

City of Oregon
Oregon, Illinois

Financial Report

April 30, 2021



City of Oregon, Illinois

Year Ended April 30, 2021

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City of Oregon, Illinois

Year Ended April 30, 2021

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Independent Auditor's Report

Honorable Mayor and Council
City of Oregon
Oregon, Illinois

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oregon, Illinois (the City), as of and for the year ended April 30, 2021, 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. 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, 2021, 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.

Wipfli LLP

Sterling, Illinois
July 19, 2021

Management Discussion and Analysis

City of Oregon, Illinois

Management Discussion and Analysis

As management of City of Oregon, Illinois, we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Oregon, Illinois for the year ended April 30, 2021.

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, 2021 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.

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, 2020, was \$5,344,573. The revenue during the fiscal year May 1, 2020 thru April 30, 2021 was \$3,825,425 and the expenses were \$3,205,319. The net position at April 30, 2021 is \$5,964,679.
- The City's business-type activities net position as of May 1, 2020, was \$6,718,301. The revenue during the fiscal year May 1, 2020 thru April 30, 2021 was \$2,316,239 and the expenses were \$1,298,322. The net position at April 30, 2021 is \$7,736,218.

City of Oregon, Illinois

Management Discussion and Analysis

Financial Highlights (Continued)

- The City's General Fund beginning balance as of May 1, 2020 was \$403,061. The revenue during the fiscal year May 1, 2020 thru April 30, 2021 was \$1,798,617 and the expenditures were \$312,312, net transfers out of \$1,201,653, which leaves a balance of \$687,713.
- The City's Police Fund beginning balance as of May 1, 2020 was \$21,134. The revenue during the fiscal year May 1, 2020 thru April 30, 2021 was \$227,055 and the expenditures were \$863,370, and other financing sources of \$664,062, which leaves a balance of \$48,881.
- The City's Civil Defense Fund beginning balance as of May 1, 2020 was \$264,820. The revenue during the fiscal year May 1, 2020 thru April 30, 2021 was \$9,005 and the expenditures were \$6,786, which leaves a balance of \$267,039.
- The City's IMRF Fund beginning balance as of May 1, 2020 was \$222,390. The revenue during the fiscal year May 1, 2020 thru April 30, 2021 was \$175,028 and the expenditures were \$119,011, which leaves a balance of \$278,407.
- The City's Economic Development Fund beginning balance as of May 1, 2020 was \$66,277. The revenue during the fiscal year May 1, 2020 thru April 30, 2021 was \$56,364, the expenditures were \$81,998, net transfers out of \$8,185 which leaves a balance of \$32,458.
- The City's Street and Alley Fund beginning balance as of May 1, 2020 was (\$11,073). The revenue during the fiscal year May 1, 2020 thru April 30, 2021 was \$100,376 and the expenditures were \$444,349, transfers in of \$355,055, which leaves a fund balance of \$9.
- The City's Motor Fuel Tax Fund beginning balance as of May 1, 2020 was \$263,375. The revenue during the fiscal year May 1, 2020 thru April 30, 2021 was \$255,459 and the expenditures were \$96,170, which leaves a balance of \$422,664.
- The City's Group Insurance Fund beginning balance as of May 1, 2020 was \$122,605. The revenue during the fiscal year May 1, 2020 thru April 30, 2021 was \$51,843 and the expenditures were \$305,177, transfers in of \$185,840 which leaves a balance of \$55,111.
- The City's Road and Bridge Fund beginning balance as of May 1, 2020 was \$772,104. The revenue during the fiscal year May 1, 2020 thru April 30, 2021 was \$384,295 and the expenditures were \$1,297,536, debt proceeds of \$1,821,328, which leaves a balance of \$1,680,191.

City of Oregon, Illinois

Management Discussion and Analysis

Condensed Financial Information

Net position is summarized in the table below.

Condensed Statements of Net Position – Modified Cash Basis as of April 30, 2021 and April 30, 2020

	Governmental Activities		Business-type Activities	
	2021	2020	2021	2020
Assets:				
Current assets	\$4,092,228	\$2,808,579	\$2,374,401	\$2,293,995
Non-current assets:				
Capital (fixed) assets	4,069,490	3,866,134	12,202,970	11,314,513
Total assets	8,161,718	6,674,713	14,577,371	13,608,508
Liabilities:				
Current liabilities	189,105	164,907	605,515	505,857
Non-current liabilities	2,007,934	1,165,233	6,235,638	6,384,350
Total liabilities	2,197,039	1,330,140	6,841,153	6,890,207
Net Assets:				
Net investments in capital assets	1,911,603	2,590,304	5,725,371	5,867,710
Restricted	3,211,574	2,176,840	741,866	665,785
Unrestricted	841,502	577,429	1,268,981	184,806
Total net position	\$5,964,679	\$5,344,573	\$7,736,218	\$6,718,301

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

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, 2021 and April 30, 2020

	Governmental Activities		Business-type Activities	
	2021	2020	2021	2020
Revenues:				
Program:				
Charges for services	\$645,606	\$542,128	\$1,575,309	\$1,549,081
Operating grants & contributions	352,783	251,940	0	0
Capital grants & contributions	0	0	739,986	2,084,997
General:				
Property & other taxes	2,747,424	2,484,186	0	0
Interest	6,839	6,181	944	3,158
Other	72,773	30,002	0	0
Total revenues	3,825,425	3,314,437	2,316,239	3,637,236
Expenses:				
General government	750,390	569,690	0	0
Public safety	1,389,350	1,411,925	0	0
Public works	869,306	795,924	0	0
Culture & recreation	55,956	43,917	0	0
Interest and other fiscal charges	140,317	32,613	0	0
Water & sewer	0	0	1,298,322	874,600
Total expenses	3,205,319	2,854,069	1,298,322	874,600
Excess before transfers	620,106	460,368	1,017,917	2,762,636
Transfers	0	0	0	0
Change in net position	\$620,106	\$460,368	\$1,017,917	\$2,762,636

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

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 \$1,638,023 (including Water and Sewer Fund) from the prior year. The General Fund had an increase in fund balance of \$284,652. The Water and Sewer Fund had an increase in net position of \$1,017,917. 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 August of 2020. 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 \$524,117 more than budgeted due mainly to more state sales tax and grants than budgeted. General Fund expenditures were \$690,188 under budget. Not including Inter-Fund Transfers, the General Fund had a net gain of \$1,486,305 for the fiscal year. Including Inter-Fund Transfers the General Fund had an increase of 284,652.

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 2021, the City purchased a Ford sedan for \$35,112, purchase a building for \$162,000, purchased a snow plow with attachments for \$12,754, started engineering on S. 3rd street reconstruction and the riverfront path for \$14,594 and \$12,147 respectively, completed air equipment projects at City Hall and the Street Department for \$33,844 and \$29,104 respectively, and added \$101,738 towards a Watermain extension project. In the Water and Sewer Fund, the City paid \$29,640 for the water plant parking lot, added \$156,179 to compete the sewer lining project and \$179,758 to complete phase 1 of the watermain project. The City also added \$619,907 towards phase 2 of the watermain project, \$72,581 towards phase 3 of the watermain project, and \$166,025 to a watermain extension project. As of April 30, 2021, \$9,026,538 of principal and premiums is outstanding on long-term debt. 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, 2021

ASSETS	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and cash equivalents	\$3,596,800	\$1,632,535	\$5,229,335
Restricted assets - cash	0	741,866	741,866
Internal balances	495,428	0	495,428
Total current assets	4,092,228	2,374,401	6,466,629
Noncurrent assets:			
Loan receivable (net of allowance)	0	0	0
Land	129,900	0	129,900
Construction in progress	26,741	72,581	99,322
Capital assets (net of accumulated depreciation)	3,912,849	12,130,389	16,043,238
Total noncurrent assets	4,069,490	12,202,970	16,272,460
Total assets	8,161,718	14,577,371	22,739,089
LIABILITIES			
Current liabilities			
Refundable deposits	0	11,654	11,654
Payroll withholdings	0	0	0
Current portion long term debt	189,105	593,861	782,966
Total current liabilities	189,105	605,515	794,620
Noncurrent liabilities			
Bonds payable	1,976,743	1,375,000	3,351,743
Loans - IEPA	0	4,860,638	4,860,638
Notes payable	31,191	0	31,191
Total noncurrent liabilities	2,007,934	6,235,638	8,243,572
Total liabilities	2,197,039	6,841,153	9,038,192
NET POSITION			
Net investment in capital assets	1,911,603	5,725,371	7,636,974
Restricted for:			
Debt	0	741,866	741,866
Other purposes	3,211,574	0	3,211,574
Unrestricted	841,502	1,268,981	2,110,483
Total net position	\$5,964,679	\$7,736,218	\$13,700,897

See Accompanying Notes to Financial Statements.

City of Oregon, Illinois

Statement of Activities - Modified Cash Basis

For the year ended April 30, 2021

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	\$750,390	\$306,179	\$0	\$0	(\$444,211)	\$0	(\$444,211)
Public safety and health	1,389,350	339,427	63,551	0	(986,372)	0	(986,372)
Public works	869,306	0	289,232	0	(580,074)	0	(580,074)
Culture and recreation	55,956	0	0	0	(55,956)	0	(55,956)
Interest and other fiscal charges	140,317	0	0	0	(140,317)	0	(140,317)
Total governmental activities	3,205,319	645,606	352,783	0	(2,206,930)	0	(2,206,930)
Business-type activities:							
Water and Sewer	\$1,298,322	\$1,575,309	\$0	\$739,986	0	1,016,973	1,016,973
General revenues:							
Taxes:							
Property taxes					882,124	0	882,124
Sales taxes					1,010,847	0	1,010,847
Other					854,453	0	854,453
Interest					6,839	944	7,783
Miscellaneous					72,773	0	72,773
Total general revenues					2,827,036	944	2,827,980
Transfers					0	0	0
Change in net position					620,106	1,017,917	1,638,023
Net position - beginning					5,344,573	6,718,301	12,062,874
Net position - ending					\$5,964,679	\$7,736,218	\$13,700,897

See Accompanying Notes to Financial Statements.

City of Oregon, Illinois

Balance Sheet

Governmental Funds - Modified Cash Basis

April 30, 2021

ASSETS	General Fund	Police Fund	Civil Defense Fund
Cash and cash equivalents	\$676,375	\$48,881	\$267,039
Due from other funds	11,338	0	0
Total assets	\$687,713	\$48,881	\$267,039
LIABILITIES AND FUND BALANCES			
Current liabilities			
Payroll withholdings	\$0	\$0	\$0
Due to other funds	0	0	0
Total liabilities	0	0	0
Fund balances:			
Restricted for:			
Special revenue funds	0	48,881	267,039
Committed	0	0	0
Assigned	0	0	0
Unassigned	687,713	0	0
Total fund balances	687,713	48,881	267,039
Total liabilities and fund balances	\$687,713	\$48,881	\$267,039

See Accompanying Notes to Financial Statements.

City of Oregon, Illinois

Balance Sheet

Governmental Funds - Modified Cash Basis

April 30, 2021

ASSETS	IMRF Fund	Economic Development Fund	Street and Alley Fund	Motor Fuel Tax Fund
Cash and cash equivalents	\$278,407	\$32,458	\$9	\$422,664
Due from other funds	0	0	0	0
Total assets	\$278,407	\$32,458	\$9	\$422,664
LIABILITIES AND FUND BALANCES				
Current liabilities				
Payroll withholdings	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0
Total liabilities	0	0	0	0
Fund balances:				
Restricted for:				
Special revenue funds	278,407	0	0	422,664
Committed	0	32,458	0	0
Assigned	0	0	0	0
Unassigned	0	0	9	0
Total fund balances	278,407	32,458	9	422,664
Total liabilities and fund balances	\$278,407	\$32,458	\$9	\$422,664

See Accompanying Notes to Financial Statements.

City of Oregon, Illinois

Balance Sheet

Governmental Funds - Modified Cash Basis

April 30, 2021

ASSETS	City Group Insurance Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$55,111	\$1,680,191	\$135,665	\$3,596,800
Due from other funds	0	0	495,428	506,766
Total assets	\$55,111	\$1,680,191	\$631,093	\$4,103,566
LIABILITIES AND FUND BALANCES				
Current liabilities				
Payroll withholdings	\$0	\$0	\$0	\$0
Due to other funds	0	0	11,338	11,338
Total liabilities	0	0	11,338	11,338
Fund balances:				
Restricted for:				
Special revenue funds	55,111	1,680,191	459,281	3,211,574
Committed	0	0	41,805	74,263
Assigned	0	0	130,007	130,007
Unassigned	0	0	(11,338)	676,384
Total fund balances	55,111	1,680,191	619,755	4,092,228
Total liabilities and fund balances	\$55,111	\$1,680,191	\$631,093	\$4,103,566

See Accompanying Notes to Financial Statements.

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, 2021

Total fund balances - governmental funds	\$4,092,228
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.	4,069,490
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(2,197,039)
<hr/>	<hr/>
Total net position - governmental activities	\$5,964,679
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City of Oregon, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds - Modified Cash Basis

For the year ended April 30, 2021

	General Fund	Police Fund	Civil Defense Fund
Revenues:			
Taxes	\$1,516,871	\$115,175	\$0
Intergovernmental receipts	150,867	63,551	0
Charges for services	0	0	0
Uses of money and property	5,726	0	0
Fines and penalties	0	47,786	0
Miscellaneous receipts	20,631	543	9,005
Licenses and permits	104,522	0	0
Total revenues	1,798,617	227,055	9,005
Expenditures:			
Current:			
General government	312,312	0	0
Public safety	0	781,168	6,786
Public works and street maintenance	0	0	0
Culture and recreation	0	0	0
Debt service	0	47,090	0
Capital outlay:			
General government	0	0	0
Public safety	0	35,112	0
Public works and street maintenance	0	0	0
Culture and recreation	0	0	0
Total expenditures	312,312	863,370	6,786
Excess (deficiency) of revenues over expenditures	1,486,305	(636,315)	2,219
Other financing sources (uses):			
Debt proceeds	0	35,112	0
Debt premium	0	0	0
Transfers in	39,490	628,950	0
Transfers out	(1,241,143)	0	0
Total other financing sources and uses	(1,201,653)	664,062	0
Net change in fund balances	284,652	27,747	2,219
Fund balances (deficit) - beginning	403,061	21,134	264,820
Fund balances - ending	\$687,713	\$48,881	\$267,039

See Accompanying Notes to Financial Statements.

City of Oregon, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued) Governmental Funds - Modified Cash Basis For the year ended April 30, 2021

	IMRF Fund	Economic Development Fund	Street and Alley Fund	Motor Fuel Tax Fund
Revenues:				
Taxes	\$175,028	\$0	\$51,843	\$0
Intergovernmental receipts	0	0	34,613	254,619
Charges for services	0	0	0	0
Uses of money and property	0	0	0	840
Fines and penalties	0	0	0	0
Miscellaneous receipts	0	5,574	13,920	0
Licenses and permits	0	50,790	0	0
Total revenues	175,028	56,364	100,376	255,459
Expenditures:				
Current:				
General government	14,396	81,998	0	0
Public safety	61,851	0	0	0
Public works and street maintenance	42,685	0	410,233	96,170
Culture and recreation	79	0	0	0
Debt service	0	0	21,362	0
Capital outlay:				
General government		0	0	0
Public safety	0	0	0	0
Public works and street maintenance	0	0	12,754	0
Culture and recreation	0	0	0	0
Total expenditures	119,011	81,998	444,349	96,170
Excess (deficiency) of revenues over expenditures	56,017	(25,634)	(343,973)	159,289
Other financing sources (uses):				
Debt proceeds	0	0	0	0
Debt premium	0	0	0	0
Transfers in	0	0	355,055	0
Transfers out	0	(8,185)	0	0
Total other financing sources and uses	0	(8,185)	355,055	0
Net change in fund balances	56,017	(33,819)	11,082	159,289
Fund balances (deficit) - beginning	222,390	66,277	(11,073)	263,375
Fund balances - ending	\$278,407	\$32,458	\$9	\$422,664

See Accompanying Notes to Financial Statements.

City of Oregon, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued) Governmental Funds - Modified Cash Basis For the year ended April 30, 2021

	City Group Insurance Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$51,843	\$361,657	\$475,007	\$2,747,424
Intergovernmental receipts	0	0	0	503,650
Charges for services	0	0	276,764	276,764
Uses of money and property	0	0	273	6,839
Fines and penalties	0	0	14,877	62,663
Miscellaneous receipts	0	22,638	462	72,773
Licenses and permits	0	0	0	155,312
Total revenues	51,843	384,295	767,383	3,825,425
Expenditures:				
Current:				
General government	36,824	0	280,086	725,616
Public safety	158,693	0	353,995	1,362,493
Public works and street maintenance	109,456	171,550	34,694	864,788
Culture and recreation	204	0	54,202	54,485
Debt service	0	905,710	295,000	1,269,162
Capital outlay:				
General government	0	0	133,151	133,151
Public safety	0	0	0	35,112
Public works and street maintenance	0	220,276	0	233,030
Culture and recreation	0	0	0	0
Total expenditures	305,177	1,297,536	1,151,128	4,677,837
Excess (deficiency) of revenues over expenditures	(253,334)	(913,241)	(383,745)	(852,412)
Other financing sources (uses):				
Debt proceeds	0	1,725,000	280,000	2,040,112
Debt premium	0	96,328	0	96,328
Transfers in	185,840	0	79,483	1,288,818
Transfers out	0	0	(39,490)	(1,288,818)
Total other financing sources and uses	185,840	1,821,328	319,993	2,136,440
Net change in fund balances	(67,494)	908,087	(63,752)	1,284,028
Fund balances (deficit) - beginning	122,605	772,104	683,507	2,808,200
Fund balances - ending	\$55,111	\$1,680,191	\$619,755	\$4,092,228

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, 2021

Net change in fund balance	\$1,284,028
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.	203,356
Debt proceeds are reported in governmental funds as an other financing source.	(2,136,440)
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.	1,269,162
<hr/>	<hr/>
Change in net position of governmental activities	\$620,106
<hr/>	<hr/>

City of Oregon, Illinois

Statement of Net Position - Modified Cash Basis

Proprietary Funds

April 30, 2021

ASSETS	Water and Sewer Fund
Current assets:	
Cash	\$1,632,535
Restricted assets - cash	741,866
Advances from other funds	0
Total current assets	2,374,401
Noncurrent assets:	
Construction in progress	72,581
Capital assets (net of accumulated depreciation):	12,130,389
Total assets	14,577,371
LIABILITIES	
Current liabilities:	
Refundable deposits	11,654
Payroll withholdings	0
Current portion of bonds payable	280,000
Current portion of IEPA loan payable	313,861
Total current liabilities	605,515
Noncurrent liabilities	
Bonds payable (net of unamortized premium)	1,375,000
Loans - IEPA Drinking Water	1,983,433
Loans - IEPA Wastewater	2,877,205
Total noncurrent liabilities	6,235,638
Total liabilities	6,841,153
NET POSITION	
Net investment in capital assets	5,725,371
Restricted	741,866
Unrestricted	1,268,981
Net position - unrestricted	\$7,736,218

See Accompanying Notes to Financial Statements.

City of Oregon, Illinois
Statement of Revenues, Expenses
and Changes in Net Position
Modified Cash Basis - Proprietary Funds
For the year ended April 30, 2021

	Water and Sewer Fund
Revenues:	
Charges for services	\$1,575,309
Expenses:	
Personnel services	247,671
Contractual services	419,382
Commodities	8,503
Capital outlay	54,224
Miscellaneous	10,962
Depreciation	335,633
Total expenses	1,076,375
Operating income (loss)	498,934
Other financing sources (uses)	
Operating transfer out	0
Non-operating revenue (expenses):	
Interest income	944
Bond issue costs	(13,542)
Interest expense	(208,405)
Total non-operating revenue (expenses)	(221,003)
Capital grants and contributions	739,986
Change in net position	1,017,917
Net position - beginning	6,718,301
Net position - ending	\$7,736,218

City of Oregon, Illinois
Statement of Cash Flows - Modified Cash
Proprietary Funds
For the year ended April 30, 2021

	Water and Sewer Fund
Cash Flows From Operating Activities:	
Cash received for services	\$1,574,981
Cash payments to suppliers	(493,071)
Cash payments to employees	(247,343)
Cash flows from operating activities	834,567
Cash Flows From Non-Capital Financing Activities:	
Transfers out	0
Cash Flows From Capital and Related Financing Activities:	
Interest expense	(208,405)
Purchase of capital assets	(1,224,090)
Capital grants and contributions	739,986
Bond issuance costs	(13,542)
Principal receipts on borrowings	1,785,891
Principal payments on borrowings	(1,834,945)
Cash flows from capital financing activities	(755,105)
Cash Flows From Investing Activities:	
Interest income	944
Cash flows from investing activities	944
Net increase in cash and cash equivalents	80,406
Cash and cash equivalents - beginning	2,293,995
Cash and cash equivalents - ending	\$2,374,401
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$498,934
Adjustments to reconcile operating income to net cash provided by (used in) operations	
Increase (decrease) in refundable deposits	(328)
Increase (decrease) in payroll withholdings	328
Depreciation	335,633
Net cash provided by (used in) operations	\$834,567

See Accompanying Notes to Financial Statements.

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

Government Wide, Fund Financial Statements and Basis of Accounting

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

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

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

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Fund Accounting

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

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

General Fund

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

Special Revenue Funds

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

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Governmental Funds:

Debt Service Fund

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

Capital Projects Funds

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

Proprietary Fund - Enterprise

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

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

The City reports the following major funds:

Governmental Funds:

General Fund

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

Police Protection Fund

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

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued):

Civil Defense

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

IMRF

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

Economic Development Fund

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

Streets and Alleys Fund

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

Motor Fuel Tax Fund

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

City Group Insurance Fund

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

Road and Bridge Fund

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

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

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, 2021.

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

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting (Continued)

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

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

Cash and Cash Equivalents

Cash consists of demand deposits and savings accounts, both easily accessible and with short-term duration. Investments as of April 30, 2021 consist of certificates of deposit and money market accounts. Investments are stated at cost or amortized cost which approximates market and are shown as cash and cash equivalents on the financial statements.

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

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

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

Estimates

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

City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

a.	Police (tax levy)	\$48,881
b.	Civil Defense (restricted contributions)	267,039
c.	IMRF (tax levy)	278,407
d.	Motor Fuel Tax (motor fuel tax receipts)	422,664
e.	City Group Insurance (tax levy)	55,111
f.	Recreation (tax levy)	0
g.	Street Lighting (tax levy)	8
h.	School Crossing Guard (tax levy)	22,296
i.	Band Fund (tax levy)	6,939
j.	City Audit (tax levy)	106,422
k.	Unemployment Insurance (tax levy)	0
l.	Coliseum (tax levy)	168,257
m.	Road and Bridge (tax levy and 1% sales tax)	1,680,191
n.	TIF Fund (tax levy)	155,359
		<hr/>
		Total
		<u>\$3,211,574</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.

a.	Economic Development	\$32,458
b.	City Hall Capital Improvements	41,805
		<hr/>
		Total
		<u>\$74,263</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.

	<u>Public Health</u>	<u>\$130,007</u>
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City of Oregon, Illinois

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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:

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

City of Oregon, Illinois

Notes to Financial Statements

Note 2 Proprietary Fund - Restricted Assets (Continued)

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.

<u>Restricted Cash</u>	<u>Balances 4/30/2021</u>
Restricted assets:	
Operations and Maintenance Account	\$ 70,418
Bond and Interest Account	131,648
Sinking Fund Account	204,167
Depreciation Account	335,633
Total restricted assets	\$741,866

Note 3 Pension Plan

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

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

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

City of Oregon, Illinois

Notes to Financial Statements

Note 3 Pension Plan (Continued)

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.

Employees Covered by the Benefit Terms - At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	24
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	21
<hr/>	
Total	55

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 2020 was 8.18%. For the fiscal year ended April 30, 2021, the City contributed \$119,011 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, 2020, 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, 2020:

- 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 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, 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 2020 valuation pursuant to an experience study from years 2017 to 2019.

City of Oregon, Illinois

Notes to Financial Statements

Note 3 Pension Plan (Continued)

- Mortality** For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- 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, 2020:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	2.85-6.95%
Cash Equivalents	1%	0.70%
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 2.00%, 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, 2020	\$7,154,185	\$6,719,429	\$434,756
Service costs	122,894	0	122,894
Interest on total pension liability	508,888	0	508,888
Difference between expected and actual experience	53,013	0	53,013
Changes in assumptions	(110,510)	0	(110,510)
Employer contributions	0	106,179	(106,179)
Employee contributions	0	58,412	(58,412)
Net investment income	0	961,002	(961,002)
Benefit payments – net of refunds	(392,961)	(392,961)	0
Administrative expense	0	0	0
Other changes (net transfer)	0	44,922	(44,922)
Net changes	181,324	777,554	(596,230)
Balances as of December 31, 2020	\$7,335,509	\$7,496,983	(\$161,474)

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	\$779,372	(\$161,474)	(\$884,349)

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, 2021; the City recognized pension expense of \$119,011. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, which are not reported due to the modified cash basis of accounting:

City of Oregon, Illinois

Notes to Financial Statements

Note 3 Pension Plan (Continued)

<i>Deferred amounts to be recognized in pension expense in future periods:</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$219,789	\$20,988
Changes in assumptions	68,992	123,736
Net difference between projected and actual Earnings	0	595,163
Total deferred amounts to be recognized in pension expense in future periods	288,781	739,887
Pension contributions subsequent to the measurement date	47,467	0
Total	\$336,248	\$739,887

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

Year ended April 30	Net Deferred Outflows of Resources
2021	(\$110,658)
2022	(1,744)
2023	(233,386)
2024	(105,318)
2025	0
Thereafter	0

The City reported \$47,467 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, 2022. 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

Note 5 Cash and Investments

Deposits As of April 30, 2021, the carrying amount of the City's deposits into checking, savings, money market accounts and certificates of deposit was \$6,466,629 and the bank balance was \$6,561,083. The City's total collateral, including Federal Deposit Insurance and collateral held by a pledging bank's trust department, was \$6,561,083.

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, 2021, 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 and improvements	20 - 40 years
Infrastructure	40 years
Equipment and 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, 2021 is as follows:

Cost	Balance May 1, 2020	Additions	Transfers and Deletions	Balance April 30, 2021
Land	\$129,900	\$0	\$0	\$129,900
Construction in progress	35,000	26,741	(35,000)	26,741
Buildings and improvements	2,059,507	162,000	35,000	2,256,507
Infrastructure	3,470,186	101,738	0	3,571,924
Equipment	800,527	75,702	0	876,229
Vehicles	967,834	35,112	0	1,002,946
	\$7,462,954	\$401,293	\$0	\$7,864,247
Accumulated depreciation:				
Buildings and improvements	\$1,500,999	\$20,274	\$0	\$1,521,273
Infrastructure	652,837	90,164	0	743,001
Equipment	552,382	45,796	0	598,178
Vehicles	890,602	41,703	0	932,305
	\$3,596,820	\$197,937	\$0	\$3,794,757
Total Capital Assets, Net	Balance May 1, 2020	Additions	Transfers and Deletions	Balance April 30, 2021
Land	\$129,900	\$0	\$0	\$129,900
Construction in progress	35,000	26,741	(35,000)	26,741
Buildings and improvements	558,508	141,726	35,000	735,234
Infrastructure	2,817,349	11,574	0	2,828,923
Equipment	248,145	29,906	0	278,051
Vehicles	77,232	(6,591)	0	70,641
	\$3,866,134	\$203,356	\$0	\$4,069,490

City of Oregon, Illinois

Notes to Financial Statements

Note 6 Property, Plant and Equipment (Continued)

The business-type activities capital asset activity for the year ended April 30, 2021 is as follows:

Cost	Balance May 1, 2020	Additions	Transfers and Deletions	Balance April 30, 2021
Construction in progress	\$3,474,329	\$72,581	(\$3,474,329)	\$72,581
Buildings and improvements	420,641	0	0	420,641
Infrastructure	9,282,325	1,151,509	3,474,329	13,908,163
Equipment	969,135	0	0	969,135
Vehicles	190,828	0	0	190,828
	\$14,337,258	\$1,224,090	\$0	\$15,561,348
Accumulated depreciation:				
Buildings and improvements	\$420,641	\$0	\$0	\$420,641
Infrastructure	1,535,317	299,112	0	1,834,429
Equipment	905,999	19,519	0	925,518
Vehicles	160,788	17,002	0	177,790
	\$3,022,745	\$335,633	\$0	\$3,358,378
Total Capital Assets, Net	Balance May 1, 2020	Additions	Transfers and Deletions	Balance April 30, 2021
Construction in progress	\$3,474,329	\$72,581	(\$3,474,329)	\$72,581
Buildings and improvements	0	0	0	0
Infrastructure	7,747,008	852,397	3,474,329	12,073,734
Equipment	63,136	(19,519)	0	43,617
Vehicles	30,040	(17,002)	0	13,038
	\$11,314,513	\$888,457	\$0	\$12,202,970

City of Oregon, Illinois

Notes to Financial Statements

Note 6 Property, Plant and Equipment (Continued)

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

Governmental activities:	
General government	\$22,385
Public safety	36,203
Streets and public improvements	137,878
Recreation and parks	1,471
<hr/>	
Total depreciation expense, governmental activities	\$197,937
<hr/>	
Business-type activities:	
Water and Sewer	\$335,633
<hr/>	

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 2019 levy was passed by the Board on December 17, 2019. The 2020 levy was passed by the Board on November 24, 2020. The amounts reported in the financial statements relate entirely to the 2019 levy. The 2020 levy will be reported as revenue for the fiscal year ending April 30, 2022.

Note 8 Accumulated Unpaid Vacation and Sick Pay

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

City of Oregon, Illinois

Notes to Financial Statements

Note 9 Long-Term Debt

Notes Payable

On 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. This note was paid off during fiscal year 2021.

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

On March 7, 2016, the City borrowed \$129,900 at 2.99% interest from The Harvard State Bank for the 2nd Street property. The note is payable in monthly installments of \$899 and matures on March 7, 2031. The note was refunded in April 2021 with by the Series 2021A Bond.

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. This note was paid off during fiscal year 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. The note was refunded in April 2021 with by the Series 2021A Bond.

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. This note was paid off during fiscal year 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

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. The note was refunded in April 2021 by the Series 2021C Bond.

On June 2, 2020, the City borrowed \$35,112 at 2.00% interest from Stillman Bank for a squad car. The note is payable in monthly installments of \$616 and matures on June 2, 2025.

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. \$1,325,000 of this bond was refunded in April 2021 by the Series 2021B Bond. The remainder of this bond is to be refunded on December 1, 2022.

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 \$20,644) as of April 30, 2021. 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 \$1,852,670 (which included interest capitalized of \$8,256) as of April 30, 2021. The IEPA forgave \$584,997 of this debt in fiscal year 2020 upon finalization of the loan amount.

City of Oregon, Illinois

Notes to Financial Statements

Note 9 Long-Term Debt (Continued)

IEPA Loan and General Obligation Bonds (continued)

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 \$1,967,262 (which included interest capitalized of \$1,410) as of April 30, 2021. The IEPA forgave \$1,500,000 of this debt in fiscal year 2020 upon finalization of the loan amount.

In fiscal year 2021, the City issued the Series 2021A Bond with a principal balance of \$1,725,000 and a bond premium of \$96,328. The bond matures on December 1, 2040, and the bonds due on or after December 1, 2031 are subject to redemption prior to maturity on any date on December 1, 2030 and thereafter. The proceeds were used to refund notes payable for 2nd street property and street reconstruction.

In fiscal year 2021, the City issued the Series 2021B Bond with a principal balance of \$1,435,000. The bond matures on December 1, 2040 and are not subject to redemption prior to maturity. The proceeds were used to refund the 2013 G.O. Bond.

In fiscal year 2021, the City issued the Series 2021C Bond with a principal balance of \$280,000. The bond matures on December 1, 2029 and are not subject to redemption prior to maturity. The proceeds were used to refund notes payable for City Hall roof replacement.

Annual debt service requirements to maturity are as follows:

April 30,	Business-type Activities			
	IEPA Loans Proprietary		2013 and 2021 Alternate Revenue Source Bonds Payable	
	Principal	Interest	Principal	Interest
2022	\$313,861	\$44,776	\$280,000	\$76,642
2023	316,121	42,517	290,000	73,222
2024	318,413	40,226	290,000	16,967
2025	320,737	37,901	295,000	14,067
2026	323,093	35,543	300,000	11,117
2027-2031	1,652,026	141,171	490,000	10,714
2032-2036	988,517	76,992	0	0
2037-2041	651,731	15,354	0	0
	\$4,884,499	\$434,480	\$1,945,000	\$202,729

City of Oregon, Illinois

Notes to Financial Statements

Note 9 Long-Term Debt (Continued)

IEPA Loan and General Obligation Bonds (continued)

April 30,	Governmental Activities			
	Notes Payable		2021 Alternate Revenue Source Notes Payable	
	Principal	Interest	Principal	Interest
2022	\$64,520	\$1,546	\$120,000	\$25,578
2023	15,539	427	100,000	39,645
2024	7,138	300	105,000	38,695
2025	7,285	105	105,000	38,020
2026	1,229	3	110,000	36,970
2027-2031	0	0	530,000	166,820
2032-2036	0	0	435,000	114,900
2037-2041	0	0	500,000	45,900
	\$95,711	\$2,381	\$2,005,000	\$506,528

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, 2021, the following changes occurred in long-term liability accounts:

	Balance May 1, 2020	Additions	Deletions	Balance April 30, 2021	Due Within One Year
Business-type Activities:					
2010 IEPA loan	\$1,600,902	\$0	\$145,536	\$1,455,366	\$145,536
2013 G.O. Bonds	2,075,000	0	1,565,000	510,000	250,000
2018 IEPA loan	1,813,319	0	87,368	1,725,951	88,806
2019 IEPA loan	1,103,238	164,434	25,252	1,242,420	58,007
2019 IEPA loan	286,094	181,167	6,499	460,762	21,512
2021B Bond	0	1,435,000	0	1,435,000	30,000
Total business-type	\$6,878,553	\$1,780,601	\$1,829,655	\$6,829,499	\$593,861
Governmental Activities:					
2015 note payable	\$11,908	\$0	\$0	\$0	\$0
2016 note payable	21,362	0	21,362	0	0
2016 note payable	53,931	0	14,779	39,152	39,152
2016 note payable	99,944	0	99,944	0	0
2016 note payable	790,987	0	790,987	0	0
2017 note payable	7,748	0	7,748	0	0
2018 note payable	13,209	0	7,876	5,333	5,333
2018 note payable	10,860	0	3,970	6,890	4,092
2018 note payable	24,812	0	9,413	15,399	9,654
2020 note payable	295,000	0	295,000	0	0
2021 note payable	0	35,112	6,175	28,937	6,289
2021A Bond	0	1,725,000	0	1,725,000	90,000
2021A Bond Premium	0	96,328	0	96,328	4,585
2021C Bond	0	280,000	0	280,000	30,000
Total governmental	\$1,329,761	\$2,136,440	\$1,269,162	\$2,197,039	\$189,105

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 \$47,224,485. As of April 30, 2021 the City had \$4,012,401 of remaining legal debt margin.

City of Oregon, Illinois

Notes to Financial Statements

Note 10 Net Position/Fund Balances

Net position reported on the government wide statement of net position at April 30, 2021:

Governmental Activities:	
Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$4,069,490
Less: related long-term debt outstanding	2,157,887
<u> Total net investment in capital assets</u>	<u>1,911,603</u>
Restricted -	
State statutes and enabling legislation	2,944,535
Contributions	267,039
<u> Total restricted</u>	<u>3,211,574</u>
<u>Unrestricted</u>	<u>841,502</u>
<u> Total governmental activities net position</u>	<u>\$5,964,679</u>
Business-type Activities:	
Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$12,202,970
Less: related long-term debt outstanding	6,477,599
<u> Total net investment in capital assets</u>	<u>5,725,371</u>
Restricted -	
Bond ordinance	741,866
<u>Unrestricted</u>	<u>1,268,981</u>
<u> Total business-type net position</u>	<u>\$7,736,218</u>

Note 11 Deficit Net Position/Fund Balances

As of April 30, 2021, the following funds had a deficit net position/fund balance:

<u>Fund</u>	<u>Amount</u>
Tort Liability Fund	\$11,338

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 \$215,917 for the fiscal year.

City of Oregon, Illinois

Notes to Financial Statements

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, 2021 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, 2021, there were no payments made for unemployment benefit claims.

Note 15 Transfers

Below are the interfund transfers as of April 30, 2021:

	Operating Transfers In	Operating Transfers Out
General Fund:		
Police Fund	\$0	(\$628,950)
Street and Alley Fund	0	(346,870)
City Group Insurance Fund	0	(185,840)
Non Major Governmental Funds	39,490	(79,483)
Total General Fund	39,490	(1,241,143)
Police Fund - General Fund	628,950	0
Street and Alley Fund - General Fund	355,055	0
IMRF Fund - General Fund	0	(8,185)
City Group Insurance Fund - General Fund	185,840	0
Non Major Governmental Funds - General Fund	79,483	(39,490)
Total all funds	\$1,288,818	(\$1,288,818)

City of Oregon, Illinois

Notes to Financial Statements

Note 15 Transfers (Continued)

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

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.

City of Oregon, Illinois

Notes to Financial Statements

Note 16 Impact of Pending Accounting Principles (Continued)

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.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The City has not determined the effect of this Statement.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, amends GASB Statements Nos. 14 and 84, and a suppression of GASB Statement No.32, provides more guidance for determining whether a primary government is financially accountable for a potential component unit, when the financial burden criterion in paragraph 7 of GASB Statement No. 84 applies, and this statement clarifies that GASB Statement No. 84 should applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged if GASB Statement No. 84 has been implemented. 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.

Note 17 Subsequent Events

In July 2021, the City entered into a contract with Helm Civil for the construction of Phase 3 of the watermain project in the amount of \$789,114.60. The City also entered into a contract with Willett, Hofmann & Associates, Inc. to amend the original contract for engineering on Phase 2 of the Watermain project. The amendment adds an additional \$237,120.70 to the contract.

Other Information

City of Oregon, Illinois

Other Information

Multiyear Schedule of IMRF Contributions

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

Fiscal Year Ending April	*Actuarially Determined	Actual Contribution	Contribution Deficiency	Covered Valuation	Actual Contribution as
2016	\$142,756	\$142,756	\$0	\$1,072,120	14.42%
2017	\$126,240	\$126,240	\$0	\$1,163,748	12.22%
2018	\$122,844	\$122,844	\$0	\$1,178,302	10.43%
2019	\$123,448	\$123,448	\$0	\$1,296,414	9.52%
2020	\$100,990	\$100,990	\$0	\$1,315,280	7.68%
2021	\$119,011	\$119,011	\$0	\$1,344,126	8.85%

*Estimated based on 8.18% 2020 calendar year contribution rate, 10.11% 2021 calendar contribution rate, and covered valuation payroll of \$1,344,126.

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)

	2020	2019	2018	2017	2016	2015	2014
Calendar year ending December 31,							
Service cost	\$122,894	\$114,155	\$112,530	\$125,356	\$110,996	\$117,175	
Interest on the total pension liability	508,888	485,833	441,631	444,799	394,726	380,957	
Benefit changes	0	0	0	0	0	0	
Difference between expected and actual experience	53,013	88,653	367,244	(121,860)	459,731	(41,767)	
Assumption changes	(110,510)	0	199,840	(211,471)	(8,563)	7,653	
Benefit payments and refunds	(392,961)	(357,055)	(261,579)	(283,739)	(323,155)	(217,498)	
Net change in total pension liability	181,324	331,586	859,666	(46,915)	633,735	246,520	
Total pension liability - beginning	7,154,185	6,822,599	5,962,933	6,009,848	5,376,113	5,129,593	
Total pension liability - ending (a)	\$7,335,509	\$7,154,185	\$6,822,599	\$5,962,933	\$6,009,848	\$5,376,113	
Plan fiduciary net position:							
Employer contributions	\$106,179	\$162,027	\$139,509	\$122,491	\$132,126	\$154,052	
Employee contributions	58,412	57,434	57,126	52,849	53,904	47,449	
Pension plan net investment income	961,002	1,105,925	(319,485)	906,177	334,640	23,985	
Benefit payments and refunds	(392,961)	(357,055)	(261,579)	(283,739)	(323,155)	(217,498)	
Other	44,922	1,465	129,216	(90,308)	326,411	(39,520)	
Net change in plan fiduciary net position	777,554	969,796	(255,213)	707,470	523,926	(31,532)	
Plan fiduciary net position - beginning	6,719,429	5,749,633	6,004,846	5,297,376	4,773,450	4,804,982	
Plan fiduciary net position - ending (b)	\$7,496,983	\$6,719,429	\$5,749,633	\$6,004,846	\$5,297,376	\$4,773,450	
Net pension liability(asset) - ending (a) - (b)	(161,474)	434,756	1,072,966	(41,913)	712,472	602,663	
Plan fiduciary net position as a percentage of total pension liability	102.20%	93.92%	84.27%	100.70%	88.14%	88.79%	
Covered valuation payroll	1,298,032	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	-12.44%	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

Note 1 Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 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 2020 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): 23-year closed period 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 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.25%
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, 2018 actuarial valuation

City of Oregon, Illinois

General Fund

Schedule of Revenues and Expenditures

Compared with Budget - Modified Cash Basis

Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues:				
Taxes:				
State income tax	\$345,000	\$345,000	\$426,565	\$81,565
Replacement tax	61,600	61,600	58,447	(3,153)
Local taxes	110,000	110,000	166,384	56,384
Utility taxes	60,000	60,000	126,681	66,681
State telecommunications tax	50,000	50,000	49,195	(805)
Other taxes	0	0	3,041	3,041
State sales tax	575,000	575,000	686,558	111,558
	1,201,600	1,201,600	1,516,871	315,271
Intergovernmental				
COVID-19 Grant	0	0	150,867	150,867
	0	0	150,867	150,867
Use of money and property:				
Interest on investments	4,500	4,500	5,726	1,226
Miscellaneous revenues:				
Miscellaneous revenues	3,000	3,000	20,631	17,631
	3,000	3,000	20,631	17,631
Licenses and permits:				
Liquor license	16,000	16,000	23,967	7,967
Cable franchise fees	0	0	0	0
Other license fees	49,400	49,400	80,555	31,155
	65,400	65,400	104,522	39,122
Total revenues	\$1,274,500	\$1,274,500	\$1,798,617	\$524,117

City of Oregon, Illinois

General Fund (Continued)

Schedule of Revenues and Expenditures

Compared with Budget - Modified Cash Basis

Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures:				
General government:				
Personnel services:				
Salaries - city officials	\$180,000	\$180,000	\$152,022	(\$27,978)
Salary - clerk/treasurer	40,000	40,000	11,021	(28,979)
	220,000	220,000	163,043	(56,957)
Contractual services:				
Dues	3,000	3,000	360	(2,640)
Legal service	55,000	55,000	15,353	(39,647)
Printing and publishing	5,000	5,000	1,201	(3,799)
Travel and training - council	12,000	12,000	0	(12,000)
Travel and training - clerk's office	6,000	6,000	310	(5,690)
Christmas lighting	0	0	0	0
Engineering services	55,000	55,000	1,000	(54,000)
Telephone	10,000	10,000	9,990	(10)
City Hall Clock Maintenance	3,500	3,500	630	(2,870)
Gas	2,000	2,000	0	(2,000)
	151,500	151,500	28,844	(122,656)
Commodities:				
Office supplies and postage	8,000	8,000	1,765	(6,235)
Gas and oil	0	0	0	0
	8,000	8,000	1,765	(6,235)
Miscellaneous	483,000	483,000	118,221	(364,779)
Equipment and maintenance:				
Purchase equipment	140,000	140,000	439	(139,561)
Total expenditures	\$1,002,500	\$1,002,500	\$312,312	(\$690,188)
Other financing sources (uses):				
Operating transfers in	\$0	\$0	\$39,490	\$39,490
Operating transfers out	0	0	(1,241,143)	(1,241,143)
Total other financing sources (uses)	\$0	\$0	(\$1,201,653)	(\$1,201,653)

City of Oregon, Illinois

Police Fund

Schedule of Revenues and Expenditures

Compared with Budget - Modified Cash Basis

Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues:				
Taxes:				
Property taxes - corporate	\$111,750	\$111,750	\$115,175	\$3,425
Intergovernmental revenues:				
School resource officer	59,820	59,820	60,948	1,128
Cops fast grant/other	2,500	2,500	2,603	103
	62,320	62,320	63,551	1,231
Fines and penalties:				
Police fines	35,750	35,750	30,495	(5,255)
Police reports	50	50	356	306
Towing fee	12,980	12,980	8,000	(4,980)
Parking fines	7,000	7,000	8,935	1,935
	55,780	55,780	47,786	(7,994)
Miscellaneous revenues	10,650	10,650	543	(10,107)
Total revenues	\$240,500	\$240,500	\$227,055	(\$13,445)
Expenditures:				
Public safety and health:				
Personnel services:				
Salaries - police	\$855,000	\$855,000	\$688,254	(\$166,746)
	855,000	855,000	688,254	(166,746)
Contractual services:				
Maintenance - equipment	9,000	9,000	2,741	(6,259)
Maintenance - vehicles	25,000	25,000	22,050	(2,950)
Supplies	50,000	50,000	1,881	(48,119)
Dues	2,000	2,000	635	(1,365)
Travel and training	31,000	31,000	2,598	(28,402)
Printing and publishing	2,500	2,500	771	(1,729)
Utilities - telephone	22,000	22,000	17,120	(4,880)
	141,500	141,500	47,796	(93,704)

City of Oregon, Illinois

Police Fund (Continued)

Schedule of Revenues and Expenditures

Compared with Budget - Modified Cash Basis

Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Expenditures (continued):				
Public safety and health (continued):				
Commodities:				
Office supplies and postage	2,500	2,500	1,799	(701)
Clothing and uniforms	8,000	8,000	2,406	(5,594)
Admin. towing disbursements	20,000	20,000	0	(20,000)
Gas and oil	30,000	30,000	21,707	(8,293)
	60,500	60,500	25,912	(34,588)
Miscellaneous:				
Other miscellaneous expenditures	20,000	20,000	2,809	(17,191)
Equipment and maintenance:				
Equipment	86,000	86,000	13,682	(72,318)
Vehicles	65,000	65,000	1	(64,999)
Office equipment	25,000	25,000	868	(24,132)
Capital outlay	0	0	35,112	35,112
	176,000	176,000	49,663	(126,337)
Debt service:				
Principal	0	0	47,090	47,090
Interest	0	0	1,846	1,846
	0	0	48,936	48,936
Total expenditures	\$1,253,000	\$1,253,000	\$863,370	(\$389,630)
Other financing sources (uses):				
Debt proceeds	\$0	\$0	\$35,112	\$35,112
Operating transfers in	0	0	628,950	628,950
Total other financing sources (uses)	\$0	\$0	\$664,062	\$664,062

City of Oregon, Illinois

Civil Defense Fund

Schedule of Revenues and Expenditures

Compared with Budget - Modified Cash Basis

Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues:				
Miscellaneous revenues:				
Other income	\$0	\$0	\$9,005	\$9,005
Expenditures:				
Public safety and health:				
Personnel services - salaries	\$0	\$0	\$0	\$0
Contractual services:				
Travel and training	400	400	0	(400)
Telephone	2,500	2,500	0	(2,500)
	2,900	2,900	0	(2,900)
Commodities:				
Supplies and materials	102,000	102,000	6,786	(95,214)
Total expenditures	\$104,900	\$104,900	\$6,786	(\$98,114)
Other financing sources (uses):				
Operating transfers out	\$0	\$0	\$0	\$0
Total other financing sources (uses)	\$0	\$0	\$0	\$0

City of Oregon, Illinois

IMRF Fund

Schedule of Revenues and Expenditures

Compared with Budget - Modified Cash Basis

Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues:				
Taxes:				
Property tax	\$144,000	\$144,000	\$150,888	\$6,888
Replacement taxes	21,726	21,726	24,140	2,414
	165,726	165,726	175,028	9,302
Use of money and property:				
Interest on investments	0	0	0	0
Total revenues	\$165,726	\$165,726	\$175,028	\$9,302
Expenditures:				
Personnel services - IMRF	\$200,000	\$200,000	\$119,011	(\$80,989)
Other financing sources (uses):				
Operating transfers in	\$0	\$0	\$0	\$0
Total other financing sources (uses)	\$0	\$0	\$0	\$0

City of Oregon, Illinois

Economic Development Fund

Schedule of Revenues and Expenditures

Compared with Budget - Modified Cash Basis

Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues:				
Taxes:				
Telecommunication tax	\$0	\$0	\$0	\$0
Intergovernmental revenues:				
State grants	0	0	0	0
Federal grant	0	0	0	0
	0	0	0	0
Licenses and permits:				
Cablevision franchise and gaming	50,000	50,000	50,790	790
Use of money and property:				
Interest on investments	0	0	0	0
Miscellaneous revenues	12,000	12,000	5,574	(6,426)
Total revenues	\$62,000	\$62,000	\$56,364	(\$5,636)
Expenditures				
General government:				
Economic development	\$265,000	\$265,000	\$81,998	(\$183,002)
Other financing sources (uses):				
Operating transfers in	\$0	\$0	\$0	\$0
Operating transfers out	0	0	(8,185)	0
Total other financing sources (uses)	\$0	\$0	(\$8,185)	\$0

City of Oregon, Illinois

Street and Alley Fund

Schedule of Revenues and Expenditures

Compared with Budget - Modified Cash Basis

Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues:				
Taxes:				
Property taxes - corporate	\$51,250	\$51,250	\$51,843	\$593
Intergovernmental revenues:				
State of Illinois - highway maintenance	0	0	34,613	34,613
Miscellaneous revenues	10,950	10,950	13,920	2,970
Total revenues	\$62,200	\$62,200	\$100,376	\$38,176
Expenditures:				
Streets and public improvements:				
Personnel services - salaries	\$310,000	\$310,000	\$235,753	(\$74,247)
Contractual services:				
Maintenance - buildings	40,000	40,000	250	(39,750)
Maintenance - equipment	20,000	20,000	10,980	(9,020)
Maintenance - vehicles	10,000	10,000	1,906	(8,094)
Travel and training	2,000	2,000	0	(2,000)
Contract labor	100,000	100,000	79,758	(20,242)
Telephone	10,000	10,000	4,430	(5,570)
	182,000	182,000	97,324	(84,676)
Commodities:				
Supplies and materials	75,000	75,000	37,400	(37,600)
Equipment maintenance materials	20,000	20,000	9,793	(10,207)
Equipment	250,000	250,000	5,154	(244,846)
Gas and oil	40,500	40,500	15,800	(24,700)
	385,500	385,500	68,147	(317,353)
Capital outlay:				
Improvements	0	0	12,754	12,754
Miscellaneous disbursements	70,000	70,000	8,719	(61,281)
Debt service:				
Principal	0	0	21,362	21,362
Interest	0	0	290	290
	0	0	21,652	21,652
Total expenditures	\$947,500	\$947,500	\$444,349	(\$503,151)
Other financing sources:				
Operating transfers in	\$0	\$0	\$355,055	\$355,055
Total other financing sources	\$0	\$0	\$355,055	\$355,055

City of Oregon, Illinois

Motor Fuel Tax Fund

Schedule of Revenues and Expenditures

Compared with Budget - Modified Cash Basis

Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues:				
Intergovernmental receipts - motor fuel tax allotments and other	\$112,800	\$112,800	\$254,619	\$141,819
Use of money and property:				
Interest on investments	450	450	840	390
Total revenues	\$113,250	\$113,250	\$255,459	\$142,209
Expenditures:				
Streets and public improvements:				
Contractual services:				
Maintenance - grounds	\$400,000	\$400,000	\$85,025	(\$314,975)
Engineering	60,000	60,000	11,145	(48,855)
	460,000	460,000	96,170	(363,830)
Commodities - maintenance materials	15,000	15,000	0	(15,000)
Total expenditures	\$475,000	\$475,000	\$96,170	(\$378,830)

City of Oregon, Illinois

City Group Insurance Fund

Schedule of Revenues and Expenditures

Compared with Budget - Modified Cash Basis

Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues:				
Taxes				
Property taxes	\$51,270	\$51,270	\$51,843	\$573
Total revenues	\$51,270	\$51,270	\$51,843	\$573
Expenditures:				
General government:				
Personnel services:				
Group insurance	364,650	364,650	301,080	(63,570)
Life insurance	5,000	5,000	4,097	(903)
Total expenditures	\$369,650	\$369,650	\$305,177	(\$64,473)
Other financing sources:				
Operating transfers in	\$0	\$0	\$185,840	\$185,840
Total other financing sources (uses)	\$0	\$0	\$185,840	\$185,840

City of Oregon, Illinois
 Road and Bridge Fund
 Schedule of Revenues and Expenditures
 Compared with Budget - Modified Cash Basis
 Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues:				
Taxes:				
Property taxes	\$37,250	\$37,250	\$37,368	\$118
Sales tax	250,000	250,000	324,289	74,289
Utility taxes	0	0	0	0
	287,250	287,250	361,657	74,407
Miscellaneous revenues	3,000	3,000	22,638	19,638
Total revenues	\$290,250	\$290,250	\$384,295	\$94,045
Expenditures:				
Road and bridge improvements:				
Capital outlay:				
Improvements	\$0	\$0	\$220,276	\$220,276
Debt service:				
Bond issuance costs	0	0	75,546	75,546
Principal	200,000	200,000	905,710	705,710
Interest	0	0	42,524	42,524
Other	1,390,000	1,390,000	53,480	(1,336,520)
Total expenditures	\$1,590,000	\$1,590,000	\$1,297,536	(\$292,464)
Other financing sources:				
Debt proceeds	\$0	\$0	\$1,725,000	\$1,725,000
Debt premium	0	0	96,328	96,328
Operating transfers	0	0	0	0
Total other financing sources (uses)	\$0	\$0	\$1,821,328	\$1,821,328

City of Oregon, Illinois
 Water and Sewer Fund
 Schedule of Revenues and Expenses
 Compared with Budget - Modified Cash Basis
 Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Operating revenues:				
Charges for services:				
Water - sewer revenues	\$1,509,803	\$1,509,803	\$1,525,670	\$15,867
Sale of meters	1,500	1,500	5,650	4,150
Turn on fees	2,000	2,000	5,080	3,080
Main taps	500	500	300	(200)
Sewer hook up fees	2,000	2,000	3,500	1,500
Water hook up fees	3,000	3,000	500	(2,500)
Other charges for services	21,500	21,500	34,609	13,109
	1,540,303	1,540,303	1,575,309	35,006
<hr/>				
Total operating revenues	\$1,540,303	\$1,540,303	\$1,575,309	\$35,006
<hr/>				
Operating expenses:				
Waterworks and sewerage:				
Personnel services:				
Salaries	\$300,000	\$300,000	\$247,671	(\$52,329)
<hr/>				
Contractual services - sewer:				
Engineering services	50,000	50,000	210,647	160,647
Maintenance	0	0	16,704	16,704
Professional services	573,500	573,500	191,480	(382,020)
	623,500	623,500	418,831	(204,669)
<hr/>				
Contractual services - water:				
Engineering services	0	0	0	0
Contract labor	0	0	0	0
Power	0	0	551	(551)
	0	0	551	551
<hr/>				
Total contractual services	623,500	623,500	419,382	(204,118)
<hr/>				
Commodities - water & sewer:				
Office supplies and postage	10,000	10,000	8,503	(1,497)

City of Oregon, Illinois

Water and Sewer Fund

Schedule of Revenues and Expenses

Compared with Budget - Modified Cash Basis (Continued)

Year ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Operating expenses (continued):				
Waterworks and sewerage (continued):				
Miscellaneous:				
Sewer	100,000	100,000	9,202	(90,798)
Water	70,000	70,000	1,760	(68,240)
	170,000	170,000	10,962	(159,038)
Depreciation				
	0	0	335,633	335,633
Capital outlay - equipment:				
Water	2,000,000	1,830,000	0	(1,830,000)
Sewer	1,900,000	1,900,000	54,224	(1,845,776)
	3,900,000	3,730,000	54,224	(3,675,776)
Total waterworks and sewerage				
	\$5,003,500	\$4,833,500	\$1,076,375	(\$3,757,125)
Nonoperating revenue (expenses):				
Interest on investments	\$1,500	\$1,500	\$944	(\$556)
Bond issuance costs	0	0	(13,542)	(13,542)
Interest expense	(350,000)	(520,000)	(208,405)	311,595
Total nonoperating revenue (expenses)				
	(\$348,500)	(\$518,500)	(\$221,003)	\$297,497
Other financing sources:				
Capital grants and contributions	\$0	\$0	\$739,986	\$739,986
Operating transfers out	0	0	0	0
Total other financing uses				
	\$0	\$0	\$739,986	\$739,986

City of Oregon, Illinois

Nonmajor Governmental Funds

Combining Balance Sheet - Modified Cash Basis

April 30, 2021

	Total Nonmajor Governmental Funds	Street Lighting Fund	Recreation Fund	School Crossing Guard Fund
ASSETS				
Cash	\$135,665	\$8	\$0	\$22,296
Due from other funds	495,428	0	0	0
Investments, at cost	0	0	0	0
Total assets	\$631,093	\$8	\$0	\$22,296
LIABILITIES				
Payroll withholdings	\$0	\$0	\$0	\$0
Due to other funds	11,338	0	0	0
Total liabilities	11,338	0	0	0
FUND BALANCES				
Fund balances	619,755	8	0	22,296
Total liabilities and fund balances	\$631,093	\$8	\$0	\$22,296

City of Oregon, Illinois

Nonmajor Governmental Funds

Combining Balance Sheet - Modified Cash Basis (Continued)

April 30, 2021

	Tort Liability Fund	Band Fund	City Audit Fund	City Social Security Fund	Unemployment Insurance Fund
ASSETS					
Cash	\$0	\$6,939	\$106,422	\$0	\$0
Due from other funds	0	0	0	0	0
Investments, at cost	0	0	0	0	0
Total assets	\$0	\$6,939	\$106,422	\$0	\$0
LIABILITIES					
Payroll withholdings	\$0	\$0	\$0	\$0	\$0
Due to other funds	11,338	0	0	0	0
Total liabilities	11,338	0	0	0	0
FUND BALANCES					
Fund balances	(11,338)	6,939	106,422	0	0
Total liabilities and fund balances	\$0	\$6,939	\$106,422	\$0	\$0

City of Oregon, Illinois

Nonmajor Governmental Funds

Combining Balance Sheet - Modified Cash Basis (Continued)

April 30, 2021

	Public Health Fund	Coliseum Fund	City Hall Fund	City Hall Capital Improvement Fund	TIF Fund
ASSETS					
Cash	\$130,007	\$168,257	\$8	\$41,797	\$155,359
Due from other funds	0	0	0	0	0
Investments, at cost	0	0	0	0	0
Total assets	\$130,007	\$168,257	\$8	\$41,797	\$155,359
LIABILITIES					
Payroll withholdings	\$0	\$0	\$0	\$0	\$0
Due to other funds	0	0	0	0	0
Total liabilities	0	0	0	0	0
FUND BALANCES					
Fund balances	130,007	168,257	8	41,797	155,359
Total liabilities and fund balances	\$130,007	\$168,257	\$8	\$41,797	\$155,359

City of Oregon, Illinois
 Nonmajor Governmental Funds
 Combining Schedule of Revenues, Expenditures
 and Changes in Fund Balances - Modified Cash Basis
 Year ended April 30, 2021

	Total Nonmajor Governmental Funds	Street Lighting Fund	Recreation Fund	School Crossing Guard Fund
Revenues:				
Taxes	\$475,007	\$24,420	\$9,280	\$9,346
Charges for service	276,764	0	0	0
Uses of money and property	273	0	0	0
Fines and penalties	14,877	0	0	0
Miscellaneous receipts	462	0	0	0
Total revenues	767,383	24,420	9,280	9,346
Expenditures:				
Current:				
General government	259,975	0	0	0
Public safety and health	353,995	47,906	0	12,226
Public works	34,694	0	0	0
Recreation and parks	54,202	0	13,382	0
Capital outlay:				
General government	133,151	0	0	0
Streets and public improvements	0	0	0	0
Recreation and parks	0	0	0	0
Debt service:				
Bond Issuance costs	3,039	0	0	0
Principal	295,000	0	0	0
Interest	17,072	0	0	0
Total expenditures	1,151,128	47,906	13,382	12,226
Excess of revenues over (under) expenditures	(383,745)	(23,486)	(4,102)	(2,880)
Other financing sources (uses):				
Proceeds from issuance of debt	280,000	0	0	0
Operating transfers in	79,483	20,570	3,333	0
Operating transfers out	(39,490)	0	0	0
Total other financing sources (uses)	319,993	20,570	3,333	0
Net change in fund balance	(63,752)	(2,916)	(769)	(2,880)
Fund balance (deficit) - beginning	683,507	2,924	769	25,176
Fund balance (deficit) - ending	\$619,755	\$8	\$0	\$22,296

City of Oregon, Illinois
 Nonmajor Governmental Funds
 Combining Schedule of Revenues, Expenditures
 and Changes in Fund Balances - Modified Cash Basis (Continued)
 Year ended April 30, 2021

	Tort Liability Fund	Band Fund	City Audit Fund	City Social Security Fund	Unemployment Insurance Fund
Revenues:					
Taxes	\$130,536	\$2,932	\$33,845	\$48,593	\$0
Charges for service	0	0	0	0	0
Uses of money and property	0	0	0	0	0
Fines and penalties	0	0	0	0	0
Miscellaneous receipts	0	0	0	0	0
Total revenues	130,536	2,932	33,845	48,593	0
Expenditures:					
Current:					
General government	139,166	0	18,587	6,642	0
Public safety and health	7,500	0	0	28,535	0
Public works	15,000	0	0	19,694	0
Recreation and parks	0	900	0	37	0
Capital outlay:					
General government	0	0	0	0	0
Streets and public improvements	0	0	0	0	0
Recreation and parks	0	0	0	0	0
Debt service:					
Bond Issuance costs	0	0	0	0	0
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Total expenditures	161,666	900	18,587	54,908	0
Excess of revenues over (under) expenditures	(31,130)	2,032	15,258	(6,315)	0
Other financing sources (uses):					
Proceeds from issuance of debt	0	0	0	0	0
Operating transfers in	0	0	0	6,340	0
Operating transfers out	0	0	0	0	(39,490)
Total other financing sources (uses)	0	0	0	6,340	(39,490)
Net change in fund balance	(31,130)	2,032	15,258	25	(39,490)
Fund balance (deficit) - beginning	19,792	4,907	91,164	(25)	39,490
Fund balance (deficit) - ending	(\$11,338)	\$6,939	\$106,422	\$0	\$0

City of Oregon, Illinois
 Nonmajor Governmental Funds
 Combining Schedule of Revenues, Expenditures
 and Changes in Fund Balances - Modified Cash Basis (Continued)
 Year ended April 30, 2021

	Public Health Fund	Coliseum Fund	City Hall Fund	City Hall Capital Improvement Fund	TIF Fund
Revenues:					
Taxes	\$0	\$35,031	\$0	\$0	\$181,024
Charges for service	276,764	0	0	0	0
Uses of money and property	273	0	0	0	0
Fines and penalties	14,877	0	0	0	0
Miscellaneous receipts	102	360	0	0	0
Total revenues	292,016	35,391	0	0	181,024
Expenditures:					
Current:					
General government	0	0	14,975	806	79,799
Public safety and health	257,828	0	0	0	0
Public works	0	0	0	0	0
Recreation and parks	0	39,883	0	0	0
Capital outlay:					
General government	0	0	33,844	0	99,307
Streets and public improvements	0	0	0	0	0
Recreation and parks	0	0	0	0	0
Debt service:					
Bond Issuance costs	0	0	0	3,039	0
Principal	0	0	0	295,000	0
Interest	0	0	0	17,072	0
Total expenditures	257,828	39,883	48,819	315,917	179,106
Excess of revenues over (under) expenditures	34,188	(4,492)	(48,819)	(315,917)	1,918
Other financing sources (uses):					
Proceeds from issuance of debt	0	0	0	280,000	0
Operating transfers in	0	0	49,240	0	0
Operating transfers out	0	0	0	0	0
Total other financing sources (uses)	0	0	49,240	280,000	0
Net change in fund balance	34,188	(4,492)	421	(35,917)	1,918
Fund balance (deficit) - beginning	95,819	172,749	(413)	77,714	153,441
Fund balance (deficit) - ending	\$130,007	\$168,257	\$8	\$41,797	\$155,359

City of Oregon, Illinois

Schedule of Tort Expenditures - Modified Cash Basis

Year ended April 30, 2021

Insurance	\$131,666
Salaries	30,000
<hr/>	
Total	\$161,666
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City of Oregon, Illinois

Schedule of Long-Term Debt - Business-type Activities

Year ended April 30, 2021

Year ended April 30	2010		2013		2018		2019 - L174369		2019 - L175543		Series 2021B	
	IEPA Loan Payable		G.O. Bonds Payable		IEPA Loan Payable		IEPA Loan Payable		IEPA Loan Payable		Bond Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$145,536	\$0	\$250,000	\$65,955	\$88,806	\$27,943	\$58,007	\$12,279	\$21,512	\$4,554	\$30,000	\$10,687
2023	145,536	0	260,000	55,955	90,269	26,481	58,588	11,698	21,728	4,338	30,000	17,267
2024	145,536	0	0	0	91,755	24,994	59,176	11,111	21,946	4,121	290,000	16,967
2025	145,536	0	0	0	93,266	23,483	59,769	10,517	22,166	3,901	295,000	14,067
2026	145,536	0	0	0	94,801	21,947	60,368	9,918	22,388	3,678	300,000	11,117
2027	145,536	0	0	0	96,363	20,386	60,974	9,314	22,612	3,454	300,000	7,427
2028	145,536	0	0	0	97,950	18,800	61,584	8,702	22,839	3,227	190,000	3,287
2029	145,536	0	0	0	99,563	17,186	62,202	8,085	23,068	2,998	0	0
2030	145,536	0	0	0	101,203	15,547	62,825	7,461	23,300	2,767	0	0
2031	145,542	0	0	0	102,868	13,880	63,456	6,831	23,533	2,533	0	0
2032	0	0	0	0	104,563	12,187	64,092	6,195	23,768	2,297	0	0
2033	0	0	0	0	106,284	10,464	64,734	5,552	24,007	2,060	0	0
2034	0	0	0	0	108,035	8,715	65,383	4,903	24,248	1,818	0	0
2035	0	0	0	0	109,815	6,935	66,039	4,248	24,491	1,575	0	0
2036	0	0	0	0	111,622	5,127	66,700	3,586	24,736	1,330	0	0
2037	0	0	0	0	113,461	3,289	67,370	2,918	24,984	1,082	0	0
2038	0	0	0	0	115,327	1,421	68,044	2,242	25,235	831	0	0
2039	0	0	0	0	0	0	68,727	1,560	25,488	578	0	0
2040	0	0	0	0	0	0	69,415	871	25,744	323	0	0
2041	0	0	0	0	0	0	34,967	173	12,969	66	0	0
2042	0	0	0	0	0	0	0	0	0	0	0	0
	\$1,455,366	\$0	\$510,000	\$121,910	\$1,725,951	\$258,785	\$1,242,420	\$128,164	\$460,762	\$47,531	\$1,435,000	\$80,819

City of Oregon, Illinois

Assessed Valuations, Rates, Extensions, and Collections

April 30, 2021

Fund	2020 Levy		2019 Levy		2018 Levy	
	Taxes		Taxes		Taxes	
	Rate	Extended	Rate	Extended	Rate	Extended
General	0.33300	\$157,258	0.33300	\$154,914	0.33300	\$148,677
Police protection	0.17619	83,205	0.13561	63,087	0.07500	33,486
Recreation	0.01989	9,393	0.01986	9,239	0.01990	8,885
Coliseum	0.07500	35,418	0.07500	34,890	0.07500	33,486
Illinois municipal retirement	0.33450	157,966	0.32308	150,299	0.32561	145,377
Audit	0.04118	19,447	0.07246	33,709	0.07468	33,343
Liability insurance	0.27984	132,153	0.27950	130,025	0.28005	125,036
Social security	0.11182	52,806	0.10404	48,400	0.10372	46,308
Band	0.00628	2,966	0.00627	2,917	0.00628	2,804
Street Lighting	0.05234	24,717	0.05228	24,321	0.05238	23,386
School Crossing Guard	0.02000	9,445	0.02000	9,304	0.02000	8,929
Totals	1.45004	\$684,774	1.42110	\$661,105	1.36562	\$609,717

Year	2020	2019	2018
Valuations	\$47,224,485	\$46,520,587	\$44,647,658
Collections	\$0	\$882,124	\$807,443

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, 2021

Insurer	Coverage Period From/To	Coverage/ Amount
Illinois Municipal League Insurance Company	1/1/21-1/1/22	Crime - Forgery/ Theft/ Computer Fraud/ Employee Dishonesty \$100,000 - each occurrence
Illinois Municipal League Insurance Company	1/1/21-1/1/22	General Liability \$1,000,000- each occurrence
Illinois Municipal League Insurance Company	1/1/21-1/1/22	Umbrella \$7,000,000 - each occurrence, aggregate limits
Illinois Municipal League Insurance Company	1/1/21-1/1/22	Automobile Liability & Uninsured Motorist \$1,000,000
Illinois Municipal League Risk Fund	1/1/21-1/1/22	Worker's Compensation/ Statutory
Illinois Municipal League Insurance Company	1/1/21-1/1/22	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, 2021, and for the year then ended, and have issued our opinion thereon dated July 19, 2021.

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

Sterling, Illinois
July 19, 2021

**Independent Auditor's Report on Compliance
with State of Illinois Public Act 85-1142**

Honorable Mayor and Council
City of Oregon, Illinois
Oregon, Illinois

We have audited the 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, 2021, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated July 19, 2021. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have also audited the City's compliance with the provisions of subsection (q) of the Illinois Compiled Statutes 65 (ILCS) 5/11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended April 30, 2021. The management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

Our audit was made in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In connection with our audit, referred to above, we selected and tested transactions and records to determine the City of Oregon's compliance with subsection (q) of the Illinois Compiled Statutes (ILCS) 5/11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended April 30, 2021.

In our opinion, the City of Oregon, Illinois complied, in all material respects, with the requirements of subsection (q) of the Illinois Compiled Statutes (ILCS) 5/11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended April 30, 2021.

Wipfli LLP

Sterling, Illinois
July 19, 2021