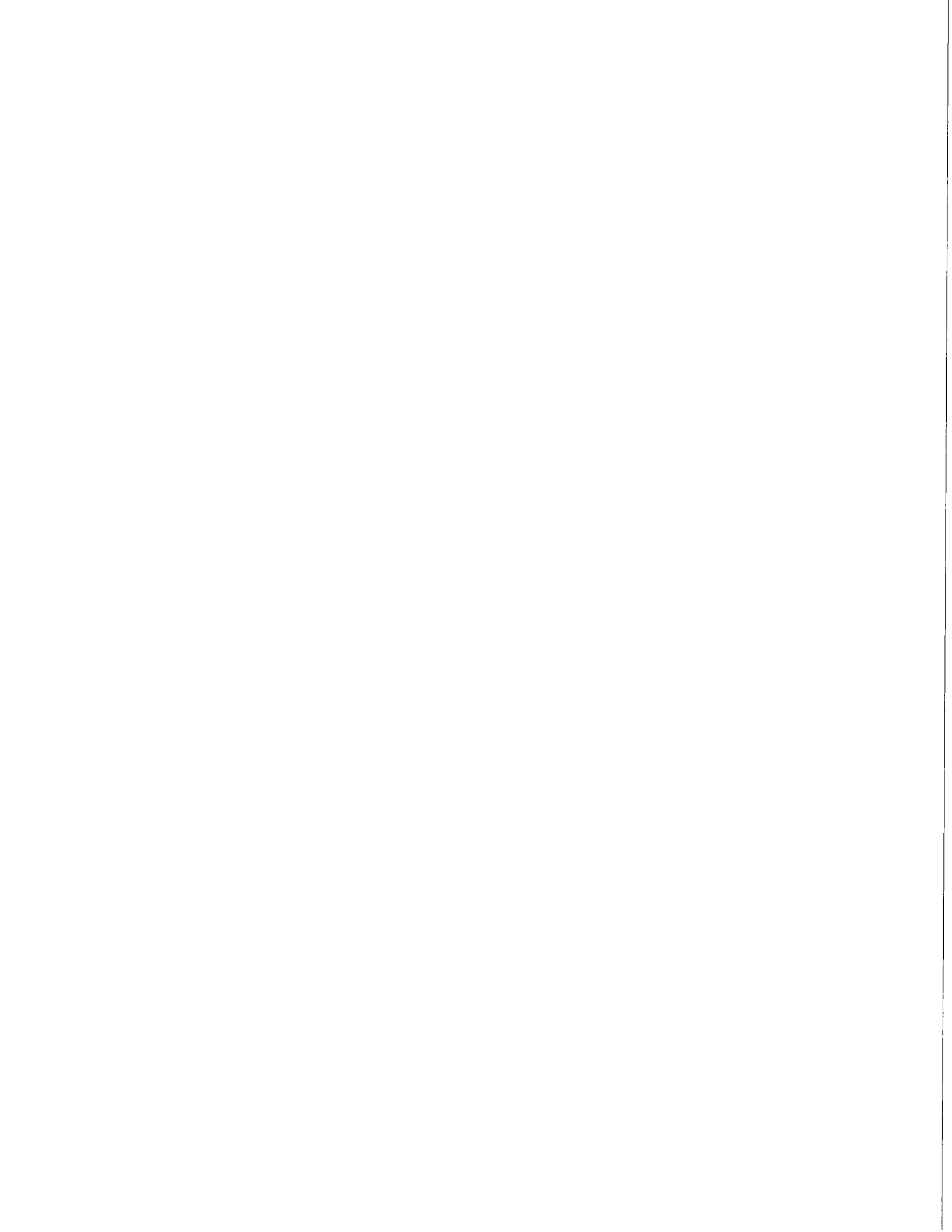


City of Oregon

Oregon, Illinois

Annual Financial Report

April 30, 2013



City of Oregon, Illinois

Year Ended April 30, 2013

Table of Contents

Independent Auditor's Report on the Financial Statements	1 - 2
Management Discussion and Analysis	3 - 8
Basic Financial Statements	
Statement of Net Position - Modified Cash Basis	9
Statement of Activities - Modified Cash Basis	10
Statement of Assets, Liabilities and Fund Balances - Governmental Funds – Modified Cash Basis	11
Reconciliation of the Governmental Funds Statement of Assets, Liabilities, and Fund Balances – Modified Cash Basis to the Statement of Net Position - Modified Cash Basis	12
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances - All Governmental Funds – Modified Cash Basis	13
Reconciliation of the Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances of Governmental Funds to the Statement of Activities - Modified Cash Basis	14
Statement of Net Position - Modified Cash Basis - Proprietary Funds	15
Statement of Revenues Received, Expenses Disbursed, and Changes in Net Position - Modified Cash Basis - Proprietary Funds	16
Statement of Cash Flows – Modified Cash Basis - Proprietary Funds	17
Notes to Financial Statements	18 - 40

City of Oregon, Illinois

Year Ended April 30, 2013

Table of Contents (Continued)

Other Information (Unaudited)

Schedule of Funding Progress	41
Schedule of Revenues Received and Expenditures Disbursed Compared with Budget:	
General Fund	42 - 43
Police Fund	44 - 45
Civil Defense Fund	46
IMRF Fund	47
Economic Development Fund	48
Street and Alley Fund	49
Motor Fuel Tax Fund	50
City Group Insurance Fund	51
Water and Sewer Fund	52 - 53
Nonmajor Governmental Funds - Combining Schedule of Assets, Liabilities, and Fund Balances	54 - 55
Nonmajor Governmental Funds - Combining Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balances	56 - 57
Schedule of Tort Expenditures Disbursed	58
Schedule of Long-term Debt	59
Assessed Valuations, Rates, Extensions, and Collections	60

Independent Auditor's Report on the Financial Statements

Honorable Mayor and Council
City of Oregon
Oregon, Illinois

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the City of Oregon, Illinois, as of and for the year ended April 30, 2013, 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

Independent Auditor's Report on the Financial Statements

Honorable Mayor and Council
City of Oregon
Oregon, Illinois

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the City of Oregon, Illinois, as of and for the year ended April 30, 2013, which collectively comprise the City's basic financial statements as listed in the table of contents.

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Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

As more fully described in Note 17 to the financial statements, the City did not adopt the provisions of Governmental Accounting Standards Board No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* during the year ended April 30, 2013. The effects of that departure on the financial statements are not reasonably determinable.

Qualified Opinion

In our opinion, except for the matter discussed in the previous paragraph, the financial statements referred to above, present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities, business type activities, each major fund, and aggregate remaining fund information of the City of Oregon, Illinois, as of April 30, 2013, and the respective changes in financial position-modified cash basis; and where applicable, cash flows thereof for the year then ended, on the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Disclaimer of Opinion on Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oregon, Illinois' basic financial statements. The Management's Discussion and Analysis on page 3 through 8 and the additional schedules listed in the table of contents as other information, pages 41 through 60, all of which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

Wipfli LLP

Freeport, Illinois
August 22, 2013

Management Discussion and Analysis

City of Oregon, Illinois

Management Discussion and Analysis

As management of City of Oregon, Illinois, we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Oregon, Illinois for the year ended April 30, 2013.

The MD&A (other information) is provided at the beginning of the report to provide an overview of the City's financial position at April 30, 2013 and the results of operations for the year. This summary should not be taken as a replacement for the annual financial report, which consists of the financial statements, notes to the financial statements, and other information.

Using This Financial Report

The financial section of this annual report consists of four parts - Independent Auditor's Report, the MD&A (this section), the basic financial statements, and other information. The basic financial statements include two kinds of statements that present different views of the City:

Government -Wide Financial Statements

The first two statements are government-wide financial statements that provide both short term and long term information about the City's overall financial status, similar to a private sector business. In the government-wide financial statements the City's activities are shown in two categories - governmental activities and business-type activities. The City's governmental activities are general government, public safety, public works, and culture and recreation. These activities are largely financed with sales taxes, income taxes, property taxes, and user fees. The City's business-type activities include water and sewer. These activities are largely financed with user fees.

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. To assess the overall health of the City you need to consider additional non-financial factors such as the condition of the City's buildings and facilities.

City of Oregon, Illinois

Management Discussion and Analysis

Government -Wide Financial Statements (Continued)

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. The financial statements are prepared under the modified cash basis of accounting, whereby revenues are recognized when cash is received and expenditures when payment is made.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's funds - not the City as a whole. Funds are accounting devices the City uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law, while others are established to control and manage money for particular purposes or to show that the City is properly using certain revenues.

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

The City maintains twenty-four individual governmental funds. Information is presented separately in the governmental fund statement of assets, liabilities, and fund balance and in the fund statement of revenues, expenditures, and the changes in fund balances for all these funds. Eight of these twenty-four funds are considered major funds. More detail of the individual revenues and expenditures for these funds is presented in the other information section of this report.

The City maintains one individual business-type fund. Information is presented separately in the proprietary statement of net position and in the proprietary statement of revenues, expenses, and the changes in net position for this fund. This fund is considered a major fund of the City. More detail of the individual revenues and expenditures for these funds is presented in the other information section of this report.

The City adopts annual budgets for all funds. A budgetary comparison statement has been provided for the major funds only.

City of Oregon, Illinois

Management Discussion and Analysis

Financial Highlights

- The City's General Fund beginning balance as of May 1, 2012 was \$126,570. The revenue during the fiscal year May 1, 2012 thru April 30, 2013 was \$1,199,012 and the expenses were \$138,142, transfers out of \$934,300, which leaves a balance of \$545,903.
- The City's Police Fund beginning balance as of May 1, 2012 was \$13,880. The revenue during the fiscal year May 1, 2012 thru April 30, 2013 was \$179,898 and the expenses were \$634,344, transfers in of \$450,000, which leaves a balance of \$9,434.
- The City's Civil Defense Fund beginning balance as of May 1, 2012 was \$281,030. The revenue during the fiscal year May 1, 2012 thru April 30, 2013 was \$12,960 and the expenses were \$12,395, which leaves a balance of \$281,595.
- The City's IMRF Fund beginning balance as of May 1, 2012 was \$108,253. The revenue during the fiscal year May 1, 2012 thru April 30, 2013 was \$107,506 and the expenses were \$149,655, transfers in of \$34,000, which leaves a balance of \$100,104.
- The City's Economic Development Fund beginning balance as of May 1, 2012 was \$66,452. The revenue during the fiscal year May 1, 2012 thru April 30, 2013 was \$36,324 and the expenses were \$34,175, which leaves a balance of \$68,601.
- The City's Street and Alley Fund beginning balance as of May 1, 2012 was \$13,725. The revenue during the fiscal year May 1, 2012 thru April 30, 2013 was \$80,939 and the expenses were \$403,327, debt proceeds of \$50,114, transfers in of \$259,000, which leaves a balance of \$451.
- The City's Motor Fuel Tax Fund beginning balance as of May 1, 2012 was \$200,698. The revenue during the fiscal year May 1, 2012 thru April 30, 2013 was \$107,246 and the expenses were \$64,222, which leaves a balance of \$243,722.
- The City's Group Insurance Fund beginning balance as of May 1, 2012 was \$86,314. The revenue during the fiscal year May 1, 2012 thru April 30, 2013 was \$64,487 and the expenses were \$313,347, transfers in of \$160,000, which leaves a balance of (\$2,546).

City of Oregon, Illinois

Management Discussion and Analysis

Condensed Financial Information

Net assets are summarized in the table below.

Condensed Statements of Net Position as of April 30, 2013 and April 30, 2012

	Governmental Activities		Business-type Activities	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets:				
Current Assets	\$1,566,411	\$1,463,511	\$ (396,308)	\$ (553,746)
Non-current Assets:				
Capital (Fixed) assets	<u>1,714,433</u>	<u>1,770,639</u>	<u>4,861,898</u>	<u>4,962,554</u>
Total Assets	<u>3,280,844</u>	<u>3,234,150</u>	<u>4,465,590</u>	<u>4,408,808</u>
Liabilities:				
Current Liabilities	39,869	63,479	399,495	357,259
Non-current Liabilities	<u>83,018</u>	<u>71,655</u>	<u>4,737,139</u>	<u>5,056,287</u>
Total liabilities	<u>122,887</u>	<u>135,134</u>	<u>5,136,634</u>	<u>5,413,546</u>
Net Assets:				
Investments in capital assets, net of debt	1,591,546	1,635,505	2,242,237	2,297,040
Restricted	860,470	873,811	-	-
Unrestricted	<u>705,941</u>	<u>589,700</u>	<u>(2,913,281)</u>	<u>(3,301,778)</u>
Total net position	<u>\$3,157,957</u>	<u>\$3,099,016</u>	<u>\$ (671,044)</u>	<u>\$(1,004,738)</u>

Current assets consist of cash and investments.

One of the City's largest asset groups is its capital assets. This includes buildings and improvements, infrastructure, equipment, and vehicles.

Current liabilities consist mainly of refundable deposits and current portion of long term debt.

Notes Payable and the IEPA loans constitute the City's long-term debt.

The City's net position consists of capital assets net of related debt, restricted and unrestricted net assets.

City of Oregon, Illinois

Management Discussion and Analysis

Condensed Financial Information (Continued)

Revenues, expenses, and changes in net position are summarized in the table below.

Condensed Statement of Activities For Fiscal Year Ending April 30, 2013 and April 30, 2012

	Governmental Activities		Business-type Activities	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:				
Program:				
Charges for services	\$ 320,476	\$ 311,184	\$1,153,269	\$1,065,573
Operating grants & contributions	111,441	226,917	-	-
Capital grants & contributions	-	-	58,800	41,519
General:				
Property & other taxes	1,830,092	1,734,869	-	-
Interest	4,356	4,769	208	249
Other	<u>66,325</u>	<u>78,172</u>	<u>-</u>	<u>-</u>
Total revenue received	<u>2,332,690</u>	<u>2,355,911</u>	<u>1,212,277</u>	<u>1,107,341</u>
Expenses:				
General government	428,069	476,956	-	-
Public safety	1,205,050	1,162,710	-	-
Public works	596,800	582,674	-	-
Culture & recreation	39,888	32,787	-	-
Interest	3,942	9,426	-	-
Water & sewer	<u>-</u>	<u>-</u>	<u>878,583</u>	<u>650,570</u>
Total expenditures disbursed	2,273,749	2,264,553	878,583	650,570
Excess before transfers	58,941	91,358	333,694	456,771
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 58,941</u>	<u>\$ 91,358</u>	<u>\$ 333,694</u>	<u>\$ 456,771</u>

Major sources of operating revenues for the City include: Property and state taxes, charges for services, & fines & fees.

City of Oregon, Illinois

Management Discussion and Analysis

Management's Analysis of the City's Overall Financial Position and Results of Operations

Governmental reporting requirements affect the City's reporting model, but not the day-to-day operations or the budgeting process of the City. The City's total net position increased \$392,635 from the prior year. The General Fund had an increase in fund balance of \$126,570. The Water and Sewer Fund had an increase in net position of \$333,694. Fund balances in the other fund types are limited in use according to the source of revenue.

General Fund Budgetary Comparison

The City adopted the budget in July of 2012. The budget for all funds is prepared on the cash basis of accounting. This is the same basis used in budgetary comparisons. This allows for comparability between budget and actual amounts.

The General Fund revenues were \$17,512 greater than budgeted due mainly to more state income tax than anticipated. General Fund expenses were \$227,658 under budget. Not including Inter-Fund Transfers, the General Fund had a net gain of \$1,060,870 for the fiscal year. Including Inter-Fund Transfers the General Fund had an increase in fund balance of \$126,570.

Capital Assets/Long term Debt

The City has elected to prospectively report infrastructure assets. Therefore infrastructure assets constructed in years prior to 2004 are not included in capital assets. During fiscal year 2013, the City purchased snow plow truck for \$50,114. In the Water and Sewer Fund, the City added \$49,781 for infrastructure mainly for a vacuum trailer. During fiscal year's 2003 and 2010, the City entered into a loan agreement with the Illinois Environmental Protection Agency for sewer and wastewater treatment plant upgrades. As of April 30, 2013, \$5,120,865 of principal is outstanding on these loans. See notes to financial statements for additional information on Capital Assets (Note 5) and on Long-Term Debt (Note 8).

Factors or Conditions Impacting Future Periods

Financial and budget planning is directly related to and supportive of the City's strategic plan and operational needs. The City's financial outlook is influenced by factors such as: the economy, employment, and commercial and residential growth.

Contacting the City's Financial Management

This financial report is designed to provide citizens, taxpayers and customers with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the City of Oregon, City Clerk, 115 N. Third St., Oregon, IL. 61061.

Basic Financial Statements

City of Oregon, Illinois

Statement of Net Position - Modified Cash Basis

April 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 818,211	\$ -	\$ 818,211
Internal balances	396,308	(396,308)	-
Investments	351,892	-	351,892
Total current assets	1,566,411	(396,308)	1,170,103
Noncurrent assets:			
Capital Assets (Net of accumulated depreciation)	1,714,433	4,861,898	6,576,331
Total assets	3,280,844	4,465,590	7,746,434
Liabilities			
Current liabilities			
Refundable deposits	-	15,769	15,769
Payroll withholdings	-	-	-
Current portion long term debt	39,869	383,726	423,595
Total current liabilities	39,869	399,495	439,364
Noncurrent liabilities			
Loans - IEPA	-	4,737,139	4,737,139
Notes payable	83,018	-	83,018
Total noncurrent liabilities	83,018	4,737,139	4,820,157
Total liabilities	122,887	5,136,634	5,259,521
Net Position			
Invested in capital assets, net of related	1,591,546	2,242,237	3,833,783
Restricted for:			
Capital projects	48	-	48
Other purposes	860,422	-	860,422
Unrestricted	705,941	(2,913,281)	(2,207,340)
Total net position	\$ 3,157,957	\$ (671,044)	\$ 2,486,913

City of Oregon, Illinois

Statement of Activities - Modified Cash Basis

For the year ended April 30, 2013

Functions/Programs	Expenses	Charges for Services	Program Revenue	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 428,069	\$ 58,605	\$ -	\$ -
Public safety and health	1,205,050	261,871	975	-
Public works	596,800	-	110,466	-
Culture and recreation	39,888	-	-	-
Interest	3,942	-	-	-
Total governmental activities	2,273,749	320,476	111,441	-
Business-type activities:				
Water and Sewer	\$ 878,583	\$ 1,153,269	\$ -	\$ 58,800
General revenues:				
Taxes:				
Property taxes				
Sales taxes				
Other				
Interest				
Miscellaneous				
Total general revenues				
Transfers				
Change in net position				
Net position - beginning				
Net position - ending				

See Accompanying Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (369,464)	\$ -	\$ (369,464)
(942,204)	-	(942,204)
(486,334)	-	(486,334)
(39,888)	-	(39,888)
(3,942)	-	(3,942)
(1,841,832)	-	(1,841,832)
-	333,486	333,486
635,664	-	635,664
539,382	-	539,382
655,046	-	655,046
4,356	208	4,564
66,325	-	66,325
1,900,773	208	1,900,981
-	-	-
58,941	333,694	392,635
3,099,016	(1,004,738)	2,094,278
\$ 3,157,957	\$ (671,044)	\$ 2,486,913

City of Oregon, Illinois

Statement of Assets, Liabilities, and Fund Balances Governmental Funds - Modified Cash Basis

April 30, 2013

	General Fund	Police Fund	Civil Defense Fund	IMRF Fund
Assets				
Cash and cash equivalents	\$ 145,787	\$ 9,434	\$ 281,595	\$ 18,294
Investments	-	-	-	81,810
Due from other funds	400,116	-	-	-
Total assets	\$ 545,903	\$ 9,434	\$ 281,595	\$ 100,104
Liabilities and Fund Balances				
Current liabilities				
Payroll withholdings	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Fund balances:				
Restricted for:				
Special revenue funds	-	9,434	281,595	100,104
Capital projects funds	-	-	-	-
Committed	-	-	-	-
Unassigned	545,903	-	-	-
Total fund balances	545,903	9,434	281,595	100,104
Total liabilities and fund balances	\$ 545,903	\$ 9,434	\$ 281,595	\$ 100,104

See Accompanying Notes to Financial Statements.

Economic Development Fund	Street and Alley Fund	Motor Fuel Tax Fund	City Group Insurance Fund	Other Governmental Funds	Total Governmental Funds
\$ 68,601	\$ 451	\$ -	\$ 1,262	\$ 292,787	\$ 818,211
-	-	243,722	-	26,360	351,892
-	-	-	-	-	400,116
<u>\$ 68,601</u>	<u>\$ 451</u>	<u>\$ 243,722</u>	<u>\$ 1,262</u>	<u>\$ 319,147</u>	<u>\$ 1,570,219</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	3,808	-	3,808
-	-	-	3,808	-	3,808

-	451	243,722	-	225,116	860,422
-	-	-	-	48	48
68,601	-	-	-	93,983	162,584
-	-	-	(2,546)	-	543,357
<u>68,601</u>	<u>451</u>	<u>243,722</u>	<u>(2,546)</u>	<u>319,147</u>	<u>1,566,411</u>
<u>\$ 68,601</u>	<u>\$ 451</u>	<u>\$ 243,722</u>	<u>\$ 1,262</u>	<u>\$ 319,147</u>	<u>\$ 1,570,219</u>

City of Oregon, Illinois

Reconciliation of the Governmental Funds Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis to the Statement of Net Position - Modified Cash Basis

April 30, 2013

Total fund balances - governmental funds \$ 1,566,411

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$4,279,361 and the accumulated depreciation is \$2,564,928. 1,714,433

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (122,887)

Total net position - governmental activities \$ 3,157,957

City of Oregon, Illinois

Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances Governmental Funds - Modified Cash Basis

For the year ended April 30, 2013

	General Fund	Police Fund	Civil Defense Fund
Revenues Received			
Taxes	\$1,144,393	\$ 97,401	\$ -
Intergovernmental receipts	-	975	-
Charges for services	6,880	-	-
Uses of money and property	3,772	-	-
Fines and penalties	-	76,411	-
Miscellaneous receipts	26,349	5,111	12,960
Licenses and permits	17,618	-	-
Total revenues received	1,199,012	179,898	12,960
Expenditures Disbursed			
Current:			
General government	138,050	-	-
Public safety	-	605,958	12,395
Street maintenance	-	-	-
Culture and recreation	-	-	-
Debt service	-	9,328	-
Capital outlay:			
General government	92	-	-
Public safety	-	19,058	-
Street maintenance	-	-	-
Culture and recreation	-	-	-
Total expenditures disbursed	138,142	634,344	12,395
Excess (deficiency) of revenues received over expenditures disbursed	1,060,870	(454,446)	565
Other Financing Sources (Uses)			
Debt proceeds	-	-	-
Transfers in	-	450,000	-
Transfers out	(934,300)	-	-
Total other financing sources and uses	(934,300)	450,000	-
Net change in fund balances	126,570	(4,446)	565
Fund balances - beginning	419,333	13,880	281,030
Fund balances - ending	\$ 545,903	\$ 9,434	\$ 281,595

See Accompanying Notes to Financial Statements.

IMRF Fund	Economic Development Fund	Street and Alley Fund	Motor Fuel Tax Fund	City Group Insurance Fund	Other Governmental Funds	Total Governmental Funds
\$ 107,274	\$ -	\$ 58,127	\$ -	\$ 64,487	\$ 358,410	\$ 1,830,092
-	2,217	1,187	107,062	-	-	111,441
-	-	-	-	-	169,565	176,445
232	-	-	184	-	168	4,356
-	-	-	-	-	15,895	92,306
-	-	21,625	-	-	280	66,325
-	34,107	-	-	-	-	51,725
107,506	36,324	80,939	107,246	64,487	544,318	2,332,690
17,670	-	-	-	36,998	191,037	383,755
95,397	-	-	-	199,742	252,466	1,165,959
36,587	-	271,136	64,222	76,607	-	448,552
-	-	-	-	-	38,764	38,764
-	-	53,033	-	-	-	62,361
-	34,175	-	-	-	-	34,267
-	-	-	-	-	-	19,058
-	-	79,158	-	-	48,031	127,189
-	-	-	-	-	-	-
149,655	34,175	403,327	64,222	313,347	530,298	2,279,905
(42,149)	2,149	(322,388)	43,024	(248,860)	14,020	52,785
-	-	50,114	-	-	-	50,114
34,000	-	259,000	-	160,000	31,300	934,300
-	-	-	-	-	-	(934,300)
34,000	-	309,114	-	160,000	31,300	50,114
(8,149)	2,149	(13,274)	43,024	(88,860)	45,320	102,899
108,253	66,452	13,725	200,698	86,314	273,827	1,463,512
100,104	68,601	451	243,722	(2,546)	319,147	1,566,411

City of Oregon, Illinois

Reconciliation of the Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances of Governmental Funds to the Statement of Activities Modified Cash Basis

For the year ended April 30, 2013

Excess (deficiency) of revenues received and other sources over (under) expenditures disbursed and other uses- Governmental funds	\$ 102,899
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capitalized fixed assets \$50,114 exceeds depreciation expense and losses (\$106,320) in the period.	(56,206)
Debt proceeds are reported in governmental funds as an other financing source.	(50,114)
Debt payments are reported in governmental funds as expenditures. However, only the interest on the debt is recorded in the statement of activities. This is the amount of debt payments in the period.	62,362
<hr/>	
Change in net position of governmental activities	<hr/> \$ 58,941 <hr/>

City of Oregon, Illinois

Statement of Net Position - Modified Cash Basis Proprietary Funds

April 30, 2013

	Water and Sewer Fund
Assets	
Current assets:	
Cash	\$ -
Investments	-
Total current assets	-
Noncurrent assets:	
Capital Assets (Net of accumulated depreciation):	4,861,898
Total Assets	4,861,898
Liabilities	
Current liabilities	
Refundable deposits	15,769
Payroll withholdings	-
Due to other funds	396,308
Current portion of IEPA loan payable	383,726
Total current liabilities	795,803
Noncurrent liabilities	
Loans - IEPA	4,737,139
Total liabilities	5,532,942
Net Position	
Invested in capital assets, net of related debt	2,242,237
Unrestricted	(2,913,281)
Net position - unrestricted	\$ (671,044)

City of Oregon, Illinois

Statement of Revenues Received, Expenses Disbursed and Changes in Net Position Modified Cash Basis - Proprietary Funds

For the year ended April 30, 2013

	Water and Sewer Fund
Revenues Received	
Charges for services	\$ 1,153,269
Intergovernmental receipts	-
Total revenue	1,153,269
Expenses Disbursed	
Personnel services	179,615
Contractual services	414,161
Commodities	6,828
Capital outlay	22,878
Miscellaneous	26,950
Depreciation	150,437
Total expenses	800,869
Operating income (loss)	352,400
Other financing sources (uses)	
Operating transfer in	-
Non-operating revenue received (expenses disbursed):	
Interest income	208
Interest expense	(77,714)
Total non-operating revenue received (expenses disbursed)	(77,506)
Capital grants	58,800
Increase (decrease) in net position	333,694
Net position - beginning	(1,004,738)
Net position - ending	\$ (671,044)

City of Oregon, Illinois

Statement of Cash Flows - Modified Cash Proprietary Funds

For the year ended April 30, 2013

	Water and Sewer Fund
<i>Cash Flows From Operating Activities</i>	
Cash received for services	\$ 1,153,629
Cash received/paid to other funds	(157,438)
Cash payments to suppliers	(470,817)
Cash payments to employees	(179,615)
Net cash provided by operating activities	345,759
<i>Cash Flows From Capital and Related Financing Activities</i>	
Interest expense	(77,714)
Capital grant receipts	58,800
Purchase of capital assets	(49,781)
Principal receipts (payments) on borrowings	(277,272)
Net cash (used in) capital financing activities	(345,967)
<i>Cash Flows From Investing Activities</i>	
Sale of investments	-
Interest income	208
Net cash provided by investing activities	208
Net increase in cash and cash equivalents	-
Cash and cash equivalents - beginning	-
Cash and cash equivalents - ending	\$ -
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 352,400
Adjustments to reconcile operating income to net cash provided by (used in) operations	
(Increase) decrease in due to/from	(157,438)
Increase (decrease) in refundable deposits	360
Increase (decrease) in payroll withholdings	-
Transfers out	-
Depreciation	150,437
Net cash provided by (used in) operations	\$ 345,759

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

The City of Oregon was incorporated in 1870, under the provisions of the State of Illinois.

Reporting Entity

The City of Oregon operates under an elected Mayor/Commission form of government. The City's major operations include general government, public safety, water and sewer systems and streets.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the City and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

This report includes, pursuant to GASB 14 and as amended by GASB 39, all of the funds and account groups of the City, which is a primary reporting unit. It includes all activities considered to be part of (controlled by or dependent on) the City as set forth under the GAAP criteria.

Government Wide, Fund Financial Statements and Basis of Accounting

Financial statements are prepared using the modified cash basis of accounting for all of the City's activities.

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. For the most part, the effect of the interfund activity has been removed from these statements.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Government Wide, Fund Financial Statements and Basis of Accounting (Continued)

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Earnings on investments, not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and proprietary funds.

The government wide financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The various funds are grouped in the financial statements into five generic fund types as follows:

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Governmental Funds:

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts) that are legally restricted to expenditures for specified purposes.

Debt Service Fund

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

Capital Projects Funds

The Capital Projects Funds account for all resources used for the acquisition or construction of a specific capital facility by the City, except those financed by the Enterprise Fund. As of April 30, 2013, the Capital Improvement Fund was the only Capital Project Fund in existence.

Proprietary Fund - Enterprise

The Enterprise Fund is 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 of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued):

Proprietary Fund - Enterprise (Continued)

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major funds:

Governmental Funds:

General Fund

The general fund is the general operating fund of the City. It is used to account for all the financial resources except those required to be accounted for in another fund.

Police Protection Fund

The fund records the receipts of the City's levied property taxes for police protection and fines. These funds are then expended for cost of the police protection.

Civil Defense

This fund records the receipts and expenses for the City's preparation and the carrying out of all emergency functions.

IMRF

This fund records the receipt and expenses for the City's defined benefit pension plan.

Economic Development Fund

This fund encourages the rehabilitation of the business district. This fund records the receipts of the City's franchise licenses.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued):

Streets and Alleys Fund

This fund records the receipts of property taxes for road and bridge. These funds are then expended for the maintenance of roads and bridges.

Motor Fuel Tax Fund

This fund records the receipts of the City's share of state gasoline taxes. These funds are then expended for the maintenance of roads and bridges. State of Illinois law requires separate accounting for such revenues and expenditures.

City Group Insurance Fund

This fund records the receipt and expenses for the City's group health insurance.

Enterprise Funds:

Water and Sewer Fund To account for the costs related to the operation of the City's water and sewer system. Funding is provided by user fees.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All Governmental Funds and Proprietary Funds are accounted for using the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenues are recorded when cash is received and expenditures are recorded when checks are written. Therefore, accrued income and expenses, payables and deferred expenses, which may be material in amount, are not reflected in the accompanying financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources when they are needed.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All Proprietary Funds (Water and Sewer Enterprise Funds) are accounted for on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles, and not on a cost of services or "capital maintenance" measurement focus. Therefore, not all assets and liabilities (whether current or noncurrent) associated with the fund activities are included on the combined statements.

Budgets and Budgetary Accounting

The term budget, used throughout the financial statements represents the estimated revenues and appropriations set forth in the City's annual appropriation ordinance adopted for the fiscal year ended April 30, 2013.

The budgetary figures presented in the accompanying financial statements are presented on the cash basis method of accounting which is consistent with the basis used for the actual figures.

Unexpended budgeted amounts lapse at the end of each year. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line items.

Budgeted amounts are as originally approved, or as amended by the City Council.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Cash and Investments

Cash consists of demand deposits and savings accounts, both easily accessible and with short-term duration. Investments as of April 30, 2013 consist of certificates of deposit and deposits in the Illinois Public Treasurer's Investment Pool. Deposits and investments are stated at cost or amortized cost which approximates market.

Although money market accounts appear to be easily accessible, they are considered to be investments for the City's purposes. Statutes authorize the City to invest in: 1) securities guaranteed by the full faith and credit of the United States of America; 2) deposits or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short-term obligations of corporations organized in the United States which meet other restrictions as defined in Illinois Revised Statutes Chapter 35, Paragraph 902, as amended; 4) money market funds registered under the Investment Company Act of 1940; 5) short-term discount obligations of the Federal National Mortgage Association; 6) shares or other forms of securities legally issuable by savings and loan associations; 7) various share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States provided the principal office of any such credit union is located within the State of Illinois; 8) a Public Treasurer's Investment Pool created under Section 17 of "An Act to revise the law in relation to the State Treasurer", approved April 23, 1873, as amended. Bank and savings and loan investments may only be made in institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

Investments are stated at cost, which approximates market.

For purposes of the statement of cash flows, cash equivalents include money market accounts and any highly liquid debt instruments purchased with a maturity of less than three months. There were no cash equivalents as of April 30, 2013.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Balance

Beginning with fiscal year 2012, the City implemented GASB Statement 54 "*Fund Balance and Reporting and Governmental Fund Type Definitions*". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- 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. The City has the following balances that are restricted at year end.

a.	Police (tax levy)	\$ 9,434
b.	City Defense (restricted contributions)	281,595
c.	IMRF (tax levy)	100,104
d.	Street and Alley (tax levy)	451
e.	Motor Fuel Tax (motor fuel tax receipts)	243,722
f.	City Group Insurance (tax levy)	-
g.	Recreation (tax levy)	72,739
h.	Street Lighting (tax levy)	81
i.	School Crossing Guard (tax levy)	1,840
j.	Tort Liability (tax levy)	2,341
k.	Band Fund (tax levy)	7,792
l.	City Audit (tax levy)	12,130
m.	City Social Security (tax levy)	5
n.	Unemployment Insurance (tax levy)	39,490
o.	Coliseum (tax levy)	60,586
p.	Street and Bridge (tax levy)	<u>28,112</u>

Total \$860,422

- 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 has the following balances that are committed at year end.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Equity (Continued)

a.	Economic Development	\$ 68,601
b.	Public Health	88,052
c.	City Hall	201
d.	Chlorination of Sewage	<u>5,730</u>
	Total	<u>\$162,584</u>

- Assigned fund balances - 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 delegate the authority.
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purpose). When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: Committed, Assigned, and Unassigned.

Note 2 Pension Plan

Plan Description

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

City of Oregon, Illinois

Notes to Financial Statements

Note 2 Pension Plan (Continued)

Funding Policy

As set by statute, the City's Regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's contribution rate for calendar year 2012 was 14.49 percent of annual covered payroll. The City's annual required contribution rate for calendar year 2012 was 15.94 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

For calendar year ending December 31, 2012, the City's actual contributions for pension cost for the Regular were \$146,165. Its required contribution for calendar year 2012 was \$160,792. For calendar year ending December 31, 2012, the City's annual pension cost and net pension obligation to the IMRF plan are:

Annual required contribution	\$160,792
Interest on net IMRF pension obligation	3,965
Adjustment to annual required contribution	<u>(2,697)</u>
Annual pension cost	162,060
Annual contributions made	<u>146,165</u>
Increase in IMRF pension obligation	15,895
Net IMRF pension obligation, beginning of year	<u>52,861</u>
Net IMRF pension obligation, end of year	<u>\$ 68,756</u>

The IMRF fund will liquidate the IMRF obligation in future years.

City of Oregon, Illinois

Notes to Financial Statements

Note 2 Pension Plan (Continued)

Annual Pension Cost (Continued)

Three-Year Trend Information for the Regular Plan

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/12	\$160,792	91%	*\$68,756
12/31/11	143,679	84%	52,861
12/31/10	127,916	77%	29,822

*This amount was calculated due to the phased in contribution rate used by the City.

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the City's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 72.04 percent funded. The actuarial accrued liability for benefits was \$2,537,851 and the actuarial value of assets was \$1,828,195, resulting in an underfunded actuarial accrued liability (UAAL) of \$709,656. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,008,731 and the ratio of the UAAL to the covered payroll was 70 percent.

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

City of Oregon, Illinois

Notes to Financial Statements

Note 3 Common Bank Account

Separate bank accounts are not maintained for all City funds; instead, certain funds maintain their cash balances in a common checking account and a common state investment pool account, with the accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain funds participating in the common bank account will incur overdrafts (deficit cash balances) in the account. A deficit in one fund restricts the cash available for use by other funds in the same common bank account. The fund with a deficit cash balance was the Water and Sewer Fund.

Deficit cash balances are classified as due to other funds in the financial statements.

Note 4 Cash and Investments

Deposits As of April 30, 2013, the carrying amount of the City's deposits into checking, savings, money market accounts and certificates of deposit was \$926,381 and the bank balance was \$929,204. The City's total collateral, including Federal Deposit Insurance and collateral held by a pledging bank's trust department, was \$929,204.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. Neither the state nor the City has a deposit policy for custodial credit risk. As of April 30, 2013, the City had no balance that was exposed to custodial credit risk and was uninsured and uncollateralized.

For financial statement purposes, certificates of deposit are shown as investments.

Investments not subject to categorization:	<u>Carrying Value</u>	<u>Market Value</u>
Investments in Illinois Funds	<u>\$243,722</u>	<u>\$243,722</u>

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the City investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

City of Oregon, Illinois

Notes to Financial Statements

Note 4 Cash and Investments (Continued)

Interest Rate Risk (Continued):

	<u>Remaining Maturity (in Months)</u>			<u>Total</u>
	<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	
External investment pool	<u>\$243,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$243,722</u>

The State Treasurer maintains the Illinois Funds Money Market at cost and fair value through daily adjustments in the interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The fair value of the City's investment in the fund is the same as the value of the pool shares. The Pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The Pool maintains a Standard and Poor's AAA rating. The City's investments in the Illinois funds are not required to be categorized because they are not securities. The relationship between the City and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship.

Concentration of Credit Risk:

The City has no investments, other than an external investment pool that is exempted from this requirement, in any one issuer that represents 5% or more of the total City's investments.

Note 5 Property, Plant and Equipment

Capital assets, which include buildings and improvements, infrastructure, equipment and vehicles, are reported in the government-wide financial statements. The City defines capital assets as assets with an initial individual cost of more than \$5,000 for equipment and vehicles, \$10,000 for building and improvements, and \$50,000 for infrastructure assets, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. For those assets for which historical cost is not available, the City has estimated historical cost by using current costs and adjusting for inflation. Donated assets are stated at estimated fair market value as of the date of acquisition. The cost of normal maintenance and repair that do not add to the value of the asset or materially extend the useful life are not capitalized.

City of Oregon, Illinois

Notes to Financial Statements

Note 5 Property, Plant and Equipment (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, except construction in progress, are being depreciated using the straight line method over the following useful lives:

Buildings & Improvements	20 - 40 years
Infrastructure	40 years
Equipment & Vehicles	5 - 7 years

The City has elected to record infrastructure assets on a prospective basis.

Capital assets in the governmental fund financial statements are reported as expenditures when incurred.

The governmental activities capital asset activity for the year ended April 30, 2013 is as follows:

	Balance <u>May 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>April 30, 2013</u>
Cost:				
Buildings and improvements	\$1,600,077	\$ -	\$ -	\$1,600,077
Infrastructure	1,570,835	-	-	1,570,835
Equipment	517,106	-	-	517,106
Vehicles	<u>541,229</u>	<u>50,114</u>	<u>-</u>	<u>591,343</u>
	<u>\$4,229,247</u>	<u>\$50,114</u>	<u>\$ -</u>	<u>\$4,279,361</u>
Accumulated Depreciation:				
Buildings and improvements	\$1,403,666	\$ 10,047	\$ -	\$1,413,713
Infrastructure	174,863	39,271	-	214,134
Equipment	492,368	10,884	-	503,252
Vehicles	<u>387,711</u>	<u>46,118</u>	<u>-</u>	<u>433,829</u>
	<u>\$2,458,608</u>	<u>\$106,320</u>	<u>\$ -</u>	<u>\$2,564,928</u>

City of Oregon, Illinois

Notes to Financial Statements

Note 5 Property, Plant and Equipment (Continued)

	<u>Balance</u> <u>May 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2013</u>
Total Capital Assets, Net:				
Buildings and improvements	\$ 196,411	\$(10,047)	\$ -	\$ 186,364
Infrastructure	1,395,972	(39,271)	-	1,356,701
Equipment	24,738	(10,884)	-	13,854
Vehicles	<u>153,518</u>	<u>3,996</u>	<u>-</u>	<u>157,514</u>
	<u>\$1,770,639</u>	<u>\$(56,206)</u>	<u>\$ -</u>	<u>\$1,714,433</u>

The business-type activities capital asset activity for the year ended April 30, 2013 is as follows:

	<u>Balance</u> <u>May 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2013</u>
Cost:				
Buildings and improvements	\$ 420,641	\$ -	\$ -	\$ 420,641
Infrastructure	5,020,744	-	-	5,020,744
Equipment	698,037	49,781	-	747,818
Vehicles	<u>19,930</u>	<u>-</u>	<u>-</u>	<u>19,930</u>
	<u>\$6,159,352</u>	<u>\$ 49,781</u>	<u>\$ -</u>	<u>\$6,209,133</u>

Accumulated Depreciation:

Buildings and improvements	\$ 414,736	\$ 1,969	\$ -	\$ 416,705
Infrastructure	121,032	124,160	-	245,192
Equipment	641,100	24,308	-	665,408
Vehicles	<u>19,930</u>	<u>-</u>	<u>-</u>	<u>19,930</u>
	<u>\$1,196,798</u>	<u>\$150,437</u>	<u>\$ -</u>	<u>\$1,347,235</u>

Total Capital Assets, Net:

Buildings and improvements	\$ 5,905	\$ (1,969)	\$ -	\$ 3,936
Infrastructure	4,899,712	(124,160)	-	4,775,552
Equipment	56,937	25,473	-	82,410
Vehicles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$4,962,554</u>	<u>\$(100,656)</u>	<u>\$ -</u>	<u>\$4,861,898</u>

City of Oregon, Illinois

Notes to Financial Statements

Note 5 Property, Plant and Equipment (Continued)

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

Governmental activities:

General government	\$ 10,047
Public safety	20,788
Streets and public improvements	74,361
Recreation and parks	<u>1,124</u>
Total depreciation expense, governmental activities	<u>\$106,320</u>

Business-type activities:

Water and Sewer	<u>\$150,437</u>
Total depreciation expense, business-type activities	<u>\$150,437</u>

Note 6 Property Taxes

The City is responsible for assessing property taxes whereas the County in which the City resides is responsible for collecting and distributing property taxes in accordance with enabling state legislation. Property taxes attach as an enforceable lien on property as of January 1 and may be paid in two equal installments. The first installment is normally due on or before June 1 and the second installment is normally due on or before September 1. The City receives significant distributions of tax receipts approximately one month after these due dates. Payments made after the September 1 installment date are assessed interest at the rate of 1% for farmland and 1-1/2% for all others. The amounts reported in the financial statements relate entirely to the 2011 levy, the 2012 levy will be reported as revenue for the fiscal year ending April 30, 2014.

Note 7 Accumulated Unpaid Vacation and Sick Pay

The City follows the policy of allowing unused sick days to accumulate up to a maximum of 240 days. Unused sick days are not payable to an employee upon termination. However, the unused days are added to an employee's retirement benefits upon retirement. Unused vacation days may be carried over to the next year only upon approval by the City Council. At this time, a reasonable estimate for vacation days and of the total discounted liability for sick days unused at retirement is not being maintained.

City of Oregon, Illinois

Notes to Financial Statements

Note 8 Long-Term Debt

Notes Payable

On October 1, 2007, the City borrowed \$27,692 at 4.75% interest from The First National Bank and Trust of Rochelle to purchase a street department truck. The note is payable in annual installments of \$6,365 and matured on October 1, 2012.

On August 8, 2007, the City borrowed \$14,085 at 4.75% interest from The First National Bank and Trust of Rochelle to purchase a street department truck. The note is payable in annual installments of \$3,237 and matured on August 8, 2012.

On July 27, 2009, the City borrowed \$280,000 at 3.75% interest from Stillman Valley Bank to fund street repairs. The note is payable in monthly installments of \$8,243 and matured on July 27, 2012.

On January 12, 2011, the City borrowed \$99,283 at 3.75% interest from First National Bank and Trust Company to purchase a plow truck. The note is payable in quarterly installments of \$5,423 on January 12, 2011 with a final payment due October 12, 2015.

On March 17, 2011, the City borrowed \$41,201 at 3.10% interest from Midland States Bank to purchase two squad cars. The note is payable in monthly installments of \$917 and matures on March 1, 2015.

On December 3, 2012, the City borrowed \$50,114 at 2.75% interest from First National Bank and Trust Company to purchase a plow truck. The note is payable in monthly installments of \$1,001 and matures on November 25, 2017.

IEPA Loan

On March 5, 2001, the City entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section for the construction of new storm sewers and conversion of existing combined sewers. The note bears a fixed interest rate of 2.905%. The term of the loan is for 20 years with semi-annual repayments beginning in May, 2003.

For the original principal amount, the City had drawn \$4,403,521 on the loan to cover the construction costs in addition to \$173,984 of accrued interest which was added to the principal balance. The remaining balance is shown as a loan payable in the enterprise fund.

City of Oregon, Illinois

Notes to Financial Statements

Note 8 Long-Term Debt (Continued)

IEPA Loan (Continued)

On October 19, 2009, the City entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section for the wastewater treatment plant upgrade. The note is non-interest bearing. The term of the loan is for 20 years with semi-annual repayments beginning when the project is complete. The project is expected to be completed in Fiscal Year 2014.

As of April 30, 2013, the City had drawn \$2,814,141 of the IEPA loan amount.

Annual debt service requirements to maturity are as follows:

<u>Fiscal year ending April 30,</u>	<u>IEPA Loans Proprietary</u>		<u>Notes Payable General Long-Term Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 383,726	\$ 70,943	\$50,114	\$3,926
2015	390,695	63,973	21,283	458
2016	397,869	56,799	51,490	2,693
2017	405,253	49,416	-	-
2018	412,853	41,816	-	-
2019 – 2023	1,966,170	88,012	-	-
2024 – 2028	727,680	-	-	-
2029 – 2031	436,619	-	-	-
	<u>\$5,120,865</u>	<u>\$370,959</u>	<u>\$122,887</u>	<u>\$7,077</u>

City of Oregon, Illinois

Notes to Financial Statements

Note 8 Long-Term Debt (Continued)

Changes in Long-Term Liabilities. During the year ended April 30, 2013, the following changes occurred in long-term liability accounts:

	<u>Balance</u> <u>May 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2013</u>
Business-type Activities:				
2003 IEPA loan	\$2,732,623	\$ -	\$231,418	\$2,501,205
2010 IEPA loan	2,665,514	83,801	129,654	2,619,661
Governmental Activities:				
2008 note payable	3,092	-	3,092	-
2008 note payable	6,072	-	6,072	-
2009 note payable	24,594	-	24,594	-
2011 note payable	30,611	-	9,328	21,283
2011 note payable	70,765	-	19,275	51,490
2012 note payable	<u>-</u>	<u>50,114</u>	<u>-</u>	<u>50,114</u>
Total	<u>\$5,533,271</u>	<u>\$ 133,915</u>	<u>\$423,433</u>	<u>\$5,243,753</u>

The Street and Alley Fund and Police Fund are typically used to pay the debt relating to the governmental activities.

The City is subject to a debt limitation of 8.625% of its assessed valuation of \$52,531,310. As of April 30, 2013 the City had \$4,407,938 of remaining legal debt margin.

Note 9 Net Position/Fund Balances

Net position reported on the government wide statement of net position at April 30, 2013:

Governmental Activities:

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$1,714,433
Less: related long-term debt outstanding	<u>122,887</u>
Total net investment in capital assets	<u>1,591,546</u>

Restricted -	
State statutes and enabling legislation	<u>860,470</u>

Unrestricted	<u>705,941</u>
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Total governmental activities net position	<u>\$3,157,957</u>
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City of Oregon, Illinois

Notes to Financial Statements

Note 10 Deficit Net Position/Fund Balances

As of April 30, 2013, the following funds had a deficit net position/fund balance:

<u>Fund</u>	<u>Amount</u>
Proprietary Fund - Operations and Maintenance	<u>\$(671,044)</u>
City Group Insurance	<u>\$(2,546)</u>

Note 11 Excess of Actual Expenditures/Expenses Over Budget in Individual Funds

No funds had an excess of actual expenditures/expenses (exclusive of depreciation and amortization) over budget for the fiscal year.

Note 12 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. In order to handle such risks of loss, the City purchases insurance coverage through the Illinois Municipal League Risk Management Association and self insures for unemployment insurance purposes (See Note 14). The deductibles in effect through these policies as of April 30, 2013 vary with the type of coverage and risk involved. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

Note 13 Contingency

The City is a defendant in claims relating to personal injury. Part of the claims may be insured but subject to varying deductibles and some of the claims may be uninsured. The amount of liability, if any, from the claims cannot be determined with certainty; however, management is of the opinion that the outcome of the claims will not have a material adverse impact on the City's financial position. Due to uncertainties in the settlement process, it is at least reasonably possible that management's estimate of the outcome will change within the next year.

The City is involved in litigation as the plaintiff relating to the construction of the wastewater treatment plant. The amount of any potential recovery is not known at this time.

City of Oregon, Illinois

Notes to Financial Statements

Note 14 Self Insurance Plan

The City is self-insured for unemployment insurance. The City is therefore liable to the State for any payments made to any of its former employees claiming unemployment benefits. For the year ended April 30, 2013, there were no payments made for unemployment benefit claims.

Note 15 Transfers

Below are the interfund transfers as of April 30, 2013:

	<u>Operating Transfers in</u>	<u>Operating Transfers out</u>
General Fund:		
Police Fund	\$ -	\$ (450,000)
IMRF Fund	-	(34,000)
Street and Alley Fund	-	(259,000)
City Group Insurance Fund	-	(160,000)
Non Major Governmental Funds	<u>-</u>	<u>(31,300)</u>
Total General Fund	<u>-</u>	<u>(934,300)</u>
Police Fund:		
General Fund	<u>450,000</u>	<u>-</u>
Street and Alley Fund:		
General Fund	<u>259,000</u>	<u>-</u>
IMRF Fund:		
General Fund	<u>34,000</u>	<u>-</u>
City Group Insurance Fund:		
General Fund	<u>160,000</u>	<u>-</u>
Water and Sewer Fund:		
General Fund	<u>-</u>	<u>-</u>
Non Major Governmental Funds:		
General Fund	<u>31,300</u>	<u>-</u>
Total all funds	<u>\$ 934,300</u>	<u>\$ (934,300)</u>

The purpose of these transfers was to subsidize the costs provided by the various funds shown above to the General Fund.

Note 16 Commitment

On October 19, 2009, the City entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section for the wastewater treatment plant upgrade. The

City of Oregon, Illinois

Notes to Financial Statements

Note 16 Commitment (Continued)

wastewater treatment plant upgrade is projected to cost approximately \$4,400,339. The aggregate principal amount of the loan at April 30, 2013 is \$2,619,661. The note is non-interest bearing. The term of the loan is for 20 years with semi-annual repayments which began in March, 2012. The project is expected to be completed in Fiscal Year 2013.

\$1,820,227 of eligible costs are being funded under the American Recovery and Reinvestment Act of 2009 (ARRA). One-half of the ARRA funds, \$910,113, will be required to be repaid. \$1,820,227 of eligible costs are being funded from the Wastewater Loan Program. The total amount expended from the Wastewater Loan Program will be required to be repaid.

Note 17 Other Postemployment Benefits

In July 2004, the Governmental Accounting Standards Board issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement requires a systematic, accrual basis measurement and recognition of other postemployment benefit (OPEB) expense over a period that approximates employees' years of service. The Statement also requires the information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The City elected to not adopt the new standards related to other postemployment benefits.

Note 18 Tort Insurance Expenditures

The City had the following Tort insurance expenditures for the year ended April 30, 2013:

Insurance	\$ 76,830
Salaries	<u>30,000</u>
Total	<u>\$106,830</u>

Note 19 Pending GASB Statements

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement 61 "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34." The City is required to implement this standard for the fiscal year ending April 30, 2014.

City of Oregon, Illinois

Notes to Financial Statements

Note 19 Pending GASB Statements (Continued)

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement 65 "Items Previously Reported as Assets and Liabilities." The City is required to implement this standard for the fiscal year ending April 30, 2014.

In June 2012, the GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27." The City is required to implement this standard for the fiscal year ending April 30, 2016.

Management has not completed its assessment of these pending standards as to the effect, if any, they may have on the financial statements.

Note 20 Accounting Changes

In June 2011, the Government Accounting Standards Board (GASB) issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. The City adopted this guidance for the year ended April 30, 2013.

Note 21 Subsequent Events

On May 2, 2013, the City issued \$3,605,000 in Series 2013 General Obligation Bonds (Alternate Revenue Source). The proceeds of the bonds will be used to finance and refinance the acquisition, construction and installation of certain sewer repairs, rehabilitation and improvements and sewerage system replacements, refinance the City's 2003 IEPA loan, and pay certain costs of issuance of the bonds.

**Other Information
(Unaudited)**

City of Oregon, Illinois

Other Information

April 30, 2013

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAAL as a Percentage of Covered Payroll {(b-a)/c}</u>
12/31/12	\$1,828,195	\$2,537,851	\$709,656	72.04%	\$1,008,731	70.35%
12/31/11	1,503,749	2,240,474	736,725	67.12%	918,661	80.20%
12/31/10	1,278,822	1,975,473	696,651	64.73%	821,554	84.80%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$1,902,225. On a market basis, the funded ratio would be 74.95%.

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

City of Oregon, Illinois

General Fund Schedule of Revenues Received and Expenditures Disbursed Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Revenues received			
Taxes:			
State income tax	\$ 278,000	\$ 356,859	\$ 78,859
Replacement tax	67,000	48,923	(18,077)
Local taxes	50,000	59,270	9,270
Utility taxes	34,800	31,931	(2,869)
State telecommunications tax	108,000	108,028	28
State sales tax	565,000	539,382	(25,618)
Total taxes	1,102,800	1,144,393	41,593
Charges for services:			
Other	6,500	6,880	380
Total charges for services	6,500	6,880	380
Use of money and property:			
Interest on investments	2,000	3,772	1,772
Miscellaneous receipts:			
Miscellaneous receipts	55,700	26,349	(29,351)
Total miscellaneous receipts	55,700	26,349	(29,351)
Licenses and permits:			
Liquor license	12,000	10,649	(1,351)
Cable franchise fees	-	-	-
Other license fees	2,500	6,969	4,469
Total licenses	14,500	17,618	3,118
Total revenues received	\$ 1,181,500	\$ 1,199,012	\$ 17,512

City of Oregon, Illinois

General Fund (Continued) Schedule of Revenues Received and Expenditures Disbursed Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures disbursed			
General government:			
Personnel services:			
Salaries - city officials	\$ 57,500	\$ 39,737	\$ (17,763)
Salary - clerk/treasurer	70,000	59,145	(10,855)
Total personnel services	127,500	98,882	(28,618)
Contractual services:			
Dues	2,000	1,503	(497)
Legal service	50,000	17,327	(32,673)
Printing and publishing	5,000	1,062	(3,938)
Travel and training - council	5,000	-	(5,000)
Travel and training - clerk's office	6,000	1,424	(4,576)
Christmas lighting	-	-	-
Engineering services	55,000	888	(54,112)
Telephone	9,000	5,547	(3,453)
City Hall Clock Maintenance	600	590	(10)
Gas	2,000	-	(2,000)
Total contractual services	134,600	28,341	(106,259)
Commodities:			
Office supplies and postage	8,000	2,179	(5,821)
Gas and oil	10,000	5,927	(4,073)
Total commodities	18,000	8,106	(9,894)
Miscellaneous	6,000	2,721	(3,279)
Capital outlay:			
Building improvements	20,000	-	(20,000)
Purchase equipment	10,000	92	(9,908)
Total capital outlay	30,000	92	(29,908)
Contingency:			
Contingency	50,000	-	(50,000)
Total general government	\$ 366,100	\$ 138,142	\$ (227,958)
Other financing sources (uses):			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	(934,300)	(934,300)	-
Total other financing sources (uses)	\$ (934,300)	\$ (934,300)	\$ -

City of Oregon, Illinois

Police Fund

Schedule of Revenues Received and Expenditures Disbursed

Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Revenues received			
Taxes:			
Property taxes - corporate	\$ 97,866	\$ 97,401	\$ (465)
Intergovernmental receipts:			
Cops fast grant/other	1,200	975	(225)
Charges for services:			
Oregon Park District	800	-	(800)
Fines and penalties:			
Police fines	44,900	52,015	7,115
Police reports	250	304	54
Towing fee	11,500	18,512.00	7,012
Parking fines	4,000	5,580	1,580
Total fines and penalties	60,650	76,411	15,761
Miscellaneous receipts	11,550	5,111	(6,439)
Total revenues received	\$ 172,066	\$ 179,898	\$ 7,832
Expenditures disbursed			
Public safety and health:			
Personnel services:			
Salaries - police	\$ 750,000	\$ 533,837	\$ (216,163)
Total personnel services	750,000	533,837	(216,163)
Contractual services:			
Maintenance - equipment	9,000	3,734	(5,266)
Maintenance - vehicles	20,000	18,584	(1,416)
Dues	1,500	1,738	238
Travel and training	22,500	3,702	(18,798)
Printing and publishing	1,500	1,374	(126)
Utilities - telephone	9,000	6,594	(2,406)
Total contractual services	63,500	35,726	(27,774)

City of Oregon, Illinois

Police Fund (Continued) Schedule of Revenues Received and Expenditures Disbursed Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures disbursed (Continued)			
Public safety and health (continued):			
Commodities:			
Office supplies and postage	1,500	579	(921)
Clothing and uniforms	11,000	2,169	(8,831)
Admin. towing disbursements	30,000	-	(30,000)
Gas and oil	30,000	36,852	6,852
Total commodities	72,500	39,600	(32,900)
Miscellaneous:			
Other miscellaneous expense	10,000	6,123	(3,877)
Capital outlay:			
Equipment	22,000	8,771	(13,229)
Vehicles	48,000	10,287	(37,713)
Office equipment	5,500	-	(5,500)
Total capital outlay	75,500	19,058	(56,442)
Contingencies	25,000	-	(25,000)
Total public safety and health	\$ 996,500	\$ 634,344	\$ (362,156)
Other financing sources:			
Debt proceeds	\$ -	\$ -	\$ -
Operating transfers in	-	450,000	450,000
Total other financing sources	\$ -	\$ 450,000	\$ 450,000

City of Oregon, Illinois

Civil Defense Fund

Schedule of Revenues Received and Expenditures Disbursed Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Revenues received			
Miscellaneous receipts:			
Other income	\$ 5,200	\$ 12,960	\$ 7,760
Expenditures disbursed			
Public safety and health:			
Personnel services - salaries	\$ 200	\$ -	\$ (200)
Contractual services:			
Travel and training	200	-	(200)
Telephone	5,000	3,530	(1,470)
Total contractual services	5,200	3,530	(1,670)
Commodities:			
Miscellaneous	2,000	-	(2,000)
Supplies and materials	100,000	8,865	(91,135)
Total public safety and health	\$ 107,400	\$ 12,395	\$ (95,005)
Other financing sources:			
Operating transfers out	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -

City of Oregon, Illinois

IMRF Fund Schedule of Revenues Received and Expenditures Disbursed Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Revenues received			
Taxes:			
Property tax	\$ 89,500	\$ 89,169	\$ (331)
Replacement taxes	-	18,105	18,105
Total taxes	\$ 89,500	\$ 107,274	\$ 17,774
Use of money and property:			
Interest on investments	\$ 600	\$ 232	\$ (368)
Expenditures disbursed			
Personnel services - IMRF	\$ 150,000	\$ 149,655	\$ (345)

City of Oregon, Illinois

Economic Development Fund Schedule of Revenues Received and Expenditures Disbursed Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Revenues received			
Taxes:			
Telecommunication tax	\$ -	\$ -	\$ -
Intergovernmental receipts:			
State grants	-	-	-
Federal grant	1,200	2,217	1,017
Total intergovernmental receipts	1,200	2,217	1,017
Licenses and permits:			
Cablevision franchise	41,000	34,107	(6,893)
Use of money and property -			
Interest on investments	-	-	-
Miscellaneous receipts			
	-	-	-
Total revenues received	\$ 42,200	\$ 36,324	\$ (5,876)
Expenditures disbursed			
General government:			
Capital outlay:			
Economic development expense	\$ 360,000	\$ 34,175	\$ (325,825)
Other financing sources (uses):			
Debt proceeds	\$ -	\$ -	\$ -
Operating transfers out	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -

City of Oregon, Illinois

Street and Alley Fund

Schedule of Revenues Received and Expenditures Disbursed
Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Revenues received			
Taxes:			
Property taxes - corporate	\$ 58,404	\$ 58,127	\$ (277)
Intergovernmental receipts:			
FEMA - Snow removal	-	-	-
State of Illinois - highway maintenance	12,000	1,187	(10,813)
Total intergovernmental receipts	12,000	1,187	(10,813)
Miscellaneous receipts	33,425	21,625	(11,800)
Total revenues received	\$ 103,829	\$ 80,939	\$ (22,890)
Expenditures disbursed			
Streets and public improvements:			
Personnel services - salaries	\$ 300,000	\$ 204,741	\$ (95,259)
Contractual services:			
Maintenance - buildings	40,000	145	(39,855)
Maintenance - equipment	20,000	470	(19,530)
Maintenance - vehicles	5,000	701	(4,299)
Travel and training	2,000	511	(1,489)
Contract labor	90,000	46,643	(43,357)
Telephone	3,500	2,784	(716)
Total contractual services	160,500	51,254	(109,246)
Commodities:			
Supplies and materials	75,000	37,631	(37,369)
Equipment maintenance materials	20,000	13,085	(6,915)
Gas and oil	33,500	16,273	(17,227)
Total commodities	128,500	66,989	(61,511)
Miscellaneous disbursements	70,000	1,185	(68,815)
Capital outlay:			
Equipment	107,000	79,158	(27,842)
Total streets and public improvements	\$ 766,000	\$ 403,327	\$ (362,673)
Other financing sources			
Debt proceeds	\$ -	\$ 50,114	\$ 50,114
Operating transfers in	259,000	259,000	-
Total other financing sources	\$ 259,000	\$ 309,114	\$ 50,114

City of Oregon, Illinois

Motor Fuel Tax Fund

Schedule of Revenues Received and Expenditures Disbursed Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Revenues received			
Intergovernmental receipts - motor fuel tax allotments and other	\$ 107,000	\$ 107,062	\$ 62
Use of money and property - Interest on investments	-	184	184
Total revenues received	\$ 107,000	\$ 107,246	\$ 246
Expenditures disbursed			
Streets and public improvements: Contractual services:			
Maintenance - grounds	\$ 275,000	\$ 56,388	\$ (218,612)
Engineering	40,000	7,834	-32,166
Total contractual services	315,000	64,222	(250,778)
Commodities - maintenance materials	15,000	-	(15,000)
Total streets and public improvements	\$ 330,000	\$ 64,222	\$ (265,778)

City of Oregon, Illinois

City Group Insurance Fund Schedule of Revenues Received and Expenditures Disbursed Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Revenues received			
Taxes			
Property taxes	\$ 58,404	\$ 64,487	\$ 6,083
Use of money and property - Interest on investments	-	-	-
Total revenues received	\$ 58,404	\$ 64,487	\$ 6,083
Expenditures disbursed			
General Government:			
Personnel services:			
Group insurance	\$ 395,000	\$ 311,960	\$ (83,040)
Life insurance	10,000	1,387	(8,613)
Total personnel services	\$ 405,000	\$ 313,347	\$ (91,653)
Other financing sources:			
Operating transfers in	\$ -	\$ 160,000	\$ 160,000
Total other financing sources (uses)	\$ -	\$ 160,000	\$ 160,000

City of Oregon, Illinois

Water and Sewer Fund Schedule of Revenues Received and Expenditures Disbursed Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Operating revenues received			
Charges for services:			
Water - sewer receipts	\$ 1,077,000	\$ 1,128,558	\$ 51,558
Sale of meters	1,000	1,775	775
Turn on fees	750	600	(150)
Main taps	300	600	300
Sewer hook up fees	(11,450)	6,500	17,950
Water hook up fees	2,000	5,500	3,500
Other charges for services	1,530	9,736	8,206
Total charges for services	1,071,130	1,153,269	82,139
Intergovernmental receipts:			
IEPA grants	142,800	58,800	(84,000)
Total operating revenues received	\$ 1,213,930	\$ 1,212,069	\$ (1,861)
Operating expenses disbursed			
Waterworks and sewerage:			
Personnel services:			
Salaries	\$ 200,000	\$ 179,615	\$ (20,385)
Contractual services - sewer:			
Engineering services	100,000	92,879	(7,121)
Maintenance	160,000	49,336	(110,664)
Professional services	120,000	249,716	129,716
Total contractual services - sewer	380,000	391,931	11,931
Contractual services - water:			
Engineering services	70,000	22,230	47,770
Contract labor	30,000	-	30,000
Power	9,000	-	9,000
Total contractual services - water	109,000	22,230	(86,770)
Total contractual services	489,000	414,161	(74,839)
Commodities - water & sewer:			
Office supplies and postage	10,000	6,828	(3,172)

City of Oregon, Illinois

Water and Sewer Fund (Continued)

Schedule of Revenues Received and Expenditures Disbursed Compared with Budget

Year ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Operating expenses disbursed (continued)			
Waterworks and sewerage (continued):			
Miscellaneous:			
Sewer	50,000	26,950	(23,050)
Water	50,000	-	(50,000)
Total miscellaneous	100,000	26,950	(73,050)
Depreciation	-	150,437	150,437
Capital outlay - Equipment:			
Water	80,000	-	(80,000)
Sewer	2,530,000	22,878	(2,507,122)
Total Capital outlay	2,610,000	22,878	(2,587,122)
Total waterworks and sewerage	\$ 3,409,000	\$ 800,869	\$ (2,608,131)
Other financing sources (uses):			
Operating transfers in	\$ -	\$ -	\$ -
Nonoperating revenue received (expenses disbursed)			
Interest on investments	\$ 250	\$ 208	\$ (42)
Interest expense	(620,000)	(77,714)	542,286
Total nonoperating revenue received (expenses disbursed)	\$ (619,750)	\$ (77,506)	\$ 542,244

City of Oregon, Illinois

Nonmajor Governmental Funds Combining Schedule of Assets, Liabilities, and Fund Balances Arising From Cash Transactions

April 30, 2013

	Total Nonmajor Governmental Funds	Street Lighting Fund	Recreation Fund	School Crossing Guard Fund
Assets				
Cash	\$ 292,787	\$ 81	\$ 72,739	\$ 1,840
Due from other funds	-	-	-	-
Investments, at cost	26,360	-	-	-
Total assets	\$ 319,147	\$ 81	\$ 72,739	\$ 1,840
Liabilities				
Payroll withholdings	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Fund Balances				
Fund balances	319,147	81	72,739	1,840
Total liabilities and fund balance	\$ 319,147	\$ 81	\$ 72,739	\$ 1,840

Tort Liability Fund	Band Fund	City Audit Fund	City Social Security Fund	Unemployment Insurance Fund
\$ 2,341	\$ 7,792	\$ 12,130	\$ 5	\$ 39,490
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,341</u>	<u>\$ 7,792</u>	<u>\$ 12,130</u>	<u>\$ 5</u>	<u>\$ 39,490</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
<u>2,341</u>	<u>7,792</u>	<u>12,130</u>	<u>5</u>	<u>39,490</u>
<u>\$ 2,341</u>	<u>\$ 7,792</u>	<u>\$ 12,130</u>	<u>\$ 5</u>	<u>\$ 39,490</u>

City of Oregon, Illinois

Nonmajor Governmental Funds Combining Schedule of Assets, Liabilities, and Fund Balances Arising From Cash Transactions (Continued)

April 30, 2013

	Public Health Fund	Coliseum Fund	City Hall Fund
Assets			
Cash	\$ 61,692	\$ 60,586	\$ 201
Investments, at cost	26,360	-	-
Total assets	\$ 88,052	\$ 60,586	\$ 201
Liabilities			
Payroll withholdings	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Total liabilities	-	-	-
Fund Balances			
Fund balances	88,052	60,586	201
Total liabilities and fund balance	\$ 88,052	\$ 60,586	\$ 201

Chlorination of Sewage Fund	Street and Bridge and Special Bridge Fund	Capital Improvement Fund
\$ 5,730	\$ 28,112	\$ 48
-	-	-
<u>\$ 5,730</u>	<u>\$ 28,112</u>	<u>\$ 48</u>
\$ -	\$ -	\$ -
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
5,730	28,112	48
<u>\$ 5,730</u>	<u>\$ 28,112</u>	<u>\$ 48</u>

City of Oregon, Illinois

Nonmajor Governmental Funds (Continued) Combining Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balances

Year ended April 30, 2013

	Total Nonmajor Governmental Funds	Street Lighting Fund	Recreation Fund	School Crossing Guard Fund
Revenues received				
Taxes	\$ 358,410	\$ 26,225	\$ 29,849	\$ 10,473
Charges for service	169,565	-	-	-
Uses of money and property	168	-	-	-
Fines and penalties	15,895	-	-	-
Miscellaneous receipts	280	-	-	-
Total revenues received	544,318	26,225	29,849	10,473
Expenditures disbursed				
Current:				
General government	191,037	-	-	-
Public safety and health	252,466	39,196	-	17,228
Recreation and parks	38,764	-	19,018	-
Capital outlay:				
Streets and public improvements	48,031	-	-	-
Recreation and parks	-	-	-	-
Total expenditures disbursed	530,298	39,196	19,018	17,228
Excess of revenues received over (under) expenditures disbursed	14,020	(12,971)	10,831	(6,755)
Other financing sources (uses)				
Operating transfers in	31,300	12,000	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	31,300	12,000	-	-
Excess of revenues received and other sources over (under) expenditures disbursed and other uses	45,320	(971)	10,831	(6,755)
Fund balance - May 1, 2012	273,827	1,052	61,908	8,595
Fund balance - April 30, 2013	\$ 319,147	\$ 81	\$ 72,739	\$ 1,840

Tort Liability Fund	Band Fund	City Audit Fund	City Social Security Fund	Unemployment Insurance Fund
\$ 109,035	\$ 3,147	\$ 36,714	\$ 32,519	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
109,035	3,147	36,714	32,519	-
106,830	-	28,670	42,850	-
-	-	-	-	-
-	3,150	-	-	-
-	-	-	-	-
-	-	-	-	-
106,830	3,150	28,670	42,850	-
2,205	(3)	8,044	(10,331)	-
-	-	-	6,800	-
-	-	-	-	-
-	-	-	6,800	-
2,205	(3)	8,044	(3,531)	-
136	7,795	4,086	3,536	39,490
\$ 2,341	\$ 7,792	\$ 12,130	\$ 5	\$ 39,490

City of Oregon, Illinois

Nonmajor Governmental Funds (Continued) Combining Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balances

Year ended April 30, 2013

	Public Health Fund	Coliseum Fund	City Hall Fund
Revenues received			
Taxes	\$ -	\$ 35,667	\$ -
Charges for service	169,565	-	-
Uses of money and property	168	-	-
Fines and penalties	15,895	-	-
Miscellaneous receipts	280	-	-
Total revenues received	185,908	35,667	-
Expenditures disbursed			
Current:			
General government	-	-	12,687
Public safety and health	196,042	-	-
Recreation and parks	-	16,596	-
Capital outlay:			
Streets and public improvements	-	-	-
Recreation and parks	-	-	-
Total expenditures disbursed	196,042	16,596	12,687
Excess of revenues received over (under) expenditures disbursed	(10,134)	19,071	(12,687)
Other financing sources (uses)			
Operating transfers in	-	-	12,500
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	12,500
Excess of revenues received and other sources over (under) expenditures dis- bursed and other uses	(10,134)	19,071	(187)
Fund balance - May 1, 2012	98,186	41,515	388
Fund balance - April 30, 2013	\$ 88,052	\$ 60,586	\$ 201

Chlorination of Sewage Fund	Street and Bridge and Special Bridge Fund	Capital Improvement Fund
\$ -	\$ 74,781	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	74,781	-
-	-	-
-	-	-
-	-	-
-	48,031	-
-	-	-
-	48,031	-
-	26,750	-
-	-	-
-	-	-
-	-	-
-	26,750	-
5,730	1,362	48
\$ 5,730	\$ 28,112	\$ 48

City of Oregon, Illinois

Schedule of Tort Expenditures Disbursed

Year ended April 30, 2013

Insurance	\$ 76,830
Salaries	30,000
<hr/>	
Total	\$ 106,830
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City of Oregon, Illinois

Schedule of Long-Term Debt

Year ended April 30, 2013

Year ended April 30	2003 IEPA Loan Payable		2010 IEPA Loan Payable	
	Principal	Interest	Principal	Interest
2014	\$ 238,190	\$ 70,943	\$ 145,536	\$ -
2015	245,159	63,973	145,536	-
2016	252,333	56,799	145,536	-
2017	259,717	49,416	145,536	-
2018	267,316	41,816	145,536	-
2019	275,138	33,994	145,536	-
2020	283,189	25,944	145,536	-
2021	291,475	17,657	145,536	-
2022	300,004	9,128	145,536	-
2023	88,684	1,289	145,536	-
2024	-	-	145,536	-
2025	-	-	145,536	-
2026	-	-	145,536	-
2027	-	-	145,536	-
2028	-	-	145,536	-
2029	-	-	145,536	-
2030	-	-	145,536	-
2031	-	-	145,549	-
	\$ 2,501,205	\$ 370,959	\$ 2,619,661	\$ -

City of Oregon, Illinois

Assessed Valuations, Rates, Extensions, and Collections

April 30, 2013

Fund	2012 Levy	
	Rate	Extended
General	0.33300	\$ 163,773
Police protection	0.07500	36,886
Recreation	0.01816	8,931
Coliseum	0.07263	35,720
Illinois municipal retirement	0.22324	109,792
Audit	0.07477	36,773
Liability insurance	0.23499	115,571
Social security	0.06622	32,568
Band	0.00641	3,152
Street Lighting	0.05341	26,268
School Crossing Guard	0.02000	9,836
Totals	1.17783	\$ 579,270

Year	Valuations	Collections
2012	\$ 52,531,310	\$ -
2011	\$ 52,531,310	\$ 635,664
2010	\$ 54,145,244	\$ 597,416

Included in the collections is the City's share of Road & Bridge property taxes.

2011 Levy		2010 Levy	
Taxes		Taxes	
Rate	Extended	Rate	Extended
0.33300	\$ 179,259	0.33220	\$ 179,871
0.07500	40,374	0.07482	40,511
0.05700	30,682	0.05686	30,787
0.06811	36,607	0.06784	36,732
0.17028	91,513	0.16959	91,825
0.07011	37,681	0.06983	37,810
0.22036	66,210	0.12270	66,436
0.06210	33,375	0.06185	33,489
0.00601	3,232	0.00599	3,243
0.05008	26,916	0.04988	27,008
0.02000	10,766	0.01995	10,802
1.13205	\$ 556,615	1.03151	\$ 558,514