

Village of  
**Oswego**

# Comprehensive Annual Financial Report

For the Fiscal Year Ended  
April 30, 2016

Village of Oswego, Illinois

**VILLAGE OF OSWEGO, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
April 30, 2016

Prepared by:

Village of Oswego Finance Department

**VILLAGE OF OSWEGO, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
Principal Officials.....	i
Organizational Chart .....	ii
Certificate of Achievement for Excellence in Financial Reporting .....	iii
Letter of Transmittal.....	iv-viii
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	1-3
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS</b>	
Management’s Discussion and Analysis .....	MD&A 1-10
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	4
Statement of Activities .....	5-6
Fund Financial Statements	
Governmental Funds	
Balance Sheet .....	7
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position .....	8
Statement of Revenues, Expenditures and Changes in Fund Balances .....	9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	10

**VILLAGE OF OSWEGO, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position.....	11-12
Statement of Revenues, Expenses and Changes in Net Position .....	13
Statement of Cash Flows.....	14-15

Fiduciary Funds

Statement of Fiduciary Net Position .....	16
Statement of Changes in Fiduciary Net Position .....	17

Notes to Financial Statements .....	18-60
-------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	61
Notes to Required Supplementary Information.....	62
Schedule of Funding Progress	
Other Postemployment Benefit Plan.....	63
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	64
Police Pension Fund .....	65
Other Postemployment Benefit Plan.....	66
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund.....	67
Police Pension Fund .....	68
Schedule of Investment Returns	
Police Pension Fund .....	69

**VILLAGE OF OSWEGO, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

COMBINING AND INDIVIDUAL FUND FINANCIAL  
 STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

General Fund	
Balance Sheet .....	70
Schedule of Revenues - Budget and Actual.....	71
Schedule of Detailed Expenditures - Budget and Actual .....	72-74
Debt Service Fund	
Balance Sheet .....	75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	76

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet .....	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	78
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund .....	79
Capital Projects Fund .....	80

MAJOR ENTERPRISE FUNDS

Water and Sewer Fund Accounts	
Statement of Net Position.....	81-82
Schedule of Revenues, Expenses and Changes in Net Position .....	83
Schedule of Cash Flows .....	84-85
Water and Sewer Operating Subfund	
Statement of Net Position.....	86-87
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	88-89
Statement of Net Position.....	90
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	91

**VILLAGE OF OSWEGO, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

Page(s)

**FINANCIAL SECTION (Continued)**

COMBINING AND INDIVIDUAL FUND FINANCIAL  
 STATEMENTS AND SCHEDULES (Continued)

MAJOR ENTERPRISE FUNDS (Continued)

Garbage Fund	
Statement of Net Position.....	92
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	93

FIDUCIARY FUNDS

Police Pension Fund	
Statement of Net Position.....	94
Schedule of Changes in Fiduciary Net Position - Budget and Actual .....	95
Agency Funds	
Combining Statement of Changes in Assets and Liabilities .....	96-97

SUPPLEMENTAL DATA

Long-Term Debt Requirements	
General Obligation Alternate Revenue Source Bond Series of 2006A.....	98
General Obligation Alternate Revenue Source Bond Series of 2006B.....	99
Taxable General Obligation Bond Series of 2009 - Total.....	100
Taxable General Obligation Bond Series of 2009 - Governmental Activities.....	101
Taxable General Obligation Bond Series of 2009 - Business-Type Activities.....	102
General Obligation Refunding Bond Series of 2011 - Total.....	103
General Obligation Refunding Bond Series of 2011 - Governmental Activities....	104
General Obligation Refunding Bond Series of 2011 - Business-Type Activities ...	105
General Obligation Refunding Bond Series of 2012.....	106
General Obligation Refunding Bond Series of 2013 - Total.....	107
General Obligation Refunding Bond Series of 2013 - Governmental Activities....	108
General Obligation Refunding Bond Series of 2013 - Business-Type Activities ...	109
General Obligation Refunding Bond Series of 2014 - Total.....	110
General Obligation Refunding Bond Series of 2014 - Governmental Activities....	111
General Obligation Refunding Bond Series of 2014 - Business-Type Activities ...	112
IEPA Loan No. 17-0783.....	113
IEPA Loan No. 17-1445.....	114

**VILLAGE OF OSWEGO, ILLINOIS**  
TABLE OF CONTENTS (Continued)

---

	<u>Page(s)</u>
<b>STATISTICAL SECTION</b>	
Financial Trends	
Net Position by Component .....	115-116
Change in Net Position.....	117-120
Fund Balances of Governmental Funds .....	121-122
Changes in Fund Balances of Governmental Funds .....	123-124
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property.....	125
Direct and Overlapping Property Tax Rates .....	126-127
Property Tax Rates - Per \$100 of Assessed Valuation -	
Direct and Overlapping Governments.....	128
Principal Property Taxpayers .....	129
Property Tax Levies and Collections .....	130
Direct and Overlapping Sales Tax Rates.....	131
General Sales Tax by Category .....	132
Home Rule Sales Tax by Category .....	133
Debt Capacity	
Ratios of Outstanding Debt by Type .....	134
Direct and Overlapping Governmental Activities Bonded Debt.....	135
Legal Debt Margin Information .....	136
Pledged-Revenue Coverage	
Governmental Activities.....	137
Business-Type Activities.....	138
Demographic and Economic Information	
Demographic and Economic Information .....	139
Principal Employers .....	140
Operating Information	
Full-Time Equivalent Employees.....	141
Operating Indicators .....	142
Capital Asset Statistics.....	143

# Principal Officials

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## VILLAGE PRESIDENT

**Gail Johnson**

(Term Expires April 2019)

## VILLAGE TRUSTEES

**Pam Parr**

(Term Expires April 2017)

**Ryan Kauffman**

(Term Expires April 2019)

**Luis Perez**

(Term Expires April 2017)

**Karen McCarthy-Lange**

(Term Expires April 2019)

**Judy Sollinger**

(Term Expires April 2017)

**Joe West**

(Term Expires April 2019)

## MANAGEMENT STAFF

**Dan Di Santo**

Village Administrator

**Rod Zenner**

Community Development Director

**Christina Burns**

Assistant Village Administrator/  
Human Resource Director

**Vacant**

Economic Development Director

**Tina Touchette**

Village Clerk

**Jennifer Hughes**

Public Works Director

**Mark Horton**

Finance Director/Village Treasurer

**Michele Brown**

Community Relations Manager

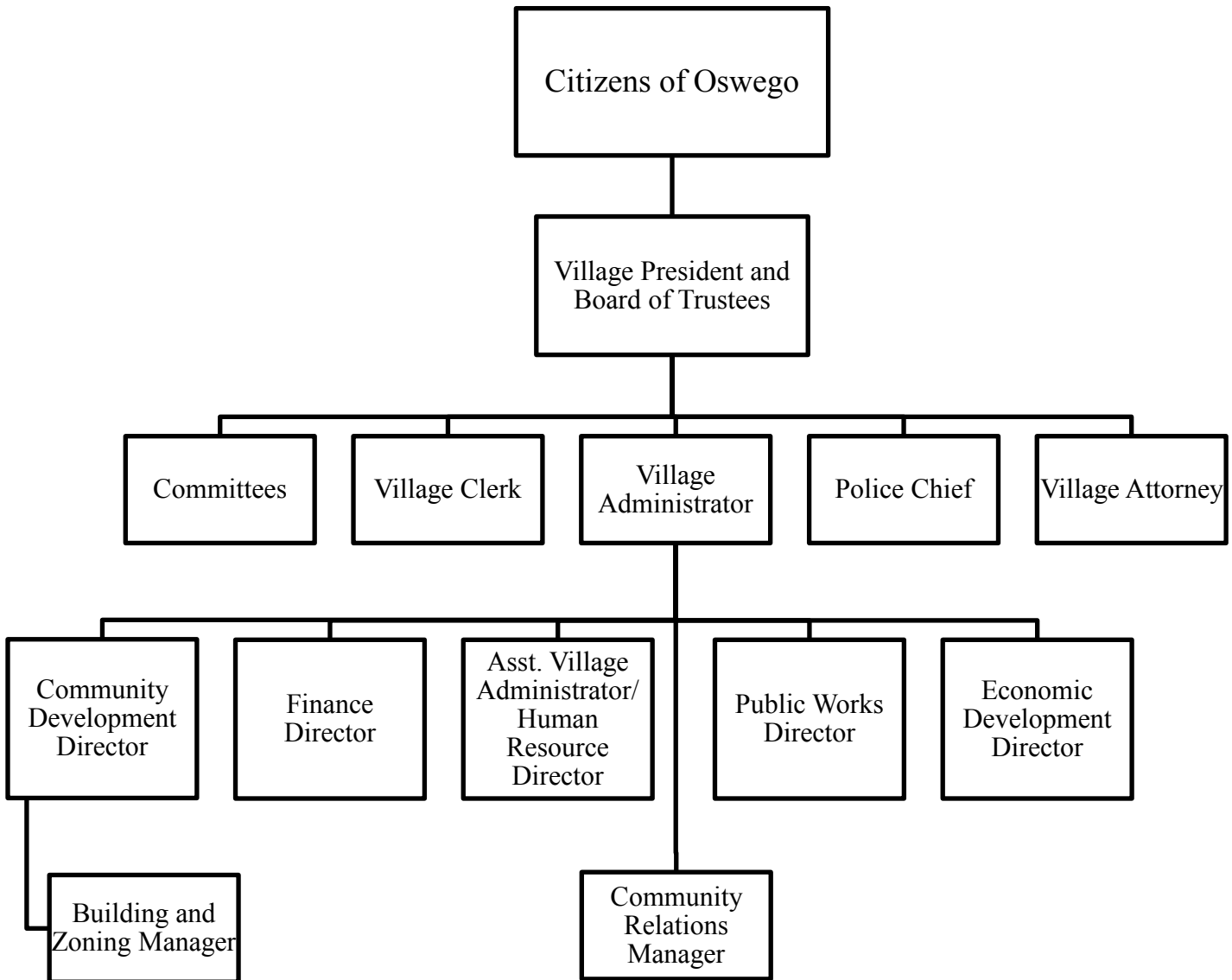
**Jeff Burgner**

Police Chief

Officials and Staff may be contacted at:  
[village@oswegoil.org](mailto:village@oswegoil.org) or 630/554-3618



VILLAGE OF OSWEGO ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Village of Oswego  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2015**



Executive Director/CEO



Finance Department  
100 Parkers Mill • Oswego, IL. 60543  
(630) 554-3618 • Fax: (630) 554-3306  
Website: <http://www.oswegoil.org>

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October 4, 2016

Residents of the Village of Oswego  
Village President Johnson and Board of Trustees

The Comprehensive Annual Financial Report of the Village of Oswego, Illinois, for the fiscal year ended April 30, 2016 is hereby presented in compliance with State Statutes. State Statutes require local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). These financial statements must also be audited in accordance with accepted auditing standards by a firm of licensed certified public accountants.

The financial statements consist of management's representations regarding the finances of the Village of Oswego. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this document. Management has established an internal control framework designed to protect the government's assets from loss, theft, misuse and to compile sufficient reliable information for preparing the Village's financial statements in conformity with GAAP. The cost of implementing internal controls should not outweigh their benefits and so the control framework has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. Management believes the data presented in this financial report is complete and reliable in all material respects.

The Village of Oswego retained the services of an independent accounting firm, Sikich LLP, Naperville, Illinois, to conduct the April 30, 2016 audit. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village of Oswego financial statements for the fiscal year ended April 30, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village of Oswego MD&A can be found immediately following the independent auditor's report.

## **GOVERNMENT PROFILE**

Oswego was first settled in 1833 and formally incorporated in 1852. It is a home rule community as defined by the Illinois Constitution and as such is empowered to levy a property tax, at the rate it deems appropriate on all property located within its boundaries. The Village of Oswego is located in the northeastern section of the State of Illinois, approximately 50 miles southwest of Chicago in the northeast corner of Kendall County. The Village population reached 30,355 with the 2010 decennial census. The Village operates under the Trustee/Administrator form of government, as defined in Illinois state statutes. A Village President and six trustees are elected at large to overlapping 4 year terms. The Board appointed full-time Village Administrator acts as the Chief Operating Officer of the Village, managing the day-to-day activities of the Village.

The Village of Oswego has 114.05 full time equivalent employees providing an array of services for the residents including; police protection, maintaining the water distribution system, sanitary sewer line administration, storm water collection, public works operations, road & bridge maintenance, community development, economic development, building and zoning services, general administrative services, and tourism.

Generally accepted accounting principles (GAAP) require that the financial reporting entity include the primary government, organizations for which the primary government is financially responsible and other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the financial reporting entity's financial statements to be misleading and incomplete. The criteria used to evaluate the responsibility for oversight at the Village's level includes financial independence, election of a governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The Village has included the Police Pension Fund as part of the Village. The Village is not considered to be a component unit of any other governmental unit.

The annual budget serves as the spending authority for the Village. Budgetary control is maintained at the fund level for all budgeted funds. An annual budget is prepared for the General Fund, the Motor Fuel Tax Fund, the Capital Projects Fund, the Water and Sewer Fund, the Water and Sewer Capital Fund, the Garbage Fund, the Debt Service Fund, and the Police Pension Fund. The budget process begins in the fall with the updating of a five year financial forecast which provides a long term outlook on the Village's financial condition and also provides direction for the subsequent fiscal year budget. Department heads are given instructions for preparing line item budgets for their respective departments and submitting them to the Budget Officer/Finance Director. All the department submissions are compiled creating the draft budget which is presented to the Board. A public hearing is required to be held on the budget before formal adoption by the Board. The annual budget must be adopted before the beginning of the Village's fiscal year, which is May 1<sup>st</sup>.

## **ECONOMIC CONDITION AND OUTLOOK**

### **Local Economy**

The Village's population increased from 13,326 in calendar year 2000 to the 2010 Census amount of 30,355. The 2016 population is estimated at 32,901. The Village is in the process of completing a special census to confirm the exact number. Commercial growth has followed the increase in

population and is providing retail shopping for Village residents as well as many non-residents from many surrounding towns. The Village's Economic Development staff works to retain and attract retail, office, and industrial businesses to the Village.

The Village is a regional shopping and dining destination as national retailers and restaurants have located here. The Route 34 corridor is one of the largest commercial centers in the Fox Valley area now offering over 2.8 million square feet of commercial space. Anchor stores include Best Buy, Dick's Sporting Goods, The Home Depot, Kohl's, Meijer, Target, Wal-Mart and Sears Home Appliance. Many well-known chain restaurants have also located within the shopping centers.

The Orchard Road Corridor is the second largest commercial area within the Village currently home to a large chain grocery, financial institutions, a health care facility, restaurants, a senior residential facility and other retail. Discussions are ongoing with interested developers for the remaining open areas within the corridor.

The Village has four business parks providing commercial and industrial development. The 300-acre Kendall Point Business Center, the 130-acre Stonehill Business Park, the Highland Business Center and Farmington Lakes Office Campus have all been established providing an abundance of commercial and manufacturing businesses. Proposed industrial and office development areas in the Orchard Road corridor covering more than 200 acres will add to the commercial and industrial base within the community.

All of this development and residential growth has helped the local economy to remain steady and even grow over the past four years. The Village's Sales Tax revenue continued to grow beating budget estimates for the fiscal year and the prior year's totals. The Village's proactive reaction to the economy has helped keep costs down and the Village's finances on track. The local economy remains strong and annual housing starts and commercial developments are increasing as the national economy continues improving.

### **Long-Term Financial Planning**

During Fiscal Year 2014, staff created the Village's first 20-year Capital Improvement Plan (CIP). This plan was created to list pending improvement projects and to engage in long term planning discussions to allow the Village to appropriately schedule and secure the funding needed to ensure the local infrastructure is maintained at acceptable levels for the residents. The CIP, as well as the Five Year Financial Forecast document estimating annual revenues and annual expenditures for long term planning are updated annually. Trends in revenue sources and expenditures are identified and reviewed so quality assumptions may be made for the future fiscal health of the Village. In fiscal year 2012, the Village Board completed a strategic plan and goal setting session outlining the future direction they have for the Village. This plan is reviewed and updated to show the status of each goal annually. All of this information will be utilized in creating a roadmap for Village operations, future capital improvement projects and creating a financing plan for the Village's future.

## **Relevant Financial Policies**

The Village Board has in place numerous key written financial policies including the following:

*Capitalization Policy:* The policy defines criteria to determine when capital assets shall be capitalized including cost, useful life, and purpose of an asset.

*Debt Policy:* The policy is to limit the amount of outstanding general obligation debt of the Village to a maximum of 5% of the equalized assessed valuation of the Village. The Village will also strive to maintain a level annual debt service repayment schedule.

*General Fund Fund Balance Policy:* The policy is currently 35% of the estimated subsequent year's annual operating expenditures, excluding capital improvements. The Village also strives to maintain a minimum cash reserve balance equal to 25% of the estimated subsequent year's annual operating expenditures.

*Investment Policy:* The policy provides direction related to the investment activities of the Village, including criteria which include scope, prudence, objectives, authorized financial institutions, authorized investments, collateralization, safekeeping, custody, and diversification.

*Pension Funding Policy:* The policy provides direction relative to the employer funding of the annual required contribution (ARC); which is also known as the actuarially determined contribution (ADC) under GASB 68 for the Village's Police Pension.

*Purchasing Policy:* The policy provides direction related to purchasing activity of the Village including criteria which include procedure, bidding requirements, spending limits, etc.

*Water & Sewer Fund Net Unrestricted Assets Policy:* The policy is currently 30% of the estimated subsequent year's annual operating expenditures.

## **Major Initiatives**

Major projects completed in fiscal year 2016 include the annual road resurfacing program, completion of the new Village Entryway signage, installing generators at Village Hall and various well houses, and water main relocation along US route 34.

The capital projects scheduled for fiscal year 2017, include the annual road program paid from Motor Fuel Tax and Home Rule Sales Tax revenue, the purchase of new enterprise-wide software solution, the start of a new Police Headquarters, an environmental study of Wolf's Crossing Road, and other minor road improvements.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Oswego for its comprehensive annual financial report for the fiscal year ended April 30, 2015. This was the 13<sup>th</sup> consecutive year the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized

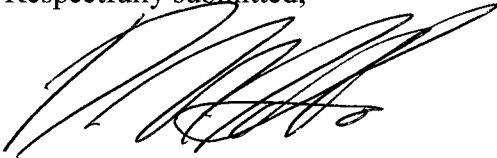
comprehensive annual financial report. The report must also satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

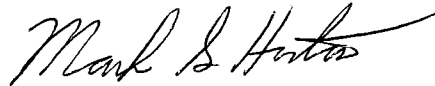
The Village also received the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2016 Annual Budget document. This was the 12<sup>th</sup> consecutive year the Village has received this award. In order to qualify for the Distinguished budget Presentation Award, the government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The preparation of this report would not have been possible without the dedicated services of Village Department Heads and staff. The entire staff of the finance department is extended a special appreciation for all of their assistance in the completion of the annual audit and preparation of this report. We would also like to thank the Village President and Board of Trustees for their support in maintaining the highest standards of professionalism in the management of the Village's finances.

Respectfully submitted,



Dan Di Santo  
Village Administrator



Mark G. Horton  
Finance Director/Village Treasurer



## INDEPENDENT AUDITOR'S REPORT

The Honorable President  
Members of the Board of Trustees  
Village of Oswego, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Oswego, Illinois (the Village) as of and for the year ended April 30, 2016, and the related notes to financial statements, which collectively comprise the Village'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 accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit includes 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 Village'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 Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of 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 financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Oswego, Illinois, as of April 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As described in Note 14, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; modified certain disclosures in the notes to financial statements and required supplementary information. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules and supplemental data, introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and supplemental data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections listed in the table of contents were not audited by us and, accordingly, we express no opinion thereon.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village as of and for the year ended April 30, 2015, and we expressed unmodified opinions on those basic financial statements. That audit was conducted for purposes of forming an opinion on the basic financial statements as a whole. The 2015 comparative information included on certain combining and individual financial statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

*Sikich LLP*

Naperville, Illinois  
September 30, 2016

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

**VILLAGE OF OSWEGO, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2016**

As management of the Village of Oswego ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2016. Since Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Letter of Transmittal on pages iv through vii and the financial statements beginning on page 4.

**Overview of the Financial Statements**

The focus of the financial statements is on the Village as a whole (government-wide) and on the major individual funds (major fund). Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden the basis for comparison (year to year or government to government) and enhance the Village's accountability.

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Financial Highlights**

- The Village's total assets and deferred outflows increased \$5.6 million from \$362.9 million to \$368.6 million. The acquisition of 15 acres of farmland and 2.3 miles of roadway increased the capitalized assets. A second reason for the increase was new accounting principles, GASB statements No. 68 and 71. These pronouncements required the Village to retroactively record the net pension liability for pension funds, causing an increase of 3.0 million in deferred outflows (for more information, please see note 14).
- The Village's total liabilities and deferred inflows increased \$13.7 million for the fiscal year. The major increase was due to an accounting change, as stated above. This change increased liabilities 11.9 million. Long term liabilities also increased \$2.4 million due to an increase in unearned revenue. This revenue was the purchase of farmland in exchange for future credits toward the water connection fees when surrounding area is developed.
- The Village's total net position decreased \$8.1 million including the change in the accounting principle for the fiscal year ending April 30, 2016. This was due to the implementation of GASB Statements No. 68 and 71.
- Total revenues increased \$7.9 million during the fiscal year. Capital grants/developer contributions made up \$7.3 million of this total.
- Total expenses increased \$2.0 million compared to the previous fiscal year. The reason for this increase was the addition of expenditures to the annual road program.
- The net change in the General Fund's Fund balance decreased \$0.4 million in FY 16. This decrease was due to additional roadway improvements.

**Government-Wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the Village's assets, deferred outflows, liabilities and deferred inflows, with the difference between these balances 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 Village is improving or deteriorating.

**VILLAGE OF OSWEGO, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2016**

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the Village that are primarily supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the Village's basic services, including administration, building and zoning, community development, public works and public safety. Sales taxes, shared state taxes and permit fees finance the majority of these services. The business-type activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations, including depreciation. The water/sewer operations and the garbage collection operations are the two business-type activities within the village. The government-wide financial statements can be found beginning on page 4 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains many individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Debt Service Fund which are considered to be major funds. Information from the Village's other governmental funds is combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report. The basic governmental fund financial statements can be found beginning on page 7 of this report.

**Proprietary Funds** maintained by the Village are of only one type; enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sanitary sewer operations and its contractually hired garbage collections. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements

**VILLAGE OF OSWEGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2016**

provide separate information for the Water and Sewer Fund and the Garbage Fund, both of which are considered to be major funds of the Village. The basic proprietary fund financial statements can be found beginning on page 11 of this report.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds. The Village maintains one fiduciary trust fund; the Police Pension fund and two agency funds; one for development fees held for other governmental agencies and one for developer deposits. The basic fiduciary fund financial statements can be found beginning on page 16 of this report.

**Notes to the Financial Statements.** The notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

**Other Information.** In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position.** A useful indicator of the Village's financial position may be ascertained by comparing the total Net Position from year to year. The Village's total assets/deferred outflows increased as did total liabilities/deferred inflows from 2015 to 2016 resulting in an overall decrease in total Net Position. This decrease was due to a change in accounting principles caused by GASB statements No. 68 and 71. These GASB statements require the Village to retroactively record the net pension liability, deferred outflow of resources related to contributions after the measurement date, and write-off the previous accounting method for pension, which used net pension obligation. The following chart reflects the condensed Statement of Net Position.

**VILLAGE OF OSWEGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2016**

Village of Oswego  
Statement of Net Position  
As of April 30, 2016

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
<b>Assets:</b>						
Current & other assets	\$13,176,826	\$13,240,913	\$11,066,502	\$10,661,190	\$24,243,328	\$23,902,103
Capital assets	280,761,126	282,173,726	56,279,747	57,801,909	337,040,873	339,975,635
Total assets	293,937,952	295,414,639	67,346,249	68,463,099	361,284,201	363,877,738
Deferred outflows	1,159,296	4,107,063	500,692	621,375	1,659,988	4,728,438
Total assets & deferred outflows	295,097,248	299,521,702	67,846,941	69,084,474	362,944,189	368,606,176
<b>Liabilities:</b>						
Current liabilities	2,006,411	1,557,632	1,209,372	3,071,885	3,215,783	4,629,517
Long-term liabilities	16,272,983	28,914,343	13,990,128	13,426,626	30,263,111	42,340,969
Total liabilities	18,279,394	30,471,975	15,199,500	16,498,511	33,478,894	46,970,486
Deferred inflows	1,219,675	1,450,023	0	35,089	1,219,675	1,485,112
Total liabilities & deferred inflows	19,499,069	31,921,998	15,199,500	16,533,600	34,698,569	48,455,598
<b>Net Position:</b>						
Net invested in capital assets	267,114,160	269,710,313	42,852,341	45,499,004	309,966,501	315,209,317
Restricted	2,726,245	3,025,632	654,000	654,000	3,380,245	3,679,632
Unrestricted	5,757,774	(5,136,241)	9,141,100	6,397,870	14,898,874	1,261,629
<b>Total Net Position</b>	<b>\$275,598,179</b>	<b>\$267,599,704</b>	<b>\$52,647,441</b>	<b>\$52,550,874</b>	<b>\$328,245,620</b>	<b>\$320,150,578</b>

The largest portion of the Village of Oswego's net position reflects its investment in capital assets (e.g. land, buildings, machinery & equipment and infrastructure), less any related outstanding debt used to acquire or construct those assets. The Village of Oswego uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Net investment in capital assets increased in FY 16 by \$5.2 million due to an increase in capital assets and an increase in deferred outflows. This increase was caused by the acquisition of formerly private roadways in the Ogden Falls and Mill Race Creek subdivisions. Unrestricted net position decreased \$13.6 million because of the new net pension liability reporting requirement. For more detailed information on net position, refer to the Statement of Net Position on page 4.

**VILLAGE OF OSWEGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2016**

**Changes in Net Position.** The following chart summarizes the revenue and expenses of the Village's activities.

**Village of Oswego  
Changes in Net Position  
For the Fiscal Year Ended April 30, 2016**

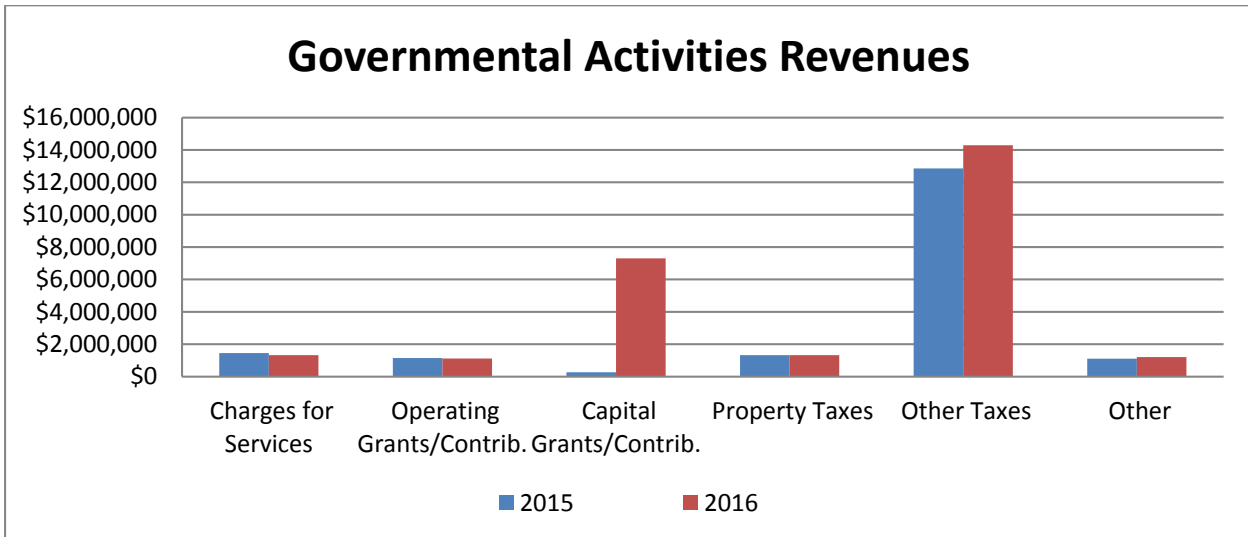
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$1,453,721	\$1,321,146	\$8,272,827	\$7,782,030	\$9,726,548	\$9,103,176
Operating Grants/Contrib.	1,142,991	1,117,999	95,321	90,270	1,238,312	1,208,269
Capital Grants/Contrib.	270,519	7,305,199			270,519	7,305,199
General Revenues:						
Property Taxes	1,327,139	1,326,196			1,327,139	1,326,196
Other Taxes	12,861,733	14,295,965			12,861,733	14,295,965
Other	1,104,998	1,201,582	49,965	133,865	1,154,963	1,335,447
<b>Total Revenues</b>	<b>18,161,101</b>	<b>26,568,087</b>	<b>8,418,113</b>	<b>8,006,165</b>	<b>26,579,214</b>	<b>34,574,252</b>
<b>EXPENSES</b>						
General Government	2,901,044	2,901,661			2,901,044	2,901,661
Building and Zoning	656,478	747,864			656,478	747,864
Community Development	753,815	811,923			753,815	811,923
Public Safety	8,871,896	9,225,417			8,871,896	9,225,417
Public Works	8,034,011	9,626,504			8,034,011	9,626,504
Interest on Debt	566,382	477,036			566,382	477,036
Water and Sewer			5,553,577	5,310,304	5,553,577	5,310,304
Garbage			2,257,770	2,415,909	2,257,770	2,415,909
<b>Total Expenses</b>	<b>21,783,626</b>	<b>23,790,405</b>	<b>7,811,347</b>	<b>7,726,213</b>	<b>29,594,973</b>	<b>31,516,618</b>
<b>Change in Net Position</b>	<b>(3,622,525)</b>	<b>2,777,682</b>	<b>606,766</b>	<b>279,952</b>	<b>(3,015,759)</b>	<b>3,057,634</b>
<b>Net Position, Beginning of the Year</b>	<b>279,220,704</b>	<b>275,598,179</b>	<b>52,040,675</b>	<b>52,647,441</b>	<b>331,261,379</b>	<b>328,245,620</b>
<b>Change in Accounting Principle</b>		(10,776,157)		(376,519)	0	(11,152,676)
<b>Prior period adjustment</b>					0	
<b>Net Position, Beginning of Year Restated</b>	<b>279,220,704</b>	<b>264,822,022</b>	<b>52,040,675</b>	<b>52,270,922</b>	<b>331,261,379</b>	<b>317,092,944</b>
<b>Net Position, End of the Year</b>	<b>\$275,598,179</b>	<b>\$267,599,704</b>	<b>\$52,647,441</b>	<b>\$52,550,874</b>	<b>\$328,245,620</b>	<b>\$320,150,578</b>

**Change in Net Position in the Governmental Activities.** Total revenues for governmental activities increased \$7.99 million compared to fiscal year 2015. Contributing factors to the increase were;

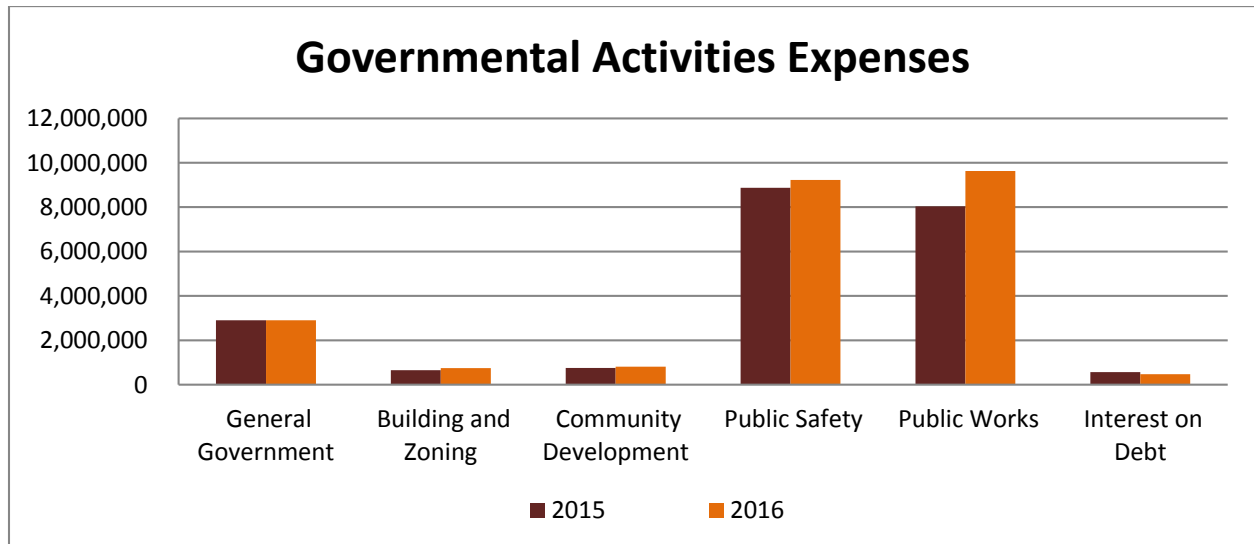
- Capital grants/contributions increased \$7.0 million due to the dedication of private roadways to the Village.
- Other taxes revenue increased \$1.4 million compared to the prior fiscal year. Increases in a number of tax revenue sources account for the increase. An increase to the home rule sales tax rate of 0.75%, accounts for some of this increase.



**VILLAGE OF OSWEGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2016**



Total expenses for governmental activities increased \$2.0 million compared with fiscal year 2015. While general government expenses remained consistent, there were small increases in building and zoning, community development and public safety's expenditures. Public works had the largest increase of 20% (\$1.6 million) due to an increase in the annual road program.



The resulting total change in Net Position was a decrease of \$8.0 million leaving an ending Net Position balance of \$267.6 million at April 30, 2015.

**Change in Net Position in Business-Type Activities.** The total change in Net Position for business-type activities is a decrease of \$0.96 million including the change in accounting principle for FY 16. Total revenues decreased \$0.4 million compared to fiscal year 2015 while total expenses decreased \$85,000.

**VILLAGE OF OSWEGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2016**

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

**Governmental Funds.** The focus of the governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. This information may be helpful in assessing the Village's financing requirements. For example, unrestricted-unassigned fund balance serves as a useful measure of net resources available for spending at the end of the fiscal year. At April 30, 2016, the governmental funds reported combined ending fund balances of \$10.6 million, an increase of \$0.5 million compared to the ending restated fund balances at April 30, 2015. Total revenues for governmental funds exceeded expenditures by \$0.46 million.

*The General Fund* is the primary operating fund of the Village of Oswego. The total fund balance of the General Fund decreased \$0.4 million creating an ending balance at April 30, 2016 of \$6.7 million. As a measure of liquidity, it is useful to compare unrestricted fund balance to total expenditures. Unrestricted fund balance is 36% of total 2016 General Fund expenditures. Although this is lower than Fiscal Year 15, it is consistent with the Village's General Fund Fund balance policy.

*The Debt Service Fund* had expenditures of \$1.77 million for principal and interest payments during the fiscal year. Transfers from the General Fund and Motor Fuel Tax Fund supported the expenditures.

*The non-major governmental funds* consist of the Motor Fuel Tax Fund, the Public Works Escrow Fund, the Economic Development Fund, the Public Service Fund and the Capital Projects Fund. Total assets for all Funds increased \$0.8 million compared to last fiscal year. The Motor Fuel Tax Fund assets increased \$0.2 and the Capital Projects Fund assets increased \$0.6 million. Total fund balances increased \$0.9 million from the fiscal year activity. Total revenues increased due to the implementation of an additional 0.75% home rule sales tax. This tax increase is to supply the additional funds needed to complete the annual road program and construct the new police facility. Expenditures decreased \$0.9 million due to a decrease in the MFT road program over fiscal year 2015.

**Proprietary Funds.** The Village's proprietary fund statements provide the same type of information found in the government-wide statements but in greater detail. *Water and Sewer Fund* total assets and deferred outflows increased \$1.2 million to a total of \$69.0 million. Water and Sewer Fund total liabilities increased \$1.3 million due to a decrease in bonds payable offset by an increase from the recording of net pension liability and un-earned revenue from the purchase of property. The overall effect caused the Water and Sewer Fund Net Position to decrease \$0.1 million compared to Fiscal Year 2015.

*The Garbage Fund total Net Position* remained at \$0.5 million as of April 30, 2016 which was the same balance as last fiscal year end. Total assets and liabilities remained consistent to the prior fiscal year at \$0.7 million and \$0.2 million. The Garbage Fund contracts with a commercial waste hauler passing the entire costs of the service to the users.

**General Fund Budgetary Highlights**

Overall, the total General Fund Revenues were \$0.2 million or 1.4% less than budget. All categories, with the exception of intergovernmental fees, were slightly under budget.

General Fund Expenditures were on budget for the fiscal year. General government, community development, and public safety were under budget (-8.6%, -1.7%, -2.2% respectfully). The building and zoning department was over at 0.3%. Public works expenditures were 16.6% or \$0.4 million over budget. This overage was caused by an addition to the annual road program.

**VILLAGE OF OSWEGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2016**

**Village of Oswego  
General Fund Budgetary Highlights  
For the Fiscal Year Ended April 30, 2016**

	Original Budget	Final Budget	Actual	Over(under) Budget
<b>REVENUES</b>				
Taxes	\$10,788,638	\$10,788,638	\$10,736,923	(\$51,715)
Intergovernmental	\$3,096,400	\$3,096,400	\$3,310,513	\$214,113
Charges for Services	1,434,750	1,434,750	1,262,167	(\$172,583)
Other	2,163,500	2,163,500	1,926,452	(237,048)
Total revenues	<u>17,483,288</u>	<u>17,483,288</u>	<u>17,236,055</u>	<u>(247,233)</u>
<b>EXPENDITURES</b>				
General Government	3,005,434	2,789,600	2,549,266	(240,334)
Building and Zoning	711,354	711,354	713,458	2,104
Community Development	754,870	804,765	790,683	(14,082)
Public Works	2,361,160	2,732,099	3,184,640	452,541
Public Safety	9,138,481	9,138,481	8,938,046	(200,435)
Total expenditures	<u>15,971,299</u>	<u>16,176,299</u>	<u>16,176,093</u>	<u>(206)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In (Out)	(1,511,989)	(1,511,989)	(1,506,091)	(5,898)
Sale of capital assets	0	0	28,945	28,945
Total other financing sources (uses)	<u>(1,511,989)</u>	<u>(1,511,989)</u>	<u>(1,477,146)</u>	
<b>Net Change in Fund Balance</b>	<u>\$0</u>	<u>(\$205,000)</u>	(417,184)	
<b>Fund Balance, May 1</b>			<u>7,143,645</u>	
<b>Fund Balance, April 30</b>			<u>\$6,726,461</u>	

**Capital Asset and Debt Administration.** The Village of Oswego's investment in capital assets increased \$2.9 million (net of accumulated depreciation) as compared to fiscal year 2015. This investment in capital assets includes property and improvements, equipment, facilities, vehicles and infrastructure (roadway improvements, water supply lines and sanitary sewer lines). The following table details the Villages changes in capital assets for governmental activities and business-type activities.

Governmental activities total capital assets increased \$1.4 million as the increase in net assets was greater than the change in accumulated depreciation.

Business-type activities total capital assets decreased \$0.9 million compared to last fiscal year due to the annual depreciation of \$1.5 million being greater than the net increase in assets.

Additional information on the Village of Oswego's capital assets can be found in Note 7.

**VILLAGE OF OSWEGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2016**

**Village of Oswego  
Capital Assets  
As of April 30, 2016**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
<b>Non-Depreciable Assets:</b>						
Land	1,312,153	1,312,153	897,871	3,348,121	2,210,024	4,660,274
Right of Way	102,040,210	104,263,377	-	-	102,040,210	104,263,377
CIP	-	92,112	326,000	194,070	326,000	-
<b>Depreciable Assets</b>						
Land improvements	848,229	848,229	-	-	848,229	848,229
Buildings	9,515,388	9,495,393	6,618,082	6,618,082	16,133,470	16,113,475
Equipment	1,073,417	1,423,187	130,418	572,418	1,203,835	1,995,605
Vehicles	1,608,088	1,698,416	1,243,863	1,271,780	2,851,951	2,970,196
Infrastructure	231,698,411	236,735,195	67,178,149	67,394,341	298,876,560	304,129,536
Accumulated Depreciation	(67,334,770)	(73,694,336)	(20,114,636)	(21,596,903)	(87,449,406)	(95,291,239)
<b>Total</b>	<b>280,761,126</b>	<b>282,173,726</b>	<b>56,279,747</b>	<b>57,801,909</b>	<b>337,040,873</b>	<b>339,975,635</b>

**Long-Term Debt.** At April 30, 2016 the Village had total debt outstanding of \$42.3 million. The amount of reported debt substantially increased in FY 16 due to new GASB pronouncements requiring the Village to report the net pension liability. General Obligation Bonds and IEPA notes account for 60% of the Village's total outstanding debt. Sales tax, MFT tax and water/sewer revenues are currently pledged to pay the annual debt service on the bonds and notes.

**Village of Oswego  
Bonded and Other Indebtedness  
As of April 30, 2016**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
General obligation bonds	\$14,355,000	\$13,050,000	\$12,815,000	\$11,790,000	\$27,170,000	\$24,840,000
Unamortized premium (discount)	599,516	512,030	(26,603)	(23,768)	572,913	488,262
Unamortized loss on refunding	(2,613)	(1,321)	256,798	200,780	254,185	199,459
IEPA notes	0	0	882,903	756,148	882,903	756,148
Compensated absences	461,895	447,724	55,164	70,642	517,059	518,366
Retiree termination benefits	123,723	109,673	0	0	123,723	109,673
Net pension obligation-Police Pension		13,123,201		0		13,123,201
Net pension obligation-IMRF	632,609	1,546,943	0	619,612	632,609	2,166,555
Other post-employment benefits	102,853	126,093	6,866	13,212	109,719	139,305
<b>Total</b>	<b>\$16,272,983</b>	<b>\$28,914,343</b>	<b>\$13,990,128</b>	<b>\$13,426,626</b>	<b>\$30,263,111</b>	<b>\$42,340,969</b>

**VILLAGE OF OSWEGO, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2016**

As an Illinois home-rule community, the Village is not subject to any debt limitation. The Village's debt policy is to limit the amount of outstanding general obligation bonded debt to 5% of the equalized assessed valuation (EAV) of the Village. The latest EAV is \$782,841,686 which results in a gross debt to EAV ratio of 3.17% as of April 30, 2016 and a gross debt per capita of \$818 using the latest certified Village population of 30,355. The Village's current credit rating issued by Moody's Investors Services is Aa2.

Additional information on the Village of Oswego's long-term liabilities can be found in Note 8.

**Economic Factors and Next Year's Budget**

Fiscal Year 2016 financial results were as expected when comparing final actual numbers with final budget numbers. Due to planned spending, total expenditures ended the year greater than revenues. The Village used reserves to increase the road maintenance program for the year. The Village put in an additional 0.75% home rule sales tax to fund the annual road program and the new police headquarters. Although the Village's net position decreased during the fiscal year, new retail development along with an increase in residential home building provides optimism for the Village in the coming years.

The Village remained vigilant in preparing the Fiscal Year 2017 Budget. Expenditures were reduced wherever possible and revenues estimated conservatively to adopt a balanced budget. Department heads continue to spend only what is necessary attempting to maintain current service levels over the fiscal year.

The Village will monitor revenues and expenses throughout the fiscal year and will take action if warranted to remain within budget amounts. The Village will continue to be proactive in responding to any unforeseen events to minimize the impact to Village residents.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, Village of Oswego, 100 Parkers Mill, Oswego, Illinois, 60543.

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 7,266,540	\$ 8,873,727	\$ 16,140,267
Restricted cash and investments	-	654,000	654,000
Receivables (net where applicable of allowance for uncollectibles)			
Property taxes	1,219,668	-	1,219,668
Accounts	289,161	1,101,097	1,390,258
Accrued interest	775	14,007	14,782
Intergovernmental	3,537,955	-	3,537,955
Utility taxes	69,907	-	69,907
Notes	270,135	-	270,135
Insurance	251,516	-	251,516
Prepaid expenses	333,143	18,359	351,502
Due from fiduciary funds	2,113	-	2,113
Capital assets not being depreciated	105,667,642	3,542,191	109,209,833
Capital assets being depreciated (net of accumulated depreciation)	176,506,084	54,259,718	230,765,802
Total assets	295,414,639	68,463,099	363,877,738
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	1,040,356	420,255	1,460,611
Pension items - Police Pension	2,564,583	-	2,564,583
Pension items - IMRF	502,124	201,120	703,244
Total deferred outflows of resources	4,107,063	621,375	4,728,438
Total assets and deferred outflows of resources	299,521,702	69,084,474	368,606,176
<b>LIABILITIES</b>			
Accounts payable	413,954	393,822	807,776
Accrued payroll	357,159	46,074	403,233
Escrow deposits	626,212	-	626,212
Unearned revenue	6,410	2,450,250	2,456,660
Interest payable	153,897	181,739	335,636
Long-term liabilities			
Due within one year	1,631,047	1,225,462	2,856,509
Due in more than one year	27,283,296	12,201,164	39,484,460
Total liabilities	30,471,975	16,498,511	46,970,486
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	1,219,668	-	1,219,668
Pension items - Police Pension	142,752	-	142,752
Pension items - IMRF	87,603	35,089	122,692
Total deferred inflows of resources	1,450,023	35,089	1,485,112
Total liabilities and deferred inflows of resources	31,921,998	16,533,600	48,455,598
<b>NET POSITION</b>			
Net investment in capital assets	269,710,313	45,499,004	315,209,317
Restricted for			
Highways and streets	906,115	-	906,115
Special projects	1,681,586	-	1,681,586
Economic development	437,931	-	437,931
Radium removal	-	654,000	654,000
Unrestricted	(5,136,241)	6,397,870	1,261,629
<b>TOTAL NET POSITION</b>	<b>\$ 267,599,704</b>	<b>\$ 52,550,874</b>	<b>\$ 320,150,578</b>

See accompanying notes to financial statements.

**VILLAGE OF OSWEGO, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 2,901,661	\$ 17,708	\$ -	\$ -
Building and zoning	747,864	556,063	207,050	-
Community development	811,923	179,470	-	-
Public safety	9,225,417	567,905	65,925	-
Public works	9,626,504	-	845,024	7,305,199
Interest	477,036	-	-	-
Total governmental activities	23,790,405	1,321,146	1,117,999	7,305,199
Business-Type Activities				
Water and sewer	5,310,304	5,375,079	90,270	-
Garbage	2,415,909	2,406,951	-	-
Total business-type activities	7,726,213	7,782,030	90,270	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 31,516,618</b>	<b>\$ 9,103,176</b>	<b>\$ 1,208,269</b>	<b>\$ 7,305,199</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (2,883,953)	\$ -	\$ (2,883,953)
	15,249	-	15,249
	(632,453)	-	(632,453)
	(8,591,587)	-	(8,591,587)
	(1,476,281)	-	(1,476,281)
	(477,036)	-	(477,036)
	(14,046,061)	-	(14,046,061)
	-	155,045	155,045
	-	(8,958)	(8,958)
	-	146,087	146,087
	(14,046,061)	146,087	(13,899,974)
General Revenues			
Taxes			
Property	1,326,196	-	1,326,196
Sales	8,475,664	-	8,475,664
Telecommunication	751,196	-	751,196
Utility	968,086	-	968,086
Other	856,431	-	856,431
Intergovernmental - unrestricted			
Income tax	3,235,006	-	3,235,006
Personal property replacement tax	9,582	-	9,582
Investment income	38,718	90,430	129,148
Miscellaneous	1,162,864	43,435	1,206,299
Total	16,823,743	133,865	16,957,608
CHANGE IN NET POSITION	2,777,682	279,952	3,057,634
NET POSITION, MAY 1	275,598,179	52,647,441	328,245,620
Change in accounting principle	(10,776,157)	(376,519)	(11,152,676)
NET POSITION, MAY 1, RESTATED	264,822,022	52,270,922	317,092,944
<b>NET POSITION, APRIL 30</b>	<b>\$ 267,599,704</b>	<b>\$ 52,550,874</b>	<b>\$ 320,150,578</b>

See accompanying notes to financial statements.



VILLAGE OF OSWEGO, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2016

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 3,734,934	\$ 65,965	\$ 3,465,641	\$ 7,266,540
Receivables				
Property taxes	1,219,668	-	-	1,219,668
Accounts	287,259	-	1,902	289,161
Accrued interest	732	-	43	775
Intergovernmental	2,739,098	-	798,857	3,537,955
Utility tax	69,907	-	-	69,907
Notes	-	-	270,135	270,135
Insurance	251,516	-	-	251,516
Prepaid items	327,754	-	5,389	333,143
Due from fiduciary funds	2,113	-	-	2,113
<b>TOTAL ASSETS</b>	<b>\$ 8,632,981</b>	<b>\$ 65,965</b>	<b>\$ 4,541,967</b>	<b>\$ 13,240,913</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 325,983	\$ -	\$ 87,971	\$ 413,954
Accrued payroll	357,159	-	-	357,159
Escrow deposits	-	-	626,212	626,212
Unearned revenue	3,710	-	2,700	6,410
Total liabilities	686,852	-	716,883	1,403,735
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	1,219,668	-	-	1,219,668
Total deferred inflows of resources	1,219,668	-	-	1,219,668
Totals liabilities and deferred inflows of resources	1,906,520	-	716,883	2,623,403
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	327,754	-	5,389	333,143
Restricted				
Highways and streets	-	-	906,115	906,115
Special projects	-	-	1,676,197	1,676,197
Economic development	-	-	437,931	437,931
Unrestricted				
Assigned				
Debt service	-	65,965	-	65,965
Working cash	6,071,095	-	-	6,071,095
Capital projects	-	-	799,452	799,452
Unassigned	327,612	-	-	327,612
Total fund balances	6,726,461	65,965	3,825,084	10,617,510
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 8,632,981</b>	<b>\$ 65,965</b>	<b>\$ 4,541,967</b>	<b>\$ 13,240,913</b>

See accompanying notes to financial statements.

**VILLAGE OF OSWEGO, ILLINOIS**

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2016

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 10,617,510
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	282,173,726
The loss on refunding of bonds is deferred and amortized on the statement of net position	1,040,356
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	414,521
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	2,421,831
Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position	
Bonds payable	\$ (13,050,000)
Unamortized discount on bonds payable	1,321
Unamortized premium on bonds payable	(512,030)
Compensated absences payable	(447,724)
Retiree termination benefit payable	(109,673)
Net pension liability - Police Pension	(13,123,201)
Net pension liability - IMRF	(1,546,943)
Other postemployment benefit	(126,093)
Interest payable	(153,897)
	(29,068,240)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 267,599,704</b>

See accompanying notes to financial statements.

**VILLAGE OF OSWEGO, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2016

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 10,736,923	\$ -	\$ 885,706	\$ 11,622,629
Licenses and permits	823,358	-	-	823,358
Intergovernmental	3,310,513	-	890,271	4,200,784
Charges for services	1,262,167	-	199	1,262,366
Fines and forfeits	291,922	-	58,886	350,808
Investment income	18,630	83	20,005	38,718
Miscellaneous	792,542	-	187,986	980,528
Total revenues	17,236,055	83	2,043,053	19,279,191
<b>EXPENDITURES</b>				
Current				
General government	2,549,266	-	77,024	2,626,290
Building and zoning	713,458	-	-	713,458
Community development	790,683	-	-	790,683
Public safety	8,938,046	-	31,315	8,969,361
Public works	3,184,640	-	416,504	3,601,144
Capital outlay	-	-	345,037	345,037
Debt service				
Principal retirement	-	1,305,000	-	1,305,000
Interest and fiscal charges	-	467,101	-	467,101
Total expenditures	16,176,093	1,772,101	869,880	18,818,074
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,059,962	(1,772,018)	1,173,173	461,117
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,898	1,774,489	-	1,780,387
Transfers (out)	(1,511,989)	-	(268,398)	(1,780,387)
Proceeds from the sale of capital assets	28,945	-	-	28,945
Total other financing sources (uses)	(1,477,146)	1,774,489	(268,398)	28,945
NET CHANGE IN FUND BALANCES	(417,184)	2,471	904,775	490,062
FUND BALANCES, MAY 1	7,143,645	63,494	2,920,309	10,127,448
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 6,726,461</b>	<b>\$ 65,965</b>	<b>\$ 3,825,084</b>	<b>\$ 10,617,510</b>

See accompanying notes to financial statements.

**VILLAGE OF OSWEGO, ILLINOIS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2016

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 490,062</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities	
Capital expenditures capitalized	804,621
Capital contributions by developers are reported as revenue in the statement of activities	7,259,951
Loss on disposal of capital assets is not a use of current financial resources and, therefore, is not reported in governmental funds but is reported as an expense on the statement of activities	(10,034)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation of capital assets	(6,641,938)
The change in the net pension liability is reported only in the statement of activities	
Police Pension	(2,654,463)
IMRF	(505,777)
The changes in deferred outflows of resources and deferred inflows of resources is reported only in the statement of activities	
Police Pension	2,421,831
IMRF	313,383
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Compensated absences payable	14,171
Retiree benefit payable	14,050
Other postemployment benefit	(23,240)
Bonds payable	1,305,000
Change in interest payable	22,811
Amortization is recorded as interest expense on the statement of activities including unamortized discount, unamortized premium and unamortized loss on refunding	(32,746)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,777,682</b>

See accompanying notes to financial statements.

**VILLAGE OF OSWEGO, ILLINOIS**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

April 30, 2016

	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Garbage</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 8,589,752	\$ 283,975	\$ 8,873,727
Accounts receivable	669,483	431,614	1,101,097
Accrued interest receivable	14,007	-	14,007
Restricted cash and investments			
IEPA restriction	654,000	-	654,000
Prepaid expenses	18,359	-	18,359
 Total current assets	 9,945,601	 715,589	 10,661,190
<b>NONCURRENT ASSETS</b>			
Capital assets			
Capital assets, net of depreciation			
Nondepreciable assets	3,542,191	-	3,542,191
Depreciable buildings, property and infrastructure	75,856,621	-	75,856,621
Accumulated depreciation	(21,596,903)	-	(21,596,903)
 Total capital assets	 57,801,909	 -	 57,801,909
 Total noncurrent assets	 57,801,909	 -	 57,801,909
 Total assets	 67,747,510	 715,589	 68,463,099
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	420,255	-	420,255
Pension items - IMRF	201,120	-	201,120
 Total deferred outflows of resources	 621,375	 -	 621,375
 Total assets and deferred outflows of resources	 68,368,885	 715,589	 69,084,474

(This statement is continued on the following page.)

**VILLAGE OF OSWEGO, ILLINOIS**

STATEMENT OF NET POSITION (Continued)  
 PROPRIETARY FUNDS

April 30, 2016

	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Garbage</b>	<b>Total</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 191,670	\$ 202,152	\$ 393,822
Accrued payroll	46,074	-	46,074
Compensated absences	34,439	-	34,439
Interest payable	181,739	-	181,739
IEPA loans payable	131,023	-	131,023
Bonds payable	1,060,000	-	1,060,000
Unearned revenue	2,450,250	-	2,450,250
<b>Total current liabilities</b>	<b>4,095,195</b>	<b>202,152</b>	<b>4,297,347</b>
<b>LONG-TERM LIABILITIES</b>			
Compensated absences	36,203	-	36,203
Other postemployment benefits	13,212	-	13,212
Net pension liability	619,612	-	619,612
IEPA loans payable	625,125	-	625,125
Bonds payable, net	10,907,012	-	10,907,012
<b>Total long-term liabilities</b>	<b>12,201,164</b>	<b>-</b>	<b>12,201,164</b>
<b>Total liabilities</b>	<b>16,296,359</b>	<b>202,152</b>	<b>16,498,511</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - IMRF	35,089	-	35,089
<b>Total deferred inflows of resources</b>	<b>35,089</b>	<b>-</b>	<b>35,089</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>16,331,448</b>	<b>202,152</b>	<b>16,533,600</b>
<b>NET POSITION</b>			
Net investment in capital assets	45,499,004	-	45,499,004
Restricted for radium removal	654,000	-	654,000
Unrestricted	5,884,433	513,437	6,397,870
<b>TOTAL NET POSITION</b>	<b>\$ 52,037,437</b>	<b>\$ 513,437</b>	<b>\$ 52,550,874</b>

See accompanying notes to financial statements.

**VILLAGE OF OSWEGO, ILLINOIS**

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

For the Year Ended April 30, 2016

	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Garbage</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 5,044,549	\$ 2,406,951	\$ 7,451,500
<b>OPERATING EXPENSES</b>			
Production	3,187,991	2,415,909	5,603,900
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	1,856,558	(8,958)	1,847,600
Depreciation	1,576,590	-	1,576,590
OPERATING INCOME (LOSS)	279,968	(8,958)	271,010
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Connection fees	330,530	-	330,530
Grant revenue	90,270	-	90,270
Investment income	89,748	682	90,430
Interest expense and amortization	(545,723)	-	(545,723)
Gain on sale of capital assets	25,591	-	25,591
Miscellaneous income	17,844	-	17,844
Total non-operating revenues (expenses)	8,260	682	8,942
CHANGE IN NET POSITION	288,228	(8,276)	279,952
NET POSITION, MAY 1	52,125,728	521,713	52,647,441
Change in accounting principle	(376,519)	-	(376,519)
NET POSITION, MAY 1, RESTATED	51,749,209	521,713	52,270,922
<b>NET POSITION, APRIL 30</b>	<b>\$ 52,037,437</b>	<b>\$ 513,437</b>	<b>\$ 52,550,874</b>

See accompanying notes to financial statements.

**VILLAGE OF OSWEGO, ILLINOIS**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2016

	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Garbage</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 5,083,037	\$ 2,381,888	\$ 7,464,925
Payments to suppliers	(2,603,965)	(2,403,250)	(5,007,215)
Payments to employees	(1,055,340)	-	(1,055,340)
Miscellaneous income	17,844	-	17,844
Net cash from operating activities	1,441,576	(21,362)	1,420,214
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Payment from other funds	1,653	-	1,653
Grant revenue	90,270	-	90,270
Net cash from noncapital financing activities	91,923	-	91,923
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(648,502)	-	(648,502)
Sale of capital assets	25,591	-	25,591
Connection fees	330,530	-	330,530
Bond principal payments	(1,025,000)	-	(1,025,000)
IEPA loan principal payments	(126,755)	-	(126,755)
Interest paid	(532,453)	-	(532,453)
Net cash from capital and related financing activities	(1,976,589)	-	(1,976,589)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	75,741	682	76,423
Net cash from investing activities	75,741	682	76,423
NET DECREASE IN CASH AND CASH EQUIVALENTS	(367,349)	(20,680)	(388,029)
CASH AND CASH EQUIVALENTS, MAY 1	9,611,101	304,655	9,915,756
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 9,243,752</b>	<b>\$ 283,975</b>	<b>\$ 9,527,727</b>

(This statement is continued on the following page.)



**VILLAGE OF OSWEGO, ILLINOIS**

STATEMENT OF CASH FLOWS (Continued)  
 PROPRIETARY FUNDS

For the Year Ended April 30, 2016

	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Garbage</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 279,968	\$ (8,958)	\$ 271,010
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	1,576,590	-	1,576,590
Miscellaneous income	17,844	-	17,844
Changes in assets and liabilities			
Accounts receivable	38,488	(25,063)	13,425
Prepaid expenses	16,212	-	16,212
Accounts payable	(591,176)	12,659	(578,517)
Accrued payroll	4,766	-	4,766
Compensated absences	15,478	-	15,478
Other postemployment benefits	6,346	-	6,346
IMRF items	77,060	-	77,060
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,441,576</b>	<b>\$ (21,362)</b>	<b>\$ 1,420,214</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Unrestricted cash and cash equivalents	\$ 8,589,752	\$ 283,975	\$ 8,873,727
Restricted cash and cash equivalents IEPA restriction	654,000	-	654,000
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 9,243,752</b>	<b>\$ 283,975</b>	<b>\$ 9,527,727</b>
<b>NONCASH TRANSACTIONS</b>			
Developer contributions	\$ 2,450,250	-	\$ 2,450,250

See accompanying notes to financial statements.

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUND

April 30, 2016

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	<b>Pension</b>		<b>Agency</b>
	<b>Trust</b>		
<b>ASSETS</b>			
Cash and cash equivalents	\$ 52,785	\$	254,752
Investments, at fair value			
U.S. Government and U.S. agency securities	8,131,533		-
Municipal bonds	1,502,104		-
Insurance contracts	1,017,944		-
Equity mutual funds	11,790,666		-
Accounts receivable	-		40,193
Due from other funds	-		-
Accrued interest receivable	64,181		-
Prepaid items	980		-
Total assets	<u>22,560,193</u>	\$	<u>294,945</u>
<b>LIABILITIES</b>			
Accounts payable	6,567	\$	48,294
Due to others	-		244,538
Due to other funds	-		2,113
Total liabilities	<u>6,567</u>	\$	<u>294,945</u>
<b>NET POSITION RESTRICTED</b>			
<b>FOR PENSIONS</b>			
	<u>\$ 22,553,626</u>		

See accompanying notes to financial statements.

**VILLAGE OF OSWEGO, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUND**

For the Year Ended April 30, 2016

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**ADDITIONS**

Contributions	
Employer	\$ 1,250,000
Employee	425,332
	<hr/>
Total contributions	1,675,332
	<hr/>
Investment income	
Net depreciation in fair value of investments	(508,075)
Interest	739,871
	<hr/>
Total investment income	231,796
	<hr/>
Less investment expense	(59,895)
	<hr/>
Net investment income	171,901
	<hr/>
Total additions	1,847,233
	<hr/>

**DEDUCTIONS**

Benefits and refunds	517,978
Administration	20,659
	<hr/>
Total deductions	538,637
	<hr/>

NET INCREASE 1,308,596

**NET POSITION RESTRICTED  
FOR PENSIONS**

May 1	<hr/> 21,245,030
April 30	<hr/> <hr/> \$ 22,553,626

See accompanying notes to financial statements.

# VILLAGE OF OSWEGO, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2016

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Oswego, Illinois (the Village) are in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the Village.

#### a. Reporting Entity

The Village was established in 1833 and incorporated in 1852. The Village operates under a Trustee-Administrator form of government. The Village Board of Trustees is comprised of the Village President and six trustees. The Village provides services to the community including; public safety (police protection), highways and streets, water and waste removal services and general administrative services.

The Village has defined its reporting entity in accordance with GASB Statement No. 14 and No. 61. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village. The Police Pension Fund is a legally separate organization from the Village and has its own governing board. However, although legally separate, this fund is reported as if it is part of the Village, because it is fiscally dependent on the Village and administered exclusively for the benefit of the Village's police personnel. The Police Pension Fund does not issue a separate report.

#### b. Fund Accounting

The Village uses funds to report its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Fund Accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted, committed or assigned funds (special revenue funds), the funds restricted or committed for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes a pension trust fund which is generally used to account for assets that the Village holds in a fiduciary capacity and agency funds to account for assets that the Village holds in an agent capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**VILLAGE OF OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village and is used to account for all financial resources of the Village unless accounted for in another fund.

The Debt Service Fund is used to account for the repayment of the Series 2006A, 2007B, a portion of the 2009 general obligation bonds that are being repaid with property and sales tax, and a portion of the 2011, 2013 and 2014 general obligation refunding bonds. The Village has elected to report this fund as major.

In addition, the Village reports the following major enterprise funds:

The Water and Sewer Fund is used to account for the revenues and expenses related to the sale of water and sewer collection services to the Village's residents and other customers. This fund consists of two subfunds, Operating and Capital.

The Garbage Fund accounts for the revenues and expenses related to waste removal service provided to the Village's residents and other customers.

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund. Agency funds are used to account for the subdivision escrow and agency funds.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except the agency funds which do not have a measurement focus). Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales and telecommunication taxes owed by the state at year end, franchise fees, licenses, court fines, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Other fines and permit revenue are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Village reports deferred/unearned/unavailable revenue on its financial statements. Deferred/unearned/unavailable revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/unearned/unavailable revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures/expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability or deferred inflow of resources for deferred/unearned/unavailable revenue is removed from the financial statements and revenue is recognized.

**VILLAGE OF OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

e. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand and in interest-bearing and non-interest-bearing checking accounts and cash with paying agent.

f. Investments

Investments of the Village consist of money market accounts, certificates of deposit with various local financial institutions, various marketable securities, pooled investments and insurance company annuity contracts. Investments are stated at fair value, except for non-negotiable certificates and other nonpension fund investments with a maturity of less than one year at date of purchase which are stated at cost or amortized cost.

g. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered (interfund services). These receivables and payables are classified as “due from other funds” or “due to other funds” on the financial statements as are short-term interfund loans. Long-term interfund loans, if any, are classified as advances to/from other funds.

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses using the consumption method.

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.



**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Village has reported its retroactive infrastructure assets in these financial statements for governmental activities. The costs of normal maintenance and repairs, including street overlays that do not add to the value or service capacity of the asset or materially extend asset lives, are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Vehicles	3-7
Equipment	5-10
Infrastructure	25-75

k. Compensated Absences

Vested or accumulated vacation leave related to employees that have retired or terminated at year end but are not yet paid out is reported as an expenditure and a fund liability of the governmental fund (General Fund) that will pay it. Vested and accumulated vacation leave of the proprietary funds and governmental activities is recorded as an expense and liability as the benefits accrue to employees. Sick leave does not vest and, therefore, is not recorded as a liability, except for a few employees with specific employment contracts that specify their unused sick leave can be used to pay health insurance premiums after retirement from the Village. These amounts are recorded as liabilities of the governmental activities.

**VILLAGE OF OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

1. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

m. Fund Balances/Net Position

In accordance with the Village's fund balance policy, in the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The Village Board of Trustees has the authority to assign fund balance. The General Fund reports assigned fund balance "Assigned - Working Cash" of 35% of annual budgeted expenditures. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. In the Capital Projects Fund, the restriction of fund balance for highways and streets is a result of enabling legislation adopted by the Village. This is also shown as restricted net position on the statement of net position. Net investment in capital assets is the book value of the capital assets net of any debt outstanding that was issued to construct or acquire the capital assets.

**VILLAGE OF OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m. Fund Balances/Net Position (Continued)

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by assigned funds and then unassigned funds.

n. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses in the effected funds. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

o. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**2. CASH AND INVESTMENTS**

The Village's investment policy authorizes the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village 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 objective of the policy is legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**2. CASH AND INVESTMENTS (Continued)**

Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by an independent third party or by the Federal Reserve Bank.

Village Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	5-10	Greater than 10
U.S. Treasury obligations	\$ 479,379	\$ 162,270	\$ 317,109	\$ -	\$ -
U.S. agency obligations	2,395,896	-	2,118,499	-	277,397
Negotiable CD's	3,762,070	744,863	3,017,207	-	-
<b>TOTAL</b>	<b>\$ 6,637,345</b>	<b>\$ 907,133</b>	<b>\$ 5,452,815</b>	<b>\$ -</b>	<b>\$ 277,397</b>

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy limits the maximum maturity length of investments to 20 years from the date of purchase, except if matched to anticipated cash flow requirement (e.g., bond proceeds).

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. Illinois Funds is rated AAA by Standard and Poor's. The U.S. agency obligations are rated AAA by Moody's. The negotiable CD's are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased in the Village's name. Illinois Funds are not subject to custodial credit risk.

**VILLAGE OF OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. CASH AND INVESTMENTS (Continued)**

Village Investments (Continued)

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

Concentration of credit risk - The Village's investment policy does not limit the amount of the portfolio that can be invested in any one investment vehicle but does require reasonable diversification of the portfolio.

**3. RECEIVABLE - TAXES**

Property taxes for 2015 attach as an enforceable lien on January 1, 2015, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a tax levy ordinance). Tax bills are prepared by the County and issued on or about May 1, 2016, and are payable in two installments, on or about June 1, 2016 and September 1, 2016. The County collects such taxes and remits them periodically. Because the 2015 levy is intended to finance the fiscal year ending April 30, 2017, it has been offset by unavailable/deferred revenue at April 30, 2016. The 2016 tax levy, which attached as an enforceable lien on property as of January 1, 2016, has not been recorded as a receivable as of April 30, 2016, as the tax has not yet been levied by the Village and will not be levied until December 2016 and, therefore, the levy is not measurable at April 30, 2016.

**4. NOTES RECEIVABLE - ECONOMIC DEVELOPMENT**

The Village established the Economic Development Fund to account for funds which are to be loaned to new or expanding local business ventures which enhance economic development of the Village. Proceeds (principal and interest) received from such economic development loans made by the Village are to be used to capitalize a revolving economic development loan fund. The following represents the outstanding balances as of April 30, 2016:

During the fiscal year 2009, the Village entered into an installment note with the Oswego Tap House in the amount of \$249,241. The note is payable in monthly installments of \$2,897 through October 2016, which includes 3% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2016 was \$11,516.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**4. NOTES RECEIVABLE - ECONOMIC DEVELOPMENT (Continued)**

During the fiscal year 2009, the Village entered into a second installment note with the Oswego Tap House in the amount of \$60,000. The note is payable in monthly installments of \$579 through July 2018, which includes 3% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2016 was \$15,109.

During the fiscal year 2013, the Village entered into an installment note with the Firehouse Pizza & Pub, LLC in the amount of \$130,000. The note is payable in monthly installments of \$1,260 through February 2022, which includes 3% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2016 was \$81,639.

During the fiscal year 2016, the Village entered into an installment note with the AHB 345 Enterprises, LLC in the amount of \$150,000. The note is payable in monthly installments of \$1,449 through August 2025, which includes 3% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2016 was \$141,872.

During the fiscal year 2016, the Village entered into an installment note with the Sage's Meat Market in the amount of \$20,000. The note is payable in monthly installments of \$1,000 through March 2018, which includes 3% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2016 was \$20,000.

Principal and interest maturities of these notes receivable for future periods are as follows:

Year Ending April 30,	Amount
2017	\$ 60,048
2018	51,196
2019	34,247
2020	32,508
2021	32,508
2022	30,841
2023	17,388
2024	17,388
2025	17,388
2026	5,733
	<hr/>
Total principal and interest	299,245
Interest	(29,110)
	<hr/>
<b>TOTAL PRINCIPAL</b>	<b>\$ 270,135</b>
	<hr/> <hr/>

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. DUE FROM OTHER GOVERNMENTS**

The following receivables are included in intergovernmental receivable on the statement of net position:

GOVERNMENTAL ACTIVITIES	
Sales tax	\$ 1,416,849
Home rule tax	1,141,305
Use tax	173,190
Income tax	483,599
Telecommunications tax	176,624
Motor fuel tax	69,082
Grants	<u>77,306</u>
 TOTAL GOVERNMENTAL ACTIVITIES	 <u><u>\$ 3,537,955</u></u>

**6. INDIVIDUAL FUND DISCLOSURES**

a. Interfund Receivable/Payable

Interfund receivable/payables at April 30, 2016 are as follows:

Receivable Fund	Payable Fund	Amount
General	Fiduciary	<u>\$ 2,113</u>
TOTAL		<u><u>\$ 2,113</u></u>

All amounts will be repaid within one year.

b. Transfers In/Out

Transfers between funds at April 30, 2016 consist of the following:

	Transfers In	Transfers Out
General	\$ 5,898	\$ 1,511,989
Debt Service	1,774,489	-
Nonmajor Governmental		
Motor Fuel Tax	-	262,500
Public Service	-	<u>5,898</u>
 TOTAL	 <u><u>\$ 1,780,387</u></u>	 <u><u>\$ 1,780,387</u></u>

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. INDIVIDUAL FUND DISCLOSURES (Continued)**

b. Transfers In/Out (Continued)

Significant interfund transfers are as follows:

- \$1,511,989 transferred from the General Fund to the Debt Service Fund is for the repayment of principal and interest of the Series 2006A, 2007B, 2009, 2011, 2013 and 2014 Bonds.
- \$262,500 transferred from the Motor Fuel Tax Fund to Debt Service Fund is for the repayment of principal and interest of the Series 2007B Bonds.

None of the transfers will be repaid.

**7. CAPITAL ASSETS**

The following is a summary of capital asset activity during the fiscal year:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 1,312,153	\$ -	\$ -	\$ 1,312,153
Right of way	102,040,210	2,223,167	-	104,263,377
Construction in progress	-	92,112	-	92,112
Total capital assets not being depreciated	103,352,363	2,315,279	-	105,667,642
Capital assets being depreciated				
Land improvements	848,229	-	-	848,229
Buildings	9,515,388	-	19,995	9,495,393
Equipment	1,073,417	394,711	44,941	1,423,187
Vehicles	1,608,088	317,798	227,470	1,698,416
Infrastructure	231,698,411	5,036,784	-	236,735,195
Total capital assets being depreciated	244,743,533	5,749,293	292,406	250,200,420
Less accumulated depreciation for				
Land improvements	215,589	42,411	-	258,000
Buildings	2,498,397	237,838	19,995	2,716,240
Equipment	590,348	78,227	44,941	623,634
Vehicles	931,538	254,951	217,436	969,053
Infrastructure	63,098,898	6,028,511	-	69,127,409
Total accumulated depreciated	67,334,770	6,641,938	282,372	73,694,336
Total capital assets being depreciated, net	177,408,763	(892,645)	10,034	176,506,084
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 280,761,126	\$ 1,422,634	\$ 10,034	\$ 282,173,726



**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 897,871	\$ 2,450,250	\$ -	\$ 3,348,121
Construction in progress	326,000	526,262	658,192	194,070
Total capital assets not being depreciated	<u>1,223,871</u>	<u>2,976,512</u>	<u>658,192</u>	<u>3,542,191</u>
Capital assets being depreciated				
Buildings	6,618,082	-	-	6,618,082
Equipment	130,418	442,000	-	572,418
Vehicles	1,243,863	122,240	94,323	1,271,780
Infrastructure	67,178,149	216,192	-	67,394,341
Total capital assets being depreciated	<u>75,170,512</u>	<u>780,432</u>	<u>94,323</u>	<u>75,856,621</u>
Less accumulated depreciation for				
Buildings	1,600,974	164,195	-	1,765,169
Equipment	122,412	26,425	-	148,837
Vehicles	1,210,537	33,343	94,323	1,149,557
Infrastructure	17,180,713	1,352,627	-	18,533,340
Total accumulated depreciation	<u>20,114,636</u>	<u>1,576,590</u>	<u>94,323</u>	<u>21,596,903</u>
Total capital assets being depreciated, net	<u>55,055,876</u>	<u>(796,158)</u>	<u>-</u>	<u>54,259,718</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$ 56,279,747</u>	<u>\$ 2,180,354</u>	<u>\$ 658,192</u>	<u>\$ 57,801,909</u>

Depreciation expense was charged to the governmental activities functions/programs as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 262,817
Public safety	250,682
Public works	<u>6,128,439</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 6,641,938</u></u>

**8. LONG-TERM DEBT**

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, refunding prior issuances and providing working capital for the Village.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. LONG-TERM DEBT (Continued)**

a. General Obligation Bonds (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the Village and are payable from governmental activities/funds and business-type activities/enterprise funds. General obligation bonds currently outstanding are as follows:

Governmental Activities

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$9,970,000 General Obligation Alternate Revenue Source Bonds, Series 2006A, dated May 15, 2006, due in annual installments of \$375,000 to \$700,000 through December 15, 2025, interest at 4.125% to 4.500% payable each June 15 and December 15 from sales tax revenues	Debt Service	New Village Hall Facility and Town Center Renovation Project	\$ 1,525,000	\$ -	\$ 500,000	\$ 1,025,000	\$ 500,000
\$6,000,000 General Obligation Alternate Revenue Source Bonds, Series 2007B, dated December 15, 2007, due in annual installments of \$210,000 to \$425,000 through December 15, 2027, interest at 3.75% to 4.00% payable each June 15 and December 15 from sales tax and motor fuel tax revenues	Debt Service	Douglas Road Reconstruct	265,000	-	265,000	-	-
\$9,015,000 Taxable General Obligation Bonds, Series 2009, dated September 2, 2009, due in annual installments of \$240,000 to \$620,000 through December 15, 2029, interest at 2.125% to 5.500% payable each June 15 and December 15 from sales tax and motor fuel revenues*	Debt Service	Douglas Road Reconstruct	915,000	-	310,000	605,000	320,000

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. LONG-TERM DEBT (Continued)**

a. General Obligation Bonds (Continued)

Governmental Activities (Continued)

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$4,055,000 General Obligation Refunding Bonds, Series 2011, dated December 20, 2011, due in annual installments of \$20,000 to \$390,000 through December 15, 2024, interest at 2.0% to 3.5% payable each June 15 and December 15 from sales tax revenues**	Debt Service	Refund 2004A and 2004B Bonds	\$ 1,970,000	\$ -	\$ 170,000	\$ 1,800,000	\$ 180,000
\$8,595,000 General Obligation Refunding Bonds, Series 2013, dated May 17, 2013, due in annual installments of \$45,000 to \$1,095,000 through December 15, 2028, interest at 2% to 3% payable each June 15 and December 15 ***	Debt Service	Refund 2006A and 2007B Bonds	6,725,000	-	45,000	6,680,000	45,000
\$4,040,000 General Obligation Refunding Bonds, Series 2014, dated November 20, 2014, due in annual installments of \$20,000 to \$1,165,000 through December 15, 2020, interest at 2% to 3% payable each June 15 and December 15 ****	Debt Service	Refund 2006A and 2007B Bonds	2,955,000	-	15,000	2,940,000	295,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>			<b>\$ 14,355,000</b>	<b>\$ -</b>	<b>\$ 1,305,000</b>	<b>\$ 13,050,000</b>	<b>\$ 1,340,000</b>

\* The portion of the Series 2009 bonds allocated to governmental activities was \$1,495,000. Pursuant to the American Recovery and Reinvestment Act, the Village is eligible to receive a rebate of 35% of the interest paid each year from the U.S. Treasury Department. The net interest rate for these Build America Bonds, after rebate, is 1.38% to 3.58%.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. LONG-TERM DEBT (Continued)**

a. General Obligation Bonds (Continued)

Governmental Activities (Continued)

\*\* The portion of the original Series 2011 bonds allocated to governmental activities was \$2,300,000.

\*\*\* The portion of the original Series 2013 bonds allocated to governmental activities was \$6,770,000.

\*\*\*\* The portion of the original Series 2014 bonds allocated to governmental activities was \$2,955,000.

Business-Type Activities

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$1,585,000 General Obligation Alternate Revenue Source Bonds, Series 2006B, dated May 15, 2006, due in annual installments of \$100,000 to \$145,000 through December 15, 2020, interest at 4.250% to 4.375% payable each June 15 and December 15 from water and sewer fund revenues	Water and Sewer	Town Center Water and Sewer Renovation Project	\$ 375,000	\$ -	\$ 125,000	\$ 250,000	\$ 125,000
\$3,500,000 General Obligation Alternate Revenue Source Bonds, Series 2007A, dated December 15, 2007, due in annual installments of \$125,000 to \$245,000 through December 15, 2027, interest at 4.00% to 4.25% payable each June 15 and December 15 from water and sewer fund revenues	Water and Sewer	Village Hall Facility	150,000	-	150,000	-	-

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. LONG-TERM DEBT (Continued)**

a. General Obligation Bonds (Continued)

Business-Type Activities (Continued)

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$9,015,000 Taxable General Obligation Bonds, Series 2009, dated September 2, 2009, due in annual installments of \$240,000 to \$620,000 through December 15, 2029, interest at 2.125% to 5.500% payable each June 15 and December 15 from water and sewer fund revenues*	Water and Sewer	Improve Water and Sewerage System	\$ 6,190,000	\$ -	\$ 285,000	\$ 5,905,000	\$ 300,000
\$4,055,000 General Obligation Refunding Bonds, Series 2011, dated December 20, 2011, due in annual installments of \$20,000 to \$390,000 through December 15, 2024, interest at 2.0% to 3.5% payable each June 15 and December 15 from sales tax revenues**	Water and Sewer	Refund 2004A and 2004B Bonds	1,490,000	-	130,000	1,360,000	130,000
\$2,325,000 General Obligation Refunding Bonds, Series 2012, dated October 11, 2012, due in annual installments of \$300,000 to \$365,000 through December 30, 2019, interest at 2% to 3% payable each June 30 and December 30 from sales tax revenues	Water and Sewer	Refund 2004 Bonds	1,710,000	-	320,000	1,390,000	330,000

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. LONG-TERM DEBT (Continued)**

a. General Obligation Bonds (Continued)

Business-Type Activities (Continued)

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$8,595,000 General Obligation Refunding Bonds, Series 2013, dated May 17, 2013, due in annual installments of \$45,000 to \$1,095,000 through December 15, 2028, interest at 2% to 3% payable each June 15 and December 15 ***	Water and Sewer	Refund 2007A Bonds	\$ 1,815,000	\$ -	\$ 10,000	\$ 1,805,000	\$ 10,000
\$4,040,000 General Obligation Refunding Bonds, Series 2014, dated November 20, 2014, due in annual installments of \$20,000 to \$1,165,000 through December 15, 2020, interest at 2% to 3% payable each June 15 and December 15 ****	Water and Sewer	Refund 2006A and 2007B Bonds	1,085,000	-	5,000	1,080,000	165,000
TOTAL BUSINESS- TYPE ACTIVITIES			\$ 12,815,000	\$ -	\$ 1,025,000	\$ 11,790,000	\$ 1,060,000

\* The portion of the Series 2009 bonds allocated to business-type activities was \$6,730,000. Pursuant to the American Recovery and Reinvestment Act, the Village is eligible to receive a rebate at 35% of the interest paid each year from the U.S. Treasury. The net interest rate for these Build America Bonds, after rebate, is 1.38% to 3.58%.

\*\* The original portion of the Series 2011 bonds allocated to business-type activities was \$1,755,000.

\*\*\* The original portion of the Series 2013 bonds allocated to business-type activities was \$1,825,000.

\*\*\*\* The original portion of the Series 2014 bonds allocated to business-type activities was \$1,085,000.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. LONG-TERM DEBT (Continued)**

b. IEPA Loans

The Village, through the Illinois Environmental Protection Agency (IEPA), received low interest loans for the construction of sewerage collection and treatment facilities payable from water and sewer revenues. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$907,735 loan agreement with the IEPA, IEPA-SRF Loan No. 17-0783, dated November 1, 1999, due semiannually on April 27 and October 27 through April 27, 2017, with interest at 2.89%	Water and Sewer	Convert sewage treatment facility to a pump station	\$ 119,966	\$ -	\$ 58,705	\$ 61,261	\$ 61,261
\$1,346,766 loan agreement with the IEPA, IEPA-SRF Loan No. 17-1445, issued April 1, 2004, due semiannually on January 15 and July 15 through January 15, 2025, with interest at 2.5%	Water and Sewer	Installation of radium removal equipment at five existing well sites	762,937	-	68,050	694,887	69,762
<b>TOTAL IEPA LOANS</b>			<b>\$ 882,903</b>	<b>\$ -</b>	<b>\$ 126,755</b>	<b>\$ 756,148</b>	<b>\$ 131,023</b>

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities		Business-Type Activities	
	General Obligation Bonds		General Obligation Bonds		IEPA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 1,340,000	\$ 410,394	\$ 1,060,000	\$ 475,718	\$ 131,023	\$ 18,260
2018	1,335,000	363,894	1,085,000	441,105	71,516	15,184
2019	1,085,000	316,550	1,140,000	404,531	73,316	13,384
2020	1,130,000	284,450	1,160,000	365,719	75,161	11,539
2021	1,180,000	250,150	850,000	324,829	77,051	9,649
2022	1,210,000	213,750	740,000	292,459	78,989	7,711

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. LONG-TERM DEBT (Continued)**

c. Debt Service Requirements to Maturity (Continued)

Fiscal Year	Governmental Activities		Business-Type Activities		Business-Type Activities	
	General Obligation Bonds		General Obligation Bonds		IEPA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,260,000	\$ 176,400	\$ 775,000	\$ 262,669	\$ 80,977	\$ 5,723
2024	1,285,000	137,500	805,000	230,994	83,014	3,686
2025	1,310,000	97,850	845,000	197,594	85,101	1,599
2026	1,095,000	57,450	700,000	162,494	-	-
2027	400,000	24,600	730,000	131,506	-	-
2028	420,000	12,600	760,000	97,850	-	-
2029	-	-	555,000	62,700	-	-
2030	-	-	585,000	32,174	-	-
<b>TOTAL</b>	<b>\$ 13,050,000</b>	<b>\$ 2,345,588</b>	<b>\$ 11,790,000</b>	<b>\$ 3,482,342</b>	<b>\$ 756,148</b>	<b>\$ 86,735</b>

d. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term liabilities for governmental activities:

	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
General obligation bonds payable	\$ 14,355,000	\$ -	\$ 1,305,000	\$ 13,050,000	\$ 1,340,000
Unamortized premium on bonds payable	599,516	-	87,486	512,030	-
Unamortized (discount) on bonds payable	(2,613)	-	(1,292)	(1,321)	-
Compensated absences payable	461,895	229,222	243,393	447,724	281,445
Retiree termination benefit payable	123,723	-	14,050	109,673	9,602
Net pension liability - Police Pension	10,468,738	2,654,463	-	13,123,201	-
Net pension liability - IMRF	1,041,166	505,777	-	1,546,943	-
Other postemployment benefit	102,853	23,240	-	126,093	-
<b>TOTAL</b>	<b>\$ 27,150,278</b>	<b>\$ 3,412,702</b>	<b>\$ 1,648,637</b>	<b>\$ 28,914,343</b>	<b>\$ 1,631,047</b>

The net pension liabilities, retiree termination benefit, compensated absences and other postemployment benefit payables are normally liquidated by the General Fund.



**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. LONG-TERM DEBT (Continued)**

d. Changes in Long-Term Liabilities (Continued)

During the fiscal year, the following changes occurred in long-term liabilities for business-type activities:

	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
General obligation bonds payable	\$ 12,815,000	\$ -	\$ 1,025,000	\$ 11,790,000	\$ 1,060,000
Unamortized discount on bonds payable	(26,603)	-	(2,835)	(23,768)	-
Unamortized premium on bonds payable	256,798	-	56,018	200,780	-
IEPA loans payable	882,903	-	126,755	756,148	131,023
Compensated absences payable	55,164	55,796	40,318	70,642	34,439
Net pension liability - IMRF	417,029	202,583	-	619,612	-
Other postemployment benefit	6,866	6,346	-	13,212	-
<b>TOTAL</b>	<b>\$ 14,407,157</b>	<b>\$ 264,725</b>	<b>\$ 1,245,256</b>	<b>\$ 13,426,626</b>	<b>\$ 1,225,462</b>

e. Legal Debt Margin

The Village is a home rule municipality. Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.”

To date the General Assembly has set no limits for home rule municipalities.

f. Pledged Revenues

The Village has pledged a portion of future sales tax revenues, motor fuel tax revenues and water and sewer fund revenues to repay the principal and interest on the General Obligation Alternate Revenue Source Bonds Series 2006A, 2006B; the Taxable General Obligation Bonds Series 2009, and the General Obligation Refunding Bonds Series 2011, 2012, 2013 and 2014. Proceeds from the bonds provided financing for certain capital improvements in the Village. For the current year, principal and interest paid totaled \$2,857,726, while total sales tax was \$8,475,664, total motor fuel tax was \$845,024 and total water and sewer operating revenues were \$5,044,549. The total pledge remaining for all bonds are \$30,667,933.

**9. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; employee health; and injuries to the Village's employees. Settled claims have not exceeded the coverages in the current or preceding two fiscal years.

For its health insurance coverages, the Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established in 1979 by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi-governmental and nonprofit public service entities. Management consists of a Board of Directors comprised of one appointed representative from each member. The officers of IPBC are chosen by the Board of Directors from among their membership. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. Through IPBC, the Village offers both a PPO plan and an HMO plan. For those employees enrolled in the PPO plan, the Village is responsible for the first \$35,000 in claims for each individual employee participant every claim year. The members of IPBC share claims (for each individual employee) between \$35,000 and \$125,000. IPBC maintains stop-loss insurance to cover claims in excess of \$125,000. Approximately 32% of the Village's employees and retirees are PPO participants.

The HMO plan is also self-insured through a special arrangement. Members of IPBC pay for fixed costs of capitation and administration and then fund for claims not covered under the capitation fee. This plan is fully pooled and the Village is not individually rated based on claims experience. All members of the IPBC pay the same rates based on plan design choices. Approximately 68% of the Village's employees and retirees are HMO participants.

The Village makes payments to IPBC monthly based on its participation in the plan. The rates per individual participant are determined annually based on each member's prior experience within the pool and projected future claims. This rate also includes a provision for the cost of excess insurance purchased by IPBC. The Village also makes monthly payments to IPBC for administration of the plan.

**9. RISK MANAGEMENT (Continued)**

Beginning January 1, 2014, the Village participates in the Illinois Municipal Insurance Cooperative (IMIC). IMIC is an organization of municipalities in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial property/casualty insurance coverages.

The Village's payments to IMIC are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$1,000 of each occurrence, and IMIC has a mix of self-insurance and commercial insurance at various amounts above that level. The Village pays annual premiums to IMIC for its general liability and property coverage.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IMIC beyond its representation on the Board of Directors.

The Village, along with IMIC's other members, have a contractual obligation to fund any deficit of IMIC attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village is not aware of any additional amounts owed to IMIC for the 2016 claims year as of April 30, 2016.

Also, beginning January 1, 2011, the Village participates in the Illinois Public Risk Fund (the Fund). The Fund is a self-funded workers' compensation pool for public entities. The purpose of the Fund is to provide for the defense and payment when due of all compensation and other benefits under the Illinois Workers' Compensation and Occupational Diseases Laws on behalf of fire protection districts, public entities and agencies and other units of state and local government within the State of Illinois. There are approximately 500 members. A Board of Trustees oversees the operation of the Fund and governs it in accordance with State of Illinois Regulations.

Members' cost is proportional, based on contributions developed by payroll audits. Rates and any discounts approved by the Board of Trustees are used to determine standard premiums for each member. Each member's experience modifications are used. Members also participate in policyholder dividends based on the Fund's and individual member's experience. Members can also be assessed if the assets of the Fund are less than the reserves required to be maintained. The Village is not aware of any additional amounts due to the Fund at April 30, 2016.

**10. COMMITMENTS AND CONTINGENCIES**

a. Economic Incentive

The Village has entered into economic development agreements with companies to provide sales tax rebates. As of April 30, 2016, four agreements have been executed for stores that have opened. The agreements require the Village to rebate to the companies different amounts of additional sales tax generated by the facilities. For the first agreement, a maximum of \$1,000,000 is to be paid or until ten years elapses, whichever occurs first. The second agreement requires \$3,789,640 to be repaid through fiscal year 2027, whichever comes first. The third agreement requires a maximum of \$850,000 to be repaid with no time limit. For the fourth agreement, the Village will repay 25% of the sales tax generated for twenty years. The amount paid/accrued for the fiscal year ended April 30, 2016 was \$457,489. The total expenditures incurred to date (reported as a reduction of sales tax revenue) in rebates as of April 30, 2016 was \$10,981,508.

b. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

c. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

**11. DEFINED BENEFIT PENSION PLANS**

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. Neither of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.imrf.org](http://www.imrf.org).

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions

Illinois Municipal Retirement Fund

*Plan Administration*

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*Plan Membership*

At December 31, 2015, IMRF membership consisted of:

Inactive plan members currently receiving benefits	24
Inactive plan members entitled to but not yet receiving benefits	43
Active plan members	58
 TOTAL	 125

*Benefits Provided*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. These benefit provisions and all other requirements are established by state statute.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2015 was 11.37% of covered payroll.

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Price inflation	2.75%
Salary increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 11,407,893	\$ 9,949,698	\$ 1,458,195
Changes for the period			
Service cost	395,781	-	395,781
Interest	860,423	-	860,423
Difference between expected and actual experience	(151,576)	-	(151,576)
Changes in assumptions	18,102	-	18,102
Employer contributions	-	428,224	(428,224)
Employee contributions	-	170,585	(170,585)
Net investment income	-	50,655	(50,655)
Benefit payments and refunds	(236,327)	(236,327)	-
Other (net transfer)	-	(235,094)	235,094
Net changes	886,403	178,043	708,360
BALANCES AT DECEMBER 31, 2015	\$ 12,294,296	\$ 10,127,741	\$ 2,166,555

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended April 30, 2016, the Village recognized pension expense of \$685,417. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 122,692
Changes in assumption	14,652	-
Net difference between projected and actual earnings on pension plan investments	560,279	-
Contributions made subsequent to the measurement date	<u>128,313</u>	-
<b>TOTAL</b>	<u>\$ 703,244</u>	<u>\$ 122,692</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2017	\$ 242,949
2018	114,636
2019	114,636
2020	114,636
2021	(6,305)
Thereafter	<u>-</u>
<b>TOTAL</b>	<u>\$ 580,552</u>



**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.48% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net pension liability	\$ 4,138,446	\$ 2,166,555	\$ 565,031

Police Pension Plan

*Plan Administration*

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a Pension Trust Fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Plan Membership*

At April 30, 2016, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	7
Inactive plan members entitled to benefits but not yet receiving them	3
Active plan members	49
 TOTAL	 59

*Benefits Provided*

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided* (Continued)

and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year. Benefits and refunds are recorded when due in accordance with the terms of the plan.

*Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Benefits and refunds are recognized when due and payable in accordance with the terms of the Police Pension Plan. The costs of administering the Police Pension Plan are financed through investment earnings. The Village is required to contribute the remaining amounts necessary to finance the plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fully fund 90% of the past service cost for the Police Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended April 30, 2016, the Village's contribution was 28.14% of covered payroll.

*Investment Policy*

The Police Pension Fund's investment policy authorizes the Police Pension Fund to make deposits in/invest to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy (Continued)*

subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities, and real estate investment trusts. The Police Pension Fund’s investment policy prohibits investment in derivatives, short selling, purchase of securities on margin, transactions involving futures or options contracts, reverse repurchase agreements and securities lending and borrowing transactions. During the year, no changes were made to the investment policy by the Board of Trustees.

The Police Pension Fund’s investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Investment Type	Range of Allocation	Current Target	Long-Term Expected Real Rate of Return*
Equity			
Large Cap Domestic Equity	40-100%	35%	6.9%
Small Cap Domestic Equity	0-40%	10%	9.0%
International Equity	0-20%	5%	7.1%
Fixed Income	40-50%	50%	2.1%

\* This rate is net of a 3.2% inflation rate.

ILCS limits the Police Pension Fund’s investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Police Pension Fund’s investments was determined using an asset allocation study conducted by the Police Pension Fund’s investment manager in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Police Pension Fund’s target asset allocation as of April 30, 2016 are listed in the table above.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Concentrations*

Significant investments are defined as investments in any one organization that represent 5% or more of plan net position for the Police Pension Plan (other than United States Government guaranteed obligations). At April 30, 2016, the Police Pension Plan had four mutual funds that were valued at 5.84%, 5.92%, 10.92% and 12.29% of the total fiduciary net position.

*Investment Rate of Return*

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.78%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

*Interest Rate Risk*

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 1,303,113	\$ -	\$ 987,863	\$ 315,250	\$ -
U.S. agency obligations	6,828,420	-	1,068,667	4,382,514	1,377,239
Municipal bonds	1,502,104	202,809	836,935	361,596	100,764
<b>TOTAL</b>	<b>\$ 9,633,637</b>	<b>\$ 202,809</b>	<b>\$ 2,893,465</b>	<b>\$ 5,059,360</b>	<b>\$ 1,478,003</b>

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk* (Continued)

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds while maximizing yields for funds.

*Credit Risk*

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The agency securities are rated at least Aaa by Moody's or are small issues that are unrated. The municipal bonds are rated between Aaa - A3 by Moody's. The money market mutual funds are rated AAA.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Police Pension Fund's investment policy does not address custodial credit risk. However, all security transactions exposed to custodial credit risk are processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third party custodian and evidenced by safekeeping receipts. The money market mutual funds are not subject to custodial credit risk.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position, (Restated)	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2015	\$ 31,713,768	\$ 21,245,030	\$ 10,468,738
Changes for the period			
Service cost	1,214,800	-	1,214,800
Interest	2,201,835	-	2,201,835
Difference between expected and actual experience	(142,752)	-	(142,752)
Changes in assumptions	1,207,154	-	1,207,154
Employer contributions	-	1,250,000	(1,250,000)
Employee contributions	-	425,332	(425,332)
Net investment income	-	171,901	(171,901)
Benefit payments and refunds	(517,978)	(517,978)	-
Administrative expense	-	(20,659)	20,659
Net changes	3,963,059	1,308,596	2,654,463
BALANCES AT APRIL 30, 2016	\$ 35,676,827	\$ 22,553,626	\$ 13,123,201

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2016 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	5.00%
Discount rate	7.00%
Cost of living adjustments	3.00%
Asset valuation method	Market

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2016 using improved scale MP-2015. The actuarial assumptions used in the April 30, 2016 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

*Discount Rate*

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.



**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 19,477,994	\$ 13,123,201	\$ 8,034,047

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended April 30, 2016, the Village recognized police pension expense of \$1,482,632. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 142,752
Changes in assumption	1,207,154	-
Net difference between projected and actual earnings on pension plan investments	1,357,429	-
<b>TOTAL</b>	<b>\$ 2,564,583</b>	<b>\$ 142,752</b>

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

Year Ending April 30,	
2017	\$ 461,558
2018	461,558
2019	461,558
2020	461,558
2021	461,557
Thereafter	<u>114,042</u>
<b>TOTAL</b>	<b><u>\$ 2,421,831</u></b>

**12. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by ILCS and by the Village. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's Water and Sewer Fund and Governmental Activities.

b. Benefits Provided

The Village provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements.

All health care benefits are provided through the Village's third party indemnity health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Eligibility in village sponsored health care plans may be continued at a separate premium upon eligibility for federally sponsored health care benefits.

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

c. Membership

At April 30, 2016, membership consisted of:

Retirees and beneficiaries currently receiving benefits	9
Terminated employees entitled to benefits but not yet receiving them	-
Active plan members - vested	58
Active plan members - nonvested	40
	<hr/>
TOTAL	107
	<hr/> <hr/>
Participating employers	1
	<hr/> <hr/>

d. Funding Policy

The Village provides the contribution percentages between the Village and employees through the union contracts and personnel policy. All retirees contribute 100% of the premium to the plan to cover the cost of providing the benefits to the retirees via the plan (pay as you go) which results in an implicit subsidy to the Village as defined by the GASB Statement No. 45. For the fiscal year ended April 30, 2016, the Village contributed \$32,820. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the last three fiscal years was as follows:

Fiscal Year Ended April 30,	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 48,894	\$ 22,684	46.4%	\$ 83,335
2015	49,068	22,684	46.2%	109,719
2016	62,407	32,820	52.6%	139,306

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation (NOPEBO) as of April 30, 2016 was calculated as follows:

Annual required contribution	\$ 61,675
Interest on net OPEB obligation	4,389
Adjustment to annual required contribution	<u>(3,657)</u>
Annual OPEB cost	62,407
Contributions made	<u>32,820</u>
Increase in net OPEB obligation	29,587
Net OPEB obligation, beginning of year	<u>109,719</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<b><u>\$ 139,306</u></b>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2016 was as follows:

Actuarial accrued liability (AAL)	\$ 791,683
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	791,683
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 7,839,042
UAAL as a percentage of covered payroll	10.1%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer

**VILLAGE OF OSWEGO, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2016 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), 4% salary increase and an initial annual healthcare cost trend rate of 0% with an ultimate rate of 5.5%, which include a 3% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2016 was 30 years.

**13. SUBSEQUENT EVENT**

On June 8, 2016, the Village sold \$27,105,000 General Obligation Bonds, Series 2016. The bonds mature annually on December 15, beginning December 15, 2018 through December 15, 2037, with maturities ranging from 195,000 to 13,570,000. Interest is due semiannually on June 15 and December 15, with rates ranging from 3% to 5%.

**14. CHANGE IN ACCOUNTING PRINCIPLE**

The Village recorded the following change in accounting principle during the year ended April 30, 2016:

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	
Change in accounting principle	
To record the IMRF net pension liability	\$ (1,041,166)
To record the IMRF deferred outflows of resources	101,138
To write-off the Police Pension Plan net pension obligation	632,609
To record the Police Pension Plan net pension liability	<u>(10,468,738)</u>
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	<u>\$ (10,776,157)</u>

**VILLAGE OF OSWEGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**14. CHANGE IN ACCOUNTING PRINCIPLE (Continued)**

CHANGE IN ACCOUNTING PRINCIPLE -  
BUSINESS-TYPE ACTIVITIES

Change in accounting principle	
To record the IMRF net pension liability	\$ (417,029)
To record the IMRF deferred outflows of resources	<u>40,510</u>

TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	<u>\$ (376,519)</u>
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With the implementation of GASB Statement No. 68 and No. 71, the Village is required to retroactively record the net pension liability, deferred outflow of resources related to contributions after the measurement date and write-off the net pension obligation.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016		2015	
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Taxes	\$ 10,788,638	\$ 10,788,638	\$ 10,736,923	\$ 10,364,622
Licenses and permits	1,189,300	1,189,300	823,358	991,724
Intergovernmental	3,096,400	3,096,400	3,310,513	3,072,116
Charges for services	1,434,750	1,434,750	1,262,167	1,300,757
Fines and forfeits	322,100	322,100	291,922	328,727
Investment income	12,000	12,000	18,630	16,677
Miscellaneous	640,100	640,100	792,542	756,051
Total revenues	17,483,288	17,483,288	17,236,055	16,830,674
<b>EXPENDITURES</b>				
Current				
General government	3,005,434	2,789,600	2,549,266	2,301,068
Building and zoning	711,354	711,354	713,458	654,696
Community development	754,870	804,765	790,683	750,705
Public works	2,361,160	2,732,099	3,184,640	2,331,042
Public safety	9,138,481	9,138,481	8,938,046	8,802,689
Total expenditures	15,971,299	16,176,299	16,176,093	14,840,200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,511,989	1,306,989	1,059,962	1,990,474
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	5,898	-
Transfers (out)	(1,511,989)	(1,511,989)	(1,511,989)	(1,545,107)
Proceeds from the sale of capital assets	-	-	28,945	1,203
Total other financing sources (uses)	(1,511,989)	(1,511,989)	(1,477,146)	(1,543,904)
NET CHANGE IN FUND BALANCE	\$ -	\$ (205,000)	(417,184)	446,570
FUND BALANCE, MAY 1			7,143,645	6,697,075
<b>FUND BALANCE, APRIL 30</b>			\$ 6,726,461	\$ 7,143,645

(See independent auditor's report.)



## VILLAGE OF OSWEGO, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2016

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#### **BUDGETS**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds (except for the Public Works Escrow, Economic Development and Public Service Funds). All annual appropriations lapse at fiscal year end.

All departments submit requests for appropriation to the Budget Officer who compiles all the data and prepares a budget. The budget is prepared by fund, function and activity and includes information on the past year, current year estimates and requested appropriations for the subsequent year.

The proposed budget is presented to the Village Board of Trustees for review. The Village Board of Trustees holds public hearings on the proposed budget and may add to, subtract or change requested appropriations. The Village Treasurer is authorized to transfer budget amounts between functions and activities. However, transfers between funds and increases to total fund expenditures must be approved by the Village Board of Trustees. The legal level of budgetary control (level at which expenditures may not exceed appropriations) is at the fund level.

Budget amendments were adopted during the fiscal year and are included in these financial statements.

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF FUNDING PROGRESS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2016

<b>Actuarial Valuation Date April 30,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	\$ -	\$ 538,394	0.00%	\$ 538,394	\$ 7,999,757	6.73%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	791,683	0.00%	791,683	7,839,042	10.10%

N/A - Not available

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2016

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	<u>2016</u>
Actuarially determined contribution	\$ 415,960
Contributions in relation to the actuarially determined contribution	<u>415,960</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 3,767,125
Contributions as a percentage of covered-employee payroll	11.04%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2013 and December 31, 2014. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 28 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually, and postretirement benefit increases of 3.0% compounded annually.

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ 638,206	\$ 726,606	\$ 752,163	\$ 890,070	\$ 990,649	\$ 1,003,047	\$ 1,007,990	\$ 1,056,065	\$ 1,150,866	\$ 1,182,911
Contribution in relation to the actuarially determined contribution	630,600	728,387	752,748	890,070	990,650	1,015,000	1,025,000	1,075,000	1,185,000	1,250,000
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 7,606</b>	<b>\$ (1,781)</b>	<b>\$ (585)</b>	<b>\$ -</b>	<b>\$ (1)</b>	<b>\$ (11,953)</b>	<b>\$ (17,010)</b>	<b>\$ (18,935)</b>	<b>\$ (34,134)</b>	<b>\$ (67,089)</b>
Covered-employee payroll	\$ 2,969,860	\$ 3,551,158	\$ 3,678,626	\$ 3,717,257	\$ 3,815,936	\$ 3,962,251	\$ 4,062,393	\$ 4,169,421	\$ 4,249,406	\$ 4,442,354
Contributions as a percentage of covered-employee payroll	21.23%	20.51%	20.46%	23.94%	25.96%	25.62%	25.23%	25.78%	27.89%	28.14%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 25 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.0% annually, projected salary increase assumption of 5.5% compounded annually and postretirement benefit increases of 3% compounded annually.

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2016

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<b>Fiscal Year</b>	<b>Annual Required Contribution (ARC)</b>	<b>Contribution Made</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
2011	\$ 32,207	\$ 18,197	56.50%	\$ 28,348
2012	32,207	18,197	56.50%	42,830
2013	32,207	18,197	56.50%	57,125
2014	48,513	22,684	46.76%	83,335
2015	48,513	22,684	46.76%	109,719
2016	61,675	32,820	53.21%	139,306

(See independent auditor's report.)

VILLAGE OF OSWEGO, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2016

	<u>2016</u>
<b>TOTAL PENSION LIABILITY</b>	
Service cost	\$ 395,781
Interest	860,423
Changes of benefit terms	-
Differences between expected and actual experience	(151,576)
Changes of assumptions	18,102
Benefit payments, including refunds of member contributions	<u>(236,327)</u>
Net change in total pension liability	886,403
Total pension liability - beginning	<u>11,407,893</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u><u>\$ 12,294,296</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - employer	\$ 428,224
Contributions - member	170,585
Net investment income	50,655
Benefit payments, including refunds of member contributions	(236,327)
Administrative expense	<u>(235,094)</u>
Net change in plan fiduciary net position	178,043
Plan fiduciary net position - beginning	<u>9,949,698</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<u><u>\$ 10,127,741</u></u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<u><u>\$ 2,166,555</u></u>
Plan fiduciary net position as a percentage of the total pension liability	82.38%
Covered-employee payroll	\$ 3,767,125
Employer's net pension liability as a percentage of covered-employee payroll	57.51%
Changes in assumptions related to retirement age and mortality.	

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND

April 30, 2016

	<u>2015</u>	<u>2016</u>
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 1,096,793	\$ 1,214,800
Interest	1,878,473	2,201,835
Changes of benefit terms	-	-
Differences between expected and actual experience	211,823	(142,752)
Changes of assumptions	1,938,553	1,207,154
Benefit payments, including refunds of member contributions	<u>(494,408)</u>	<u>(517,978)</u>
Net change in total pension liability	4,631,234	3,963,059
Total pension liability - beginning	<u>27,082,534</u>	<u>31,713,768</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u>\$ 31,713,768</u>	<u>\$ 35,676,827</u>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 1,185,000	\$ 1,250,000
Contributions - member	426,332	425,332
Net investment income	1,308,531	171,901
Benefit payments, including refunds of member contributions	(494,408)	(517,978)
Administrative expense	<u>(19,234)</u>	<u>(20,659)</u>
Net change in plan fiduciary net position	2,406,221	1,308,596
Plan fiduciary net position - beginning	<u>18,838,809</u>	<u>21,245,030</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<u>\$ 21,245,030</u>	<u>\$ 22,553,626</u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<u>\$ 10,468,738</u>	<u>\$ 13,123,201</u>
Plan fiduciary net position as a percentage of the total pension liability	66.99%	63.22%
Covered-employee payroll	\$ 4,249,406	\$ 4,442,354
Employer's net pension liability as a percentage of covered-employee payroll	246.36%	295.41%
Change in assumptions relates to mortality rates.		

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**  
**SCHEDULE OF INVESTMENT RETURNS**  
**POLICE PENSION FUND**

April 30, 2016

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	<u>2015</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	6.67%	0.78%



**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL FUND**

General Fund - the general operating fund of the Village and is used to account for all financial resources of the Village unless accounted for in another fund.

### **DEBT SERVICE FUND**

Debt Service Fund - the debt service fund is used to account for the repayment of the Series 2006A, 2007B and a portion of the 2009, 2011, 2013 and 2014 general obligation bonds that are being repaid with sales and motor fuel taxes.

VILLAGE OF OSWEGO, ILLINOIS

BALANCE SHEET  
GENERAL FUND

April 30, 2016  
(with comparative prior year)

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and investments	\$ 3,734,934	\$ 4,669,855
Receivables		
Property taxes	1,219,668	1,219,675
Accounts	287,259	235,394
Accrued interest	732	745
Intergovernmental	2,739,098	2,674,261
Utility tax	69,907	62,780
Insurance	251,516	236,483
Prepaid items	327,754	228,305
Due from fiduciary funds	2,113	1,256
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 8,632,981</b>	<b>\$ 9,328,754</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 325,983	\$ 654,755
Accrued payroll	357,159	298,546
Due to fiduciary funds	-	6,000
Unearned revenue	3,710	6,133
	<hr/>	<hr/>
Total liabilities	686,852	965,434
	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	1,219,668	1,219,675
	<hr/>	<hr/>
Total deferred inflows of resources	1,219,668	1,219,675
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	1,906,520	2,185,109
	<hr/>	<hr/>
<b>FUND BALANCE</b>		
Nonspendable - prepaid items	327,754	228,305
Unrestricted		
Assigned - Working Cash	6,071,095	6,119,151
Unassigned	327,612	796,189
	<hr/>	<hr/>
Total fund balance	6,726,461	7,143,645
	<hr/>	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 8,632,981</b>	<b>\$ 9,328,754</b>
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(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
<b>TAXES</b>				
Property	\$ 1,333,638	\$ 1,333,638	\$ 1,326,196	\$ 1,327,139
Sales	7,990,000	7,990,000	8,047,448	7,655,382
Less sales tax rebate	(375,000)	(375,000)	(457,489)	(447,051)
Other	1,840,000	1,840,000	1,820,768	1,829,152
Total taxes	10,788,638	10,788,638	10,736,923	10,364,622
<b>LICENSES AND PERMITS</b>				
Licenses and permits	889,300	889,300	616,308	749,851
Transition fees	300,000	300,000	207,050	241,873
Total licenses and permits	1,189,300	1,189,300	823,358	991,724
<b>INTERGOVERNMENTAL</b>				
Grants	87,000	87,000	65,925	88,664
Income	3,000,000	3,000,000	3,235,006	2,972,805
Replacement	9,400	9,400	9,582	10,647
Total intergovernmental	3,096,400	3,096,400	3,310,513	3,072,116
<b>CHARGES FOR SERVICES</b>				
Telecommunication surcharge	900,000	900,000	751,196	837,796
Other charges for services	534,750	534,750	510,971	462,961
Total charges for services	1,434,750	1,434,750	1,262,167	1,300,757
<b>FINES AND FORFEITS</b>				
Fines and fees	322,100	322,100	291,922	328,727
Total fines and forfeits	322,100	322,100	291,922	328,727
<b>INVESTMENT INCOME</b>				
	12,000	12,000	18,630	16,677
<b>MISCELLANEOUS</b>				
Contributions	117,000	117,000	143,758	146,583
Miscellaneous	523,100	523,100	648,784	609,468
Total miscellaneous	640,100	640,100	792,542	756,051
<b>TOTAL REVENUES</b>	<b>\$ 17,483,288</b>	<b>\$ 17,483,288</b>	<b>\$ 17,236,055</b>	<b>\$ 16,830,674</b>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016			2015 Actual
	Original Budget	Final Budget	Actual	
<b>CURRENT</b>				
General government				
Administration				
Salaries/personnel services	\$ 538,790	\$ 605,195	\$ 607,968	\$ 529,124
Insurance and benefits	159,570	159,570	149,781	159,278
Professional services	335,000	335,000	374,264	575,954
Contractual services	153,475	153,475	117,405	100,526
Communication	17,635	17,635	18,123	14,116
Professional development	31,528	31,528	35,863	33,427
Operating supplies	4,050	4,050	2,514	4,591
Capital outlay	-	269,435	269,434	-
Reserve for contingency	551,674	-	-	-
Total administration	1,791,722	1,575,888	1,575,352	1,417,016
Community relations				
Salaries/personnel services	116,694	116,694	122,653	111,354
Insurance and benefits	38,165	38,165	41,096	37,225
Professional services	59,400	59,400	50,388	52,934
Contractual services	33,036	33,036	29,670	28,814
Communication	33,200	33,200	21,324	29,992
Professional development	2,900	2,900	356	414
Operating supplies	1,780	1,780	116	699
Total community relations	285,175	285,175	265,603	261,432
Finance				
Salaries/personnel services	290,023	290,023	274,399	312,689
Insurance and benefits	88,802	88,802	89,750	110,113
Professional services	501,720	501,720	300,324	146,831
Contractual services	31,607	31,607	28,535	38,613
Communication	5,435	5,435	6,007	3,580
Professional development	8,700	8,700	6,933	6,132
Operating supplies	2,250	2,250	2,363	4,662
Total finance	928,537	928,537	708,311	622,620
Total general government	3,005,434	2,789,600	2,549,266	2,301,068

(This schedule is continued on the following pages.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016		Actual	2015
	Original Budget	Final Budget		Actual
<b>CURRENT (Continued)</b>				
Building and zoning				
Salaries/personnel services	\$ 417,067	\$ 417,067	\$ 427,648	\$ 336,879
Insurance and benefits	181,869	181,869	172,414	151,758
Professional services	4,500	4,500	7,879	111,684
Contractual services	42,075	42,075	38,002	32,049
Communication	7,743	7,743	5,738	7,251
Professional development	6,500	6,500	4,552	6,568
Operating supplies	9,600	9,600	7,925	8,507
Capital outlay	42,000	42,000	49,300	-
Total building and zoning	711,354	711,354	713,458	654,696
Community development				
Community development				
Salaries and personnel services	361,388	361,388	367,356	345,639
Insurance and benefits	133,410	133,410	135,269	122,485
Professional services	14,000	63,895	53,896	101,430
Contractual services	27,289	27,289	24,399	21,538
Communication	6,890	6,890	6,317	5,641
Professional development	5,050	5,050	3,058	3,146
Operating supplies	11,500	11,500	3,312	2,980
Total community development	559,527	609,422	593,607	602,859
Economic development				
Salaries and personnel services	100,639	100,639	121,811	100,280
Insurance and benefits	20,840	20,840	24,270	19,973
Professional services	16,500	16,500	-	7,075
Contractual services	5,388	5,388	4,726	4,145
Communication	8,426	8,426	5,646	4,236
Professional development	8,200	8,200	10,043	7,579
Operating supplies	350	350	170	321
Capital outlay	35,000	35,000	30,410	4,237
Total economic development	195,343	195,343	197,076	147,846
Total community development	754,870	804,765	790,683	750,705

(This schedule is continued on the following page.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016		Actual	2015
	Original Budget	Final Budget		Actual
<b>CURRENT (Continued)</b>				
Public works				
Salaries/personnel services	\$ 393,448	\$ 393,448	\$ 410,719	\$ 438,916
Insurance and benefits	147,783	147,783	142,535	158,973
Professional services	11,000	11,000	9,991	4,607
Contractual services	936,407	936,407	916,886	782,826
Communication	9,022	9,022	10,578	6,038
Professional development	8,100	8,100	11,073	6,044
Operating supplies	234,000	234,000	195,250	169,972
Capital outlay	621,400	992,339	1,487,608	763,666
Total public works	2,361,160	2,732,099	3,184,640	2,331,042
Public safety - police				
Salaries/personnel services	5,227,091	5,227,091	5,172,440	5,044,670
Insurance and benefits	1,412,326	1,412,326	1,395,829	1,408,342
Professional services	130,655	130,655	130,972	125,628
Contractual services	631,585	631,585	562,313	455,442
Communication	66,699	66,699	60,048	51,528
Professional development	59,160	59,160	49,333	54,854
Operating supplies	159,570	159,570	124,561	129,926
Capital outlay	201,395	201,395	192,550	347,299
Contribution to Police Pension Fund	1,250,000	1,250,000	1,250,000	1,185,000
Total public safety - police	9,138,481	9,138,481	8,938,046	8,802,689
<b>TOTAL EXPENDITURES</b>	<b>\$ 15,971,299</b>	<b>\$ 16,176,299</b>	<b>\$ 16,176,093</b>	<b>\$ 14,840,200</b>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

**BALANCE SHEET  
DEBT SERVICE FUND**

April 30, 2016  
(with comparative prior year)

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	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and investments	\$ 65,965	\$ 63,494
<b>TOTAL ASSETS</b>	<u>\$ 65,965</u>	<u>\$ 63,494</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
None	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>		
Assigned for debt service	<u>65,965</u>	<u>63,494</u>
Total fund balance	<u>65,965</u>	<u>63,494</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 65,965</u>	<u>\$ 63,494</u>

(See independent auditor's report.)



**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Investment income	\$ 200	\$ 200	\$ 83	\$ 138
Miscellaneous	-	-	-	1,249
Total revenues	200	200	83	1,387
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	1,305,000	1,305,000	1,305,000	1,225,000
Interest and fiscal charges	468,489	468,489	467,101	544,050
Total expenditures	1,773,489	1,773,489	1,772,101	1,769,050
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,773,289)	(1,773,289)	(1,772,018)	(1,767,663)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,774,489	1,774,489	1,774,489	1,807,607
Bonds issued, at par	-	-	-	2,955,000
Premium on bonds issued	-	-	-	176,385
Payment to escrow agent	-	-	-	(3,132,668)
Total other financing sources (uses)	1,774,489	1,774,489	1,774,489	1,806,324
NET CHANGE IN FUND BALANCE	\$ 1,200	\$ 1,200	2,471	38,661
FUND BALANCE, MAY 1			63,494	24,833
<b>FUND BALANCE, APRIL 30</b>			\$ 65,965	\$ 63,494

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Motor Fuel Tax Fund - to account for State Gasoline Tax Allocations restricted for local roadway program expenditures.

Public Works Escrow Fund - to account for monies collected from developers and others for specific road and other capital improvements.

Economic Development Fund - to account for income generated from low interest economic development loans offered to local businesses.

Public Service Fund - to account for donations and contributions collected for various public projects and special events.

### **CAPITAL PROJECTS FUND**

Capital Projects Fund - to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

VILLAGE OF OSWEGO, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2016

	Special Revenue					Total
	Motor Fuel Tax	Public Works Escrow	Economic Development	Public Service	Capital Projects	
<b>ASSETS</b>						
Cash and investments	\$ 792,091	\$ 1,659,006	\$ 167,796	\$ 647,985	\$ 198,763	\$ 3,465,641
Receivables						
Accounts	-	-	-	1,902	-	1,902
Accrued interest	43	-	-	-	-	43
Intergovernmental	113,981	-	-	-	684,876	798,857
Notes	-	-	270,135	-	-	270,135
Prepaid items	-	-	-	5,389	-	5,389
<b>TOTAL ASSETS</b>	<b>\$ 906,115</b>	<b>\$ 1,659,006</b>	<b>\$ 437,931</b>	<b>\$ 655,276</b>	<b>\$ 883,639</b>	<b>\$ 4,541,967</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 3,784	\$ 84,187	\$ 87,971
Escrow deposits	-	626,212	-	-	-	626,212
Unearned revenue	-	-	-	2,700	-	2,700
Total liabilities	-	626,212	-	6,484	84,187	716,883
<b>FUND BALANCES</b>						
Nonspendable						
Prepaid items	-	-	-	5,389	-	5,389
Restricted						
Highways and streets	906,115	-	-	-	-	906,115
Special projects	-	1,032,794	-	643,403	-	1,676,197
Economic development	-	-	437,931	-	-	437,931
Unrestricted - assigned						
Capital projects	-	-	-	-	799,452	799,452
Total fund balances	906,115	1,032,794	437,931	648,792	799,452	3,825,084
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 906,115</b>	<b>\$ 1,659,006</b>	<b>\$ 437,931</b>	<b>\$ 655,276</b>	<b>\$ 883,639</b>	<b>\$ 4,541,967</b>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2016

	<b>Special Revenue</b>					<b>Total</b>
	<b>Motor Fuel Tax</b>	<b>Public Works Escrow</b>	<b>Economic Development</b>	<b>Public Service</b>	<b>Capital Projects</b>	
<b>REVENUES</b>						
Taxes						
Sales	\$ -	\$ -	\$ -	\$ -	\$ 885,706	\$ 885,706
Intergovernmental	889,922	-	-	-	349	890,271
Charges for services	-	-	-	199	-	199
Fines and forfeits	-	-	-	58,886	-	58,886
Investment income	2,634	7,159	9,336	-	876	20,005
Donations and contributions	133	-	-	187,853	-	187,986
<b>Total revenues</b>	<b>892,689</b>	<b>7,159</b>	<b>9,336</b>	<b>246,938</b>	<b>886,931</b>	<b>2,043,053</b>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	77,024	-	77,024
Public safety	-	-	-	31,315	-	31,315
Public works	416,504	-	-	-	-	416,504
Capital outlay	-	-	-	-	345,037	345,037
<b>Total expenditures</b>	<b>416,504</b>	<b>-</b>	<b>-</b>	<b>108,339</b>	<b>345,037</b>	<b>869,880</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>476,185</b>	<b>7,159</b>	<b>9,336</b>	<b>138,599</b>	<b>541,894</b>	<b>1,173,173</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers (out)	(262,500)	-	-	(5,898)	-	(268,398)
<b>Total other financing sources (uses)</b>	<b>(262,500)</b>	<b>-</b>	<b>-</b>	<b>(5,898)</b>	<b>-</b>	<b>(268,398)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>213,685</b>	<b>7,159</b>	<b>9,336</b>	<b>132,701</b>	<b>541,894</b>	<b>904,775</b>
<b>FUND BALANCES, MAY 1</b>	<b>692,430</b>	<b>1,025,635</b>	<b>428,595</b>	<b>516,091</b>	<b>257,558</b>	<b>2,920,309</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 906,115</b>	<b>\$ 1,032,794</b>	<b>\$ 437,931</b>	<b>\$ 648,792</b>	<b>\$ 799,452</b>	<b>\$ 3,825,084</b>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016			2015
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Intergovernmental				
Motor fuel tax	\$ 810,000	\$ 810,000	\$ 889,922	\$ 1,064,434
Investment income	2,500	2,500	2,634	2,087
Donations and contributions	-	-	133	-
Total revenues	812,500	812,500	892,689	1,066,521
<b>EXPENDITURES</b>				
Current				
Public works/transportation	600,000	600,000	416,504	1,313,390
Total expenditures	600,000	600,000	416,504	1,313,390
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	212,500	212,500	476,185	(246,869)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(262,500)	(262,500)	(262,500)	(262,500)
Total other financing sources (uses)	(262,500)	(262,500)	(262,500)	(262,500)
NET CHANGE IN FUND BALANCE	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	213,685	(509,369)
FUND BALANCE, MAY 1			692,430	1,201,799
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 906,115</u>	<u>\$ 692,430</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Taxes				
Sales	\$ -	\$ -	\$ 885,706	\$ -
Intergovernmental	-	-	349	15,899
Investment income	-	-	876	2,387
Total revenues	-	-	886,931	18,286
<b>EXPENDITURES</b>				
Capital outlay	-	346,000	345,037	421,149
Total expenditures	-	346,000	345,037	421,149
NET CHANGE IN FUND BALANCE	\$ -	\$ (346,000)	541,894	(402,863)
FUND BALANCE, MAY 1			257,558	660,421
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 799,452</u>	<u>\$ 257,558</u>

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUNDS**

Water and Sewer Fund - to account for revenues and expenses relative to the operation of the water and sewer utility. This fund has two subfunds, operating and capital.

Garbage Fund - to account for the operations of the Village's garbage collection service.

VILLAGE OF OSWEGO, ILLINOIS

STATEMENT OF NET POSITION  
WATER AND SEWER FUND ACCOUNTS

April 30, 2016

---

	<b>Water and Sewer Operating</b>	<b>Water and Sewer Capital</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 2,851,060	\$ 5,738,692	\$ 8,589,752
Accounts receivable	669,483	-	669,483
Accrued interest receivable	-	14,007	14,007
Restricted cash and investments			
IEPA restriction	654,000	-	654,000
Prepaid expenses	18,359	-	18,359
Total current assets	<u>4,192,902</u>	<u>5,752,699</u>	<u>9,945,601</u>
<b>NONCURRENT ASSETS</b>			
Capital assets			
Capital assets, net of depreciation			
Nondepreciable assets	3,542,191	-	3,542,191
Depreciable buildings, property and infrastructure	75,856,621	-	75,856,621
Accumulated depreciation	<u>(21,596,903)</u>	<u>-</u>	<u>(21,596,903)</u>
Total capital assets	<u>57,801,909</u>	<u>-</u>	<u>57,801,909</u>
Total assets	<u>61,994,811</u>	<u>5,752,699</u>	<u>67,747,510</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	420,255	-	420,255
Pension items - IMRF	<u>201,120</u>	<u>-</u>	<u>201,120</u>
Total deferred outflows of resources	<u>621,375</u>	<u>-</u>	<u>621,375</u>
Total assets and deferred outflows of resources	<u>62,616,186</u>	<u>5,752,699</u>	<u>68,368,885</u>

(This statement is continued on the following page.)



**VILLAGE OF OSWEGO, ILLINOIS**

STATEMENT OF NET POSITION (Continued)  
WATER AND SEWER FUND ACCOUNTS

April 30, 2016

	<b>Water and Sewer Operating</b>	<b>Water and Sewer Capital</b>	<b>Total</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 85,454	\$ 106,216	\$ 191,670
Accrued payroll	46,074	-	46,074
Compensated absences	34,439	-	34,439
Interest payable	181,739	-	181,739
IEPA loans payable	131,023	-	131,023
Bonds payable	1,060,000	-	1,060,000
Unearned revenue	2,450,250	-	2,450,250
Total current liabilities	3,988,979	106,216	4,095,195
<b>LONG-TERM LIABILITIES</b>			
Compensated absences	36,203	-	36,203
Other postemployment benefits	13,212	-	13,212
Net pension liability	619,612	-	619,612
IEPA loans payable	625,125	-	625,125
Bonds payable, net	10,907,012	-	10,907,012
Total long-term liabilities	12,201,164	-	12,201,164
Total liabilities	16,190,143	106,216	16,296,359
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - IMRF	35,089	-	35,089
Total deferred inflows of resources	35,089	-	35,089
Total liabilities and deferred inflows of resources	16,225,232	106,216	16,331,448
<b>NET POSITION</b>			
Net investment in capital assets	45,499,004	-	45,499,004
Restricted for radium removal	654,000	-	654,000
Unrestricted	237,950	5,646,483	5,884,433
<b>TOTAL NET POSITION</b>	<b>\$ 46,390,954</b>	<b>\$ 5,646,483</b>	<b>\$ 52,037,437</b>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
WATER AND SEWER FUND ACCOUNTS

For the Year Ended April 30, 2016

	<b>Water and Sewer Operating</b>	<b>Water and Sewer Capital</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 5,001,418	\$ 43,131	\$ 5,044,549
Total operating revenues	5,001,418	43,131	5,044,549
<b>OPERATING EXPENSES</b>			
Production	3,131,347	56,644	3,187,991
Total operating expenses	3,131,347	56,644	3,187,991
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	1,870,071	(13,513)	1,856,558
Depreciation	1,576,590	-	1,576,590
OPERATING INCOME (LOSS)	293,481	(13,513)	279,968
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Connection fees	-	330,530	330,530
Grant revenue	90,270	-	90,270
Investment income	39,486	50,262	89,748
Interest expense and amortization	(545,723)	-	(545,723)
Gain on sale of capital assets	25,591	-	25,591
Miscellaneous income	17,844	-	17,844
Total non-operating revenues (expenses)	(372,532)	380,792	8,260
NET INCOME (LOSS) BEFORE TRANSFERS	(79,051)	367,279	288,228
<b>TRANSFERS</b>			
Transfer in (out)	(5,279,204)	5,279,204	-
Total transfers	(5,279,204)	5,279,204	-
CHANGE IN NET POSITION	(5,358,255)	5,646,483	288,228
NET POSITION, MAY 1	52,125,728	-	52,125,728
Change in accounting principle	(376,519)	-	(376,519)
NET POSITION, MAY 1, RESTATED	51,749,209	-	51,749,209
<b>NET POSITION, APRIL 30</b>	<b>\$ 46,390,954</b>	<b>\$ 5,646,483</b>	<b>\$ 52,037,437</b>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF CASH FLOWS  
WATER AND SEWER FUND ACCOUNTS

For the Year Ended April 30, 2016

	<b>Water and Sewer Operating</b>	<b>Water and Sewer Capital</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 5,039,906	\$ 43,131	\$ 5,083,037
Payments to suppliers	(2,653,537)	49,572	(2,603,965)
Payments to employees	(1,055,340)	-	(1,055,340)
Miscellaneous income	17,844	-	17,844
Net cash from operating activities	<u>1,348,873</u>	<u>92,703</u>	<u>1,441,576</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Payment from (to) other funds	(5,277,551)	5,279,204	1,653
Grant revenue	90,270	-	90,270
Net cash from noncapital financing activities	<u>(5,187,281)</u>	<u>5,279,204</u>	<u>91,923</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(648,502)	-	(648,502)
Sale of capital assets	25,591	-	25,591
Connection fees	-	330,530	330,530
Bond principal payments	(1,025,000)	-	(1,025,000)
IEPA loan principal payments	(126,755)	-	(126,755)
Interest paid	(532,453)	-	(532,453)
Net cash from capital and related financing activities	<u>(2,307,119)</u>	<u>330,530</u>	<u>(1,976,589)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	39,486	36,255	75,741
Net cash from investing activities	<u>39,486</u>	<u>36,255</u>	<u>75,741</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,106,041)	5,738,692	(367,349)
CASH AND CASH EQUIVALENTS, MAY 1	<u>9,611,101</u>	<u>-</u>	<u>9,611,101</u>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<u>\$ 3,505,060</u>	<u>\$ 5,738,692</u>	<u>\$ 9,243,752</u>

(This statement is continued on the following page.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF CASH FLOWS (Continued)  
WATER AND SEWER FUND ACCOUNTS

For the Year Ended April 30, 2016

	<b>Water and Sewer Operating</b>	<b>Water and Sewer Capital</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 293,481	\$ (13,513)	\$ 279,968
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	1,576,590	-	1,576,590
Miscellaneous income	17,844	-	17,844
Changes in assets and liabilities			
Accounts receivable	38,488	-	38,488
Prepaid expenses	16,212	-	16,212
Accounts payable	(697,392)	106,216	(591,176)
Accrued payroll	4,766	-	4,766
Compensated absences	15,478	-	15,478
Other postemployment benefits	6,346	-	6,346
IMRF items	77,060	-	77,060
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,348,873</b>	<b>\$ 92,703</b>	<b>\$ 1,441,576</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Unrestricted cash and cash equivalents	\$ 2,851,060	\$ 5,738,692	\$ 8,589,752
Restricted cash and cash equivalents			
IEPA restriction	654,000	-	654,000
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 3,505,060</b>	<b>\$ 5,738,692</b>	<b>\$ 9,243,752</b>
<b>NONCASH TRANSACTIONS</b>			
Developer contributions	\$ 2,450,250	\$ -	\$ 2,450,250

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

**STATEMENT OF NET POSITION  
WATER AND SEWER OPERATING SUBFUND**

April 30, 2016  
(with comparative prior year)

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	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 2,851,060	\$ 8,957,101
Accounts receivable	669,483	707,971
Restricted cash and investments		
IEPA restriction	654,000	654,000
Prepaid expenses	18,359	34,571
Due from fiduciary funds	-	1,653
	<hr/>	
Total current assets	4,192,902	10,355,296
	<hr/>	
<b>NONCURRENT ASSETS</b>		
Capital assets		
Capital assets, net of depreciation		
Nondepreciable assets	3,542,191	1,223,871
Depreciable buildings, property and infrastructure	75,856,621	75,170,512
Accumulated depreciation	(21,596,903)	(20,114,636)
	<hr/>	
Total capital assets	57,801,909	56,279,747
	<hr/>	
Total assets	61,994,811	66,635,043
	<hr/>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized loss on refunding	420,255	500,692
Pension items - IMRF	201,120	-
	<hr/>	
Total deferred outflows of resources	621,375	500,692
	<hr/>	
Total assets and deferred outflows of resources	62,616,186	67,135,735
	<hr/>	

(This statement is continued on the following page.)

**VILLAGE OF OSWEGO, ILLINOIS**

STATEMENT OF NET POSITION (Continued)  
WATER AND SEWER OPERATING SUBFUND

April 30, 2016  
(with comparative prior year)

	<u>2016</u>	<u>2015</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 85,454	\$ 782,846
Accrued payroll	46,074	41,308
Compensated absences	34,439	40,318
Interest payable	181,739	195,725
IEPA loans payable	131,023	127,172
Bonds payable	1,060,000	1,025,000
Unearned revenue	2,450,250	-
	<hr/>	<hr/>
Total current liabilities	3,988,979	2,212,369
	<hr/>	<hr/>
<b>LONG-TERM LIABILITIES</b>		
Compensated absences	36,203	14,846
Other postemployment benefits	13,212	6,866
Net pension liability	619,612	-
IEPA loans payable	625,125	755,731
Bonds payable, net	10,907,012	12,020,195
	<hr/>	<hr/>
Total long-term liabilities	12,201,164	12,797,638
	<hr/>	<hr/>
Total liabilities	16,190,143	15,010,007
	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension items - IMRF	35,089	-
	<hr/>	<hr/>
Total deferred inflows of resources	35,089	-
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	16,225,232	15,010,007
	<hr/>	<hr/>
<b>NET POSITION</b>		
Net investment in capital assets	45,499,004	42,852,341
Restricted for radium removal	654,000	654,000
Unrestricted	237,950	8,619,387
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<u>\$ 46,390,954</u>	<u>\$ 52,125,728</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
WATER AND SEWER OPERATING SUBFUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
<b>OPERATING REVENUES</b>				
Charges for services	\$ 5,263,800	\$ 5,263,800	\$ 5,001,418	\$ 4,988,868
Total operating revenues	5,263,800	5,263,800	5,001,418	4,988,868
<b>OPERATING EXPENSES</b>				
Salaries/personnel services	1,117,208	1,117,208	1,081,928	963,201
Insurance and benefits	470,007	470,007	447,230	397,955
Pension expense	-	-	77,062	-
Professional services	92,800	92,800	72,758	113,331
Contractual services	1,494,718	1,494,718	1,265,974	1,657,724
Communication	60,101	60,101	63,897	56,944
Professional development	15,400	15,400	5,697	8,162
Operating supplies	121,400	121,400	116,801	202,775
Capital maintenance	-	-	-	717,916
Total operating expenses	3,371,634	3,371,634	3,131,347	4,118,008
OPERATING INCOME	1,892,166	1,892,166	1,870,071	870,860
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Connection fees	-	-	-	1,035,748
Grant revenue	95,000	95,000	90,270	95,321
Investment income	25,000	25,000	39,486	23,382
Interest expense and amortization	(532,036)	(532,036)	(545,723)	(563,916)
Principal retirement	(1,152,172)	(1,152,172)	(1,152,172)	(1,118,830)
Gain on sale of capital assets	-	-	25,591	-
Miscellaneous income	6,000	6,000	17,844	26,201
Total non-operating revenues (expenses)	(1,558,208)	(1,558,208)	(1,524,704)	(502,094)
NET INCOME (LOSS) BEFORE TRANSFERS	333,958	333,958	345,367	368,766
<b>TRANSFERS</b>				
Transfer in	-	-	648,502	-
Transfer (out)	-	(5,927,706)	(5,927,706)	-
Total transfers	-	(5,927,706)	(5,279,204)	-

(This schedule is continued on the following page.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL (Continued)  
WATER AND SEWER OPERATING SUBFUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016			2015
	Original Budget	Final Budget	Actual	
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Principal retirement	\$ 1,152,172	\$ 1,152,172	\$ 1,152,172	\$ 1,118,830
Depreciation	-	-	(1,576,590)	(1,589,569)
Capital assets capitalized	-	-	-	717,916
Total adjustments to GAAP basis	1,152,172	1,152,172	(424,418)	247,177
CHANGE IN NET POSITION	\$ 1,486,130	\$ (4,441,576)	(5,358,255)	615,943
NET POSITION, MAY 1			52,125,728	51,509,785
Change in accounting principle			(376,519)	-
NET POSITION, MAY 1, RESTATED			51,749,209	51,509,785
<b>NET POSITION, APRIL 30</b>			\$ 46,390,954	\$ 52,125,728

(See independent auditor's report.)



**VILLAGE OF OSWEGO, ILLINOIS**

**STATEMENT OF NET POSITION  
WATER AND SEWER CAPITAL SUBFUND**

April 30, 2016  
(with comparative prior year)

	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 5,738,692	\$ -
Accrued interest receivable	14,007	-
	<hr/>	<hr/>
Total current assets	5,752,699	-
	<hr/>	<hr/>
<b>NONCURRENT ASSETS</b>		
None	-	-
	<hr/>	<hr/>
Total noncurrent assets	-	-
	<hr/>	<hr/>
Total assets	5,752,699	-
	<hr/>	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
None	-	-
	<hr/>	<hr/>
Total deferred outflows of resources	-	-
	<hr/>	<hr/>
Total assets and deferred outflows of resources	5,752,699	-
	<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>		
Accounts payable	106,216	-
	<hr/>	<hr/>
Total current liabilities	106,216	-
	<hr/>	<hr/>
<b>LONG-TERM LIABILITIES</b>		
None	-	-
	<hr/>	<hr/>
Total long-term liabilities	-	-
	<hr/>	<hr/>
Total liabilities	106,216	-
	<hr/>	<hr/>
<b>NET POSITION</b>		
Unrestricted	5,646,483	-
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<u>\$ 5,646,483</u>	<u>\$ -</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
WATER AND SEWER CAPITAL SUBFUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016			2015 Actual
	Original Budget	Final Budget	Actual	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 60,000	\$ 60,000	\$ 43,131	\$ -
Total operating revenues	60,000	60,000	43,131	-
<b>OPERATING EXPENSES</b>				
Capital maintenance	1,207,300	1,207,300	56,644	-
Total operating expenses	1,207,300	1,207,300	56,644	-
OPERATING INCOME (LOSS)	(1,147,300)	(1,147,300)	(13,513)	-
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Connection fees	500,000	500,000	330,530	-
Investment income	6,000	6,000	50,262	-
Total non-operating revenues (expenses)	506,000	506,000	380,792	-
NET INCOME (LOSS) BEFORE TRANSFERS	(641,300)	(641,300)	367,279	-
<b>TRANSFERS</b>				
Transfer in	-	-	5,927,706	-
Transfer (out)	-	-	(648,502)	-
Total transfers	-	-	5,279,204	-
CHANGE IN NET POSITION	\$ (641,300)	\$ (641,300)	5,646,483	-
NET POSITION, MAY 1			-	-
<b>NET POSITION, APRIL 30</b>			\$ 5,646,483	\$ -

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

**STATEMENT OF NET POSITION  
GARBAGE FUND**

April 30, 2016  
(with comparative prior year)

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	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 283,975	\$ 304,655
Accounts receivable	431,614	406,551
	<hr/>	
Total current assets	715,589	711,206
<b>NONCURRENT ASSETS</b>		
None	-	-
	<hr/>	
Total assets	715,589	711,206
	<hr/>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	202,152	189,493
	<hr/>	
Total current liabilities	202,152	189,493
<b>LONG-TERM LIABILITIES</b>		
None	-	-
	<hr/>	
Total liabilities	202,152	189,493
	<hr/>	
<b>NET POSITION</b>		
Unrestricted	513,437	521,713
	<hr/>	
<b>TOTAL NET POSITION</b>	<u>\$ 513,437</u>	<u>\$ 521,713</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
GARBAGE FUND

For the Year Ended April 30, 2016  
(with comparative actual)

	2016			2015
	Original Budget	Final Budget	Actual	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,344,312	\$ 2,344,312	\$ 2,406,951	\$ 2,248,211
Total operating revenues	2,344,312	2,344,312	2,406,951	2,248,211
<b>OPERATING EXPENSES</b>				
Disposal services	2,342,812	2,417,812	2,415,909	2,257,770
Total operating expenses	2,342,812	2,417,812	2,415,909	2,257,770
OPERATING INCOME (LOSS)	1,500	(73,500)	(8,958)	(9,559)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	400	400	682	382
Total non-operating revenues (expenses)	400	400	682	382
CHANGE IN NET POSITION	<u>\$ 1,900</u>	<u>\$ (73,100)</u>	(8,276)	(9,177)
NET POSITION, MAY 1			521,713	530,890
NET POSITION, APRIL 30			<u>\$ 513,437</u>	<u>\$ 521,713</u>

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

### **PENSION TRUST FUND**

Police Pension Fund - to account for the resources necessary to provide retirement and disability benefits to the personnel of the Village Police Department.

### **AGENCY FUNDS**

Agency Fund - to account for land/cash and transition fees collected from developers for other governmental entities.

Subdivision Escrow Fund - to account for developer deposits.

**VILLAGE OF OSWEGO, ILLINOIS**

**STATEMENT OF NET POSITION  
POLICE PENSION FUND**

April 30, 2016  
(with comparative prior year)

---

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 52,785	\$ 133,812
Investments, at fair value		
U.S. Government and U.S. agency securities	8,131,533	7,688,193
Municipal bonds	1,502,104	1,419,829
Insurance contracts	1,017,944	2,702,483
Equity mutual funds	11,790,666	9,248,187
Accrued interest receivable	64,181	56,896
Prepaid items	980	1,001
	<hr/>	
Total assets	22,560,193	21,250,401
	<hr/>	
<b>LIABILITIES</b>		
Accounts payable	6,567	5,371
	<hr/>	
Total liabilities	6,567	5,371
	<hr/>	
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u>\$ 22,553,626</u>	<u>\$ 21,245,030</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL  
POLICE PENSION FUND

For the Year Ended April 30, 2016  
(with comparative actual)

	<b>2016</b>			<b>2015</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,185,000
Employee	431,760	431,760	425,332	426,332
Total contributions	<u>1,681,760</u>	<u>1,681,760</u>	<u>1,675,332</u>	<u>1,611,332</u>
Investment income				
Net appreciation (depreciation) in fair value of investments	-	-	(508,075)	651,441
Interest	250,000	250,000	739,871	711,471
Total investment income	<u>250,000</u>	<u>250,000</u>	<u>231,796</u>	<u>1,362,912</u>
Less investment expense	<u>(66,000)</u>	<u>(66,000)</u>	<u>(59,895)</u>	<u>(54,381)</u>
Net investment income	<u>184,000</u>	<u>184,000</u>	<u>171,901</u>	<u>1,308,531</u>
Total additions	<u>1,865,760</u>	<u>1,865,760</u>	<u>1,847,233</u>	<u>2,919,863</u>
<b>DEDUCTIONS</b>				
Benefits and refunds	508,000	508,000	517,978	494,408
Administration	32,900	32,900	20,659	19,234
Total deductions	<u>540,900</u>	<u>540,900</u>	<u>538,637</u>	<u>513,642</u>
NET INCREASE	<u>\$ 1,324,860</u>	<u>\$ 1,324,860</u>	1,308,596	2,406,221
<b>NET POSITION RESTRICTED FOR PENSIONS</b>				
May 1			<u>21,245,030</u>	<u>18,838,809</u>
April 30			<u>\$ 22,553,626</u>	<u>\$ 21,245,030</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

For the Year Ended April 30, 2016

	<b>Balances</b>			<b>Balances</b>
	<b>May 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>April 30</b>
<b>Total All Agency Funds</b>				
<b>ASSETS</b>				
Cash and investments	\$ 330,798	\$ 37,264	\$ 113,310	\$ 254,752
Accounts receivable	14,247	25,946	-	40,193
Due from other funds	6,000	-	6,000	-
<b>TOTAL ASSETS</b>	<b>\$ 351,045</b>	<b>\$ 63,210</b>	<b>\$ 119,310</b>	<b>\$ 294,945</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 7,325	\$ 48,294	\$ 7,325	\$ 48,294
Due to others	340,811	-	96,273	244,538
Due to other funds	2,909	858	1,654	2,113
<b>TOTAL LIABILITIES</b>	<b>\$ 351,045</b>	<b>\$ 49,152</b>	<b>\$ 105,252</b>	<b>\$ 294,945</b>
<b>1. Agency Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 81,280	\$ 37,264	\$ -	\$ 118,544
<b>TOTAL ASSETS</b>	<b>\$ 81,280</b>	<b>\$ 37,264</b>	<b>\$ -</b>	<b>\$ 118,544</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 37,264	\$ -	\$ 37,264
Due to others	81,280	-	-	81,280
<b>TOTAL LIABILITIES</b>	<b>\$ 81,280</b>	<b>\$ 37,264</b>	<b>\$ -</b>	<b>\$ 118,544</b>

(This statement is continued on the following page.)



VILLAGE OF OSWEGO, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)  
AGENCY FUNDS

For the Year Ended April 30, 2016

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	<b>Balances</b>		<b>Balances</b>	
	<b>May 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>April 30</b>
<b>2. Subdivision Escrow Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 249,518	\$ -	\$ 113,310	\$ 136,208
Accounts receivable	14,247	25,946	-	40,193
Due from other funds	6,000	-	6,000	-
<b>TOTAL ASSETS</b>	<b>\$ 269,765</b>	<b>\$ 25,946</b>	<b>\$ 119,310</b>	<b>\$ 176,401</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 7,325	\$ 11,030	\$ 7,325	\$ 11,030
Due to others	259,531	-	96,273	163,258
Due to other funds	2,909	858	1,654	2,113
<b>TOTAL LIABILITIES</b>	<b>\$ 269,765</b>	<b>\$ 11,888</b>	<b>\$ 105,252</b>	<b>\$ 176,401</b>

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION ALTERNATE REVENUE SOURCE  
BOND SERIES OF 2006A

April 30, 2016

Date of Issue	May 15, 2006
Date of Maturity	December 15, 2025
Authorized Issue	\$ 9,970,000
Actual Issue	\$ 9,970,000
Denomination of Bonds	1-1994 - \$5,000
Interest Rates	
	Bonds
	1-75 4.125%
	76-314 4.250%
	315-979 4.300%
	980-1089 4.375%
	1090-1449 4.400%
	1450-1854 4.450%
	1855-1994 4.500%
Principal Maturity Date	December 15
Interest Dates	December 15 and June 15
Payable at	BNY Mellon

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	775-874	\$ 500,000	\$ 44,075	\$ 544,075	2016	\$ 22,038	2016	\$ 22,038
2016	875-979	525,000	22,575	547,575	2017	11,288	2017	11,288
2017	980-1089	-	-	-	2018	-	2018	-
2018	1090-1204	-	-	-	2019	-	2019	-
2019	1205-1324	-	-	-	2020	-	2020	-
2020	1325-1449	-	-	-	2021	-	2021	-
2021	1450-1579	-	-	-	2022	-	2022	-
2022	1580-1714	-	-	-	2023	-	2023	-
2023	1715-1854	-	-	-	2024	-	2024	-
2024	1855-1994	-	-	-	2025	-	2025	-
		<u>\$ 1,025,000</u>	<u>\$ 66,650</u>	<u>\$ 1,091,650</u>		<u>\$ 33,326</u>		<u>\$ 33,326</u>

The bonds maturing December 15, 2021 to 2025 totaling \$3,350,000 were refunded by the General Obligation Refunding Bonds, Series 2013.

The bonds maturing December 15, 2018 to 2020 totaling \$1,725,000 were refunded by the General Obligation Refunding Bonds, Series 2014.

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION ALTERNATE REVENUE SOURCE  
BOND SERIES OF 2006B

April 30, 2016

Date of Issue	May 15, 2006
Date of Maturity	December 15, 2020
Authorized Issue	\$ 1,585,000
Actual Issue	\$ 1,585,000
Denomination of Bonds	1-317 - \$5,000
Interest Rates	
	Bonds
	164-238            4.250%
	239-263            4.300%
	264-288            4.350%
	289-317            4.375%
Principal Maturity Date	December 15
Interest Dates	December 15 and June 15
Payable at	BNY Mellon

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	189-213	\$ 125,000	\$ 10,625	\$ 135,625	2016	\$ 5,312	2016	\$ 5,313
2016	214-238	125,000	5,312	130,312	2017	2,656	2017	2,656
2017	239-263	-	-	-	2018	-	2018	-
2018	264-288	-	-	-	2019	-	2019	-
2019	289-317	-	-	-	2020	-	2020	-
		\$ 250,000	\$ 15,937	\$ 265,937			\$ 7,968	\$ 7,969

The bonds maturing December 15, 2018 to 2020 totaling \$395,000 were refunded by the General Obligation Refunding Bonds, Series 2014.

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
TAXABLE GENERAL OBLIGATION  
BOND SERIES OF 2009 - TOTAL**

April 30, 2016

Date of Issue September 2, 2009  
 Date of Maturity December 15, 2029  
 Authorized Issue \$ 9,015,000  
 Actual Issue \$ 9,015,000  
 Denomination of Bonds 1-1803 - \$5,000  
 Interest Rates \*

Bonds		Bonds	
1-48	2.125%	810-877	4.600%
49-102	2.500%	878-949	4.700%
103-158	2.750%	950-1025	4.800%
159-268	3.250%	1026-1105	4.900%
269-382	3.500%	1106-1278	5.000%
383-501	3.750%	1279-1372	5.125%
502-625	4.000%	1373-1575	5.375%
626-744	4.375%	1576-1803	5.500%
745-809	4.450%		

Principal Maturity Date December 15  
 Interest Dates December 15 and June 15  
 Payable at BNY Mellon

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 15	December 15	Amount	
2015	502-625	\$ 620,000	\$ 320,288	\$ 940,288	2016	\$ 160,144	2016	\$ 160,144
2016	626-744	595,000	295,488	890,488	2017	147,744	2017	147,744
2017	745-809	325,000	269,456	594,456	2018	134,728	2018	134,728
2018	810-877	340,000	254,994	594,994	2019	127,497	2019	127,497
2019	878-949	360,000	239,354	599,354	2020	119,677	2020	119,677
2020	950-1025	380,000	222,434	602,434	2021	111,217	2021	111,217
2021	1026-1105	400,000	204,194	604,194	2022	102,097	2022	102,097
2022	1106-1189	420,000	184,594	604,594	2023	92,297	2023	92,297
2023	1190-1278	445,000	163,594	608,594	2024	81,797	2024	81,797
2024	1279-1372	470,000	141,344	611,344	2025	70,672	2025	70,672
2025	1373-1471	495,000	117,256	612,256	2026	58,628	2026	58,628
2026	1472-1575	520,000	90,650	610,650	2027	45,325	2027	45,325
2027	1576-1686	555,000	62,700	617,700	2028	31,350	2028	31,350
2028	1687-1803	585,000	32,175	617,175	2029	16,088	2029	16,087
		<u>\$ 6,510,000</u>	<u>\$ 2,598,521</u>	<u>\$ 9,108,521</u>			<u>\$ 1,299,261</u>	<u>\$ 1,299,260</u>

\*Pursuant to the American Recovery and Reinvestment Act, the Village is eligible to receive a rebate from the U.S. Treasury Department of the 35% of the interest paid each year. The net interest rate for these Build America Bonds, after rebate, is 1.38% to 3.58%.

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
TAXABLE GENERAL OBLIGATION  
BOND SERIES OF 2009 - GOVERNMENTAL ACTIVITIES

April 30, 2016

Date of Issue September 2, 2009  
 Date of Maturity December 15, 2029  
 Authorized Issue \$ 9,015,000  
 Actual Issue \$ 9,015,000  
 Denomination of Bonds 1-1803 - \$5,000  
 Interest Rates \*

Bonds		Bonds	
1-48	2.125%	810-877	4.600%
49-102	2.500%	878-949	4.700%
103-158	2.750%	950-1025	4.800%
159-268	3.250%	1026-1105	4.900%
269-382	3.500%	1106-1278	5.000%
383-501	3.750%	1279-1372	5.125%
502-625	4.000%	1373-1575	5.375%
626-744	4.375%	1576-1803	5.500%
745-809	4.450%		

Principal Maturity Date December 15  
 Interest Dates December 15 and June 15  
 Payable at BNY Mellon

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	502-625	\$ 320,000	\$ 25,269	\$ 345,269	2016	\$ 12,635	2016	\$ 12,635
2016	626-744	285,000	12,469	297,469	2017	6,235	2017	6,235
2017	745-809	-	-	-	2018	-	2018	-
2018	810-877	-	-	-	2019	-	2019	-
2019	878-949	-	-	-	2020	-	2020	-
2020	950-1025	-	-	-	2021	-	2021	-
2021	1026-1105	-	-	-	2022	-	2022	-
2022	1106-1189	-	-	-	2023	-	2023	-
2023	1190-1278	-	-	-	2024	-	2024	-
2024	1279-1372	-	-	-	2025	-	2025	-
2025	1373-1471	-	-	-	2026	-	2026	-
2026	1472-1575	-	-	-	2027	-	2027	-
2027	1576-1686	-	-	-	2028	-	2028	-
2028	1687-1803	-	-	-	2029	-	2029	-
		<u>\$ 605,000</u>	<u>\$ 37,738</u>	<u>\$ 642,738</u>	<u>\$ 18,870</u>		<u>\$ 18,870</u>	

\*Pursuant to the American Recovery and Reinvestment Act, the Village is eligible to receive a rebate from the U.S. Treasury Department of the 35% of the interest paid each year. The net interest rate for these Build America Bonds, after rebate, is 1.38% to 3.58%.

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**  
**LONG-TERM DEBT REQUIREMENTS**  
**TAXABLE GENERAL OBLIGATION**  
**BOND SERIES OF 2009 - BUSINESS-TYPE ACTIVITIES**

April 30, 2016

Date of Issue September 2, 2009  
Date of Maturity December 15, 2029  
Authorized Issue \$ 9,015,000  
Actual Issue \$ 9,015,000  
Denomination of Bonds 1-1803 - \$5,000  
Interest Rates \*

Bonds	Interest Rate	Bonds	Interest Rate
1-48	2.125%	810-877	4.600%
49-102	2.500%	878-949	4.700%
103-158	2.750%	950-1025	4.800%
159-268	3.250%	1026-1105	4.900%
269-382	3.500%	1106-1278	5.000%
383-501	3.750%	1279-1372	5.125%
502-625	4.000%	1373-1575	5.375%
626-744	4.375%	1576-1803	5.500%
745-809	4.450%		

Principal Maturity Date December 15  
Interest Dates December 15 and June 15  
Payable at BNY Mellon

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	502-625	\$ 300,000	\$ 295,019	\$ 595,019	2016	\$ 147,510	2016	\$ 147,510
2016	626-744	310,000	283,019	593,019	2017	141,510	2017	141,510
2017	745-809	325,000	269,456	594,456	2018	134,728	2018	134,728
2018	810-877	340,000	254,994	594,994	2019	127,497	2019	127,497
2019	878-949	360,000	239,354	599,354	2020	119,677	2020	119,677
2020	950-1025	380,000	222,434	602,434	2021	111,217	2021	111,217
2021	1026-1105	400,000	204,194	604,194	2022	102,097	2022	102,097
2022	1106-1189	420,000	184,594	604,594	2023	92,297	2023	92,297
2023	1190-1278	445,000	163,594	608,594	2024	81,797	2024	81,797
2024	1279-1372	470,000	141,344	611,344	2025	70,672	2025	70,672
2025	1373-1471	495,000	117,256	612,256	2026	58,628	2026	58,628
2026	1472-1575	520,000	90,650	610,650	2027	45,325	2027	45,325
2027	1576-1686	555,000	62,700	617,700	2028	31,350	2028	31,350
2028	1687-1803	585,000	32,175	617,175	2029	16,088	2029	16,087
		<u>\$ 5,905,000</u>	<u>\$ 2,560,783</u>	<u>\$ 8,465,783</u>			<u>\$ 1,280,393</u>	<u>\$ 1,280,392</u>

\*Pursuant to the American Recovery and Reinvestment Act, the Village is eligible to receive a rebate from the U.S. Treasury Department of the 35% of the interest paid each year. The net interest rate for these Build America Bonds, after rebate, is 1.38% to 3.58%.

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING  
BOND SERIES OF 2011 - TOTAL

April 30, 2016

Date of Issue December 20, 2011  
 Date of Maturity December 15, 2024  
 Authorized Issue \$ 4,055,000  
 Actual Issue \$ 4,055,000  
 Denomination of Bonds 1-811 - \$5,000  
 Interest Rates

Bonds	
1-119	2.00%
120-368	3.00%
369-811	3.50%

Principal Maturity Date December 15  
 Interest Dates December 15 and June 15  
 Payable at BNY Mellon

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on				
		Principal	Interest	Total	June 15	Amount	December 15	Amount	
2015	181-242	\$ 310,000	\$ 105,875	\$ 415,875	2016	\$ 52,938	2016	\$ 52,937	
2016	243-304	310,000	96,575	406,575	2017	48,288	2017	48,287	
2017	305-369	325,000	87,275	412,275	2018	43,638	2018	43,637	
2018	370-437	340,000	77,525	417,525	2019	38,763	2019	38,762	
2019	438-507	350,000	65,625	415,625	2020	32,813	2020	32,812	
2020	508-579	360,000	53,375	413,375	2021	26,688	2021	26,687	
2021	580-656	385,000	40,775	425,775	2022	20,388	2022	20,387	
2022	657-734	390,000	27,300	417,300	2023	13,650	2023	13,650	
2023	735-811	390,000	13,650	403,650	2024	6,825	2024	6,825	
		<u>\$ 3,160,000</u>	<u>\$ 567,975</u>	<u>\$ 3,727,975</u>		<u>\$ 283,991</u>		<u>\$ 283,984</u>	

(See independent auditor's report.)



**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING  
BOND SERIES OF 2011 - GOVERNMENTAL ACTIVITIES

April 30, 2016

Date of Issue December 20, 2011  
Date of Maturity December 15, 2024  
Authorized Issue \$ 4,055,000  
Actual Issue \$ 4,055,000  
Denomination of Bonds 1-811 - \$5,000  
Interest Rates

Bonds	
1-119	2.00%
120-368	3.00%
369-811	3.50%

Principal Maturity Date December 15  
Interest Dates December 15 and June 15  
Payable at BNY Mellon

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on				
		Principal	Interest	Total	June 15	Amount	December 15	Amount	
2015	181-242	\$ 180,000	\$ 60,300	\$ 240,300	2016	\$ 30,150	2016	\$ 30,150	
2016	243-304	180,000	54,900	234,900	2017	27,450	2017	27,450	
2017	305-369	180,000	49,500	229,500	2018	24,750	2018	24,750	
2018	370-437	190,000	44,100	234,100	2019	22,050	2019	22,050	
2019	438-507	200,000	37,450	237,450	2020	18,725	2020	18,725	
2020	508-579	210,000	30,450	240,450	2021	15,225	2021	15,225	
2021	580-656	220,000	23,100	243,100	2022	11,550	2022	11,550	
2022	657-734	220,000	15,400	235,400	2023	7,700	2023	7,700	
2023	735-811	220,000	7,700	227,700	2024	3,850	2024	3,850	
		<u>\$ 1,800,000</u>	<u>\$ 322,900</u>	<u>\$ 2,122,900</u>		<u>\$ 161,450</u>		<u>\$ 161,450</u>	

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING  
BOND SERIES OF 2011 - BUSINESS-TYPE ACTIVITIES

April 30, 2016

Date of Issue	December 20, 2011
Date of Maturity	December 15, 2024
Authorized Issue	\$ 4,055,000
Actual Issue	\$ 4,055,000
Denomination of Bonds	1-811 - \$5,000
Interest Rates	
	Bonds
	1-119                      2.00%
	120-368                    3.00%
	369-811                    3.50%

Principal Maturity Date	December 15
Interest Dates	December 15 and June 15
Payable at	BNY Mellon

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	181-242	\$ 130,000	\$ 45,575	\$ 175,575	2016	\$ 22,788	2016	\$ 22,788
2016	243-304	130,000	41,675	171,675	2017	20,838	2017	20,838
2017	305-369	145,000	37,775	182,775	2018	18,888	2018	18,888
2018	370-437	150,000	33,425	183,425	2019	16,713	2019	16,713
2019	438-507	150,000	28,175	178,175	2020	14,088	2020	14,088
2020	508-579	150,000	22,925	172,925	2021	11,463	2021	11,463
2021	580-656	165,000	17,675	182,675	2022	8,838	2022	8,838
2022	657-734	170,000	11,900	181,900	2023	5,950	2023	5,950
2023	735-811	170,000	5,950	175,950	2024	2,975	2024	2,975
		<u>\$ 1,360,000</u>	<u>\$ 245,075</u>	<u>\$ 1,605,075</u>	<u>\$ 122,541</u>		<u>\$ 122,541</u>	

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING  
BOND SERIES OF 2012**

April 30, 2016

Date of Issue October 11, 2012  
 Date of Maturity December 30, 2019  
 Authorized Issue \$ 2,525,000  
 Actual Issue \$ 2,325,000  
 Denomination of Bonds 1-465 - \$5,000  
 Interest Rates

Bonds  
 1-187 2%  
 188-465 3%

Principal Maturity Date December 30  
 Interest Dates December 30 and June 30  
 Payable at BNY Mellon

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 30	December 31	Amount	
2015	121-180	\$ 330,000	\$ 41,700	\$ 371,700	2016	\$ 20,850	2016	\$ 20,850
2016	181-242	340,000	31,800	371,800	2017	15,900	2017	15,900
2017	243-304	355,000	21,600	376,600	2018	10,800	2018	10,800
2018	305-369	365,000	10,950	375,950	2019	5,475	2019	5,475
		<u>\$ 1,390,000</u>	<u>\$ 106,050</u>	<u>\$ 1,496,050</u>		<u>\$ 53,025</u>		<u>\$ 53,025</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING  
BOND SERIES 2013 - TOTAL

April 30, 2016

Date of Issue	May 17, 2013
Date of Maturity	December 15, 2027
Authorized Issue	\$ 11,300,000
Actual Issue	\$ 8,595,000
Denomination of Bonds	1-1719 - \$5,000
Interest Rate	
	Bonds
	1-68                      2%
	69-1719                 3%

Principal Maturity Date	December 15
Interest Dates	December 15 and June 15

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	23-33	\$ 55,000	\$ 252,250	\$ 307,250	2016	\$ 126,125	2016	\$ 126,125
2016	34-44	55,000	251,150	306,150	2017	125,575	2017	125,575
2017	45-55	55,000	250,050	305,050	2018	125,025	2018	125,025
2018	56-68	65,000	248,950	313,950	2019	124,475	2019	124,475
2019	69-183	575,000	247,650	822,650	2020	123,825	2020	123,825
2020	184-425	1,210,000	230,400	1,440,400	2021	115,200	2021	115,200
2021	426-675	1,250,000	194,100	1,444,100	2022	97,050	2022	97,050
2022	676-931	1,280,000	156,600	1,436,600	2023	78,300	2023	78,300
2023	932-1195	1,320,000	118,200	1,438,200	2024	59,100	2024	59,100
2024	1196-1460	1,325,000	78,600	1,403,600	2025	39,300	2025	39,300
2025	1461-1587	635,000	38,850	673,850	2026	19,425	2026	19,425
2026	1588-1719	660,000	19,800	679,800	2027	9,900	2027	9,900
		<u>\$ 8,485,000</u>	<u>\$ 2,086,600</u>	<u>\$ 10,571,600</u>		<u>\$ 1,043,300</u>		<u>\$ 1,043,300</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING  
BOND SERIES 2013 - GOVERNMENTAL ACTIVITES

April 30, 2016

Date of Issue	May 17, 2013
Date of Maturity	December 15, 2027
Authorized Issue	\$ 11,300,000
Actual Issue	\$ 8,595,000
Denomination of Bonds	1 -1719 - \$5,000
Interest Rate	
	Bonds
	1-68                      2%
	69-1719                 3%

Principal Maturity Date	December 15
Interest Dates	December 15 and June 15

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	23-33	\$ 45,000	\$ 198,500	\$ 243,500	2016	\$ 99,250	2016	\$ 99,250
2016	34-44	45,000	197,600	242,600	2017	98,800	2017	98,800
2017	45-55	45,000	196,700	241,700	2018	98,350	2018	98,350
2018	56-68	55,000	195,800	250,800	2019	97,900	2019	97,900
2019	69-183	380,000	194,700	574,700	2020	97,350	2020	97,350
2020	184-425	1,000,000	183,300	1,183,300	2021	91,650	2021	91,650
2021	426-675	1,040,000	153,300	1,193,300	2022	76,650	2022	76,650
2022	676-931	1,065,000	122,100	1,187,100	2023	61,050	2023	61,050
2023	932-1195	1,090,000	90,150	1,180,150	2024	45,075	2024	45,075
2024	1196-1460	1,095,000	57,450	1,152,450	2025	28,725	2025	28,725
2025	1461-1587	400,000	24,600	424,600	2026	12,300	2026	12,300
2026	1588-1719	420,000	12,600	432,600	2027	6,300	2027	6,300
		<u>\$ 6,680,000</u>	<u>\$ 1,626,800</u>	<u>\$ 8,306,800</u>		<u>\$ 813,400</u>		<u>\$ 813,400</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING  
BOND SERIES 2013 - BUSINESS-TYPE ACTIVITIES

April 30, 2016

Date of Issue	May 17, 2013
Date of Maturity	December 15, 2027
Authorized Issue	\$ 11,300,000
Actual Issue	\$ 8,595,000
Denomination of Bonds	1-1719 - \$5,000
Interest Rate	
	Bonds
	1-68                      2%
	69-1719                 3%

Principal Maturity Date	December 15
Interest Dates	December 15 and June 15

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on				
		Principal	Interest	Total	June 15	Amount	December 15	Amount	
2015	23-33	\$ 10,000	\$ 53,750	\$ 63,750	2016	\$ 26,875	2016	\$ 26,875	
2016	34-44	10,000	53,550	63,550	2017	26,775	2017	26,775	
2017	45-55	10,000	53,350	63,350	2018	26,675	2018	26,675	
2018	56-68	10,000	53,150	63,150	2019	26,575	2019	26,575	
2019	69-183	195,000	52,950	247,950	2020	26,475	2020	26,475	
2020	184-425	210,000	47,100	257,100	2021	23,550	2021	23,550	
2021	426-675	210,000	40,800	250,800	2022	20,400	2022	20,400	
2022	676-931	215,000	34,500	249,500	2023	17,250	2023	17,250	
2023	932-1195	230,000	28,050	258,050	2024	14,025	2024	14,025	
2024	1196-1460	230,000	21,150	251,150	2025	10,575	2025	10,575	
2025	1461-1587	235,000	14,250	249,250	2026	7,125	2026	7,125	
2026	1588-1719	240,000	7,200	247,200	2027	3,600	2027	3,600	
		<u>\$ 1,805,000</u>	<u>\$ 459,800</u>	<u>\$ 2,264,800</u>			<u>\$ 229,900</u>	<u>\$ 229,900</u>	

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING  
BOND SERIES 2014 - TOTAL

April 30, 2016

Date of Issue	November 20, 2014
Date of Maturity	December 15, 2020
Authorized Issue	\$ 5,100,000
Actual Issue	\$ 4,040,000
Denomination of Bonds	1-808 - \$5,000
Interest Rate	
	Bonds
	1-190                      2%
	191-808                    3%

Principal Maturity Date	December 15
Interest Dates	December 15 and June 15

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	5-96	\$ 460,000	\$ 111,300	\$ 571,300	2016	\$ 55,650	2016	\$ 55,650
2016	97-190	470,000	102,100	572,100	2017	51,050	2017	51,050
2017	191-423	1,165,000	92,700	1,257,700	2018	46,350	2018	46,350
2018	424-659	1,180,000	57,750	1,237,750	2019	28,875	2019	28,875
2019	660-808	745,000	22,350	767,350	2020	11,175	2020	11,175
		<u>\$ 4,020,000</u>	<u>\$ 386,200</u>	<u>\$ 4,406,200</u>		<u>\$ 193,100</u>		<u>\$ 193,100</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING  
BOND SERIES 2014 - GOVERNMENTAL ACTIVITIES

April 30, 2016

Date of Issue	November 20, 2014
Date of Issue	December 15, 2020
Authorized Issue	\$ 5,100,000
Actual Issue	\$ 4,040,000
Denomination of Bonds	1-808 - \$5,000
Interest Rate	
	Bonds
	1-190                    2%
	191-808                 3%

Principal Maturity Date	December 15
Interest Dates	December 15 and June 15

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	5-96	\$ 295,000	\$ 82,250	\$ 377,250	2016	\$ 41,125	2016	\$ 41,125
2016	97-190	300,000	76,350	376,350	2017	38,175	2017	38,175
2017	191-423	860,000	70,350	930,350	2018	35,175	2018	35,175
2018	424-659	885,000	44,550	929,550	2019	22,275	2019	22,275
2019	660-808	600,000	18,000	618,000	2020	9,000	2020	9,000
		<u>\$ 2,940,000</u>	<u>\$ 291,500</u>	<u>\$ 3,231,500</u>		<u>\$ 145,750</u>		<u>\$ 145,750</u>

(See independent auditor's report.)



**VILLAGE OF OSWEGO, ILLINOIS**  
**LONG-TERM DEBT REQUIREMENTS**  
**GENERAL OBLIGATION REFUNDING**  
**BOND SERIES 2014 - BUSINESS-TYPE ACTIVITIES**

April 30, 2016

Date of Issue	November 20, 2014
Date of Issue	December 15, 2020
Authorized Issue	\$ 5,100,000
Actual Issue	\$ 4,040,000
Denomination of Bonds	1-808 - \$5,000
Interest Rate	
	Bonds
	1-190                      2%
	191-808                    3%

Principal Maturity Date	December 15
Interest Dates	December 15 and June 15

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	5-96	\$ 165,000	\$ 29,050	\$ 194,050	2016	\$ 14,525	2016	\$ 14,525
2016	97-190	170,000	25,750	195,750	2017	12,875	2017	12,875
2017	191-423	305,000	22,350	327,350	2018	11,175	2018	11,175
2018	424-659	295,000	13,200	308,200	2019	6,600	2019	6,600
2019	660-808	145,000	4,350	149,350	2020	2,175	2020	2,175
		<u>\$ 1,080,000</u>	<u>\$ 94,700</u>	<u>\$ 1,174,700</u>			<u>\$ 47,350</u>	<u>\$ 47,350</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
IEPA LOAN NO. 17-0783**

April 30, 2016

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Date of Loan	November 1, 1999
Date of Maturity	April 27, 2017
Authorized Loan	\$ 907,735
Actual Loan	\$ 907,735
Interest Rate	2.890%
Principal Maturity Date	April 27 and October 27
Interest Dates	April 27 and October 27

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>				<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>October 27</b>	<b>Amount</b>	<b>April 27</b>	<b>Amount</b>
2017	\$ 61,261	\$ 1,322	\$ 62,583	2016	\$ 879	2017	\$ 443
	<u>\$ 61,261</u>	<u>\$ 1,322</u>	<u>\$ 62,583</u>		<u>\$ 879</u>		<u>\$ 443</u>

(See independent auditor's report.)

**VILLAGE OF OSWEGO, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
IEPA LOAN NO. 17-1445

April 30, 2016

Date of Loan	April 1, 2004
Date of Maturity	January 15, 2025
Authorized Loan	\$ 1,772,543
Actual Loan	\$ 1,346,766
Interest Rate	2.5%
Principal Maturity Date	January 15 and July 15
Interest Dates	January 15 and July 15

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year				Interest Due on			Amount
	Principal	Interest	Total	July 15	January 15	Amount	
2017	\$ 69,762	\$ 16,938	\$ 86,700	2016	\$ 8,686	2017	\$ 8,252
2018	71,516	15,184	86,700	2017	7,814	2018	7,370
2019	73,316	13,384	86,700	2018	6,920	2019	6,464
2020	75,161	11,539	86,700	2019	6,004	2020	5,535
2021	77,051	9,649	86,700	2020	5,064	2021	4,585
2022	78,989	7,711	86,700	2021	4,101	2022	3,610
2023	80,977	5,723	86,700	2022	3,114	2023	2,609
2024	83,014	3,686	86,700	2023	2,101	2024	1,585
2025	85,101	1,599	86,700	2024	1,064	2025	535
	<u>\$ 694,887</u>	<u>\$ 85,413</u>	<u>\$ 780,300</u>		<u>\$ 44,868</u>		<u>\$ 40,545</u>

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the Village of Oswego, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Village's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	115-124
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax.	125-133
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	134-138
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	139-140
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	141-143

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

VILLAGE OF OSWEGO, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2007	2008	2009	2010
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 275,810,548	\$ 275,890,996	\$ 279,192,631	\$ 275,314,514
Restricted	2,833,472	2,271,727	2,603,394	2,599,700
Unrestricted	4,676,344	6,193,562	4,893,607	4,420,252
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 283,320,364</b>	<b>\$ 284,356,285</b>	<b>\$ 286,689,632</b>	<b>\$ 282,334,466</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 38,320,494	\$ 41,640,918	\$ 40,762,063	\$ 42,523,985
Restricted	899,500	899,500	899,500	654,000
Unrestricted	4,265,995	2,043,619	1,736,338	1,684,126
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 43,485,989</b>	<b>\$ 44,584,037</b>	<b>\$ 43,397,901</b>	<b>\$ 44,862,111</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 314,131,042	\$ 317,531,914	\$ 319,954,694	\$ 317,838,499
Restricted	3,732,972	3,171,227	3,502,894	3,253,700
Unrestricted	8,942,339	8,237,181	6,629,945	6,104,378
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 326,806,353</b>	<b>\$ 328,940,322</b>	<b>\$ 330,087,533</b>	<b>\$ 327,196,577</b>

The Village implemented GASB Statement No. 68 during 2016.

Data Source

Audited Financial Statements

2011	2012	2013	2014	2015	2016
\$ 274,396,968	\$ 272,998,786	\$ 271,570,611	\$ 269,462,285	\$ 267,114,160	\$ 269,710,313
2,772,565	2,273,073	2,888,976	3,136,556	2,726,245	3,025,632
3,419,680	5,357,170	4,826,113	6,621,863	5,757,774	(5,136,241)
<u>\$ 280,589,213</u>	<u>\$ 280,629,029</u>	<u>\$ 279,285,700</u>	<u>\$ 279,220,704</u>	<u>\$ 275,598,179</u>	<u>\$ 267,599,704</u>
\$ 41,398,648	\$ 40,762,984	\$ 41,995,957	\$ 42,143,249	\$ 42,852,341	\$ 45,499,004
654,000	654,000	654,000	654,000	654,000	654,000
4,704,208	5,217,977	8,501,995	9,243,426	9,141,100	6,397,870
<u>\$ 46,756,856</u>	<u>\$ 46,634,961</u>	<u>\$ 51,151,952</u>	<u>\$ 52,040,675</u>	<u>\$ 52,647,441</u>	<u>\$ 52,550,874</u>
\$ 315,795,616	\$ 313,761,770	\$ 313,566,568	\$ 311,605,534	\$ 309,966,501	\$ 315,209,317
3,426,565	2,927,073	3,542,976	3,790,556	3,380,245	3,679,632
8,123,888	10,575,147	13,328,108	15,865,289	14,898,874	1,261,629
<u>\$ 327,346,069</u>	<u>\$ 327,263,990</u>	<u>\$ 330,437,652</u>	<u>\$ 331,261,379</u>	<u>\$ 328,245,620</u>	<u>\$ 320,150,578</u>

VILLAGE OF OSWEGO, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

	2007	2008	2009	2010
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 1,556,726	\$ 1,757,232	\$ 2,550,510	\$ 2,786,451
Building and zoning	834,696	1,001,493	782,406	688,512
Community development	371,006	447,050	567,010	413,592
Public safety	6,165,019	7,264,710	7,281,633	7,495,117
Public works	6,750,620	6,454,882	6,321,596	6,465,291
Interest	551,346	652,516	774,560	798,077
Total governmental activities expenses	16,229,413	17,577,883	18,277,715	18,647,040
Business-type activities				
Water and sewer	5,672,233	6,866,834	6,441,779	6,444,545
Garbage	1,350,403	1,675,620	1,982,933	1,995,198
Total business-type activities expenses	7,022,636	8,542,454	8,424,712	8,439,743
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 23,252,049</b>	<b>\$ 26,120,337</b>	<b>\$ 26,702,427</b>	<b>\$ 27,086,783</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General government	\$ 40,357	\$ 59,324	\$ 71,824	\$ 132,928
Building and zoning	2,111,691	1,190,633	544,440	513,399
Community development	179,377	200,517	168,897	162,819
Public safety	490,922	523,519	486,881	722,428
Operating grants and contributions	1,635,808	1,353,159	1,230,557	1,380,242
Capital grants and contributions	67,207,177	4,638,376	7,447,372	598,992
Total governmental activities program revenues	71,665,332	7,965,528	9,949,971	3,510,808
Business-type activities				
Charges for services				
Water and sewer	7,143,385	6,563,342	5,348,323	5,308,250
Garbage	1,399,455	1,736,868	2,052,072	2,084,353
Operating grants and contributions	-	-	-	-
Capital grants and contributions	2,575,410	1,474,988	166,998	-
Total business-type activities program revenues	11,118,250	9,775,198	7,567,393	7,392,603
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 82,783,582</b>	<b>\$ 17,740,726</b>	<b>\$ 17,517,364</b>	<b>\$ 10,903,411</b>
<b>NET REVENUE (EXPENSE)</b>				
Governmental activities	\$ 55,435,919	\$ (9,612,355)	\$ (8,327,744)	\$ (15,136,232)
Business-type activities	4,095,614	1,232,744	(857,319)	(1,047,140)
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ 59,531,533</b>	<b>\$ (8,379,611)</b>	<b>\$ (9,185,063)</b>	<b>\$ (16,183,372)</b>

	2011	2012	2013	2014	2015	2016
\$	2,574,508	\$ 2,551,465	\$ 2,504,327	\$ 2,568,401	\$ 2,901,044	\$ 2,901,661
	574,252	603,708	627,008	638,618	656,478	747,864
	355,570	469,946	507,828	707,665	753,815	811,923
	7,771,351	7,785,066	7,854,804	8,374,812	8,871,896	9,225,417
	6,443,722	6,466,254	7,560,190	7,119,256	8,034,011	9,626,504
	810,467	756,086	827,319	580,528	566,382	477,036
	18,529,870	18,632,525	19,881,476	19,989,280	21,783,626	23,790,405
	5,915,469	5,573,478	5,171,212	5,475,321	5,553,577	5,310,304
	2,088,471	2,272,694	2,069,201	2,105,583	2,257,770	2,415,909
	8,003,940	7,846,172	7,240,413	7,580,904	7,811,347	7,726,213
\$	26,533,810	\$ 26,478,697	\$ 27,121,889	\$ 27,570,184	\$ 29,594,973	\$ 31,516,618
\$	34,291	\$ 22,668	\$ 19,489	\$ 79,360	\$ 17,659	\$ 17,708
	438,255	530,892	546,995	745,449	667,232	556,063
	169,080	146,390	135,718	167,520	177,315	179,470
	708,635	682,086	603,156	631,669	591,515	567,905
	1,218,753	1,207,396	1,561,809	1,148,407	1,142,991	1,117,999
	3,681,288	3,495,236	3,614,701	2,525,807	270,519	7,305,199
	6,250,302	6,084,668	6,481,868	5,298,212	2,867,231	9,744,344
	5,497,141	6,261,974	6,695,627	6,223,868	6,024,616	5,375,079
	2,172,351	2,267,599	2,032,054	2,097,286	2,248,211	2,406,951
	-	111,935	636,669	99,265	95,321	90,270
	149,056	62,390	-	-	-	-
	7,818,548	8,703,898	9,364,350	8,420,419	8,368,148	7,872,300
\$	14,068,850	\$ 14,788,566	\$ 15,846,218	\$ 13,718,631	\$ 11,235,379	\$ 17,616,644
\$	(12,279,568)	\$ (12,547,857)	\$ (13,399,608)	\$ (14,691,068)	\$ (18,916,395)	\$ (14,046,061)
	(185,392)	857,726	2,123,937	839,515	556,801	146,087
\$	(12,464,960)	\$ (11,690,131)	\$ (11,275,671)	\$ (13,851,553)	\$ (18,359,594)	\$ (13,899,974)



VILLAGE OF OSWEGO, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

	2007	2008	2009	2010
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET ASSETS</b>				
Governmental activities				
Taxes				
Property	\$ 1,008,600	\$ 1,149,608	\$ 1,258,277	\$ 1,395,165
Sales	2,925,295	3,595,313	3,444,187	4,072,717
Telecommunication	899,885	1,020,222	1,067,075	1,073,121
Utility	824,833	972,764	957,052	886,998
Other	266,240	293,303	387,339	354,165
Intergovernmental - unrestricted				
Income tax	1,681,961	1,837,415	2,175,465	2,304,243
Personal property replacement tax	9,926	11,864	10,366	9,175
Investment income	736,926	516,202	229,198	74,953
Miscellaneous	548,958	785,556	707,915	610,529
Transfers in (out)	337,048	382,146	424,217	-
Total governmental activities	9,239,672	10,564,393	10,661,091	10,781,066
Business-type activities				
Miscellaneous	-	-	-	107,450
Investment income	212,107	228,086	95,400	55,376
Transfers in (out)	(337,048)	(382,146)	(424,217)	-
Total business-type activities	(124,941)	(154,060)	(328,817)	162,826
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 9,114,731</b>	<b>\$ 10,410,333</b>	<b>\$ 10,332,274</b>	<b>\$ 10,943,892</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 64,675,591	\$ 952,038	\$ 2,333,347	\$ (4,355,166)
Business-type activities	3,970,673	1,078,684	(1,186,136)	(884,314)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 68,646,264</b>	<b>\$ 2,030,722</b>	<b>\$ 1,147,211</b>	<b>\$ (5,239,480)</b>

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015	2016
\$	1,449,154	\$ 1,454,079	\$ 1,344,929	\$ 1,326,712	\$ 1,327,139	\$ 1,326,196
	5,349,488	6,039,345	6,129,126	6,401,637	7,208,332	8,475,664
	1,022,272	1,304,003	959,986	934,655	837,796	751,196
	1,010,223	959,959	1,009,180	1,136,668	1,083,899	968,086
	490,642	511,361	555,475	612,825	748,254	856,431
	2,261,969	2,460,342	2,735,608	2,957,978	2,972,805	3,235,006
	10,666	9,627	9,480	10,923	10,647	9,582
	100,039	92,563	57,097	35,528	35,673	38,718
	722,862	707,593	876,398	1,046,968	1,069,325	1,162,864
	(1,883,000)	325,470	(1,621,000)	-	-	-
	10,534,315	13,864,342	12,056,279	14,463,894	15,293,870	16,823,743
	164,442	14,345	30,761	19,657	26,201	43,435
	32,695	44,349	28,448	29,551	23,764	90,430
	1,883,000	(325,470)	1,621,000	-	-	-
	2,080,137	(266,776)	1,680,209	49,208	49,965	133,865
\$	12,614,452	\$ 13,597,566	\$ 13,736,488	\$ 14,513,102	\$ 15,343,835	\$ 16,957,608
\$	(1,745,253)	\$ 1,316,485	\$ (1,343,329)	\$ (227,174)	\$ (3,622,525)	\$ 2,777,682
	1,894,745	590,950	3,804,146	888,723	606,766	279,952
\$	149,492	\$ 1,907,435	\$ 2,460,817	\$ 661,549	\$ (3,015,759)	\$ 3,057,634

**VILLAGE OF OSWEGO, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GENERAL FUND</b>				
Reserved	\$ 97,538	\$ 222,328	\$ 138,934	\$ 160,365
Unreserved - undesignated	4,905,726	5,039,694	4,799,544	5,461,181
Nonspendable	-	-	-	-
Unrestricted				
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 5,003,264</b>	<b>\$ 5,262,022</b>	<b>\$ 4,938,478</b>	<b>\$ 5,621,546</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 2,955,549	\$ 2,271,727	\$ 2,603,394	\$ 2,599,700
Unreserved, reported in				
Special Revenue Funds	401,022	1,208,681	739,078	(242)
Debt Service Funds	-	-	-	-
Capital Project Funds	6,573,870	6,154,477	991,902	263,626
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Assigned	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 9,930,441</b>	<b>\$ 9,634,885</b>	<b>\$ 4,334,374</b>	<b>\$ 2,863,084</b>

\*The Village implemented GASB Statement No. 54 for the fiscal year ended April 30, 2012.

Data Source

Audited Financial Statements

<b>2011</b>	<b>2012*</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$ 154,338	\$ -	\$ -	\$ -	\$ -	\$ -
4,372,535	-	-	-	-	-
-	88,206	128,249	158,983	228,305	327,754
-	5,021,748	5,021,748	5,358,071	6,119,151	6,071,095
-	891,528	606,285	1,180,021	796,189	327,612
<u>\$ 4,526,873</u>	<u>\$ 6,001,482</u>	<u>\$ 5,756,282</u>	<u>\$ 6,697,075</u>	<u>\$ 7,143,645</u>	<u>\$ 6,726,461</u>
\$ 2,828,917	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
349,405	-	-	-	-	-
-	313,658	260,251	226,679	14,308	5,389
-	2,253,504	2,628,725	2,909,877	2,711,937	3,020,243
-	755,050	697,473	584,001	257,558	865,417
<u>\$ 3,178,322</u>	<u>\$ 3,322,212</u>	<u>\$ 3,586,449</u>	<u>\$ 3,720,557</u>	<u>\$ 2,983,803</u>	<u>\$ 3,891,049</u>

**VILLAGE OF OSWEGO, ILLINOIS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>REVENUES</b>				
Taxes	\$ 5,014,388	\$ 5,923,856	\$ 6,070,220	\$ 7,509,857
Licenses and permits	2,626,747	1,762,818	944,023	759,162
Intergovernmental	2,442,523	2,587,649	3,144,141	3,129,158
Charges for services	1,439,999	1,603,959	1,507,759	1,594,789
Fines and forfeits	269,025	255,339	259,635	466,995
Contributions	372,236	136,582	66,208	66,394
Investment income	736,926	516,202	229,198	74,953
Miscellaneous	706,084	779,490	745,738	674,537
<b>Total revenues</b>	<b>13,607,928</b>	<b>13,565,895</b>	<b>12,966,922</b>	<b>14,275,845</b>
<b>EXPENDITURES</b>				
General government	1,573,828	1,946,204	2,337,350	2,570,171
Building and zoning	800,393	1,000,940	783,117	692,072
Community development	357,065	464,973	564,967	417,585
Public safety	5,920,557	7,120,633	7,144,164	7,281,450
Public works	1,982,817	1,613,678	1,845,856	2,114,545
Retirement	633,103	-	-	-
Capital outlay	4,530,533	6,831,068	4,880,950	3,274,945
Debt service				
Principal	125,000	500,000	720,000	740,000
Interest	378,275	555,028	761,851	741,672
Other charges	1,100	1,625	1,625	1,625
<b>Total expenditures</b>	<b>16,302,671</b>	<b>20,034,149</b>	<b>19,039,880</b>	<b>17,834,065</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,694,743)</b>	<b>(6,468,254)</b>	<b>(6,072,958)</b>	<b>(3,558,220)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,137,048	1,606,398	2,070,351	1,888,737
Transfers (out)	(800,000)	(1,224,252)	(1,646,134)	(1,888,737)
Bonds issued at par	9,970,000	6,000,000	-	2,285,000
Premium on bonds issued	-	-	-	-
Payment to escrow agent	-	-	-	-
Discount on bonds issued	-	(48,000)	-	-
Proceeds from sale of capital assets	28,906	13,427	24,676	8,091
<b>Total other financing sources (uses)</b>	<b>10,335,954</b>	<b>6,347,573</b>	<b>448,893</b>	<b>2,293,091</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 7,641,211</b>	<b>\$ (120,681)</b>	<b>\$ (5,624,065)</b>	<b>\$ (1,265,129)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>4.28%</b>	<b>7.84%</b>	<b>10.43%</b>	<b>10.17%</b>

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015	2016
\$	8,078,942	\$ 9,289,911	\$ 9,038,711	\$ 9,476,192	\$ 10,364,622	\$ 11,622,629
	741,030	807,046	917,933	1,048,980	991,724	823,358
	3,885,905	3,243,025	5,176,372	4,032,226	4,155,089	4,200,784
	1,349,356	1,651,653	1,353,105	1,438,488	1,300,758	1,262,366
	508,506	478,278	386,811	409,699	428,127	350,808
	59,168	46,926	-	-	-	-
	100,039	92,563	57,097	35,528	35,673	38,718
	798,293	743,581	830,654	1,004,152	883,905	980,528
	15,521,239	16,352,983	17,760,683	17,445,265	18,159,898	19,279,191
	2,368,944	2,083,617	2,159,799	2,292,962	2,393,196	2,626,290
	573,687	602,123	616,216	637,964	654,696	713,458
	353,320	467,525	489,809	698,354	750,705	790,683
	7,555,771	7,759,427	7,926,878	8,526,113	8,816,774	8,969,361
	1,659,059	1,949,282	1,974,580	2,426,556	3,644,432	3,601,144
	-	-	-	-	-	-
	243,714	222,351	1,156,074	187,303	421,149	345,037
	1,010,000	1,060,000	1,130,000	1,145,000	1,225,000	1,305,000
	811,754	796,970	691,422	619,817	542,425	465,476
	1,625	1,625	1,625	1,625	1,625	1,625
	14,577,874	14,942,920	16,146,403	16,535,694	18,450,002	18,818,074
	943,365	1,410,063	1,614,280	909,571	(290,104)	461,117
	1,821,696	2,143,087	1,901,294	1,779,063	1,807,607	1,780,387
	(3,704,696)	(1,817,617)	(3,522,294)	(1,779,063)	(1,807,607)	(1,780,387)
	-	2,300,000	-	6,770,000	2,955,000	-
	-	92,033	-	387,715	176,385	-
	-	(2,351,675)	-	(7,170,687)	(3,132,668)	-
	-	-	-	-	-	-
	2,702	106	25,757	16,124	1,203	28,945
	(1,880,298)	365,934	(1,595,243)	3,152	(80)	28,945
\$	(936,933)	\$ 1,775,997	\$ 19,037	\$ 912,723	\$ (290,184)	\$ 490,062
	12.53%	12.60%	11.48%	10.96%	10.00%	9.83%

VILLAGE OF OSWEGO, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Fiscal Year	Farm	Residential Property	Commercial Property	Industrial Property	Railroad Local	Railroad State	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2006	2007	\$ 696,570	\$ 623,511,609	\$ 83,409,340	\$ 7,640,570	\$ 9,010	\$ 27,693	\$ 715,294,792	\$ 0.1404	\$ 2,148,032,408	33.30%
2007	2008	725,042	714,402,997	112,097,740	8,141,000	9,390	27,693	835,403,862	0.1334	2,508,720,306	33.30%
2008	2009	1,015,643	768,055,888	120,267,641	8,426,867	9,200	27,693	897,802,932	0.1393	2,696,104,901	33.30%
2009	2010	1,011,885	790,703,227	132,681,817	8,887,396	3,000	27,693	933,315,018	0.1400	2,802,747,802	33.30%
2010	2011	874,234	748,097,856	132,123,809	8,779,509	3,015	27,693	889,906,116	0.1468	2,672,390,739	33.30%
2011	2012	916,416	700,657,817	126,530,094	8,573,857	3,015	27,693	836,708,892	0.1453	2,512,639,315	33.30%
2012	2013	959,934	645,685,646	124,345,342	8,468,446	3,015	27,723	779,490,106	0.1560	2,340,811,129	33.30%
2013	2014	1,038,430	615,982,517	119,791,336	8,090,629	-	27,693	744,930,605	0.1633	2,237,028,844	33.30%
2014	2015	1,264,871	618,500,657	118,659,688	8,068,396	-	27,693	746,521,305	0.1634	2,241,805,721	33.30%
2015	2016	1,448,288	654,818,991	119,120,630	7,426,266	-	27,693	782,841,868	0.1558	2,350,876,480	33.30%

Note: Property in the Village is reassessed each year. Property is assessed at 33.3% of actual value.

Data Source

Kendall County Clerk

**VILLAGE OF OSWEGO, ILLINOIS**

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Levy Years

Levy Year	Fiscal Year	Village Direct Rates						Overlapping Rates		
		Corporate	Bonds and Interest	IMRF	Police Pension	Audit	Total Direct Tax Rate	Kendall County	Kendall County Mental Health	Kendall County Health
2006	2007	\$ 0.0156	\$ -	\$ 0.0232	\$ 0.1016	\$ -	\$ 0.1404	\$ 0.5925	\$ -	\$ -
2007	2008	0.0229	-	0.0205	0.0900	-	0.1334	0.5595	-	-
2008	2009	0.0084	-	0.0317	0.0992	-	0.1393	0.5724	-	-
2009	2010	0.0079	-	0.0259	0.1062	-	0.1400	0.5734	-	-
2010	2011	0.0081	-	0.0246	0.1141	-	0.1468	0.6396	-	-
2011	2012	-	-	0.0228	0.1225	-	0.1453	0.6998	-	-
2012	2013	-	-	0.0205	0.1355	-	0.1560	0.7446	-	-
2013	2014	-	-	0.0042	0.1591	-	0.1633	0.8009	-	-
2014	2015	-	-	0.0049	0.1585	-	0.1634	0.8085	-	-
2015	2016	-	-	-	0.1558	-	0.1558	0.7909	-	-

Note: The Village basic property tax rate may be increased only by a majority vote of the Village's residents. Rates for debt service are set based on each year's requirements.

Data Source

Kendall County Clerk



<b>Overlapping Rates</b>									
<b>Oswego Township</b>	<b>Kendall County Forest Preserve</b>	<b>Oswego School CU-308</b>	<b>Waubonsie JC #516</b>	<b>Oswego Fire Protection District</b>	<b>Oswego Library District</b>	<b>Oswego Park District</b>	<b>Oswego Road District</b>	<b>Total Overlapping Rates</b>	<b>Total Direct and Overlapping Rates</b>
\$ 0.0766	\$ 0.0299	\$ 5.0600	\$ 0.4005	\$ 0.6029	\$ 0.2118	\$ 0.4122	\$ 0.1760	\$ 7.5624	\$ 7.7028
0.0734	0.1292	5.0600	0.3924	0.5772	0.2012	0.3896	0.1687	7.5512	7.6846
0.0745	0.0966	5.0600	0.3990	0.5821	0.2031	0.3880	0.1711	7.5468	7.6861
0.0729	0.0944	5.0600	0.4037	0.5731	0.2012	0.3594	0.1675	7.5056	7.6456
0.0790	0.1041	5.8377	0.4115	0.6286	0.2206	0.3830	0.1804	8.4845	8.6313
0.0800	0.1204	6.6572	0.4702	0.6713	0.2449	0.4116	0.1870	9.5424	9.6877
0.0845	0.1495	7.3488	0.5306	0.7216	0.2721	0.4203	0.1963	10.4683	10.6243
0.0920	0.1640	7.8596	0.5690	0.7806	0.2961	0.4872	0.2059	11.2553	11.4186
0.0947	0.1826	7.8803	0.5973	0.8045	0.3058	0.5103	0.2124	11.3964	11.5598
0.0904	0.1787	7.3176	0.5885	0.7871	0.2996	0.4973	0.2027	10.7528	10.9086

**VILLAGE OF OSWEGO, ILLINOIS**

PROPERTY TAX RATES - PER \$100 OF ASSESSED VALUATION - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Village of Oswego	\$ 0.1404	\$ 0.1334	\$ 0.1393	\$ 0.1400	\$ 0.1468	\$ 0.1453	\$ 0.1560	\$ 0.1633	\$ 0.1634	\$ 0.1558
Kendall County	0.5925	0.5595	0.5724	0.5734	0.6396	0.6998	0.7446	0.8009	0.8085	0.7909
Kendall County Mental Health	-	-	-	-	-	-	-	-	-	-
Kendall County Health	-	-	-	-	-	-	-	-	-	-
Oswego Township	0.0766	0.0734	0.0745	0.0729	0.0790	0.0800	0.0845	0.0920	0.0947	0.0904
Kendall County Forest Preserve	0.0299	0.1292	0.0966	0.0944	0.1041	0.1204	0.1495	0.1640	0.1826	0.1787
Oswego School CU-308	5.0600	5.0600	5.0600	5.0600	5.8377	6.6572	7.3488	7.8596	7.8803	7.3176
Waubonsie JC #516	0.4005	0.3924	0.3990	0.4037	0.4115	0.4702	0.5306	0.5690	0.5973	0.5885
Oswego Fire Protection District	0.6029	0.5772	0.5821	0.5731	0.6286	0.6713	0.7216	0.7806	0.8045	0.7871
Oswego Library District	0.2118	0.2012	0.2031	0.2012	0.2206	0.2449	0.2721	0.2961	0.3058	0.2996
Oswego Park District	0.4122	0.3896	0.3880	0.3594	0.3830	0.4116	0.4203	0.4872	0.5103	0.4973
Oswego Road District	0.1757	0.1687	0.1711	0.1675	0.1804	0.1870	0.1963	0.2059	0.2124	0.2027
<b>TOTAL</b>	<b>\$ 7.7025</b>	<b>\$ 7.6846</b>	<b>\$ 7.6861</b>	<b>\$ 7.6456</b>	<b>\$ 8.6313</b>	<b>\$ 9.6877</b>	<b>\$ 10.6243</b>	<b>\$ 11.4186</b>	<b>\$ 11.5598</b>	<b>\$ 10.9086</b>

Property tax rates are per \$100 of assessed valuation.

Levy year finances the subsequent fiscal year (i.e., Levy Year 2014 finances Fiscal Year 2016).

Data Source

Kendall County Clerk

**VILLAGE OF OSWEGO, ILLINOIS**

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2015 Levy			2006 Levy		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Farmington Lakes, LLC	\$ 5,232,066	1	0.67%	\$ 5,768,130	2	0.81%
Richport Property Prairie Market, LLC	4,340,338	2	0.55%			
Oswego Gerry Centennial, LLC	4,296,807	3	0.55%			
Meijer Stores LTD Partnership	4,037,374	4	0.52%			
Wal-Mart Real Estate Business Trust	3,733,483	5	0.48%			
Inland Western Oswego Douglass	3,524,736	6	0.45%	6,317,830	1	0.88%
Target Corporation	2,255,050	7	0.29%	2,921,210	3	0.41%
Oswego Partners, LLC	2,180,447	8	0.28%			
Retail Properties of America, Inc.	2,172,604	9	0.28%			
Home Depot USA	1,914,766	10	0.24%	2,915,340	4	0.41%
Inland Real Estate Towne Cross				2,892,940	5	0.40%
Dreyer Clinic, Inc.				1,554,250	6	0.22%
Mason Square LLC				1,376,060	7	0.19%
Goodrich Quality Theaters, Inc.				1,366,410	8	0.19%
Amoco Oil Co.				1,346,770	9	0.19%
MicDanick Investments, LLC				1,319,500	10	0.18%
	<u>\$ 33,687,671</u>		<u>4.31%</u>	<u>\$ 27,778,440</u>		<u>3.88%</u>

Data Source

Office of the County Clerk

**VILLAGE OF OSWEGO, ILLINOIS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount*	Percentage of Levy
2006	\$ 1,004,275	\$ 1,006,551	100.23%	\$ -	\$ 1,006,551	100.23%
2007	1,116,935	1,116,423	99.95%	(36)	1,116,387	99.95%
2008	1,249,762	1,248,470	99.90%	666	1,249,136	99.95%
2009	1,306,268	1,303,787	99.81%	(736)	1,303,051	99.75%
2010	1,306,204	1,304,363	99.86%	1,639	1,306,002	99.98%
2011	1,216,073	1,215,196	99.93%	(466)	1,214,730	99.89%
2012	1,216,083	1,214,638	99.88%	(258)	1,214,380	99.86%
2013	1,216,099	1,214,768	99.89%	(776)	1,213,992	99.83%
2014	1,219,666	1,218,564	99.91%	-	1,218,564	99.91%
2015	1,219,569	-	0.00%	-	-	0.00%

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

\* Total collections to date are the same as the amount collected during the fiscal year that the levy is financing. Certain years may have collections greater than 100% as the County does not identify the tax year related to prior year collections.

Data Source

Office of the County Clerk

**VILLAGE OF OSWEGO, ILLINOIS**

**DIRECT AND OVERLAPPING SALES TAX RATES**

Last Ten Calendar Years

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<b>Calendar Year</b>	<b>Village Direct Rate</b>	<b>County Rate</b>	<b>County Public Safety Rate</b>	<b>State Rate</b>	<b>Total</b>
2007	1.00%	0.25%	0.50%	5.00%	6.75%
2008	1.00%	0.25%	1.00%	5.00%	7.25%
2009	1.00%	0.25%	1.00%	5.00%	7.25%
2010	1.00%	0.25%	1.00%	5.00%	7.25%
2011	1.00%	0.25%	1.00%	5.00%	7.25%
2012	1.00%	0.25%	1.00%	5.00%	7.25%
2013	1.50%	0.25%	1.00%	5.00%	7.75%
2014	1.50%	0.25%	1.00%	5.00%	7.75%
2015	1.50%	0.25%	1.00%	5.00%	7.75%
2016	2.25%	0.25%	1.00%	5.00%	8.50%

Data Source

Department of Revenue

**VILLAGE OF OSWEGO, ILLINOIS**

GENERAL SALES TAX BY CATEGORY

Last Ten Calendar Years

<b>Calendar Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General merchandise	\$ 543,782	\$ 835,823	\$ 1,026,304	\$ 1,017,002	\$ 1,044,682	\$ 897,868	\$ 1,052,030	\$ 1,032,790	\$ 1,772,784	\$ 2,289,392
Food	687,390	626,897	469,987	608,638	561,369	520,995	465,110	477,393	448,860	736,908
Drinking and eating places	366,868	388,960	418,317	543,990	538,906	566,591	598,064	639,448	714,404	1,193,258
Apparel	53,429	182,697	203,385	200,655	228,374	379,146	252,180	263,034	267,752	414,947
Furniture, H.H. and Radio	49,469	251,549	310,674	260,491	267,536	266,894	246,453	229,101	226,135	365,219
Lumber, building hardware	407,660	433,350	366,169	302,034	313,492	281,290	215,643	249,375	268,823	418,433
Automobile and filling stations	591,150	869,332	1,033,223	1,004,753	1,113,413	1,309,894	1,467,995	1,497,855	941,139	1,108,625
Drugs and miscellaneous retail	403,803	469,358	489,005	501,300	550,689	578,602	665,416	693,093	740,026	800,399
Agriculture and all others	264,769	305,607	258,909	184,054	132,674	186,966	369,659	324,119	329,249	563,734
Manufacturers	15,849	20,973	24,764	76,516	74,224	23,368	23,555	23,724	25,620	53,463
<b>TOTAL</b>	<b>\$ 3,384,169</b>	<b>\$ 4,384,546</b>	<b>\$ 4,600,736</b>	<b>\$ 4,699,433</b>	<b>\$ 4,825,359</b>	<b>\$ 5,011,615</b>	<b>\$ 5,356,105</b>	<b>\$ 5,429,931</b>	<b>\$ 5,734,792</b>	<b>\$ 7,944,378</b>
<b>VILLAGE DIRECT SALES TAX RATE</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>

Note: Data available for calendar year only.

Data Source

Illinois Department of Revenue

VILLAGE OF OSWEGO, ILLINOIS

HOME RULE SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General merchandise	\$ -	\$ -	\$ -	\$ -	\$ 200,098	\$ 317,148	\$ 358,345	\$ 355,684	\$ 524,363	\$ 519,197
Food	-	-	-	-	61,378	109,599	79,882	82,826	76,165	136,196
Drinking and eating places	-	-	-	-	132,401	279,711	294,925	317,169	354,581	395,760
Apparel	-	-	-	-	59,752	155,532	126,033	131,438	133,754	138,204
Furniture, H.H. and Radio	-	-	-	-	74,095	131,635	121,668	113,174	112,355	120,653
Lumber, building hardware	-	-	-	-	74,964	140,120	107,447	124,058	134,167	139,352
Automobile and filling stations	-	-	-	-	128,593	292,333	315,667	284,747	185,903	156,009
Drugs and miscellaneous retail	-	-	-	-	90,094	189,861	229,725	233,106	249,264	219,204
Agriculture and all others	-	-	-	-	26,246	79,016	176,477	153,561	156,634	138,599
Manufacturers	-	-	-	-	16,907	9,130	9,547	9,736	9,904	16,448
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 864,528</b>	<b>\$ 1,704,085</b>	<b>\$ 1,819,716</b>	<b>\$ 1,805,500</b>	<b>\$ 1,937,090</b>	<b>\$ 1,979,622</b>
<b>VILLAGE HOME RULE TAX RATE</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.50%</b>	<b>0.50%</b>	<b>0.50%</b>	<b>0.50%</b>	<b>0.50%</b>	<b>1.25%</b>

Note: Home Rule Tax established July 1, 2010. Data before that is not applicable.  
Data available for calendar year only.

Data Source

Illinois Department of Revenue

**VILLAGE OF OSWEGO, ILLINOIS**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	General Obligation Alternate Revenue Bonds	IEPA Loans Payable	General Obligation Alternate Revenue Bonds			
2007	\$ -	\$ 13,030,000	\$ 1,773,982	\$ 10,350,000	\$ 25,153,982	4.63%	\$ 1,260
2008	-	18,530,000	1,684,310	13,055,000	33,269,310	6.13%	1,667
2009	-	17,810,000	1,578,760	12,115,000	31,503,760	3.94%	1,073
2010	-	19,355,000	1,470,363	17,875,000	38,700,363	4.05%	1,275
2011	-	18,345,000	1,359,041	16,870,000	36,574,041	3.85%	1,188
2012	-	17,325,000	1,244,716	15,850,000	34,419,716	3.35%	1,119
2013	-	16,195,000	1,127,309	14,635,000	31,957,309	3.14%	1,039
2014	-	15,970,483	1,006,733	14,001,417	30,978,633	3.02%	1,007
2015	-	14,951,903	882,903	13,045,195	28,880,001	2.69%	873
2016	-	13,050,000	756,148	11,790,000	25,596,148	2.39%	778

See the schedule of Demographic and Economic Information on page 139 for personal income and population.

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

Data Source

Village Finance Department



**VILLAGE OF OSWEGO, ILLINOIS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT

April 30, 2016

<b>Governmental Unit</b>	<b>Gross Bonded Debt</b>	<b>Percentage Debt Applicable to the Village*</b>	<b>Village's Share of Debt</b>
Village of Oswego	\$ 13,050,000	100.00%	\$ 13,050,000
Oswego Community Unit School District #308	332,118,255	56.97%	189,200,129
Yorkville Community Unit School District #115	76,119,503	110.97%	84,470,142
Kendall County	33,578,762	29.55%	9,923,642
Kendall County Forest Preserve	44,630,000	29.58%	13,203,219
Waubonsee Community College #516	67,145,000	34.53%	23,184,876
Oswegoland Park District	9,740,000	64.43%	6,275,211
Oswego Public Library District	<u>7,345,000</u>	58.76%	<u>4,315,571</u>
Total Overlapping Debt	<u>570,676,520</u>		<u>330,572,790</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u><u>\$ 583,726,520</u></u>		<u><u>\$ 343,622,790</u></u>
Per capita overlapping debt			<u><u>\$ 10,440.97</u></u>

\* Percentage is calculated by dividing the Village equalized assessed value (EAV) by the respective taxing district EAV

Data Source

Kendall County Clerk

VILLAGE OF OSWEGO, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 61,694,176	\$ 72,053,583	*	*	*	*	*	*	*	*
Total net debt applicable to limit	13,030,000	18,530,000	*	*	*	*	*	*	*	*
<b>LEGAL DEBT MARGIN</b>	<b>\$ 48,664,176</b>	<b>\$ 53,523,583</b>	*	*	*	*	*	*	*	*
<b>TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT</b>	21.1%	25.7%	*	*	*	*	*	*	*	*

\* The Village became a home rule municipality during fiscal year 2009.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included one percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

To date the General Assembly has set no limits for home rule municipalities.

**VILLAGE OF OSWEGO, ILLINOIS**

**PLEDGED-REVENUE COVERAGE  
GOVERNMENTAL ACTIVITIES**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Sales Tax Revenue</b>	<b>Net Available Revenue</b>	<b>General Obligation Bonds Debt Service</b>		<b>Coverage</b>
			<b>Principal</b>	<b>Interest</b>	
2007	\$ 2,913,178	\$ 2,913,178	\$ 125,000	\$ 379,375	\$ 5.78
2008	3,510,620	3,510,620	500,000	556,653	3.32
2009	3,475,795	3,475,795	720,000	763,476	2.34
2010	4,072,717	4,072,717	740,000	743,297	2.75
2011	5,349,488	5,349,488	1,010,000	813,379	2.93
2012	6,039,346	6,039,346	1,060,000	798,595	3.25
2013	6,129,126	6,129,126	1,130,000	693,047	3.36
2014	6,401,537	6,401,537	1,145,000	621,442	3.62
2015	7,208,331	7,208,331	1,225,000	544,050	4.07
2016	7,589,959	7,589,959	1,305,000	467,101	4.28

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

**VILLAGE OF OSWEGO, ILLINOIS**

PLEDGED-REVENUE COVERAGE  
BUSINESS-TYPE ACTIVITIES

Last Ten Fiscal Years

Fiscal Year	Water and Sewer Revenue	Less Operating Expenses	Net Available Revenue	General Obligation Bonds Debt Service		IEPA Loans Debt Service		Coverage
				Principal	Interest	Principal	Interest	
2007	\$ 7,355,370	\$ 3,725,539	\$ 3,629,831	\$ 630,000	\$ 432,663	\$ 78,522	\$ 43,268	3.06
2008	6,790,870	4,742,094	2,048,776	795,000	455,655	89,672	48,200	1.48
2009	5,443,437	4,063,299	1,380,138	940,000	502,754	105,551	42,886	0.87
2010	5,363,112	3,577,194	1,785,918	970,000	703,325	108,397	40,029	0.98
2011	5,527,817	3,408,690	2,119,127	1,005,000	825,637	111,322	37,089	1.07
2012	6,304,099	3,173,278	3,130,821	1,050,000	743,619	114,325	34,085	1.61
2013	6,722,980	2,766,698	3,956,282	1,110,000	746,247	117,409	31,457	1.97
2014	6,252,863	3,326,221	2,926,642	940,000	573,524	120,576	27,925	1.76
2015	6,047,998	3,400,092	2,647,906	995,000	531,418	123,830	24,538	1.58
2016	5,464,827	3,187,991	2,276,836	1,025,000	510,043	126,755	21,693	1.35

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

Operating expenses do not include interest or depreciation.

# VILLAGE OF OSWEGO, ILLINOIS

## DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2007	19,956	\$ 542,883,024	\$ 27,204	3.8%
2008	19,956	542,883,024	27,204	3.9%
2009	29,364	798,818,256	27,204	5.2%
2010 *	30,355	954,543,330	31,446	8.5%
2011	30,780	950,763,420	30,889	8.7%
2012	30,750	1,013,058,750	32,945	8.0%
2013	30,750	1,033,384,500	33,606	8.3%
2014	30,750	1,027,234,500	33,406	7.0%
2015	33,100	1,075,352,800	32,488	5.0%
2016	32,901	1,089,483,714	33,114	5.2%

\*2010 population from decennial census

### Data Source

U.S. Census Bureau Fact Sheet

**VILLAGE OF OSWEGO, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

2016				2007			
Employer	Rank	Number	% of Total Village Population	Employer	Rank	Number	% of Total Village Population
Oswego Comm. Unit School Dist. No. 308	1	1,887	6.1%	Oswego Comm. Unit School Dist. No. 308	1	1400	7.0%
Meijer Corporation	2	300	1.0%	Wal-Mart Stores, Inc.	2	450	2.3%
Jewel/Osco	3	280	0.9%	Meijer Corporation	3	425	2.1%
Wal-Mart Stores	4	270	0.9%	Dominck's Fresh Foods, Inc.	4	275	1.4%
Kohl's	5	225	0.7%	Jewel/Osco	5	275	1.4%
Coldwell Banker Honig-Bell	6	225	0.7%	Lowe's Home Improvement	6	250	1.3%
Radiac Abrasives, Inc.	7	150	0.5%	Target Corporation	7	250	1.3%
Target Corporation	8	125	0.4%	Home Depot USA	8	250	1.3%
Home Depot USA	9	120	0.4%	Kohl's	9	225	1.1%
Village of Oswego	10	120	0.4%	Anfinsen Assembly, Inc.	10	150	0.8%

Data Source

Village of Oswego Economic Development Director

**VILLAGE OF OSWEGO, ILLINOIS**

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2007*</b>	<b>2008*</b>	<b>2009*</b>	<b>2010*</b>	<b>2011*</b>	<b>2012*</b>	<b>2013*</b>	<b>2014*</b>	<b>2015*</b>	<b>2016*</b>
<b>GENERAL GOVERNMENT</b>										
Administration	8.50	8.50	8.50	7.00	4.50	3.50	3.50	4.25	4.25	4.25
Finance	3.50	3.50	4.00	4.00	6.00	6.00	6.00	6.00	7.00	6.00
Village Clerk	2.50	2.50	3.00	3.00	2.50	2.50	2.50	2.50	2.50	2.50
Building and Zoning	12.00	12.50	12.00	6.00	7.00	7.00	7.30	7.30	7.30	7.30
Community Development	6.00	6.00	6.50	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Community Relation	-	-	-	-	-	1.50	2.00	2.00	2.00	2.00
Economic Development	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
<b>PUBLIC SAFETY</b>										
Police										
Officers	50.00	53.00	53.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00
Civilians	13.50	15.00	15.00	13.00	13.50	13.50	13.50	14.00	15.00	15.00
<b>PUBLIC WORKS</b>										
Road and Bridge/Water and Sewer	29.00	33.00	32.00	24.00	23.50	23.50	21.50	21.00	23.50	22.00
<b>TOTAL</b>	<b>125.00</b>	<b>134.00</b>	<b>134.00</b>	<b>110.00</b>	<b>110.00</b>	<b>111.50</b>	<b>111.30</b>	<b>112.05</b>	<b>116.55</b>	<b>114.05</b>

\* Totals include seasonal positions. Each seasonal position counts as 0.5 positions. A full-time employee works 2080 hours in a year. (For instance, if an employee is scheduled to work 500 hours a year, their full-time equivalent amount would be 0.25)

Data Source

Village budget office

VILLAGE OF OSWEGO, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>BUILDING AND ZONING</b>										
Permits issued	2,098	1,642	1,123	1,492	982	1,285	1,191	1,585	1,530	1,624
<b>COMMUNITY DEVELOPMENT</b>										
Total year end requested projects	84	40	46	45	47	38	34	48	41	27
Total year end projects approved	109	39	45	45	46	27	32	45	34	23
<b>PUBLIC SAFETY</b>										
Police										
Physical arrests	1,326	1,382	1,371	1,140	1,201	1,174	997	748	741	688
Parking violations	1,600	1,174	758	1,137	505	604	1,225	1,297	547	997
Traffic violations	20,136	6,172	4,565	5,033	5,246	11,622	12,548	10,841	11,017	12,391
Criminal reports	5,096	2,335	2,185	1,770	1,862	4,339	3,982	1,436	1,048	1,332
Calls for service	50,837	51,918	46,378	47,813	25,128	22,607	23,568	22,885	19,317	24,946
<b>ROAD AND BRIDGE</b>										
Pothole repairs (tons)	33	99	94	65	109	-	37	80	30	21
Parkway tree replacement	1	48	57	-	1	-	586	546	733	604
<b>WATER</b>										
Number of accounts	9,624	10,061	10,350	10,344	10,597	10,733	10,829	10,873	11,083	11,177
Total annual consumption	878,522,150	930,759,000	898,847,000	895,657,000	868,978,000	909,085,000	971,176,000	934,131,000	915,941,000	847,515,000
Average daily consumption	2,406,910	2,550,025	2,462,595	2,453,855	2,380,762	2,490,644	2,660,756	2,559,263	2,509,427	2,321,958
Peak daily consumption	5,289,000	5,692,000	5,951,000	4,588,000	4,146,000	4,723,000	4,943,000	4,683,000	4,175,000	3,964,000
Water main breaks	4	9	13	7	9	-	9	3	13	7
Water service repairs	3	7	8	11	69	-	74	153	73	63
Main line valve repairs	-	1	-	-	5	-	1	-	4	1
Fire hydrant replacements	2	3	1	-	4	-	2	4	7	4

Data Source

Various village departments



**VILLAGE OF OSWEGO, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

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<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	34	34	38	37	34	34	32	34	33	33
<b>PUBLIC WORKS</b>										
Miles of streets	125	125	128	128	128	128	128	129	139	156
Streetlights	2,094	2,094	2,120	2,126	2,133	2,145	2,149	2,149	2,149	2,153
Traffic signals	20	20	20	20	20	20	20	24	24	24
<b>WATER</b>										
Water mains (miles)	159	159	161	161	161	161	162	162	162	163
Fire hydrants	2,400	2,400	2,517	2,511	2,503	2,543	2,544	2,543	2,543	2,559
Storage capacity (gallons)	3,500,000	3,500,000	3,800,000	3,800,000	5,300,000	5,300,000	5,300,000	5,300,000	5,300,000	5,300,000

Data Source

Various village departments