

City of Oregon  
Oregon, Illinois

Financial Report

April 30, 2020



# City of Oregon, Illinois

Year Ended April 30, 2020

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## Table of Contents

<b>Independent Auditor's Report</b>	1 - 2
<b>Management Discussion and Analysis</b>	3 - 8
<b>Basic Financial Statements</b>	
Statement of Net Position - Modified Cash Basis	9
Statement of Activities - Modified Cash Basis	10
Balance Sheet - Governmental Funds – Modified Cash Basis	11
Reconciliation of the Governmental Funds Balance Sheet – Modified Cash Basis to the Statement of Net Position - Modified Cash Basis	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds – Modified Cash Basis	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds – Modified Cash Basis to the Statement of Activities - Modified Cash Basis	14
Statement of Net Position - Modified Cash Basis - Proprietary Funds	15
Statement of Revenues, Expenses, and Changes in Net Position - Modified Cash Basis - Proprietary Funds	16
Statement of Cash Flows – Modified Cash Basis - Proprietary Funds	17
Notes to Financial Statements	18 - 43

# City of Oregon, Illinois

Year Ended April 30, 2020

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## Table of Contents (Continued)

### **Other Information**

IMRF Multiyear Schedule of Contributions	44
Schedule of Changes in Net Pension Liability and Related Ratios for IMRF	45
Notes to Other Information	46
Schedule of Revenues and Expenditures/Expenses Compared with Budget – Modified Cash Basis:	
General Fund	47 - 48
Police Fund	49 - 50
Civil Defense Fund	51
IMRF Fund	52
Economic Development Fund	53
Street and Alley Fund	54
Motor Fuel Tax Fund	55
City Group Insurance Fund	56
Road and Bridge Fund	57
Water and Sewer Fund	58 - 59
Nonmajor Governmental Funds - Combining Balance Sheet – Modified Cash Basis	60 - 61
Nonmajor Governmental Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis	62 - 63
Schedule of Tort Expenditures – Modified Cash Basis	64
Schedule of Long-term Debt – Business-type Activities	65
Assessed Valuations, Rates, Extensions, and Collections	66
Schedule of Information Required by Alternate Revenue Source Bonds	67
<b>Independent Auditor’s Report on Compliance with Revenue Bond Ordinance No. 2013-103</b>	68
<b>Compliance – Independent Accountant’s Report</b>	69

## **Independent Auditor's Report**

Honorable Mayor and Council  
City of Oregon  
Oregon, Illinois

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oregon, Illinois (the City), as of and for the year ended April 30, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Oregon, Illinois, as of April 30, 2020, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

## **Basis of Accounting**

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

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oregon, Illinois' basic financial statements. The Management Discussion and Analysis and the additional schedules listed in the table of contents as other information, 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.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Wipfli LLP*

Rockford, Illinois  
August 31, 2020

## **Management Discussion and Analysis**

# City of Oregon, Illinois

## Management Discussion and Analysis

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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, 2020.

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, 2020 and the results of operations for the year. This summary should not be taken as a replacement for the annual financial report, which consists of the financial statements, notes to the financial statements, and other information.

### **Using This Financial Report**

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

### **Government -Wide Financial Statements**

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

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

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

# City of Oregon, Illinois

## Management Discussion and Analysis

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### **Fund Financial Statements**

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

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

The City maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet – modified cash basis and in the fund statement of revenues, expenditures, and the changes in fund balances – modified cash basis for all these funds. Nine of these twenty-two funds are considered major funds. More detail of the individual revenues and expenditures for these funds is presented in the other information section of this report.

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

The City adopts annual budgets for all funds. The term budget, used throughout the financial statements, represents the estimated revenues and appropriations set forth in the City's annual appropriation ordinance. A budgetary comparison statement has been provided for the major funds only.

### **Financial Highlights**

- The City's governmental activities net position as of May 1, 2019, was \$4,884,205. The revenue during the fiscal year May 1, 2019 thru April 30, 2020 was \$3,314,437 and the expenses were \$2,854,069. The net position at April 30, 2020 is \$5,344,573.
- The City's business-type activities net position as of May 1, 2019, was \$3,955,665. The revenue during the fiscal year May 1, 2019 thru April 30, 2020 was \$3,637,236 and the expenses were \$874,600. The net position at April 30, 2020 is \$6,718,301.

# City of Oregon, Illinois

## Management Discussion and Analysis

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### **Financial Highlights (Continued)**

- The City's General Fund beginning balance as of May 1, 2019 was \$366,746. The revenue during the fiscal year May 1, 2019 thru April 30, 2020 was \$1,502,099 and the expenditures were \$187,184, net transfers out of \$1,278,600, which leaves a balance of \$403,061.
- The City's Police Fund beginning balance as of May 1, 2019 was \$34,591. The revenue during the fiscal year May 1, 2019 thru April 30, 2020 was \$242,330 and the expenditures were \$894,087, transfers in of \$638,300, which leaves a balance of \$21,134.
- The City's Civil Defense Fund beginning balance as of May 1, 2019 was \$267,063. The revenue during the fiscal year May 1, 2019 thru April 30, 2020 was \$0 and the expenditures were \$2,243, which leaves a balance of \$264,820.
- The City's IMRF Fund beginning balance as of May 1, 2019 was \$153,121. The revenue during the fiscal year May 1, 2019 thru April 30, 2020 was \$169,906 and the expenditures were \$100,637, which leaves a balance of \$222,390.
- The City's Economic Development Fund beginning balance as of May 1, 2019 was \$82,188. The revenue during the fiscal year May 1, 2019 thru April 30, 2020 was \$54,828, the expenditures were \$70,739, which leaves a balance of \$66,277.
- The City's Street and Alley Fund beginning balance as of May 1, 2019 was \$2,197. The revenue during the fiscal year May 1, 2019 thru April 30, 2020 was \$80,244 and the expenditures were \$388,914, transfers in of \$295,400, which leaves a negative fund balance of \$11,073.
- The City's Motor Fuel Tax Fund beginning balance as of May 1, 2019 was \$210,988. The revenue during the fiscal year May 1, 2019 thru April 30, 2020 was \$134,990 and the expenditures were \$82,603, which leaves a balance of \$263,375.
- The City's Group Insurance Fund beginning balance as of May 1, 2019 was \$44,935. The revenue during the fiscal year May 1, 2019 thru April 30, 2020 was \$49,453 and the expenditures were \$197,783, transfers in of \$226,000 which leaves a balance of \$122,605.
- The City's Road and Bridge Fund beginning balance as of May 1, 2019 was \$1,090,934. The revenue during the fiscal year May 1, 2019 thru April 30, 2020 was \$363,293 and the expenditures were \$682,123, which leaves a balance of \$772,104.

# City of Oregon, Illinois

## Management Discussion and Analysis

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### Condensed Financial Information

Net position is summarized in the table below.

#### **Condensed Statements of Net Position – Modified Cash Basis as of April 30, 2020 and April 30, 2019**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Assets:</b>				
Current Assets	\$2,808,579	\$2,803,243	\$2,293,995	\$1,802,110
Non-current Assets:				
Capital (Fixed) assets	<u>3,866,134</u>	<u>3,254,253</u>	<u>11,314,513</u>	<u>8,120,143</u>
Total Assets	<u>6,674,713</u>	<u>6,057,496</u>	<u>13,608,508</u>	<u>9,922,253</u>
<b>Liabilities:</b>				
Current Liabilities	164,907	138,531	505,857	478,212
Non-current Liabilities	<u>1,165,233</u>	<u>1,034,760</u>	<u>6,384,350</u>	<u>5,488,376</u>
Total liabilities	<u>1,330,140</u>	<u>1,173,291</u>	<u>6,890,207</u>	<u>5,966,588</u>
<b>Net Assets:</b>				
Net investments in capital assets	2,590,304	2,150,276	5,867,710	3,759,179
Restricted	2,176,840	2,152,361	665,785	684,736
Unrestricted	<u>577,429</u>	<u>581,568</u>	<u>184,806</u>	<u>(488,250)</u>
Total net position	<u>\$5,344,573</u>	<u>\$ 4,884,205</u>	<u>\$6,718,301</u>	<u>\$ 3,955,665</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 loans constitute the City's long-term debt.

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

# City of Oregon, Illinois

## Management Discussion and Analysis

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### 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, 2020 and April 30, 2019**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues:</b>				
Program:				
Charges for services	\$ 542,128	\$ 592,478	\$1,549,081	\$1,460,304
Operating grants & contributions	251,940	109,635	-	-
Capital grants & contributions	-	-	2,084,997	750,000
General:				
Property & other taxes	2,484,186	2,382,024	-	-
Interest	6,181	5,414	3,158	6,756
Other	<u>30,002</u>	<u>39,521</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u><b>3,314,437</b></u>	<u><b>3,129,072</b></u>	<u><b>3,637,236</b></u>	<u><b>2,217,060</b></u>
<b>Expenses:</b>				
General government	569,690	502,475	-	-
Public safety	1,411,925	1,384,590	-	-
Public works	795,924	751,711	-	-
Culture & recreation	43,917	37,463	-	-
Interest	32,613	35,830	-	-
Water & sewer	<u>-</u>	<u>-</u>	<u>874,600</u>	<u>1,005,408</u>
<b>Total expenses</b>	<b>2,854,069</b>	<b>2,712,069</b>	<b>874,600</b>	<b>1,005,408</b>
<b>Excess before transfers</b>	<b>460,368</b>	<b>417,003</b>	<b>2,762,636</b>	<b>1,211,652</b>
<b>Transfers</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Change in net position</b>	<u><b>\$ 460,368</b></u>	<u><b>\$ 417,003</b></u>	<u><b>\$2,762,636</b></u>	<u><b>\$ 1,211,652</b></u>

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

# City of Oregon, Illinois

## Management Discussion and Analysis

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### **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 \$3,223,004 (including Water and Sewer Fund) from the prior year. The General Fund had an increase in fund balance of \$36,315. The Water and Sewer Fund had an increase in net position of \$2,762,636. 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 2019. 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 \$195,099 more than budgeted due mainly to more state sales tax and other license fees than budgeted. General Fund expenditures were \$495,816 under budget. Not including Inter-Fund Transfers, the General Fund had a net gain of \$1,314,915 for the fiscal year. Including Inter-Fund Transfers the General Fund had an increase of \$36,315.

### **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 2020, the City remodeled the City Hall roof for \$304,958, purchased a street sweeper for \$246,234, reconstructed Franklin Street for \$212,885, and purchased a building for \$35,000. In the Water and Sewer Fund, the City added \$1,688,235 towards the sewer lining project and \$1,786,094 towards the watermain project. As of April 30, 2020, \$8,208,314 of principal is outstanding on various loans. See notes to financial statements for additional information on Capital Assets (Note 6) and on Long-Term Debt (Note 9).

### **Factors or Conditions Impacting Future Periods**

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

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

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

**Basic Financial Statements**

# City of Oregon, Illinois

## Statement of Net Position - Modified Cash Basis

April 30, 2020

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 2,808,579	\$ 1,628,210	\$ 4,436,789
Restricted assets - cash	-	665,785	665,785
Internal balances	-	-	-
<b>Total current assets</b>	<b>2,808,579</b>	<b>2,293,995</b>	<b>5,102,574</b>
Noncurrent assets:			
Land	129,900	-	129,900
Construction in progress	35,000	3,474,329	3,509,329
Capital assets (net of accumulated depreciation)	3,701,234	7,840,184	11,541,418
<b>Total noncurrent assets</b>	<b>3,866,134</b>	<b>11,314,513</b>	<b>15,180,647</b>
<b>Total assets</b>	<b>6,674,713</b>	<b>13,608,508</b>	<b>20,283,221</b>
<b>Liabilities</b>			
Current liabilities			
Refundable deposits	-	11,654	11,654
Payroll withholdings	379	-	379
Current portion long term debt	164,528	494,203	658,731
<b>Total current liabilities</b>	<b>164,907</b>	<b>505,857</b>	<b>670,764</b>
Noncurrent liabilities			
Bonds payable	-	1,835,000	1,835,000
Loans - IEPA	-	4,549,350	4,549,350
Notes payable	1,165,233	-	1,165,233
<b>Total noncurrent liabilities</b>	<b>1,165,233</b>	<b>6,384,350</b>	<b>7,549,583</b>
<b>Total liabilities</b>	<b>1,330,140</b>	<b>6,890,207</b>	<b>8,220,347</b>
<b>Net Position</b>			
Net investment in capital assets	2,590,304	5,867,710	8,458,014
Restricted for:			
Debt	-	665,785	665,785
Other purposes	2,176,840	-	2,176,840
Unrestricted	577,429	184,806	762,235
<b>Total net position</b>	<b>\$ 5,344,573</b>	<b>\$ 6,718,301</b>	<b>\$ 12,062,874</b>

See accompanying notes to financial statements.

# City of Oregon, Illinois

## Statement of Activities - Modified Cash Basis

For the year ended April 30, 2020

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 569,690	\$ 210,635	\$ -	\$ -	\$ (359,055)	\$ -	\$ (359,055)
Public safety and health	1,411,925	331,493	93,443	-	(986,989)	-	(986,989)
Public works	795,924	-	158,497	-	(637,427)	-	(637,427)
Culture and recreation	43,917	-	-	-	(43,917)	-	(43,917)
Interest	32,613	-	-	-	(32,613)	-	(32,613)
Total governmental activities	2,854,069	542,128	251,940	-	(2,060,001)	-	(2,060,001)
Business-type activities:							
Water and Sewer	\$ 874,600	\$ 1,549,081	\$ -	\$ 2,084,997	-	2,759,478	2,759,478
General revenues:							
Taxes:							
Property taxes					807,443	-	807,443
Sales taxes					937,582	-	937,582
Other					739,161	-	739,161
Interest					6,181	3,158	9,339
Miscellaneous					30,002	-	30,002
Total general revenues					2,520,369	3,158	2,523,527
Transfers							
					-	-	-
Change in net position					460,368	2,762,636	3,223,004
Net position - beginning					4,884,205	3,955,665	8,839,870
Net position - ending					\$ 5,344,573	\$ 6,718,301	\$ 12,062,874

See accompanying notes to financial statements.

# City of Oregon, Illinois

## Balance Sheet Governmental Funds - Modified Cash Basis

April 30, 2020

	General Fund	Police Fund	Civil Defense Fund	IMRF Fund	Economic Development Fund
<b>Assets</b>					
Cash and cash equivalents	\$ 384,050	\$ 21,513	\$ 264,820	\$ 222,390	\$ 66,277
Due from other funds	19,011	-	-	-	-
<b>Total assets</b>	<b>\$ 403,061</b>	<b>\$ 21,513</b>	<b>\$ 264,820</b>	<b>\$ 222,390</b>	<b>\$ 66,277</b>
<b>Liabilities and Fund Balances</b>					
Current liabilities					
Payroll withholdings	\$ -	\$ 379	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>379</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:					
Restricted for:					
Special revenue funds	-	21,134	264,820	222,390	-
Committed	-	-	-	-	66,277
Assigned	-	-	-	-	-
Unassigned	403,061	-	-	-	-
<b>Total fund balances</b>	<b>403,061</b>	<b>21,134</b>	<b>264,820</b>	<b>222,390</b>	<b>66,277</b>
<b>Total liabilities and fund balances</b>	<b>\$ 403,061</b>	<b>\$ 21,513</b>	<b>\$ 264,820</b>	<b>\$ 222,390</b>	<b>\$ 66,277</b>

Street and Alley Fund	Motor Fuel Tax Fund	City Group Insurance Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 7,500	\$ 263,375	\$ 122,605	\$ 772,104	\$ 683,945	\$ 2,808,579
-	-	-	-	-	19,011
<u>\$ 7,500</u>	<u>\$ 263,375</u>	<u>\$ 122,605</u>	<u>\$ 772,104</u>	<u>\$ 683,945</u>	<u>\$ 2,827,590</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379
18,573	-	-	-	438	19,011
<u>18,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>438</u>	<u>19,390</u>
-	263,375	122,605	772,104	510,412	2,176,840
-	-	-	-	77,714	143,991
-	-	-	-	95,819	95,819
(11,073)	-	-	-	(438)	391,550
<u>(11,073)</u>	<u>263,375</u>	<u>122,605</u>	<u>772,104</u>	<u>683,507</u>	<u>2,808,200</u>
<u>\$ 7,500</u>	<u>\$ 263,375</u>	<u>\$ 122,605</u>	<u>\$ 772,104</u>	<u>\$ 683,945</u>	<u>\$ 2,827,590</u>

# City of Oregon, Illinois

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

April 30, 2020

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Total fund balances - governmental funds	\$ 2,808,200
Amounts reported for governmental activities in the statement of net position - modified cash basis are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	3,866,134
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(1,329,761)
<hr/>	
Total net position - governmental activities	<u>\$ 5,344,573</u>

# City of Oregon, Illinois

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

For the year ended April 30, 2020

	General Fund	Police Fund	Civil Defense Fund	IMRF Fund
<b>Revenues</b>				
Taxes	\$1,327,026	\$ 82,078	\$ -	\$ 169,906
Intergovernmental receipts	-	93,443	-	-
Charges for services	-	-	-	-
Uses of money and property	5,449	-	-	-
Fines and penalties	-	58,989	-	-
Miscellaneous receipts	12,547	7,820	-	-
Licenses and permits	157,077	-	-	-
<b>Total revenues</b>	<b>1,502,099</b>	<b>242,330</b>	<b>-</b>	<b>169,906</b>
<b>Expenditures</b>				
Current:				
General government	187,184	-	-	10,352
Public safety	-	855,974	2,243	54,544
Public works and street maintenance	-	-	-	35,507
Culture and recreation	-	-	-	234
Debt service	-	38,113	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works and street maintenance	-	-	-	-
Culture and recreation	-	-	-	-
<b>Total expenditures</b>	<b>187,184</b>	<b>894,087</b>	<b>2,243</b>	<b>100,637</b>
Excess (deficiency) of revenues over expenditures	1,314,915	(651,757)	(2,243)	69,269
<b>Other Financing Sources (Uses)</b>				
Debt proceeds	-	-	-	-
Transfers in	-	638,300	-	-
Transfers out	(1,278,600)	-	-	-
<b>Total other financing sources and uses</b>	<b>(1,278,600)</b>	<b>638,300</b>	<b>-</b>	<b>-</b>
Net change in fund balances	36,315	(13,457)	(2,243)	69,269
Fund balances (deficit) - beginning	366,746	34,591	267,063	153,121
<b>Fund balances - ending</b>	<b>\$ 403,061</b>	<b>\$ 21,134</b>	<b>\$264,820</b>	<b>\$ 222,390</b>

Economic Development Fund	Street and Alley Fund	Motor Fuel Tax Fund	City Group Insurance Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 49,453	\$ -	\$ 49,453	\$ 362,293	\$ 443,977	\$ 2,484,186
-	23,986	134,511	-	-	-	251,940
-	-	-	-	-	263,196	263,196
-	-	479	-	-	253	6,181
-	-	-	-	-	9,308	68,297
1,270	6,805	-	-	1,000	560	30,002
53,558	-	-	-	-	-	210,635
54,828	80,244	134,990	49,453	363,293	717,294	3,314,437
70,739	-	-	20,344	-	245,032	533,651
-	-	-	107,197	-	354,191	1,374,149
-	366,078	82,603	69,782	128,976	33,681	716,627
-	-	-	460	-	41,752	42,446
-	22,836	-	-	76,528	-	137,477
-	-	-	-	-	322,458	322,458
-	-	-	-	-	-	-
-	-	-	-	476,619	-	476,619
-	-	-	-	-	-	-
70,739	388,914	82,603	197,783	682,123	997,114	3,603,427
(15,911)	(308,670)	52,387	(148,330)	(318,830)	(279,820)	(288,990)
-	-	-	-	-	295,000	295,000
-	295,400	-	226,000	-	118,900	1,278,600
-	-	-	-	-	-	(1,278,600)
-	295,400	-	226,000	-	413,900	295,000
(15,911)	(13,270)	52,387	77,670	(318,830)	134,080	6,010
82,188	2,197	210,988	44,935	1,090,934	549,427	2,802,190
\$ 66,277	\$ (11,073)	\$ 263,375	\$ 122,605	\$ 772,104	\$ 683,507	\$ 2,808,200

See accompanying notes to financial statements.

# City of Oregon, Illinois

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

For the year ended April 30, 2020

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Net change in fund balance	\$ 6,010
Amounts reported for governmental activities in the statement of activities - modified cash basis are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities - modified cash basis, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capitalized fixed assets exceeds depreciation expense in the period.	611,881
Debt proceeds are reported in governmental funds as an other financing source.	(295,000)
Debt payments are reported in governmental funds as expenditures. However, only the interest on the debt is recorded in the statement of activities - modified cash basis. This is the amount of debt principal payments in the period.	137,477
<hr/>	
Change in net position of governmental activities	<hr/> <u>\$ 460,368</u>

# City of Oregon, Illinois

## Statement of Net Position - Modified Cash Basis Proprietary Funds

April 30, 2020

	<b>Water and Sewer Fund</b>
<b>Assets</b>	
Current assets:	
Cash	\$ 1,628,210
Restricted assets - cash	665,785
Advances from other funds	-
Total current assets	2,293,995
Noncurrent assets:	
Construction in progress	3,474,329
Capital assets (net of accumulated depreciation):	7,840,184
Total assets	13,608,508
<b>Liabilities</b>	
Current liabilities	
Refundable deposits	11,654
Payroll withholdings	-
Current portion of bonds payable	240,000
Current portion of IEPA loan payable	254,203
Total current liabilities	505,857
Noncurrent liabilities	
Bonds payable	1,835,000
Loans - IEPA Drinking Water	2,006,451
Loans - IEPA Wastewater	2,542,899
Total noncurrent liabilities	6,384,350
Total liabilities	6,890,207
<b>Net Position</b>	
Net investment in capital assets	5,867,710
Restricted	665,785
Unrestricted	184,806
Net position - unrestricted	\$ 6,718,301

# City of Oregon, Illinois

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

For the year ended April 30, 2020

	<b>Water and Sewer Fund</b>
<hr/>	
<b>Revenues</b>	
Charges for services	\$ 1,549,081
<hr/>	
<b>Expenses</b>	
Personnel services	252,398
Contractual services	219,825
Commodities	5,917
Capital outlay	742
Miscellaneous	4,707
Depreciation	279,959
<hr/>	
Total expenses	763,548
<hr/>	
Operating income (loss)	785,533
<hr/>	
Other financing sources (uses)	
Operating transfer out	-
<hr/>	
Non-operating revenue (expenses):	
Interest income	3,158
Interest expense	(111,052)
<hr/>	
Total non-operating revenue (expenses)	(107,894)
<hr/>	
Capital grants and contributions	2,084,997
<hr/>	
Increase in net position	2,762,636
<hr/>	
Net position - beginning	3,955,665
<hr/>	
Net position - ending	\$ 6,718,301
<hr/> <hr/>	

# City of Oregon, Illinois

## Statement of Cash Flows - Modified Cash Proprietary Funds

For the year ended April 30, 2020

	<b>Water and Sewer Fund</b>
<b>Cash Flows From Operating Activities</b>	
Cash received for services	\$ 1,548,753
Cash payments to suppliers	(231,191)
Cash payments to employees	(252,139)
Net cash provided by operating activities	1,065,423
<b>Cash Flows From Non-Capital Financing Activities</b>	
Transfers out	-
<b>Cash Flows From Capital and Related Financing Activities</b>	
Interest expense	(111,052)
Purchase of capital assets	(3,474,330)
Capital grants and contributions	2,084,997
Principal receipts on borrowings	1,389,332
Principal payments on borrowings	(465,643)
Net cash (used in) capital financing activities	(576,696)
<b>Cash Flows From Investing Activities</b>	
Interest income	3,158
Net cash provided by investing activities	3,158
Net increase in cash and cash equivalents	491,885
Cash and cash equivalents - beginning	1,802,110
Cash and cash equivalents - ending	\$ 2,293,995
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ 785,533
Adjustments to reconcile operating income to net cash provided by (used in) operations	
Increase (decrease) in refundable deposits	(328)
Increase (decrease) in payroll withholdings	259
Depreciation	279,959
Net cash provided by (used in) operations	\$ 1,065,423

See accompanying notes to financial statements.

# City of Oregon, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies**

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

#### **Reporting Entity**

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

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

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

#### **Government Wide, Fund Financial Statements and Basis of Accounting**

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

The government wide financial statements (i.e., the Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis) report information on all of the nonfiduciary activities of the City. For the most part, the effect of the interfund activity has been removed from these statements.

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

# City of Oregon, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (Continued)**

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

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

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

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

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

#### **Fund Accounting**

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

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

#### **General Fund**

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

#### **Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts) that are legally restricted to expenditures for specified purposes. The non-major funds are all special revenue fund types in the combining statements.

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Fund Accounting (Continued)

##### **Governmental Funds:**

##### **Debt Service Fund**

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

##### **Capital Projects Funds**

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

##### **Proprietary Fund - Enterprise**

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

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

The City reports the following major funds:

##### **Governmental Funds:**

##### **General Fund**

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

##### **Police Protection Fund**

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

# City of Oregon, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Governmental Funds (Continued):**

##### **Civil Defense**

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

##### **IMRF**

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

##### **Economic Development Fund**

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

##### **Streets and Alleys Fund**

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

##### **Motor Fuel Tax Fund**

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

##### **City Group Insurance Fund**

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

##### **Road and Bridge Fund**

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

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

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Enterprise Funds:

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

#### **Basis of Accounting**

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

#### **Fixed Assets and Long-Term Liabilities**

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

All Proprietary Funds (Water and Sewer Enterprise Funds) are accounted for on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles, and not on a cost of services or "capital maintenance" measurement focus. Therefore, not all assets and liabilities (whether current or noncurrent) associated with the fund activities are included on the combined statements. Infrastructure assets in the Proprietary Funds are capitalized on a prospective basis beginning May 1, 2005.

#### **Budgets and Budgetary Accounting**

The term budget, used throughout the financial statements represents the estimated revenues and appropriations set forth in the City's annual appropriation ordinance adopted for the fiscal year ended April 30, 2020.

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

# City of Oregon, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Budgets and Budgetary Accounting (Continued)**

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

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

#### **Cash and Cash Equivalents**

Cash consists of demand deposits and savings accounts, both easily accessible and with short-term duration. Investments as of April 30, 2020 consist of certificates of deposit and money market accounts. Investments are stated at cost or amortized cost which approximates market and are shown as cash and cash equivalents on the financial statements.

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

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

For purposes of the statement of cash flows, cash equivalents include money market accounts and any highly liquid debt instruments purchased with a maturity of less than three months.

#### **Estimates**

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

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Fund Balance

Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The City has the following balances that are restricted at year end.

a.	Police (tax levy)	\$ 21,134
b.	Civil Defense (restricted contributions)	264,820
c.	IMRF (tax levy)	222,390
d.	Motor Fuel Tax (motor fuel tax receipts)	263,375
e.	City Group Insurance (tax levy)	122,605
f.	Recreation (tax levy)	769
g.	Street Lighting (tax levy)	2,924
h.	School Crossing Guard (tax levy)	25,176
i.	Tort Liability (tax levy)	19,792
j.	Band Fund (tax levy)	4,907
k.	City Audit (tax levy)	91,164
l.	Unemployment Insurance (tax levy)	39,490
m.	Coliseum (tax levy)	172,749
n.	Road and Bridge (tax levy and 1% sales tax)	772,104
o.	TIF Fund (tax levy)	<u>153,441</u>
	Total	<u>\$2,176,840</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

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Fund Balance (Continued)

a.	Economic Development	\$ 66,277
b.	City Hall Capital Improvements	77,714
c.	Chlorination of Sewage	<u>          -</u>
	Total	<u>\$ 143,991</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>\$ 95,819</u>
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Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

### Note 2 Proprietary Fund – Restricted Assets

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

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

# City of Oregon, Illinois

## Notes to Financial Statements

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### 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.

	<b>Restricted Cash Balances <u>4/30/2020</u></b>
Restricted assets:	
Operations and Maintenance Account	\$ 50,178
Bond and Interest Account	131,481
Sinking Fund Account	204,167
Depreciation Account	<u>279,959</u>
Total restricted assets	<u>\$665,785</u>

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 3 Pension Plan

**Plan description** – The City’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

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

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

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

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

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 3 Pension Plan (Continued)

**Employees Covered by the Benefit Terms** - At the December 31, 2019 valuation date, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	20
<hr/>	
Total	52

**Contributions** - As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2019 was 7.44%. For the fiscal year ended April 30, 2020, the City contributed \$100,990 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability** - The City's Net Pension Liability was measured as of December 31, 2019, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

**Actuarial Assumptions** – The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study from years 2014 to 2016.
- **Mortality** for non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 3 Pension Plan (Continued)

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.60-7.60%
Cash Equivalents	1%	1.85%
Total	100%	

**Single Discount Rate** – A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members’ contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

# City of Oregon, Illinois

## Notes to Financial Statements

### Note 3 Pension Plan (Continued)

#### Changes in Net Pension Liability

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance January 1, 2019	\$6,822,599	\$5,749,633	\$1,072,966
Service costs	114,155	-	114,155
Interest on total pension liability	485,833	-	485,833
Difference between expected and actual experience	88,653	-	88,653
Changes in assumptions	-	-	-
Employer contributions	-	162,027	(162,027)
Employee contributions	-	57,434	(54,434)
Net investment income	-	1,105,925	(1,105,925)
Benefit payments – net of refunds	(357,055)	(357,055)	-
Administrative expense	-	-	-
Other changes (net transfer)	-	1,465	(1,465)
Net changes	331,586	969,796	(638,210)
Balances as of December 31, 2019	\$7,154,185	\$6,719,429	\$434,756

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the plan’s net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan’s net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net pension liability	\$1,428,508	\$434,756	(\$371,615)

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

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended April 30, 2020; the City recognized pension expense of \$100,990. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, which are not reported due to the modified cash basis of accounting:

# City of Oregon, Illinois

## Notes to Financial Statements

### Note 3 Pension Plan (Continued)

<i>Deferred amounts to be recognized in pension expense in future periods:</i>	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between expected and actual experience	\$360,435	\$47,658
Changes in assumptions	112,876	81,744
Net difference between projected and actual Earnings	0	292,289
Total deferred amounts to be recognized in pension expense in future periods	473,311	421,691
Pension contributions subsequent to the measurement date	34,635	-
<b>Total</b>	<b>\$507,946</b>	<b>\$421,691</b>

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

<b>Year ended April 30: Net Deferred Outflows of Resources</b>	
2021	\$72,904
2022	(2,490)
2023	106,424
2024	(125,218)
2025	-
Thereafter	-

The City reported \$34,635 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2021. Due to the City following the modified cash basis method of accounting, deferred inflows/outflows, pension liabilities, and payables are not recorded on the Statement of Net Position.

### Note 4 Common Bank Account

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

Occasionally certain funds participating in the common bank account will incur overdrafts (deficit cash balances) in the account. A deficit in one fund restricts the cash available for use by other funds in the same common bank account. Deficit cash balances are classified as due to other funds in the financial statements. There were no deficit cash fund balances at fiscal year end.

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 5 Cash and Investments

**Deposits** As of April 30, 2020, the carrying amount of the City's deposits into checking, savings, money market accounts and certificates of deposit was \$5,102,574 and the bank balance was \$5,198,478. The City's total collateral, including Federal Deposit Insurance and collateral held by a pledging bank's trust department, was \$5,198,478.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City does not have a deposit policy for custodial credit risk. As of April 30, 2020, the City had \$0 that was exposed to custodial credit risk and was uninsured and uncollateralized. For financial statement purposes, certificates of deposit with maturity dates greater than 90 days are shown as investments.

#### **Interest Rate Risk**

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

#### **Concentration of Credit Risk**

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

### Note 6 Property, Plant and Equipment

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

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

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

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

# City of Oregon, Illinois

## Notes to Financial Statements

### Note 6 Property, Plant and Equipment (Continued)

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, 2020 is as follows:

	<b>Balance</b>			<b>Balance</b>
	<b><u>May 1, 2019</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>April 30, 2020</u></b>
<b>Cost:</b>				
Land	\$129,900	\$ -	\$ -	\$ 129,900
Construction in progress	-	35,000	-	35,000
Buildings and improvements	1,754,549	304,958	-	2,059,507
Infrastructure	3,257,301	212,885	-	3,470,186
Equipment	554,293	246,234	-	800,527
Vehicles	<u>967,834</u>	<u>-</u>	<u>-</u>	<u>967,834</u>
	<u>\$6,663,877</u>	<u>\$799,077</u>	<u>\$ -</u>	<u>\$7,462,954</u>
<b>Accumulated Depreciation:</b>				
Buildings and improvements	\$1,487,558	\$13,441	\$ -	\$1,500,999
Infrastructure	566,162	86,675	-	652,837
Equipment	531,308	21,074	-	552,382
Vehicles	<u>824,596</u>	<u>66,006</u>	<u>-</u>	<u>890,602</u>
	<u>\$3,409,624</u>	<u>\$187,196</u>	<u>\$ -</u>	<u>\$3,596,820</u>
	<b>Balance</b>			<b>Balance</b>
	<b><u>May 1, 2019</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>April 30, 2020</u></b>
<b>Total Capital Assets, Net:</b>				
Land	\$ 129,900	\$ -	\$ -	\$ 129,900
Construction in progress	-	35,000	-	35,000
Buildings and improvements	266,991	291,517	-	558,508
Infrastructure	2,691,139	126,210	-	2,817,349
Equipment	22,985	225,160	-	248,145
Vehicles	<u>143,238</u>	<u>(66,006)</u>	<u>-</u>	<u>77,232</u>
	<u>\$3,254,253</u>	<u>\$611,881</u>	<u>\$ -</u>	<u>\$3,866,134</u>

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 6 Property, Plant and Equipment (Continued)

The business-type activities capital asset activity for the year ended April 30, 2020 is as follows:

	<u>Balance</u> <u>May 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30, 2020</u>
<b>Cost:</b>				
Construction in progress	\$ -	\$3,474,329	\$ -	\$3,474,329
Buildings and improvements	420,641	-	-	420,621
Infrastructure	9,282,325	-	-	9,282,325
Equipment	969,135	-	-	969,135
Vehicles	<u>190,828</u>	<u>-</u>	<u>-</u>	<u>190,828</u>
	<u>\$10,862,929</u>	<u>\$3,474,329</u>	<u>\$ -</u>	<u>\$14,337,258</u>
<b>Accumulated Depreciation:</b>				
Buildings and improvements	\$ 420,641	\$ -	\$ -	\$ 420,641
Infrastructure	1,298,464	236,853	-	1,535,317
Equipment	884,038	21,961	-	905,999
Vehicles	<u>139,643</u>	<u>21,145</u>	<u>-</u>	<u>160,788</u>
	<u>\$2,742,786</u>	<u>\$279,959</u>	<u>\$ -</u>	<u>\$3,022,745</u>
<b>Total Capital Assets, Net:</b>				
Construction in progress	\$ -	\$3,474,329	\$ -	\$3,474,329
Buildings and improvements	-	-	-	-
Infrastructure	7,983,861	(236,853)	-	7,747,008
Equipment	85,097	(21,961)	-	63,136
Vehicles	<u>51,185</u>	<u>(21,145)</u>	<u>-</u>	<u>30,040</u>
	<u>\$8,120,143</u>	<u>\$3,194,370</u>	<u>\$ -</u>	<u>\$11,314,513</u>

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 6 Property, Plant and Equipment (Continued)

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

<b>Governmental activities:</b>	
General government	\$13,539
Public safety	47,544
Streets and public improvements	124,642
Recreation and parks	<u>1,471</u>
Total depreciation expense, governmental activities	<u>\$187,196</u>
<b>Business-type activities:</b>	
Water and Sewer	<u>\$279,959</u>
Total depreciation expense	<u>\$467,155</u>

### Note 7 Property Taxes

The City is responsible for assessing property taxes whereas the County in which the City resides is responsible for collecting and distributing property taxes in accordance with enabling state legislation. Property taxes attach as an enforceable lien on property as of January 1 and may be paid in two equal installments. The first installment is normally due on or before June 1 and the second installment is normally due on or before September 1. The City receives significant distributions of tax receipts approximately one month after these due dates. Payments made after the September 1 installment date are assessed interest at the rate of 1% for farmland and 1-1/2% for all others. The 2018 levy was passed by the Board on December 18, 2018. The 2019 levy was passed by the Board on December 17, 2019. The amounts reported in the financial statements relate entirely to the 2018 levy. The 2019 levy will be reported as revenue for the fiscal year ending April 30, 2021.

### Note 8 Accumulated Unpaid Vacation and Sick Pay

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

# City of Oregon, Illinois

## Notes to Financial Statements

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### **Note 9 Long-Term Debt**

#### **Notes Payable**

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

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

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

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

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

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

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

On November 9, 2018, the City borrowed \$37,748 at 2.49% interest from Stillman Bank for a squad car. The note is payable in monthly installments of \$828 and matures on November 9, 2022.

On December 12, 2018, the City borrowed \$15,968 at 3.00% interest from Stillman Bank for a squad car. The note is payable in monthly installments of \$354 and matures on December 12, 2022.

# City of Oregon, Illinois

## Notes to Financial Statements

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### **Note 9 Long-Term Debt (Continued)**

#### **Notes Payable (continued)**

On June 25, 2019, the City borrowed \$295,000 at 3.25% interest from Stillman Bank to help fund the City Hall roof replacement project. The note is payable in annual installments of \$35,111 and matures on June 25, 2029.

#### **IEPA Loan and General Obligation Bonds**

On October 19, 2009, the City entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section for the wastewater treatment plant upgrade. The note is non-interest bearing. The term of the loan is for 20 years with semi-annual repayments. The total amount drawn on the IEPA loan amount was \$2,814,141.

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

In fiscal year 2018, construction began on the drinking water project and the City entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section. The project was to be financed with up to a \$2,600,035 Illinois Environmental Protection Agency loan with a term of 20 years and an interest rate of 1.64%. The loan funded the construction of three new well houses. The note has an interest rate of 1.64% with payments semi-annually. The total amount drawn on the IEPA loan amount was \$2,691,393 (which included interest capitalized of \$91,358) as of April 30, 2020. The IEPA forgave \$750,000 of this debt in fiscal year 2019 upon finalization of the loan amount.

In fiscal year 2020, construction began on the clean water project and the City entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section. The project was to be financed with up to a \$1,949,990 Illinois Environmental Protection Agency loan with a term of 20 years and an interest rate of 1.00% to be paid semi-annually. The total amount drawn on the IEPA loan amount was \$1,688,125 as of April 30, 2020. The IEPA forgave \$584,997 of this debt in fiscal year 2020 upon finalization of the loan amount.

In fiscal year 2020, construction began on the drinking water project and the City entered into a loan agreement with the Illinois Environmental Protection Agency Bureau of Water Infrastructure Financial Assistance Section. The project was to be financed with up to a \$2,023,601 Illinois Environmental Protection Agency loan with a term of 20 years and an interest rate of 1.00% to be paid semi-annually. The total amount drawn on the IEPA loan amount was \$1,786,094 as of April 30, 2020. The IEPA forgave \$1,500,000 of this debt in fiscal year 2020 upon finalization of the loan amount.

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 9 Long-Term Debt (Continued)

#### IEPA Loan and General Obligation Bonds (continued)

Annual debt service requirements to maturity are as follows:

Fiscal year ending April 30,	<u>Business-type Activities</u>		<u>Governmental Activities</u>			
	<u>IEPA Loans Proprietary</u>		<u>2013 Alternate Revenue Source Bonds Payable</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$254,203	\$36,456	\$240,000	\$75,555	\$164,528	\$38,620
2022	298,249	41,472	250,000	65,955	152,159	33,826
2023	300,352	39,370	260,000	55,955	103,414	30,016
2024	302,486	37,236	265,000	49,325	97,733	27,168
2025	304,650	35,071	280,000	38,725	100,623	24,232
2026-2030	1,556,838	141,772	780,000	49,625	550,851	73,422
2031-2035	1,033,737	82,734	-	-	160,453	6,718
2036-2040	714,431	22,154	-	-	-	-
2041-2045	38,608	193	-	-	-	-
	<u>\$4,803,554</u>	<u>\$436,458</u>	<u>\$2,075,000</u>	<u>\$335,140</u>	<u>\$1,329,761</u>	<u>\$233,999</u>

# City of Oregon, Illinois

## Notes to Financial Statements

### Note 9 Long-Term Debt (Continued)

Changes in Long-Term Liabilities. During the year ended April 30, 2020, the following changes occurred in long-term liability accounts:

	<b>Balance</b> <b>May 1, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b> <b>April 30, 2020</b>	<b>Due Within</b> <b>One Year</b>
Business-type Activities:					
2010 IEPA loan	\$1,746,439	\$ -	\$ 145,537	\$ 1,600,902	\$ 145,536
2013 G.O. Bonds	2,310,000	-	235,000	2,075,000	240,000
2018 IEPA loan	1,898,425	-	85,106	1,813,319	88,213
2019 IEPA loan	-	1,103,238	-	1,103,238	14,859
2019 IEPA loan	<u>-</u>	<u>286,094</u>	<u>-</u>	<u>286,094</u>	<u>5,595</u>
Total business-type	<u>\$ 5,954,864</u>	<u>\$ 1,389,332</u>	<u>\$ 465,643</u>	<u>\$ 6,878,553</u>	<u>\$ 494,203</u>
Governmental Activities:					
2015 note payable	22,693	-	10,785	11,908	11,058
2016 note payable	44,198	-	22,836	21,362	21,361
2016 note payable	68,261	-	14,330	53,931	14,780
2016 note payable	107,621	-	7,677	99,944	7,910
2016 note payable	845,508	-	54,521	790,987	56,034
2017 note payable	14,357	-	6,609	7,748	6,762
2018 note payable	20,899	-	7,690	13,209	7,876
2018 note payable	14,710	-	3,850	10,860	3,970
2018 note payable	33,991	-	9,179	24,812	9,413
2020 note payable	<u>-</u>	<u>295,000</u>	<u>-</u>	<u>295,000</u>	<u>25,364</u>
Total governmental	<u>\$1,172,238</u>	<u>\$ 295,000</u>	<u>\$137,477</u>	<u>\$1,329,761</u>	<u>\$164,528</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 \$46,520,587. As of April 30, 2020 the City had \$2,682,640 of remaining legal debt margin.

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 10 Net Position/Fund Balances

Net position reported on the government wide statement of net position at April 30, 2020:

**Governmental Activities:**

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$3,866,134
Less: related long-term debt outstanding	<u>1,275,830</u>
Total net investment in capital assets	<u>2,590,304</u>
Restricted -	
State statutes and enabling legislation	1,912,020
Contributions	<u>264,820</u>
Total restricted	<u>2,176,840</u>
Unrestricted	<u>577,429</u>
Total governmental activities net position	<u>\$5,344,573</u>

**Business-type Activities:**

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$11,314,513
Less: related long-term debt outstanding	<u>5,446,803</u>
Total net investment in capital assets	<u>5,867,710</u>
Restricted -	
Bond ordinance	<u>665,785</u>
Unrestricted	<u>184,806</u>
Total business-type net position	<u>\$6,718,301</u>

### Note 11 Deficit Net Position/Fund Balances

As of April 30, 2020, the following funds had a deficit net position/fund balance:

<u>Fund</u>	<u>Amount</u>
Streets and Alley Fund	\$11,073
Social Security Fund	\$25
City Hall Fund	\$413

### Note 12 Excess of Actual Expenditures/Expenses Over Budget in Individual Funds

The City Hall Capital Improvement Fund had excess actual expenditures/expenses (exclusive of depreciation and amortization) over budget by \$217,286 for the fiscal year.

# City of Oregon, Illinois

## Notes to Financial Statements

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### Note 13 Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to handle such risks of loss, the City purchases insurance coverage through the Illinois Municipal League Risk Management Association and self insures for unemployment insurance purposes (See Note 14). The deductibles in effect through these policies as of April 30, 2020 vary with the type of coverage and risk involved. The amounts of settlements have not exceeded insurance coverage for any of the past three years. Potentially, the City could be assessed additional premiums for its share of any losses of the insurance pool. Historically, the City has not been assessed any additional premiums.

### Note 14 Self Insurance Plan

The City is self-insured for unemployment insurance. The City is therefore liable to the State for any payments made to any of its former employees claiming unemployment benefits. For the year ended April 30, 2020, there were no payments made for unemployment benefit claims.

### Note 15 Transfers

Below are the interfund transfers as of April 30, 2020:

	<u>Operating Transfers in</u>	<u>Operating Transfers out</u>
<b>General Fund:</b>		
Police Fund	\$ -	\$ (638,300)
Economic Development	-	-
Street and Alley Fund	-	(295,400)
City Group Insurance Fund	-	(226,000)
Non Major Governmental Funds	-	(118,900)
	<u>-</u>	<u>(1,278,600)</u>
Total General Fund	<u>-</u>	<u>(1,278,600)</u>
<b>Police Fund:</b>		
General Fund	<u>638,300</u>	<u>-</u>
<b>Street and Alley Fund:</b>		
General Fund	<u>295,400</u>	<u>-</u>
<b>IMRF Fund:</b>		
General Fund	<u>-</u>	<u>-</u>
<b>Economic Development Fund:</b>		
Non Major Governmental Fund	<u>-</u>	<u>-</u>
<b>City Group Insurance Fund:</b>		
General Fund	<u>226,000</u>	<u>-</u>
<b>Non Major Governmental Funds:</b>		
General Fund	<u>118,900</u>	<u>-</u>
<b>Water &amp; Sewer Fund</b>	<u>-</u>	<u>-</u>
Total all funds	<u>\$1,278,600</u>	<u>(\$1,278,600)</u>

# City of Oregon, Illinois

## Notes to Financial Statements

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### **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. The Police Fund, Street and Alley Fund, City Group Insurance Fund, and some Non Major Funds do not have a large enough tax levy to support the expenditures within the funds.

### **Note 16 Impact of Pending Accounting Principles**

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes criteria for determining the timing and pattern recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations, and requires the current value of a government's asset retirement obligations to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this Statement are effective for reporting period in which the measurement date of the pension liability is after June 15, 2019. The City has not determined the effect of this Statement.

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City has not determined the effect of this Statement.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City has not determined the effect of this Statement.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. The City has not determined the effect of this Statement.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, provides more relevant information about capital assets and the cost of borrowing for a reporting period. This Statement's objectives are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City has not determined the effect of this Statement.

# City of Oregon, Illinois

## Notes to Financial Statements

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### **Note 16 Impact of Pending Accounting Principles (Continued)**

GASB Statement No. 90, Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61, improves accounting and financial reporting by presenting majority equity interest in legally separate organizations that were previously reported inconsistently. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City has not determined the effect of this Statement.

GASB Statement No. 91, *Conduit Debt Obligations*, clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by the issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The City has not determined the effect of this Statement.

GASB Statement No. 92, *Omnibus 2020*, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City has not determined the effect of this Statement.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City has not determined the effect of this Statement.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides more guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City has not determined the effect of this Statement.

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

## **Other Information**

# City of Oregon, Illinois

## Other Information

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

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<b>Fiscal Year Ending April 30,</b>	<b>*Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a % of Covered Valuation Payroll</b>
2016	\$142,756	\$142,756	\$ -	\$1,072,120	14.42%
2017	\$126,240	\$126,240	\$ -	\$1,163,748	12.22%
2018	\$122,844	\$122,844	\$ -	\$1,178,302	10.43%
2019	\$123,448	\$123,448	\$ -	\$1,296,414	9.52%
2020	\$100,990	\$100,990	\$ -	\$1,315,280	7.68%

\*Estimated based on 7.44% 2019 calendar year contribution rate, 8.18% 2020 calendar contribution rate, and covered valuation payroll of \$1,315,280.

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

# City of Oregon, Illinois

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

	2019	2018	2017	2016	2015	2014
Calendar year ending December 31,						
Service cost	\$114,155	\$112,530	\$125,356	\$110,996	\$117,175	
Interest on the total pension liability	485,833	441,631	444,799	394,726	380,957	
Benefit changes	0	0	0	0	0	
Difference between expected and actual experience	88,653	367,244	(121,860)	459,731	(41,767)	
Assumption changes	0	199,840	(211,471)	(8,563)	7,653	
Benefit payments and refunds	(357,055)	(261,579)	(283,739)	(323,155)	(217,498)	
Net change in total pension liability	331,586	859,666	(46,915)	633,735	246,520	
Total pension liability - beginning	6,822,599	5,962,933	6,009,848	5,376,113	5,129,593	
Total pension liability - ending (a)	\$7,154,185	\$6,822,599	\$5,962,933	\$6,009,848	\$5,376,113	
Plan fiduciary net position:						
Employer contributions	\$162,027	\$139,509	\$122,491	\$132,126	\$154,052	
Employee contributions	57,434	57,126	52,849	53,904	47,449	
Pension plan net investment income	1,105,925	(319,485)	906,177	334,640	23,985	
Benefit payments and refunds	(357,055)	(261,579)	(283,739)	(323,155)	(217,498)	
Other	1,465	129,216	(90,308)	326,411	(39,520)	
Net change in plan fiduciary net position	969,796	(255,213)	707,470	523,926	(31,532)	
Plan fiduciary net position - beginning	5,749,633	6,004,846	5,297,376	4,773,450	4,804,982	
Plan fiduciary net position - ending (b)	\$6,719,429	\$5,749,633	\$6,004,846	\$5,297,376	\$4,773,450	
Net pension liability(asset) - ending (a) - (b)	434,756	1,072,966	(41,913)	712,472	602,663	
Plan fiduciary net position as a percentage of total pension liability	93.92%	84.27%	100.70%	88.14%	88.79%	
Covered valuation payroll	1,276,301	1,269,465	1,174,412	1,197,874	1,054,432	
Net pension liability as a percentage of covered valuation payroll	34.06%	84.52%	-3.57%	59.48%	57.16%	

The City implemented GASB 68 in April 30, 2016.

# City of Oregon, Illinois

## Notes to Other Information

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**Note 1 Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate for IMRF \***

**Valuation date:**

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

**Methods and Assumptions Used to Determine 2019 Contribution Rates:**

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 24-year closed period until remaining period reaches 15 years(then 15-year rolling) Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.250% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Notes There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation

# City of Oregon, Illinois

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

Year ended April 30, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Taxes:			
State income tax	\$ 385,000	\$ 403,298	\$ 18,298
Replacement tax	62,000	64,107	2,107
Local taxes	90,000	129,005	39,005
Utility taxes	60,000	64,972	4,972
State telecommunications tax	65,000	53,639	(11,361)
State sales tax	570,000	612,005	42,005
<b>Total taxes</b>	<b>1,232,000</b>	<b>1,327,026</b>	<b>95,026</b>
Charges for services:			
Other	-	-	-
<b>Total charges for services</b>	<b>-</b>	<b>-</b>	<b>-</b>
Use of money and property:			
Interest on investments	3,000	5,449	2,449
Miscellaneous revenues:			
Miscellaneous revenues	-	12,547	12,547
<b>Total miscellaneous revenues</b>	<b>-</b>	<b>12,547</b>	<b>12,547</b>
Licenses and permits:			
Liquor license	20,000	18,672	(1,328)
Cable franchise fees	-	-	-
Other license fees	52,000	138,405	86,405
<b>Total licenses</b>	<b>72,000</b>	<b>157,077</b>	<b>85,077</b>
<b>Total revenues</b>	<b>\$ 1,307,000</b>	<b>\$ 1,502,099</b>	<b>\$ 195,099</b>

# City of Oregon, Illinois

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

Year ended April 30, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Expenditures</b>			
General government:			
Personnel services:			
Salaries - city officials	\$ 78,500	\$ 58,000	\$ (20,500)
Salary - clerk/treasurer	73,000	76,132	3,132
<hr/>			
Total personnel services	151,500	134,132	(17,368)
<hr/>			
Contractual services:			
Dues	2,000	527	(1,473)
Legal service	55,000	15,258	(39,742)
Printing and publishing	5,000	2,314	(2,686)
Travel and training - council	12,000	5,629	(6,371)
Travel and training - clerk's office	6,000	193	(5,807)
Christmas lighting	-	-	-
Engineering services	55,000	7,769	(47,231)
Telephone	10,000	7,095	(2,905)
City Hall Clock Maintenance	3,500	630	(2,870)
Gas	2,000	-	(2,000)
<hr/>			
Total contractual services	150,500	39,415	(111,085)
<hr/>			
Commodities:			
Office supplies and postage	8,000	4,473	(3,527)
Gas and oil	-	-	-
<hr/>			
Total commodities	8,000	4,473	(3,527)
<hr/>			
Miscellaneous	233,000	7,660	(225,340)
<hr/>			
Equipment and maintenance:			
Purchase equipment	140,000	1,504	(138,496)
<hr/>			
Total general government	\$ 683,000	\$ 187,184	(495,816)
<hr/>			
<b>Other financing sources (uses):</b>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	-	(1,278,600)	(1,278,600)
<hr/>			
Total other financing sources (uses)	\$ -	\$ (1,278,600)	\$ (1,278,600)

# City of Oregon, Illinois

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

Year ended April 30, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Taxes:			
Property taxes - corporate	\$ 83,145	\$ 82,078	\$ (1,067)
Intergovernmental revenues:			
School resource officer	-	79,569	79,569
Cops fast grant/other	3,000	13,874	10,874
Total intergovernmental revenues	3,000	93,443	90,443
Fines and penalties:			
Police fines	28,600	39,633	11,033
Police reports	250	5	(245)
Towing fee	8,000	11,096	3,096
Parking fines	5,000	8,255	3,255
Total fines and penalties	41,850	58,989	17,139
Miscellaneous revenues	9,100	7,820	(1,280)
Total revenues	\$ 137,095	\$ 242,330	\$ 105,235
<b>Expenditures</b>			
Public safety and health:			
Personnel services:			
Salaries - police	\$ 805,000	\$ 723,467	\$ (81,533)
Total personnel services	805,000	723,467	(81,533)
Contractual services:			
Maintenance - equipment	9,000	4,856	(4,144)
Maintenance - vehicles	25,000	15,838	(9,162)
Supplies	12,000	16,591	4,591
Dues	1,000	960	(40)
Travel and training	30,000	11,197	(18,803)
Printing and publishing	2,500	1,679	(821)
Utilities - telephone	21,000	15,637	(5,363)
Total contractual services	100,500	66,758	(33,742)

# City of Oregon, Illinois

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

Year ended April 30, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Expenditures (Continued)</b>			
Public safety and health (continued):			
Commodities:			
Office supplies and postage	2,000	2,069	69
Clothing and uniforms	11,000	5,423	(5,577)
Admin. towing disbursements	30,000	96	(29,904)
Gas and oil	40,000	18,807	(21,193)
<b>Total commodities</b>	<b>83,000</b>	<b>26,395</b>	<b>(56,605)</b>
Miscellaneous:			
Other miscellaneous expenditures	45,000	5,170	(39,830)
Equipment and maintenance:			
Equipment	106,000	21,293	(84,707)
Vehicles	65,000	9,584	(55,416)
Office equipment	25,000	1,039	(23,961)
<b>Total capital outlay</b>	<b>196,000</b>	<b>31,916</b>	<b>(164,084)</b>
Debt service:			
Principal	-	38,113	38,113
Interest	-	2,268	2,268
<b>Total debt service</b>	<b>-</b>	<b>40,381</b>	<b>40,381</b>
<b>Total public safety and health</b>	<b>\$ 1,229,500</b>	<b>\$ 894,087</b>	<b>\$ (335,413)</b>
<b>Other financing sources:</b>			
Debt proceeds	\$ -	\$ -	\$ -
Operating transfers in	-	638,300	638,300
<b>Total other financing sources</b>	<b>\$ -</b>	<b>\$ 638,300</b>	<b>\$ 638,300</b>

# City of Oregon, Illinois

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

Year ended April 30, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Miscellaneous revenues:			
Other income	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Public safety and health:			
Personnel services - salaries	\$ -	\$ -	\$ -
Contractual services:			
Travel and training	400	120	(280)
Telephone	2,500	475	(2,025)
	2,900	595	(2,305)
Commodities:			
Supplies and materials	102,000	1,648	(100,352)
Total public safety and health	\$ 104,900	\$ 2,243	\$ (102,657)
<b>Other financing sources:</b>			
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, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Taxes:			
Property tax	\$ 143,532	\$ 145,766	\$ 2,234
Replacement taxes	-	24,140	24,140
Total taxes	143,532	169,906	26,374
Use of money and property:			
Interest on investments	-	-	-
Total revenues	\$ 143,532	\$ 169,906	\$ 26,374
<b>Expenditures</b>			
Personnel services - IMRF	\$ 200,000	\$ 100,637	\$ (99,363)
<b>Other financing sources:</b>			
Operating transfers in	\$ -	\$ -	-
Total other financing sources	\$ -	\$ -	\$ -

# City of Oregon, Illinois

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

Year ended April 30, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Taxes:			
Telecommunication tax	\$ -	\$ -	\$ -
Intergovernmental revenues:			
State grants	-	-	-
Federal grant	-	-	-
Total intergovernmental revenues	-	-	-
Licenses and permits:			
Cablevision franchise and gaming	38,000	53,558	15,558
Use of money and property -			
Interest on investments	-	-	-
Miscellaneous revenues	-	1,270	1,270
Total revenues	\$ 38,000	\$ 54,828	\$ 16,828
<b>Expenditures</b>			
General government:			
Economic development expenditures	\$ 265,000	\$ 70,739	\$ (194,261)
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	-
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, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Taxes:			
Property taxes - corporate	\$ 49,619	\$ 49,453	\$ (166)
Utility tax	-	-	-
Total taxes	49,619	49,453	(166)
Intergovernmental revenues:			
FEMA - Snow removal	-	-	-
State of Illinois - highway maintenance	-	23,986	23,986
Total intergovernmental revenues	-	23,986	23,986
Miscellaneous revenues	3,250	6,805	3,555
Total revenues	\$ 52,869	\$ 80,244	\$ 27,375
<b>Expenditures</b>			
Streets and public improvements:			
Personnel services - salaries	\$ 310,000	\$ 218,405	\$ (91,595)
Contractual services:			
Maintenance - buildings	40,000	2,175	(37,825)
Maintenance - equipment	20,000	34,340	14,340
Maintenance - vehicles	5,000	738	(4,262)
Travel and training	2,000	208	(1,792)
Contract labor	100,000	43,845	(56,155)
Telephone	9,500	4,697	(4,803)
Total contractual services	176,500	86,003	(90,497)
Commodities:			
Supplies and materials	75,000	24,241	(50,759)
Equipment maintenance materials	20,000	10,059	(9,941)
Equipment	250,000	1,255	(248,745)
Gas and oil	40,500	18,476	(22,024)
Total commodities	385,500	54,031	(331,469)
Miscellaneous disbursements	70,000	6,795	(63,205)
Debt service:			
Principal	-	22,836	22,836
Interest	-	844	844
Total debt service	-	23,680	23,680
Total streets and public improvements	\$ 942,000	\$ 388,914	\$ (553,086)
<b>Other financing sources</b>			
Debt proceeds	\$ -	\$ -	\$ -
Operating transfers in	-	295,400	295,400
Total other financing sources	\$ -	\$ 295,400	\$ 295,400

# City of Oregon, Illinois

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

Year ended April 30, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Intergovernmental receipts - motor fuel tax allotments and other	\$ 90,000	\$ 134,511	\$ 44,511
Use of money and property - Interest on investments	215	479	264
<b>Total revenues</b>	<b>\$ 90,215</b>	<b>\$ 134,990</b>	<b>\$ 44,775</b>
<b>Expenditures</b>			
Streets and public improvements:			
Contractual services:			
Maintenance - grounds	\$ 400,000	\$ 73,103	\$ (326,897)
Engineering	60,000	9,500	(50,500)
<b>Total contractual services</b>	<b>460,000</b>	<b>82,603</b>	<b>(377,397)</b>
Commodities - maintenance materials	15,000	-	(15,000)
<b>Total streets and public improvements</b>	<b>\$ 475,000</b>	<b>\$ 82,603</b>	<b>\$ (392,397)</b>

# City of Oregon, Illinois

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

Year ended April 30, 2020

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Revenues</b>			
Taxes			
Property taxes	\$ 49,619	\$ 49,453	\$ (166)
Total revenues	\$ 49,619	\$ 49,453	\$ (166)
<b>Expenditures</b>			
General Government:			
Personnel services:			
Group insurance	\$ 395,000	\$ 195,675	\$ (199,325)
Life insurance	5,000	2,108	(2,892)
Total personnel services	\$ 400,000	\$ 197,783	\$ (202,217)
<b>Other financing sources:</b>			
Operating transfers in	\$ -	\$ 226,000	\$ 226,000
Total other financing sources (uses)	\$ -	\$ 226,000	\$ 226,000

# City of Oregon, Illinois

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

Year ended April 30, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Taxes			
Property taxes	\$ 36,500	\$ 36,716	\$ 216
Sales tax	300,000	325,577	25,577
Utility taxes	-	-	-
<b>Total taxes</b>	<b>336,500</b>	<b>362,293</b>	<b>25,793</b>
Miscellaneous revenues	6,000	1,000	(5,000)
<b>Total revenues</b>	<b>\$ 342,500</b>	<b>\$ 363,293</b>	<b>20,793</b>
<b>Expenditures</b>			
Road and bridge improvements:			
Capital Outlay:			
Improvements	\$ -	\$ 476,619	\$ 476,619
Debt Service:			
Principal	200,000	76,528	(123,472)
Interest	-	29,501	29,501
Other	1,390,000	99,475	(1,290,525)
<b>Total road and bridge improvements</b>	<b>\$ 1,590,000</b>	<b>\$ 682,123</b>	<b>\$ (907,877)</b>
<b>Other financing sources:</b>			
Debt proceeds	\$ -	\$ -	\$ -
Operating transfers	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# City of Oregon, Illinois

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

Year ended April 30, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Operating revenues</b>			
Charges for services:			
Water - sewer revenues	\$ 1,324,000	\$ 1,480,702	\$ 156,702
Sale of meters	2,000	7,906	5,906
Turn on fees	1,000	3,060	2,060
Main taps	300	450	150
Sewer hook up fees	4,000	2,000	(2,000)
Water hook up fees	2,500	500	(2,000)
Other charges for services	16,500	54,463	37,963
<b>Total charges for services</b>	<b>1,350,300</b>	<b>1,549,081</b>	<b>198,781</b>
<b>Total operating revenues</b>	<b>\$ 1,350,300</b>	<b>\$ 1,549,081</b>	<b>\$ 198,781</b>
<b>Operating expenses</b>			
Waterworks and sewerage:			
Personnel services:			
Salaries	\$ 300,000	\$ 252,398	\$ (47,602)
Contractual services - sewer:			
Engineering services	50,000	(921)	(50,921)
Maintenance	70,000	20,698	(49,302)
Professional services	563,500	196,921	(366,579)
<b>Total contractual services - sewer</b>	<b>683,500</b>	<b>216,698</b>	<b>(466,802)</b>
Contractual services - water:			
Engineering services	-	541	(541)
Contract labor	-	-	-
Power	-	2,586	(2,586)
<b>Total contractual services - water</b>	<b>-</b>	<b>3,127</b>	<b>3,127</b>
<b>Total contractual services</b>	<b>683,500</b>	<b>219,825</b>	<b>(463,675)</b>
Commodities - water & sewer:			
Office supplies and postage	10,000	5,917	(4,083)

# City of Oregon, Illinois

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

Year ended April 30, 2020

	Original and Final Budget	Actual	Over (Under) Budget
<b>Operating expenses (continued)</b>			
Waterworks and sewerage (continued):			
Miscellaneous:			
Sewer	100,000	4,011	(95,989)
Water	-	696	696
Total miscellaneous	100,000	4,707	(95,293)
Depreciation	-	279,959	279,959
Capital outlay - Equipment:			
Water	2,000,000	-	(2,000,000)
Sewer	1,900,000	742	(1,899,258)
Total Capital outlay	3,900,000	742	(3,899,258)
Total waterworks and sewerage	\$ 4,993,500	\$ 763,548	\$ (4,229,952)
<b>Nonoperating revenue (expenses)</b>			
Interest on investments	\$ 1,500	\$ 3,158	\$ 1,658
Interest expense	(350,000)	(111,052)	238,948
Total nonoperating revenue (expenses)	\$ (348,500)	\$ (107,894)	\$ 240,606
Other financing sources:			
Capital grants and contributions	\$ 400,000	\$ 2,084,997	\$ 1,684,997
Operating transfers out	-	-	-
Total other financing uses	\$ 400,000	\$ 2,084,997	\$ 1,684,997

# City of Oregon, Illinois

## Nonmajor Governmental Funds Combining Balance Sheet Modified Cash Basis

April 30, 2020

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	<b>Total Nonmajor Governmental Funds</b>	<b>Street Lighting Fund</b>	<b>Recreation Fund</b>
<b>Assets</b>			
Cash	\$ 683,945	\$ 2,924	\$ 769
Due from other funds	-	-	-
Investments, at cost	-	-	-
<b>Total assets</b>	<b>\$ 683,945</b>	<b>\$ 2,924</b>	<b>\$ 769</b>
<b>Liabilities</b>			
Payroll withholdings	\$ -	\$ -	\$ -
Due to other funds	438	-	-
<b>Total liabilities</b>	<b>438</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
Fund balances	683,507	2,924	769
<b>Total liabilities and fund balance</b>	<b>\$ 683,945</b>	<b>\$ 2,924</b>	<b>\$ 769</b>

School Crossing Guard Fund	Tort Liability Fund	Band Fund	City Audit Fund	City Social Security Fund	Unemployment Insurance Fund
\$ 25,176	\$ 19,792	\$ 4,907	\$ 91,164	\$ -	\$ 39,490
-	-	-	-	-	-
\$ 25,176	\$ 19,792	\$ 4,907	\$ 91,164	\$ -	\$ 39,490
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	25	-
-	-	-	-	25	-
25,176	19,792	4,907	91,164	(25)	39,490
\$ 25,176	\$ 19,792	\$ 4,907	\$ 91,164	\$ -	\$ 39,490

# City of Oregon, Illinois

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

April 30, 2020

	Public Health Fund	Coliseum Fund	City Hall Fund	City Hall Capital Improvement Fund	TIF Fund
<b>Assets</b>					
Cash	\$ 95,819	\$ 172,749	\$ -	\$ 77,714	\$ 153,441
Due from other funds	-	-	-	-	-
Investments, at cost	-	-	-	-	-
<b>Total assets</b>	<b>\$ 95,819</b>	<b>\$ 172,749</b>	<b>\$ -</b>	<b>\$ 77,714</b>	<b>\$ 153,441</b>
<b>Liabilities</b>					
Payroll withholdings	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	413	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>413</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Fund balances	95,819	172,749	(413)	77,714	153,441
<b>Total liabilities and fund balance</b>	<b>\$ 95,819</b>	<b>\$ 172,749</b>	<b>\$ -</b>	<b>\$ 77,714</b>	<b>\$ 153,441</b>

# City of Oregon, Illinois

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

Year ended April 30, 2020

	Total Nonmajor Governmental Funds	Street Lighting Fund	Recreation Fund
<b>Revenues</b>			
Taxes	\$ 443,977	\$ 23,367	\$ 8,913
Charges for service	263,196	-	-
Uses of money and property	253	-	-
Fines and penalties	9,308	-	-
Miscellaneous receipts	560	-	-
<b>Total revenues</b>	<b>717,294</b>	<b>23,367</b>	<b>8,913</b>
<b>Expenditures</b>			
Current:			
General government	245,032	-	-
Public safety and health	354,191	44,000	-
Public works	33,681	-	-
Recreation and parks	41,752	-	8,900
Capital outlay:			
General government	322,458	-	-
Streets and public improvements	-	-	-
Recreation and parks	-	-	-
<b>Total expenditures</b>	<b>997,114</b>	<b>44,000</b>	<b>8,900</b>
Excess of revenues over (under) expenditures	(279,820)	(20,633)	13
<b>Other financing sources (uses)</b>			
Proceeds from issuance of debt	295,000	-	-
Operating transfers in	118,900	23,500	-
Operating transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>413,900</b>	<b>23,500</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>134,080</b>	<b>2,867</b>	<b>13</b>
Fund balance (deficit) - beginning	549,427	57	756
<b>Fund balance (deficit) - ending</b>	<b>\$ 683,507</b>	<b>\$ 2,924</b>	<b>\$ 769</b>

School Crossing Guard Fund	Tort Liability Fund	Band Fund	City Audit Fund	City Social Security Fund	Unemploy- ment Insurance Fund
\$ 9,014	\$ 124,626	\$ 2,852	\$ 33,291	\$ 46,214	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,014	124,626	2,852	33,291	46,214	-
-	101,468	-	29,951	5,446	-
11,251	7,500	-	-	28,697	-
-	15,000	-	-	18,681	-
-	-	3,200	-	123	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,251	123,968	3,200	29,951	52,947	-
(2,237)	658	(348)	3,340	(6,733)	-
-	-	-	-	-	-
-	-	-	-	6,700	-
-	-	-	-	-	-
-	-	-	-	6,700	-
(2,237)	658	(348)	3,340	(33)	-
27,413	19,134	5,255	87,824	8	39,490
\$ 25,176	\$ 19,792	\$ 4,907	\$ 91,164	\$ (25)	\$ 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, 2020

	Public Health Fund	Coliseum Fund	City Hall Fund	City Hall Capital Improvement Fund	TIF Fund
<b>Revenues</b>					
Taxes	\$ -	\$ 33,433	\$ -	\$ -	\$ 162,267
Charges for service	263,196	-	-	-	-
Uses of money and property	253	-	-	-	-
Fines and penalties	9,308	-	-	-	-
Miscellaneous receipts	310	250	-	-	-
<b>Total revenues</b>	<b>273,067</b>	<b>33,683</b>	<b>-</b>	<b>-</b>	<b>162,267</b>
<b>Expenditures</b>					
Current:					
General government	-	-	19,316	12,328	76,523
Public safety and health	262,743	-	-	-	-
Public works	-	-	-	-	-
Recreation and parks	-	29,529	-	-	-
Capital outlay:					
General government	-	-	-	304,958	17,500
Streets and public improvements	-	-	-	-	-
Recreation and parks	-	-	-	-	-
<b>Total expenditures</b>	<b>262,743</b>	<b>29,529</b>	<b>19,316</b>	<b>317,286</b>	<b>94,023</b>
Excess of revenues over (under) expenditures disbursed	10,324	4,154	(19,316)	(317,286)	68,244
<b>Other financing sources (uses)</b>					
Proceeds from issuance of debt	-	-	-	295,000	-
Operating transfers in	-	-	38,700	50,000	-
Operating transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>38,700</b>	<b>345,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>10,324</b>	<b>4,154</b>	<b>19,384</b>	<b>27,714</b>	<b>68,244</b>
<b>Fund balance (deficit) - beginning</b>	<b>85,495</b>	<b>168,595</b>	<b>(19,797)</b>	<b>50,000</b>	<b>85,197</b>
<b>Fund balance (deficit) - ending</b>	<b>\$ 95,819</b>	<b>\$ 172,749</b>	<b>\$ (413)</b>	<b>\$ 77,714</b>	<b>\$ 153,441</b>

# City of Oregon, Illinois

## Schedule of Tort Expenditures - Modified Cash Basis

Year ended April 30, 2020

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Insurance	\$	93,968
Salaries		30,000
<hr/>		
Total	\$	123,968
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# City of Oregon, Illinois

## Schedule of Long-Term Debt - Business-type Activities

Year ended April 30, 2020

Year ended April 30	2010 IEPA Loan Payable		2013 G.O. Bonds Payable		2018 IEPA Loan Payable		2019 - L174369 IEPA Loan Payable		2019 - L175543 IEPA Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 145,536	\$ -	\$ 240,000	\$ 75,555	\$ 88,213	\$ 29,381	\$ 14,859	\$ 5,570	\$ 5,595	\$ 1,505
2022	145,536	-	250,000	65,955	88,806	27,943	50,815	10,757	13,092	2,772
2023	145,536	-	260,000	55,955	90,269	26,481	51,324	10,248	13,223	2,641
2024	145,536	-	265,000	49,325	91,755	24,994	51,839	9,733	13,356	2,509
2025	145,536	-	280,000	38,725	93,266	23,483	52,358	9,213	13,490	2,375
2026	145,536	-	290,000	27,525	94,801	21,947	52,884	8,688	13,626	2,240
2027	145,536	-	300,000	15,925	96,363	20,386	53,413	8,159	13,762	2,103
2028	145,536	-	190,000	6,175	97,950	18,800	53,949	7,623	13,899	1,965
2029	145,536	-	-	-	99,563	17,186	54,490	7,082	14,039	1,825
2030	145,536	-	-	-	101,203	15,547	55,036	6,536	14,180	1,685
2031	145,542	-	-	-	102,868	13,880	55,588	5,984	14,322	1,542
2032	-	-	-	-	104,563	12,187	56,146	5,426	14,466	1,399
2033	-	-	-	-	106,284	10,464	56,708	4,864	14,610	1,254
2034	-	-	-	-	108,035	8,715	57,277	4,295	14,757	1,108
2035	-	-	-	-	109,815	6,935	57,850	3,722	14,905	959
2036	-	-	-	-	111,622	5,127	58,430	3,142	15,054	810
2037	-	-	-	-	113,461	3,289	59,017	2,555	15,206	660
2038	-	-	-	-	114,482	1,421	59,608	1,964	15,358	507
2039	-	-	-	-	-	-	60,206	1,366	15,511	353
2040	-	-	-	-	-	-	60,809	763	15,667	197
2041	-	-	-	-	-	-	30,632	152	7,976	41
	<u>\$ 1,600,902</u>	<u>\$ -</u>	<u>\$ 2,075,000</u>	<u>\$ 335,140</u>	<u>\$ 1,813,319</u>	<u>\$ 288,166</u>	<u>\$ 1,103,238</u>	<u>\$ 117,842</u>	<u>\$ 286,094</u>	<u>\$ 30,450</u>

# City of Oregon, Illinois

## Assessed Valuations, Rates, Extensions, and Collections

April 30, 2020

Fund	2019 Levy		2018 Levy		2017 Levy	
	Taxes		Taxes		Taxes	
	Rate	Extended	Rate	Extended	Rate	Extended
General	0.33300	\$ 154,914	0.33300	\$ 148,677	0.33300	\$ 148,856
Police protection	0.13561	63,087	0.07500	33,486	0.07500	33,526
Recreation	0.01986	9,239	0.01990	8,885	0.02000	8,940
Coliseum	0.07500	34,890	0.07500	33,486	0.07500	33,526
Illinois municipal retirement	0.32308	150,299	0.32561	145,377	0.32109	143,532
Audit	0.07246	33,709	0.07468	33,343	0.07504	33,544
Liability insurance	0.27950	130,025	0.28005	125,036	0.28142	125,799
Social security	0.10404	48,400	0.10372	46,308	0.10423	46,593
Band	0.00627	2,917	0.00628	2,804	0.00632	2,825
Street Lighting	0.05228	24,321	0.05238	23,386	0.05264	23,531
School Crossing Guard	0.02000	9,304	0.02000	8,929	0.02000	8,940
<b>Totals</b>	<b>1.42110</b>	<b>\$ 661,105</b>	<b>1.36562</b>	<b>\$ 609,717</b>	<b>1.36374</b>	<b>\$ 609,612</b>

Year	Valuations	Collections
2019	\$ 46,520,587	\$ -
2018	\$ 44,647,658	\$ 807,443
2017	\$ 44,701,503	\$ 780,753

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

# City of Oregon, Illinois

## Schedule of Information Required by Alternate Revenue Source Bonds

April 30, 2020

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<b>Insurer</b>	<b>Coverage Period From/To</b>	<b>Coverage/ Amount</b>
Illinois Municipal League Insurance Company	1/1/20-1/1/21	Crime - Forgery/ Theft/ Computer Fraud/ Employee Dishonesty \$100,000 - each occurrence
Illinois Municipal League Insurance Company	1/1/20-1/1/21	General Liability \$1,000,000- each occurrence
Illinois Municipal League Insurance Company	1/1/20-1/1/21	Umbrella \$7,000,000 - each occurrence, aggregate limits
Illinois Municipal League Insurance Company	1/1/20-1/1/21	Automobile Liability & Uninsured Motorist \$1,000,000
Illinois Municipal League Risk Fund	1/1/20-1/1/21	Worker's Compensation/ Statutory
Illinois Municipal League Insurance Company	1/1/20-1/1/21	Property & Inland Marine \$250,000,000 - each occurrence

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

The Honorable Mayor and  
Council  
City of Oregon, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements as listed in the table of contents, of the City of Oregon, Illinois as of April 30, 2020, and for the year then ended, and have issued our opinion thereon dated August 31, 2020.

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

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

*Wipfli LLP*

Rockford, Illinois  
August 31, 2020

## Independent Accountant's Report

To the Honorable Mayor and Council  
City of Oregon, Illinois

We have examined the City of Oregon, Illinois' (the "City") compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2020. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of Oregon, Illinois, complied, in all material respects, with the aforementioned requirements for the year ended April 30, 2020.

This report is intended solely for the information and use of management, the City Council, others within the City, the Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

*Wipfli LLP*

Rockford, Illinois  
August 31, 2020