obligation bonds on the April 2014 ballot for the purchase of land and construction of a Justice Center, including an updated police station with holding cells, police training facilities and a municipal courtroom. The total cost for construction of this project is estimated at \$33,680,000.

### **Relevant Financial Policies**

The Finance Department strives to keep abreast of current trends and procedures for cash management and forecasting to ensure the most efficient and profitable use of the City's cash resources. While efforts are made to maximize the return on the City's investment dollar, the primary concern is to always assure the return on principal. To maximize investment earnings, the City consolidates cash balances of all funds except for certain restricted funds. Idle cash during the year was invested in an investment account (agency funds).

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the City Council. Activities of the General, Special Revenue and Debt Service Funds are included in the annually appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Effective budgetary control is also aided in the General Fund by establishing control at the individual department levels. In addition, the City Council adopts an annual budget for the enterprise funds as a management control device to facilitate the monitoring of expenditures. Unencumbered appropriations lapse at year-end.

The City utilizes the capital improvement program to adequately maintain and enhance the public's capital assets over their useful life. In order to adequately maintain assets that are used routinely and have a shorter useful life, they are identified as part of the City's annual replacement program. Examples of these assets include computers, vehicles and body armor for the police officers. A percentage of these assets are replaced each year to prevent the cost being too great in any given year.

### **Major Initiatives**

The City continues to promote economic development through the adoption of the Economic Development Strategic Plan. The Strategic Plan is a resource guide for the community and provides a 5-10 year vision promoting creative, positive and reasonable objectives to continue O'Fallon's economic growth. Through this plan, the department developed various goals to which help guide the Strategic Plan: business retention, business attraction, marketing and regulations.

The City strives to maintain streets at or above a 75 PCI (pavement condition index). In order to accomplish this, the City plans to replace 2,400 concrete slabs each year through the assistance of a temporary streets crew in addition to contract labor.

Through a partnership of the City's Recreation Department and Public Works Department, the City is developing conceptual plans to construct a bikeable/walkeable plan for the Highway K and Highway M Corridor. This is an initial phase of the project that would provide an alternative means of transportation to our residents along with promoting a healthy community.

The City recently signed up to become part of the 'Let's Move' initiative that is being promoted through First Lady Michelle Obama. *'The initiative is dedicated to solving the problem of obesity within a generation, so that children born today will grow up healthier and able to pursue their dreams.'*

The City will continue to seek alternative funding sources, such as grants, and analyzing City operations for areas of efficiency and cost effectiveness.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of O'Fallon, Missouri for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report satisfied both U.S. generally accepted accounting principles and applicable legal requirements.

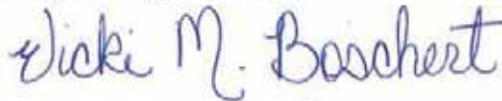
A Certificate of Achievement is valid for one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and shall submit to the GFOA to determine the eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2013. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report could not have been accomplished without the assistance and dedication of the Finance Department's staff. I would like to express my appreciation to the City Administrator and the entire Management Team for their cooperation in providing information to make this report possible.

The assistance and recommendations in the preparation of this report from the City's independent certified public accountants, Hochschild, Bloom & Company LLP, is greatly appreciated. Sincere gratitude is also extended to the Mayor and each member of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in blue ink that reads "Vicki M. Boschert". The signature is written in a cursive style with a large initial "V".

Vicki M. Boschert, CPA  
Director of Finance

# City of O'Fallon City Officials

## Mayor

William Hennessy (2017\*)

## City Council

### Ward 1

Bill Gardner (2014\*)

Rick Lucas (2016\*)

(2014\*)

### Ward 3

John Haman (2014\*)

Richard Battelle (2016\*)

### Ward 5

Mike Pheney (2014\*)

OPEN (2016\*)

### Ward 2

Rose Mack, President Pro Tem

Jim Pepper (2016\*)

### Ward 4

Bob Howell, (2014\*)

Jeff Schwentker (2016\*)

## City Administrator

Bonnie L. Therrien

## City Attorney

Kevin O'Keefe

## City Judge

Larry Nesslage

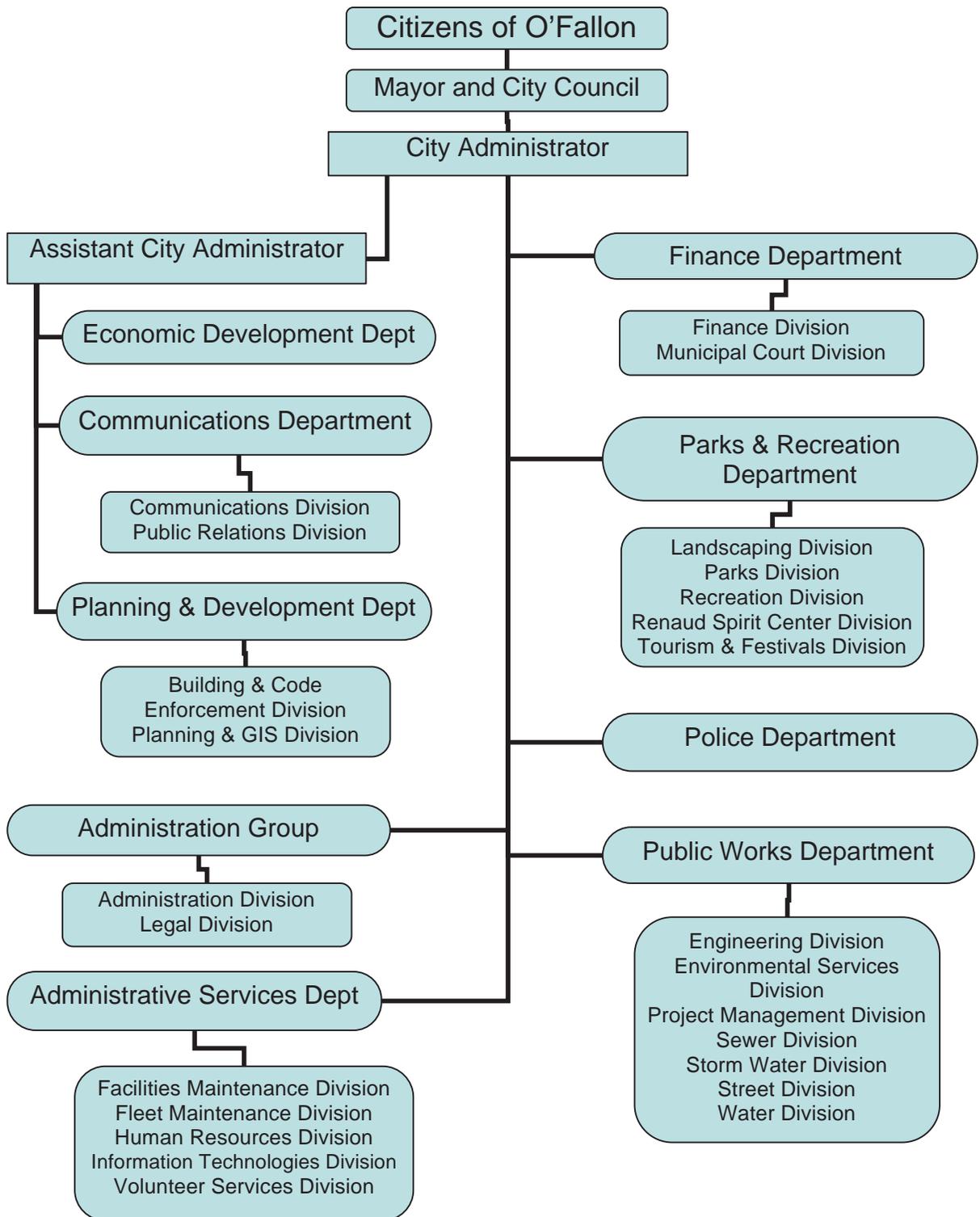
## Finance Director

Vicki M. Boschert, CPA

Assistant City Administrator..... Lenore Toser-Aldaz  
City Clerk..... Pam Clement  
Public Works Director ..... Steve Bender  
Planning & Development Director ..... David Woods  
Chief of Police ..... Roy J. Joachimstaler  
Administrative Services Director..... John Griesenauer  
Parks and Recreation Director ..... Cindy Springer  
Economic Development Director ..... Mike Hurlbert  
Communications Director..... Tom Drabelle  
City Auditor ..... Carl Zilch

\* Denotes term expiration, all terms expire in April.

# City of O'Fallon, Missouri Organizational Chart 2013 CAFR





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of O'Fallon  
Missouri**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO



# Financials

2013 Comprehensive Annual Financial Report

City of O'Fallon, Missouri



**Hochschild, Bloom & Company LLP**  
Certified Public Accountants  
Consultants and Advisors

## **INDEPENDENT AUDITOR'S REPORT**

May 16, 2014

Honorable Mayor and Members of the City Council  
**CITY OF O'FALLON, MISSOURI**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF O'FALLON, MISSOURI** (the City), as of and for the year ended December 31, 2013, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

- 16100 Chesterfield Parkway W., Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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 City'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 City'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.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as listed in the table of contents, 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information and introductory and statistical sections, 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 other supplemental 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 auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

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*MANAGEMENT'S DISCUSSION  
AND ANALYSIS*

# City of O'Fallon, Missouri

## Management's Discussion and Analysis

### Fiscal Year Ended December 31, 2013

#### Introduction

As management of the City of O'Fallon, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 2013. We encourage readers to use this document in conjunction with the transmittal letter in the Introductory Section of this report and with the City's financial statements that follow this section.

Beginning in 2003, the City implemented new reporting standards established by the Governmental Accounting Standards Board. These new standards significantly changed the content and structure of the financial statements.

#### Financial Highlights

- On a government-wide basis, the assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$186,433,776 (net position). Of this amount, \$31,811,335 is considered unrestricted. The unrestricted net position of the City's governmental activities is \$18,520,633 and may be used to meet the City's ongoing obligations. The unrestricted net position of the City's business-type activities is \$13,290,702 and may be used to meet the ongoing obligations of the City's water, sewer, environmental services, Renaud Spirit Center, and public venue activities.
- The net position of the City (assets less liabilities) at December 31, 2013 increased \$18,574,623 from \$167,859,153 to \$186,433,776 or 11% from the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$35,585,488. Approximately 49% of this total amount, \$17,340,772, is *available for spending* at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,340,772, or 64% of total General Fund expenditures.
- The City's total long-term debt decreased by a net amount of \$12,210,843, or 10%, during the current fiscal year.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

# City of O'Fallon, Missouri

## Management's Discussion and Analysis

### Fiscal Year Ended December 31, 2013

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, community development, parks and recreation, and municipal court. The business-type activities of the City include water and sewer services, environmental services, Renaud Spirit Center, and public venue, the City's stadium operation.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

# **City of O'Fallon, Missouri**

## **Management's Discussion and Analysis**

### **Fiscal Year Ended December 31, 2013**

The City maintains eleven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Street & Road Improvement Fund, Recreation Fund, Storm Water Fund, and Debt Service Fund, all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

**Proprietary funds.** The City maintains five Enterprise Funds, a type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses Enterprise Funds to account for its water and sewer services, environmental services, Renaud Spirit Center, and public venue, the City's stadium operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer services, environmental services, Renaud Spirit Center, and public venue, the City's stadium operation, all of which are considered to be major funds of the City.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one Agency Fund, a fiduciary fund type, to account for the Waterbury Storm CID under a custodial agreement. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary comparisons for the General, Street & Road Improvement, Recreation and Storm Water Funds.

**City of O’Fallon, Missouri**  
**Management’s Discussion and Analysis**  
**Fiscal Year Ended December 31, 2013**

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplemental information.

**Government-wide Financial Analysis**

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by \$186,433,776 at the close of the most recent fiscal year.

The City’s net investment in capital assets (land, construction in progress, buildings, equipment, improvements, and infrastructure) totals \$130,127,818. As capital assets, these resources are not available for future spending, nor can they be readily liquidated to pay off their related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

*(See next page for chart)*

**City of O'Fallon, Missouri**  
**Management's Discussion and Analysis**  
**Fiscal Year Ended December 31, 2013**

**City of O'Fallon's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current and other assets	\$ 42,910,874	\$ 40,128,763	\$ 20,866,123	\$ 20,145,175	\$ 63,776,997	\$ 60,273,938
Long-term receivables	6,784,858	9,043,071	-	-	6,784,858	9,043,071
Capital assets	136,868,295	130,192,911	90,665,528	91,578,747	227,533,823	221,771,658
<b>Total Assets</b>	<b>186,564,027</b>	<b>179,364,745</b>	<b>111,531,651</b>	<b>111,723,922</b>	<b>298,095,678</b>	<b>291,088,667</b>
<b>Deferred Outflow of Resources</b>						
Deferred on refunding	1,764,969	2,068,499	1,362,669	648,184	3,127,638	2,716,683
<b>Liabilities</b>						
Long-term liabilities outstanding	55,273,903	65,756,858	50,483,897	52,211,785	105,757,800	117,968,643
Other liabilities	6,169,226	5,364,705	2,343,819	2,063,457	8,513,045	7,428,162
<b>Total Liabilities</b>	<b>61,443,129</b>	<b>71,121,563</b>	<b>52,827,716</b>	<b>54,275,242</b>	<b>114,270,845</b>	<b>125,396,805</b>
<b>Deferred Inflow of Resources</b>						
Deferred on refunding	-	-	518,695	549,392	518,695	549,392
<b>Net Position</b>						
Net Investment in Capital Assets	84,854,451	73,702,113	45,273,367	39,562,032	130,127,818	113,264,145
Restricted	23,510,783	25,276,620	983,840	4,491,262	24,494,623	29,767,882
Unrestricted	18,520,633	11,332,948	13,290,702	13,494,178	31,811,335	24,827,126
<b>Total Net Position</b>	<b>\$ 126,885,867</b>	<b>\$ 110,311,681</b>	<b>\$ 59,547,909</b>	<b>\$ 57,547,472</b>	<b>\$ 186,433,776</b>	<b>\$ 167,859,153</b>

**City of O’Fallon, Missouri**  
**Management’s Discussion and Analysis**  
**Fiscal Year Ended December 31, 2013**

An additional portion of the City’s net position represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$31,811,335 is explained further below.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the City as a whole. The reporting model includes the reporting of the City’s infrastructure as a capital asset, including assets acquired retroactive to 1980.

**Changes in Position.** The City’s total net position increased by \$18,574,623. This increase in net position is a result of continued economic growth. The City’s population increased by an estimated 1,162 residents. There were 394 residential construction permits issued along with 215 commercial construction units. Key elements to the changes in net position follow:

**City of O'Fallon, Missouri**  
**Management's Discussion and Analysis**  
**Fiscal Year Ended December 31, 2013**

**City of O'Fallon's Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,200,094	\$ 4,406,423	\$ 18,840,882	\$ 18,678,696	\$ 23,040,976	\$ 23,085,119
Operating grants and contributions	814,921	768,008	-	-	814,921	768,008
Capital grants and contributions	11,646,619	6,610,148	1,310,745	680,264	12,957,364	7,290,412
General revenues:						
Property taxes	9,021,961	9,374,106	-	-	9,021,961	9,374,106
Sales taxes	24,586,225	24,450,948	-	-	24,586,225	24,450,948
Franchise and public	7,977,264	7,626,786	-	-	7,977,264	7,626,786
Other	5,908,303	881,326	168,149	310,740	6,076,452	1,192,066
<b>Total Revenues</b>	<b>64,155,387</b>	<b>54,117,745</b>	<b>20,319,776</b>	<b>19,669,700</b>	<b>84,475,163</b>	<b>73,787,445</b>
<b>Expenses</b>						
General government	12,562,564	14,492,684	-	-	12,562,564	14,492,684
Public safety	12,490,544	11,967,365	-	-	12,490,544	11,967,365
Highways and streets	11,385,901	8,779,301	-	-	11,385,901	8,779,301
Community development	2,659,234	2,588,611	-	-	2,659,234	2,588,611
Parks and recreation	5,322,799	5,078,873	-	-	5,322,799	5,078,873
Municipal court	411,421	389,551	-	-	411,421	389,551
Interest on long-term debt	2,328,519	2,690,466	-	-	2,328,519	2,690,466
Water	-	-	4,891,943	4,966,655	4,891,943	4,966,655
Sewer	-	-	7,029,113	6,791,346	7,029,113	6,791,346
Environmental services	-	-	3,984,801	4,019,191	3,984,801	4,019,191
Renaud Spirit Center	-	-	2,186,347	2,229,539	2,186,347	2,229,539
Public venue	-	-	647,354	521,451	647,354	521,451
<b>Total Expenses</b>	<b>47,160,982</b>	<b>45,986,851</b>	<b>18,739,558</b>	<b>18,528,182</b>	<b>65,900,540</b>	<b>64,515,033</b>
<b>Increase in Net Position</b>						
<b>Before Transfers</b>	16,994,405	8,130,894	1,580,218	1,141,518	18,574,623	9,272,412
Transfers	(420,219)	(293,750)	420,219	293,750	-	-
<b>Increase in Net Position</b>	<b>16,574,186</b>	<b>7,837,144</b>	<b>2,000,437</b>	<b>1,435,268</b>	<b>18,574,623</b>	<b>9,272,412</b>
Net Position - Beginning of Year	110,311,681	102,474,537	57,547,472	56,112,204	167,859,153	158,586,741
<b>Net Position - End of Year</b>	<b>\$ 126,885,867</b>	<b>\$ 110,311,681</b>	<b>\$ 59,547,909</b>	<b>\$ 57,547,472</b>	<b>\$ 186,433,776</b>	<b>\$ 167,859,153</b>

# City of O'Fallon, Missouri

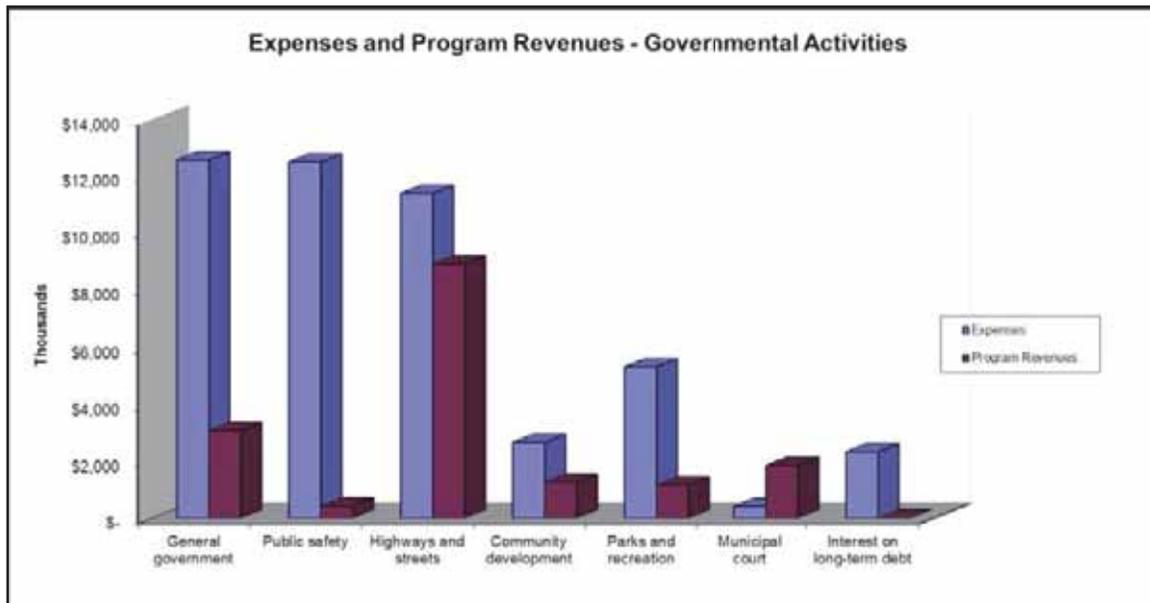
## Management's Discussion and Analysis

### Fiscal Year Ended December 31, 2013

**Governmental activities.** Governmental activities increased the City's net position by \$16,574,186, thereby accounting for 89% of the total growth in the net position of the City.

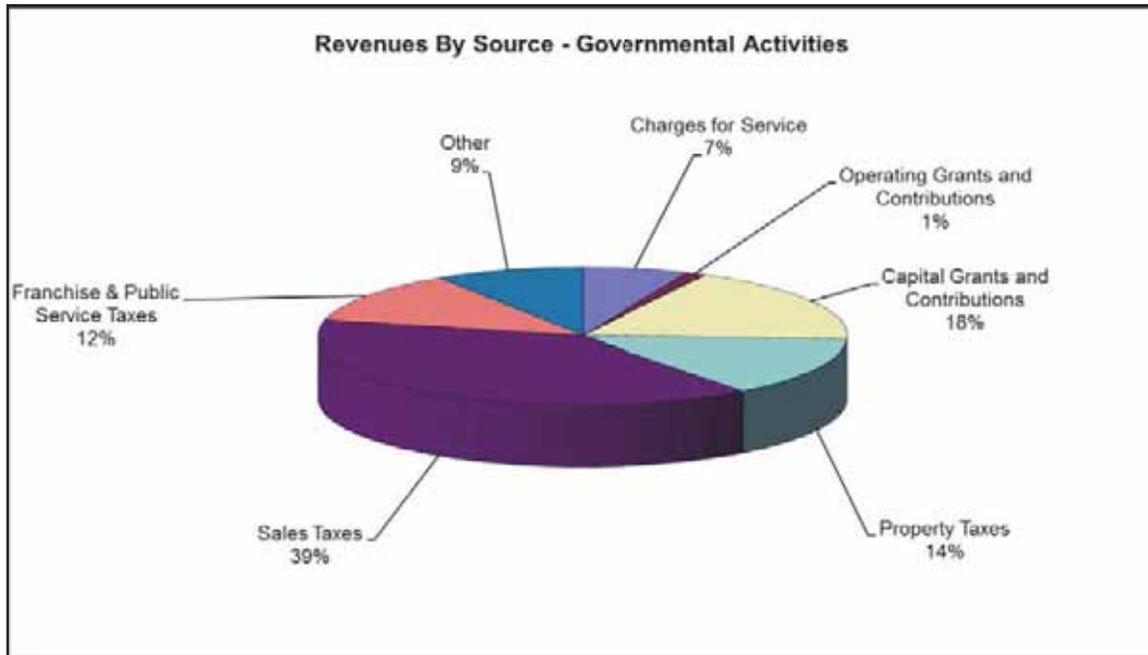
- There was an increase in sales tax revenue of \$135,277 due to an increase in sales in 2013.
- There was an increase in gross receipts tax of \$350,478.
- The City has received monies from the County Transportation Fund and the Missouri Highway Department of Transportation to reimburse itself for costs relating to Main St. signal upgrades, West Terra phases 2 and 3, Crusher Road Extension, Elaine Dr. widening, Bryan Rd intersections, Mexico Rd intersection improvements, Veterans Memorial Parkway at Woodlawn, Feise Rd trails/sidewalks, the Southside loop trail and Sommers Rd at Hwy N. During fiscal year 2013 this amounted to \$3,026,991 and was reported as capital grants and contributions. Other items recorded to this category are the state motor fuel tax revenues and County Road and Bridge Funds.

Following is a chart comparing program revenues and expenses for the individual governmental activities for the current year. As the chart reflects, highways and streets, community development, and municipal court relied on correlating program revenues to support the function or at least a material percent of the function. Property and sales taxes assisted in supporting general government, public safety, parks and recreation, and interest on long-term debt.



The next chart reflects the percentage of the total for each source of revenue supporting governmental activities.

**City of O’Fallon, Missouri**  
**Management’s Discussion and Analysis**  
**Fiscal Year Ended December 31, 2013**



**Business-type activities.** Business-type activities increased the City’s position by \$2,000,437 accounting for 11% of the total growth in the City’s net position.

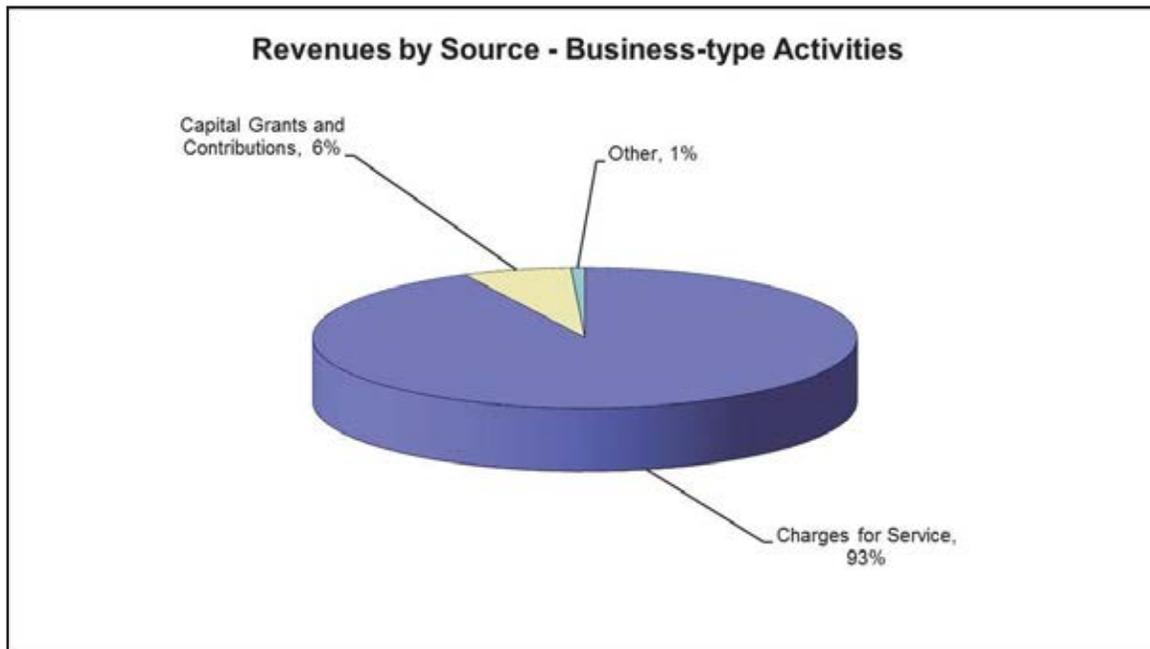
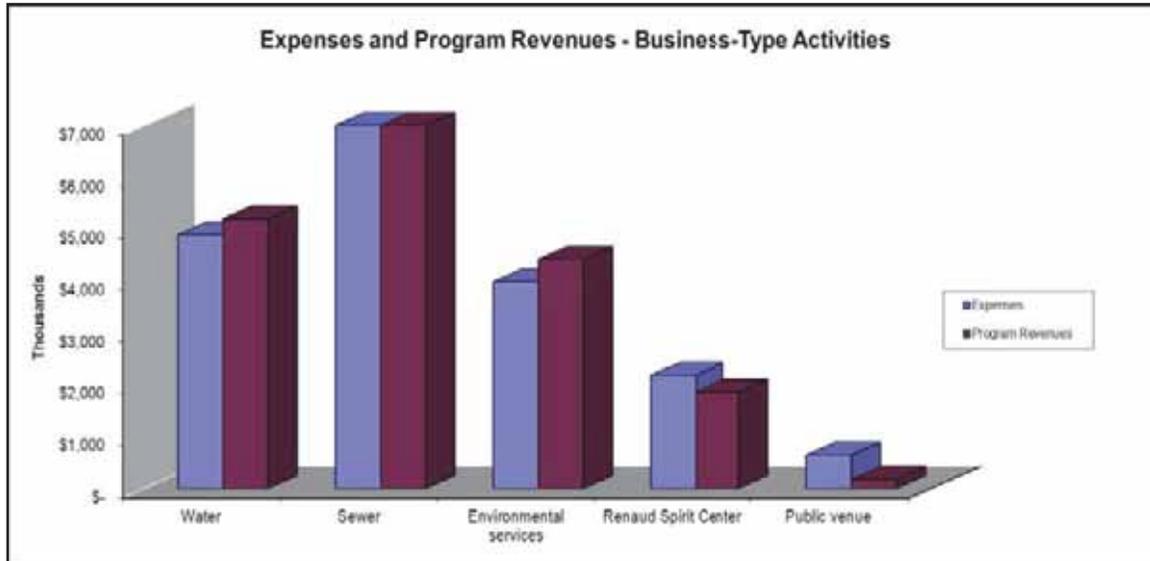
Following are charts comparing program revenues and expenses by individual business-type activity and the percent of the total for each source of revenue supporting business-type activities for the current year.

Although these business-type activities recover more costs through program revenues than governmental activities, the water, sewer and environmental services activities generated sufficient revenue to cover current expenses. In other words, the services for these activities are substantially being supported by user fees which are based upon each household’s usage.

# City of O'Fallon, Missouri

## Management's Discussion and Analysis

### Fiscal Year Ended December 31, 2013



**City of O’Fallon, Missouri**  
**Management’s Discussion and Analysis**  
**Fiscal Year Ended December 31, 2013**

**Financial Analysis of the City’s Governmental Funds**

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$35,585,488, an increase of \$1,549,546 in comparison with the prior year. Approximately one-half of the ending fund balance of the governmental funds is unassigned and available for appropriation for the general purposes of the funds. The remainder of the fund balance indicates that it is not available for spending because it has already been committed for encumbrances, debt service, grants, and prepaid assets.

**General Fund.** The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$17,340,772 while total fund balance was \$19,056,141. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 64% of total General Fund expenditures, while total fund balance represents 71% of that same amount.

The fund balance of the City’s General Fund increased by \$1,032,138 during the current fiscal year. Important factors to note are as follows:

- ◆ Gross Receipts Tax Revenue increased by \$302,254.
- ◆ Expenditures were \$1,470,940 less than budgeted.

**Street & Road Improvement Fund.** The Street & Road Improvement Fund has a total fund balance of \$4,342,131, all of which is restricted or nonspendable for street improvements. Restricted fund balance represents 30% of total Street & Road Improvement Fund expenditures. Street improvement projects included improvements to Main St. signal upgrades, West Terra phases 2 and 3, Crusher Road Extension, Elaine Dr. widening, Bryan Rd intersections, Mexico Rd intersection improvements, Veterans Memorial Parkway at Woodlawn, Feise Rd trails/sidewalks, the Southside loop trail and Sommers Rd at Hwy N.

The fund balance of the City’s Street & Road Improvement fund increased by \$368,621 during the current fiscal year. Important factors to note are as follows:

- ◆ Intergovernmental revenue increased by \$1,948,980 to cover the cost of certain road projects.
- ◆ Taxes increased by \$60,394.

**City of O'Fallon, Missouri**  
**Management's Discussion and Analysis**  
**Fiscal Year Ended December 31, 2013**

**Recreation Fund.** The Recreation Fund has a total fund balance of \$4,073,107, all of which is restricted or nonspendable for the City's parks and recreation program. Restricted fund balance represents 94% of total Recreation Fund expenditures.

The fund balance of the City's Recreation fund increased by \$809,023 during the current fiscal year. Important factors to note are as follows:

- ◆ Sales taxes decreased by \$27,575. This sales tax is shared with the Storm Water fund.
- ◆ Parks and Recreation capital expenditures decreased by \$219,939 due to the complete of several projects.

**Storm Water Fund.** The Storm Water Fund was created in 2009 and has a total fund balance of \$1,641,732, all of which is restricted or nonspendable for the City's storm water program. Restricted fund balance represents 97% of total Storm Water Fund expenditures.

The fund balance of the City's Storm Water Fund decreased by \$375,640 during the current fiscal year. Important factors to note are as follows:

- ◆ Sales taxes decreased by \$4,152. This sales tax is shared with the Recreation fund.
- ◆ Spending increased by \$133,252 for new and on-going sewer projects.

**Debt Service Fund.** The Debt Service Fund has a total fund balance of \$5,342,990, all of which is restricted for the payment of debt service. Restricted fund balance represents 151% of total Debt Service Fund expenditures.

The fund balance of the City's Debt Service Fund decreased by \$395,528 during the current fiscal year. Important factors to note are as follows:

- ◆ Property taxes decreased by \$42,671.

**Nonmajor Governmental Funds.** The fund balance of the City's nonmajor funds increased by \$110,932 during the current fiscal year. Important factors to note are as follows:

- ◆ There was an operating transfer from the Transient Guest Tax Fund to the Public Venue Fund in the amount of \$412,500.
- ◆ Transient Guest Tax revenue increased by \$48,224.

**Budgetary Highlights - General Fund.** Differences between the original budget and the final amended budget for expenditures resulted in a 3% increase.

**City of O’Fallon, Missouri**  
**Management’s Discussion and Analysis**  
**Fiscal Year Ended December 31, 2013**

During the year, actual expenditures were less than budgetary estimates, resulting in an actual increase in fund balance of \$958,249. The City’s fund balance on a budget basis at the end of the current year was \$18,815,659.

**Financial Analysis of the City’s Proprietary Funds**

**Water Fund.** Unrestricted net position of the Water Fund at the end of the year amounted to \$4,454,466. The change in unrestricted net position for the current year was an increase of \$245,371.

**Sewer Fund.** Unrestricted net position of the Sewer Fund at the end of the year amounted to \$7,137,304. The change in unrestricted net position for the current year was a decrease of \$271,671.

**Environmental Services Fund.** Unrestricted net position of the Environmental Services Fund at the end of the year amounted to \$1,333,440. The change in unrestricted net position for the current year was an increase of \$2,843.

**Renaud Spirit Center Fund.** Unrestricted net position of the Renaud Spirit Center Fund at the end of the year amounted to \$230,247. The change in unrestricted net position for the current year was a decrease of \$133,435.

**Public Venue Fund.** Unrestricted net position of the Public Venue Fund at the end of the year amounted to \$135,245. The change in unrestricted net position for the current year was a decrease of \$46,584.

**Capital Assets and Debt Administration**

**Capital assets.** The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2013, amounts to \$227,533,823 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, equipment, and infrastructure. The total increase in the City’s investment in capital assets for the current fiscal year was 2.6% (a 5.1% increase for governmental activities and a 1% decrease for business-type activities).

# City of O'Fallon, Missouri

## Management's Discussion and Analysis

### Fiscal Year Ended December 31, 2013

#### City of O'Fallon's Capital Assets

(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 14,101,564	\$ 14,101,564	\$ 1,365,654	\$ 1,365,654	\$ 15,467,218	\$ 15,467,218
Construction in progress	3,358,625	3,867,369	1,158,472	583,682	4,517,097	4,451,051
Buildings	9,954,303	10,688,933	36,369,227	38,172,859	46,323,530	48,861,792
Improvements	4,053,629	4,555,138	-	-	4,053,629	4,555,138
Equipment	6,198,264	4,980,975	26,112,669	27,214,484	32,310,933	32,195,459
Infrastructure	99,201,910	91,998,932	25,659,506	24,242,068	124,861,416	116,241,000
<b>Total</b>	<b>\$ 136,868,295</b>	<b>\$ 130,192,911</b>	<b>\$ 90,665,528</b>	<b>\$ 91,578,747</b>	<b>\$ 227,533,823</b>	<b>\$ 221,771,658</b>

Additional information on the City's capital assets can be found in Note 5 to the financial statements.

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$100,066,678. Of this amount \$23,515,000 comprised debt backed by the full faith and credit of the City. The remainder of the debt includes \$16,210,000 in certificates of participation, \$56,620,000 in Special Obligation bonds, \$2,772,282 in SIB Loan, and \$949,398 in capital lease obligations.

#### City of O'Fallon's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 23,515,000	\$ 25,995,000	\$ -	\$ -	\$ 23,515,000	\$ 25,995,000
Revenue bonds	-	-	-	365,000	-	365,000
Certificates of participation	6,423,200	6,423,200	9,786,800	26,826,800	16,210,000	33,250,000
TIF obligations	-	4,828,652	-	-	-	4,828,652
Special Obligation bonds	18,905,850	22,082,975	37,714,150	18,152,025	56,620,000	40,235,000
SIB Loan	2,772,282	1,500,000	-	-	2,772,282	1,500,000
Capital lease obligations	43,507	64,586	905,889	6,511,211	949,396	6,575,797
Due to Other Govt Entities	-	-	-	182,500	-	182,500
<b>Total</b>	<b>\$ 51,659,839</b>	<b>\$ 60,894,413</b>	<b>\$ 48,406,839</b>	<b>\$ 52,037,536</b>	<b>\$ 100,066,678</b>	<b>\$ 112,931,949</b>

The City's total debt decreased by \$12,865,271 (11%) during the current fiscal year.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is

**City of O’Fallon, Missouri**  
**Management’s Discussion and Analysis**  
**Fiscal Year Ended December 31, 2013**

\$151,511,019, which is significantly in excess of the City’s outstanding general obligation debt of \$23,515,000.

During 2003, the City received a rating upgrade to an “Aa3”, or Excellent, by Moody’s for its general obligation debt.

Additional information on the City’s long-term debt can be found in Note 9 to the financial statements.

**Economic Factors and Next Year’s Budgets**

During the preparation of the budget for the ensuing fiscal year, the City took into consideration the continued residential and retail growth and current economic conditions. Following are the assumptions made in preparing the City’s budget for the 2014 fiscal year:

- ◆ Property tax values will increase by 2%
- ◆ The Cost of Living Adjustment will approximate 0%
- ◆ Interest rates on investments will be less than 1%

**Requests for Information**

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of O’Fallon, 100 North Main Street, O’Fallon, MO 63366 or by logging on to the City’s website at [www.ofallon.mo.us](http://www.ofallon.mo.us).

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# *BASIC FINANCIAL STATEMENTS*

City of O'Fallon, Missouri  
Statement of Net Position  
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 30,044,783	\$ 12,764,282	\$ 42,809,065
Receivables (net):			
Taxes	8,416,888	-	8,416,888
Services	-	2,773,326	2,773,326
Municipal court	994,705	-	994,705
Intergovernmental	1,568,184	-	1,568,184
Other	142,123	-	142,123
Prepaid assets	462,344	198,131	660,475
Inventories	5,633	-	5,633
Cash and investments - restricted	1,276,214	5,130,384	6,406,598
Long-term receivables	6,784,858	-	6,784,858
Capital assets:			
Nondepreciable	17,460,189	2,524,126	19,984,315
Depreciable, net	119,408,106	88,141,402	207,549,508
<b>Total Assets</b>	<b>186,564,027</b>	<b>111,531,651</b>	<b>298,095,678</b>
<b>Deferred Outflow of Resources</b>			
Deferred amounts from refunding of debt	1,764,969	1,362,669	3,127,638
<b>Liabilities</b>			
Accounts payable	5,105,866	1,347,618	6,453,484
Accrued interest	481,712	460,832	942,544
Other accrued liabilities	124,482	-	124,482
Unearned revenues	457,166	184,589	641,755
Deposits and escrow funds	-	350,780	350,780
Long-term liabilities:			
Due within one year	6,959,416	4,368,970	11,328,386
Due in more than one year	45,787,552	46,114,927	91,902,479
Due in more than one year - OPEB obligation	2,526,935	-	2,526,935
<b>Total Liabilities</b>	<b>61,443,129</b>	<b>52,827,716</b>	<b>114,270,845</b>
<b>Deferred Inflow of Resources</b>			
Deferred amounts from refunding of debt	-	518,695	518,695
<b>Net Position</b>			
Net investment in capital assets	84,854,451	45,273,367	130,127,818
Restricted for:			
Grants	202,017	-	202,017
Street & Road Improvement	10,101,337	-	10,101,337
Sewer Lateral	401,643	-	401,643
Public Safety	98,881	-	98,881
Parks and Recreation	4,695,671	-	4,695,671
Debt Service	6,169,979	983,840	7,153,819
Waterbury CID	199,523	-	199,523
Storm Water	1,641,732	-	1,641,732
Unrestricted	18,520,633	13,290,702	31,811,335
<b>Total Net Position</b>	<b>\$ 126,885,867</b>	<b>\$ 59,547,909</b>	<b>\$ 186,433,776</b>

\*See the accompanying notes to the financial statements.

City of OFallon, Missouri  
Statement of Activities  
For The Year Ended December 31, 2013

Functions	Program Revenues				Net Revenue (Expense) And Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 12,562,564	\$ 148,591	\$ 10,669	\$ 2,915,910	\$ (9,487,394)	\$ -	\$ (9,487,394)
Public safety	12,490,544	27,750	301,296	102,047	(12,059,451)	-	(12,059,451)
Highways and streets	11,385,901	-	289,298	8,610,398	(2,486,205)	-	(2,486,205)
Community development	2,659,234	1,028,610	206,379	18,264	(1,405,981)	-	(1,405,981)
Parks and recreation	5,322,799	1,150,258	7,279	-	(4,165,262)	-	(4,165,262)
Municipal court	411,421	1,844,885	-	-	1,433,464	-	1,433,464
Interest on long-term debt	2,328,519	-	-	-	(2,328,519)	-	(2,328,519)
<b>Total Governmental Activities</b>	<b>47,160,982</b>	<b>4,200,094</b>	<b>814,921</b>	<b>11,646,619</b>	<b>(30,499,348)</b>	<b>-</b>	<b>(30,499,348)</b>
<b>Business-Type Activities</b>							
Water	4,891,943	4,761,475	-	442,195	-	311,727	311,727
Sewer	7,029,113	7,616,609	-	866,451	-	1,453,947	1,453,947
Environmental services	3,984,801	4,419,768	-	-	-	434,967	434,967
Renaud Spirit Center	2,186,347	1,860,924	-	2,099	-	(323,324)	(323,324)
Public venue	647,354	182,106	-	-	-	(465,248)	(465,248)
<b>Total Business-Type Activities</b>	<b>18,739,558</b>	<b>18,840,882</b>	<b>-</b>	<b>1,310,745</b>	<b>-</b>	<b>1,412,069</b>	<b>1,412,069</b>
<b>Total Government</b>	<b>\$ 65,900,540</b>	<b>\$ 23,040,976</b>	<b>\$ 814,921</b>	<b>\$ 12,957,364</b>	<b>(30,499,348)</b>	<b>1,412,069</b>	<b>(29,087,279)</b>
<b>General Revenues</b>							
Property taxes levied for:							
General purposes					5,754,481	-	5,754,481
Sewer Lateral					126,342	-	126,342
Debt service					3,141,138	-	3,141,138
Sales tax levied for:							
General purposes					11,064,829	-	11,064,829
Transportation purposes					8,089,333	-	8,089,333
Recreation					4,127,609	-	4,127,609
Storm Water					1,304,454	-	1,304,454
Franchise and public service taxes					7,977,264	-	7,977,264
Investment earnings					35,124	78,720	113,844
Gain on sale of capital assets					-	89,429	89,429
Gain on debt closure					5,180,967	-	5,180,967
Other revenues					692,212	-	692,212
Transfers					(420,219)	420,219	-
<b>Total General Revenues and Transfers</b>					<b>47,073,534</b>	<b>588,368</b>	<b>47,661,902</b>
Changes in Net Position					16,574,186	2,000,437	18,574,623
<b>Net Position - Beginning of Year</b>					<b>110,311,681</b>	<b>57,547,472</b>	<b>167,859,153</b>
<b>Net Position - End of Year</b>					<b>\$ 126,885,867</b>	<b>\$ 59,547,909</b>	<b>\$ 186,433,776</b>

\*See the accompanying notes to the financial statements.

City of O'Fallon, Missouri  
Balance Sheet  
Governmental Funds  
December 31, 2013

Assets	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Street & Road Improvement	Recreation	Storm Water	Debt Service	Governmental	Other	
<b>Cash and investments:</b>								
Held by trustee	\$ -	\$ 826,129	\$ 860	-	-	-	-	\$ 826,989
Restricted	449,225	-	-	-	-	-	-	449,225
Unrestricted	17,425,370	2,056,202	3,647,152	1,647,842	4,287,368	980,849	-	30,044,783
Inventories	5,633	-	-	-	-	-	-	5,633
Receivables:								
Property taxes	2,362,820	-	-	-	1,298,058	-	-	3,660,878
Other taxes	2,560,692	1,262,991	593,708	200,550	-	175,925	-	4,793,866
Municipal court	994,705	-	-	-	-	-	-	994,705
Intergovernmental	30,383	1,536,587	1,214	-	-	-	-	1,568,184
Other	14,526	10,044	34,257	-	-	83,296	-	142,123
Due from other funds	53,382	-	-	-	-	-	-	53,382
Prepaid assets	357,676	53,814	43,385	7,469	-	-	-	462,344
<b>Total Assets</b>	<b>\$ 24,254,412</b>	<b>\$ 5,745,767</b>	<b>\$ 4,320,576</b>	<b>\$ 1,855,861</b>	<b>\$ 5,585,426</b>	<b>\$ 1,240,070</b>	<b>\$ 1,240,070</b>	<b>\$ 43,002,112</b>
<b>Liabilities</b>								
Accounts payable	\$ 2,474,992	\$ 942,647	\$ 109,069	\$ 196,069	\$ -	\$ 49,800	\$ -	\$ 3,772,577
Accrued wages and leave payable	1,024,065	175,977	111,722	18,060	-	3,465	-	1,333,289
Municipal court appearance bonds payable	124,482	-	-	-	-	-	-	124,482
Unearned revenue	145,476	285,012	26,678	-	-	-	-	457,166
Due to Other Funds	-	-	-	-	-	53,382	-	53,382
<b>Total Liabilities</b>	<b>3,769,015</b>	<b>1,403,636</b>	<b>247,469</b>	<b>214,129</b>	<b>-</b>	<b>106,647</b>	<b>-</b>	<b>5,740,897</b>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue:								
Property taxes	434,551	-	-	-	242,436	4,036	-	681,023
Municipal court	994,705	-	-	-	-	-	-	994,705
<b>Total Deferred Inflows of Resources</b>	<b>1,429,256</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242,436</b>	<b>4,036</b>	<b>-</b>	<b>1,675,728</b>
<b>Fund Balances</b>								
Nonspendable - supplies & prepaids	-	-	-	-	-	-	-	5,633
Supplies	5,633	-	-	-	-	-	-	462,344
Prepaid assets	357,676	53,814	43,385	7,469	-	-	-	-
Restricted - externally imposed or law	-	-	-	-	-	-	-	-
Debt Covenants - Bond cash accounts	-	826,129	860	-	4,287,368	-	-	5,114,357
Grant Savings Account	166,195	-	-	-	-	-	-	166,195
Police Grants	30,383	-	-	-	-	-	-	30,383
CDBG Grant	-	-	-	-	-	5,439	-	5,439
Street & Road Improvement	-	3,462,188	-	-	-	-	-	3,462,188
Sewer Lateral	-	-	-	-	-	-	-	401,643
Public Safety	-	-	-	-	-	-	-	98,881
Parks and Recreation	-	-	4,028,862	-	-	-	-	4,652,286
Debt Service	-	-	-	-	1,055,622	-	-	1,055,622
Storm Water	-	-	-	1,634,263	-	-	-	1,634,263
Committed - Council committed or contracts	-	-	-	-	-	-	-	-
Purchase Orders over \$75,000 (resolution)	50,500	-	-	-	-	-	-	50,500
Council's reserve on FB for capital	915,000	-	-	-	-	-	-	915,000
Assigned - intent for specific purpose	189,982	-	-	-	-	-	-	189,982
Encumbrances, less contracts by resolution	17,340,772	-	-	-	-	-	-	17,340,772
Unassigned	19,056,141	4,342,131	4,073,107	1,641,732	5,342,990	1,129,387	-	35,585,488
<b>Total Fund Balances</b>	<b>19,056,141</b>	<b>4,342,131</b>	<b>4,073,107</b>	<b>1,641,732</b>	<b>5,342,990</b>	<b>1,129,387</b>	<b>-</b>	<b>35,585,488</b>
<b>Total Liabilities, Deferred Inflows Of Resources, And Fund Balances</b>	<b>\$ 24,254,412</b>	<b>\$ 5,745,767</b>	<b>\$ 4,320,576</b>	<b>\$ 1,855,861</b>	<b>\$ 5,585,426</b>	<b>\$ 1,240,070</b>	<b>\$ 1,240,070</b>	<b>\$ 43,002,112</b>

\*See the accompanying notes to the financial statements.

City of O'Fallon, Missouri  
 Reconciliation of the Balance Sheet of Governmental  
 Funds to the Statement of Net Position  
 December 31, 2013

Total fund balance – governmental funds \$ 35,585,488

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

Long-term receivables applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as receivables within the governmental fund financial statements. 6,784,858

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$214,579,369 and the accumulated depreciation is \$77,711,074. 136,868,295

Property taxes assessed by the City and court receivables not collected as of year-end are deferred within the governmental fund financial statements. However, revenue for this amount is recognized in the government-wide statements. 1,637,872

Net OPEB obligation liability was recorded in compliance with GASB 45. (2,526,935)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the governmental fund financial statements. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities – both current and long-term – are reported on the government-wide statement of net position. Discounts and premiums are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.

Balances as of December 31, 2013 are:

Accrued compensated absences and vacation	(733,124)
Accrued interest on outstanding debts	(481,712)
Debt and notes payable	(51,659,839)
Unamortized debt premium	(354,005)
Unamortized deferred refunding	1,764,969
	1,764,969

Total Net Position Of Governmental Activities \$ 126,885,867

\*See the accompanying notes to the financial statements.

**City of O'Fallon, Missouri**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended December 31, 2013**

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Street & Road Improvement	Recreation	Storm Water	Debt Service	Governmental	Other	
<b>Revenues</b>								
Taxes	\$ 24,139,488	\$ 8,089,333	\$ 4,127,609	\$ 1,304,454	\$ 3,142,306	\$ 792,749	\$ 41,595,939	
Intergovernmental	318,968	4,967,700	7,279	-	-	235,311	5,529,258	
Licenses and permits	947,263	-	-	-	-	-	947,263	
Charges for services	404,383	-	1,003,564	-	-	-	1,407,947	
Fines and forfeitures	1,691,019	-	-	-	-	44,259	1,735,278	
Investment earnings	5,881	25,480	1,742	596	1,093	332	35,124	
Miscellaneous	427,741	158,064	102,817	65	-	3,525	692,212	
<b>Total Revenues</b>	<b>27,934,743</b>	<b>13,240,577</b>	<b>5,243,011</b>	<b>1,305,115</b>	<b>3,143,399</b>	<b>1,076,176</b>	<b>51,943,021</b>	
<b>Expenditures</b>								
<b>Current:</b>								
General government	8,750,276	-	-	513,872	1,464	149,460	9,415,072	
Public safety	11,932,831	-	-	-	-	37,703	11,970,534	
Highways and streets	-	5,090,584	-	-	-	-	5,090,584	
Community development	2,387,450	-	-	-	-	206,378	2,593,828	
Parks and recreation	1,012,801	-	3,710,477	-	-	107,311	4,830,589	
Municipal court	408,550	-	-	-	-	-	408,550	
Capital outlay	1,770,408	6,042,489	590,644	860,276	-	57,117	9,320,934	
Debt service:								
Principal retirement	685,000	2,510,218	29,625	255,000	2,480,000	-	5,959,843	
Interest	70,238	875,178	12,572	57,120	1,057,463	-	2,072,571	
<b>Total Expenditures</b>	<b>27,017,554</b>	<b>14,518,469</b>	<b>4,343,318</b>	<b>1,686,268</b>	<b>3,538,927</b>	<b>557,969</b>	<b>51,662,505</b>	
<b>Revenues Over (Under) Expenditures</b>	<b>917,189</b>	<b>(1,277,892)</b>	<b>899,693</b>	<b>(381,153)</b>	<b>(395,528)</b>	<b>518,207</b>	<b>280,516</b>	
<b>Other Financing Sources (Uses)</b>								
Proceeds from loan	-	1,575,000	-	-	-	-	1,575,000	
Transfers from capital lease	7,728	-	-	-	-	-	7,728	
Transfers in	51,581	31,905	-	-	-	5,225	88,711	
Transfers out	-	(5,225)	(91,205)	-	-	(412,500)	(508,930)	
Sale of capital assets	55,640	44,833	535	5,513	-	-	106,521	
<b>Total Other Financing Sources (Uses)</b>	<b>114,949</b>	<b>1,646,513</b>	<b>(90,670)</b>	<b>5,513</b>	<b>-</b>	<b>(407,275)</b>	<b>1,269,030</b>	
<b>Net Changes in Fund Balances</b>	<b>1,032,138</b>	<b>368,621</b>	<b>809,023</b>	<b>(375,640)</b>	<b>(395,528)</b>	<b>110,932</b>	<b>1,549,546</b>	
<b>Fund Balances</b>								
Beginning of year	18,024,003	3,973,510	3,264,084	2,017,372	5,738,518	1,018,455	34,035,942	
Prior period adjustment	-	-	-	-	-	-	-	
<b>End of Year</b>	<b>\$ 19,056,141</b>	<b>\$ 4,342,131</b>	<b>\$ 4,073,107</b>	<b>\$ 1,641,732</b>	<b>\$ 5,342,990</b>	<b>\$ 1,129,387</b>	<b>\$ 35,585,488</b>	

\*See the accompanying notes to the financial statements.

City of O'Fallon, Missouri  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of  
 Governmental Funds to the  
 Statement of Activities  
 For The Year Ended December 31, 2013

Net change in fund balances - total governmental funds \$ 1,549,546

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for general and \$25,000 for infrastructure are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. Donated assets are not recorded in the governmental funds but are recognized as revenue in the statement of activities. This is the amount by which capital outlays and donated capital assets exceeded depreciation in the current period.

Capital outlays	7,218,524	
Donated capital assets	6,940,494	
Depreciation expense	<u>(6,873,446)</u>	7,285,572

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and trade-ins) is to decrease net assets. (610,188)

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the long-term liabilities in the statement of net assets.

TIF notes issued - accrued interest	(352,315)	
Proceeds from loan payable	(1,575,000)	
Proceeds from capital lease	(7,728)	
TIF notes closure	5,180,967	
Repayment of claims & judgements	1,224,300	
Repayment of capital lease payable	28,807	
Repayment of loan payable	302,718	
Repayment of debt principal	<u>5,657,125</u>	10,458,874

Under the modified accrual basis of accounting used in the governmental funds, the effect of issuance costs, discounts, and premiums is reported when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The net effect of these differences are as follows:

Accrued interest on bonds	328,926	
Compensated absences	(46,890)	
Amortization expense	<u>(232,559)</u>	49,477

Long-term receivable reduction to offset cost of interchange project (2,250,000)

Long-term receivable for advanced funding for the Waterbury CID project. (8,213)

Property tax revenues and court receivable received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. 99,118

Change in Net Position of Governmental Activities \$ 16,574,186

\*See the accompanying notes to the financial statements.

City of O'Fallon, Missouri  
Statement of Net Position  
Proprietary Funds  
December 31, 2013

	Major Enterprise Funds					Total
	Water	Sewer	Environmental Services	Renaud Spirit Center	Public Venue	
<b>Assets</b>						
<b>Current assets:</b>						
<b>Cash and cash equivalents:</b>						
Held by trustee	\$ 296,273	\$ 686,081	\$ -	\$ -	\$ 1,486	\$ 983,840
Restricted	4,146,544	-	-	-	-	4,146,544
Unrestricted	4,524,150	6,827,502	996,631	371,581	44,418	12,764,282
<b>Receivables:</b>						
<b>Charges for services:</b>						
Billed	387,715	781,414	282,152	-	-	1,451,281
Unbilled	224,920	424,916	351,646	-	-	1,001,482
Other	80,546	95,289	34,928	-	109,800	320,563
Prepaid assets	39,917	70,289	67,445	14,561	5,919	198,131
<b>Total Current Assets</b>	<b>9,700,065</b>	<b>8,885,491</b>	<b>1,732,802</b>	<b>386,142</b>	<b>161,623</b>	<b>20,866,123</b>
<b>Noncurrent assets:</b>						
Capital assets	42,361,051	81,305,079	8,307,902	10,991,227	6,018,615	148,983,874
Less: Accumulated depreciation	14,367,292	31,470,943	5,599,172	2,632,783	4,248,156	58,318,346
<b>Total Noncurrent Assets</b>	<b>27,993,759</b>	<b>49,834,136</b>	<b>2,708,730</b>	<b>8,358,444</b>	<b>1,770,459</b>	<b>90,665,528</b>
<b>Total Assets</b>	<b>37,693,824</b>	<b>58,719,627</b>	<b>4,441,532</b>	<b>8,744,586</b>	<b>1,932,082</b>	<b>111,531,651</b>
<b>Deferred Outflow of Resources</b>						
Deferred amounts from refunding of debt	49,526	999,218	86,876	-	227,049	1,362,669
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	271,336	617,501	358,375	96,328	4,078	1,347,618
Accrued interest	202,867	233,112	4,039	-	20,814	460,832
Deposits payable	267,675	83,105	-	-	-	350,780
Accrued compensated absences	26,604	25,838	36,948	11,828	-	101,218
Unearned revenue: connection charges	34,300	102,550	-	-	-	136,850
Unearned revenue: program revenue	-	-	-	47,739	-	47,739
Current portion of certificates of participation payable	80,000	320,000	-	-	-	400,000
Current portion of special obligation payable	1,685,838	1,423,762	60,000	-	330,100	3,499,700
Current portion of capital leases payable	1,841	1,841	337,279	27,091	-	368,052
<b>Total Current Liabilities</b>	<b>2,570,461</b>	<b>2,807,709</b>	<b>796,641</b>	<b>182,986</b>	<b>354,992</b>	<b>6,712,789</b>
<b>Noncurrent liabilities:</b>						
Certificates of participation payable, less current maturities and bond discount	3,579,415	5,674,415	-	-	91,800	9,345,630
Special Obligation payable, less current maturities and bond discount	18,451,915	16,010,314	468,758	-	1,300,473	36,231,460
Capital leases payable, less current portion	4,022	4,022	480,259	49,534	-	537,837
<b>Total Noncurrent Liabilities</b>	<b>22,035,352</b>	<b>21,688,751</b>	<b>949,017</b>	<b>49,534</b>	<b>1,392,273</b>	<b>46,114,927</b>
<b>Total Liabilities</b>	<b>24,605,813</b>	<b>24,496,460</b>	<b>1,745,658</b>	<b>232,520</b>	<b>1,747,265</b>	<b>52,827,716</b>
<b>Deferred Inflow of Resources</b>						
Deferred amounts from refunding of debt	340,376	172,148	-	-	6,171	518,695
<b>Net Position</b>						
Net investment in capital assets	8,046,422	27,226,852	1,449,310	8,281,819	268,964	45,273,367
<b>Restricted for:</b>						
Debt service	296,273	686,081	-	-	1,486	983,840
Unrestricted	4,454,466	7,137,304	1,333,440	230,247	135,245	13,290,702
<b>Total Net Position</b>	<b>\$ 12,797,161</b>	<b>\$ 35,050,237</b>	<b>\$ 2,782,750</b>	<b>\$ 8,512,066</b>	<b>\$ 405,695</b>	<b>\$ 59,547,909</b>

\*See the accompanying notes to the financial statements.

City of O'Fallon, Missouri  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For The Year Ended December 31, 2013

	Major Enterprise Funds					Total
	Water	Sewer	Environmental Services	Renaud Spirit Center	Public Venue	
<b>Operating Revenues</b>						
Refuse and recycling service charges	\$ -	\$ -	\$ 4,413,308	\$ -	\$ -	\$ 4,413,308
Recreation program sales	-	-	-	1,847,998	-	1,847,998
Water sales	4,250,420	-	-	-	-	4,250,420
Connection charges	415,460	190,000	-	-	-	605,460
Sewer service charges	-	7,248,782	-	-	-	7,248,782
Lease payments	90,489	89,478	-	1,000	172,000	352,967
Miscellaneous	5,106	88,349	6,460	11,926	10,106	121,947
<b>Total Operating Revenues</b>	<b>4,761,475</b>	<b>7,616,609</b>	<b>4,419,768</b>	<b>1,860,924</b>	<b>182,106</b>	<b>18,840,882</b>
<b>Operating Expenses</b>						
Contractual services	259,229	485,403	42,411	22,670	28,235	837,948
General government	1,198,826	1,799,481	1,984,167	1,605,420	86,926	6,674,819
Utilities	661,121	804,239	946,461	201,193	29,448	2,642,462
Repairs and maintenance	181,208	321,309	238,035	54,269	62,026	856,847
Small equipment	212,210	6,417	34,428	19,987	1,082	274,124
Depreciation and amortization	1,631,043	2,515,802	704,466	282,808	334,728	5,468,847
Miscellaneous	2,737	7,822	7,944	-	1,043	19,546
<b>Total Operating Expenses</b>	<b>4,146,373</b>	<b>5,940,473</b>	<b>3,957,912</b>	<b>2,186,347</b>	<b>543,488</b>	<b>16,774,593</b>
<b>Operating Income (Loss)</b>	<b>615,102</b>	<b>1,676,136</b>	<b>461,856</b>	<b>(325,423)</b>	<b>(361,382)</b>	<b>2,066,289</b>
<b>Nonoperating Revenues (Expenses)</b>						
Investment earnings	23,462	53,641	332	154	1,131	78,720
Interest expense	(745,570)	(1,088,640)	(26,889)	-	(103,866)	(1,964,965)
Gain/(loss) on capital asset disposal	16,551	65,003	1,967	3,018	2,890	89,429
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(705,557)</b>	<b>(969,996)</b>	<b>(24,590)</b>	<b>3,172</b>	<b>(99,845)</b>	<b>(1,796,816)</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>(90,455)</b>	<b>706,140</b>	<b>437,266</b>	<b>(322,251)</b>	<b>(461,227)</b>	<b>269,473</b>
Transfers in	3,546	-	-	91,205	429,014	523,765
Transfers out	-	(3,546)	(100,000)	-	-	(103,546)
Capital contributions	442,195	866,451	-	2,099	-	1,310,745
<b>Change in Position</b>	<b>355,286</b>	<b>1,569,045</b>	<b>337,266</b>	<b>(228,947)</b>	<b>(32,213)</b>	<b>2,000,437</b>
<b>Net Position – Beginning of Year</b>	<b>12,441,875</b>	<b>33,481,192</b>	<b>2,445,484</b>	<b>8,741,013</b>	<b>437,908</b>	<b>57,547,472</b>
<b>Net Position – End of Year</b>	<b>\$ 12,797,161</b>	<b>\$ 35,050,237</b>	<b>\$ 2,782,750</b>	<b>\$ 8,512,066</b>	<b>\$ 405,695</b>	<b>\$ 59,547,909</b>

\*See the accompanying notes to the financial statements.

City of O'Fallon, Missouri  
Statement of Cash Flows  
Proprietary Funds  
For The Year Ended December 31, 2013

	Major Enterprise Funds					Total
	Water	Sewer	Environmental Services	Renaud Spirit Center	Public Venue	
<b>Cash Flows From Operating Activities:</b>						
Receipts from customers	\$ 4,779,041	\$ 7,491,188	\$ 4,464,272	\$ 1,849,204	\$ 62,200	\$ 18,645,905
(Payment to) refunds from suppliers	(1,572,040)	(1,537,793)	(1,274,900)	(566,053)	(131,113)	(5,081,899)
Payment to employees	(1,036,529)	(1,439,034)	(1,837,630)	(1,344,214)	(13,058)	(5,670,465)
Other receipts	5,106	88,349	6,460	11,926	10,106	121,947
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>2,175,578</b>	<b>4,602,710</b>	<b>1,358,202</b>	<b>(49,137)</b>	<b>(71,865)</b>	<b>8,015,488</b>
<b>Cash Flows From Noncapital Financing Activities:</b>						
Transfers out	-	(3,546)	(100,000)	-	-	(103,546)
Transfers in	3,546	-	-	91,205	429,014	523,765
<b>Net Cash Provided By (Used In) Noncapital Financing Activities</b>	<b>3,546</b>	<b>(3,546)</b>	<b>(100,000)</b>	<b>91,205</b>	<b>429,014</b>	<b>420,219</b>
<b>Cash Flows From Capital And Related Financing Activities:</b>						
Payments for debt financing	4,001,297	(1,590,920)	-	-	(443,171)	1,967,206
Principal paid on debt	(1,012,325)	(2,216,906)	(922,006)	(7,696)	(359,875)	(4,518,808)
Interest paid on debt	(562,449)	(1,052,132)	(34,339)	-	(99,039)	(1,747,959)
Deferred revenue	-	(25,000)	-	(12,904)	-	(37,904)
Due to other governmental entities	-	(182,500)	-	-	-	(182,500)
Intergovernmental receivable	-	83,731	-	-	-	83,731
Proceeds from sale of capital assets	16,551	69,439	1,967	3,018	2,890	93,865
Acquisition and construction of capital assets	(430,588)	(1,841,508)	(742,632)	(177,501)	(6,700)	(3,198,929)
<b>Net Cash Provided By (Used In) Capital and Related Financing Activities</b>	<b>2,012,486</b>	<b>(6,755,797)</b>	<b>(1,697,010)</b>	<b>(195,083)</b>	<b>(905,895)</b>	<b>(7,541,298)</b>
<b>Cash Flows Provided By Investing Activities:</b>						
Investment earnings	23,462	53,641	332	154	1,131	78,720
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,215,072</b>	<b>(2,102,991)</b>	<b>(438,476)</b>	<b>(152,861)</b>	<b>(547,615)</b>	<b>973,129</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>4,751,895</b>	<b>9,616,574</b>	<b>1,435,107</b>	<b>524,442</b>	<b>593,519</b>	<b>16,921,537</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 8,966,967</b>	<b>\$ 7,513,583</b>	<b>\$ 996,631</b>	<b>\$ 371,581</b>	<b>\$ 45,904</b>	<b>\$ 17,894,666</b>
<b>Reconciliation of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities</b>						
Operating income (loss)	\$ 615,102	\$ 1,676,136	\$ 461,856	\$ (325,423)	\$ (361,382)	\$ 2,066,289
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization expense	1,631,043	2,515,802	704,466	282,808	334,728	5,468,847
Change in assets and liabilities:						
(Increase) decrease in services receivable	25,374	161,513	107,088	-	-	293,975
(Increase) decrease in miscellaneous receivables	(46,246)	(41,742)	(34,928)	206	(48,096)	(170,806)
(Increase) decrease in prepaid assets	45,291	(280)	3,131	(2,675)	(185)	45,282
Increase (decrease) in accounts payable	(159,210)	277,518	113,420	(5,197)	3,070	229,601
Increase (decrease) in customer deposits	62,870	14,490	-	-	-	77,360
Increase (decrease) in accrued compensated absences	1,354	(727)	3,169	1,144	-	4,940
<b>Total Adjustments</b>	<b>1,560,476</b>	<b>2,926,574</b>	<b>896,347</b>	<b>276,286</b>	<b>289,517</b>	<b>5,949,199</b>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 2,175,578</b>	<b>\$ 4,602,710</b>	<b>\$ 1,358,202</b>	<b>\$ (49,137)</b>	<b>\$ (71,865)</b>	<b>\$ 8,015,488</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>						
<b>Debt Financing</b>						
Par value of debt issued	\$ 8,970,201	\$ 10,394,799	\$ -	\$ -	\$ 1,440,000	\$ 20,805,000
Premium recorded	1,013,332	865,474	-	-	167,616	2,046,422
Cost of issuance	(86,908)	(102,812)	-	-	(15,981)	(205,701)
Defeased debt	(5,895,328)	(12,748,381)	-	-	(2,034,806)	(20,678,515)
<b>Net Cash Provided (Used)</b>	<b>\$ 4,001,297</b>	<b>\$ (1,590,920)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (443,171)</b>	<b>\$ 1,967,206</b>

The Water and Sewer Funds received \$442,195 and \$866,451, respectively, in contributed water lines and sewer lines from developers. The Renaud Spirit Center Fund received donated equipment in the amount of \$2,099

The Water and Sewer Funds purchased equipment totaling \$7,092, with a capital lease. Each fund pays 50% of the lease since it is shared. The Renaud Spirit Center Fund issues 2 leases: one for cardio equipment totaling \$65,840 and one for a copier lease totaling \$13,344. The Environmental Services Fund traded in equipment of \$175,099.

\*See the accompanying notes to the financial statements.

**City of O'Fallon, Missouri**  
**Statement of Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2013**

	<u>Agency Funds</u>
<b>Assets</b>	
<b>Cash</b>	<b>\$ 1,011</b>
<hr/>	
<b>Total Assets</b>	<b>\$ 1,011</b>
<hr/>	
<b>Liabilities</b>	
<b>Due to Waterbury Storm CID</b>	<b>\$ 1,011</b>
<hr/>	
<b>Total Liabilities</b>	<b>\$ 1,011</b>
<hr/>	

\*See the accompanying notes to the financial statements.

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

**1. Summary of Significant Accounting Policies**

The City of O'Fallon, Missouri (the City) was incorporated September 12, 1912. The City operates under a Mayor/City Council/City Administrator form of government and provides the following services as authorized by its bylaws: public safety (police), highways and streets, culture and recreation, public improvements, water and sanitary sewer, community development, and general administrative services.

The basic financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. 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:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of interfund transfers is eliminated except for transfers between governmental and proprietary funds. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes, unrestricted interest earnings, and other items not properly included among program revenues are reported instead as general revenues.

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds." The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position.

# **City of O'Fallon, Missouri**

## **Notes to Basic Financial Statements**

### **December 31, 2013**

The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position, rather than upon net income. The following are the City's major governmental funds:

#### **General**

The General Fund is used to account for resources traditionally associated with government activities which are not required legally or by sound financial management to be accounted for in another fund.

#### **Street & Road Improvement**

The Street & Road Improvement Fund is used to account for transportation sales tax revenues and other financing sources restricted and or intended for the maintenance and construction of streets, roads, and bridges. This fund was formerly known as the Transportation Sales Tax Fund.

#### **Recreation**

The Recreation Fund is used to account for the parks portion of the parks/storm water sales tax and charges for services offered by the City. This fund was created in October 2008 when the new Parks Storm Water sales tax began.

#### **Storm Water**

The Storm Water Fund is used to account for the storm water portion of the parks/storm water sales tax restricted for the use of storm water projects managed by the City. This fund was created in October 2008 when the new Parks Storm Water sales tax began.

#### **Debt Service**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The other governmental funds of the City are considered nonmajor. They are Special Revenue Funds which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**City of O’Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has five Enterprise Funds which are all considered major funds as follows:

**Water**

The Water Fund is used to account for the activity of the City’s water operations.

**Sewer**

The Sewer Fund is used to account for the activity of the City’s sewer operations.

**Environmental Services**

The Environmental Services Fund is used to account for the activity of the City’s waste management operations.

**Renaud Spirit Center**

The Renaud Spirit Center Fund is used to account for the activity of the Renaud Spirit Center Recreation Center.

**Public Venue**

The Public Venue Fund is used to account for the activity of the City’s stadium operations.

Additionally, the City reports the following fund type:

**Agency Fund**

The Agency Fund is used to account for the Waterbury Storm CID under a custodial agreement. This is a fiduciary fund type which is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current financial resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are reported. Governmental funds financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All trust fiduciary funds have the same economic resources measurement focus and accrual basis of accounting as do propriety funds. Agency fiduciary funds, however, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds do not have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. The term "available" is defined as collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For the City, available means expected to be received within 60 days of fiscal year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Expenditures for principal and interest on long-term debt are not recognized until due.

Nonexchange transactions are grouped into the following four classes, based upon their principal characteristics: derived tax revenues, imposed non-exchange revenues, government mandated nonexchange transactions, and voluntary nonexchange transactions.

The City recognizes assets from derived tax revenue transactions (such as sales and utilities gross receipts taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as unavailable revenues until the period of the exchange.

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

The City recognizes assets from imposed nonexchange revenue transactions (such as real estate and personal property transactions) in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed nonexchange revenues also include permits, court fines, and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements have been met. Any resources received before eligibility requirements are met are reported as deferred revenues.

Charges for services in the governmental funds, which are exchange transactions, are recognized as revenues when received in cash because they are generally not measurable until actually received.

Proprietary funds distinguish operating revenues and expenses from non-operating 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.

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

**Receivables & Allowances**

Receivables are shown net of an allowance for uncollectible for property taxes \$37,856 and court fines \$74,870.

	<b>Receivables</b>	<b>Unapplied Credits</b>	<b>Allow. for Uncollectible</b>	<b>Total</b>
General Fund	\$ 6,037,996	\$ -	\$ (98,498)	\$ 5,939,498
Street & Road Improv	2,809,622	-	-	2,809,622
Recreation	677,136	(47,957)	-	629,179
Storm Water	200,550	-	-	200,550
Sewer Lateral	124,672	-	(1,247)	123,425
Transient Guest Tax	51,253	-	-	51,253
CDBG	83,296	-	-	83,296
Debt Service	1,298,058	-	(12,981)	1,285,077
Water	693,181	-	-	693,181
Sewer	1,301,619	-	-	1,301,619
Environmental Services	828,110	(159,384)	-	668,726
Public Venue	109,800	-	-	109,800
<b>Totals</b>	<b>\$ 14,215,293</b>	<b>\$ (207,341)</b>	<b>\$ (112,726)</b>	<b>\$ 13,895,226</b>

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. The cost of governmental fund-type prepaids is recorded as an expenditure when consumed rather than when purchased.

**Inventories**

Inventories are valued at cost, which approximate market, using the first-in, first-out (FIFO) method. The cost of governmental fund-type inventories is recorded as an expenditure when consumed rather than when purchased.

**Capital Assets**

Capital assets, which include property, plant, equipment, and certain infrastructure assets (e.g., roads, bridges, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more for general capital assets and \$25,000 or more for infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed.

**City of O’Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 – 45 years
Structures and improvements	30 – 45 years
Water and sewer lines	30 – 50 years
Streets, bridges, and sidewalks	30 – 50 years
Furniture and other equipment	5 years
Vehicles	5 years
Computer equipment	3 – 5 years
Software	3 – 5 years
Land improvement	30 – 45 years

**Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported adjusted by the applicable bond premium or discount.

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

**Debt Refunding**

For current and advance refundings resulting in defeasance of debt reported by government-wide and business-type activities, the difference between the re-acquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old debt or new debt, whichever is shorter, using the straight-line method since the results of the straight-line method are not materially different from the use of the effective interest method.

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

**Compensated Absences**

City employees earn vacation during the current year which must be taken in the subsequent year. Accrued vacation time is recognized as a liability when earned and any unused accumulated vacation is payable to employees upon termination. Accrued vacation is recorded in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured. Sick leave benefits do not vest and are recorded as expenditures when paid.

**Capital Contributions**

Capital contributions in the Enterprise Funds represent government grants, contributions, and other aid to fund capital projects. Capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement.

**Interfund Activity**

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expensed are recorded as other financing sources (uses) in the governmental funds financial statements.

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding 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.

# **City of O'Fallon, Missouri**

## **Notes to Basic Financial Statements**

### **December 31, 2013**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts have become available.

#### **Net Position**

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

**Net investment in capital assets** – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

**Restricted** – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

**Unrestricted** – This consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

#### **Governmental Fund Balance**

The City has enacted the following policy in an effort to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City's maintenance of a healthy fund balance.

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

**DEFINITIONS**

**Fund balance** -- The excess of assets over liabilities in a governmental fund.

1. **Nonspendable fund balance** -- Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
2. **Restricted fund balance** -- Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
3. **Committed fund balance** -- Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. The City Council passes a resolution to commit amounts and to remove or change the constraint.
4. **Assigned fund balance** -- Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The Finance Director authorizes purchase orders that encumber funds.
5. **Unassigned fund balance** -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

The fund balance of the City's General Fund has been accumulated to meet this purpose, to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

The target is to maintain an unrestricted fund balance of not less than 40% of annual operating expenditures for the fiscal year.

The City's basic goal is to maintain annual expenditure increases at a growth rate, and to limit expenditures to anticipated revenue in order to maintain a balanced budget. The decision to retain an unrestricted fund balance of not less than 40% of operating expenditures stems from the following:

- This amount provides adequate funding to cover approximately four (4) to five (5) months of operating expenses.
- This amount provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule.
- This amount provides the liquidity to respond to contingent liabilities.

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

- This amount provides for continued creditworthiness which is important for maintaining the City's credit rating.
- This amount provides for protection against exposure risks of significant one-time capital outlay such as a disaster or immediate capital needs.

Unassigned fund balance shall be any remaining amounts.

The City will spend the most restricted dollars before less restricted in the following order:

- a. Nonspendable (if funds become spendable)
- b. Restricted
- c. Committed
- d. Assigned
- e. Unassigned

### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental types. Encumbrances outstanding at year-end amounted to \$240,482, \$1,362,906, \$413,066, \$329,867, and \$35,831 for the general, street and road improvement, recreation, storm water, and transient guest tax funds, respectively.

### **Statement of Cash Flows**

The proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

### **Estimates and Assumptions**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at year-end and revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

## **2. Cash and Investments**

Investments primarily consist of short-term U.S. Government Treasury and Agency securities that are carried at cost because they have a remaining maturity at the time of purchase of one year or less. Certain investments of the bond

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

reserve funds in the Enterprise Funds are carried at cost, which approximates fair value, in accordance with GASB 31, *Accounting for Certain Investments and for External Investment Pools*. Fair value is based on quoted market prices.

State of Missouri statutes authorize the City to invest in repurchase agreements, obligations of the U.S. Treasury and U.S. Government Agencies, the State of Missouri, guaranteed investment contracts, and certain local governments within Missouri.

Deposits in financial institutions must be collateralized by securities pledged to the City by these same financial institutions.

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The City maintains a cash and investment pool available to all City funds. For financial reporting purposes, investments are allocated in proportion to each fund's cash balance to the total cash balance. The bank balance was entirely insured or collateralized by securities held by the City's agent in the City's name.

As of December 31, 2013, the City had the following investments:

Investments	Market Value	No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than Ten Years	Credit Risk
Guaranteed investment contracts	\$ 1,117,500	\$ -	\$ -	\$ -	\$ -	\$ 1,117,500	AAA
Certificates of deposit	420,874	-	170,000	250,874	-	-	Not rated
Money market	28,068	28,068	-	-	-	-	Not rated
Repurchase agreement	47,256,105	-	47,256,105	-	-	-	AAA
<b>Total Investments</b>	<b>\$ 48,822,547</b>	<b>\$ 28,068</b>	<b>\$ 47,426,105</b>	<b>\$ 250,874</b>	<b>\$ -</b>	<b>\$ 1,117,500</b>	

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City minimized credit risk by diversifying the portfolio to reduce potential losses on individual securities. The City's investment policy, excluding certain retirement and debt funds, restricts the maximum percentage of the total portfolio and maximum length of maturity to minimize risk. Authority to manage the investment program is granted to the Director of Finance. At the discretion of the Director, designated members of the Finance Department staff may assist with various investment activities.

As of December 31, 2013, the City's credit ratings associated with its investments was AAA.

**City of O’Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

	<i>Maximum % of Total Portfolio</i>	<i>Maximum Length of Maturity</i>
U.S. Treasury Bill, Notes, and Bonds	90%	5 years
Repurchase Agreements (overnight)	90%	1 day
U.S. Government Instrumentalities	75%	5 years
U.S. Government Agencies	75%	5 years
Certificates of Deposits	90%	5 years

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing primarily in shorter term securities. Furthermore, the City cannot make investments for the purpose of trading or speculation, such as anticipating an appreciation of capital value through changes in market interest rates, per the City’s investment policy.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. The City minimizes concentration of credit risk by diversifying the investment portfolio, per the City’s investment policy.

**3. Property Tax**

The City’s property tax is levied annually in August based on the assessed valuation of property located in the City as of the previous January 1. Assessed valuations are established by the St. Charles County Assessor. The City tax rate was levied at \$.5512 per \$100 of assessed valuation of which \$.3562 was for general revenue purposes and \$.1950 for the payment of principal and interest on general obligation bonds. Taxes are billed November 1, are due and collectible on or before December 31, and are delinquent and represent a lien on said property on January 1 of the following year. Taxes are billed, collected, and remitted to the City by the St. Charles County Collector.

**4. Long-Term Receivable**

The City entered into a Cost Participation Agreement on November 7, 2001 with the Missouri Department of Transportation (MODOT) to reimburse the City for right-of-way costs associated with the Route N Outer Road (Page Avenue Outer Road) and the “First Supplemental Agreement” dated July 3, 2003. The City desires to accelerate the funding for the right-of-way necessary to construct this project for reimbursement to occur at July 1, 2015 or MODOT’s award of the Phase III Page Avenue project. The City was responsible for \$9,625,335 of the

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\$10,684,055 estimated for this project and will be reimbursed 100% of the amount deposited by the City for the right-of-way purchase and expended by the Commission.

In January 2013, the City entered into an agreement with the MODOT as the "Second Supplemental Agreement" dated January 24, 2013 to contribute \$2,250,000 to the Route 364 Phase 3 Design Build Project for the construction of interchanges at Route K and Bryan Road. The Commission will reduce the amount to reimburse the City by the \$2,250,000 for the project.

The City entered into an agreement with the Waterbury Storm Water CID in 2010 to forward fund a storm water project for the District. The City will be reimbursed the project costs plus interest through a 1% sales tax added to retail sales located within the District. It is expected that the monies will be repaid within 10 years. As of 12/31/2010, the City had funded \$219,225 in expenses for the project.

Long-term receivables at December 31, 2013 consisted of MODOT and Waterbury CID in the amount of \$6,784,858.

**City of O'Fallon, Missouri**  
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**5. Capital Assets**

Capital asset activity for the year ended December 31, 2013:

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013
<b>Governmental Activities</b>				
<b>Capital assets not depreciated:</b>				
Land	\$ 14,101,564	\$ -	\$ -	\$ 14,101,564
Construction in progress	3,867,369	1,303,632	1,812,376	3,358,625
<b>Total Capital Assets Not Being Depreciated</b>	<b>17,968,933</b>	<b>1,303,632</b>	<b>1,812,376</b>	<b>17,460,189</b>
<b>Capital assets being depreciated:</b>				
Buildings	17,455,662	-	310,599	17,145,063
Improvements	7,783,248	14,251	7,499	7,790,000
Equipment	10,705,482	2,397,714	795,885	12,307,311
Infrastructure	147,864,958	12,011,848	-	159,876,806
<b>Total Capital Assets Being Depreciated</b>	<b>183,809,350</b>	<b>14,423,813</b>	<b>1,113,983</b>	<b>197,119,180</b>
<b>Accumulated depreciation:</b>				
Buildings	6,766,729	472,558	48,527	7,190,760
Improvements	3,228,110	512,198	3,937	3,736,371
Equipment	5,724,507	1,079,820	695,280	6,109,047
Infrastructure	55,866,026	4,808,870	-	60,674,896
<b>Total Accumulated Depreciation</b>	<b>71,585,372</b>	<b>6,873,446</b>	<b>747,744</b>	<b>77,711,074</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>112,223,978</b>	<b>7,550,367</b>	<b>366,239</b>	<b>119,408,106</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 130,192,911</b>	<b>\$ 8,853,999</b>	<b>\$ 2,178,615</b>	<b>\$ 136,868,295</b>

**City of O'Fallon, Missouri**  
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	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013
<b>Business-Type Activities</b>				
<b>Capital assets, not being depreciated:</b>				
<b>Land:</b>				
Water	\$ 863,407	\$ -	\$ -	\$ 863,407
Sewer	502,247	-	-	502,247
<b>Total Land</b>	<b>1,365,654</b>	<b>-</b>	<b>-</b>	<b>1,365,654</b>
<b>Construction in progress:</b>				
Water	74,828	296,538	-	371,366
Sewer	492,124	298,241	19,989	770,376
Renaud Spirit Center	16,730	-	-	16,730
<b>Total Construction in Progress</b>	<b>583,682</b>	<b>594,779</b>	<b>19,989</b>	<b>1,158,472</b>
<b>Total Capital Assets Not Being Depreciated</b>	<b>1,949,336</b>	<b>594,779</b>	<b>19,989</b>	<b>2,524,126</b>
<b>Capital assets being depreciated:</b>				
<b>Buildings:</b>				
Water	13,939,281	-	-	13,939,281
Sewer	30,071,940	-	-	30,071,940
Environmental services	1,183,650	38,462	-	1,222,112
Renaud Spirit Center	10,480,147	-	-	10,480,147
Public venue	5,528,886	-	-	5,528,886
<b>Total Buildings</b>	<b>61,203,904</b>	<b>38,462</b>	<b>-</b>	<b>61,242,366</b>
<b>Equipment:</b>				
Water	16,077,850	114,726	79,458	16,113,118
Sewer	19,078,422	292,738	241,160	19,130,000
Environmental services	6,756,012	879,269	549,491	7,085,790
Renaud Spirit Center	235,566	258,784	-	494,350
Public venue	490,069	6,700	7,040	489,729
<b>Total Equipment</b>	<b>42,637,919</b>	<b>1,552,217</b>	<b>877,149</b>	<b>43,312,987</b>
<b>Infrastructure:</b>				
Water	10,608,814	465,065	-	11,073,879
Sewer	28,690,001	2,140,515	-	30,830,516
<b>Total Infrastructure</b>	<b>39,298,815</b>	<b>2,605,580</b>	<b>-</b>	<b>41,904,395</b>
<b>Total Capital Assets Being Depreciated</b>	<b>143,140,638</b>	<b>4,196,259</b>	<b>877,149</b>	<b>146,459,748</b>
<b>Less: Accumulated depreciation for:</b>				
<b>Buildings:</b>				
Water	4,187,096	449,940	-	4,637,036
Sewer	12,795,664	829,912	-	13,625,576
Environmental services	270,867	32,193	-	303,060
Renaud Spirit Center	2,152,010	262,004	-	2,414,014
Public venue	3,625,408	268,045	-	3,893,453
<b>Total Buildings</b>	<b>23,031,045</b>	<b>1,842,094</b>	<b>-</b>	<b>24,873,139</b>
<b>Equipment:</b>				
Water	5,259,695	934,289	79,458	6,114,526
Sewer	4,607,152	845,781	236,725	5,216,208
Environmental services	5,026,939	643,565	374,392	5,296,112
Renaud Spirit Center	197,965	20,804	-	218,769
Public Venue	331,684	30,059	7,040	354,703
<b>Total Equipment</b>	<b>15,423,435</b>	<b>2,474,498</b>	<b>697,615</b>	<b>17,200,318</b>
<b>Infrastructure:</b>				
Water	3,277,881	337,849	-	3,615,730
Sewer	11,778,866	850,293	-	12,629,159
<b>Total Infrastructure</b>	<b>15,056,747</b>	<b>1,188,142</b>	<b>-</b>	<b>16,244,889</b>
<b>Total Accumulated Depreciation</b>	<b>53,511,227</b>	<b>5,504,734</b>	<b>697,615</b>	<b>58,318,346</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>89,629,411</b>	<b>(1,308,475)</b>	<b>179,534</b>	<b>88,141,402</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 91,578,747</b>	<b>\$ (713,696)</b>	<b>\$ 199,523</b>	<b>\$ 90,665,528</b>

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Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities**

General government	\$ 1,784,063
Public safety	495,861
Highways and streets	4,045,878
Community development	55,944
Parks and recreation	490,139
Municipal court	1,561

Total Depreciation Expense – Governmental Activities	\$ 6,873,446
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**Business-Type Activities**

Water	\$1,722,078
Sewer	2,525,986
Environmental services	675,758
Renaud Spirit Center	282,808
Public venue	298,104

Total Depreciation Expense – Business-Type Activities	\$ 5,504,734
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**6. Employees' Retirement System**

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

**Plan Description**

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute, section RSMo 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. All full-time employees of the City are required to participate in LAGERS.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

**City of O'Fallon, Missouri**  
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**Funding Policy**

The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rate is 9.8% of annual covered payroll for general employees and 12.7% of annual covered payroll for police employees. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

**Annual Pension Cost**

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$2,287,923
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual Pension cost	2,287,923
Actual contributions	2,287,923
Increase (decrease) in NPO	-
NPO, beginning of year	-
NPO, End Of Year	\$ -

The annual required contribution (ARC) was determined as a part of the February 28, 2011 and/or February 29, 2012 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually; (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation; (c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit; (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women; and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 year for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011 was 13 years for the General division and 15 years for the Police division. The amortization period for February 29, 2012 was 15 years for the General division and 15 years for the Police division.

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**Historical Trend Information**

Historical trend information about the City's participation in LAGERS is presented below to help readers assess the plan's funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

Plan Fiscal Year	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2013	\$2,287,923	100%	\$ -
June 30, 2012	2,325,431	100	-
June 30, 2011	2,219,597	100	-

Required Supplementary Information/Schedule of Funding Progress (unaudited)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Entry Age Actuarial Accrued Liability	(2-1) Unfunded Accrued Liability	(1/2) Funded Ratio	(3) Annual Covered Payroll	((2-1)/3) Unfunded Accrued Liability as a Percentage of Covered Payroll
Feb. 28, 2013	\$29,915,914	\$33,712,597	\$3,796,683	89%	\$20,351,835	19%
Feb. 29, 2012	27,013,008	31,744,338	4,731,330	85	20,104,521	24
Feb. 28, 2011	23,347,820	29,556,718	6,208,898	79	20,428,351	30

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS' office in Jefferson City, Missouri.

**7. Postemployment Healthcare Plan**

*Plan Description.* The City's defined benefit postemployment healthcare plan provides medical and dental benefits to eligible retired City employees and their beneficiaries.

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Membership of each plan consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	20
Active plan members	<u>368</u>
Total	<u><u>388</u></u>

*Funding Policy.* The contribution requirements of plan members and the City are established and may be amended by the City Council.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$ 396,524
Interest on net OPEB obligation	85,377
Adjustment to annual required contribution	<u>(127,696)</u>
Annual OPEB cost (expense)	354,205
Contributions made	<u>103,995</u>
Increase in net OPEB obligation	250,210
Net OPEB obligation - beginning of year	<u>2,276,725</u>
Net OPEB obligation - end of year	<u><u>\$ 2,526,935</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012:

<b>Actuarial Valuation Date</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
December 31, 2012	\$ 354,205	30 %	\$ 2,526,935
December 31, 2011	407,737	12	2,276,725
December 31, 2010	414,536	8	1,916,663

**City of O'Fallon, Missouri**  
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*Funding Status and Funding Progress.* The funded status of each plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) - Pro- jected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
December 31, 2012	\$ -	\$ 3,057,643	\$ 3,057,643	- %	\$ 19,624,962	15.6 %
December 31, 2010	-	2,738,645	2,738,645	-	19,778,833	13.8
December 31, 2008	-	4,732,568	4,732,568	-	17,066,831	27.7

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 3.75% investment rate of return, which is a blended rate of the expected long-term investment returns on the employer's own investments calculated at the valuation date. The initial inflation rate for 2012 was 7.50% for medical and will reduce to an ultimate inflation rate of 4.70% over a 75 year period. The initial inflation rate for 2012 was 5.00% for dental and will reduce to an ultimate inflation rate of 4.60% over a 4 year period. The UAAL is being amortized as a level dollar amount on an open basis over a period of 30 years.

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**8. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for other risks of loss, general liability, property and casualty, and workers' compensation benefits, except medical. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

On January 1, 2001, the City became self-insured with respect to medical insurance. A third-party administers the plan and provides information to the City regarding the claims incurred, reported and nonreported, but unpaid at year-end. The City's estimated liability on December 31, 2013 was \$185,937. The City maintains a stop-loss provision for excess liability claims. All expenditures relating to medical insurance are reported in the respective funds.

Employees retiring from the City after five continuous years of employment are eligible for post-employment medical benefits until they become eligible for federal medical coverage (Medicare). The City currently has five retirees utilizing this benefit. Each retiree is required to pay the third-party administrator cost and the City covers all other eligible medical expenses.

		<u>Medical</u>
Balance on January 1, 2011	\$	214,368
Add: Prior year claims and changes in estimate		2,603,560
Less: Prior year claims payments		(2,649,578)
<b>Balance on December 31, 2011</b>		168,350
Add: Prior year claims and changes in estimate		2,753,865
Less: Prior year claims payments		(2,750,369)
<b>Balance on December 31, 2012</b>		171,846
Add: Prior year claims and changes in estimate		2,815,109
Less: Prior year claims payments		(2,801,018)
<b>Balance on December 31, 2013</b>	\$	185,937

**City of O'Fallon, Missouri**  
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**9. Long-Term Liabilities**

The following is a summary of changes in the City's long-term liabilities for the year ended December 31, 2013:

	Original Amount	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Current Portion
<b>Governmental Activities</b>						
2001 Certificates of Participation	\$ 24,715,000	\$ 6,423,200	\$ -	\$ -	\$ 6,423,200	\$ -
2005 GO Refunding Bonds	16,755,000	12,960,000	-	1,915,000	11,045,000	2,015,000
2007 GO Refunding Bonds	13,860,000	13,035,000	-	565,000	12,470,000	665,000
2009 Special Obligation Bonds	15,255,000	11,995,000	-	1,250,000	10,745,000	1,285,000
2011 Special Obligation Bonds	6,160,000	5,275,000	-	910,000	4,365,000	915,000
2012 Special Obligation Bonds	5,925,375	4,812,975	-	1,017,125	3,795,850	1,040,300
2012 MODOT SIBS	3,075,000	1,500,000	1,575,000	302,718	2,772,282	276,380
2011 Capital Lease - copiers	110,719	64,586	-	27,680	36,906	27,680
2013 Capital Lease - copiers	7,728	-	7,728	1,127	6,601	1,932
<b>Tax increment revenue notes:</b>						
Tax-exempt - Series 1992	-	292,125	10,835	302,960	-	-
Taxable - Series 1992	-	4,536,527	341,480	4,878,007	-	-
Accrued compensated absences*	-	686,234	1,124,684	1,077,794	733,124	733,124
Claims and judgements	-	1,224,300	-	1,224,300	-	-
OPEB liability*	-	2,526,935	-	-	2,526,935	-
		<b>\$ 65,331,882</b>	<b>\$ 3,059,727</b>	<b>\$ 13,471,711</b>	<b>54,919,898</b>	<b>\$ 6,959,416</b>
<b>Plus: Unamortized premium, net</b>					<b>354,005</b>	
<b>Total Governmental Activities</b>					<b>\$ 55,273,903</b>	

\*General Fund typically used to liquidate liability

**City of O'Fallon, Missouri**  
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	Original Amount	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Current Portion
<b>Business-Type Activities</b>						
1991 Water Pollution Control Revenue Refunding Bonds	\$ 4,225,000	\$ 365,000	\$ -	\$ 365,000	\$ -	\$ -
2001 Certificates of Participation	31,045,000	4,751,800	-	-	4,751,800	-
2006A Certificates of Participation	11,420,000	6,210,000	-	6,210,000	-	-
2006B Certificates of Participation	4,415,000	2,385,000	-	2,385,000	-	-
2007A Certificates of Participation	700,000	280,000	-	280,000	-	-
2008 Certificates of Participation	9,220,000	7,785,000	-	7,785,000	-	-
2009A Certificates of Participation	5,525,000	4,595,000	-	225,000	4,370,000	235,000
2009B Certificates of Participation	1,405,000	820,000	-	155,000	665,000	165,000
2009 Special Obligation Bonds	1,290,000	575,000	-	55,000	520,000	60,000
2011 Special Obligation Bonds	1,765,000	1,320,000	-	230,000	1,090,000	110,000
2012 Special Obligation Bonds	17,304,625	16,257,025	-	957,675	15,299,150	979,700
2013 Special Obligation Bonds	20,805,000	-	20,805,000	-	20,805,000	2,350,000
Capital lease - 2008 trash trucks	606,310	77,661	-	77,661	-	-
Capital lease - 2009 trash trucks	586,485	177,219	-	124,137	53,082	53,082
Capital lease - 2010 trash trucks	579,012	302,001	-	117,680	184,321	121,817
Capital lease - 2010 water meters	5,802,743	5,202,829	-	5,202,829	-	-
Capital lease - 2011 trash trucks	253,757	197,050	-	49,793	147,257	50,915
Capital lease - 2012 trash trucks	555,740	537,974	-	107,668	430,306	109,535
Capital lease - 2011 copiers	16,526	9,640	-	4,132	5,508	4,132
Capital lease - 2012 copiers	7,632	6,837	-	1,908	4,929	1,908
Capital lease - 2013 copiers	20,436	-	20,436	2,242	18,194	5,109
Capital lease - 2013 cardio equip	65,840	-	65,840	3,548	62,292	21,554
Due to other governmental entities						
SRF - 1991, no interest	2,112,500	182,500	-	182,500	-	-
Accrued compensated absences	-	96,278	200,187	195,247	101,218	101,218
		<u>\$ 52,133,814</u>	<u>\$ 21,091,463</u>	<u>\$ 24,717,220</u>	<u>48,508,057</u>	<u>\$ 4,368,970</u>
<b>Plus: Unamortized premium, net</b>					<u>1,975,840</u>	
<b>Total Business-Type Activities</b>					<u>\$ 50,483,897</u>	

**City of O'Fallon, Missouri**  
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**Debt Service Requirements to Maturity**

The annual principal requirements to maturity of bonded debt outstanding as of December 31, 2013 are as follows:

Year Ending 12/31	<b>Governmental Activities</b>	
	<b>General Obligation and Other Governmental Debt</b>	
	<b>Principal</b>	<b>Interest</b>
2014	\$ 6,196,680	\$ 1,902,667
2015	6,596,814	1,685,839
2016	6,944,286	1,431,003
2017	6,525,584	1,158,272
2018	6,878,635	886,585
2019-2023	18,474,333	1,047,020
<b>Total</b>	<b>\$ 51,616,332</b>	<b>\$ 8,111,386</b>

Year Ending 12/31	<b>Business-Type Activities</b>	
	<b>Revenue Bonds and Other Business-Type Debt</b>	
	<b>Principal</b>	<b>Interest</b>
2014	\$ 3,899,700	\$ 2,183,577
2015	4,017,000	1,734,541
2016	4,217,000	1,541,099
2017	4,413,700	831,813
2018	3,138,700	1,122,638
2019-2023	13,114,850	3,576,687
2024-2028	11,795,000	1,754,404
2029-2030	2,905,000	153,475
<b>Total</b>	<b>\$ 47,500,950</b>	<b>\$ 12,898,234</b>

**General Obligation Bonds**

General obligation bonds are supported by a pledge of the City's full faith and credit. These bonds, which are reported in the government-wide statement of net position, were issued to finance various capital projects. \$5,342,990 is available in the City's Debt Service Funds to repay general obligation bonds. The remainder of the general obligation bonds is to be repaid from future property tax levies. The bonds bear interest at rates ranging from 4.0% to 5.0% and mature through 2020.

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
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**Special Obligation Bonds**

The City issued special obligation bonds to finance the storm water project and refund certain certificates of participation. Principal and interest are payable from the parks and storm water sales tax, general sales tax and transportation sales tax for the governmental activities portion and from net revenues derived from the operations of water, sewer, environmental services and public venue for the business-type activities portion. The bonds bear interest at rates ranging from 1.5% to 5.0% and mature through 2030.

**Revenue Bonds**

All revenue bonds payable are recorded in the appropriate Enterprise Funds since the ordinances authorizing the bond issues require that the bonds be repaid from operations of the respective Enterprise Fund. These bonds are payable solely from, and secured by, a pledge of the net revenues to be derived from the operations of the sewer, water, environmental services, and public venue systems. The bond ordinances require the establishment of certain cash reserve accounts which are described in Note 12. These bonds bear interest at rates ranging from 5.1% to 6.9% and matured in 2013.

In conjunction with the bonds dated December 1, 1991, a reserve account has been established with a no-interest loan funded with federal capitalization grants and matching funds from the State of Missouri. When fully funded, this loan (reserve account) will be funded in an amount equal to 50% of the outstanding principal amount of such bonds. The reserve account is held in trust. As the principal amount of such bonds is repaid, the amounts held in the reserve account will be reduced such that the reserve account will equal 50% of the remaining principal of such bonds.

**Legal Debt Margin**

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. This does not include an additional debt limit of 10% assessed valuation available for street improvements or waterworks and electric plants as provided under the statutes of the State of Missouri. The computation is as follows:

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

<u>Assessed valuation – 2013 tax year</u>	<u>\$</u>	<u>1,515,110,194</u>
<u>Debt limit – 10% of assessed valuation</u>	<u>\$</u>	<u>151,511,019</u>
Amount of debt applicable to debt limit:		
Total general obligation bonded debt		23,515,000
Less: Amount available in Debt Service Fund		5,342,990
<u>Bond indebtedness applicable to debt limit</u>		<u>18,172,010</u>
<u>Legal Debt Margin</u>	<u>\$</u>	<u>133,339,009</u>

**Tax Increment Financing (TIF) Notes Payable**

The tax increment financing notes payable are payable from payments in lieu of taxes collected by the TIF District Special Revenue Fund. Current year additions to the TIF bonds represent increases to the principal balances in the amount of interest due but unpaid at the annual interest payment date of March 1. In accordance with the terms of the TIF bond documents, unpaid interest shall be added to the principal balance and bear interest at the stated rate. The annual debt service repayments of the TIF bonds are contingent upon the amount of payments in lieu of taxes collected by the Special Revenue Funds. The notes bear interest at rates ranging from 6.25% to 9% and matured on March 1, 2013.

**Certificates of Participation**

The City has issued Certificates of Participation as a means of financing certain improvements. Principal and interest are payable from Transportation Sales Tax revenue for the governmental activities portion and from net revenues derived from the operations of the sewer, water, environmental services, and public venue systems for the business-type activities portion. The Certificates evidence proportionate ownership interest in the right to receive rental payments to be paid by the City under various lease/purchase agreements between various financial institutions, as lessor, and the City, as lessee. The related indentures require the establishment of certain cash reserve accounts, which are described in Note 12. These Certificates bear interest at rates ranging from 2.0% to 5.5% and mature through 2028.

**Capital Leases**

Under the 2009 lease for trash trucks, the aggregate cost of the equipment is \$586,485 less accumulated depreciation of \$518,062 results in a carrying value of \$68,423. The interest rate on the lease is 3.67%. The following is a schedule of the future minimum lease payments, together with the net present value of the minimum lease payments as of December 31, 2013:

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

<b>For The Years Ended December 31</b>	<b>Amount</b>
2014	\$ 53,569
Less: Amount representing interest	487
<b>Present Value of Net Minimum Lease Payments</b>	<b>\$ 53,082</b>

Under the 2010 lease for trash trucks, the aggregate cost of the equipment is \$612,012 less accumulated depreciation of \$397,808 results in a carrying value of \$214,204. The interest rate on the lease is 3.46%. The following is a schedule of the future minimum lease payments, together with the net present value of the minimum lease payments as of December 31, 2013:

<b>For The Years Ended December 31</b>	<b>Amount</b>
2014	\$ 126,274
2015	63,137
Total minimum lease payments	189,411
Less: Amount representing interest	5,090
<b>Present Value of Net Minimum Lease Payments</b>	<b>\$ 184,321</b>

Under the 2011 lease for trash trucks, the aggregate cost of the equipment is \$253,757 less accumulated depreciation of \$101,503 results in a carrying value of \$152,254. The interest rate on the lease is 2.23%. The following is a schedule of the future minimum lease payments, together with the net present value of the minimum lease payments as of December 31, 2013:

<b>For The Years Ended December 31</b>	<b>Amount</b>
2014	\$ 53,680
2015	53,680
2016	44,735
Total minimum lease payments	152,095
Less: Amount representing interest	4,838
<b>Present Value of Net Minimum Lease Payments</b>	<b>\$ 147,257</b>

Under the 2011 lease for copiers, the aggregate cost of the equipment is \$127,246 less accumulated depreciation of \$72,106 results in a carrying value of \$55,140. The interest rate on the lease is 0%. The following is a schedule of the future minimum lease payments, together with the net present value of the minimum lease payments as of December 31, 2013:

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

<b>For The Years Ended December 31</b>	<b>Amount</b>
2014	\$ 31,812
2015	10,602
Total minimum lease payments	42,414
Less: Amount representing interest	-
<b>Present Value of Net Minimum Lease Payments</b>	<b>\$ 42,414</b>

Under the 2012 lease for a copier, the aggregate cost of the equipment is \$7,632 less accumulated depreciation of \$2,162 results in a carrying value of \$5,470. The interest rate on the lease is 0%. The following is a schedule of the future minimum lease payments, together with the net present value of the minimum lease payments as of December 31, 2013:

<b>For The Years Ended December 31</b>	<b>Amount</b>
2014	\$ 1,908
2015	1,908
2016	1,113
Total minimum lease payments	4,929
Less: Amount representing interest	-
<b>Present Value of Net Minimum Lease Payments</b>	<b>\$ 4,929</b>

Under the 2012 lease for trash trucks, the aggregate cost of the equipment is \$732,806 less accumulated depreciation of \$112,772 results in a carrying value of \$620,034. The trash trucks were received in 2013. The interest rate on the lease is 4.43%. The following is a schedule of future minimum lease payments, together with the net present value of the minimum lease payments as of December 31, 2013:

<b>For The Years Ended December 31</b>	<b>Amount</b>
2014	\$ 116,075
2015	116,075
2016	116,075
2017	96,731
Total minimum lease payments	444,956
Less: Amount representing interest	14,650
<b>Present Value of Net Minimum Lease Payments</b>	<b>\$ 430,306</b>

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
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Under the 2013 lease for cardio equipment, the aggregate cost of the equipment is \$65,840 less accumulated depreciation of \$0 results in a carrying value of \$65,840. The interest rate on the lease is 2.15%. The following is a schedule of future minimum lease payments, together with the net present value of the minimum lease payments as of December 31, 2013:

<b>For The Years Ended December 31</b>	<b>Amount</b>
2014	\$ 22,682
2015	22,682
2016	18,901
Total minimum lease payments	64,265
Less: Amount representing interest	1,973
<b>Present Value of Net Minimum Lease Payments</b>	<b>\$ 62,292</b>

Under the 2013 leases for copiers, the aggregate cost of the equipment is \$20,436 less accumulated depreciation of \$2,520 results in a carrying value of \$17,916. The interest rate on the lease is 0%. The following is a schedule of the future minimum lease payments, together with the net present value of the minimum lease payments as of December 31, 2013:

<b>For The Years Ended December 31</b>	<b>Amount</b>
2014	\$ 5,109
2015	5,109
2016	5,109
2017	2,867
Total minimum lease payments	18,194
Less: Amount representing interest	-
<b>Present Value of Net Minimum Lease Payments</b>	<b>\$ 18,194</b>

**MODOT State Infrastructure Bank (SIB) Loan**

The City entered into an agreement with the Missouri Transportation Finance Corporation (MTFC) for a direct loan for the purpose of funding construction of Crusher street extension and improvements to Elaine Drive. The MTFC will provide the City with a direct loan in the amount of \$3,075,000 that will be disbursed in three lump sums to the City. \$1,500,000 was received on 11/1/2012, the second deposit of \$500,000 was received on 4/1/2013 and the third deposit of \$1,075,000 was received on 11/1/2013. Principal and interest payments begin in 2013. The interest rate equals 2.69%.

**City of O'Fallon, Missouri**  
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**Due to Other Governmental Entities**

In conjunction with the bonds dated December 1, 1991, a reserve account has been established with a no-interest loan funded with federal capitalization grants and matching funds from the State of Missouri. When fully funded, this loan (reserve account) will be funded in an amount equal to 50% of the outstanding principal amount of such bonds. The reserve account is held in trust. As the principal amount of such bonds is repaid, the amounts held in the reserve account will be reduced such that the reserve account will equal 50% of the remaining principal of such bonds. The bonds matured in 2013.

**10. Conduit Debt Activity**

The City issued Industrial Revenue Bonds during 2002 to provide financial assistance to the private sector entity, CitiMortgage, Inc. Project, for the purpose of acquiring, constructing, and equipping an industrial development project deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. The 2002 Series is structured to pay the principal balance at maturity, December 1, 2033. At December 31, 2013, the principal amount payable for CitiMortgage, Inc. Project was approximately \$78,612,000.

The City issued Industrial Revenue Bonds during 2009 to provide financial assistance to the private sector entity, Firemen's Fund Insurance Project, for the purpose of acquiring, constructing, and equipping an industrial development project deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. The 2009 Series is structured to pay the principal balance at maturity, December 1, 2019. At December 31, 2013, the principal amount payable for Firemen's Fund Insurance Project was approximately \$20,520,000.

The City issued Industrial Revenue Bonds during 2010 to provide financial assistance to the private sector entity, SAK Construction Project, for the purpose of acquiring, constructing, and equipping an industrial development project deemed to be in the public interest. The bonds are secured by the property

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. The 2010A Series is structured to pay the principal balance at maturity, December 1, 2016 and the 2010B Series is structured to pay the principal balance at maturity, December 1, 2025. At December 31, 2013, the principal amount payable for SAK Construction Project was approximately \$3,582,000.

The City issued Industrial Revenue Bonds during 2010 to provide financial assistance to the private sector entity, Centene Construction Project, for the purpose of acquiring, constructing, and equipping an industrial development project deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. The 2010 Series is structured to pay the principal balance at maturity, December 1, 2021. At December 31, 2013, the principal amount payable for Centene Construction Project was approximately \$6,379,759.

**11. Debt Defeasance**

During 2013, the City issued \$17,120,000 of Special Obligation Bonds to refund the 2006A & B COPS, 2008 COPS and 2010 water meter lease. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. As a result, the old debt is considered to be defeased and the liability for this debt issue has been removed from the City's financial statements. The City decreased its aggregated debt service payments by \$1,710,151 over 15 years which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$1,605,376. As of December 31, 2013, \$7,430,000 of this defeased debt is outstanding.

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is considered defeased and, therefore, removed as a liability from the City's financial statements.

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

**12. Debt Requirements**

Cash and cash equivalents and investments restricted at December 31, 2013 are as follows:

	<u>December 31, 2013</u>
Series 2001 Certificates of Participation Reserve	\$ 1,145,563
Series 2008 Certificates of Participation Reserve	1
Series 2009A Certificates of Participation Reserve	522,855
Series 2009B Certificates of Participation Reserve	140,727
	\$ 1,809,146

**Series 2001 Certificates of Participation**

The Series 2001 Certificates of Participation issued require that a separate bond reserve fund be maintained for the payment of principal and interest on the Certificates to the extent of any deficiency in the bond fund for such purpose. At December 31, 2013, the City had met all significant requirements.

**Series 2008 Certificates of Participation**

The Series 2008 Certificates of Participation issued require that a separate bond reserve fund be maintained for the payment of principal and interest on the Certificates to the extent of any deficiency in the bond fund for such purpose. At December 31, 2013, the City had met all significant requirements.

**Series 2009 A & B Certificates of Participation**

The Series 2009 A & B Certificates of Participation issued require that a separate bond reserve fund be maintained for the payment of principal and interest on the Certificates to the extent of any deficiency in the bond fund for such purpose. At December 31, 2013, the City had met all significant requirements.

**13. Interfund Balances and Transfers**

Interfund transfers for the year ended December 31, 2013 are as follows:

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

	<b>Transfers From</b>	<b>Transfers To</b>	<b>Net Transfers</b>
<b>Major Governmental Funds</b>			
General Fund	\$ 48,419	\$ 100,000	\$ 51,581
Street & Road Improvement Fund	5,225	31,905	26,680
Recreation Fund	91,205	-	(91,205)
<b>Nonmajor Governmental Funds</b>			
Transient Guest Tax Fund	412,500	-	(412,500)
CDBG Fund	-	5,225	5,225
<b>Major Enterprise Funds</b>			
Water	-	3,546	3,546
Sewer	3,546	-	(3,546)
Environmental Services	100,000	-	(100,000)
Renaud Spirit Center	-	91,205	91,205
Public Venue Fund	-	429,014	429,014
	<b>\$ 660,895</b>	<b>\$ 660,895</b>	<b>\$ -</b>

Interfund transfers for \$100,000 were to cover the construction of the City monument and landscaping to the entrance of the City from I-64.

Interfund transfers for \$91,205 were for capital improvements at the Renaud Spirit Center.

Interfund transfers for \$412,500 were to cover bond payments and operations for the Public Venue Fund.

**14. Other Required Fund Disclosures**

U.S. generally accepted accounting principles require disclosure, as part of the combined financial statements, of certain information concerning individual funds.

No funds reported deficit fund balance at December 31, 2013.

**15. Commitments and Contingencies**

**Litigation**

The City is a defendant in several lawsuits pertaining to matters that are incidental to performing routine governmental and other functions. It is the opinion of management that there are no legal proceedings that will have a material effect on the City's financial position.

**City of O'Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

**Federal Grants**

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the City's financial position.

**Stadium Lease**

The City entered into an agreement in February 2007 with PS&J Professional Baseball Club, LLC, which was amended in 2009 and 2013. The lease, as amended, provides for rental payments to the City in varying amounts through 2022. The City has an agreement to repay past due amounts owed prior to the 2013 lease amendment over the next 10 years totaling \$122,000. The 2013 rental and debt payment were paid in full.

Future minimum lease payments to be received under the noncancelable lease at December 31, 2013 are as follows:

<u>Year Ending 12/31</u>	<u>Lease Payments</u>	<u>Debt Payment</u>
2014	\$ 50,000	\$ 12,200
2015	50,000	12,200
2016	75,000	12,200
2017	75,000	12,200
2018	100,000	12,200
2019	100,000	12,200
2020	150,000	12,200
2021	150,000	12,200
2022	150,000	12,200
<b>Total</b>	<b>\$ 900,000</b>	<b>\$ 109,800</b>

**16. Future Accounting Pronouncement**

GASB 68, *Accounting and Financial Reporting for Pensions*, will require the City to record UAAL on the government-wide statement of net position. UAAL equals the difference between the total pension liability and the value of assets set aside in a pension plan to pay benefits. GASB 68 may also require changes to the projection of benefit payments and the rate used to discount the projected benefit payments. GASB 68 will be effective for the City for the year ending December 31, 2015.

**City of O’Fallon, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2013**

**17. Municipal Court Revenue**

House Bill 103 amending Section 302.341.2 RSMo became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations. Total court fines and cost revenues for the fiscal year approximated \$857,000. “Annual general operating revenue of the city” is not defined in the amended statute and may or may not include various sources of the City’s revenues. However, the City’s general sales tax revenue alone totaled \$11,064,829. Using the general sales tax as the “annual general operating revenue”, the City’s total traffic violation fines are only 8% of the “annual general operating revenue”, which is substantially below the 30% threshold required of the amended statute. This clearly demonstrates at a minimum that the City in no way exceeded the percentage requirement regardless of how “annual general operating revenue” is calculated.



*REQUIRED SUPPLEMENTARY  
INFORMATION*

City of O'Fallon, Missouri  
Required Supplementary Information  
Budgetary Comparison Information  
Budget Basis – General Fund  
For The Year Ended December 31, 2013

	Budget		Actual	Variance with Final Budget – Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 24,475,267	\$ 24,475,267	\$ 24,139,488	\$ (335,779)
Intergovernmental	217,742	227,742	318,968	91,226
Licenses and permits	927,298	927,298	947,263	19,965
Charges for services	312,295	315,295	404,383	89,088
Fines and forfeitures	1,893,429	1,963,988	1,691,019	(272,969)
Investment earnings	30,000	30,000	5,881	(24,119)
Miscellaneous	309,876	384,107	427,741	43,634
<b>Total Revenues</b>	<b>28,165,907</b>	<b>28,323,697</b>	<b>27,934,743</b>	<b>(388,954)</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>General government:</b>				
Administration	1,118,848	1,118,848	1,042,313	76,535
Economic development	288,308	288,308	280,906	7,402
Public relations	347,427	347,427	328,817	18,610
Information systems	762,669	757,294	735,450	21,844
Communications	475,564	483,064	463,093	19,971
Legal	399,000	1,009,000	1,036,314	(27,314)
Volunteer services	200,471	200,471	193,389	7,082
Finance	1,785,064	1,859,295	1,815,876	43,419
Human resources	2,733,348	2,744,829	2,257,014	487,815
Fleet maintenance	1,146,211	1,146,211	1,080,006	66,205
Facilities maintenance	849,075	859,075	845,371	13,704
Public safety	13,244,962	13,364,650	12,691,294	673,356
<b>Community development:</b>				
Project Management	59,064	59,064	60,366	(1,302)
Engineering	880,200	882,200	900,441	(18,241)
Planning & GIS	590,668	606,668	601,908	4,760
Building	963,397	965,397	942,854	22,543
<b>Parks and recreation:</b>				
Landscaping	860,017	875,828	847,678	28,150
Tourism and festivals	575,162	575,162	559,803	15,359
Municipal court	419,592	419,592	408,550	11,042
<b>Total Expenditures</b>	<b>27,699,047</b>	<b>28,562,383</b>	<b>27,091,443</b>	<b>1,470,940</b>
<b>Revenues Over (Under) Expenditures</b>	<b>466,860</b>	<b>(238,686)</b>	<b>843,300</b>	<b>1,081,986</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from capital lease	-	-	7,728	7,728
Transfers In	60,000	42,987	51,581	8,594
Sale of capital assets	25,500	25,500	55,640	30,140
<b>Total Other Financing Sources (Uses)</b>	<b>85,500</b>	<b>68,487</b>	<b>114,949</b>	<b>46,462</b>
<b>Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>552,360</b>	<b>(170,199)</b>	<b>958,249</b>	<b>1,128,448</b>
<b>Fund Balances</b>				
<b>Budget basis:</b>				
<b>Unreserved:</b>				
Beginning of year	17,857,410	17,857,410	17,857,410	-
<b>Budget Basis, End of Year</b>	<b>\$ 18,409,770</b>	<b>\$ 17,687,211</b>	<b>18,815,659</b>	<b>\$ 1,128,448</b>
<b>Encumbrances, End of Year</b>			<b>240,482</b>	
<b>GAAP Basis, End of Year</b>			<b>\$ 19,056,141</b>	

City of O'Fallon, Missouri  
Required Supplementary Information  
Budgetary Comparison Information  
Budget Basis – Street & Road Improvement Fund  
For The Year Ended December 31, 2013

	Budget		Actual	Variance with Final Budget – Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 8,127,690	\$ 8,127,690	\$ 8,089,333	\$ (38,357)
Intergovernmental	6,159,035	9,228,265	4,967,700	(4,260,565)
Investment earnings	50,000	50,000	25,480	(24,520)
Miscellaneous	1,000	96,426	158,064	61,638
<b>Total Revenues</b>	<b>14,337,725</b>	<b>17,502,381</b>	<b>13,240,577</b>	<b>(4,261,804)</b>
<b>Expenditures</b>				
Current:				
Highways and streets	5,362,086	5,274,027	5,146,216	127,811
Capital outlay	6,551,709	8,146,042	5,073,030	3,073,012
Debt service:				
Principal retirement	2,510,218	2,510,218	2,510,218	-
Interest	875,182	875,182	875,178	4
<b>Total Expenditures</b>	<b>15,299,195</b>	<b>16,805,469</b>	<b>13,604,642</b>	<b>3,200,827</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(961,470)</b>	<b>696,912</b>	<b>(364,065)</b>	<b>(1,060,977)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from loan	-	-	1,575,000	1,575,000
Transfer in	40,000	40,000	31,905	(8,095)
Transfer out	-	(5,225)	(5,225)	-
Sale of capital assets	5,000	5,000	44,833	39,833
<b>Total Other Financing Sources (Uses)</b>	<b>45,000</b>	<b>39,775</b>	<b>1,646,513</b>	<b>1,606,738</b>
<b>Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(916,470)</b>	<b>736,687</b>	<b>1,282,448</b>	<b>545,761</b>
<b>Fund Balances</b>				
Budget basis:				
Reserved:				
Beginning of year	1,696,777	1,696,777	1,696,777	-
<b>Budget Basis, End of Year</b>	<b>\$ 780,307</b>	<b>\$ 2,433,464</b>	<b>2,979,225</b>	<b>\$ 545,761</b>
<b>Encumbrances, End of Year</b>			<b>1,362,906</b>	
<b>GAAP Basis, End of Year</b>			<b>\$ 4,342,131</b>	

City of O'Fallon, Missouri  
Required Supplementary Information  
Budgetary Comparison Information  
Budget Basis - Recreation Fund  
For The Year Ended December 31, 2013

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 4,232,218	\$ 4,130,858	\$ 4,127,609	\$ (3,249)
Intergovernmental	7,250	7,250	7,279	29
Charges for Services	1,045,105	1,045,105	1,003,564	(41,541)
Investment earnings	-	-	1,742	1,742
Miscellaneous	100,000	100,000	102,817	2,817
<b>Total Revenues</b>	<b>5,384,573</b>	<b>5,283,213</b>	<b>5,243,011</b>	<b>(40,202)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Facilities	236,486	236,486	225,296	11,190
Recreation	1,722,718	1,725,718	1,607,790	117,928
Parks	1,886,690	1,890,490	1,867,284	23,206
Capital outlay	1,393,088	1,393,088	888,444	504,644
<b>Debt service:</b>				
Principal retirement	29,625	29,625	29,625	-
Interest	12,574	12,574	12,572	2
<b>Total Expenditures</b>	<b>5,281,181</b>	<b>5,287,981</b>	<b>4,631,011</b>	<b>656,970</b>
<b>Revenues Over (Under) Expenditures</b>	<b>103,392</b>	<b>(4,768)</b>	<b>612,000</b>	<b>616,768</b>
<b>Other Financing Sources (Uses)</b>				
Transfer in	715	715	-	(715)
Transfer out	(46,639)	(91,205)	(91,205)	-
Sale of capital assets	6,000	6,000	535	(5,465)
<b>Total Other Financing Sources (Uses)</b>	<b>(39,924)</b>	<b>(84,490)</b>	<b>(90,670)</b>	<b>(6,180)</b>
<b>Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>63,468</b>	<b>(89,258)</b>	<b>521,330</b>	<b>610,588</b>
<b>Fund Balances</b>				
<b>Budget basis:</b>				
<b>Reserved:</b>				
Beginning of year	3,138,711	3,138,711	3,138,711	-
<b>Budget Basis, End of Year</b>	<b>\$ 3,202,179</b>	<b>\$ 3,049,453</b>	<b>3,660,041</b>	<b>\$ 610,588</b>
<b>Encumbrances, End of Year</b>			<b>413,066</b>	
<b>GAAP Basis, End of Year</b>			<b>\$ 4,073,107</b>	

City of O'Fallon, Missouri  
Required Supplementary Information  
Budgetary Comparison Information  
Budget Basis - Storm Water Fund  
For The Year Ended December 31, 2013

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,219,657	\$ 1,321,017	\$ 1,304,454	\$ (16,563)
Investment earnings	-	-	596	596
Miscellaneous	-	-	65	65
<b>Total Revenues</b>	<b>1,219,657</b>	<b>1,321,017</b>	<b>1,305,115</b>	<b>(15,902)</b>
<b>Expenditures</b>				
<b>Current:</b>				
General Government	641,419	641,419	519,174	122,245
Capital Outlay:	626,500	718,000	581,497	136,503
<b>Debt service:</b>				
Principal retirement	255,000	255,000	255,000	-
Interest	57,120	57,120	57,120	-
<b>Total Expenditures</b>	<b>1,580,039</b>	<b>1,671,539</b>	<b>1,412,791</b>	<b>258,748</b>
Revenues Over (Under) Expenditures	(360,382)	(350,522)	(107,676)	242,846
<b>Other Financing Sources</b>				
Sale of capital assets	-	-	5,513	5,513
Revenues and Other Financing Sources Over (Under) Expenditures	(360,382)	(350,522)	(102,163)	248,359
<b>Fund Balances</b>				
<b>Budget basis:</b>				
<b>Reserved:</b>				
Beginning of year	1,414,028	1,414,028	1,414,028	-
<b>Budget Basis, End of Year</b>	<b>\$ 1,053,646</b>	<b>\$ 1,063,506</b>	<b>1,311,865</b>	<b>\$ 248,359</b>
<b>Encumbrances, End of Year</b>			<b>329,867</b>	
<b>GAAP Basis, End of Year</b>			<b>\$ 1,641,732</b>	

**City of O'Fallon, Missouri**  
**Notes to Budgetary Comparison Information**  
**December 31, 2013**

**Budgetary Process**

The City Council follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

1. Prior to December 31, the City Council appropriates, by ordinance, the annual operating budget for the fiscal year beginning the following January 1 for the General, Special Revenue, Debt Service, and Capital Project Funds. The City Council also adopts, as a management control device only, a budget for the Enterprise Funds.

The City's budgetary process is based upon accounting for certain transactions on a basis other than U.S. generally accepted accounting principles (GAAP). The main difference between the budget and GAAP basis of accounting is that encumbrances are recorded as expenditures for budget purposes. To provide a meaningful comparison of actual results with the budget, the actual results of operations are presented in the budgetary comparison information and the other supplementary information – combining and individual fund financial statements – budget and actual – in accordance with the budget basis of accounting.

2. The legal level of budgetary control lies at the fund level for all of the governmental funds. The City Administrator is authorized to transfer part, or all, of any unexpected budget balance among any departments within these funds. The City Administrator is not authorized to approve expenditures in excess of the adopted budget.
3. The City Council may, by ordinance, make supplemental appropriations for revenues in excess of original budget estimates or reduce appropriations should revenues be insufficient to meet the amount appropriated. State statutes prohibit deficit budgeting by requiring that estimated expenditures for the period do not exceed estimated revenues for the period plus unencumbered budget basis fund balances at the beginning of the period.

For the year ended December 31, 2013, the Sewer Lateral Fund expenditures exceeded appropriations by \$683. These over expenditures were covered by additional current year revenues, available fund balance, or will be recovered by future years' revenues.

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*OTHER SUPPLEMENTARY  
INFORMATION*

City of O'Fallon, Missouri  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2013

Special Revenue Funds

	Police Training	Sewer Lateral Insurance	Transient Guest Tax	Community Development Block Grant	Biometric Verification	Parks & Recreation	Total
<b>Assets</b>							
Cash and investments:							
Unrestricted	\$ 16,392	\$ 303,271	\$ 575,851	\$ -	\$ 84,198	\$ 1,137	\$ 980,849
Receivables:							
Other taxes	-	124,672	51,253	-	-	-	175,925
Other	-	-	-	83,296	-	-	83,296
<b>Total Assets</b>	<b>\$ 16,392</b>	<b>\$ 427,943</b>	<b>\$ 627,104</b>	<b>\$ 83,296</b>	<b>\$ 84,198</b>	<b>\$ 1,137</b>	<b>\$ 1,240,070</b>
<b>Liabilities</b>							
Accounts payable	278	20,681	4,817	22,593	1,431	-	49,800
Accrued wages and leave payable	-	1,583	-	1,882	-	-	3,465
Due to Other Funds	-	-	-	53,382	-	-	53,382
<b>Total Liabilities</b>	<b>278</b>	<b>22,264</b>	<b>4,817</b>	<b>77,857</b>	<b>1,431</b>	<b>-</b>	<b>106,647</b>
<b>Deferred Inflow Of Resources</b>							
Unavailable revenue from property taxes	-	4,036	-	-	-	-	4,036
<b>Fund Balances</b>							
Restricted - externally imposed or law							
CDBG Grant	-	-	-	5,439	-	-	5,439
Sewer Lateral	-	401,643	-	-	-	-	401,643
Public Safety	16,114	-	-	-	82,767	-	98,881
Parks and Recreation	-	-	622,287	-	-	1,137	623,424
<b>Total Fund Balances</b>	<b>16,114</b>	<b>401,643</b>	<b>622,287</b>	<b>5,439</b>	<b>82,767</b>	<b>1,137</b>	<b>1,129,387</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,392</b>	<b>\$ 427,943</b>	<b>\$ 627,104</b>	<b>\$ 83,296</b>	<b>\$ 84,198</b>	<b>\$ 1,137</b>	<b>\$ 1,240,070</b>

**City of O'Fallon, Missouri**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For The Year ended December 31, 2013**

	Special Revenue Funds							Total
	Police Training	Sewer Lateral Insurance	Transient Guest Tax	Community Development Block Grant	Biometric Verification	Parks & Recreation		
<b>Revenues</b>								
Taxes	\$ -	\$ 126,585	\$ 665,779	\$ -	\$ -	\$ 385	\$ 792,749	
Intergovernmental	10,669	-	-	224,642	-	-	235,311	
Fines and forfeitures	22,203	-	-	-	22,056	-	44,259	
Investment earnings	4	116	186	-	26	-	332	
Miscellaneous	5	3,500	15	-	5	-	3,525	
<b>Total Revenues</b>	<b>32,881</b>	<b>130,201</b>	<b>665,980</b>	<b>224,642</b>	<b>22,087</b>	<b>385</b>	<b>1,076,176</b>	
<b>Expenditures</b>								
Current:								
General government	-	149,460	-	-	-	-	149,460	
Community development	-	-	-	206,378	-	-	206,378	
Parks and recreation	-	-	107,311	-	-	-	107,311	
Public safety	30,507	-	-	-	7,196	-	37,703	
Capital outlay	-	-	38,853	18,264	-	-	57,117	
<b>Total Expenditures</b>	<b>30,507</b>	<b>149,460</b>	<b>146,164</b>	<b>224,642</b>	<b>7,196</b>	<b>-</b>	<b>557,969</b>	
<b>Revenues Over (Under) Expenditures</b>	<b>2,374</b>	<b>(19,259)</b>	<b>519,816</b>	<b>-</b>	<b>14,891</b>	<b>385</b>	<b>518,207</b>	
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	5,225	-	-	5,225	
Transfers out	-	-	(412,500)	-	-	-	(412,500)	
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(412,500)</b>	<b>5,225</b>	<b>-</b>	<b>-</b>	<b>(407,275)</b>	
<b>Net Changes in Fund Balances</b>	<b>2,374</b>	<b>(19,259)</b>	<b>107,316</b>	<b>5,225</b>	<b>14,891</b>	<b>385</b>	<b>110,932</b>	
<b>Fund Balances</b>								
Beginning of year	13,740	420,902	514,971	214	67,876	752	1,018,455	
<b>End of Year</b>	<b>\$ 16,114</b>	<b>\$ 401,643</b>	<b>\$ 622,287</b>	<b>\$ 5,439</b>	<b>\$ 82,767</b>	<b>\$ 1,137</b>	<b>\$ 1,129,387</b>	

City of O'Fallon, Missouri  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
 Budget and Actual - Budget Basis - Budgeted Nonmajor Governmental Funds  
 Page 1 of 3  
 For The Year Ended December 31, 2013

	Police Training Fund			Sewer Lateral Insurance			Variance With Final Budget - Positive (Negative)
	Revised Final Budget	Actual	Final Budget - Positive (Negative)	Revised Final Budget	Actual	Final Budget - Positive (Negative)	
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ 123,120	\$ 126,585	\$ 3,465	
Intergovernmental	10,000	10,669	669	-	-	-	
Fines and forfeitures	25,000	22,203	(2,797)	-	-	-	
Investment earnings	-	4	4	-	116	116	
Miscellaneous	-	5	5	7,620	3,500	(4,120)	
<b>Total Revenues</b>	<b>35,000</b>	<b>32,881</b>	<b>(2,119)</b>	<b>130,740</b>	<b>130,201</b>	<b>(539)</b>	
<b>Expenditures</b>							
Current:							
General Government	-	-	-	148,777	149,460	(683)	
Public safety	35,000	30,507	4,493	-	-	-	
<b>Total Expenditures</b>	<b>35,000</b>	<b>30,507</b>	<b>4,493</b>	<b>148,777</b>	<b>149,460</b>	<b>(683)</b>	
<b>Net Changes in Fund Balances</b>	<b>-</b>	<b>2,374</b>	<b>2,374</b>	<b>(18,037)</b>	<b>(19,259)</b>	<b>(1,222)</b>	
<b>Fund Balances</b>							
Budget basis:							
Unreserved:							
Beginning of year	13,740	13,740	-	420,902	420,902	-	
Budget Basis, End of Year	13,740	16,114	2,374	402,865	401,643	(1,222)	
Encumbrances, End of Year	-	-	-	-	-	-	
<b>GAAP Basis, End of Year</b>	<b>\$ 16,114</b>	<b>\$ 16,114</b>	<b>\$ 401,643</b>	<b>\$ 401,643</b>	<b>\$ 401,643</b>	<b>\$ 401,643</b>	

City of O'Fallon, Missouri  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
 Budget and Actual - Budget Basis - Budgeted Nonmajor Governmental Funds

Page 2 of 3

For The Year Ended December 31, 2013

	Transient Guest Tax Fund			Community Development Block Grant Fund			Variance With Final Budget - Positive (Negative)
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Positive (Negative)	
<b>Revenues</b>							
Taxes	\$ 550,000	\$ 665,779	\$ 115,779	\$ -	\$ 224,642	\$ (85,774)	
Intergovernmental	-	-	-	310,416	-	-	
Investment earnings	-	186	186	-	-	-	
Miscellaneous	-	15	15	-	-	-	
<b>Total Revenues</b>	<b>550,000</b>	<b>665,980</b>	<b>115,980</b>	<b>310,416</b>	<b>224,642</b>	<b>(85,774)</b>	
<b>Expenditures</b>							
<b>Current:</b>							
Community Development	-	-	-	297,590	206,378	91,212	
Parks and Recreation	122,500	108,153	14,347	-	-	-	
Capital Outlay	83,000	73,842	9,158	5,225	5,225	-	
<b>Total Expenditures</b>	<b>205,500</b>	<b>181,995</b>	<b>23,505</b>	<b>302,815</b>	<b>211,603</b>	<b>91,212</b>	
<b>Revenues Over (Under) Expenditures</b>	<b>344,500</b>	<b>483,985</b>	<b>139,485</b>	<b>7,601</b>	<b>13,039</b>	<b>5,438</b>	
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	-	-	5,225	5,225	-	
Transfers out	(412,500)	(412,500)	-	-	-	-	
<b>Total Other Financing Sources (Uses)</b>	<b>(412,500)</b>	<b>(412,500)</b>	<b>-</b>	<b>5,225</b>	<b>5,225</b>	<b>-</b>	
<b>Net Changes in Fund Balances</b>	<b>(68,000)</b>	<b>71,485</b>	<b>139,485</b>	<b>12,826</b>	<b>18,264</b>	<b>5,438</b>	
<b>Fund Balances</b>							
Budget basis:							
Unreserved:							
Beginning of year	514,971	514,971	-	(12,825)	(12,825)	-	
Budget Basis, End of Year	446,971	586,456	139,485	1	5,439	5,438	
Encumbrances, End of Year		35,831					
<b>GAAP Basis, End of Year</b>	<b>\$ 622,287</b>	<b>\$ 622,287</b>	<b>\$ -</b>	<b>\$ 5,439</b>	<b>\$ 5,439</b>	<b>\$ -</b>	

City of O'Fallon, Missouri  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
 Budget and Actual - Budget Basis - Budgeted Nonmajor Governmental Funds  
 Page 3 of 3  
 For The Year Ended December 31, 2013

	Biometric Verification Fund				Parks & Recreation Fund			
	Revised Final Budget	Actual	Positive Final Budget - Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Positive Final Budget - Actual	Variance With Final Budget - Positive (Negative)
<b>Revenues</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 201	\$ 385	\$ -	\$ 184
Fines and forfeitures	25,000	22,056	(2,944)	-	-	-	-	-
Investment earnings	-	26	26	-	-	-	-	-
Miscellaneous	-	5	5	-	-	-	-	-
<b>Total Revenues</b>	<b>25,000</b>	<b>22,087</b>	<b>(2,913)</b>	<b>201</b>	<b>201</b>	<b>385</b>	<b>184</b>	<b>184</b>
<b>Expenditures</b>								
Current:								
Public Safety	21,100	7,196	13,904	-	-	-	-	-
<b>Revenues Over (Under) Expenditures</b>	<b>3,900</b>	<b>14,891</b>	<b>10,991</b>	<b>10,991</b>	<b>201</b>	<b>385</b>	<b>184</b>	<b>184</b>
<b>Other Financing Sources (Uses)</b>								
Transfers out	-	-	-	-	(715)	-	715	-
<b>Net Changes in Fund Balances</b>	<b>3,900</b>	<b>14,891</b>	<b>10,991</b>	<b>10,991</b>	<b>(514)</b>	<b>385</b>	<b>899</b>	<b>899</b>
<b>Fund Balances</b>								
Budget basis:								
Unreserved:								
Beginning of year	67,876	67,876	-	-	752	752	-	-
Budget Basis, End of Year	71,776	82,767	10,991	10,991	238	1,137	899	899
Encumbrances, End of Year	-	-	-	-	-	-	-	-
<b>GAAP Basis, End of Year</b>	<b>\$ 82,767</b>	<b>\$ 82,767</b>	<b>\$ 1,137</b>	<b>\$ 1,137</b>	<b>\$ -</b>	<b>\$ 1,137</b>	<b>\$ -</b>	<b>\$ 1,137</b>

City of O'Fallon, Missouri  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Budget Basis - Debt Service Fund  
For The Year Ended December 31, 2013

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 2,978,908	\$ 2,978,908	\$ 3,142,306	\$ 163,398
Investment earnings	5,000	5,000	1,093	(3,907)
<b>Total Revenues</b>	<b>2,983,908</b>	<b>2,983,908</b>	<b>3,143,399</b>	<b>159,491</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	5,100	5,100	1,464	3,636
<b>Debt service:</b>				
Principal repayment	2,480,000	2,480,000	2,480,000	-
Interest	1,057,463	1,057,463	1,057,463	-
<b>Total Expenditures</b>	<b>3,542,563</b>	<b>3,542,563</b>	<b>3,538,927</b>	<b>3,636</b>
<b>Net Change in Fund Balances</b>	<b>(558,655)</b>	<b>(558,655)</b>	<b>(395,528)</b>	<b>163,127</b>
<b>Fund Balances</b>				
<b>Budget basis</b>				
<b>Reserved:</b>				
Beginning of year	5,738,518	5,738,518	5,738,518	-
<b>Budget Basis, End of Year</b>	<b>\$ 5,179,863</b>	<b>\$ 5,179,863</b>	<b>5,342,990</b>	<b>\$ 163,127</b>
<b>Encumbrances, End of Year</b>			<b>-</b>	
<b>GAAP Basis, End of Year</b>			<b>\$ 5,342,990</b>	

**City of O'Fallon, Missouri**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For The Year Ended December 31, 2013**

	Balance December 31, 2012		Additions		Deletions		Balance December 31, 2013
<b><u>Waterbury Storm CID</u></b>							
<b>Assets</b>							
Cash	\$ 1,010	\$	1	\$	-	\$	1,011
Accounts receivable	4,380		-		4,380		-
<b>Total Assets</b>	<b>\$ 5,390</b>	<b>\$</b>	<b>1</b>	<b>\$</b>	<b>4,380</b>	<b>\$</b>	<b>1,011</b>
<b>Liabilities</b>							
Due to Waterbury Storm CID	\$ 5,390	\$	1	\$	4,380	\$	1,011
<b>Total Liabilities</b>	<b>\$ 5,390</b>	<b>\$</b>	<b>1</b>	<b>\$</b>	<b>4,380</b>	<b>\$</b>	<b>1,011</b>

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# Statistics

2013 Comprehensive Annual Financial Report

City of O'Fallon, Missouri

## Statistical Section

This part of the City of O'Fallon's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	82-87
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax and sales tax.	88-92
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	93-97
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	98-99
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	100-102

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GAS B Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of O'Fallon, Missouri  
Net Position by Component  
Last Ten Fiscal Years  
Accrual Basis of Accounting

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
Net Investment of capital assets	\$ -	\$ 10,493,277	\$ 9,917,334	\$ 22,625,334	\$ 44,824,290	\$ 53,073,876	\$ 60,791,444	\$ 68,770,758	\$ 73,702,113	\$ 84,854,451
Restricted	10,019,969	22,975,022	24,308,535	23,261,289	24,035,056	22,253,210	17,287,632	24,251,770	25,276,620	23,510,783
Unrestricted	5,089,023	6,308,265	9,041,538	10,849,176	9,062,558	13,239,724	17,205,529	10,059,082	11,332,948	18,520,633
<b>Total Governmental Activities Net Position</b>	<b>\$ 15,108,992</b>	<b>\$ 39,776,564</b>	<b>\$ 43,267,427</b>	<b>\$ 56,755,799</b>	<b>\$ 77,921,904</b>	<b>\$ 88,548,820</b>	<b>\$ 95,284,605</b>	<b>\$ 103,081,610</b>	<b>\$ 110,311,681</b>	<b>\$ 126,885,867</b>
<b>Business-Type Activities</b>										
Net Investment of capital assets	\$ 11,718,743	\$ 15,627,050	\$ 26,920,352	\$ 29,043,702	\$ 22,861,070	\$ 24,039,067	\$ 30,911,877	\$ 34,385,628	\$ 39,562,032	\$ 45,273,367
Restricted	4,723,678	9,620,432	5,953,370	5,903,450	14,861,994	15,860,188	13,162,981	8,043,429	4,491,262	983,840
Unrestricted	10,571,560	4,588,774	9,809,921	9,563,481	8,078,920	10,679,099	10,999,618	14,519,950	13,494,178	13,290,702
<b>Total Business-Type Activities Net Position</b>	<b>\$ 27,013,981</b>	<b>\$ 29,836,256</b>	<b>\$ 42,685,643</b>	<b>\$ 44,512,633</b>	<b>\$ 45,801,984</b>	<b>\$ 50,578,354</b>	<b>\$ 55,074,476</b>	<b>\$ 56,949,007</b>	<b>\$ 57,547,472</b>	<b>\$ 59,547,909</b>
<b>Primary Government</b>										
Net Investment of capital assets	\$ 11,718,743	\$ 26,120,327	\$ 36,837,686	\$ 63,639,658	\$ 63,266,167	\$ 77,112,943	\$ 91,703,321	\$ 103,156,386	\$ 113,264,145	\$ 130,127,818
Restricted	14,743,647	32,595,454	30,263,925	29,164,739	38,897,050	38,095,398	30,450,613	32,295,199	29,767,882	24,494,623
Unrestricted	15,660,583	10,897,039	18,851,459	20,414,657	17,141,478	23,918,833	28,205,147	24,579,032	24,827,126	31,811,355
<b>Total Primary Government Net Position</b>	<b>\$ 42,122,973</b>	<b>\$ 69,612,820</b>	<b>\$ 85,953,070</b>	<b>\$ 113,219,054</b>	<b>\$ 119,304,695</b>	<b>\$ 139,127,174</b>	<b>\$ 150,359,081</b>	<b>\$ 160,030,617</b>	<b>\$ 167,859,153</b>	<b>\$ 186,433,776</b>

City of O'Fallon, Missouri  
Changes in Net Position  
Last Ten Fiscal Years  
Accrual Basis of Accounting

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 7,961,544	\$ 13,620,802	\$ 9,213,858	\$ 10,851,428	\$ 11,830,133	\$ 9,824,376	\$ 12,050,421	\$ 12,176,877	\$ 14,492,684	\$ 12,562,564
Public safety	9,129,922	9,336,614	9,863,027	10,507,629	11,026,658	11,371,519	11,670,576	11,842,453	11,967,365	12,490,544
Highways and streets	4,977,965	4,029,539	5,288,765	6,232,449	8,297,404	7,440,583	7,520,942	8,791,469	8,779,301	11,385,901
Community development	2,545,389	2,255,948	2,542,462	2,710,472	2,919,583	2,862,339	2,934,448	2,500,168	2,588,611	2,639,234
Parks and recreation	4,851,622	5,812,659	4,428,452	4,545,407	5,120,974	4,792,267	4,783,669	4,858,132	5,078,873	5,322,799
Municipal court	216,232	301,599	360,033	408,997	465,704	439,415	387,866	391,789	389,551	411,421
Interest on long-term debt	3,511,891	4,396,551	4,943,260	5,281,797	4,464,381	3,939,462	3,266,353	3,237,204	2,690,466	2,328,519
<b>Total Governmental Activities Expenses</b>	<b>33,194,565</b>	<b>39,753,732</b>	<b>36,639,857</b>	<b>40,538,179</b>	<b>44,124,837</b>	<b>40,669,961</b>	<b>42,614,275</b>	<b>43,798,092</b>	<b>45,986,851</b>	<b>47,160,982</b>
<b>Business-Type Activities</b>										
Water	5,957,824	4,071,761	4,157,069	4,448,417	4,419,802	3,941,437	3,862,013	4,280,128	4,966,635	4,891,943
Sewer	3,805,690	6,003,669	6,106,315	6,020,412	6,093,316	5,643,528	6,510,469	6,843,295	6,791,346	7,029,113
Environmental services	3,620,169	3,650,420	3,612,537	4,067,771	3,712,504	3,637,368	3,918,999	4,173,979	4,019,191	3,984,801
Renaud Spirit Center	-	-	1,701,769	1,824,010	1,989,884	2,086,691	2,198,121	2,082,716	2,229,539	2,186,347
Public venue	590,211	581,120	769,865	645,915	549,671	578,160	567,706	534,896	521,451	647,354
<b>Total Business-Type Activities Expenses</b>	<b>13,973,894</b>	<b>14,306,970</b>	<b>16,347,555</b>	<b>17,006,525</b>	<b>16,765,177</b>	<b>15,887,184</b>	<b>17,057,308</b>	<b>17,915,014</b>	<b>18,528,182</b>	<b>18,739,558</b>
<b>Total Primary Government Expenses</b>	<b>\$ 47,168,459</b>	<b>\$ 54,060,702</b>	<b>\$ 52,987,412</b>	<b>\$ 57,544,704</b>	<b>\$ 60,890,014</b>	<b>\$ 56,557,145</b>	<b>\$ 59,671,583</b>	<b>\$ 61,713,106</b>	<b>\$ 64,515,033</b>	<b>\$ 65,900,540</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charges for service</b>										
General government	\$ 59,624	\$ 68,994	\$ 251,727	\$ 110,142	\$ 143,443	\$ 108,103	\$ 116,483	\$ 119,393	\$ 184,584	\$ 148,591
Public safety	36,068	46,559	17,746	-	-	94,229	160,487	161,928	31,963	27,750
Community development	1,428,169	1,852,104	1,989,860	1,628,280	1,185,227	1,018,439	1,152,925	804,926	1,065,345	1,028,610
Parks and recreation	1,297,287	2,126,525	870,151	1,087,896	988,441	1,053,468	1,144,262	1,270,473	1,212,487	1,150,258
Municipal court	1,687,466	1,749,704	1,985,589	1,703,148	1,801,769	1,776,014	1,646,361	1,946,745	1,912,044	1,844,885
Operating grants and contributions	291,147	541,792	526,136	448,926	449,984	489,331	951,205	1,237,034	768,008	814,921
Capital grants and contributions	7,647,446	4,259,147	8,526,693	11,099,080	11,458,446	12,762,204	6,877,840	6,377,277	6,610,148	11,646,619
<b>Total Governmental Activities Program Revenues</b>	<b>12,447,207</b>	<b>10,644,825</b>	<b>14,167,902</b>	<b>16,077,472</b>	<b>16,027,310</b>	<b>17,301,788</b>	<b>12,049,563</b>	<b>11,917,776</b>	<b>11,784,579</b>	<b>16,661,634</b>
<b>Business-Type Activities</b>										
<b>Charges for service</b>										
Water	\$ 6,478,143	\$ 4,236,275	\$ 4,969,603	\$ 4,431,010	\$ 3,744,110	\$ 3,781,577	\$ 4,569,665	\$ 4,335,461	\$ 5,067,517	\$ 4,761,475
Sewer	3,719,443	5,425,013	6,131,070	5,566,978	6,194,023	8,512,336	9,020,008	8,473,688	7,324,794	7,616,609
Environmental Services	3,432,478	3,681,486	3,695,392	4,230,046	4,256,852	4,253,279	4,342,768	4,483,106	4,211,007	4,419,768
Renaud Spirit Center	53,870	241,199	1,469,372	1,599,356	1,738,826	1,788,979	1,889,540	1,965,010	1,928,922	1,860,924
Public Venue	-	-	171,910	172,653	206,657	108,169	149,011	231,964	146,456	182,106
Operating grants and contributions	-	-	-	24,231	2,815	3,510	25,036	-	-	-
Capital grants and contributions	1,867,258	2,523,236	788,351	1,417,793	518,081	1,515,172	999,712	411,556	680,264	1,310,745
<b>Total Business-Type Activities Program Revenues</b>	<b>15,551,192</b>	<b>16,107,209</b>	<b>17,225,698</b>	<b>17,442,067</b>	<b>16,661,364</b>	<b>19,963,022</b>	<b>20,995,740</b>	<b>19,900,785</b>	<b>19,358,960</b>	<b>20,151,627</b>
<b>Total Primary Governmental Program Revenues</b>	<b>\$ 27,998,399</b>	<b>\$ 26,752,034</b>	<b>\$ 31,393,600</b>	<b>\$ 33,519,539</b>	<b>\$ 32,688,674</b>	<b>\$ 37,264,810</b>	<b>\$ 33,045,303</b>	<b>\$ 31,818,561</b>	<b>\$ 31,143,539</b>	<b>\$ 36,813,261</b>
<b>Net (Expense)/Revenue</b>	<b>\$ (20,747,358)</b>	<b>\$ (29,108,907)</b>	<b>\$ (22,471,955)</b>	<b>\$ (24,460,707)</b>	<b>\$ (28,097,527)</b>	<b>\$ (23,368,173)</b>	<b>\$ (30,564,712)</b>	<b>\$ (31,880,316)</b>	<b>\$ (34,202,272)</b>	<b>\$ (30,499,348)</b>
<b>Governmental Activities</b>	<b>1,577,298</b>	<b>1,800,239</b>	<b>878,143</b>	<b>435,542</b>	<b>(103,813)</b>	<b>4,075,838</b>	<b>3,938,432</b>	<b>1,985,771</b>	<b>830,778</b>	<b>1,412,069</b>
<b>Business-Type Activities</b>	<b>(19,170,060)</b>	<b>(27,308,668)</b>	<b>(21,593,812)</b>	<b>(24,025,165)</b>	<b>(28,201,340)</b>	<b>(19,292,335)</b>	<b>(26,626,280)</b>	<b>(29,894,545)</b>	<b>(33,371,494)</b>	<b>(29,087,279)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
<b>Taxes:</b>										
Property tax	\$ 9,254,281	\$ 10,950,579	\$ 11,327,636	\$ 11,968,958	\$ 10,096,818	\$ 10,459,668	\$ 8,236,247	\$ 7,775,961	\$ 9,374,106	\$ 9,021,961
Sales tax	15,304,539	17,963,371	17,758,834	17,830,992	17,444,847	20,157,649	20,931,831	22,277,141	24,450,947	24,586,225
Franchise and public service taxes	4,072,856	4,386,468	4,934,511	5,568,575	8,494,004	6,737,104	7,123,949	8,151,613	7,626,786	7,977,264
Investment earnings	360,386	620,248	1,726,723	2,304,865	1,275,818	925,437	707,151	245,969	53,134	35,124
Other revenues	1,080,093	437,253	314,766	918,247	809,464	549,498	643,446	723,521	828,192	5,873,179
Transfers	(110,000)	(127,500)	(11,162,503)	(662,538)	(300,000)	(540,425)	(342,127)	503,116	(293,750)	(420,219)
<b>Total Governmental Activities</b>	<b>29,962,155</b>	<b>34,230,419</b>	<b>24,899,967</b>	<b>37,929,079</b>	<b>37,820,951</b>	<b>38,288,931</b>	<b>37,300,497</b>	<b>39,677,321</b>	<b>42,039,416</b>	<b>47,073,534</b>
<b>Business-Type Activities</b>										
<b>Grants and contributions not restricted to specific programs</b>										
Investment earnings	355,829	453,707	710,441	728,890	438,303	256,853	184,853	197,324	97,189	78,720
Other revenues	266,051	-	-	-	146,920	28,605	30,710	40,777	14,483	89,429
Transfers	110,000	127,500	11,162,503	662,538	300,000	540,425	342,127	(503,116)	293,750	420,219
<b>Total Business-Type Activities</b>	<b>731,880</b>	<b>581,207</b>	<b>11,872,944</b>	<b>1,391,448</b>	<b>885,223</b>	<b>825,883</b>	<b>557,690</b>	<b>(111,240)</b>	<b>604,490</b>	<b>588,368</b>
<b>Total Primary Government</b>	<b>\$ 30,694,035</b>	<b>\$ 34,811,626</b>	<b>\$ 36,772,911</b>	<b>\$ 39,320,527</b>	<b>\$ 38,706,174</b>	<b>\$ 39,114,814</b>	<b>\$ 37,858,187</b>	<b>\$ 39,566,081</b>	<b>\$ 42,643,906</b>	<b>\$ 47,661,902</b>
<b>Change in Net Position</b>	<b>\$ 9,214,797</b>	<b>\$ 5,121,512</b>	<b>\$ 2,428,012</b>	<b>\$ 13,468,372</b>	<b>\$ 9,723,424</b>	<b>\$ 14,920,758</b>	<b>\$ 6,735,785</b>	<b>\$ 7,797,005</b>	<b>\$ 7,837,144</b>	<b>\$ 16,574,186</b>
<b>Governmental Activities</b>	<b>2,309,178</b>	<b>2,381,446</b>	<b>12,751,087</b>	<b>1,826,990</b>	<b>781,410</b>	<b>4,901,721</b>	<b>4,496,122</b>	<b>1,874,531</b>	<b>1,453,268</b>	<b>2,000,437</b>
<b>Business-Type Activities</b>	<b>11,523,975</b>	<b>7,502,958</b>	<b>15,179,099</b>	<b>15,295,362</b>	<b>10,504,834</b>	<b>19,822,479</b>	<b>11,231,907</b>	<b>9,671,536</b>	<b>9,272,412</b>	<b>18,574,623</b>

City of O'Fallon, Missouri  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
*Modified Accrual Basis of Accounting*

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011**	2012	2013
General Fund										
Reserved	\$ 1,448,122	\$ 1,365,299	\$ 1,346,920	\$ 489,821	\$ 1,895,034	\$ 1,355,393	\$ 1,326,495	n/a	n/a	n/a
Unreserved	6,176,786	8,554,403	9,448,353	11,492,137	12,059,421	11,767,912	13,043,268	n/a	n/a	n/a
Nonspendable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	357,947	371,481	363,309
Restricted	n/a	n/a	n/a	n/a	n/a	n/a	n/a	253,541	218,578	196,578
Committed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	652,589	173,920	965,500
Assigned	n/a	n/a	n/a	n/a	n/a	n/a	n/a	48,841	142,672	189,982
Unassigned	n/a	n/a	n/a	n/a	n/a	n/a	n/a	14,972,408	17,117,352	17,340,772
<b>Total General Fund</b>	<b>\$ 7,624,908</b>	<b>\$ 9,919,702</b>	<b>\$ 10,795,273</b>	<b>\$ 11,981,958</b>	<b>\$ 13,954,455</b>	<b>\$ 13,103,305</b>	<b>\$ 14,369,763</b>	<b>\$ 16,285,326</b>	<b>\$ 18,024,003</b>	<b>\$ 19,056,141</b>
All Other Governmental Funds										
Reserved	\$ 9,232,733	\$ 27,073,141	\$ 28,743,725	\$ 42,744,904	\$ 27,600,337	\$ 25,767,191	\$ 26,558,869	n/a	n/a	n/a
Unreserved, reported in										
Special Revenue Fund	231,412	404,949	1,791,794	1,265,918	1,047,440	5,018,873	3,924,334	n/a	n/a	n/a
Capital Projects Fund	361,893	(8,277)	205,899	254,175	12,331	-	-	n/a	n/a	n/a
Nonspendable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	101,000	102,779	104,668
Restricted	n/a	n/a	n/a	n/a	n/a	n/a	n/a	14,618,685	15,909,160	16,424,679
<b>Total All Other Governmental Funds</b>	<b>\$ 9,826,038</b>	<b>\$ 27,469,813</b>	<b>\$ 30,741,418</b>	<b>\$ 44,264,997</b>	<b>\$ 28,660,108</b>	<b>\$ 30,786,064</b>	<b>\$ 30,484,203</b>	<b>\$ 14,719,685</b>	<b>\$ 16,011,939</b>	<b>\$ 16,529,347</b>

\*\*\*CASB 5.4 was adopted in 2011, which changed the fund balance categories

City of Fallon, Missouri  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
Modified Accrual Basis of Accounting

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 28,672,937	\$ 32,812,937	\$ 33,988,342	\$ 35,084,561	\$ 36,406,531	\$ 37,198,460	\$ 36,307,133	\$ 38,198,627	\$ 41,513,203	\$ 41,593,939
Intergovernmental	7,938,593	3,695,955	2,881,466	4,870,460	10,428,104	6,923,299	4,311,569	5,383,805	3,602,583	5,229,258
Licenses and permits	1,448,706	1,502,555	1,802,744	1,374,335	945,880	915,809	981,681	754,983	954,876	947,263
Charges for services	1,330,380	2,531,302	1,236,239	1,390,394	1,371,231	1,294,775	1,452,333	1,453,026	1,518,210	1,407,947
Fines and forfeitures	1,709,528	1,783,503	1,879,336	1,824,454	1,866,841	1,763,427	1,637,917	2,031,241	1,733,278	1,753,278
Investment earnings	360,386	620,248	1,503,333	2,084,960	1,534,839	925,437	730,863	406,531	53,134	33,124
Miscellaneous	1,170,443	1,124,122	371,969	901,674	783,088	507,390	623,104	723,521	772,929	692,212
<b>Total Revenues</b>	<b>42,650,973</b>	<b>44,096,632</b>	<b>43,683,429</b>	<b>47,530,898</b>	<b>53,336,514</b>	<b>49,528,597</b>	<b>46,244,642</b>	<b>49,157,654</b>	<b>50,286,295</b>	<b>51,943,021</b>
<b>Expenditures</b>										
General government	7,932,389	8,775,969	7,531,351	7,793,739	8,441,667	8,312,320	8,700,735	8,374,688	8,162,538	9,415,072
Public safety	8,682,038	9,064,121	9,385,496	10,310,364	10,764,057	11,178,931	11,214,135	11,457,088	11,467,998	11,970,534
Highways and streets	11,857,977	2,173,501	3,487,472	4,054,439	4,353,931	4,229,866	4,196,277	5,093,002	4,920,225	5,090,584
Community development	2,540,890	2,229,466	2,529,738	2,690,006	2,881,744	2,807,987	2,866,484	2,453,484	2,543,125	2,593,828
Parks and recreation	4,378,594	5,126,467	4,052,115	4,187,359	4,700,156	4,417,328	4,396,378	4,462,410	4,629,908	4,830,589
Municipal court	212,035	300,362	357,538	397,422	448,024	418,697	376,941	390,772	388,695	408,550
Capital outlay	5,144,396	4,991,143	3,388,714	8,306,488	9,875,027	8,659,069	4,274,057	10,596,102	8,071,201	9,320,934
Debt service										
Principal retirement	4,748,100	3,913,100	3,538,100	3,798,100	20,971,400	4,231,400	6,656,400	16,861,400	4,922,400	5,959,843
Interest	4,121,976	4,021,255	4,445,565	4,674,364	4,353,083	3,787,741	3,284,837	2,829,295	2,141,736	2,072,571
Bond issue costs	134,695	81,969	-	197,537	-	166,239	-	97,550	46,568	-
<b>Total Expenditures</b>	<b>49,933,120</b>	<b>40,687,353</b>	<b>38,896,109</b>	<b>46,409,818</b>	<b>66,879,089</b>	<b>48,209,578</b>	<b>45,966,244</b>	<b>62,601,791</b>	<b>47,314,394</b>	<b>51,662,505</b>
<b>Revenues Over (Under)</b>	<b>(7,302,147)</b>	<b>3,409,279</b>	<b>4,787,320</b>	<b>1,121,080</b>	<b>(13,542,579)</b>	<b>1,319,019</b>	<b>278,398</b>	<b>(13,444,137)</b>	<b>2,973,901</b>	<b>280,516</b>
<b>Expenditures</b>										
Other Financing Sources (Uses)										
Transfers in	1,296,596	661,922	1,862,071	697,950	1,032,345	18,435	554,000	1,208,076	1,330,000	88,711
Transfers out	(1,406,596)	(783,422)	(2,532,884)	(1,360,508)	(1,332,345)	(538,860)	(886,127)	(704,960)	(1,623,750)	(908,930)
Payment from Waterbury CID	-	-	-	-	-	-	-	20,063	20,258	-
Sale of capital assets	-	-	13,298	200,407	62,183	46,765	28,326	54,478	53,263	106,521
General obligation bond proceeds	8,505,000	17,231,177	-	13,997,902	-	-	-	-	-	-
Special obligation bond proceeds	-	-	-	-	-	13,255,000	-	6,160,000	5,925,375	-
Premium	-	-	-	-	-	88,184	-	57,360	49,620	-
Payment to Escrow Agent	(8,318,139)	-	-	-	-	(13,893,737)	-	(7,310,554)	(7,197,736)	-
Loan proceeds	-	-	-	-	-	-	-	-	1,500,000	1,575,000
Capital lease proceeds	-	-	-	53,433	148,000	-	-	110,719	-	7,728
<b>Total Other Financing Sources (Uses)</b>	<b>76,861</b>	<b>17,103,677</b>	<b>(657,515)</b>	<b>13,389,184</b>	<b>(89,817)</b>	<b>955,787</b>	<b>(313,801)</b>	<b>(404,818)</b>	<b>57,030</b>	<b>1,269,030</b>
<b>Net Change In Fund Balances</b>	<b>(7,225,286)</b>	<b>20,512,956</b>	<b>4,129,805</b>	<b>14,710,264</b>	<b>(13,632,392)</b>	<b>2,274,806</b>	<b>(63,403)</b>	<b>(13,948,955)</b>	<b>3,030,931</b>	<b>1,549,546</b>
<b>Debt Service as a percentage of non-capital expenditures</b>	<b>23.1%</b>	<b>20.1%</b>	<b>22.2%</b>	<b>21.3%</b>	<b>42.6%</b>	<b>20.2%</b>	<b>23.4%</b>	<b>36.3%</b>	<b>16.8%</b>	<b>18.1%</b>

City of O'Fallon, Missouri  
 Program Revenues by Function/Program  
 Last Ten Fiscal Years  
 Accrual Basis of Accounting

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
General government	\$ 263,469	\$ 539,426	\$ 595,212	\$ 345,396	\$ 145,311	\$ 110,042	\$ 2,256,323	\$ 732,023	\$ 185,728	\$ 3,075,170
Public safety	44,807	220,899	200,397	121,744	224,184	363,171	542,538	548,389	244,211	431,093
Highways and streets	7,647,446	4,156,167	8,526,693	11,189,758	11,458,446	12,767,985	4,838,419	5,934,746	6,805,764	8,899,696
Community development	1,506,732	1,852,104	1,989,860	1,628,280	1,409,159	1,197,558	1,601,005	1,229,341	1,406,695	1,253,233
Parks and recreation	1,297,287	2,126,525	870,151	1,089,146	988,441	1,087,218	1,164,917	1,526,532	1,230,137	1,157,537
Municipal court	1,687,466	1,749,704	1,985,589	1,703,148	1,801,769	1,776,014	1,646,361	1,946,745	1,912,044	1,844,885
Subtotal Governmental Activities	12,447,207	10,644,825	14,167,902	16,077,472	16,027,310	17,301,788	12,049,563	11,917,776	11,784,579	16,661,634
<b>Business-Type Activities</b>										
Water	8,200,454	4,364,845	5,137,084	4,996,811	3,873,788	4,239,393	4,656,743	4,576,331	5,367,829	5,203,670
Sewer	3,864,390	7,816,679	6,751,940	6,409,986	6,457,691	9,569,692	9,698,593	8,633,016	7,703,043	8,483,060
Environmental services	3,432,478	3,681,486	3,695,392	4,254,277	4,384,402	4,256,789	4,576,918	4,483,106	4,211,007	4,419,768
Renaud Spirit Center	-	-	1,469,372	1,599,356	1,738,826	1,788,979	1,914,475	1,976,368	1,930,625	1,863,023
Public venue	53,870	241,199	171,910	181,637	206,657	108,169	149,011	231,964	146,456	182,106
Subtotal Business-Type Activities	15,551,192	16,104,209	17,225,698	17,442,067	16,661,364	19,963,022	20,995,740	19,900,785	19,358,960	20,151,627
<b>Total Primary Government</b>	<b>\$ 27,998,399</b>	<b>\$ 26,749,034</b>	<b>\$ 31,393,600</b>	<b>\$ 33,519,539</b>	<b>\$ 32,688,674</b>	<b>\$ 37,264,810</b>	<b>\$ 33,045,303</b>	<b>\$ 31,818,561</b>	<b>\$ 31,143,539</b>	<b>\$ 36,813,261</b>

**City of O'Fallon, Missouri**  
**Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**Modified Accrual Basis of Accounting**

Fiscal Year	Property	Sales	Franchise & Public Service	Total
2004	\$ 9,295,542	\$ 16,953,359	\$ 2,424,036	\$ 28,672,937
2005	10,466,940	17,703,937	4,642,060	32,812,937
2006	11,294,997	17,758,834	4,934,511	33,988,342
2007	11,684,994	17,830,992	5,568,575	35,084,561
2008	10,467,680	17,444,847	8,494,004	36,406,531
2009	10,303,708	20,157,648	6,737,104	37,198,460
2010	8,451,187	20,932,017	7,123,949	36,507,153
2011	7,769,874	22,277,140	8,151,613	38,198,627
2012	9,435,469	24,450,948	7,626,787	41,513,203
2013	9,032,450	24,586,225	7,977,264	41,595,939
<b>Change 2004-2013</b>	<b>-3%</b>	<b>45%</b>	<b>229%</b>	<b>45%</b>

**City of O'Fallon, Missouri**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property	Personal Property	Railroad & Utility	Total Assessed Value	Total Direct Tax Rate	Total Estimated Actual Value
2004	\$ 877,185,760	\$ 187,611,084	\$ 15,694,166	\$ 1,080,491,010	0.8200	\$ 4,848,417,694
2005	1,072,976,100	213,663,158	16,918,147	1,303,557,405	0.7850	5,799,946,064
2006	1,154,004,950	225,405,005	17,935,445	1,397,345,400	0.7850	6,221,991,637
2007	1,305,217,140	242,914,750	18,043,555	1,566,175,445	0.7433	7,004,432,643
2008	1,359,283,677	242,763,885	18,180,116	1,620,227,678	0.6164	7,254,416,771
2009	1,283,827,630	229,404,127	19,254,377	1,532,486,134	0.6164	6,842,731,437
2010	1,307,567,116	227,626,579	19,650,903	1,554,844,598	0.4838	6,959,053,642
2011	1,262,616,275	241,631,480	22,014,110	1,526,261,865	0.4838	6,805,064,154
2012	1,271,462,525	266,973,006	21,879,066	1,560,314,597	0.5512	6,932,205,848
2013	1,219,256,962	271,875,981	23,977,251	1,515,110,194	0.5512	6,703,939,098

Source: St. Charles County Assessor

Reassessments are currently performed every odd-numbered year. Residential property assessed valuation equals 19% of appraised value, agricultural equals 12%, and commercial and industrial equals 32%. Personal property is valued as one-third of the properties' market value.

City of O'Fallon, Missouri  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 Rate per \$1,000 of Assessed Value

Taxing Authority	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
City of O'Fallon (1)										
General	\$ 0.3562	\$ 0.3562	\$ 0.3562	\$ 0.3562	\$ 0.3553	\$ 0.3324	\$ 0.3324	\$ 0.3483	\$ 0.3483	\$ 0.3750
Parks	-	-	-	-	-	-	0.1209	0.1267	0.1267	0.1350
Debt	0.1950	0.1950	0.1276	0.1276	0.2611	0.2840	0.2900	0.3100	0.3100	0.3100
<b>Total City of O'Fallon</b>	<b>0.5512</b>	<b>0.5512</b>	<b>0.4838</b>	<b>0.4838</b>	<b>0.6164</b>	<b>0.6164</b>	<b>0.7433</b>	<b>0.7850</b>	<b>0.7850</b>	<b>0.8200</b>
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
St. Charles County	0.0016	0.0016	0.0016	0.0016	0.0016	0.0020	0.0020	0.0025	0.0030	0.0040
St. Charles County Road and Bridge	0.2025	0.2025	0.2025	0.2025	0.2025	0.2025	0.2025	0.2148	0.2150	0.2250
Fort Zumwalt School District (2)	4.8438	4.7936	4.7611	4.5968	4.5967	4.3811	4.3789	4.5629	4.5520	4.9538
St. Charles County Library District	0.2270	0.2181	0.2181	0.2065	0.2064	0.1946	0.1946	0.2064	0.2060	0.2221
O'Fallon Fire Protection District	0.6999	0.6148	0.6148	0.5936	0.5936	0.5517	0.5517	0.5814	0.5810	0.6341
St. Charles County Handicapped	0.1455	0.1398	0.1398	0.1324	0.1323	0.1247	0.1247	0.1323	0.1320	0.1422
St. Charles County Ambulance	0.1565	0.1477	0.1421	0.1439	0.1441	0.1366	0.1334	0.1441	0.1440	0.1535
St. Charles County Alarm and Dispatch	0.0390	0.0390	0.0390	0.0390	0.0390	0.0390	0.0390	0.0413	0.0410	0.0444
St. Charles County Community College	0.2196	0.2196	0.2196	0.2196	0.2196	0.2094	0.2094	0.2196	0.2200	0.2318
<b>Total</b>	<b>\$ 7.1166</b>	<b>\$ 6.9579</b>	<b>\$ 6.8524</b>	<b>\$ 6.6497</b>	<b>\$ 6.7822</b>	<b>\$ 6.4880</b>	<b>\$ 6.6095</b>	<b>\$ 6.9203</b>	<b>\$ 6.9090</b>	<b>\$ 7.4609</b>

(1) City tax rate includes general operating parks, and debt service levy.

(2) The City lies within three public school districts. Fort Zumwalt School District is reported for information purposes since it claims the largest portion of the City.

Source: St. Charles County Assessor

City of O'Fallon, Missouri  
Sales Tax by Year  
Last Ten Fiscal Years

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General 1% city sales tax	\$ 11,064,829	\$ 11,013,368	\$ 10,404,517	\$ 9,778,073	\$ 9,408,810	\$ 9,866,460	\$ 10,650,960	\$ 10,632,966	\$ 10,558,348	\$ 10,225,136
Transportation 0.5% city sales tax	5,202,396	5,184,882	4,875,321	4,611,645	4,432,646	4,664,704	5,069,621	5,074,929	5,042,330	4,648,562
State motor fuel tax	2,886,937	2,844,056	1,917,835	1,770,701	1,738,195	1,790,382	1,927,548	1,910,637	1,928,624	1,914,287
Parks tax 0.5%	5,203,498	5,182,422	4,871,673	4,601,966	4,403,674	944,452	n/a	n/a	n/a	n/a
Regional parks sales tax	228,564	226,219	207,794	169,446	174,323	178,849	182,863	140,302	174,635	165,374
<b>Total</b>	<b>\$ 24,586,225</b>	<b>\$ 24,450,948</b>	<b>\$ 22,277,140</b>	<b>\$ 20,931,831</b>	<b>\$ 20,157,648</b>	<b>\$ 17,444,847</b>	<b>\$ 17,830,992</b>	<b>\$ 17,758,834</b>	<b>\$ 17,703,937</b>	<b>\$ 16,953,359</b>

City direct sales tax rate is 2.0% for general, 0.5% for transportation and 0.5% for parks

Regional parks sales tax began in 2001

Parks sales tax began in October 2008

**City of O'Fallon, Missouri**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Three T Partnership/Trulasko/Six T Partnership	\$ 18,854,884	1	1.24 %	\$ 11,338,688	1	1.05 %
DNS Electronics	12,130,926	2	0.80	10,781,892	2	1.00
Citi Mortgage	9,402,286	3	0.62	8,100,442	4	0.75
Garden Villas of O'Fallon/Delmar Gardens	8,845,811	4	0.58	-	-	-
IBM	6,716,516	5	0.44	-	-	-
THF O'Fallon Development	6,287,607	6	0.41	-	-	-
Mastercard Intl Tax	6,074,673	7	0.40	3,495,369	9	0.32
DP II LLC (Caplaco Five, Inc)	5,625,267	8	0.37	9,696,379	3	0.90
Darlington Enclave at W ingshaven UI LLC	4,837,519	9	0.32	-	-	-
Aldi, Inc	4,820,073	10	0.32	4,285,520	5	0.40
St. Louis Enclave Apartments LTD	-	-	-	3,897,080	6	0.36
Pheasant Point LLC	-	-	-	3,648,180	7	0.34
Bluffs LLC	-	-	-	3,571,910	8	0.33
Laclede Gas Co	-	-	-	3,306,890	10	0.31
	\$ 83,595,562		5.52 %	\$ 62,122,350		5.75 %

Source: St. Charles County Assessor

**City of O'Fallon, Missouri**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 8,754,244	\$ 8,284,520	94.63	\$ 97,400	\$ 8,381,920	95.75
2005	10,018,034	9,456,893	94.40	111,648	9,568,541	95.51
2006	10,738,809	10,144,009	94.46	140,957	10,284,966	95.77
2007	11,396,913	10,413,493	91.37	132,067	10,545,560	92.53
2008	9,777,355	9,066,340	92.73	114,157	9,180,497	93.90
2009	9,247,873	8,528,972	92.23	83,792	8,612,764	93.13
2010	7,364,369	6,853,802	93.07	218,369	7,072,171	96.03
2011	7,230,161	4,912,217	67.94	1,656,804	6,569,021	90.86
2012	8,421,171	7,929,845	94.17	154,514	8,084,359	96.00
2013	8,177,364	7,627,112	93.27	314,145	7,941,257	97.11

Source: St. Charles County Assessor

City of O'Fallon, Missouri  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities										Total Primary Government	Percentage of personal income	Per Capita			
	Capital Lease Obligation	MODOT SIB Loan	General Obligation Bonds	Tax Increment Financing Bonds	Special Obligation Bonds	Certificates of Participation	Leasehold Revenue Bonds	Revenue Bonds	Certificates of Participation	Special Obligation Bonds	Capital Lease Obligation	Special Obligation Bonds	Certificates of Participation	Revenue Bonds				Certificates of Participation	Special Obligation Bonds	Capital Lease Obligation
2004	-	-	\$ 40,032,927	\$ 2,787,844	\$ -	\$ 47,898,000	\$ 15,910,000	\$ 5,955,000	\$ 36,212,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,775,771	10	\$ 2,152
2005	133,312	-	53,070,000	3,032,899	-	45,709,900	15,130,000	5,565,000	35,030,100	-	-	-	-	-	-	-	-	159,671,211	8	2,214
2006	-	-	53,745,000	3,244,326	-	43,496,800	-	5,170,000	48,963,200	-	-	-	-	-	-	-	-	155,337,930	8	2,086
2007	40,822	-	66,075,000	3,529,660	-	41,228,700	-	4,760,000	46,791,300	-	-	-	-	-	-	-	-	162,996,840	8	2,120
2008	121,884	-	47,440,000	3,840,262	-	38,892,300	-	4,320,000	53,697,700	-	-	-	-	-	-	-	-	149,289,488	6	1,913
2009	53,058	-	45,630,000	4,178,379	15,253,000	23,380,900	-	1,325,000	55,819,100	1,290,000	1,225,881	1,290,000	1,025,000	52,945,500	1,105,000	7,156,826	148,159,318	6	1,872	
2010	-	-	41,770,000	4,216,052	14,205,000	21,634,500	-	1,025,000	48,221,900	1,105,000	1,105,000	1,105,000	705,000	52,945,500	2,475,000	6,685,040	144,057,878	6	1,816	
2011	92,266	-	27,690,000	4,504,063	19,385,000	12,688,100	-	705,000	48,221,900	2,475,000	2,475,000	2,475,000	365,000	26,826,800	18,152,025	6,511,211	122,446,369	5	1,544	
2012	64,586	-	25,995,000	4,828,652	22,082,975	6,423,200	-	365,000	26,826,800	18,152,025	18,152,025	18,152,025	-	9,786,800	37,714,150	905,889	112,749,449	5	1,371	
2013	43,507	-	23,515,000	-	18,905,850	6,423,200	-	-	9,786,800	37,714,150	37,714,150	37,714,150	-	9,786,800	37,714,150	905,889	100,066,678	4	1,200	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

**City of O'Fallon, Missouri**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	<u>General Bonded Debt Outstanding</u>	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds		
2004	\$ 40,032,927	3.71	\$ 579.05
2005	55,070,000	4.22	763.63
2006	53,745,000	3.85	721.58
2007	66,075,000	4.22	859.41
2008	47,440,000	2.93	607.75
2009	45,630,000	2.98	576.44
2010	41,770,000	2.69	526.54
2011	27,690,000	1.81	342.44
2012 *	20,256,482	1.30	246.38
2013 *	18,172,010	1.20	217.95

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

\*Net General Obligation Bonds was used in 2012 and going forward

**City of O'Fallon, Missouri  
Direct and Overlapping Debt  
As of December 31, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
St. Charles County	\$ 26,359,000	20.12 %	\$ 5,303,431
St. Charles County Ambulance	7,835,000	20.12	1,576,402
St. Charles Community College	34,075,000	20.12	6,855,890
Fort Zumwalt School District	137,549,907	73.00	100,411,432
Francis Howell School District	158,485,422	11.00	17,433,396
Wentzville School District	186,963,676	16.00	29,914,188
<b>Subtotal, overlapping debt</b>			<b>161,494,739</b>
<b>City Direct Debt</b>			<b>51,659,839</b>
<b>Total Direct And Overlapping Debt</b>			<b>\$ 213,154,578</b>

Sources: Assessed value data used to estimate applicable percentages provided by the St. Charles County Assessor. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of O'Fallon. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

City of O'Fallon, Missouri  
 Legal Debt Margin Information, Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 109,049,101	\$ 130,355,741	\$ 139,734,540	\$ 156,617,545	\$ 162,022,768	\$ 153,248,613	\$ 155,484,460	\$ 152,626,187	\$ 156,031,457	\$ 151,511,019
Total net debt applicable to limit	38,056,802	35,494,371	32,795,429	29,966,797	26,803,068	24,007,097	23,042,816	22,289,218	20,256,482	18,172,010
Legal Debt Margin	\$ 70,992,299	\$ 94,861,370	\$ 106,939,111	\$ 126,650,748	\$ 135,219,700	\$ 129,241,516	\$ 132,441,644	\$ 130,336,969	\$ 135,774,975	\$ 133,339,009
Total net debt applicable to the limit as a percentage of debt limit	34.90%	27.23%	23.47%	19.13%	16.54%	15.67%	14.82%	14.60%	12.98%	11.99%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. Prior to 2003, 20 percent of total assessed property value was the threshold.

**City of O'Fallon, Missouri  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

Fiscal Year	Water & Sewer Revenue Bonds							Coverage
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service				
				Principal	Interest			
2004	\$ 10,242,194	\$ 5,670,905	\$ 4,571,289	\$ 950,000	\$ 2,966,910		1.17	
2005	9,661,288	5,414,579	4,246,709	995,000	2,910,142		1.09	
2006	11,100,673	5,546,340	5,554,333	1,570,000	2,066,588		1.53	
2007	9,997,988	5,589,350	4,408,638	1,820,000	1,988,784		1.16	
2008	10,408,145	5,864,864	4,543,281	1,900,000	1,969,382		1.17	
2009	12,539,658	4,356,141	8,183,517	2,620,000	2,343,582		1.65	
2010	13,773,023	4,904,113	8,868,909	2,565,000	2,301,824		1.82	
2011	13,154,828	5,654,940	7,499,888	2,691,189	2,172,144		1.54	
2012	12,487,562	5,947,600	6,539,962	3,087,989	1,641,581		1.38	
2013	12,455,187	5,940,001	6,515,186	3,069,864	1,644,489		1.38	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expense.

**City of O'Fallon, Missouri**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Educational Attainment			School Enrollment	Unemployment Rate
					% Graduate Or Higher	% High School Or Higher	% Bachelor's Degree Or Higher		
2004	69,136	\$ 1,485,386,960	\$ 21,485	31.1	90.4	27.2	13,698	4.2	
2005	72,116	2,049,104,024	28,414	31.1	90.4	27.2	18,496	4.1	
2006	74,482	1,868,157,524	25,082	32.7	90.4	27.2	18,703	3.7	
2007	76,884	2,069,654,865	26,919	33.0	90.4	27.2	17,638	3.9	
2008	78,058	2,545,315,264	32,608	32.2	90.4	27.2	18,776	6.3	
2009	79,158	2,613,638,844	33,018	32.3	90.4	27.2	18,742	8.2	
2010	79,329	2,426,594,781	30,589	32.3	90.4	27.2	18,840	7.0	
2011	80,860	2,597,546,640	32,124	35.1	90.4	27.2	18,719	6.5	
2012	82,215	2,486,839,320	30,248	35.0	90.4	27.2	18,733	5.3	
2013	83,377	2,605,030,988	31,244	35.0	90.4	27.2	18,625	4.1	

Note: Population, Per Capita Personal Income, Median Age, and Unemployment figures are reported from the Economic Development Department, City of O'Fallon, MO. School enrollment for 2012 is based on Fort Zumwalt School enrollment for the 2011-2012 school year. Enrollment from 2003-2004 is based on the 2000 census. Educational Attainment is based on the U.S. Census Bureau from 2000.

**City of O'Fallon, Missouri**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Citigroup	4,900	1	11.56 %	4,500	1	10.62 %
MasterCard Intl	2,800	2	6.61	2,500	2	5.90
Fort Zumwalt School District	2,777	3	6.55	2,375	3	5.60
True Manufacturing	N/A*	4	N/A*	N/A*	5	N/A*
SunEdison, Inc. (fka: MEMC)	716	5	1.69	1,275	4	3.01
City of O'Fallon	660	6	1.56	430	6	1.01
Fireman's Fund Insurance Company	620	7	1.46	-	-	-
Walmart	432	8	1.02	-	-	-
Delmar Gardens /Garden Villas of O'Fallon	371	9	0.88	-	-	-
Progress West HealthCare Center	360	10	0.85	-	-	-
True Fitness Technology	-	-	-	260	7	0.61
Xspedius Communications	-	-	-	225	8	0.53
Brake Resources, Inc	-	-	-	175	9	0.41
Synergetics	-	-	-	170	10	0.40
	13,636		32.43 %	11,910		29.55 %

Source: City of O'Fallon, MO Economic Development Department  
Labor Force, December 2013 = 42,332

\*Business requested actual number not be published. They fall as the 4th largest employer in the City.

City of O'Fallon, Missouri  
Full-Time Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Administration Department	7.00	7.00	7.00	7.00	5.00	5.15	5.00	8.00	8.00	8.00
Economic Development Department	3.00	3.00	3.15	3.15	3.15	3.00	3.00	3.00	3.00	3.00
Communications Department	5.10	5.50	5.25	5.40	5.50	5.50	5.50	5.50	5.50	5.50
Public relations	4.25	4.25	4.25	3.00	3.00	3.00	3.15	3.20	3.20	3.20
Administrative Services Department										
Citizens First Center	2.00	2.00	2.00	2.00	2.00	2.00	2.00	n/a	n/a	n/a
Facilities maintenance	6.00	6.00	6.00	6.00	5.15	6.10	6.40	6.20	6.20	6.35
Fleet maintenance	4.00	4.00	4.25	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Human resources	5.75	6.00	6.00	5.00	5.00	5.00	5.00	3.00	3.00	4.25
Information Technologies	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	4.00
Safety and risk management	1.00	1.00	-	1.00	1.00	1.00	1.00	1.00	1.00	n/a
Volunteer services	1.50	1.50	1.75	2.00	2.00	2.00	2.00	2.00	2.00	2.25
Public Works Department										
Engineering	n/a	n/a	n/a	5.00	4.00	4.00	n/a	n/a	10.50	11.33
Project management (for Public works)	6.25	10.00	6.50	5.25	0.75	0.75	0.30	0.50	0.60	0.60
Planning & Development Department										
Administration	3.25	3.50	6.00	3.00	3.00	3.00	2.65	2.00	n/a	n/a
Building	14.00	13.00	20.75	14.75	14.75	13.75	13.75	12.75	12.00	12.75
Code enforcement	3.00	n/a								
Construction inspection	n/a	n/a	n/a	8.00	8.00	7.00	10.00	9.90	n/a	n/a
Construction management	6.00	1.34	n/a							
Highway (moved to S&RI Fund)	25.00	n/a								
Planning & GIS	6.00	6.00	10.00	8.00	8.00	7.00	7.00	7.00	6.00	7.00
Finance Department										
Finance	11.50	12.00	13.00	12.00	12.00	12.00	12.00	11.90	11.90	12.00
Municipal court	3.85	4.85	4.85	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Parks and Recreational Department										
Landscaping	5.25	4.75	4.00	5.15	6.15	5.15	5.15	6.00	6.15	5.65
Tourism and festivals	n/a	2.45	2.25	4.80	4.50	4.35	3.60	3.60	3.60	4.40
Police Department	133.00	133.50	133.50	138.25	143.50	143.50	143.50	143.25	146.50	152.50
Enterprise Funds										
Environmental Services Fund	22.00	26.00	26.00	26.80	24.75	26.75	27.25	27.90	27.15	27.15
Public Venue Fund (Athletics)	3.00	3.00	3.00	1.50	n/a	n/a	n/a	n/a	n/a	n/a
Renaud Spirit Center Fund	25.50	36.50	36.00	33.55	33.80	29.50	29.50	29.35	34.60	37.60
Renaud Spirit Center Fund (Fac Maint)	n/a	n/a	n/a	n/a	n/a	5.10	5.10	5.00	1.00	1.00
Sewer System Fund	n/a	2.33	0.50	-	-	16.00	19.75	19.65	21.55	20.40
Water System Fund	n/a	0.84	0.50	-	-	22.00	18.90	17.05	16.55	16.40
Special Revenue Funds										
Community Development Block Grant Fund	n/a	1.00	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.80
Recreation Fund (Parks)	24.00	24.00	24.00	24.15	24.85	24.75	24.53	22.05	22.05	22.75
Recreation Fund (Rec)	11.50	9.92	13.25	31.65	29.50	26.70	25.85	25.35	26.80	26.45
Recreation Fund (Facilities)	n/a	n/a	n/a	n/a	n/a	2.80	2.50	2.80	2.80	2.65
Sewer Lateral Fund	n/a	n/a	n/a	n/a	n/a	n/a	0.10	0.20	0.20	0.35
Storm Water Fund	n/a	n/a	n/a	n/a	1.00	4.00	4.95	5.10	5.55	5.50
Street and Rd Impr Fund (Fleet)	n/a	n/a	n/a	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Street and Rd Impr Fund (Landscaping)	n/a	n/a	n/a	n/a	n/a	1.50	1.50	1.50	1.00	1.00
Street and Rd Impr Fund (Proj Mgmt)	n/a	n/a	n/a	n/a	5.25	5.25	4.80	4.60	7.15	4.30
Street and Rd Impr Fund (Streets)	n/a	32.00	32.25	27.75	27.00	27.00	27.00	27.00	33.25	38.10
Total	346.70	371.23	380.85	399.25	396.70	440.70	438.85	430.50	442.95	458.48

Source: Finance Department

**City of O'Fallon, Missouri**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Policemen and Officers	102	102	102	103	104	108	108	106	105	115
<b>Fire</b>										
Number of Stations	5	5	5	5	5	5	5	5	5	5
Number of Firemen and Officers	54	54	54	54	54	51	51	54	54	54
<b>Transit</b>										
Miles of Streets	285	285	285	285	300	295	298	303	301	301
Number of Street Lights	3,990	3,990	5,322	5,322	5,063	5,063	4,624	4,626	4,626	4,634
<b>Municipal Water Department</b>										
Number of Households/Dwellings	10,241	11,400	11,400	11,700	11,986	12,086	12,245	12,250	12,200	11,772
Average Daily Consumption	3.1M gal/day	3.5M gal/day	6 M gal/day	6 M gal/day	5.32 M gal/day	3.32 M gal/day	3.62 M gal/day	3.75 M gal/day	4.03 M gal/day	3.65 M gal/day
Miles of Water Mains	149	153	153	161	174	174	175	175	174	171
<b>Building</b>										
Residential Building Permits Issued	1,108	1,000	794	806	394	369	367	274	310	394
Commercial Building Permits Issued	223	258	256	220	194	143	190	157	143	215
<b>Recreation and Culture</b>										
Park Acreage	460	460	452	460	460	460	460	460	460	453
Number of Libraries	2	2	2	2	3	3	3	3	3	3
Number of Volumes	271,819	272,000	271,098	271,098	304,570	303,724	303,769	296,338	296,061	295,501
<b>City of O'Fallon Employees</b>										
Permanent Full-Time	338	333	334	347	339	374	371	366	374	382
Part-Time and Seasonal	105	79	90	93	208	186	220	229	300	278

Source: Various City Departments

City of O'Fallon, Missouri  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles (est until 2004)	20	21	29	30	31	33	33	33	35	36
Patrol Motorcycles (started reporting in 2012)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2	3
<b>Communications</b>										
Programs Produced	214	217	287	225	252	377	334	342	292	284
<b>Transit</b>										
Square Yards of Concrete Replaced	18,000	6,805	9,128	10,000	16,472	16,472	12,154	24,000	35,182	30,633
Tons of Asphalt Replaced	1,400	342	3,957	500	975	975	1,076	363	366	221
Miles of Street Swept	10,100	11,741	11,713	12,000	6,083	6,083	5,102	5,054	3,235	5,840
<b>Municipal Water Department</b>										
Power Consumption/Dollars/Million Gallon Pumped	\$ 204	\$ 222	\$ 228	\$ 229	\$ 250	\$ 270	\$ 287	\$ 305	\$ 299	\$ 321
Salt Consumption/Million Gallon Pumped	0.35	0.32	0.64	0.65	0.62	0.61	0.65	0.66	0.65	0.62
Chlorine Consumption mg/C/Finished Water Pumped	2.3	1.6	2.3	2.5	2.6	2.7	2.7	2.9	2.5	2.5
<b>Wastewater</b>										
Biosolids Treatment Facility (Nature's Bend Fertilizer)	1	1	1	1	1	1	1	1	1	1
Power Consumption/Dollars/Million Gallon Treated	\$ 80	\$ 83	\$ 86	\$ 87	\$ 97	\$ 104	\$ 175	\$ 155	\$ 100	\$ 118
Line Cleaning 127 miles/3 years = 42.3	41.0	45.3	55.2	56.8	56.5	57.4	68.7	70.3	59.8	66.7
<b>Recreation and Culture</b>										
Pools	2	2	2	2	2	2	2	2	2	2
Senior Center	1	1	1	1	1	1	1	1	1	1
Baseball Stadium	1	1	1	1	1	1	1	1	1	1
Cultural Art Center	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Environmental Services	1	1	1	1	1	1	1	1	1	1
Transfer Station	1	1	1	1	1	1	1	1	1	1
Trash/Recycling trucks	14	14	17	17	18	18	18	19	19	19

Source: Various City Departments

