

City of Oregon

Oregon, Illinois

Annual Financial Report

April 30, 2018

City of Oregon, Illinois

Year Ended April 30, 2018

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City of Oregon, Illinois

Year Ended April 30, 2018

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Independent Auditor's Report

Honorable Mayor and Council
City of Oregon
Oregon, Illinois

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oregon, Illinois (the City), as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Oregon, Illinois, as of April 30, 2018, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting 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 opinions are not modified with respect to this matter.

Other Matters

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 Discussion and Analysis on page 3 through 8 and the additional schedules listed in the table of contents as other information, pages 42 through 65, 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

Rockford, Illinois
October 4, 2018

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, 2018.

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, 2018 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 – modified cash basis 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.

The statement of activities – modified cash basis 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.

City of Oregon, Illinois

Management Discussion and Analysis

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 balance sheet – modified cash basis and the governmental fund statement of revenues, expenditures, and changes in fund balances – modified cash basis provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet – modified cash basis and in the fund statement of revenues, expenditures, and the changes in fund balances – modified cash basis for all these funds. Nine of these twenty-two 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 – modified cash basis and in the proprietary statement of revenues, expenses, and the changes in net position – modified cash basis 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. The term budget, used throughout the financial statements, represents the estimated revenues and appropriations set forth in the City's annual appropriation ordinance. A budgetary comparison statement has been provided for the major funds only.

Financial Highlights

- The City's governmental activities net position as of May 1, 2017, was \$4,136,996. The revenue during the fiscal year May 1, 2017 thru April 30, 2018 was \$2,811,668 and the expenses were \$2,487,462. The net position at April 30, 2018 is \$4,467,202.
- The City's business-type activities net position as of May 1, 2017, was \$2,196,802. The revenue during the fiscal year May 1, 2017 thru April 30, 2018 was \$1,493,732 and the expenses were \$940,521. The net position at April 30, 2018 is \$2,744,013.

City of Oregon, Illinois

Management Discussion and Analysis

Financial Highlights (Continued)

- The City's General Fund beginning balance as of May 1, 2017 was \$578,983. The revenue during the fiscal year May 1, 2017 thru April 30, 2018 was \$1,354,350 and the expenditures were \$161,545, net transfers out of \$1,202,400, which leaves a balance of \$569,388.
- The City's Police Fund beginning balance as of May 1, 2017 was \$19,411. The revenue during the fiscal year May 1, 2017 thru April 30, 2018 was \$150,495 and the expenditures were \$834,259, debt proceeds of \$56,958, transfers in of \$628,200, which leaves a balance of \$20,805.
- The City's Civil Defense Fund beginning balance as of May 1, 2017 was \$266,372. The revenue during the fiscal year May 1, 2017 thru April 30, 2018 was \$0 and the expenditures were \$575, which leaves a balance of \$265,797.
- The City's IMRF Fund beginning balance as of May 1, 2017 was \$151,425. The revenue during the fiscal year May 1, 2017 thru April 30, 2018 was \$155,830 and the expenditures were \$32,986, which leaves a balance of \$184,411.
- The City's Economic Development Fund beginning balance as of May 1, 2017 was (\$23,823). The revenue during the fiscal year May 1, 2017 thru April 30, 2018 was \$54,715 and the expenditures were \$75,184, transfers in of \$65,264, which leaves a balance of \$20,972.
- The City's Street and Alley Fund beginning balance as of May 1, 2017 was \$3,729. The revenue during the fiscal year May 1, 2017 thru April 30, 2018 was \$81,705 and the expenditures were \$379,553, transfers in of \$297,500, which leaves a balance of \$3,381.
- The City's Motor Fuel Tax Fund beginning balance as of May 1, 2017 was \$330,373. The revenue during the fiscal year May 1, 2017 thru April 30, 2018 was \$94,849 and the expenditures were \$224,697, which leaves a balance of \$200,525.
- The City's Group Insurance Fund beginning balance as of May 1, 2017 was \$83,508. The revenue during the fiscal year May 1, 2017 thru April 30, 2018 was \$48,342 and the expenditures were \$247,781, transfers in of \$188,650, which leaves a balance of \$72,719.
- The City's Road and Bridge Fund beginning balance as of May 1, 2017 was \$738,296. The revenue during the fiscal year May 1, 2017 thru April 30, 2018 was \$344,864 and the expenditures were \$185,503, which leaves a balance of \$897,657.

City of Oregon, Illinois

Management Discussion and Analysis

Condensed Financial Information

Net assets are summarized in the table below.

Condensed Statements of Net Position – Modified Cash Basis as of April 30, 2018 and April 30, 2017

	Governmental Activities		Business-type Activities	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets:				
Current Assets	\$2,576,804	\$2,510,019	\$1,729,232	\$1,153,934
Non-current Assets:				
Capital (Fixed) assets	<u>3,142,996</u>	<u>2,955,856</u>	<u>7,326,403</u>	<u>5,862,965</u>
Total Assets	<u>5,719,800</u>	<u>5,465,875</u>	<u>9,055,635</u>	<u>7,016,899</u>
Liabilities:				
Current Liabilities	127,946	128,280	393,042	388,120
Non-current Liabilities	<u>1,124,652</u>	<u>1,200,599</u>	<u>5,918,580</u>	<u>4,431,977</u>
Total liabilities	<u>1,252,598</u>	<u>1,328,879</u>	<u>6,311,622</u>	<u>4,820,097</u>
Net Assets:				
Net investments in capital assets	1,974,180	1,626,977	2,784,887	2,968,302
Restricted	1,949,002	1,885,961	658,196	624,496
Unrestricted	<u>544,020</u>	<u>624,058</u>	<u>(699,070)</u>	<u>(1,395,996)</u>
Total net position	<u>\$ 4,467,202</u>	<u>\$ 4,136,996</u>	<u>\$ 2,744,013</u>	<u>\$ 2,196,802</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.

Bonds payable, notes payable, and the IEPA loan constitute the City's long-term debt.

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

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 – Modified Cash Basis For Fiscal Year Ending April 30, 2018 and April 30, 2017

	Governmental Activities		Business-type Activities	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:				
Program:				
Charges for services	\$ 461,335	\$ 437,490	\$1,492,755	\$1,268,358
Operating grants & contributions	98,423	96,444	-	-
Capital grants & contributions	-	-	-	-
General:				
Property & other taxes	2,199,522	2,160,217	-	-
Interest	4,098	3,259	977	1,288
Other	<u>48,290</u>	<u>50,054</u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,811,668</u>	<u>2,747,464</u>	<u>1,493,732</u>	<u>1,269,646</u>
Expenses:				
General government	484,997	543,731	-	-
Public safety	1,288,802	1,280,388	-	-
Public works	635,368	575,752	-	-
Culture & recreation	40,175	92,598	-	-
Interest	38,120	11,432	-	-
Water & sewer	<u>-</u>	<u>-</u>	<u>940,521</u>	<u>876,947</u>
Total expenses	2,487,462	2,503,900	940,521	876,947
Excess before transfers	324,206	243,564	553,211	392,699
Transfers	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>	<u>-</u>
Change in net position	<u>\$ 330,206</u>	<u>\$ 243,564</u>	<u>\$ 547,211</u>	<u>\$ 392,699</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 \$877,417 from the prior year. The General Fund had a decrease in fund balance of \$9,595. The Water and Sewer Fund had an increase in net position of \$547,211. 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 (annual appropriation ordinance) in July of 2017. 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 \$102,350 more than budgeted due mainly to more state income tax, sales tax, and license fees than budgeted. General Fund expenditures were \$516,455 under budget. Not including Inter-Fund Transfers, the General Fund had a net gain of \$1,192,805 for the fiscal year. Including Inter-Fund Transfers the General Fund had a decrease of \$9,595.

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 2018, the City purchased building improvements and IT room remodel for \$72,871, \$58,386 for street reconstruction, \$86,424 on Fairgrounds Subdivision, \$74,590 on various street projects and \$56,958 on vehicles. In the Water and Sewer Fund, the City added \$1,673,425 for infrastructure for well upgrades, general equipment of \$35,857, and a vehicle for \$32,595. As of April 30, 2018, \$7,545,085 of principal is outstanding on various loans. See notes to financial statements for additional information on Capital Assets (Note 6) and on Long-Term Debt (Note 9).

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, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 2,576,804	\$ 1,071,036	\$ 3,647,840
Restricted assets - cash	-	658,196	658,196
Internal balances	-	-	-
Total current assets	2,576,804	1,729,232	4,306,036
Noncurrent assets:			
Land	129,900	-	129,900
Capital Assets (Net of accumulated depreciation)	3,013,096	7,326,403	10,339,499
Total assets	5,719,800	9,055,635	14,775,435
Liabilities			
Current liabilities			
Refundable deposits	-	12,924	12,924
Payroll withholdings	1,629	4,582	6,211
Current portion long term debt	126,317	375,536	501,853
Total current liabilities	127,946	393,042	520,988
Noncurrent liabilities			
Bonds payable	-	2,310,000	2,310,000
Loans - IEPA	-	3,608,580	3,608,580
Notes payable	1,124,652	-	1,124,652
Total noncurrent liabilities	1,124,652	5,918,580	7,043,232
Total liabilities	1,252,598	6,311,622	7,564,220
Net Position			
Net investment in capital assets	1,974,180	2,784,887	4,759,067
Restricted for:			
Debt	-	658,196	658,196
Other purposes	1,949,002	-	1,949,002
Unrestricted	544,020	(699,070)	(155,050)
Total net position	\$ 4,467,202	\$ 2,744,013	\$ 7,211,215

City of Oregon, Illinois

Statement of Activities - Modified Cash Basis

For the year ended April 30, 2018

Functions/Programs	Expenses	Charges for Services	Program Revenue	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 484,997	\$ 169,809	\$ -	\$ -
Public safety and health	1,288,802	291,526	3,630	-
Public works	635,368	-	94,793	-
Culture and recreation	40,175	-	-	-
Interest	38,120	-	-	-
Total governmental activities	2,487,462	461,335	98,423	-
Business-type activities:				
Water and Sewer	\$ 940,521	\$ 1,492,755	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes				
Sales taxes				
Other				
Interest				
Miscellaneous				
Total general revenues				
Transfers				
Change in net position				
Net position - beginning				
Net position - ending				

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (315,188)	\$ -	\$ (315,188)
(993,646)	-	(993,646)
(540,575)	-	(540,575)
(40,175)	-	(40,175)
(38,120)	-	(38,120)
(1,927,704)	-	(1,927,704)
-	552,234	552,234
627,331	-	627,331
882,417	-	882,417
689,774	-	689,774
4,098	977	5,075
48,290	-	48,290
2,251,910	977	2,252,887
6,000	(6,000)	-
330,206	547,211	877,417
4,136,996	2,196,802	6,333,798
\$ 4,467,202	\$ 2,744,013	\$ 7,211,215

City of Oregon, Illinois

Balance Sheet Governmental Funds - Modified Cash Basis

April 30, 2018

	General Fund	Police Fund	Civil Defense Fund	IMRF Fund	Economic Development Fund
Assets					
Cash and cash equivalents	\$ 569,513	\$ 22,309	\$ 265,797	\$ 184,411	\$ 19,564
Due from other funds	-	-	-	-	1,408
Total assets	\$ 569,513	\$ 22,309	\$ 265,797	\$ 184,411	\$ 20,972
Liabilities and Fund Balances					
Current liabilities					
Payroll withholdings	\$ 125	\$ 1,504	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	125	1,504	-	-	-
Fund balances:					
Restricted for:					
Special revenue funds	-	20,805	265,797	184,411	-
Committed	-	-	-	-	20,972
Assigned	-	-	-	-	-
Unassigned	569,388	-	-	-	-
Total fund balances	569,388	20,805	265,797	184,411	20,972
Total liabilities and fund balances	\$ 569,513	\$ 22,309	\$ 265,797	\$ 184,411	\$ 20,972

Street and Alley Fund	Motor Fuel Tax Fund	City Group Insurance Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,381	\$ 200,525	\$ 72,719	\$ 897,657	\$ 340,928	\$ 2,576,804
-	-	-	-	-	1,408
<u>\$ 3,381</u>	<u>\$ 200,525</u>	<u>\$ 72,719</u>	<u>\$ 897,657</u>	<u>\$ 340,928</u>	<u>\$ 2,578,212</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,629
-	-	-	-	1,408	1,408
-	-	-	-	1,408	3,037
3,381	200,525	72,719	897,657	303,707	1,949,002
-	-	-	-	26	20,998
-	-	-	-	37,195	37,195
-	-	-	-	(1,408)	567,980
<u>3,381</u>	<u>200,525</u>	<u>72,719</u>	<u>897,657</u>	<u>339,520</u>	<u>2,575,175</u>
<u>\$ 3,381</u>	<u>\$ 200,525</u>	<u>\$ 72,719</u>	<u>\$ 897,657</u>	<u>\$ 340,928</u>	<u>\$ 2,578,212</u>

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City of Oregon, Illinois

Reconciliation of the Governmental Funds Balance Sheet - Modified Cash Basis to the Statement of Net Position - Modified Cash Basis

April 30, 2018

Total fund balances - governmental funds	\$ 2,575,175
Amounts reported for governmental activities in the statement of net position - modified cash basis are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	3,142,996
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(1,250,969)
<hr/>	
Total net position - governmental activities	<u>\$ 4,467,202</u>

Economic Development Fund	Street and Alley Fund	Motor Fuel Tax Fund	City Group Insurance Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 79,935	\$ -	\$ 48,342	\$ 338,864	\$ 279,624	\$ 2,199,522
-	156	94,637	-	-	-	98,423
-	-	-	-	-	214,587	224,587
-	-	212	-	-	84	4,098
-	-	-	-	-	20,265	66,939
16,400	1,614	-	-	6,000	11,958	48,290
38,315	-	-	-	-	-	169,809
54,715	81,705	94,849	48,342	344,864	526,518	2,811,668
-	-	-	27,467	-	251,055	446,031
-	-	-	162,800	-	272,770	1,210,451
-	308,836	224,697	57,514	-	15,000	634,561
-	-	-	-	-	38,704	38,704
-	32,180	-	-	72,816	-	134,868
75,184	-	-	-	-	-	82,838
-	-	-	-	-	-	110,793
-	38,537	-	-	112,687	-	151,224
-	-	-	-	-	-	-
75,184	379,553	224,697	247,781	185,503	577,529	2,809,470
(20,469)	(297,848)	(129,848)	(199,439)	159,361	(51,011)	2,198
-	-	-	-	-	-	56,958
65,264	297,500	-	188,650	-	76,050	1,255,664
-	-	-	-	-	(47,264)	(1,249,664)
65,264	297,500	-	188,650	-	28,786	62,958
44,795	(348)	(129,848)	(10,789)	159,361	(22,225)	65,156
(23,823)	3,729	330,373	83,508	738,296	361,745	2,510,019
\$ 20,972	\$ 3,381	\$ 200,525	\$ 72,719	\$ 897,657	\$ 339,520	\$ 2,575,175

See accompanying notes to financial statements.

City of Oregon, Illinois

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

For the year ended April 30, 2018

	General Fund	Police Fund	Civil Defense Fund	IMRF Fund
Revenues				
Taxes	\$ 1,215,937	\$ 80,990	\$ -	\$ 155,830
Intergovernmental receipts	-	3,630	-	-
Charges for services	-	10,000	-	-
Uses of money and property	3,802	-	-	-
Fines and penalties	-	46,674	-	-
Miscellaneous receipts	3,117	9,201	-	-
Licenses and permits	131,494	-	-	-
Total revenues	1,354,350	150,495	-	155,830
Expenditures				
Current:				
General government	153,891	-	-	13,618
Public safety	-	693,594	575	80,712
Public works and street maintenance	-	-	-	28,514
Culture and recreation	-	-	-	-
Debt service	-	29,872	-	-
Capital outlay:				
General government	7,654	-	-	-
Public safety	-	110,793	-	-
Public works and street maintenance	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	161,545	834,259	575	122,844
Excess (deficiency) of revenues over expenditures	1,192,805	(683,764)	(575)	32,986
Other Financing Sources (Uses)				
Debt proceeds	-	56,958	-	-
Transfers in	-	628,200	-	-
Transfers out	(1,202,400)	-	-	-
Total other financing sources and uses	(1,202,400)	685,158	-	-
Net change in fund balances	(9,595)	1,394	(575)	32,986
Fund balances (deficit) - beginning	578,983	19,411	266,372	151,425
Fund balances - ending	\$ 569,388	\$ 20,805	\$ 265,797	\$ 184,411

See accompanying notes to financial statements.

City of Oregon, Illinois

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

For the year ended April 30, 2018

Net change in fund balance	\$ 65,156
Amounts reported for governmental activities in the statement of activities - modified cash basis are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities - modified cash basis, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capitalized fixed assets exceeds depreciation expense in the period.	187,140
Debt proceeds are reported in governmental funds as an other financing source.	(56,958)
Debt payments are reported in governmental funds as expenditures. However, only the interest on the debt is recorded in the statement of activities - modified cash basis. This is the amount of debt principal payments in the period.	134,868
<hr/>	
<u>Change in net position of governmental activities</u>	<u>\$ 330,206</u>

City of Oregon, Illinois

Statement of Net Position - Modified Cash Basis Proprietary Funds

April 30, 2018

	Water and Sewer Fund
Assets	
Current assets:	
Cash	\$ 1,071,036
Restricted assets - cash	658,196
Total current assets	1,729,232
Noncurrent assets:	
Capital Assets (Net of accumulated depreciation):	7,326,403
Total Assets	9,055,635
Liabilities	
Current liabilities	
Refundable deposits	12,924
Payroll withholdings	4,582
Current portion of bonds payable	230,000
Current portion of IEPA loan payable	145,536
Total current liabilities	393,042
Noncurrent liabilities	
Bonds payable	2,310,000
Loans - IEPA Drinking Water	1,782,767
Loans - IEPA Wastewater	1,825,813
Total noncurrent liabilities	5,918,580
Total liabilities	6,311,622
Net Position	
Net investment in capital assets	2,784,887
Restricted	658,196
Unrestricted	(699,070)
Net position - unrestricted	\$ 2,744,013

City of Oregon, Illinois

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

For the year ended April 30, 2018

	Water and Sewer Fund
Revenues	
Charges for services	\$ 1,492,755
Intergovernmental receipts	-
Total revenue	1,492,755
Expenses	
Personnel services	236,408
Contractual services	326,560
Commodities	6,951
Capital outlay	3,714
Miscellaneous	6,925
Depreciation	278,439
Total expenses	858,997
Operating income (loss)	633,758
Other financing sources (uses)	
Operating transfer out	(6,000)
Non-operating revenue (expenses):	
Interest income	977
Interest expense	(81,524)
Total non-operating revenue (expenses)	(80,547)
Capital grants	-
Increase in net position	547,211
Net position - beginning	2,196,802
Net position - ending	\$ 2,744,013

City of Oregon, Illinois

Statement of Cash Flows - Modified Cash Proprietary Funds

For the year ended April 30, 2018

	Water and Sewer Fund
<i>Cash Flows From Operating Activities</i>	
Cash received for services	\$ 1,488,095
Cash payments to suppliers	(344,150)
Cash payments to employees	(231,826)
Net cash provided by operating activities	912,119
<i>Cash Flows From Non-Capital Financing Activities</i>	
Transfers out	(6,000)
<i>Cash Flows From Capital and Related Financing Activities</i>	
Interest expense	(81,524)
Purchase of capital assets	(1,741,877)
Principal receipts on borrowings	1,862,140
Principal payments on borrowings	(370,537)
Net cash (used in) capital financing activities	(331,798)
<i>Cash Flows From Investing Activities</i>	
Interest income	977
Net cash provided by investing activities	977
Net increase in cash and cash equivalents	575,298
Cash and cash equivalents - beginning	1,153,934
Cash and cash equivalents - ending	\$ 1,729,232
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 633,758
Adjustments to reconcile operating income to net cash provided by (used in) operations	
Increase (decrease) in refundable deposits	(4,660)
Increase (decrease) in payroll withholdings	4,582
Depreciation	278,439
Net cash provided by (used in) operations	\$ 912,119

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 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 – Modified Cash Basis and the Statement of Activities – Modified Cash Basis) 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.

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.

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)

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:

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. The non-major funds are all special revenue fund types in the combining statements.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Governmental Funds:

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.

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.

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

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued):

Civil Defense

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

IMRF

This fund records the revenues and expenditures for the City's defined benefit pension plan.

Economic Development Fund

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

Streets and Alleys Fund

This fund records the revenues 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 revenues 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 revenues and expenditures for the City's group health insurance.

Road and Bridge Fund

This fund records the revenues of the City's levied sales tax and funds are expended for road and bridge capital projects.

Under the Governmental Accounting Standards Board (GASB) issued Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, the City may report any governmental or enterprise fund (but not internal service funds or fiduciary funds) as a major fund if the government's officials believe the fund is "particularly important to financial statement users". The City has chosen to include the Civil Defense, IMRF, Economic Development, Motor Fuel Tax, and City Group Insurance funds as major funds even though the fund calculations do not classify them as major funds. The City views these funds particularly important to the financial users.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

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.

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. Infrastructure assets in the Proprietary Funds are capitalized on a prospective basis beginning May 1, 2005.

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, 2018.

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.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting (Continued)

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.

Cash and Cash Equivalents

Cash consists of demand deposits and savings accounts, both easily accessible and with short-term duration. Investments as of April 30, 2018 consist of certificates of deposit and money market accounts. Investments are stated at cost or amortized cost which approximates market and are shown as cash and cash equivalents on the financial statements.

In accordance with the City's investment policy, the City's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting daily cash flow demands and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are safety (preservation of capital and protection of investment principal), liquidity and yield.

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.

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

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)	\$ 20,805
b.	Civil Defense (restricted contributions)	265,797
c.	IMRF (tax levy)	184,411
d.	Street and Alley (tax levy)	3,381
e.	Motor Fuel Tax (motor fuel tax receipts)	200,525
f.	City Group Insurance (tax levy)	72,719
g.	Recreation (tax levy)	3
h.	Street Lighting (tax levy)	11
i.	School Crossing Guard (tax levy)	18,529
j.	Tort Liability (tax levy)	18,099
k.	Band Fund (tax levy)	5,723
l.	City Audit (tax levy)	73,322
m.	City Social Security (tax levy)	5
n.	Unemployment Insurance (tax levy)	39,490
o.	Coliseum (tax levy)	148,525
q.	Road and Bridge (tax levy and 1% sales tax)	<u>897,657</u>
	Total	<u>\$1,949,002</u>

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 Balance (Continued)

a.	Economic Development	\$ 20,972
b.	City Hall	26
c.	Chlorination of Sewage	<u>-</u>
	Total	<u>\$ 20,998</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. The City has the following balances that are assigned at year end.

Public Health	<u>\$ 37,195</u>
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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 Proprietary Fund – Restricted Assets

The ordinance authorizing the bond issue of 2013 for \$3,605,000 imposed certain covenants and financial requirements on the City. The bond ordinance requires that all monies held in the proprietary fund be segregated and restricted in separate special reserve accounts, in the priority indicated by the order of the following:

<u>Account</u>	<u>Amount</u>	<u>Purpose</u>
Bond proceeds Account of 2013	The balance of all issued bond proceeds.	Moneys in the account shall be used for the finance and refinance of certain sewer repairs, rehabilitation and sewer system replacements and related improvements.

City of Oregon, Illinois

Notes to Financial Statements

Note 2 Proprietary Fund - Restricted Assets (Continued)

<u>Account</u>	<u>Amount</u>	<u>Purpose</u>
Operation and Maintenance	Sufficient amount to pay all reasonable and necessary costs for the current month.	Paying the cost of operation and maintenance of the system.
Bond and Interest	A fraction of the amount sufficient to pay principal and interest maturing during the next twelve months.	Paying principal and interest.
Sinking Fund	1/12 of the amount payable on the next installment date	Paying of sinking fund installments.
Depreciation	Amount to be adequate and reasonable.	Paying cost of any unusual and extraordinary maintenance, repairs, and/or replacements.
Surplus	All remaining funds after crediting above accounts.	All lawful purposes.

The City has established the following accounts to meet the ordinance requirements and to account for the bond proceeds restricted for Waterworks and Sewerage Improvements.

	Restricted Cash Balances <u>4/30/2018</u>
Restricted assets:	
Operations and Maintenance Account	\$ 44,609
Bond and Interest Account	130,981
Sinking Fund Account	204,167
Depreciation Account	<u>278,439</u>
Total restricted assets	<u>\$658,196</u>

City of Oregon, Illinois

Notes to Financial Statements

Note 3 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 managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits provided - IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

City of Oregon, Illinois

Notes to Financial Statements

Note 3 Pension Plan (Continued)

Employees Covered by the Benefit Terms - At the December 31st 2017 valuation date, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	21
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	19
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Total	48

Contributions - As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2017 was 10.43%. For the fiscal year ended April 30, 2018, the City contributed \$122,844 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The City's Net Pension Liability was measured as of December 31, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from year 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

City of Oregon, Illinois

Notes to Financial Statements

Note 3 Pension Plan (Continued)

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	16%	6.75%
Fixed Income	29%	3.00%
Real Estate	8%	5.75%
Alternative Investments	8%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

Discount rate - A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

City of Oregon, Illinois

Notes to Financial Statements

Note 3 Pension Plan (Continued)

Changes in Net Pension Liability

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance January 1, 2017	\$6,009,848	\$5,297,376	\$712,472
Service costs	125,356	-	125,356
Interest on total pension liability	444,799	-	444,799
Difference between expected and actual experience	(121,860)	-	(121,860)
Changes in assumptions	(211,471)	-	(211,471)
Employer contributions	-	122,491	(122,491)
Employee contributions	-	52,849	(52,849)
Net investment income	-	906,177	(906,177)
Benefit payments – net of refunds	(283,739)	(283,739)	-
Administrative expense	-	-	-
Other changes (net transfer)	-	(90,308)	90,308
Net changes	(46,915)	707,470	(754,385)
Balances as of December 31, 2017	\$5,962,933	\$6,004,846	\$(41,913)

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the Net Pension Liability (Asset)	\$816,794	\$(41,913)	\$(740,734)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report which is publicly available at <http://imrf.org>.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2018; the City recognized pension expense of \$122,844. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, which are not reported due to the modified cash basis of accounting:

City of Oregon, Illinois

Notes to Financial Statements

Note 3 Pension Plan (Continued)

<i>Deferred amounts to be recognized in pension expense in future periods:</i>	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 271,671	\$114,220
Changes in assumptions	3,222	172,770
Net difference between projected and actual earnings	152,005	413,060
Total deferred amounts to be recognized in pension expense in future periods	426,898	700,050
Pension contributions subsequent to the measurement date	48,730	-
Total	\$475,628	\$700,050

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended April 30:	
2019	\$(13,598)
2020	(13,596)
2021	(85,282)
2022	(160,676)
2023	-
Thereafter	-

Due to the City following the modified cash basis method of accounting, deferred inflows/outflows, pension liabilities, and payables are not recorded on the Statement of Net Position.

Note 4 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. Deficit cash balances are classified as due to other funds in the financial statements. There were no deficit cash fund balances at fiscal year end.

Note 5 Cash and Investments

Deposits As of April 30, 2018, the carrying amount of the City's deposits into checking, savings, money market accounts and certificates of deposit was \$4,306,036 and the bank balance was \$4,357,282. The City's total collateral, including Federal Deposit Insurance and collateral held by a pledging bank's trust department, was \$4,357,282.

City of Oregon, Illinois

Notes to Financial Statements

Note 5 Cash and Investments (Continued)

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, 2018, the City had \$0 that was exposed to custodial credit risk and was uninsured and uncollateralized. For financial statement purposes, certificates of deposit with maturity dates greater than 90 days are shown as investments.

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:

Concentration of Credit Risk

The City has no investments in any one issuer that represents 5% or more of the total City's investments.

Note 6 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. 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.

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.

City of Oregon, Illinois

Notes to Financial Statements

Note 6 Property, Plant and Equipment (Continued)

The governmental activities capital asset activity for the year ended April 30, 2018 is as follows:

	Balance May 1, 2017	Additions	Deletions	Balance April 30, 2018
Cost:				
Land	\$ 129,900	\$ -	\$ -	\$ 129,900
Buildings and improvements	1,636,354	72,871	-	1,709,225
Infrastructure	2,859,694	219,400	-	3,079,094
Equipment	547,730	-	-	547,730
Vehicles	<u>857,160</u>	<u>56,958</u>	<u>-</u>	<u>914,118</u>
	<u>\$6,030,838</u>	<u>\$349,229</u>	<u>\$ -</u>	<u>\$6,380,067</u>
Accumulated Depreciation:				
Buildings and improvements	\$1,456,079	\$ 14,444	\$ -	\$1,470,523
Infrastructure	406,850	76,175	-	483,025
Equipment	520,660	5,105	-	525,765
Vehicles	<u>691,393</u>	<u>66,365</u>	<u>-</u>	<u>757,758</u>
	<u>\$3,074,982</u>	<u>\$162,089</u>	<u>\$ -</u>	<u>\$3,237,071</u>
Total Capital Assets, Net:				
Land	\$ 129,900	\$ -	\$ -	\$ 129,900
Buildings and improvements	180,275	58,427	-	238,702
Infrastructure	2,452,844	143,225	-	2,596,069
Equipment	27,070	(5,105)	-	21,965
Vehicles	<u>165,767</u>	<u>(9,407)</u>	<u>-</u>	<u>156,360</u>
	<u>\$2,955,856</u>	<u>\$187,140</u>	<u>\$ -</u>	<u>\$3,142,996</u>

City of Oregon, Illinois

Notes to Financial Statements

Note 6 Property, Plant and Equipment (Continued)

The business-type activities capital asset activity for the year ended April 30, 2018 is as follows:

	<u>Balance</u> <u>May 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2018</u>
Cost:				
Buildings and improvements	\$ 420,641	\$ -	\$ -	\$ 420,641
Infrastructure	6,560,560	1,673,425	-	8,233,985
Equipment	898,319	35,857	-	934,176
Vehicles	<u>158,233</u>	<u>32,595</u>	<u>-</u>	<u>190,828</u>
	<u>\$8,037,753</u>	<u>\$1,741,877</u>	<u>\$ -</u>	<u>\$9,779,630</u>
Accumulated Depreciation:				
Buildings and improvements	\$ 420,641	\$ -	\$ -	\$ 420,641
Infrastructure	867,270	208,898	-	1,076,168
Equipment	806,133	41,881	-	848,014
Vehicles	<u>80,744</u>	<u>27,660</u>	<u>-</u>	<u>108,404</u>
	<u>\$2,174,788</u>	<u>\$278,439</u>	<u>\$ -</u>	<u>\$2,453,227</u>
Total Capital Assets, Net:				
Buildings and improvements	\$ -	\$ -	\$ -	\$ -
Infrastructure	5,693,290	1,464,527	-	7,157,817
Equipment	92,186	(6,024)	-	86,162
Vehicles	<u>77,489</u>	<u>4,935</u>	<u>-</u>	<u>82,424</u>
	<u>\$5,862,965</u>	<u>\$1,463,438</u>	<u>\$ -</u>	<u>\$7,326,403</u>

City of Oregon, Illinois

Notes to Financial Statements

Note 6 Property, Plant and Equipment (Continued)

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

Governmental activities:	
General government	\$ 15,022
Public safety	40,263
Streets and public improvements	105,333
Recreation and parks	<u>1,471</u>
Total depreciation expense, governmental activities	<u>\$162,089</u>
Business-type activities:	
Water and Sewer	<u>\$278,439</u>
Total depreciation expense, business-type activities	<u>\$278,439</u>

Note 7 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 2016 levy was passed by the Board on November 22, 2016. The 2017 levy was passed by the Board on November 28, 2017. The amounts reported in the financial statements relate entirely to the 2016 levy, the 2017 levy will be reported as revenue for the fiscal year ending April 30, 2019.

Note 8 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 9 Long-Term Debt

Notes Payable

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 annual installments of \$10,747 and matures on June 25, 2017.

On December 11, 2013, the City borrowed \$33,864 at 2.24% interest from First National Bank and Trust Company to purchase a squad car. The note is payable in monthly installments of \$739 and was paid off in the fiscal year ending April 30, 2018.

On December 29, 2014, the City borrowed \$30,245 at 2.39% interest from First National Bank and Trust Company to purchase a squad car. The note is payable in monthly installments of \$662 and matures on December 29, 2018.

On May 21, 2015, the City borrowed \$62,433 at 2.50% interest from The First National Bank and Trust Company for police trucks. The note is payable in monthly installments of \$936 and matures on May 21, 2021.

On February 12, 2016, the City obtained a line of credit of \$140,000 at 3.10% interest from The National Bank & Trust Company to fund the utility installation on vacant lots. The balance of the loan on April 30, 2016 was \$102,202. The note is payable in monthly interest only payments of \$264 through August 12, 2016. After August 12, 2016, the note will convert to a fully amortizing loan on the outstanding principal balance with quarterly principal and interest payments beginning November 12, 2016 of \$4,071. This note will mature on August 8, 2021 with a final payment of \$35,660.

On March 7, 2016, the City borrowed \$129,900 at 2.99% interest from The Harvard State Bank for the 2nd Street property. The note is payable in monthly installments of \$899 and matures on March 7, 2031.

On March 22, 2016, the City borrowed \$111,093 at 2.50% interest from First National Bank and Trust Company to purchase a dump truck. The note is payable in monthly installments of \$1,973 and matures on March 21, 2021.

On July 27, 2016, the City borrowed \$950,000 at 2.85% interest from Stillman Bank for street reconstruction. The note is payable in yearly installments of \$78,953 and matures on July 27, 2031.

On June 8, 2017, the City borrowed \$26,087 at 2.29% interest from Stillman Bank for a squad car. The note is payable in monthly installments of \$572 and matures on June 8, 2021.

On December 20, 2017, the City borrowed \$30,871 at 2.39% interest from Stillman Bank for a squad car. The note is payable in monthly installments of \$675 and matures on December 20, 2021.

City of Oregon, Illinois

Notes to Financial Statements

Note 9 Long-Term Debt (Continued)

IEPA Loan and General Obligation Bonds

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. The total amount drawn on the IEPA loan amount was \$2,814,141.

The City passed an ordinance for the issuance of \$3,605,000 Bond Series of 2013. The purpose of the bonds is to fund various capital projects and to refund the 2003 IEPA loan. Serial retirement of principal occurs on December 1, with interest payable on December 1 and June 1 of each year at rates of 2.00% - 4.00%, commencing December 1, 2013. These bonds mature on December 1, 2027.

In fiscal year 2018, construction began on the drinking water project and the City entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section. The project will be financed with up to a \$2,600,035 Illinois Environmental Protection Agency loan with a term of 20 years and an interest rate of 1.64%. The loan will fund the construction of three new well houses. The note has an interest rate of 1.64% with payments semi-annually to be determined once the final drawdown is received. The total amount drawn on the IEPA loan amount was \$1,862,140 as of April 30, 2018. The IEPA will forgive \$750,000 of this debt upon finalization of the loan amount. The payment schedule will begin after the project is completed and approved by the IEPA. At April 30, 2018, all future debt service requirements are considered long-term since there is no formal payment schedule.

Annual debt service requirements to maturity are as follows:

<u>Fiscal year ending April 30,</u>	<u>IEPA Loan Proprietary</u>		<u>Notes Payable General Long-Term Debt</u>		<u>2013 Alternate Revenue Source Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 145,536	\$ -	\$126,317	\$34,864	\$ 230,000	\$ 84,855
2020	145,536	-	124,448	31,529	235,000	80,255
2021	145,536	-	125,781	28,080	240,000	75,555
2022	145,536	-	113,914	24,510	250,000	65,955
2023	145,536	-	67,780	21,963	260,000	55,955
2024-2028	727,680	-	369,581	79,135	1,325,000	137,675
2029-2033	436,616	-	323,148	22,898	-	-
2034-2038	-	-	-	-	-	-
	<u>\$1,891,976</u>	<u>\$ -</u>	<u>\$1,250,969</u>	<u>\$242,979</u>	<u>\$2,540,000</u>	<u>\$500,250</u>

City of Oregon, Illinois

Notes to Financial Statements

Note 9 Long-Term Debt (Continued)

Changes in Long-Term Liabilities. During the year ended April 30, 2018, the following changes occurred in long-term liability accounts:

	Balance <u>May 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>April 30, 2018</u>	Due Within <u>One Year</u>
Business-type Activities:					
2010 IEPA loan	\$2,037,513	\$ -	\$ 145,537	\$1,891,976	\$ 145,536
2013 G.O. Bonds	2,765,000	-	225,000	2,540,000	230,000
2018 IEPA loan	-	1,862,140	-	1,862,140	-
Governmental Activities:					
2012 note payable	10,456	-	10,456	-	-
2013 note payable	5,837	-	5,837	-	-
2014 note payable	12,957	-	7,733	5,224	5,224
2015 note payable	43,507	-	8,568	34,939	10,519
2016 note payable	88,195	-	21,724	66,471	22,273
2016 note payable	95,622	-	13,469	82,153	13,892
2016 note payable	122,305	-	7,845	114,460	7,451
2016 note payable	950,000	-	51,502	898,498	52,990
2017 note payable	-	26,087	5,271	20,816	6,459
2018 note payable	-	30,871	2,463	28,408	7,509
Total	<u>\$6,131,392</u>	<u>\$ 1,919,098</u>	<u>\$ 505,405</u>	<u>\$7,545,085</u>	<u>\$501,853</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 \$44,701,503. As of April 30, 2018 the City had \$2,604,536 of remaining legal debt margin.

Note 10 Net Position/Fund Balances

Net position reported on the government wide statement of net position at April 30, 2018:

Governmental Activities:

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$3,142,996
Less: related long-term debt outstanding	<u>1,168,816</u>
Total net investment in capital assets	<u>1,974,180</u>

Restricted -

State statutes and enabling legislation	<u>1,949,002</u>
---	------------------

Unrestricted

544,020

Total governmental activities net position \$4,467,202

City of Oregon, Illinois

Notes to Financial Statements

Note 10 Net Position/Fund Balances (Continued)

Business-type Activities:

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$7,326,403
Less: related long-term debt outstanding	<u>4,541,516</u>
Total net investment in capital assets	<u>2,784,887</u>
Restricted -	
Bond ordinance	<u>658,196</u>
Unrestricted	<u>(699,070)</u>
Total business-type net position	<u>\$2,744,013</u>

Note 11 Deficit Net Position/Fund Balances

As of April 30, 2018, the following funds had a deficit net position/fund balance:

<u>Fund</u>	<u>Amount</u>
TIF Fund	\$1,408

Note 12 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 13 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, 2018 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. Potentially, the City could be assessed additional premiums for its share of any losses of the insurance pool. Historically, the City has not been assessed any additional premiums.

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, 2018, there were no payments made for unemployment benefit claims.

City of Oregon, Illinois

Notes to Financial Statements

Note 15 Transfers

Below are the interfund transfers as of April 30, 2018:

	<u>Operating Transfers in</u>	<u>Operating Transfers out</u>
General Fund:		
Police Fund	\$ -	\$ (628,200)
Economic Development	-	(65,264)
Street and Alley Fund	-	(291,500)
City Group Insurance Fund	-	(188,650)
Non Major Governmental Funds	<u>-</u>	<u>(28,786)</u>
Total General Fund	<u>-</u>	<u>(1,202,400)</u>
Police Fund:		
General Fund	<u>628,200</u>	<u>-</u>
Street and Alley Fund:		
General Fund	<u>297,500</u>	<u>-</u>
IMRF Fund:		
General Fund	<u>65,264</u>	<u>-</u>
Economic Development Fund:		
Non Major Governmental Fund	<u>-</u>	<u>-</u>
City Group Insurance Fund:		
General Fund	<u>188,650</u>	<u>-</u>
Non Major Governmental Funds:		
General Fund	<u>76,050</u>	<u>(47,264)</u>
Water & Sewer Fund	<u>-</u>	<u>(6,000)</u>
 Total all funds	 <u>\$1,255,664</u>	 <u>\$(1,255,664)</u>

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

Note 16 Impact of Pending Accounting Principles

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* addresses the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

City of Oregon, Illinois

Notes to Financial Statements

Note 16 Impact of Pending Accounting Principles (Continued)

GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* addresses issues regarding the presentation of payroll related measures in requirement supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes criteria for determining the timing and pattern recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations, and requires the current value of an entity's asset retirement obligations to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this Statement are effective for reporting period in which the measurement date of the pension liability is after June 15, 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

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

Other Information

City of Oregon, Illinois

Other Information

**Illinois Municipal Retirement Fund (IMRF)
Multiyear Schedule of Contributions
Last 10 Fiscal Years (prospective from 2016)**

Fiscal Year Ending April 30,	*Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$142,756	\$142,756	\$ -	\$1,072,120	14.42%
2017	\$126,240	\$126,240	\$ -	\$1,163,748	12.22%
2018	\$122,844	\$122,844	\$ -	\$1,178,302	10.43%

*Estimated based on 10.40% 2018 calendar year contribution rate, 10.43% 2017 calendar contribution rate, and covered valuation payroll of \$1,178,302.

The City implemented GASB Statement No. 68 in 4/30/16.

City of Oregon, Illinois

Other Information - Illinois Municipal Retirement Fund (IMRF)
 Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
 IMRF Regular Plan
 Last 10 Calendar Years
 (schedule to be built prospectively from 2015)

	2017	2016	2015	2014
Calendar year ending December 31,				
Service cost	\$125,356	\$110,996	\$117,175	
Interest on the total pension liability	444,799	394,726	380,957	
Benefit changes	0	0	0	
Difference between expected and actual experience	(121,860)	459,731	(41,767)	
Assumption changes	(211,471)	(8,563)	7,653	
Benefit payments and refunds	(283,739)	(323,155)	(217,498)	
Net change in total pension liability	(46,915)	633,735	246,520	
Total pension liability - beginning	6,009,848	5,376,113	5,129,593	
Total pension liability - ending (a)	\$5,962,933	\$6,009,848	\$5,376,113	
Plan fiduciary net position:				
Employer contributions	\$122,491	\$132,126	\$154,052	
Employee contributions	52,849	53,904	47,449	
Pension plan net investment income	906,177	334,640	23,985	
Benefit payments and refunds	(283,739)	(323,155)	(217,498)	
Other	(90,308)	326,411	(39,520)	
Net change in plan fiduciary net position	707,470	523,926	(31,532)	
Plan fiduciary net position - beginning	5,297,376	4,773,450	4,804,982	
Plan fiduciary net position - ending (b)	\$6,004,846	\$5,297,376	\$4,773,450	
Net pension liability(asset) - Ending (a) - (b)	(41,913)	712,472	602,663	
Plan fiduciary net position as a percentage of total pension liability	100.70%	88.14%	88.79%	
Covered valuation payroll	1,174,412	1,197,874	1,054,432	
Net pension liability as a percentage of covered valuation payroll	-3.57%	59.48%	57.16%	

City of Oregon, Illinois

Notes to Other Information

Note 1 Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate for IMRF *

Valuation date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2017 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 26-year closed period until remaining period reaches 15 years(then 15-year rolling) Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for the non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation

City of Oregon, Illinois

General Fund Schedule of Revenues and Expenditures Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes:			
State income tax	\$ 370,000	\$ 394,448	\$ 24,448
Replacement tax	56,000	43,195	(12,805)
Local taxes	90,000	96,527	6,527
Utility taxes	30,000	31,593	1,593
State telecommunications tax	75,000	70,692	(4,308)
State sales tax	568,000	579,482	11,482
Total taxes	1,189,000	1,215,937	26,937
Charges for services:			
Other	-	-	-
Total charges for services	-	-	-
Use of money and property:			
Interest on investments	2,500	3,802	1,302
Miscellaneous revenues:			
Miscellaneous revenues	-	3,117	3,117
Total miscellaneous revenues	-	3,117	3,117
Licenses and permits:			
Liquor license	18,000	20,596	2,596
Cable franchise fees	-	-	-
Other license fees	42,500	110,898	68,398
Total licenses	60,500	131,494	70,994
Total revenues	\$ 1,252,000	\$ 1,354,350	\$ 102,350

City of Oregon, Illinois

General Fund (Continued) Schedule of Revenues and Expenditures Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures			
General government:			
Personnel services:			
Salaries - city officials	\$ 78,500	\$ 42,302	\$ (36,198)
Salary - clerk/treasurer	73,000	63,505	(9,495)
Total personnel services	151,500	105,807	(45,693)
Contractual services:			
Dues	2,000	320	(1,680)
Legal service	55,000	21,750	(33,250)
Printing and publishing	5,000	1,259	(3,741)
Travel and training - council	10,000	2,374	(7,626)
Travel and training - clerk's office	6,000	89	(5,911)
Christmas lighting	-	-	-
Engineering services	55,000	4,987	(50,013)
Telephone	9,000	6,941	(2,059)
City Hall Clock Maintenance	1,500	630	(870)
Gas	2,000	-	(2,000)
Total contractual services	145,500	38,350	(107,150)
Commodities:			
Office supplies and postage	8,000	6,064	(1,936)
Gas and oil	-	-	-
Total commodities	8,000	6,064	(1,936)
Miscellaneous	8,000	3,670	(4,330)
Capital outlay:			
Building improvements	-	-	-
Purchase equipment	140,000	7,654	(132,346)
Total capital outlay	140,000	7,654	(132,346)
Contingency:			
Contingency	225,000	-	(225,000)
Total general government	\$ 678,000	\$ 161,545	\$ (516,455)
Other financing sources (uses):			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	-	(1,202,400)	(1,202,400)
Total other financing sources (uses)	\$ -	\$ (1,202,400)	\$ (1,202,400)

City of Oregon, Illinois

Police Fund Schedule of Revenues and Expenditures Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes:			
Property taxes - corporate	\$ 81,971	\$ 80,990	\$ (981)
Intergovernmental revenues:			
Cops fast grant/other	2,000	3,630	1,630
Charges for services:			
Oregon Park District	10,000	10,000	-
Fines and penalties:			
Police fines	33,800	30,747	(3,053)
Police reports	250	30	(220)
Towing fee	10,000	9,640	(360)
Parking fines	4,000	6,257	2,257
Total fines and penalties	48,050	46,674	(1,376)
Miscellaneous revenues	10,050	9,201	(849)
Total revenues	\$ 152,071	\$ 150,495	\$ (1,576)

Expenditures

Public safety and health:			
Personnel services:			
Salaries - police	\$ 680,000	\$ 627,123	\$ (52,877)
Total personnel services	680,000	627,123	(52,877)
Contractual services:			
Maintenance - equipment	9,000	4,587	(4,413)
Maintenance - vehicles	20,000	17,545	(2,455)
Dues	4,000	3,995	(5)
Travel and training	25,000	14,716	(10,284)
Printing and publishing	1,500	2,299	799
Utilities - telephone	18,500	14,639	(3,861)
Total contractual services	78,000	57,781	(20,219)

City of Oregon, Illinois

Police Fund (Continued) Schedule of Revenues and Expenditures Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)			
Public safety and health (continued):			
Commodities:			
Office supplies and postage	4,500	1,300	(3,200)
Clothing and uniforms	11,000	6,340	(4,660)
Admin. towing disbursements	30,000	-	(30,000)
Gas and oil	40,000	21,036	(18,964)
Total commodities	85,500	28,676	(56,824)
Miscellaneous:			
Other miscellaneous expenditures	10,000	9,886	(114)
Capital outlay:			
Equipment	101,000	9,039	(91,961)
Vehicles	65,000	89,828	24,828
Office equipment	27,000	11,926	(15,074)
Total capital outlay	193,000	110,793	(82,207)
Contingencies	35,000	-	(35,000)
Total public safety and health	\$ 1,081,500	\$ 834,259	\$ (247,241)
Other financing sources:			
Debt proceeds	\$ -	\$ 56,958	\$ 56,958
Operating transfers in	-	628,200	628,200
Total other financing sources	\$ -	\$ 685,158	\$ 685,158

City of Oregon, Illinois

Civil Defense Fund Schedule of Revenues and Expenditures Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Miscellaneous revenues:			
Other income	\$ -	\$ -	\$ -
Expenditures			
Public safety and health:			
Personnel services - salaries	\$ 200	\$ -	\$ (200)
Contractual services:			
Travel and training	200	-	(200)
Telephone	2,500	506	(1,994)
Total contractual services	2,700	506	(2,194)
Commodities:			
Miscellaneous	100,000	-	(100,000)
Supplies and materials	2,000	69	(1,931)
Total commodities	102,000	69	(101,931)
Total public safety and health	\$ 104,900	\$ 575	\$ (104,325)
Other financing sources:			
Operating transfers out	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -

City of Oregon, Illinois

IMRF Fund Schedule of Revenues and Expenditures Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes:			
Property tax	\$ 134,414	\$ 134,104	\$ (310)
Replacement taxes	-	21,726	21,726
Total taxes	134,414	155,830	21,416
Use of money and property:			
Interest on investments	-	-	-
Total revenues	\$ 134,414	\$ 155,830	\$ 21,416
Expenditures			
Personnel services - IMRF	\$ 180,000	\$ 122,844	\$ (57,156)
Other financing sources:			
Operating transfers in	\$ -	\$ -	\$ -
Total other financing sources	\$ -	\$ -	\$ -

City of Oregon, Illinois

Economic Development Fund Schedule of Revenues and Expenditures Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes:			
Telecommunication tax	\$ -	\$ -	\$ -
Intergovernmental revenues:			
State grants	-	-	-
Federal grant	-	-	-
Total intergovernmental revenues	-	-	-
Licenses and permits:			
Cablevision franchise	47,000	38,315	(8,685)
Use of money and property -			
Interest on investments	-	-	-
Miscellaneous revenues	-	16,400	16,400
Total revenues	\$ 47,000	\$ 54,715	\$ 7,715
Expenditures			
General government:			
Capital outlay:			
Economic development expenditures	\$ 245,000	\$ 75,184	\$ (169,816)
Other financing sources (uses):			
Debt proceeds	\$ -	\$ -	\$ -
Operating transfers in	-	65,264	65,264.00
Operating transfers out	-	-	-
Total other financing sources (uses)	\$ -	\$ 65,264	\$ 65,264

City of Oregon, Illinois

Street and Alley Fund Schedule of Revenues and Expenditures Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes:			
Property taxes - corporate	\$ 48,918	\$ 48,342	\$ (576)
Utility tax	-	31,593	31,593
Total intergovernmental revenues	48,918	79,935	31,017
Intergovernmental revenues:			
FEMA - Snow removal	-	-	-
State of Illinois - highway maintenance	-	156	156
Total intergovernmental revenues	-	156	156
Miscellaneous revenues	9,550	1,614	(7,936)
Total revenues	\$ 58,468	\$ 81,705	\$ 23,237
Expenditures			
Streets and public improvements:			
Personnel services - salaries	\$ 275,000	\$ 221,551	\$ (53,449)
Contractual services:			
Maintenance - buildings	40,000	52	(39,948)
Maintenance - equipment	20,000	755	(19,245)
Maintenance - vehicles	5,000	1,434	(3,566)
Travel and training	2,000	462	(1,538)
Contract labor	100,000	52,154	(47,846)
Telephone	8,500	4,008	(4,492)
Total contractual services	175,500	58,865	(116,635)
Commodities:			
Supplies and materials	75,000	25,270	(49,730)
Equipment maintenance materials	20,000	19,117	(883)
Gas and oil	33,500	12,372	(21,128)
Total commodities	128,500	56,759	(71,741)
Miscellaneous disbursements	10,000	3,841	(6,159)
Capital outlay:			
Equipment	250,000	38,537	(211,463)
Contingency:			
	60,000	-	(60,000)
Total streets and public improvements	\$ 899,000	\$ 379,553	\$ (459,447)
Other financing sources			
Debt proceeds	\$ -	\$ -	\$ -
Operating transfers in	-	297,500	297,500
Total other financing sources	\$ -	\$ 297,500	\$ 297,500

City of Oregon, Illinois

Motor Fuel Tax Fund Schedule of Revenues and Expenditures Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Intergovernmental receipts - motor fuel tax allotments and other	\$ 90,000	\$ 94,637	\$ 4,637
Use of money and property - Interest on investments	150	212	62
Total revenues	\$ 90,150	\$ 94,849	\$ 4,699
Expenditures			
Streets and public improvements: Contractual services:			
Maintenance - grounds	\$ 400,000	\$ 180,700	\$ (219,300)
Engineering	75,000	43,997	(31,003)
Total contractual services	475,000	224,697	(250,303)
Commodities - maintenance materials	-	-	-
Total streets and public improvements	\$ 475,000	\$ 224,697	\$ (250,303)

City of Oregon, Illinois

City Group Insurance Fund Schedule of Revenues and Expenditures Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes			
Property taxes	\$ 48,918	\$ 48,342	\$ (576)
Use of money and property - Interest on investments	-	-	-
Total revenues	\$ 48,918	\$ 48,342	\$ (576)
Expenditures			
General Government:			
Personnel services:			
Group insurance	\$ 395,000	\$ 244,626	\$ (150,374)
Life insurance	5,000	3,155	(1,845)
Total personnel services	\$ 400,000	\$ 247,781	\$ (152,219)
Other financing sources:			
Operating transfers in	\$ -	\$ 188,650	\$ 188,650
Total other financing sources (uses)	\$ -	\$ 188,650	\$ 188,650

City of Oregon, Illinois

Road and Bridge Fund Schedule of Revenues and Expenditures Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes			
Property taxes	\$ 36,000	\$ 35,929	\$ (71)
Sales tax	310,000	302,935	(7,065)
Utility taxes	-	-	-
Total taxes	346,000	338,864	(7,136)
Intergovernmental revenues:			
Grant	-	-	-
Miscellaneous revenues	-	6,000	6,000
Total intergovernmental revenues	-	6,000	6,000
Total revenues	\$ 346,000	\$ 344,864	\$ (1,136)
Expenditures			
Public Works:			
Capital Outlay:			
Improvements	\$ 1,590,000	\$ 185,503	\$ (1,404,497)
Total capital outlay	\$ 1,590,000	\$ 185,503	\$ (1,404,497)
Other financing sources:			
Debt proceeds	\$ -	\$ -	\$ -
Operating transfers	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -

City of Oregon, Illinois

Water and Sewer Fund Schedule of Revenues and Expenses Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Operating revenues			
Charges for services:			
Water - sewer revenues	\$ 1,276,000	\$ 1,402,241	\$ 126,241
Sale of meters	2,000	1,600	(400)
Turn on fees	1,000	2,160	1,160
Main taps	400	600	200
Sewer hook up fees	4,000	2,250	(1,750)
Water hook up fees	5,000	4,250	(750)
Other charges for services	16,000	79,654	63,654
Total charges for services	1,304,400	1,492,755	188,355
Intergovernmental revenues:			
IEPA grants	-	-	-
Total operating revenues	\$ 1,304,400	\$ 1,492,755	\$ 188,355
Operating expenses			
Waterworks and sewerage:			
Personnel services:			
Salaries	\$ 300,000	\$ 236,408	\$ (63,592)
Contractual services - sewer:			
Engineering services	-	143,404	143,404
Maintenance	70,000	9,112	(60,888)
Professional services	408,500	173,954	(234,546)
Total contractual services - sewer	478,500	326,470	(152,030)
Contractual services - water:			
Engineering services	50,000	90	49,910
Contract labor	-	-	-
Power	-	-	-
Total contractual services - water	50,000	90	(49,910)
Total contractual services	528,500	326,560	(201,940)
Commodities - water & sewer:			
Office supplies and postage	10,000	6,951	(3,049)

City of Oregon, Illinois

Water and Sewer Fund (Continued) Schedule of Revenues and Expenses Compared with Budget - Modified Cash Basis

Year ended April 30, 2018

	Original and Final Budget	Actual	Over (Under) Budget
Operating expenses (continued)			
Waterworks and sewerage (continued):			
Miscellaneous:			
Sewer	100,000	6,925	(93,075)
Water	-	-	-
Total miscellaneous	100,000	6,925	(93,075)
Depreciation	-	278,439	278,439
Capital outlay - Equipment:			
Water	2,000,000	-	(2,000,000)
Sewer	210,000	3,714	(206,286)
Total Capital outlay	2,210,000	3,714	(2,206,286)
Total waterworks and sewerage	\$ 3,148,500	\$ 858,997	\$ (2,289,503)
Nonoperating revenue (expenses)			
Interest on investments	\$ 1,500	\$ 977	\$ (523)
Interest expense	-	(81,524)	(81,524)
Total nonoperating revenue (expenses)	\$ 1,500	\$ (80,547)	\$ (82,047)
Other financing sources:			
Operating transfers out	\$ -	\$ (6,000)	\$ (6,000)
Total other financing uses	\$ -	\$ (6,000)	\$ (6,000)

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City of Oregon, Illinois

Nonmajor Governmental Funds Combining Balance Sheet Modified Cash Basis

April 30, 2018

	Total Nonmajor Governmental Funds	Street Lighting Fund	Recreation Fund	School Crossing Guard Fund
Assets				
Cash	\$ 340,928	\$ 11	\$ 3	\$ 23,273
Due from other funds	-	-	-	-
Investments, at cost	-	-	-	-
Total assets	\$ 340,928	\$ 11	\$ 3	\$ 23,273
Liabilities				
Payroll withholdings	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,408	-	-	-
Total liabilities	1,408	-	-	-
Fund Balances				
Fund balances	339,520	11	3	18,529
Total liabilities and fund balance	\$ 340,928	\$ 11	\$ 3	\$ 18,529

Tort Liability Fund	Band Fund	City Audit Fund	City Social Security Fund	Unemploy- ment Insurance Fund
\$ 13,355	\$ 5,723	\$ 73,322	\$ 5	\$ 39,490
-	-	-	-	-
-	-	-	-	-
<u>\$ 13,355</u>	<u>\$ 5,723</u>	<u>\$ 73,322</u>	<u>\$ 5</u>	<u>\$ 39,490</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
18,099	5,723	73,322	5	39,490
<u>\$ 18,099</u>	<u>\$ 5,723</u>	<u>\$ 73,322</u>	<u>\$ 5</u>	<u>\$ 39,490</u>

City of Oregon, Illinois

Nonmajor Governmental Funds Combining Balance Sheet Modified Cash Basis (Continued)

April 30, 2018

	Public Health Fund	Coliseum Fund	City Hall Fund	TIF Fund
Assets				
Cash	\$ 37,195	\$ 148,525	\$ 26	\$ -
Investments, at cost	-	-	-	-
Total assets	\$ 37,195	\$ 148,525	\$ 26	\$ -
Liabilities				
Payroll withholdings	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	1,408
Total liabilities	-	-	-	1,408
Fund Balances				
Fund balances	37,195	148,525	26	(1,408)
Total liabilities and fund balance	\$ 37,195	\$ 148,525	\$ 26	\$ -

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City of Oregon, Illinois

Nonmajor Governmental Funds Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis

Year ended April 30, 2018

	Total Nonmajor Governmental Funds	Street Lighting Fund	Recreation Fund	School Crossing Guard Fund
Revenues				
Taxes	\$ 279,624	\$ 21,983	\$ 8,354	\$ 8,706
Charges for service	214,587	-	-	-
Uses of money and property	84	-	-	-
Fines and penalties	20,265	-	-	-
Miscellaneous receipts	11,958	-	-	-
Total revenues	526,518	21,983	8,354	8,706
Expenditures				
Current:				
General government	251,055	-	-	-
Public safety and health	272,770	34,377	-	-
Public works	15,000	-	-	-
Recreation and parks	38,704	-	15,919	-
Capital outlay:				
Streets and public improvements	-	-	-	-
Recreation and parks	-	-	-	-
Total expenditures	577,529	34,377	15,919	-
Excess of revenues over (under) expenditures	(51,011)	(12,394)	(7,565)	8,706
Other financing sources (uses)				
Operating transfers in	76,050	12,400	6,000	-
Operating transfers out	(47,264)	-	-	-
Total other financing sources (uses)	28,786	12,400	6,000	-
Net change in fund balance	(22,225)	6	(1,565)	8,706
Fund balance - Beginning	361,745	5	1,568	9,823
Fund balance (deficit)- Ending	\$ 339,520	\$ 11	\$ 3	\$ 18,529

Tort Liability Fund	Band Fund	City Audit Fund	City Social Security Fund	Unemployment Insurance Fund
\$ 124,215	\$ 2,638	\$ 32,892	\$ 48,188	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
124,215	2,638	32,892	48,188	-
99,888	-	8,100	49,697	-
7,500	-	-	-	-
15,000	-	-	-	-
-	3,300	-	-	-
-	-	-	-	-
-	-	-	-	-
122,388	3,300	8,100	49,697	-
1,827	(662)	24,792	(1,509)	-
-	-	-	1,500	-
-	-	-	-	-
-	-	-	1,500	-
1,827	(662)	24,792	(9)	-
16,272	6,385	48,530	14	39,490
\$ 18,099	\$ 5,723	\$ 73,322	\$ 5	\$ 39,490

City of Oregon, Illinois

Nonmajor Governmental Funds (Continued) Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis

Year ended April 30, 2018

	Public Health Fund	Coliseum Fund	City Hall Fund	TIF Fund
Revenues				
Taxes	\$ -	\$ 32,648	\$ -	\$ -
Charges for service	214,587	-	-	-
Uses of money and property	84	-	-	-
Fines and penalties	20,265	-	-	-
Miscellaneous receipts	92	11,866	-	-
Total revenues	235,028	44,514	-	-
Expenditures				
Current:				
General government	-	-	91,962	1,408
Public safety and health	230,893	-	-	-
Public works	-	-	-	-
Recreation and parks	-	19,485	-	-
Capital outlay:				
Streets and public improvements	-	-	-	-
Recreation and parks	-	-	-	-
Total expenditures	230,893	19,485	91,962	1,408
Excess of revenues over (under) expenditures disbursed	4,135	25,029	(91,962)	(1,408)
Other financing sources (uses)				
Operating transfers in	-	-	56,150	-
Operating transfers out	-	-	-	(47,264)
Total other financing sources (uses)	-	-	56,150	(47,264)
Net change in fund balance	4,135	25,029	(35,812)	(48,672)
Fund balance - Beginning	33,060	123,496	35,838	47,264
Fund balance (deficit)- Ending	\$ 37,195	\$ 148,525	\$ 26	\$ (1,408)

City of Oregon, Illinois

Schedule of Tort Expenditures - Modified Cash Basis

Year ended April 30, 2018

Insurance	\$ 92,388
Salaries	30,000
<hr/>	
Total	\$ 122,388
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City of Oregon, Illinois

Schedule of Long-Term Debt - Business-type Activities

Year ended April 30, 2018

Year ended April 30	2010 IEPA Loan Payable		2013 G.O. Bonds Payable		2018 IEPA Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 145,536	\$ -	\$ 230,000	\$ 84,855	\$ -	\$ -
2020	145,536	-	235,000	80,255	All considered long-term until final payment schedule	
2021	145,536	-	240,000	75,555		
2022	145,536	-	250,000	65,955		
2023	145,536	-	260,000	55,955		
2024	145,536	-	265,000	49,325	Annual interest payable amounts to be calculated once final payment schedule is determined	
2025	145,536	-	280,000	38,725		
2026	145,536	-	290,000	27,525		
2027	145,536	-	300,000	15,925		
2028	145,536	-	190,000	6,175	-	-
2029	145,536	-	-	-	-	-
2030	145,536	-	-	-	-	-
2031	145,544	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
	<u>\$ 1,891,976</u>	<u>\$ -</u>	<u>\$ 2,540,000</u>	<u>\$ 500,250</u>	<u>\$1,862,140</u>	<u>\$ -</u>

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City of Oregon, Illinois

Assessed Valuations, Rates, Extensions, and Collections

April 30, 2018

Fund	2017 Levy	
	Rate	Extended
General	0.33300	\$ 148,856
Police protection	0.07500	33,526
Recreation	0.02000	8,940
Coliseum	0.07500	33,526
Illinois municipal retirement	0.32109	143,532
Audit	0.07504	33,544
Liability insurance	0.28142	125,799
Social security	0.10423	46,593
Band	0.00632	2,825
Street Lighting	0.05264	23,531
School Crossing Guard	0.02000	8,940
Totals	1.36374	\$ 609,612

Year	Valuations	Collections
2017	\$ 44,701,503	\$ -
2016	\$ 43,630,445	\$ 627,260
2015	\$ 45,054,979	\$ 635,947

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

2016 Levy			2015 Levy		
Taxes			Taxes		
Rate		Extended	Rate		Extended
0.33300	\$	145,289	0.33300	\$	150,033
0.07500		32,723	0.07500		33,791
0.01919		8,373	0.01917		8,637
0.07500		32,723	0.07466		33,638
0.30807		134,412	0.30772		138,643
0.07556		32,967	0.07547		34,003
0.28535		124,500	0.27241		122,734
0.11070		48,299	0.10089		45,456
0.00606		2,644	0.00605		2,726
0.05050		22,033	0.05045		22,730
0.02000		8,726	0.02000		9,011
1.35843	\$	592,689	1.33482	\$	601,402

City of Oregon, Illinois

Schedule of Information Required by Alternate Revenue Source Bonds

April 30, 2018

Insurer	Coverage Period From/To	Coverage/ Amount
Illinois Municipal League Insurance Company	1/1/18-1/1/19	Crime - Forgery/ Theft/ Computer Fraud/ Employee Dishonesty \$100,000 - each occurrence
Illinois Municipal League Insurance Company	1/1/18-1/1/19	General Liability \$1,000,000- each occurrence
Illinois Municipal League Insurance Company	1/1/18-1/1/19	Umbrella \$7,000,000 - each occurrence, aggregate limits
Illinois Municipal League Insurance Company	1/1/18-1/1/19	Automobile Liability & Uninsured Motorist \$1,000,000
Illinois Municipal League Risk Fund	1/1/18-1/1/19	Worker's Compensation/ Statutory
Illinois Municipal League Insurance Company	1/1/18-1/1/19	Property & Inland Marine \$250,000,000 - each occurrence



**Independent Auditor's Report on Compliance with
General Obligation Bond (Alternate Revenue Source)
Bond Ordinance No. 2013-103**

The Honorable Mayor and
Council
City of Oregon, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements as listed in the table of contents, of the City of Oregon, Illinois as of April 30, 2018, and for the year then ended, and have issued our opinion thereon dated October 4, 2018.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the terms, covenants, provisions or conditions of Sewerage Revenue Bond Ordinance No. 2013-103 insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Ordinance, insofar as they relate to accounting matters.

This report is intended for the information of City Council, management, and bond holders. However, this report is a matter of public record and its distribution is not limited.

Wipfli LLP

Rockford, Illinois
October 4, 2018