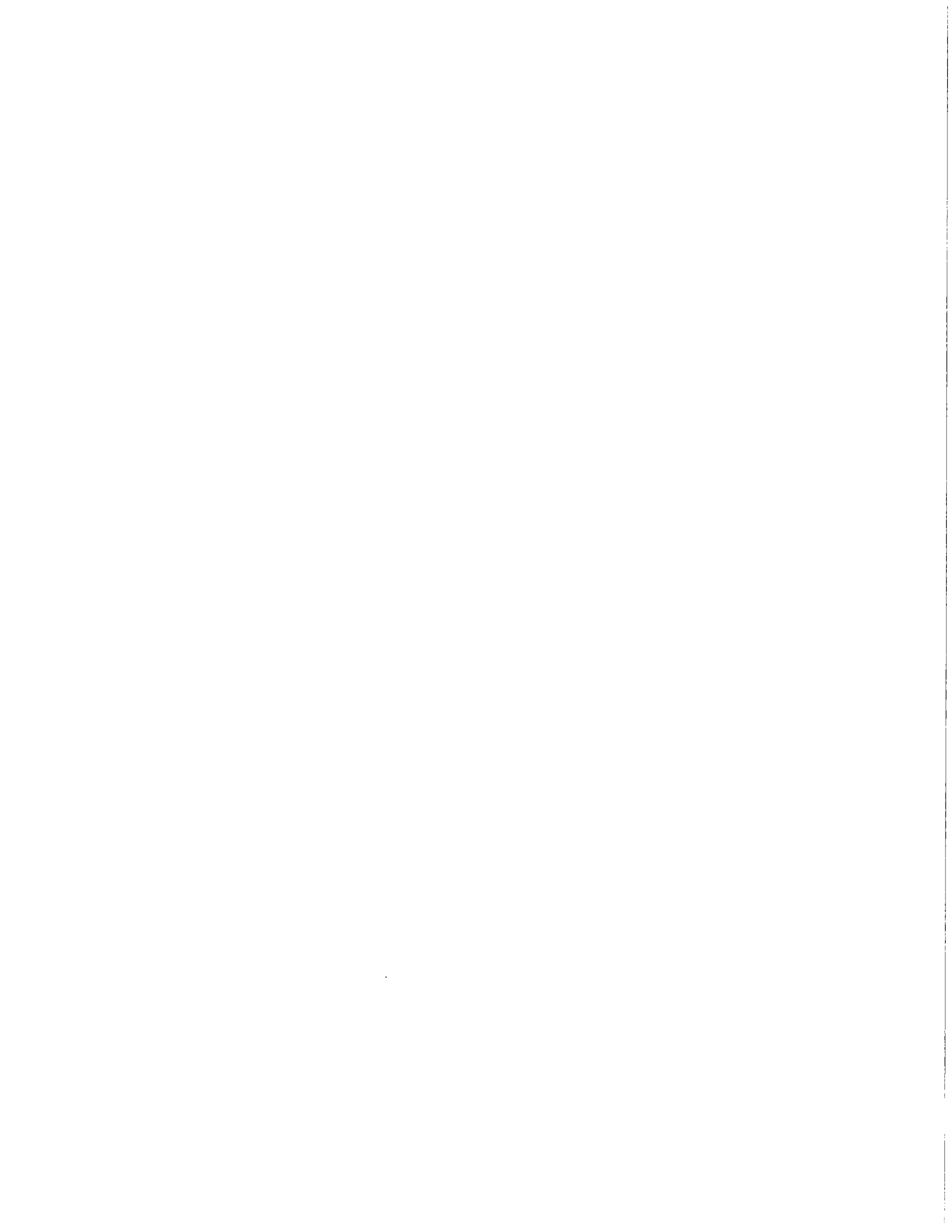


City of Oregon

Oregon, Illinois

Annual Financial Report

April 30, 2015



City of Oregon, Illinois

Year Ended April 30, 2015

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City of Oregon, Illinois

Year Ended April 30, 2015

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Independent Auditor's Report

Honorable Mayor and Council
City of Oregon
Oregon, Illinois

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, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, business type activities, each major fund, and aggregate remaining fund information of the City of Oregon, Illinois, as of April 30, 2015, 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's Discussion and Analysis on page 3 through 8 and the additional schedules listed in the table of contents as other information, pages 40 through 61, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Wipfli LLP

Freeport, Illinois
July 29, 2015

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, 2015.

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, 2015 and the results of operations for the year. This summary should not be taken as a replacement for the annual financial report, which consists of the financial statements, notes to the financial statements, and other information.

Using This Financial Report

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

Government -Wide Financial Statements

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

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City you need to consider additional non-financial factors such as the condition of the City's buildings and facilities.

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

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 statement of assets, liabilities, and fund balance and the governmental fund statement of revenues, expenditures, and changes in fund balances 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 statement of assets, liabilities, and fund balance and in the fund statement of revenues, expenditures, and the changes in fund balances for all these funds. 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 and in the proprietary statement of revenues, expenses, and the changes in net position for this fund. This fund is considered a major fund of the City. More detail of the individual revenues and expenditures for these funds is presented in the other information section of this report.

The City adopts annual budgets for all funds. 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.

City of Oregon, Illinois

Management Discussion and Analysis

Financial Highlights

- The City's General Fund beginning balance as of May 1, 2014 was \$559,204. The revenue during the fiscal year May 1, 2014 thru April 30, 2015 was \$1,239,689 and the expenses were \$145,325, net transfers out of \$1,101,000, which leaves a balance of \$552,568.
- The City's Police Fund beginning balance as of May 1, 2014 was \$31,091. The revenue during the fiscal year May 1, 2014 thru April 30, 2015 was \$168,949 and the expenses were \$676,884, debt proceeds of \$30,245, transfers in of \$475,000, which leaves a balance of \$28,401.
- The City's Civil Defense Fund beginning balance as of May 1, 2014 was \$280,443. The revenue during the fiscal year May 1, 2014 thru April 30, 2015 was \$7,760 and the expenses were \$9,958, which leaves a balance of \$278,245.
- The City's IMRF Fund beginning balance as of May 1, 2014 was \$108,156. The revenue during the fiscal year May 1, 2014 thru April 30, 2015 was \$147,581 and the expenses were \$156,711, transfers in of \$10,000, which leaves a balance of \$109,026.
- The City's Economic Development Fund beginning balance as of May 1, 2014 was \$89,634. The revenue during the fiscal year May 1, 2014 thru April 30, 2015 was \$47,340 and the expenses were \$25,231, which leaves a balance of \$111,743.
- The City's Street and Alley Fund beginning balance as of May 1, 2014 was \$13,524. The revenue during the fiscal year May 1, 2014 thru April 30, 2015 was \$61,063 and the expenses were \$360,065, transfers in of \$294,000, which leaves a balance of \$8,522.
- The City's Motor Fuel Tax Fund beginning balance as of May 1, 2014 was \$283,662. The revenue during the fiscal year May 1, 2014 thru April 30, 2015 was \$124,702 and the expenses were \$82,237, which leaves a balance of \$326,127.
- The City's Group Insurance Fund beginning balance as of May 1, 2014 was \$4,260. The revenue during the fiscal year May 1, 2014 thru April 30, 2015 was \$52,652 and the expenses were \$306,450, transfers in of \$280,000, which leaves a balance of \$30,462.
- The City's Road and Bridge Fund beginning balance as of May 1, 2014 was \$181,062. The revenue during the fiscal year May 1, 2014 thru April 30, 2015 was \$325,719 and the expenses were \$60,639, which leaves a balance of \$446,142.

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, 2015 and April 30, 2014

	Governmental Activities		Business-type Activities	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets:				
Current Assets	\$2,214,971	\$1,860,866	\$1,218,664	\$1,401,124
Non-current Assets:				
Capital (Fixed) assets	<u>1,620,285</u>	<u>1,683,183</u>	<u>5,845,121</u>	<u>5,689,984</u>
Total Assets	<u>3,835,256</u>	<u>3,544,049</u>	<u>7,063,785</u>	<u>7,091,108</u>
Liabilities:				
Current Liabilities	38,407	49,994	377,670	372,577
Non-current Liabilities	<u>54,140</u>	<u>62,699</u>	<u>5,168,051</u>	<u>5,528,588</u>
Total liabilities	<u>92,547</u>	<u>112,693</u>	<u>5,545,721</u>	<u>5,901,165</u>
Net Assets:				
Net investments in capital assets	1,527,738	1,570,490	2,524,534	2,068,875
Restricted	1,476,976	1,129,872	599,740	564,318
Unrestricted	<u>737,995</u>	<u>730,994</u>	<u>(1,606,210)</u>	<u>(1,443,250)</u>
Total net position	<u>\$3,742,709</u>	<u>\$3,431,356</u>	<u>\$ 1,518,064</u>	<u>\$ 1,189,943</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, 2015 and April 30, 2014

	Governmental Activities		Business-type Activities	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:				
Program:				
Charges for services	\$ 425,453	\$ 376,820	\$1,161,486	\$1,187,639
Operating grants & contributions	128,765	112,556	-	-
Capital grants & contributions	-	-	-	-
General:				
Property & other taxes	2,054,909	1,972,844	-	-
Interest	3,173	2,234	1,579	1,943
Other	<u>31,953</u>	<u>36,476</u>	<u>-</u>	<u>1,728,453</u>
 Total revenues	 <u>2,644,253</u>	 <u>2,500,930</u>	 <u>1,163,065</u>	 <u>2,918,035</u>
 Expenses:				
General government	391,808	428,499	-	-
Public safety	1,260,743	1,215,336	-	-
Public works	646,538	653,557	-	-
Culture & recreation	30,832	41,509	-	-
Interest	2,980	3,251	-	-
Water & sewer	<u>-</u>	<u>-</u>	<u>834,944</u>	<u>942,427</u>
 Total expenditures	 2,332,901	 2,342,152	 834,944	 942,427
 Excess before transfers	 311,352	 158,778	 328,121	 1,975,608
 Transfers	 <u>-</u>	 <u>114,621</u>	 <u>-</u>	 <u>(114,621)</u>
 Change in net position	 <u>\$ 311,352</u>	 <u>\$ 273,399</u>	 <u>\$ 328,121</u>	 <u>\$1,860,987</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 \$639,473 from the prior year. The General Fund had a decrease in fund balance of \$6,636. The Water and Sewer Fund had an increase in net position of \$328,121. 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 2014. 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 \$2,711 less than budgeted due mainly to less replacement tax than budgeted. General Fund expenses were \$161,375 under budget. Not including Inter-Fund Transfers, the General Fund had a net gain of \$1,094,364 for the fiscal year. Including Inter-Fund Transfers the General Fund had a decrease of \$6,636.

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 2015, the City purchased a police vehicle for \$30,245 and incurred initial engineering costs on a future street project in the amount of \$20,092. In the Water and Sewer Fund, the City added \$309,311 for infrastructure at the waste water treatment plant, a vehicle for \$39,019, and some general equipment of \$6,830. As of April 30, 2015, \$5,621,134 of principal is outstanding on various loans. See notes to financial statements for additional information on Capital Assets (Note 5) and on Long-Term Debt (Note 8).

Factors or Conditions Impacting Future Periods

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

Contacting the City's Financial Management

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

Basic Financial Statements

City of Oregon, Illinois

Statement of Net Position - Modified Cash Basis

April 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 1,888,844	\$ 618,924	\$ 2,507,768
Restricted assets - cash	-	599,740	599,740
Investments	326,127	-	326,127
Total current assets	2,214,971	1,218,664	3,433,635
Noncurrent assets:			
Capital Assets (Net of accumulated depreciation)	1,620,285	5,845,121	7,465,406
Total assets	3,835,256	7,063,785	10,899,041
Liabilities			
Current liabilities			
Refundable deposits	-	17,134	17,134
Payroll withholdings	-	-	-
Current portion long term debt	38,407	360,536	398,943
Total current liabilities	38,407	377,670	416,077
Noncurrent liabilities			
Bonds payable	-	2,985,000	2,985,000
Loans - IEPA	-	2,183,051	2,183,051
Notes payable	54,140	-	54,140
Total noncurrent liabilities	54,140	5,168,051	5,222,191
Total liabilities	92,547	5,545,721	5,638,268
Net Position			
Net investment in capital assets	1,527,738	2,524,534	4,052,272
Restricted for:			
Debt	-	599,740	599,740
Other purposes	1,476,976	-	1,476,976
Unrestricted	737,995	(1,606,210)	(868,215)
Total net position	\$ 3,742,709	\$ 1,518,064	\$ 5,260,773

See accompanying notes to financial statements.

City of Oregon, Illinois

Statement of Activities - Modified Cash Basis

For the year ended April 30, 2015

Functions/Programs	Expenses	Charges for Services	Program Revenue	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 391,808	\$ 164,875	\$ -	\$ -
Public safety and health	1,260,743	260,578	4,106	-
Public works	646,538	-	124,659	-
Culture and recreation	30,832	-	-	-
Interest	2,980	-	-	-
Total governmental activities	2,332,901	425,453	128,765	-
Business-type activities:				
Water and Sewer	\$ 834,944	\$ 1,161,486	\$ -	\$ -
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
\$ (226,933)	\$ -	\$ (226,933)
(996,059)	-	(996,059)
(521,879)	-	(521,879)
(30,832)	-	(30,832)
(2,980)	-	(2,980)
(1,778,683)	-	(1,778,683)
-	326,542	326,542
626,012	-	626,012
786,966	-	786,966
641,931	-	641,931
3,173	1,579	4,752
31,953	-	31,953
2,090,035	1,579	2,091,614
-	-	-
311,352	328,121	639,473
3,431,357	1,189,943	4,621,300
\$ 3,742,709	\$ 1,518,064	\$ 5,260,773

City of Oregon, Illinois

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

April 30, 2015

	General Fund	Police Fund	Civil Defense Fund	IMRF Fund	Economic Development Fund
Assets					
Cash and cash equivalents	\$ 552,568	\$ 28,401	\$ 278,245	\$ 109,026	\$ 111,743
Investments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	\$ 552,568	\$ 28,401	\$ 278,245	\$ 109,026	\$ 111,743
Liabilities and Fund Balances					
Current liabilities					
Payroll withholdings	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	-	-
Fund balances:					
Restricted for:					
Special revenue funds	-	28,401	278,245	109,026	-
Committed	-	-	-	-	111,743
Assigned	-	-	-	-	-
Unassigned	552,568	-	-	-	-
Total fund balances	552,568	28,401	278,245	109,026	111,743
Total liabilities and fund balances	\$ 552,568	\$ 28,401	\$ 278,245	\$ 109,026	\$ 111,743

Street and Alley Fund	Motor Fuel Tax Fund	City Group Insurance Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
\$ 8,522	\$ -	\$ 30,462	\$ 446,142	\$ 323,735	\$ 1,888,844
-	326,127	-	-	-	326,127
-	-	-	-	-	-
<u>\$ 8,522</u>	<u>\$ 326,127</u>	<u>\$ 30,462</u>	<u>\$ 446,142</u>	<u>\$ 323,735</u>	<u>\$ 2,214,971</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-

8,522	326,127	30,462	446,142	250,051	1,476,976
-	-	-	-	809	112,552
-	-	-	-	72,875	72,875
-	-	-	-	-	552,568
<u>8,522</u>	<u>326,127</u>	<u>30,462</u>	<u>446,142</u>	<u>323,735</u>	<u>2,214,971</u>
<u>\$ 8,522</u>	<u>\$ 326,127</u>	<u>\$ 30,462</u>	<u>\$ 446,142</u>	<u>\$ 323,735</u>	<u>\$ 2,214,971</u>

City of Oregon, Illinois

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

April 30, 2015

Total fund balances - governmental funds \$ 2,214,971

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$4,405,362 and the accumulated depreciation is \$2,785,077. 1,620,285

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (92,547)

Total net position - governmental activities \$ 3,742,709

City of Oregon, Illinois

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

For the year ended April 30, 2015

	General Fund	Police Fund	Civil Defense Fund	IMRF Fund
Revenues				
Taxes	\$ 1,117,985	\$ 89,545	\$ -	\$ 147,534
Intergovernmental receipts	-	4,106	-	-
Charges for services	11,264	-	-	-
Uses of money and property	2,386	-	-	47
Fines and penalties	-	63,323	-	-
Miscellaneous receipts	1,711	11,975	7,760	-
Licenses and permits	106,343	-	-	-
Total revenues	1,239,689	168,949	7,760	147,581
Expenditures				
Current:				
General government	140,524	-	-	16,752
Public safety	-	602,565	9,958	105,431
Public works and street maintenance	-	-	-	34,528
Culture and recreation	-	-	-	-
Debt service	-	19,972	-	-
Capital outlay:				
General government	4,801	-	-	-
Public safety	-	54,347	-	-
Public works and street maintenance	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	145,325	676,884	9,958	156,711
Excess (deficiency) of revenues over expenditures	1,094,364	(507,935)	(2,198)	(9,130)
Other Financing Sources (Uses)				
Debt proceeds	-	30,245	-	-
Transfers in	-	475,000	-	10,000
Transfers out	(1,101,000)	-	-	-
Total other financing sources and uses	(1,101,000)	505,245	-	10,000
Net change in fund balances	(6,636)	(2,690)	(2,198)	870
Fund balances - beginning	559,204	31,091	280,443	108,156
Fund balances - ending	\$ 552,568	\$ 28,401	\$ 278,245	\$ 109,026

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
\$ -	\$ 52,388	\$ -	\$ 52,652	\$ 325,719	\$ 269,086	\$ 2,054,909
-	-	124,659	-	-	-	128,765
-	-	-	-	-	179,877	191,141
-	-	43	-	-	697	3,173
-	-	-	-	-	17,378	80,701
72	8,675	-	-	-	1,760	31,953
47,268	-	-	-	-	-	153,611
47,340	61,063	124,702	52,652	325,719	468,798	2,644,253
-	-	-	14,917	-	179,537	351,730
-	-	-	219,612	-	272,274	1,209,840
-	295,705	82,237	71,921	-	15,000	499,391
-	-	-	-	-	30,083	30,083
-	30,419	-	-	-	-	50,391
25,231	-	-	-	-	-	30,032
-	-	-	-	-	-	54,347
-	33,941	-	-	60,639	-	94,580
-	-	-	-	-	-	-
25,231	360,065	82,237	306,450	60,639	496,894	2,320,394
22,109	(299,002)	42,465	(253,798)	265,080	(28,096)	323,859
-	-	-	-	-	-	30,245
-	294,000	-	280,000	-	42,000	1,101,000
-	-	-	-	-	-	(1,101,000)
-	294,000	-	280,000	-	42,000	30,245
22,109	(5,002)	42,465	26,202	265,080	13,904	354,104
89,634	13,524	283,662	4,260	181,062	309,831	1,860,867
\$ 111,743	\$ 8,522	\$ 326,127	\$ 30,462	\$ 446,142	\$ 323,735	\$ 2,214,971

City of Oregon, Illinois

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

For the year ended April 30, 2015

Excess (deficiency) of revenues and other sources over (under)
expenditures and other uses- Governmental funds \$ 354,104

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

Capital outlays are reported in governmental funds as expenditures. However, in
the statement of activities, the cost of those assets is allocated over their useful
lives as depreciation expense. This is the amount by which depreciation expense
\$113,235 exceeds capitalized fixed assets and losses \$50,337 in the period. (62,898)

Debt proceeds are reported in governmental funds as an other financing source. (30,245)

Debt payments are reported in governmental funds as expenditures. However,
only the interest on the debt is recorded in the statement of activities. This is
the amount of debt payments in the period. 50,391

Change in net position of governmental activities \$ 311,352

City of Oregon, Illinois

Statement of Net Position - Modified Cash Basis Proprietary Funds

April 30, 2015

	Water and Sewer Fund
Assets	
Current assets:	
Cash	\$ 618,924
Restricted assets - cash	599,740
Total current assets	1,218,664
Noncurrent assets:	
Capital Assets (Net of accumulated depreciation):	5,845,121
Total Assets	7,063,785
Liabilities	
Current liabilities	
Refundable deposits	17,134
Payroll withholdings	-
Current portion of bonds payable	215,000
Current portion of IEPA loan payable	145,536
Total current liabilities	377,670
Noncurrent liabilities	
Bonds payable	2,985,000
Loans - IEPA	2,183,051
Total noncurrent liabilities	5,168,051
Total liabilities	5,545,721
Net Position	
Net investment in capital assets	2,524,534
Restricted	599,740
Unrestricted	(1,606,210)
Net position - unrestricted	\$ 1,518,064

City of Oregon, Illinois

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

For the year ended April 30, 2015

	Water and Sewer Fund
Revenues	
Charges for services	\$ 1,161,486
Intergovernmental receipts	-
Total revenue	1,161,486
Expenses	
Personnel services	192,087
Contractual services	293,241
Commodities	8,812
Capital outlay	18,706
Miscellaneous	19,820
Depreciation	200,023
Total expenses	732,689
Operating income (loss)	428,797
Other financing sources (uses)	
Operating transfer out	-
Non-operating revenue (expenses):	
Interest income	1,579
Interest expense	(102,255)
Total non-operating revenue (expenses)	(100,676)
Capital grants	-
Increase in net position	328,121
Net position - beginning	1,189,943
Net position - ending	\$ 1,518,064

City of Oregon, Illinois

Statement of Cash Flows - Modified Cash Proprietary Funds

For the year ended April 30, 2015

	Water and Sewer Fund
Cash Flows From Operating Activities	
Cash received for services	\$ 1,161,579
Cash payments to suppliers	(340,579)
Cash payments to employees	(192,087)
Net cash provided by operating activities	628,913
Cash Flows From Capital and Related Financing Activities	
Interest expense	(102,255)
Purchase of capital assets	(355,160)
Principal receipts (payments) on borrowings	(355,537)
Net cash (used in) capital financing activities	(812,952)
Cash Flows From Investing Activities	
Sale of investments	-
Interest income	1,579
Net cash provided by investing activities	1,579
Net decrease in cash and cash equivalents	(182,460)
Cash and cash equivalents - beginning	1,401,124
Cash and cash equivalents - ending	\$ 1,218,664
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 428,797
Adjustments to reconcile operating income to net cash provided by (used in) operations	
Increase (decrease) in refundable deposits	93
Increase (decrease) in payroll withholdings	-
Transfers out	-
Depreciation	200,023
Net cash provided by (used in) operations	\$ 628,913

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 and the Statement of Activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of the interfund activity has been removed from these statements.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Fund Accounting

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

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

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Governmental Funds:

General Fund

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

Special Revenue Funds

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

Debt Service Fund

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

Capital Projects Funds

The Capital Projects Funds account for all resources used for the acquisition or construction of a specific capital facility by the City, except those financed by the Enterprise Fund.

Proprietary Fund - Enterprise

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued):

Proprietary Fund - Enterprise (Continued)

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

The City reports the following major funds:

Governmental Funds:

General Fund

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

Police Protection Fund

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

Civil Defense

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

IMRF

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

Economic Development Fund

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

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued):

Streets and Alleys Fund

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

Motor Fuel Tax Fund

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

City Group Insurance Fund

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

Road and Bridge Fund

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

Enterprise Funds:

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

Basis of Accounting

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

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fixed Assets and Long-Term Liabilities

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

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

Budgets and Budgetary Accounting

The term budget, used throughout the financial statements represents the estimated revenues and appropriations set forth in the City's annual appropriation ordinance adopted for the fiscal year ended April 30, 2015.

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

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

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

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Cash and Investments

Cash consists of demand deposits and savings accounts, both easily accessible and with short-term duration. Investments as of April 30, 2015 consist of certificates of deposit and deposits in the Illinois Public Treasurer's Investment Pool. Deposits and investments are stated at cost or amortized cost which approximates market.

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

Investments are stated at cost, which approximates market.

For purposes of the statement of cash flows, cash equivalents include money market accounts and any highly liquid debt instruments purchased with a maturity of less than three months. There were no cash equivalents as of April 30, 2015.

Estimates

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

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Balance

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

- Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The City has the following balances that are restricted at year end.

a.	Police (tax levy)	\$ 28,401
b.	City Defense (restricted contributions)	278,245
c.	IMRF (tax levy)	109,026
d.	Street and Alley (tax levy)	8,522
e.	Motor Fuel Tax (motor fuel tax receipts)	326,127
f.	City Group Insurance (tax levy)	30,462
g.	Recreation (tax levy)	66,684
h.	Street Lighting (tax levy)	193
i.	School Crossing Guard (tax levy)	3,837
j.	Tort Liability (tax levy)	8,676
k.	Band Fund (tax levy)	7,234
l.	City Audit (tax levy)	31,031
m.	City Social Security (tax levy)	32
n.	Unemployment Insurance (tax levy)	39,490
o.	Coliseum (tax levy)	92,874
p.	Road and Bridge (tax levy)	<u>446,142</u>
	Total	<u>\$1,476,976</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 Equity (Continued)

a.	Economic Development	\$111,743
b.	City Hall	809
c.	Chlorination of Sewage	<u>-</u>
	Total	<u>\$112,552</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>\$72,875</u>
---------------	-----------------

- 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>4/30/2015</u>
Restricted assets:	
Operations and Maintenance Account	\$ 65,444
Bond and Interest Account	130,106
Sinking Fund Account	204,167
Depreciation Account	<u>200,023</u>
Total restricted assets	<u>\$599,740</u>

City of Oregon, Illinois

Notes to Financial Statements

Note 2 Pension Plan

Plan Description

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

Funding Policy

As set by statute, the City's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual required contribution rate for calendar year 2014 was 14.99 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

The required contribution for calendar year 2014 was \$159,064. For calendar year ending December 31, 2014, the City's annual pension cost and net pension obligation to the IMRF plan are:

Annual required contribution	\$159,064
Interest on net IMRF pension obligation	5,280
Adjustment to annual required contribution	<u>(3,592)</u>
Annual pension cost	160,752
Annual contributions made	(159,064)
Increase in IMRF pension obligation	1,688
Net IMRF pension obligation, beginning of year	<u>70,404</u>
Net IMRF pension obligation, end of year	<u>\$ 72,092</u>

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

City of Oregon, Illinois

Notes to Financial Statements

Note 2 Pension Plan (Continued)

Annual Pension Cost (Continued)

Three-Year Trend Information for the Regular Plan

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>*Net Pension Obligation</u>
12/31/14	\$159,064	100%	\$72,092
12/31/13	157,462	100%	70,404
12/31/12	160,792	91%	68,756

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

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the City's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's Regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 82.68 percent funded. The actuarial accrued liability for benefits was \$3,210,182 and the actuarial value of assets was \$2,654,146, resulting in an underfunded actuarial accrued liability (UAAL) of \$556,036. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$1,061,136 and the ratio of the UAAL to the covered payroll was 52 percent.

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

City of Oregon, Illinois

Notes to Financial Statements

Note 3 Common Bank Account

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

Occasionally certain funds participating in the common bank account will incur overdrafts (deficit cash balances) in the account. A deficit in one fund restricts the cash available for use by other funds in the same common bank account. 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 4 Cash and Investments

Deposits As of April 30, 2015, the carrying amount of the City's deposits into checking, savings, money market accounts and certificates of deposit was \$3,107,508 and the bank balance was \$3,227,932. The City's total collateral, including Federal Deposit Insurance and collateral held by a pledging bank's trust department, was \$3,227,932.

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, 2015, 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.

Investments not subject to categorization:	<u>Carrying Value</u>	<u>Market Value</u>
Investments in Illinois Funds	<u>\$326,127</u>	<u>\$326,127</u>

Interest Rate Risk

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

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

City of Oregon, Illinois

Notes to Financial Statements

Note 4 Cash and Investments (Continued)

Interest Rate Risk (Continued)

	<u>Remaining Maturity (in Months)</u>			<u>Total</u>
	<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	
External investment pool	<u>\$326,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$326,127</u>

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

Concentration of Credit Risk

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

Note 5 Property, Plant and Equipment

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

City of Oregon, Illinois

Notes to Financial Statements

Note 5 Property, Plant and Equipment (Continued)

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

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

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

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

The governmental activities capital asset activity for the year ended April 30, 2015 is as follows:

	<u>Balance</u> <u>May 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2015</u>
Cost:				
Buildings and improvements	\$1,600,077	\$ -	\$ -	\$1,600,077
Infrastructure	1,612,635	20,092	-	1,632,727
Equipment	517,106	-	-	517,106
Vehicles	<u>625,207</u>	<u>30,245</u>	<u>-</u>	<u>655,452</u>
	<u>\$4,355,025</u>	<u>\$50,337</u>	<u>\$ -</u>	<u>\$4,405,362</u>
Accumulated Depreciation:				
Buildings and improvements	\$1,423,759	\$ 10,046	\$ -	\$1,433,805
Infrastructure	253,405	40,358	-	293,763
Equipment	509,529	5,040	-	514,569
Vehicles	<u>485,149</u>	<u>57,791</u>	<u>-</u>	<u>542,940</u>
	<u>\$2,671,842</u>	<u>\$113,235</u>	<u>\$ -</u>	<u>\$2,785,077</u>

City of Oregon, Illinois

Notes to Financial Statements

Note 5 Property, Plant and Equipment (Continued)

	Balance May 1, 2014	Additions	Deletions	Balance April 30, 2015
Total Capital Assets, Net:				
Buildings and improvements	\$ 176,318	\$(10,046)	\$ -	\$ 166,272
Infrastructure	1,359,230	(20,266)	-	1,338,964
Equipment	7,577	(5,040)	-	2,537
Vehicles	<u>140,058</u>	<u>(27,546)</u>	<u>-</u>	<u>112,512</u>
	<u>\$1,683,183</u>	<u>\$(62,898)</u>	<u>\$ -</u>	<u>\$1,620,285</u>

The business-type activities capital asset activity for the year ended April 30, 2015 is as follows:

	Balance May 1, 2014	Additions	Deletions	Balance April 30, 2015
Cost:				
Buildings and improvements	\$ 420,641	\$ -	\$ -	\$ 420,641
Infrastructure	5,928,127	284,876	-	6,213,003
Equipment	803,718	31,265	-	834,983
Vehicles	<u>49,334</u>	<u>39,019</u>	<u>-</u>	<u>88,353</u>
	<u>\$7,201,820</u>	<u>\$355,160</u>	<u>\$ -</u>	<u>\$7,556,980</u>

Accumulated Depreciation:

Buildings and improvements	\$ 418,673	\$ 1,968	\$ -	\$ 420,641
Infrastructure	379,524	155,720	-	535,244
Equipment	690,769	29,301	-	720,070
Vehicles	<u>22,870</u>	<u>13,034</u>	<u>-</u>	<u>35,904</u>
	<u>\$1,511,836</u>	<u>\$200,023</u>	<u>\$ -</u>	<u>\$1,711,859</u>

Total Capital Assets, Net:

Buildings and improvements	\$ 1,968	\$ (1,968)	\$ -	\$ -
Infrastructure	5,548,603	129,156	-	5,677,759
Equipment	112,949	1,964	-	114,913
Vehicles	<u>26,464</u>	<u>25,985</u>	<u>-</u>	<u>52,449</u>
	<u>\$5,689,984</u>	<u>\$155,137</u>	<u>\$ -</u>	<u>\$5,845,121</u>

City of Oregon, Illinois

Notes to Financial Statements

Note 5 Property, Plant and Equipment (Continued)

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

Governmental activities:

General government	\$ 10,046
Public safety	27,762
Streets and public improvements	74,678
Recreation and parks	<u>749</u>

Total depreciation expense, governmental activities \$113,235

Business-type activities:

Water and Sewer	<u>\$200,023</u>
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Total depreciation expense, business-type activities \$200,023

Note 6 Property Taxes

The City is responsible for assessing property taxes whereas the County in which the City resides is responsible for collecting and distributing property taxes in accordance with enabling state legislation. Property taxes attach as an enforceable lien on property as of January 1 and may be paid in two equal installments. The first installment is normally due on or before June 1 and the second installment is normally due on or before September 1. The City receives significant distributions of tax receipts approximately one month after these due dates. Payments made after the September 1 installment date are assessed interest at the rate of 1% for farmland and 1-1/2% for all others. The 2013 levy was passed by the Board on December 17, 2013. The 2014 levy was passed by the Board on December 16, 2014. The amounts reported in the financial statements relate entirely to the 2013 levy, the 2014 levy will be reported as revenue for the fiscal year ending April 30, 2016.

Note 7 Accumulated Unpaid Vacation and Sick Pay

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

City of Oregon, Illinois

Notes to Financial Statements

Note 8 Long-Term Debt

Notes Payable

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

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

On December 3, 2012, the City borrowed \$50,114 at 2.75% interest from First National Bank and Trust Company to purchase a plow truck. The note is payable in 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 matures on December 11, 2017.

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.

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.

City of Oregon, Illinois

Notes to Financial Statements

Note 8 Long-Term Debt (Continued)

IEPA Loan (Continued)

Annual debt service requirements to maturity are as follows:

Fiscal year ending April 30,	IEPA Loan Proprietary		Notes Payable General Long-Term Debt		2013 Alternate Revenue Source Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 145,536	\$ -	\$38,407	\$1,900	\$ 215,000	\$ 98,055
2017	145,536	-	27,807	1,008	220,000	93,755
2018	145,536	-	21,109	338	225,000	89,355
2019	145,536	-	5,224	47	230,000	84,855
2020	145,536	-	-	-	235,000	80,255
2021-2025	727,680	-	-	-	1,295,000	285,515
2026-2030	727,680	-	-	-	780,000	49,625
2031	145,547	-	-	-	-	-
	<u>\$2,328,587</u>	<u>\$ -</u>	<u>\$92,547</u>	<u>\$3,293</u>	<u>\$3,200,000</u>	<u>\$781,415</u>

Changes in Long-Term Liabilities. During the year ended April 30, 2015, the following changes occurred in long-term liability accounts:

	Balance May 1, 2014	Additions	Deletions	Balance April 30, 2015
Business-type Activities:				
2010 IEPA loan	\$2,474,124	\$ -	\$145,537	\$2,328,587
2013 G.O. Bonds	3,410,000	-	210,000	3,200,000
Governmental Activities:				
2011 note payable	9,919	-	9,919	-
2011 note payable	31,470	-	20,792	10,678
2012 note payable	40,148	-	9,627	30,521
2013 note payable	31,156	-	8,245	22,911
2014 note payable	-	30,245	1,808	28,437
Total	<u>\$5,996,817</u>	<u>\$ 30,245</u>	<u>\$ 405,928</u>	<u>\$5,621,134</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 \$44,680,667. As of April 30, 2015 the City had \$3,761,161 of remaining legal debt margin.

City of Oregon, Illinois

Notes to Financial Statements

Note 9 Net Position/Fund Balances

Net position reported on the government wide statement of net position at April 30, 2015:

Governmental Activities:

Net investment in capital assets

Capital assets, net of accumulated depreciation	\$1,620,285
Less: related long-term debt outstanding	<u>92,547</u>
Total net investment in capital assets	<u>1,527,738</u>

Restricted -

State statutes and enabling legislation	<u>1,476,976</u>
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Unrestricted

737,995

Total governmental activities net position

\$3,742,709

Note 10 Deficit Net Position/Fund Balances

As of April 30, 2015, the following funds had a deficit net position/fund balance:

<u>Fund</u>	<u>Amount</u>
None	

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

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

Note 12 Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to handle such risks of loss, the City purchases insurance coverage through the Illinois Municipal League Risk Management Association and self insures for unemployment insurance purposes (See Note 14). The deductibles in effect through these policies as of April 30, 2015 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.

City of Oregon, Illinois

Notes to Financial Statements

Note 13 Contingency

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

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, 2015, there were no payments made for unemployment benefit claims.

Note 15 Transfers

Below are the interfund transfers as of April 30, 2015:

	<u>Operating Transfers in</u>	<u>Operating Transfers out</u>
General Fund:		
Police Fund	\$ -	\$ (475,000)
IMRF Fund	-	(10,000)
Street and Alley Fund	-	(294,000)
City Group Insurance Fund	-	(280,000)
Non Major Governmental Funds	<u>-</u>	<u>(42,000)</u>
Total General Fund	<u>-</u>	<u>(1,101,000)</u>
Police Fund:		
General Fund	<u>475,000</u>	<u>-</u>
Street and Alley Fund:		
General Fund	<u>294,000</u>	<u>-</u>
IMRF Fund:		
General Fund	<u>10,000</u>	<u>-</u>
City Group Insurance Fund:		
General Fund	<u>280,000</u>	<u>-</u>
Non Major Governmental Funds:		
General Fund	<u>42,000</u>	<u>-</u>
Total all funds	<u>\$1,101,000</u>	<u>\$(1,101,000)</u>

City of Oregon, Illinois

Notes to Financial Statements

Note 15 Transfers (Continued)

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

Note 16 Other Postemployment Benefits

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

Note 17 Tort Insurance Expenditures

The City had the following Tort insurance expenditures for the year ended April 30, 2014:

Insurance	\$ 82,166
Salaries	<u>30,000</u>
Total	<u>\$112,166</u>

Note 18 Pending GASB Statements

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

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

**Other Information
(Unaudited)**

City of Oregon, Illinois

Other Information

April 30, 2015

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll {(b-a)/c}</u>
12/31/14	\$2,654,146	\$3,210,182	\$556,036	82.68%	\$1,061,136	52.40%
12/31/13	2,268,932	2,852,313	583,381	79.55%	1,043,484	55.91%
12/31/12	1,828,195	2,537,851	709,656	72.04%	1,008,731	70.35%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$3,092,219. On a market basis, the funded ratio would be 96.33%.

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

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes:			
State income tax	\$ 360,000	\$ 361,330	\$ 1,330
Replacement tax	75,000	50,668	(24,332)
Local taxes	64,000	71,655	7,655
Utility taxes	35,000	34,790	(210)
State telecommunications tax	100,000	99,348	(652)
State sales tax	487,000	500,194	13,194
Total taxes	1,121,000	1,117,985	(3,015)
Charges for services:			
Other	6,500	11,264	4,764
Total charges for services	6,500	11,264	4,764
Use of money and property:			
Interest on investments	2,000	2,386	386
Miscellaneous receipts:			
Miscellaneous receipts	27,400	1,711	(25,689)
Total miscellaneous receipts	27,400	1,711	(25,689)
Licenses and permits:			
Liquor license	14,000	16,975	2,975
Cable franchise fees	-	-	-
Other license fees	71,500	89,368	17,868
Total licenses	85,500	106,343	20,843
Total revenues	\$ 1,242,400	\$ 1,239,689	\$ (2,711)

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures			
General government:			
Personnel services:			
Salaries - city officials	\$ 53,500	\$ 40,236	\$ (13,264)
Salary - clerk/treasurer	70,000	62,201	(7,799)
Total personnel services	123,500	102,437	(21,063)
Contractual services:			
Dues	2,000	1,557	(443)
Legal service	54,000	10,443	(43,557)
Printing and publishing	5,000	375	(4,625)
Travel and training - council	5,000	24	(4,976)
Travel and training - clerk's office	6,000	658	(5,342)
Christmas lighting	-	-	-
Engineering services	55,000	4,276	(50,724)
Telephone	9,000	6,053	(2,947)
City Hall Clock Maintenance	1,200	730	(470)
Gas	2,000	96	(1,904)
Total contractual services	139,200	24,212	(114,988)
Commodities:			
Office supplies and postage	8,000	2,803	(5,197)
Gas and oil	10,000	11,072	1,072
Total commodities	18,000	13,875	(4,125)
Miscellaneous	6,000	-	(6,000)
Capital outlay:			
Building improvements	-	-	-
Purchase equipment	30,000	4,801	(25,199)
Total capital outlay	30,000	4,801	(25,199)
Contingency:			
Contingency	225,000	-	(225,000)
Total general government	\$ 541,700	\$ 145,325	\$ (396,375)
Other financing sources (uses):			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	-	(1,101,000)	(1,101,000)
Total other financing sources (uses)	\$ -	\$ (1,101,000)	\$ (1,101,000)

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes:			
Property taxes - corporate	\$ 82,800	\$ 89,545	\$ 6,745
Intergovernmental receipts:			
Cops fast grant/other	600	4,106	3,506
Charges for services:			
Oregon Park District	-	-	-
Fines and penalties:			
Police fines	45,200	46,615	1,415
Police reports	300	245	(55)
Towing fee	15,000	11,040	(3,960)
Parking fines	4,500	5,423	923
Total fines and penalties	65,000	63,323	(1,677)
Miscellaneous receipts	3,000	11,975	8,975
Total revenues	\$ 151,400	\$ 168,949	\$ 17,549
Expenditures			
Public safety and health:			
Personnel services:			
Salaries - police	\$ 655,000	\$ 544,977	\$ (110,023)
Total personnel services	655,000	544,977	(110,023)
Contractual services:			
Maintenance - equipment	9,000	2,601	(6,399)
Maintenance - vehicles	20,000	13,142	(6,858)
Dues	2,000	2,680	680
Travel and training	28,000	7,164	(20,836)
Printing and publishing	1,500	2,013	513
Utilities - telephone	11,000	7,934	(3,066)
Total contractual services	71,500	35,534	(35,966)

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Expenditures (Continued)			
Public safety and health (continued):			
Commodities:			
Office supplies and postage	1,500	1,233	(267)
Clothing and uniforms	11,000	2,339	(8,661)
Admin. towing disbursements	30,000	1,966	(28,034)
Gas and oil	40,000	27,388	(12,612)
Total commodities	82,500	32,926	(49,574)
Miscellaneous:			
Other miscellaneous expense	45,000	9,100	(35,900)
Capital outlay:			
Equipment	57,500	8,675	(48,825)
Vehicles	65,000	45,672	(19,328)
Office equipment	-	-	-
Total capital outlay	122,500	54,347	(68,153)
Contingencies	-	-	-
Total public safety and health	\$ 976,500	\$ 676,884	\$ (299,616)
Other financing sources:			
Debt proceeds	\$ -	\$ 30,245	\$ 30,245
Operating transfers in	-	475,000	475,000
Total other financing sources	\$ -	\$ 505,245	\$ 505,245

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Miscellaneous receipts:			
Other income	\$ 4,200	\$ 7,760	\$ 3,560
Expenditures			
Public safety and health:			
Personnel services - salaries	\$ -	\$ -	\$ -
Contractual services:			
Travel and training	400	-	(400)
Telephone	5,000	2,756	(2,244)
Total contractual services	5,400	2,756	(2,644)
Commodities:			
Miscellaneous	400	-	(400)
Supplies and materials	102,000	7,202	(94,798)
Total public safety and health	\$ 107,400	\$ 9,958	\$ (97,442)
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, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes:			
Property tax	\$ 123,687	\$ 123,394	\$ (293)
Replacement taxes	-	24,140	24,140
Total taxes	\$ 123,687	\$ 147,534	\$ 23,847
Use of money and property:			
Interest on investments	\$ 100	\$ 47	\$ (53)
Expenditures			
Personnel services - IMRF	\$ 200,000	\$ 156,711	\$ (43,289)
Other financing sources:			
Operating transfers in	\$ -	\$ 10,000	\$ 10,000
Total other financing sources	\$ -	\$ 10,000	\$ 10,000

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes:			
Telecommunication tax	\$ -	\$ -	\$ -
Intergovernmental receipts:			
State grants	-	-	-
Federal grant	-	-	-
Total intergovernmental receipts	-	-	-
Licenses and permits:			
Cablevision franchise	41,000	47,268	6,268
Use of money and property -			
Interest on investments	-	-	-
Miscellaneous receipts	-	72	72
Total revenues	\$ 41,000	\$ 47,340	\$ 6,340
Expenditures			
General government:			
Capital outlay:			
Economic development expense	\$ 371,000	\$ 25,231	\$ (345,769)
Other financing sources (uses):			
Debt proceeds	\$ -	\$ -	\$ -
Operating transfers out	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes:			
Property taxes - corporate	\$ 50,223	\$ 52,388	\$ 2,165
Utility tax	-	-	-
Total intergovernmental receipts	50,223	52,388	2,165
Intergovernmental receipts:			
FEMA - Snow removal	-	-	-
State of Illinois - highway maintenance	-	-	-
Total intergovernmental receipts	-	-	-
Miscellaneous receipts	39,500	8,675	(30,825)
Total revenues	\$ 89,723	\$ 61,063	\$ (28,660)
Expenditures			
Streets and public improvements:			
Personnel services - salaries	\$ 275,000	\$ 178,475	\$ (96,525)
Contractual services:			
Maintenance - buildings	40,000	95	(39,905)
Maintenance - equipment	20,000	1,715	(18,285)
Maintenance - vehicles	5,000	311	(4,689)
Travel and training	2,000	575	(1,425)
Contract labor	90,000	58,830	(31,170)
Telephone	8,500	4,370	(4,130)
Total contractual services	165,500	65,896	(99,604)
Commodities:			
Supplies and materials	75,000	58,324	(16,676)
Equipment maintenance materials	20,000	10,496	(9,504)
Gas and oil	33,500	12,067	(21,433)
Total commodities	128,500	80,887	(47,613)
Miscellaneous disbursements	70,000	866	(69,134)
Capital outlay:			
Equipment	450,000	33,941	(416,059)
Total streets and public improvements	\$ 1,089,000	\$ 360,065	\$ (728,935)
Other financing sources			
Debt proceeds	\$ -	\$ -	\$ -
Operating transfers in	-	294,000	294,000
Total other financing sources	\$ -	\$ 294,000	\$ 294,000

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Intergovernmental receipts - motor fuel tax allotments and other	\$ 90,900	\$ 124,659	\$ 33,759
Use of money and property - Interest on investments	150	43	(107)
Total revenues	\$ 91,050	\$ 124,702	\$ 33,652
Expenditures			
Streets and public improvements: Contractual services:			
Maintenance - grounds	\$ 175,000	\$ 72,843	\$ (102,157)
Engineering	40,000	9,394	(30,606)
Total contractual services	215,000	82,237	(132,763)
Commodities - maintenance materials	15,000	-	(15,000)
Total streets and public improvements	\$ 230,000	\$ 82,237	\$ (147,763)

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes			
Property taxes	\$ 59,592	\$ 52,652	\$ (6,940)
Use of money and property - Interest on investments	-	-	-
Total revenues	\$ 59,592	\$ 52,652	\$ (6,940)
Expenditures			
General Government:			
Personnel services:			
Group insurance	\$ 395,000	\$ 304,171	\$ (90,829)
Life insurance	5,000	2,279	(2,721)
Total personnel services	\$ 400,000	\$ 306,450	\$ (93,550)
Other financing sources:			
Operating transfers in	\$ -	\$ 280,000	\$ 280,000
Total other financing sources (uses)	\$ -	\$ 280,000	\$ 280,000

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes			
Property taxes	\$ 36,468	\$ 38,947	\$ 2,479
Sales tax	270,000	286,772	16,772
Utility taxes	-	-	-
Total taxes	306,468	325,719	19,251
Intergovernmental receipts:			
Grant	-	-	-
Total intergovernmental receipts	-	-	-
Total revenues	\$ 306,468	\$ 325,719	\$ 19,251
Expenditures			
Public Works:			
Capital Outlay:			
Improvements	\$ 1,720,000	\$ 60,639	\$ (1,659,361)
Total capital outlay	\$ 1,720,000	\$ 60,639	\$ (1,659,361)
Other financing sources:			
Operating transfers	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Operating revenues			
Charges for services:			
Water - sewer receipts	\$ 1,190,000	\$ 1,106,590	\$ (83,410)
Sale of meters	2,000	5,912	3,912
Turn on fees	1,500	930	(570)
Main taps	500	300	(200)
Sewer hook up fees	9,000	4,400	(4,600)
Water hook up fees	5,000	6,400	1,400
Other charges for services	16,000	36,954	20,954
Total charges for services	1,224,000	1,161,486	(62,514)
Intergovernmental receipts:			
IEPA grants	-	-	-
Total operating revenues	\$ 1,224,000	\$ 1,161,486	\$ (62,514)
Operating expenses			
Waterworks and sewerage:			
Personnel services:			
Salaries	\$ 300,000	\$ 192,087	\$ (107,913)
Contractual services - sewer:			
Engineering services	600,000	75,601	(524,399)
Maintenance	70,000	8,253	(61,747)
Professional services	598,500	202,901	(395,599)
Total contractual services - sewer	1,268,500	286,755	(981,745)
Contractual services - water:			
Engineering services	50,000	6,486	43,514
Contract labor	-	-	-
Power	-	-	-
Total contractual services - water	50,000	6,486	(43,514)
Total contractual services	1,318,500	293,241	(1,025,259)
Commodities - water & sewer:			
Office supplies and postage	10,000	8,812	(1,188)

City of Oregon, Illinois

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

Year ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Operating expenses (continued)			
Waterworks and sewerage (continued):			
Miscellaneous:			
Sewer	100,000	19,820	(80,180)
Water	-	-	-
Total miscellaneous	100,000	19,820	(80,180)
Depreciation	-	200,023	200,023
Capital outlay - Equipment:			
Water	-	-	-
Sewer	130,000	18,706	(111,294)
Total Capital outlay	130,000	18,706	(111,294)
Total waterworks and sewerage	\$ 1,858,500	\$ 732,689	\$ (1,125,811)
Other financing sources (uses):			
Operating transfers in	\$ -	\$ -	\$ -
Nonoperating revenue (expenses)			
Interest on investments	\$ 1,500	\$ 1,579	\$ 79
Interest expense	(500,000)	(102,255)	397,745
Total nonoperating revenue (expenses)	\$ (498,500)	\$ (100,676)	\$ 397,824
Other financing sources:			
Operating transfers out	\$ -	\$ -	\$ -
Total other financing uses	\$ -	\$ -	\$ -

City of Oregon, Illinois

Nonmajor Governmental Funds Combining Schedule of Assets, Liabilities, and Fund Balances Modified Cash Basis

April 30, 2015

	Total Nonmajor Governmental Funds	Street Lighting Fund	Recreation Fund	School Crossing Guard Fund
Assets				
Cash	\$ 323,735	\$ 193	\$ 66,684	\$ 3,837
Due from other funds	-	-	-	-
Investments, at cost	-	-	-	-
Total assets	\$ 323,735	\$ 193	\$ 66,684	\$ 3,837
Liabilities				
Payroll withholdings	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Fund Balances				
Fund balances	323,735	193	66,684	3,837
Total liabilities and fund balance	\$ 323,735	\$ 193	\$ 66,684	\$ 3,837

Tort Liability Fund	Band Fund	City Audit Fund	City Social Security Fund	Unemployment Insurance Fund
\$ 8,676	\$ 7,234	\$ 31,031	\$ 32	\$ 39,490
-	-	-	-	-
-	-	-	-	-
\$ 8,676	\$ 7,234	\$ 31,031	\$ 32	\$ 39,490
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
8,676	7,234	31,031	32	39,490
\$ 8,676	\$ 7,234	\$ 31,031	\$ 32	\$ 39,490

City of Oregon, Illinois

Nonmajor Governmental Funds Combining Schedule of Assets, Liabilities, and Fund Balances Modified Cash Basis (Continued)

April 30, 2015

	Public Health Fund	Coliseum Fund	City Hall Fund
Assets			
Cash	\$ 72,875	\$ 92,874	\$ 809
Investments, at cost	-	-	-
Total assets	\$ 72,875	\$ 92,874	\$ 809
Liabilities			
Payroll withholdings	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Total liabilities	-	-	-
Fund Balances			
Fund balances	72,875	92,874	809
Total liabilities and fund balance	\$ 72,875	\$ 92,874	\$ 809

City of Oregon, Illinois

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

Year ended April 30, 2015

	Total Nonmajor Governmental Funds	Street Lighting Fund	Recreation Fund	School Crossing Guard Fund
Revenues				
Taxes	\$ 269,086	\$ 23,730	\$ 9,019	\$ 9,438
Charges for service	179,877	-	-	-
Uses of money and property	697	-	-	-
Fines and penalties	17,378	-	-	-
Miscellaneous receipts	1,760	-	-	-
Total revenues	468,798	23,730	9,019	9,438
Expenditures				
Current:				
General government	179,537	-	-	-
Public safety and health	272,274	39,685	-	17,264
Public works	15,000	-	-	-
Recreation and parks	30,083	-	7,509	-
Capital outlay:				
Streets and public improvements	-	-	-	-
Recreation and parks	-	-	-	-
Total expenditures	496,894	39,685	7,509	17,264
Excess of revenues over (under) expenditures	(28,096)	(15,955)	1,510	(7,826)
Other financing sources (uses)				
Operating transfers in	42,000	16,000	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	42,000	16,000	-	-
Excess of revenues and other sources over (under) expenditures and other uses	13,904	45	1,510	(7,826)
Fund balance - Beginning	309,831	148	65,174	11,663
Fund balance - Ending	\$ 323,735	\$ 193	\$ 66,684	\$ 3,837

Tort Liability Fund	Band Fund	City Audit Fund	City Social Security Fund	Unemployment Insurance Fund
\$ 112,145	\$ 2,846	\$ 35,499	\$ 41,291	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
112,145	2,846	35,499	41,291	-
89,666	-	22,770	44,391	-
7,500	-	-	-	-
15,000	-	-	-	-
-	3,175	-	-	-
-	-	-	-	-
-	-	-	-	-
112,166	3,175	22,770	44,391	-
(21)	(329)	12,729	(3,100)	-
-	-	-	3,000	-
-	-	-	-	-
-	-	-	3,000	-
(21)	(329)	12,729	(100)	-
8,697	7,563	18,302	132	39,490
\$ 8,676	\$ 7,234	\$ 31,031	\$ 32	\$ 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, 2015

	Public Health Fund	Coliseum Fund	City Hall Fund
Revenues			
Taxes	\$ -	\$ 35,118	\$ -
Charges for service	179,877	-	-
Uses of money and property	47	650	-
Fines and penalties	17,378	-	-
Miscellaneous receipts	1,760	-	-
Total revenues	199,062	35,768	-
Expenditures			
Current:			
General government	-	-	22,710
Public safety and health	207,825	-	-
Public works	-	-	-
Recreation and parks	-	19,399	-
Capital outlay:			
Streets and public improvements	-	-	-
Recreation and parks	-	-	-
Total expenditures	207,825	19,399	22,710
Excess of revenues over (under) expenditures disbursed	(8,763)	16,369	(22,710)
Other financing sources (uses)			
Operating transfers in	-	-	23,000
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	23,000
Excess of revenues and other sources over (under) expenditures and other uses	(8,763)	16,369	290
Fund balance - Beginning	81,638	76,505	519
Fund balance - Ending	\$ 72,875	\$ 92,874	\$ 809

City of Oregon, Illinois

Schedule of Tort Expenditures - Modified Cash Basis

Year ended April 30, 2015

Insurance	\$ 89,666
Salaries	30,000
<hr/>	
Total	\$ 112,166
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City of Oregon, Illinois

Schedule of Long-Term Debt

Year ended April 30, 2015

Year ended April 30	2010 IEPA Loan Payable		2013 G.O. Bonds Payable	
	Principal	Interest	Principal	Interest
2016	\$ 145,536	\$ -	\$ 215,000	\$ 98,055
2017	145,536	-	220,000	93,755
2018	145,536	-	225,000	89,355
2019	145,536	-	230,000	84,855
2020	145,536	-	235,000	80,255
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
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	145,547	-	-	-
	<u>\$ 2,328,587</u>	<u>\$ -</u>	<u>\$ 3,200,000</u>	<u>\$ 781,415</u>

City of Oregon, Illinois

Assessed Valuations, Rates, Extensions, and Collections

April 30, 2015

Fund	2014 Levy	
	Rate	Extended
General	0.33300	\$ 148,786
Police protection	0.07500	33,510
Recreation	0.01907	8,521
Coliseum	0.07428	33,189
Illinois municipal retirement	0.29109	130,061
Audit	0.07508	33,546
Liability insurance	0.27102	121,094
Social security	0.09737	43,506
Band	0.00602	2,690
Street Lighting	0.05019	22,425
School Crossing Guard	0.02000	8,936
Totals	1.31212	\$ 586,264

Year	Valuations	Collections
2014	\$ 44,680,667	\$ -
2013	\$ 47,308,298	\$ 626,012
2012	\$ 49,181,163	\$ 618,474

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

2013 Levy		2012 Levy	
Taxes		Taxes	
Rate	Extended	Rate	Extended
0.33300	\$ 157,537	0.33300	\$ 163,773
0.07500	35,481	0.07500	36,886
0.01911	9,041	0.01816	8,931
0.07441	35,202	0.07263	35,720
0.26145	123,687	0.22324	109,792
0.07522	35,585	0.07477	36,773
0.24134	114,174	0.23499	115,571
0.08749	41,390	0.06622	32,568
0.00603	2,853	0.00641	3,152
0.05028	23,787	0.05341	26,268
0.02000	9,461	0.02000	9,836
1.24333	\$ 588,198	1.17783	\$ 579,270

City of Oregon, Illinois

Schedule of Information Required by Alternate Revenue Source Bonds

April 30, 2015

Insurer	Coverage Period From/To	Coverage/ Amount
Illinois Municipal League Insurance Company	12/31/13-12/31/14	Crime - Forgery/ Theft/ Computer Fraud/ Employee Dishonesty \$100,000 - each occurrence
Illinois Municipal League Insurance Company	12/31/13-12/31/14	General Liability \$1,000,000- each occurrence
Illinois Municipal League Insurance Company	12/31/13-12/31/14	Umbrella \$7,000,000
Illinois Municipal League Insurance Company	12/31/13-12/31/14	Automobile Liability & Uninsured Motorist \$1,000,000
Illinois Municipal League Risk Fund	12/31/13-12/31/14	Worker's Compensation/ Statutory
Illinois Municipal League Insurance Company	12/31/13-12/31/14	Property & Inland Marine \$250,000 - 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, 2015, and for the year then ended, and have issued our opinion thereon dated July 18, 2015.

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

Freeport, Illinois
July 29, 2015