

Financial Statements

April 30, 2018



CITY OF WATERLOO, ILLINOIS

FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2018

CITY OF WATERLOO, ILLINOIS
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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Waterloo, 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 City of Waterloo, Illinois (the City) as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waterloo, Illinois as of April 30, 2018, and the respective changes in financial position and,

where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

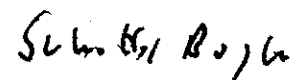
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information, other postemployment benefit information, and budgetary comparison information on pages 3 - 19, A1 - A7, A8, and A9 - A20 be presented to supplement the 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 City's basic financial statements. The combining and individual major and nonmajor fund financial statements, schedules of expenditures, schedule of investments, schedule of assessed valuation and additional information regarding customers and insurance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual major and nonmajor fund financial statements, schedules of expenditures and schedule of investments 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. Such 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 combining and individual major and nonmajor fund financial statements, schedules of expenditures, and schedule of investments are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of assessed valuation and additional information regarding customers and insurance have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Columbia, Illinois

December 7, 2018

CITY OF WATERLOO

Management's Discussion and Analysis April 30, 2018

The City of Waterloo's (the City) Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify material deviations from the financial plan, and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current fiscal year's activities, resulting changes and currently known facts, please read it in conjunction with the City's basic financial statements (beginning on page 20).

Financial Highlights

- The net assets of the City of Waterloo exceeded its liabilities at April 30, 2018 by \$78,220,600. Net assets invested in capital assets (net of depreciation and related debt) account for 67% of this amount, with a value of \$52,468,243. Other restricted assets account for 2% or \$1,657,511. The remaining assets may be used to meet the government's ongoing obligations to citizens and creditors, without legal restriction.
- The City's net position increased by \$3,862,287. Governmental activities resulted in an increase in net position of \$637,218. Expenditures in excess of receipts of \$548,207 were offset by an increase in infrastructure (streets) that were contributed to the City of \$1,185,425. Net position from business-type activities increased \$3,225,069 as a result of operating revenue in excess of expenditures, a transfer of funds and capital assets purchased.
- During the fiscal year ended April 30, 2016, the City adopted *Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions*. This statement changes the accounting principles relative to the City's participation in the Illinois Municipal Retirement Fund (IMRF) and the City's Police Pension Fund. In accordance with GASB No. 68, the City recognizes the net pension asset of \$254,778 for IMRF, and the net pension liability of \$3,900,765 for Police Pension on the statement of net position.
- The City of Waterloo currently collects a utility franchise fee from the business-type activities (electric, gas, water and sewer) of 5% of gross receipts. A fee is also collected from cable service providers and telecommunications providers through the Simplified Telecommunications Tax Act. The General Fund collected \$913,791 during the current fiscal year from the business-type activities.
- The City of Waterloo entered into a joint agreement for federal participation between IDOT and the City of Waterloo on the Moore Street Phase IV project. Contract awarded for the project at a cost of \$1,530,183.77 with the federal portion being

\$525,000.00 and the balance to paid by the City of Waterloo General Fund. \$288,838 is payable on project at fiscal year end 4/30/18.

- The City of Waterloo passed Resolution No. 13-07 on April 15, 2013, approving a segregated bank account to supplement monies paid to the Illinois Municipal Retirement Fund (IMRF) for payment of IMRF pensions. Contribution for fiscal year end 4/30/18 was \$287,020.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,935,541, or 98% of total general fund expenditures.
- The City of Waterloo is under the Property Tax Extension Limitation Law (PTELL), which limits the amount of property taxes that the County Clerk can extend for non-home rule governments. The City's increase in the amount of taxes over the prior year is limited to 5%, or the Consumer Price Index (CPI), whichever is less. New property is excluded from this calculation.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Waterloo's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues 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 include general government, public safety, highways and streets, sanitation, health, culture and recreation, and debt service. The business-type activities include electric, gas, water, and sewer utilities.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as a useful indicator of financial health of the City. Other indicators include the condition of the City's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions within the City.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants,

and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net assets are reported using the accrual basis of accounting, similar to the method used by most private-sector companies. The accrual basis of accounting requires that revenues be reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of the cash flow. Items such as uncollected taxes and charges for services, unpaid vendor invoices for items received before April 30, 2018, earned but unused sick or vacation leave, and pension obligations will be included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed until after April 30, 2018.

The City has no separately identified component units included in the government-wide financial statements.

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 City of Waterloo, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Waterloo can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental Funds are used to account for most, if not all, of a government's tax-supported activities. Proprietary Funds are used to account for a government's business-type activities, where all or part of the costs of activities are supported by fees and charges that are paid directly by those who benefit from the activities. Fiduciary Funds are used to account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental Funds. The Balance Sheet - Governmental Funds and Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds present separate columns of financial data for the General Fund. GASB Statement No. 34 defines a major fund as a fund whose assets, liabilities, revenues or expenditures comprise 1) at least 10% of the total dollar amount of the same category within either all government or all enterprise funds, as appropriate, and 2) at least 5% of the total dollar amount of all governmental and enterprise funds combined for the same category. The General Fund is always considered a major fund. The governmental fund financial statements can be found immediately following the government-wide financial statements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements in comparison to near-term resources available.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare 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 government'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 reconciliation to the governmental activities column in the government-wide statements, in order to facilitate this comparison.

The City adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. The City maintains one type of proprietary fund. Enterprise Funds are used to report the same function presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, gas, water, and sewer utility operations.

Proprietary fund statements follow the governmental fund statements in this report. They provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. The proprietary fund financial statements provide information for the Electric Fund, Gas Fund, Water Fund, Sewer Fund, and Utility Deposit Fund of the City. There are no reconciling differences from the Proprietary Fund Statement of Net Assets to the business-type activity column on the Government-Wide Statement of Net Position.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Statement of Fiduciary Net Assets can be found following the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining statements, schedules of expenditures, and other supplementary information.

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's net position total is \$78,220,600 at April 30, 2018. The following table reflects the condensed Government-Wide Statement of Net Position:

City of Waterloo's Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$13,732,397	\$14,076,785	\$21,347,579	\$18,944,948	\$35,079,976	\$33,021,733
Non-Current Assets	<u>16,465,218</u>	<u>15,468,569</u>	<u>42,727,539</u>	<u>42,417,115</u>	<u>59,192,757</u>	<u>57,885,684</u>
Total Assets	<u>\$30,197,615</u>	<u>\$29,545,354</u>	<u>\$64,075,118</u>	<u>\$61,362,063</u>	<u>\$94,272,733</u>	<u>\$90,907,417</u>
Deferred Outflows of Resources	<u>\$ 880,648</u>	<u>\$ 485,181</u>	<u>\$ 433,657</u>	<u>\$ 632,879</u>	<u>\$ 1,314,305</u>	<u>\$ 1,118,060</u>
Long-term Liabilities	\$ 5,026,649	\$ 4,653,549	\$ 6,628,962	\$ 8,415,564	\$11,655,611	\$13,069,113
Other Liabilities	<u>608,027</u>	<u>1,062,634</u>	<u>1,857,548</u>	<u>1,868,624</u>	<u>2,465,575</u>	<u>2,931,258</u>
Total Liabilities	<u>\$5,634,676</u>	<u>\$5,716,183</u>	<u>\$ 8,486,510</u>	<u>\$10,284,188</u>	<u>\$14,121,186</u>	<u>\$16,000,371</u>
Deferred Inflows of Resources	<u>\$1,859,403</u>	<u>\$1,367,386</u>	<u>\$ 1,385,849</u>	<u>\$ 299,407</u>	<u>\$ 3,245,252</u>	<u>\$ 1,666,793</u>
Net Position:						
Invested in Capital Assets, net of related debt	16,465,218	15,468,569	36,077,267	35,313,800	52,542,485	50,782,369
Restricted	<u>1,657,511</u>	<u>1,561,489</u>	<u>-</u>	<u>-</u>	<u>1,657,511</u>	<u>1,561,489</u>
Unrestricted	<u>5,461,455</u>	<u>5,916,908</u>	<u>18,559,149</u>	<u>16,097,547</u>	<u>24,020,604</u>	<u>22,014,455</u>
Total Net Position	<u>\$23,584,184</u>	<u>\$22,946,966</u>	<u>\$54,636,416</u>	<u>\$51,411,347</u>	<u>\$78,220,600</u>	<u>\$74,358,313</u>

The City of Waterloo's total assets are \$94,272,733 as of April 30, 2018. Of this amount, \$58,937,979 is accounted for by capital assets, which includes infrastructure. Historically, infrastructure (roads, bridges, etc.) has not been included in capital assets reporting for governmental activities. GASB Statement No. 34 requires that all capital assets, including infrastructure, be reported. The City reports all of its infrastructure assets in compliance with GASB 34 requirements.

Additionally, the government must elect to either 1) depreciate these assets over their estimated useful life or 2) develop a system of asset management designed to maintain their condition perpetually and to report on their condition within the financial statements. The City has elected the first method and will use the depreciation method on infrastructure systems reporting.

Of the remaining City assets, \$29,717,450 is accounted for in cash, cash equivalents, and pooled investments, \$4,705,981 in accounts, taxes, and other receivable, \$656,545 in miscellaneous assets, and \$254,778 in net pension asset.

Deferred outflows of resources at April 30, 2018 is \$1,314,305 as a result of the inclusion of pension obligations.

As of April 30, 2018, the City had outstanding liabilities of \$14,121,186, with \$6,469,736 in loans payable. Of the loans payable, \$649,517 is due within one year, with the remainder due at various dates. Refer to the notes to the financial statements for a more in depth discussion of long term debt.

Included in other liabilities in the table is \$1,538,435 in accounts payable, \$1,017,101 in accrued liabilities, \$277,623 in deposits payable to customers, \$917,526 in other post employment benefit obligation, and \$3,900,765 in net pension liability.

Deferred inflows of resources at April 30, 2018 is \$3,245,252 with \$1,955,758 related to pensions and \$1,289,494 in unavailable property tax revenue.

The largest portion of the City's net position (67.1 percent) reflects its investment in capital assets, less any outstanding related debt used to acquire those assets. The City's capital assets are used to provide services to citizens. Consequently, investments in capital assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position (2.1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (30.8 percent) may be used to meet the City's ongoing obligations to its citizens and creditors for all activities.

At April 30, 2018, the City had positive balances in all categories of net position, for the government as a whole, for governmental activities, and for business-type activities.

Statement of Activities – Changes in Net Assets

The following schedule compares the revenues and expense for the current fiscal year.

City of Waterloo's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Program Revenues:						
Charges for services	\$ 1,741,585	\$ 1,638,792	\$19,777,679	\$18,640,417	\$21,519,264	\$20,279,209
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	1,185,425	-	-	-	1,185,425	-
General Revenues:						
Property taxes	1,256,452	1,179,420	-	-	1,256,452	1,179,420
Intergovernmental revenues	3,932,179	3,929,553	-	-	3,932,179	3,929,553
Utility taxes	793,564	773,833	-	-	793,564	773,833
Other	577,209	490,187	(25,258)	48,013	551,951	538,200
Total Revenues	<u>9,486,414</u>	<u>8,011,785</u>	<u>19,752,421</u>	<u>18,688,430</u>	<u>29,238,835</u>	<u>26,700,215</u>
Expenses:						
General government	1,330,208	1,564,645	-	-	1,330,208	1,564,645
Public safety	2,935,815	2,329,315	-	-	2,935,815	2,329,315
Highways and streets	2,748,265	2,781,202	-	-	2,748,265	2,781,202
Sanitation	740,230	718,574	-	-	740,230	718,574
Health	100	100	-	-	100	100
Culture and recreation	658,676	653,574	-	-	658,676	653,574
Interest and other charges on long-term debt	-	-	-	-	-	-
Electric fund	-	-	10,582,292	10,579,675	10,582,292	10,579,675
Gas fund	-	-	2,647,946	2,442,286	2,647,946	2,442,286
Water fund	-	-	1,959,136	1,844,864	1,959,136	1,844,864
Sewer fund	-	-	1,773,880	1,850,071	1,773,880	1,850,071
Total Expenses	<u>8,413,294</u>	<u>8,047,410</u>	<u>16,963,254</u>	<u>16,716,896</u>	<u>25,376,548</u>	<u>24,764,306</u>
Transfer of Funds	(435,902)	(435,902)	435,902	435,902	-	-
Increase (decrease) in net assets	637,218	(471,527)	3,225,069	2,407,436	3,862,287	1,935,909
Net position– beginning (restated)	<u>22,946,966</u>	<u>23,418,493</u>	<u>51,411,347</u>	<u>49,003,911</u>	<u>74,358,313</u>	<u>72,422,404</u>
Net position – ending	<u>\$23,584,184</u>	<u>\$22,946,966</u>	<u>\$54,636,416</u>	<u>\$51,411,347</u>	<u>\$78,220,600</u>	<u>\$74,358,313</u>

Total revenues for the City of Waterloo were \$29,238,835 for the year ended April 30, 2018. Governmental activities provided \$9,486,414 (32.4 percent), while \$19,752,421 (67.6 percent) of business-type activities revenue was provided by charges for services, connection fees, and other operating revenue.

Financial Analysis of the City's Funds

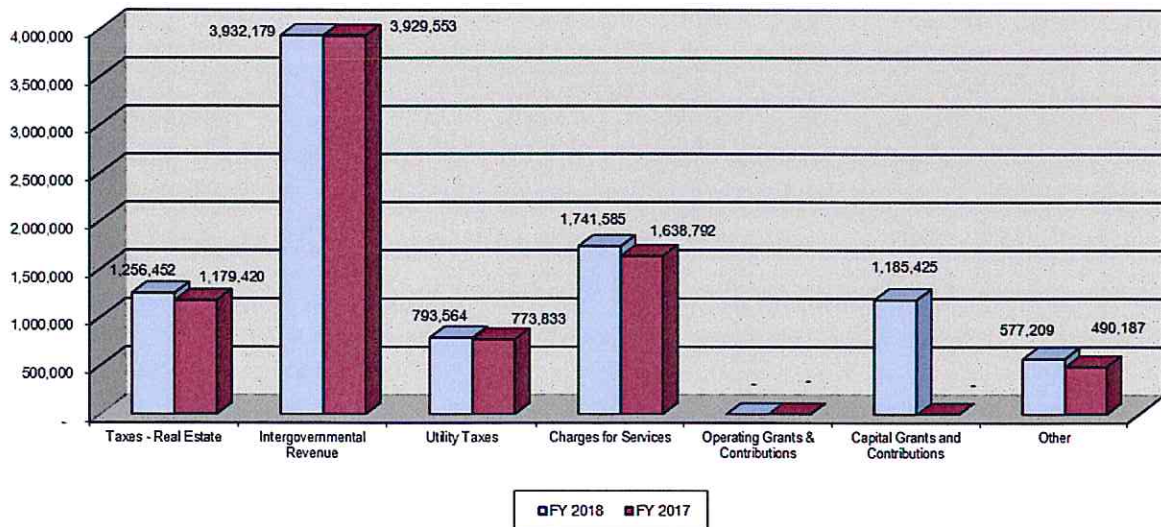
As noted earlier, the City of Waterloo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a financial analysis of the City's governmental and proprietary funds.

Governmental Funds Revenue and Expense Analysis

The general governmental functions are contained in the General Fund. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Revenues Classified by Source Governmental Funds

Revenues by Source	April 30, 2018		April 30, 2017		Increases/Decreases	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes – Real Estate	\$ 1,256,452	13.24%	\$ 1,179,420	14.72%	\$ 77,032	6.53%
Intergovernmental Revenue	3,932,179	41.45	3,929,553	49.05	2,626	0.07
Utility Taxes	793,564	8.37	773,833	9.66	19,731	2.55
Charges for Services	1,741,585	18.36	1,638,792	20.45	102,793	6.27
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	1,185,425	12.50	-	-	1,185,425	100.00
Other	577,209	6.08	490,187	6.12	87,022	17.75
Total Revenues	9,486,414	100.00%	8,011,785	100.00%	1,474,629	18.41



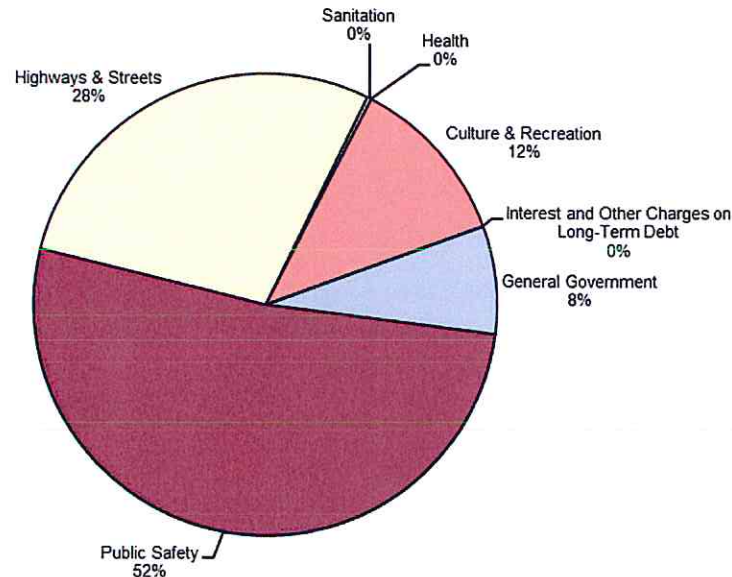
- Real estate taxes** - This consists of real estate tax receipts received in 2018 for corporate, road and bridge, IMRF & FICA, police pension, band, and library purposes for the 2016 tax year. The 2017 real estate tax rate was .53478%, down from the 2016 real estate tax rate of .53826%. Under PTELL, the amount of taxes over the prior year is limited to 5% or the Consumer Price Index (CPI), whichever is less, excluding new property.

- **Intergovernmental revenue** – Up overall 0.07% from the previous year. Intergovernmental revenue includes sales tax, business district sales tax, state income tax, state replacement tax, video gaming and motor fuel tax.
 - Sales taxes were \$2,173,051, a decrease of 1.78% from the previous year.
 - A Business District was formed in January 2008 and \$89,203 was collected in the Business District Tax Fund, a decrease of 3.06% from the previous year.
 - State income taxes were \$1,208,275, an increase of 3.58% from the previous year.
 - Video gaming began in January 2013 in which the City received \$102,988 from video gaming, an increase of 13.43% from the previous year.
 - Motor fuel taxes and state replacement taxes were \$358,662, a decrease of 2.47% from the previous year.
- **Utility taxes** – Up overall 2.55% from the previous year. This consists of a municipal electric tax \$304,065 (0.27% decrease), which is a step-rate based on kilowatt hour usage, a 5% municipal tax on gas and water usage \$231,508 (19.13% increase), and other utility tax revenue \$257,991 (6.05% decrease), received from electric suppliers to City residents and from telecommunications companies through the Simplified Telecommunications Tax Act administered by the Illinois Department of Revenue.
- **Charges for services** – Up overall 6.27% from the previous year. This consists of charges for refuse collection \$755,823 (3.01% increase), a utility franchise charge from the business-type activities \$913,791 (6.99% increase), court fines \$71,971 (41.22% increase).
- **Operating grants and contributions** – There were no operating grants received during the current fiscal year.
- **Capital grants and contributions** – This consists of contributed assets or street improvements (infrastructure), which is not normally reported as revenues, however, in the statement of activities, the cost of these assets are reported as program revenue. \$1,185,425 capital grants and contributions were recognized in the current year.
- **Other** – Up overall 17.75% from the previous year. This consists of licenses and permits \$280,425 (0.95% increase), which includes building and other permits, inspection fees, liquor licenses, and franchise license fees. The remaining is interest income and investment income \$107,942 (117.43% increase) and miscellaneous income \$188,842 (16.04% increase).

Expenses and Program Revenues (Net) – Governmental Activities

City of Waterloo, Illinois
Net Expenses
(Expenses offset by revenues and changes in net assets derived by the functions)

April 30, 2018



The new reporting model allows us to present the net cost by function. The above chart represents the true cost of each function because we have offset the costs by the revenues and contributions derived by those departments.

- **General government** consists of the general and financial administration of the City of Waterloo. Departmental expenses in general government include legal, city clerk, legislation, zoning, annexation, finance, and building.
- **Public safety** departmental expenses include police, police commission, and ESDA. On May 1, 2003, the City of Waterloo Fire Department was consolidated with the Waterloo Rural Fire Protection District to form the Waterloo Community Fire Protection District, a tax-levying body.
- **Highways and streets** include the highway and street department in the General Fund as well as expenditures from the Motor Fuel Tax Fund. Expenditures are also offset by the capital contribution of new streets accepted into the City.
- **Sanitation** expense is the expenditure to an outside contractor for refuse collection. The amount collected from residents wholly offsets the expense for collection.
- **Health** includes any expenditure for health related issues.

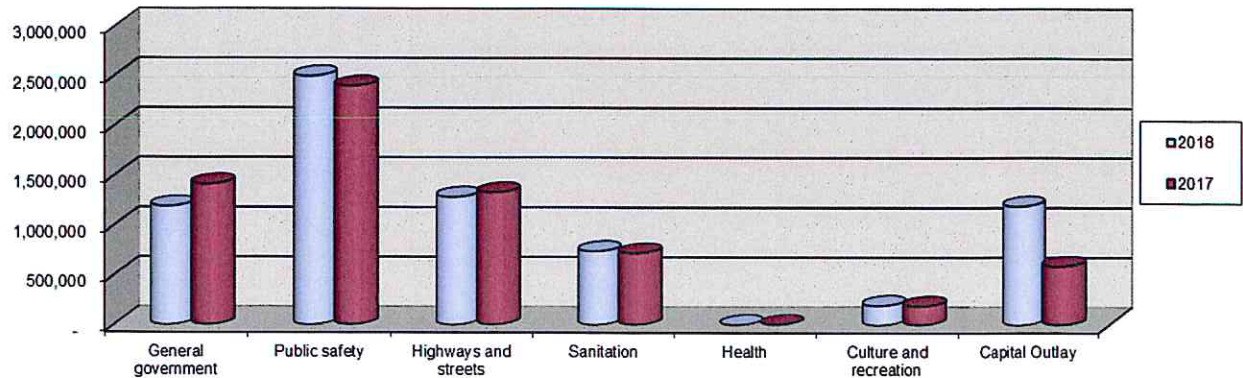
- **Culture and recreation** includes expenditures of the municipal band and library. It also includes support towards community relations programs, the sister cities program and other senior citizen programs.
- **Interest and other charges on long-term debt** is the interest on any debt payment. The City currently has no debt in governmental activities.

The General Fund is the chief operating fund of the City. On April 30, 2018, unreserved fund balance of the General Fund was \$6,935,541. Total assets in the General Fund amounted to \$9,035,284, accounting for 50.50% of total governmental fund assets.

CITY OF WATERLOO'S GENERAL FUND

	2018	2017	Variance
REVENUES:			
Taxes – Real Estate	\$ 818,460	\$ 753,623	\$ 64,837
Intergovernmental	3,625,462	3,626,161	(699)
Utility Taxes	235,665	252,364	(16,699)
Charges for services	1,669,614	1,587,830	81,784
Licenses and permits	280,425	277,799	2,626
Fines	71,971	50,962	21,009
Miscellaneous	158,178	127,613	30,565
Interest	103,583	40,004	63,579
TOTAL REVENUES	6,963,358	6,716,356	247,002
EXPENDITURES:			
General government	1,191,649	1,414,606	(222,957)
Public safety	2,500,796	2,398,963	101,833
Highways and streets	1,285,381	1,328,055	(42,674)
Sanitation	740,230	718,574	21,656
Health	100	100	-
Culture and recreation	195,734	188,353	7,381
Capital Outlay	1,195,127	589,029	606,098
TOTAL EXPENDITURES	7,109,017	6,637,680	471,337
EXCESS OF REVENUES OVER EXPENDITURES	(145,659)	78,676	(224,335)
OTHER FINANCING SOURCES (USES):			
Transfers	-	-	-
NET CHANGE IN FUND BALANCES	\$ (145,659)	\$ 78,676	\$ (224,335)

City of Waterloo General Fund Expenditures



General Fund Budgetary Highlights

The General Fund budget is approximately 8.5 million dollars. Differences between the original budget and the final budget were \$345,240, about a 4.07% difference. The difference includes an increase in revenue appropriations of \$151,195 and a decrease in expense appropriations of \$194,045. During the year, some revenue and expenditures were less than budgetary estimates.

Overruns exceeding \$5,000 are summarized below:

- Additional \$5,504 was expended on health insurance reimbursement in Finance.
- Additional \$5,921 was expended on health insurance reimbursement in Records.
- Additional \$8,910 was expended on salaries for employees on workers compensation in Police department.
- Additional \$48,326 was expended in overtime salaries in the Police department.
- Additional \$8,059 was expended in holiday pay in the Police department.
- Additional \$10,493 was expended in health insurance reimbursement in the Police department.
- Additional \$7,619 was expended in health insurance in Social Services.
- Additional \$12,685 was expended in downtown enhancement in Social Services.
- Additional \$10,542 was expended in sick leave in the Street department.
- Additional \$9,730 was expended in vacation leave in the Street department.
- Additional \$6,155 was expended in health insurance reimbursement in the Street department.
- Additional \$5,782 was expended in equipment – vehicle in the Street department.

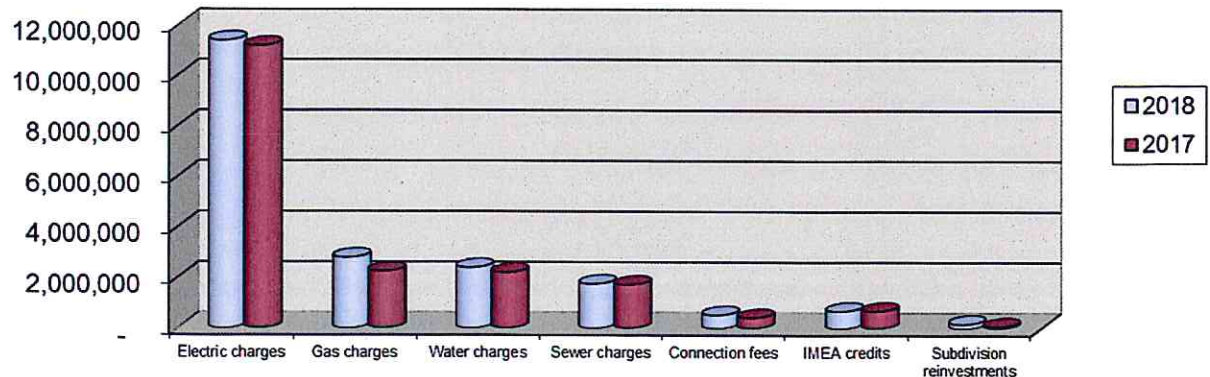
These overruns were offset by unused appropriations for alderman salaries of \$7,900, professional services of \$28,874, and training of \$11,981 in the legislative department; unused appropriations of \$11,000 for human resources and \$8,392 of health insurance in the finance department; unused appropriations of \$21,952 for building repairs, \$14,740 for equipment rental and service, and \$5,866 of utilities in the building department; unused appropriations of \$26,630 of legal services; unused appropriations of \$28,678 for

professional services in the zoning/building inspector department; unused appropriations of \$6,505 for professional services in the records department; unused appropriations of \$32,805 of regular salaries, \$10,690 of sick leave, \$27,194 of health insurance, \$6,710 of vehicle maintenance and repair, \$7,579 of insurance and bonds, \$6,573 of equipment – new, and \$8,600 of information systems in the police department; unused appropriations of \$8,376 of community relations in the social services department. Unused appropriations in the street department include \$26,811 of salaries, \$17,856 of overtime salaries, \$9,783 of interdepartmental salaries, and \$6,759 of health insurance. Other unused appropriations in the street department include \$15,820 in equipment repair, \$6,833 in insurance and bonds, \$8,875 in street maintenance and repairs, \$18,132 in construction materials, \$9,078 in vehicle fuel and lube, \$19,195 in equipment leases, \$22,684 in street improvements, \$41,833 in storm drains and \$1,070,477 of capital projects budgeted, but not expended. The capital projects budgeted, but not expended include a portion of Moore Street improvements which were completed, but not billed by the State of Illinois in the current fiscal year, multi-purpose path along Route 3, and Lakeview Drive curb and gutter and sidewalk project.

Proprietary Funds Revenue/Expense Analysis

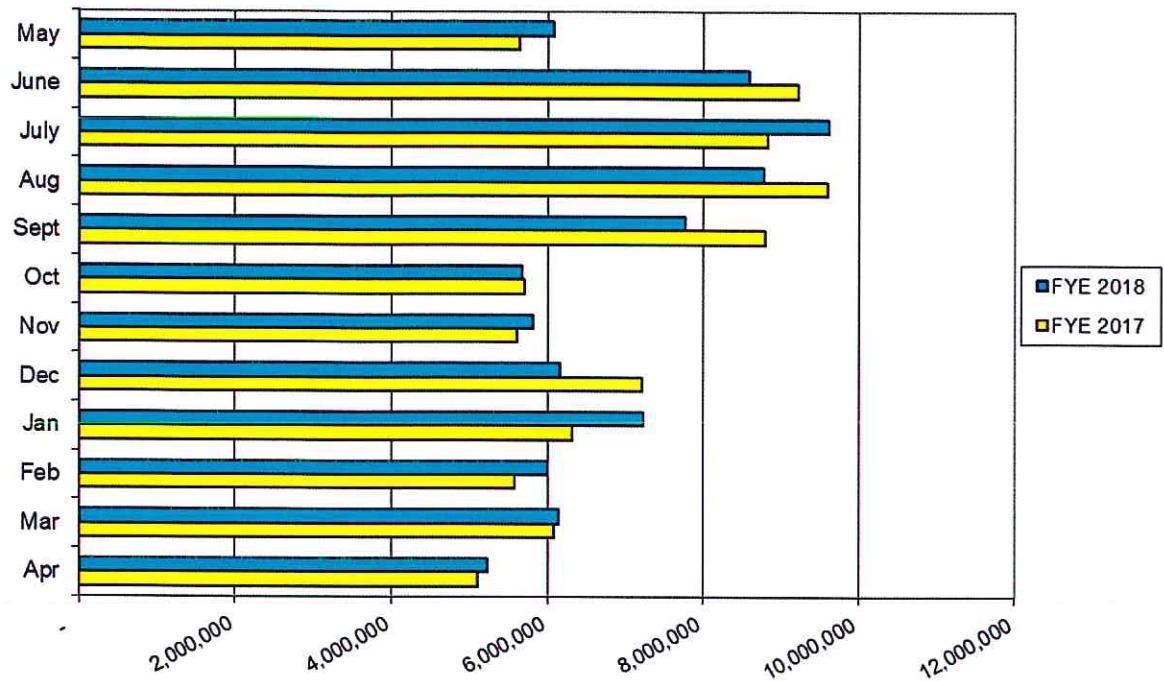
Proprietary Funds Revenue

The business-type activities (electric, gas, water, and sewer fund) operating revenues for year ended April 30, 2018 were \$19,730,689, up 6.48% from last year. Charges for services were \$18,341,454, a 5.68% increase from last year. Connection fees were 27.46% more than what was received in the previous year. IMEA credits, which the City receives from IMEA for the Gas Turbine engines at the Power Plant, were slightly more than the previous year. Subdivision reinvestments received for utilities installed in their respective developments were 128.12% more than what was received in the previous year.



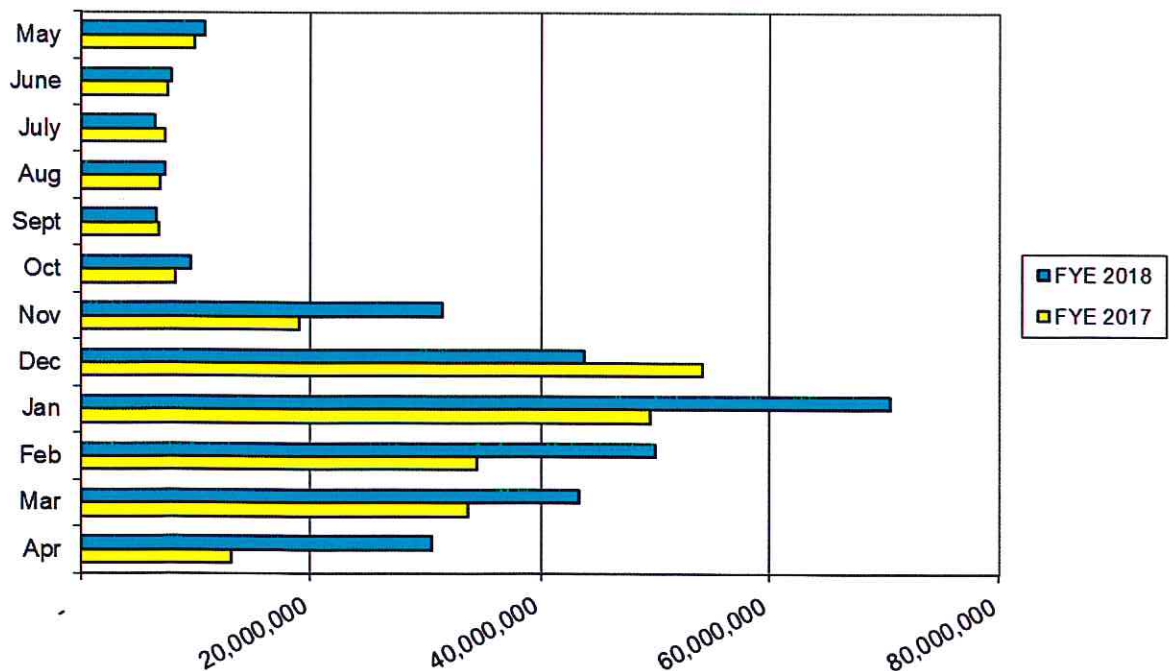
Electric charges for services increased 1.86% from the prior year, with a 0.71% increase in the consumption of kilowatt hours (excluding demand).

Electric – Kilowatt Hours Billed (Excludes Demand)

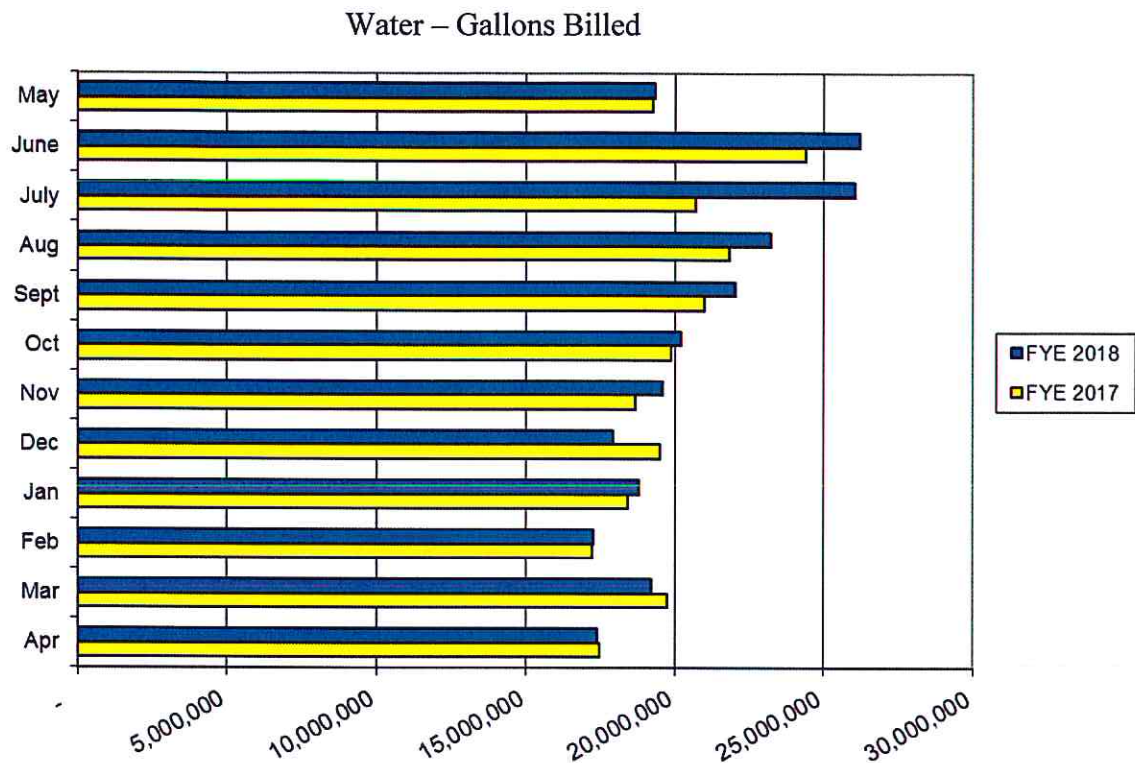


Gas charges for services increased 24.48% from the prior year, with a 26.97% increase in the consumption of cubic feet of natural gas.

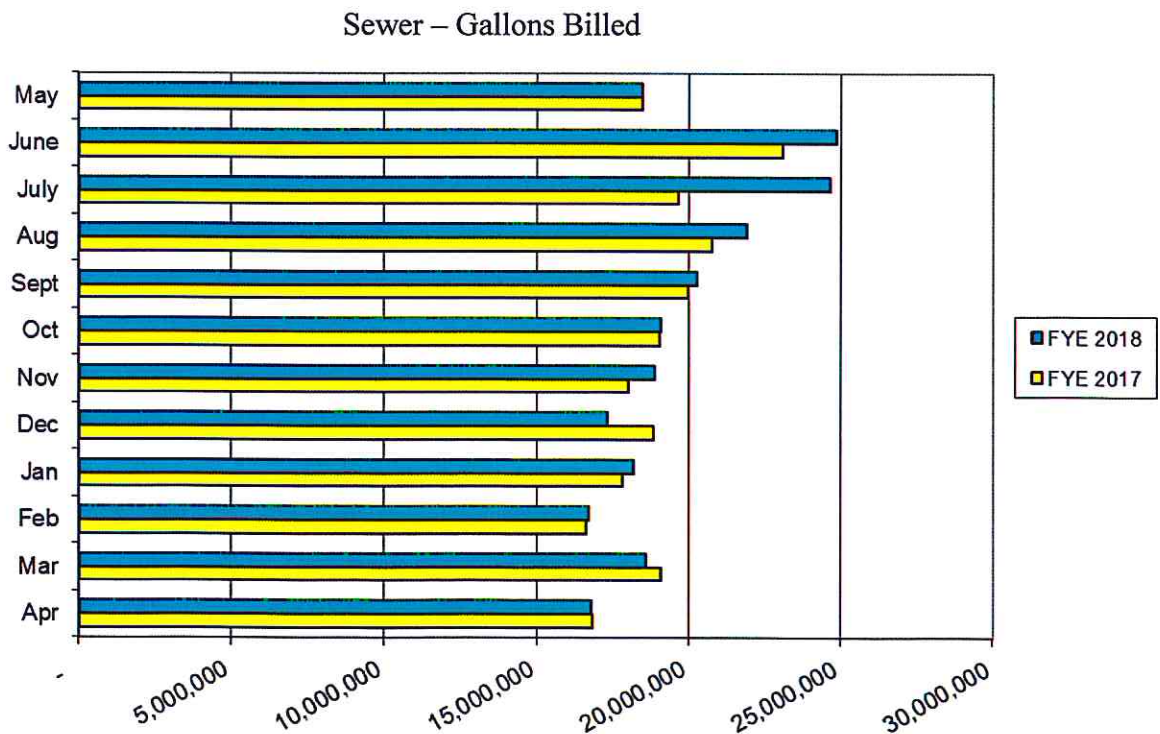
Gas – Cubic Feet Billed



Water charges for services increased 8.69% from the prior year with a 3.86% increase in gallons billed.

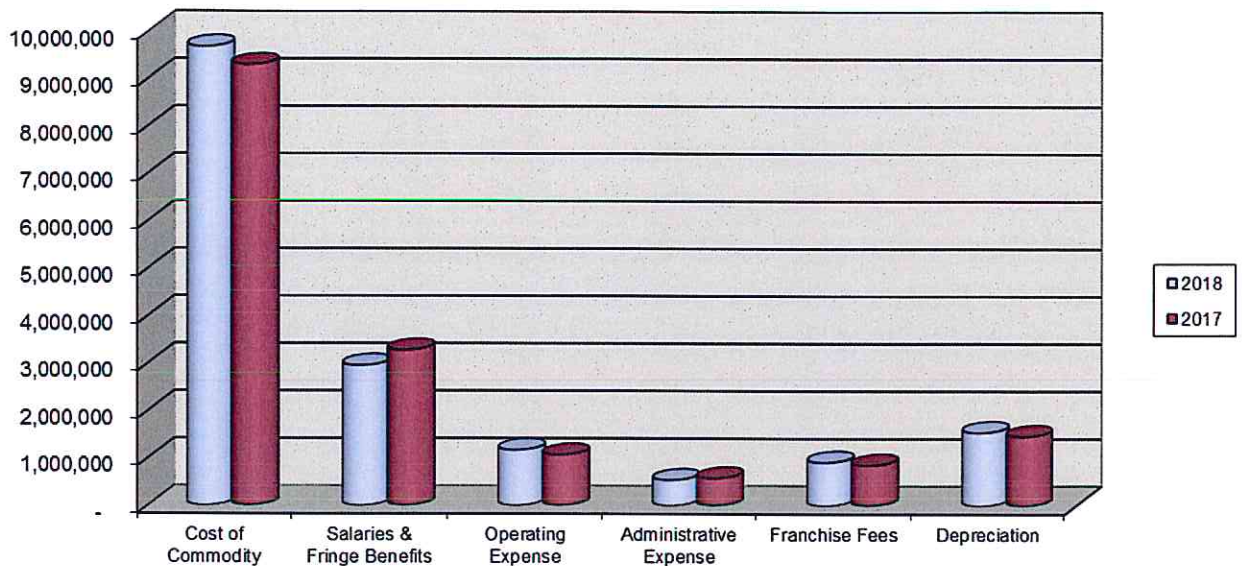


Sewer charges for services increased from the prior year, 2.06%. Since sewer is based on gallons of water consumed, there was also an increase in consumption of 3.28% from the prior year.



Proprietary Funds Expenses

The operating expenses of the proprietary funds for the fiscal year ended April 30, 2018 were \$16,793,772 up 1.6% from last year. Overall, the cost of electric, gas, and water purchased from an outside party increased from last year by \$379,588 accounting for 144.9% of the increase. Salaries and fringe benefits decreased \$319,488. Operating expenses increased \$102,554 from the prior year. Administrative expenses decreased \$39,404 from the prior year. Franchise fees increased \$59,699 from the prior year due to the increase in charges for utilities. Finally, depreciation expense increased \$79,058.



Capital Asset and Debt Administration

Capital Assets

The City of Waterloo's total investment in capital assets, including construction in progress, for its governmental and business type activities as of April 30, 2018, amounts to \$59,192,757 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture, machinery and equipment, and infrastructure.

Major capital project fund activities during the current fiscal year included the following:

Governmental Funds:

- Vehicles and equipment were purchased in the Police department at a cost of \$126,912.
- Equipment of \$157,502 was purchased by in the street department. Equipment purchases included a tractor and flatbed truck.
- A salt shed was constructed at a cost of \$205,190 in the street department.
- Street improvements include Lou-Del subdivision asphalt overlay at a cost of \$554,675 and Oak Street improvements at a cost of \$217,057.

- Streets completed and contributed to the City as a capital contribution include streets in the Country Club Hills, Remington Ridge, and Remlok subdivisions at a total cost of \$1,185,425.
- Construction in progress includes costs incurred for Moore Street improvements and shared use path on South Market.
- The Library installed a new HVAC system at a cost of \$70,765.

Proprietary Funds:

- Equipment was purchased for use in the various utility departments at a total cost of \$112,232.
- Water meters and AMI modules at a cost of \$277,142 were capitalized.
- Water main was installed on Oak Street at a cost of \$146,425.
- Lift station improvements were installed at a cost of \$327,414.
- Sewer line replacements were installed at a cost of \$124,514.
- The purchase of electric meters, transformers, and poles accounted for \$294,319 invested into the electrical system of the City of Waterloo.
- The electric department purchased a pickup truck and a bucket truck at a cost of \$29,010 and \$134,217 respectively.
- Improvements to the CAT building accounted for \$58,603.
- The addition of a pole line in Vandebrook was capitalized at a cost of \$104,119.
- The fiber optics building saw improvements of \$83,016.
- Capacitor banks were capitalized at a cost of \$33,311.
- The gas department purchased a utility truck at a cost of \$44,034.
- Gas meters, indexes, and AMI modules at a cost of \$83,560 were capitalized.
- Construction in progress includes costs incurred for water main extension, water treatment plant facility plan, sewer line extension engineering, and high pressure gas line engineering.

Long-Term Debt

At April 30, 2018, City of Waterloo has an EPA loan in the amount of \$6,469,736.

The City of Waterloo's total debt decreased \$633,579 during the fiscal year ended April 30, 2018.

Requests for Information

The financial report is designed to provide a general overview of the City of Waterloo's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, City of Waterloo, 100 West Fourth St., Waterloo, IL 62298.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2018

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>GOVERNMENTAL BUSINESS-TYPE</u>		
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>TOTAL</u>
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 9,021,593	\$ 3,511,054	\$ 12,532,647
Certificates of Deposit	39,569	-	39,569
Investments	2,240,557	14,904,677	17,145,234
Taxes Receivable	784,682	-	784,682
Accounts Receivable, Net	248,883	2,382,922	2,631,805
Inventories	-	405,030	405,030
Prepays	107,619	143,896	251,515
Real Estate Taxes Receivable, Net	1,289,494	-	1,289,494
Total Current Assets	13,732,397	21,347,579	35,079,976
NONCURRENT ASSETS:			
Net Pension	74,242	180,536	254,778
Capital Assets:			
Land and Construction in Progress	1,301,583	2,992,860	4,294,443
Other Capital Assets, Net of Accumulated Depreciation	15,089,393	39,554,143	54,643,536
Total Non-Current Assets	16,465,218	42,727,539	59,192,757
Total Assets	30,197,615	64,075,118	94,272,733
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	880,648	433,657	1,314,305
LIABILITIES AND DEFERRED INFLOW OF RESOURCES			
CURRENT LIABILITIES:			
Accounts Payable	520,293	792,830	1,313,123
Wages and Benefits Payable	87,734	95,037	182,771
Accrued Interest Payable	-	42,541	42,541
Consumer Deposits	-	277,623	277,623
E.P.A. Loan, Current	-	649,517	649,517
Total Current Liabilities	608,027	1,857,548	2,465,575
NONCURRENT LIABILITIES:			
Other Post Employment Benefit Obligation	655,095	262,431	917,526
Compensated Absences	470,789	546,312	1,017,101
Net Pension Liability	3,900,765	-	3,900,765
E.P.A. Loan, Non-Current	-	5,820,219	5,820,219
Total Non-Current Liabilities	5,026,649	6,628,962	11,655,611
Total Liabilities	5,634,676	8,486,510	14,121,186
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	569,909	1,385,849	1,955,758
Unavailable Revenue - Property Taxes	1,289,494	-	1,289,494
Total Deferred Inflows of Resources	1,859,403	1,385,849	3,245,252
NET POSITION			
NET POSITION:			
Net Investment in Capital Assets	16,390,976	36,077,267	52,468,243
Restricted Net Position	1,657,511	-	1,657,511
Unrestricted Net Position	5,535,697	18,559,149	24,094,846
Total Net Position	\$ 23,584,184	\$ 54,636,416	\$ 78,220,600

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2018

FUNCTION/PROGRAMS:	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
General Government	\$ 1,330,207	\$ 913,791	\$ -	\$ -	\$ (416,416)	\$ -	\$ (416,416)
Public Safety	2,935,816	71,971	-	-	(2,863,845)	-	(2,863,845)
Highways and Streets	2,748,265	-	-	1,185,425	(1,562,840)	-	(1,562,840)
Sanitation	740,230	755,823	-	-	15,593	-	15,593
Health	100	-	-	-	(100)	-	(100)
Culture and Recreation	658,676	-	-	-	(658,676)	-	(658,676)
Total Governmental Activities	8,413,294	1,741,585	-	1,185,425	(5,486,284)	-	(5,486,284)
BUSINESS-TYPE ACTIVITIES:							
Electric Fund	10,582,292	12,325,690	-	-	-	1,743,398	1,743,398
Gas Fund	2,647,946	2,923,796	-	-	-	275,850	275,850
Water Fund	1,959,136	2,497,875	-	-	-	538,739	538,739
Sewer Fund	1,773,880	2,030,318	-	-	-	256,438	256,438
Total Business-Type Activities	16,963,254	19,777,679	-	-	-	2,814,425	2,814,425
Totals	\$ 25,376,548	\$ 21,519,264	\$ -	\$ 1,185,425	(5,486,284)	2,814,425	(2,671,859)
GENERAL REVENUES:							
Taxes - Real Estate					1,256,452	-	1,256,452
Intergovernmental					3,932,179	-	3,932,179
Utility Taxes					793,564	-	793,564
Licenses and Permits					280,425	-	280,425
Miscellaneous					188,842	-	188,842
Interest Income					115,848	21,900	137,748
Investment Income					(7,906)	(47,158)	(55,064)
Transfers					(435,902)	435,902	-
Total General Revenues					6,123,502	410,644	6,534,146
Change in Net Position					637,218	3,225,069	3,862,287
Net Position, Beginning of Year					22,946,966	51,411,347	74,358,313
Net Position, End of Year					\$ 23,584,184	\$ 54,636,416	\$ 78,220,600

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2018

<u>ASSETS</u>	OTHER GOVERNMENTAL		
	<u>GENERAL</u>	<u>FUNDS</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$ 7,637,946	\$ 1,383,647	\$ 9,021,593
Certificates of Deposit	-	39,569	39,569
Investments	2,240,557	-	2,240,557
Taxes Receivable	759,789	24,893	784,682
Accounts Receivable, Net	248,883	-	248,883
Due from Other Funds	-	-	-
Prepays	107,619	-	107,619
Real Estate Taxes Receivable, Net	833,139	456,355	1,289,494
Total Assets	<u>\$ 11,827,933</u>	<u>\$ 1,904,464</u>	<u>\$ 13,732,397</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>			
LIABILITIES:			
Accounts Payable	\$ 503,538	\$ 16,755	\$ 520,293
Due to Other Funds	-	-	-
Wage and Benefits Payable	87,734	-	87,734
Total Liabilities	<u>591,272</u>	<u>16,755</u>	<u>608,027</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	833,139	456,355	1,289,494
Total Deferred Inflows of Resources	<u>833,139</u>	<u>456,355</u>	<u>1,289,494</u>
FUND BALANCE:			
Nonspendable:			
Prepays	107,619	-	107,619
Restricted for:			
Hotel/Motel Tax	118,538	-	118,538
Culture and Recreation	-	690,226	690,226
Motor Fuel Tax	-	741,128	741,128
Committed for:			
IMRF Pension Plan	449,175	-	449,175
Capital Improvements	2,792,649	-	2,792,649
Unassigned:			
General Fund	6,935,541	-	6,935,541
Total Fund Balance	<u>10,403,522</u>	<u>1,431,354</u>	<u>11,834,876</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 11,827,933</u>	<u>\$ 1,904,464</u>	<u>\$ 13,732,397</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED APRIL 30, 2018

Total fund balance - total governmental funds	\$ 11,834,876
Capital assets of \$39,656,874 net of accumulated depreciation of \$23,265,898, are not financial resources and, therefore are not reported in the funds	16,390,976
Certain liabilities are not due and payable in the current period and therefore not reported in the funds:	
Other post employment benefit obligations	(655,095)
Compensated absences	(470,789)
Net pension liability (net of deferred outflows and inflows of resources)	(3,515,784)
Net position of governmental activities	\$ 23,584,184

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2018

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES:			
Taxes - Real Estate	\$ 818,460	\$ 437,992	\$ 1,256,452
Intergovernmental	3,625,462	306,717	3,932,179
Utility Taxes	793,564	-	793,564
Charges for Services	1,669,614	-	1,669,614
Licenses and Permits	280,425	-	280,425
Fines	71,971	-	71,971
Miscellaneous	158,178	30,664	188,842
Interest	106,227	9,621	115,848
Investment Income	(7,906)	-	(7,906)
Total Revenues	<u>7,515,995</u>	<u>784,994</u>	<u>8,300,989</u>
EXPENDITURES:			
Current			
General Government	1,192,317	-	1,192,317
Public Safety	2,500,796	-	2,500,796
Highways and Streets	1,285,381	207,232	1,492,613
Sanitation	740,230	-	740,230
Health	100	-	100
Culture and Recreation	195,734	414,697	610,431
Capital Outlay	1,195,127	70,765	1,265,892
Total Expenditures	<u>7,109,685</u>	<u>692,694</u>	<u>7,802,379</u>
Excess of Revenues	406,310	92,300	498,610
Other Financing (Uses)			
Transfers (Out)	<u>(435,902)</u>	<u>-</u>	<u>(435,902)</u>
Net Change in Fund Balance	(29,592)	92,300	62,708
Fund Balance, Beginning of Year	<u>10,433,114</u>	<u>1,339,054</u>	<u>11,772,168</u>
Fund Balance, End of Year	<u>\$ 10,403,522</u>	<u>\$ 1,431,354</u>	<u>\$ 11,834,876</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2018

Net change in fund balance - total governmental funds	\$ 62,708
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation \$1,528,910 exceeded capital outlay \$1,265,892 in the current period.	(263,018)
Capital contributions to infrastructure are not reported is not a current resource and is not included in the net change in fund balance	1,185,425
Other postemployment benefit obligations reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds.	(55,777)
Compensated absences reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds.	2,193
Changes in the net pension liability and related deferrals reported in the statement of activities do not require the net of current financial resources, and, therefore, are not reported as expenditures in governmental funds.	(294,313)
Change in net position of governmental activities	<u>\$ 637,218</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2018

ASSETS	ENTERPRISE FUNDS					TOTAL
	ELECTRIC	GAS	WATER	SEWER	UTILITY DEPOSITS	
CURRENT ASSETS:						
Cash and Cash Equivalents	\$ 1,404,842	\$ 1,120,165	\$ 265,092	\$ 647,361	\$ 73,594	\$ 3,511,054
Investments	6,134,018	4,158,925	2,335,712	1,973,415	302,607	14,904,677
Accounts Receivable, Net	1,302,407	520,439	318,056	242,020	-	2,382,922
Inventories	300,000	29,000	48,830	27,200	-	405,030
Prepays	84,245	19,888	13,152	26,611	-	143,896
Total Current Assets	<u>9,225,512</u>	<u>5,848,417</u>	<u>2,980,842</u>	<u>2,916,607</u>	<u>376,201</u>	<u>21,347,579</u>
NON-CURRENT ASSETS:						
Net Pension Asset	80,459	45,682	23,363	31,032	-	180,536
Due From Other Funds	-	-	-	-	-	-
Capital Assets, Net	20,194,097	4,087,261	5,556,065	12,709,580	-	42,547,003
Total Non-Current Assets	<u>20,274,556</u>	<u>4,132,943</u>	<u>5,579,428</u>	<u>12,740,612</u>	<u>-</u>	<u>42,727,539</u>
Total Assets	<u>29,500,068</u>	<u>9,981,360</u>	<u>8,560,270</u>	<u>15,657,219</u>	<u>376,201</u>	<u>64,075,118</u>
DEFERRED OUTFLOWS OF RESOURCES:						
Related to Pensions	<u>192,174</u>	<u>109,495</u>	<u>57,019</u>	<u>74,969</u>	<u>-</u>	<u>433,657</u>
LIABILITIES						
CURRENT LIABILITIES:						
Accounts Payable	541,168	134,383	93,492	23,787	-	792,830
Wages and Benefits Payable	40,886	24,492	13,667	15,992	-	95,037
Accrued Interest Payable	-	-	-	42,541	-	42,541
Consumer Deposits	34,298	-	-	-	243,325	277,623
E.P.A. Loan, Current	-	-	-	649,517	-	649,517
Total Current Liabilities	<u>616,352</u>	<u>158,875</u>	<u>107,159</u>	<u>731,837</u>	<u>243,325</u>	<u>1,857,548</u>
NON-CURRENT LIABILITIES:						
Other Post Employment Benefit Obligation	127,533	86,086	10,534	38,278	-	262,431
Due to Other Funds	-	-	-	-	-	-
Compensated Absences	218,371	125,490	77,009	125,442	-	546,312
E.P.A. Loan, Non-Current	-	-	-	5,820,219	-	5,820,219
Total Non-Current Liabilities	<u>345,904</u>	<u>211,576</u>	<u>87,543</u>	<u>5,983,939</u>	<u>-</u>	<u>6,628,962</u>
Total Liabilities	<u>962,256</u>	<u>370,451</u>	<u>194,702</u>	<u>6,715,776</u>	<u>243,325</u>	<u>8,486,510</u>
DEFERRED INFLOWS OF RESOURCES:						
Related to Pensions	<u>617,628</u>	<u>350,667</u>	<u>179,343</u>	<u>238,211</u>	<u>-</u>	<u>1,385,849</u>
NET POSITION						
NET POSITION:						
Net Investment in Capital Assets	20,194,097	4,087,261	5,556,065	6,239,844	-	36,077,267
Unrestricted Net Position	<u>7,918,261</u>	<u>5,282,476</u>	<u>2,687,179</u>	<u>2,538,357</u>	<u>132,876</u>	<u>18,559,149</u>
Total Net Position	<u>\$ 28,112,358</u>	<u>\$ 9,369,737</u>	<u>\$ 8,243,244</u>	<u>\$ 8,778,201</u>	<u>\$ 132,876</u>	<u>\$ 54,636,416</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2018

	ENTERPRISE FUNDS					UTILITY DEPOSITS	TOTAL
	ELECTRIC	GAS	WATER	SEWER			
OPERATING ACCOUNTS:							
Charges for Services	\$ 11,383,447	\$ 2,799,767	\$ 2,396,897	\$ 1,761,343	\$ -	\$ -	\$ 18,341,454
Connection Fees	116,820	67,835	89,485	256,277	-	-	530,417
IMEA Credits	683,338	-	-	-	-	-	683,338
Subdivision Reinvestments	128,278	47,202	-	-	-	-	175,480
Total Operating Accounts	<u>12,311,883</u>	<u>2,914,804</u>	<u>2,486,382</u>	<u>2,017,620</u>	<u>-</u>	<u>-</u>	<u>19,730,689</u>
OPERATING EXPENSES:							
Cost of Sales	7,706,999	1,344,354	1,005,762	-	-	-	10,057,115
Distribution	1,219,218	716,923	330,830	-	-	-	2,266,971
Treatment	-	-	-	643,622	-	-	643,622
Collection	-	-	-	127,558	-	-	127,558
Administration	942,776	438,342	412,401	358,992	-	-	2,152,511
Depreciation	713,299	148,327	210,143	474,226	-	-	1,545,995
Total Operating Expenses	<u>10,582,292</u>	<u>2,647,946</u>	<u>1,959,136</u>	<u>1,604,398</u>	<u>-</u>	<u>-</u>	<u>16,793,772</u>
Operating Income	<u>1,729,591</u>	<u>266,858</u>	<u>527,246</u>	<u>413,222</u>	<u>-</u>	<u>-</u>	<u>2,936,917</u>
NON-OPERATING REVENUES (EXPENSES):							
Interest Income	10,256	5,134	2,886	3,151	473	473	21,900
Investment Income	(17,671)	(14,219)	(7,537)	(6,663)	(1,068)	(1,068)	(47,158)
Interest Expense and Other Charges	-	-	-	(169,482)	-	-	(169,482)
Other Income	13,807	8,992	11,493	12,698	-	-	46,990
Total Non-Operating Revenues (Expenses)	<u>6,392</u>	<u>(93)</u>	<u>6,842</u>	<u>(160,296)</u>	<u>(595)</u>	<u>(595)</u>	<u>(147,750)</u>
Income (Loss) Before Transfers	1,735,983	266,765	534,088	252,926	(595)	(595)	2,789,167
Transfers In (Out)	-	-	(185,662)	621,564	-	-	435,902
Increase (Decrease) in Net Position	1,735,983	266,765	348,426	874,490	(595)	(595)	3,225,069
Total Net Position, Beginning of Year	<u>26,376,375</u>	<u>9,102,972</u>	<u>7,894,818</u>	<u>7,903,711</u>	<u>133,471</u>	<u>133,471</u>	<u>51,411,347</u>
Total Net Position, End of Year	<u>\$ 28,112,358</u>	<u>\$ 9,369,737</u>	<u>\$ 8,243,244</u>	<u>\$ 8,778,201</u>	<u>\$ 132,876</u>	<u>\$ 132,876</u>	<u>\$ 54,636,416</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2018

	ENTERPRISE FUNDS					UTILITY DEPOSITS	TOTAL
	ELECTRIC	GAS	WATER	SEWER			
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash Received from Customers	\$ 12,421,398	\$ 2,774,261	\$ 2,514,366	\$ 2,041,117	\$ 129,025	\$ 19,880,167	
Cash Paid Out to Customers	318	-	-	-	(123,750)	(123,432)	
Cash Payments to Suppliers for Goods and Services	(9,138,697)	(1,701,376)	(1,378,610)	(750,403)	-	(12,969,086)	
Cash Payments to Employees and Professional Contractors for Services	(986,795)	(583,635)	(361,786)	(415,556)	-	(2,347,772)	
Net Cash Flows Provided by Operating Activities	2,296,224	489,250	773,970	875,158	5,275	4,439,877	
CASH FLOWS FROM NON-CAPITAL RELATED FINANCING ACTIVITIES:							
Transfer of Funds	-	-	(185,662)	621,564	-	435,902	
Other Income	13,807	8,992	11,493	12,698	-	46,990	
Net Cash Flows Provided (Used) by Non-Capital Related Financing Activities	13,807	8,992	(174,169)	634,262	-	482,892	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition and Construction of Capital Assets	(679,961)	(154,006)	(376,459)	(465,458)	-	(1,675,884)	
Principal Paid on Bonds and Notes	-	-	-	(633,579)	-	(633,579)	
Interest Paid on Bonds and Notes	-	-	-	(173,647)	-	(173,647)	
Net Cash Flows (Used) by Capital and Related Financing Activities	(679,961)	(154,006)	(376,459)	(1,272,684)	-	(2,483,110)	
CASH FLOWS FROM INVESTING ACTIVITIES:							
Sale/(Purchase) of Investments	(1,682,328)	(285,781)	(492,463)	(193,337)	1,067	(2,652,842)	
Investment Income (Loss)	(7,415)	(9,085)	(4,651)	(3,512)	(595)	(25,258)	
Net Cash Flows Provided (Used) by Investing Activities	(1,689,743)	(294,866)	(497,114)	(196,849)	472	(2,678,100)	
Net Increase (Decrease) in Cash and Cash Equivalents	(59,673)	49,370	(273,772)	39,887	5,747	(238,441)	
Cash and Cash Equivalents at May 1, 2017	1,464,515	1,070,795	538,864	607,474	67,847	3,749,495	
Cash and Cash Equivalents at April 30, 2018	\$ 1,404,842	\$ 1,120,165	\$ 265,092	\$ 647,361	\$ 73,594	\$ 3,511,054	

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2018

	ENTERPRISE FUNDS					UTILITY	
	ELECTRIC	GAS	WATER	SEWER	DEPOSITS	TOTAL	
Operating Income	\$ 1,729,591	\$ 266,858	\$ 527,246	\$ 413,222	\$ -	\$ -	\$ 2,936,917
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation	713,299	148,327	210,143	474,226	-	-	1,545,995
Changes in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	105,602	(140,543)	27,984	23,497	-	-	16,540
(Increase) Decrease in Prepaid Insurance	(2,879)	(1,576)	(584)	269	-	-	(4,770)
(Increase) in Net Pension Asset	(80,459)	(45,682)	(23,363)	(31,032)	-	-	(180,536)
Decrease in Deferred Outflow of Resources	89,131	52,354	24,678	33,059	-	-	199,222
Increase (Decrease) in Accounts Payable	(69,558)	55,446	11,907	(37,148)	-	-	(39,353)
Increase in Wages and Benefits Payable	3,013	2,638	1,246	102	-	-	6,999
Increase in Other Post Employment Benefit Obligation	16,481	8,384	3,347	4,041	-	-	32,253
Increase (Decrease) in Compensated Absences	(8,696)	11,569	4,361	10,419	-	-	17,653
(Decrease) in Net Pension Liability	(527,982)	(302,811)	(153,595)	(202,603)	-	-	(1,186,991)
Increase in Deferred Inflow of Resources	484,450	274,286	140,600	187,106	-	-	1,086,442
Increase (Decrease) in Due to/from Other Funds	(160,000)	160,000	-	-	-	-	-
Increase in Consumer Deposits	4,231	-	-	-	5,275	-	9,506
Total Adjustments	566,633	222,392	246,724	461,936	5,275	-	1,502,960
Net Cash Provided by Operating Activities	\$ 2,296,224	\$ 489,250	\$ 773,970	\$ 875,158	\$ 5,275	\$ -	\$ 4,439,877

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
EMPLOYEE RETIREMENT PLAN
YEAR ENDED APRIL 30, 2018

	<u>ASSETS</u>	<u>EMPLOYEE RETIREMENT PLAN</u>
Cash and Cash Equivalents		\$ 134,341
RECEIVABLES:		
Employer		438,957
Interest		<u>21,579</u>
Total Receivables		460,536
Investments		<u>5,387,933</u>
Total Assets		<u>5,982,810</u>
	<u>LIABILITIES</u>	
Total Liabilities		<u>-</u>
	<u>NET POSITION</u>	
Held in Trust for Pension Benefits		<u>\$ 5,982,810</u>

A schedule of funding progress presented for the Police Pension Plan is presented in the Required Supplementary Information Section of this report.

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE RETIREMENT PLAN
YEAR ENDED APRIL 30, 2018

	<u>EMPLOYEE RETIREMENT PLAN</u>
ADDITIONS:	
Contributions:	
Employer	\$ 418,000
Plan Members	107,693
Total Contributions	<u>525,693</u>
Investment Income:	
Interest	80,859
Dividend	59,264
Gain on Investments	19,765
Unrealized Appreciation	<u>93,031</u>
Total Investment Income	<u>252,919</u>
Total Additions	<u>778,612</u>
DEDUCTIONS:	
Retirement Benefits	195,388
Disability	97,319
Administrative Expense	<u>44,228</u>
Total Deductions	<u>336,935</u>
Change in Net Position	441,677
Net Position, Beginning of Year	<u>5,541,133</u>
Net Position, End of Year	<u>\$ 5,982,810</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Management, in determining what potential component entities should be included for financial reporting purposes, considered accountability for fiscal matters, other manifestations of oversight responsibility, scope of public service, and special financing relationships. Fiscal accountability, the most significant of all the criteria, refers to conditions of financial interdependency between two entities including budgetary adoption, taxing authority, responsibility for debt, and control over or responsibility for financial management. Other manifestations of oversight responsibility encompass the ability to select governing authority, designate management, or significantly influence operations. The scope of public service evaluates the benefits derived in terms of the citizenry served or the geographic boundaries included.

Based upon these criteria, the City does not have any component units.

A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the City of Waterloo, Illinois (City) are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures of the City's financial activities for the fiscal year ended April 30, 2018.

B. Government-Wide and Fund Financial Statements

Government-Wide 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 primary government. For the most part, the effect of interfund activity has been removed from these statements. Government 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 or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. 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 identifiable activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not included among program revenues are reported instead as general revenues.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Financial Statements

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, with composite columns for non-major funds.

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

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the City are described below.

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 the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Government 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. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are reported only when payment is due.

Sales and use taxes, income taxes, other intergovernmental revenue, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of the special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expense.

Governmental Funds

The City reports the following major governmental funds:

General Fund - The general fund reports on the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

Proprietary Funds

The City reports the following major enterprise funds:

Electric Fund - The Electric fund accounts for the operating activities of the City's electric utilities services.

Gas Fund - The Gas fund accounts for the operating activities of the City's gas utilities services.

Water Fund - The Water fund accounts for the operating activities of the City's water utilities services.

Sewer Fund - The Sewer fund accounts for the operating activities of the City's sewer utilities services.

Utility Deposits - The utility deposits fund accounts for the utility deposits of the City's enterprise funds.

Other Fund Types

Pension Trust Fund - The pension trust fund reports fiduciary resources held in trust and the receipt, investment, and distribution of retirement contributions. The City's pension trust fund is limited to police officers.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Allocation of Indirect Expenses

The City allocates, from its governmental funds, indirect expenses primarily comprised of central governmental services to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions include police, street, and library.

Administrative Expenses

The City's general fund also charges an administrative fee to the City's proprietary funds in an amount equal to approximately five percent (5%) of the proprietary fund's gross receipts.

D. Cash and Investments

The City maintains and controls pooled and nonpooled cash and investments that are separately held and reflected in their respective funds as "Cash and cash equivalents" and "Investments".

The City has adopted a formal written investment and cash management policy. The City is restricted to investments outlined in the Public Funds Investment Act of the State of Illinois and Police Pension Fund in 40 ILCS 5/3-135.

The City considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value, except for investments with Illinois Metropolitan Investment Fund (IMET). Fair value is determined by closing market prices at year-end as reported by the investment custodian. Investments with IMET are reported at net asset value per share which approximates fair value.

E. Inventories and Prepaids

Inventories in governmental funds consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost which is recorded as an expenditure at the time individual inventory items are used. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis.

Prepaids record payments to vendors that benefit future reporting periods and are also reported on the consumption basis. Both inventories and prepaids are similarly reported in government-wide and fund financial statements.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Capital Assets, Depreciation and Amortization

The City's property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired after June 30, 1980), with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City generally capitalizes building and infrastructure assets with a cost of \$25,000 or more as purchase and construction outlays occur. Furniture, fixtures and equipment are generally capitalized with a cost of \$5,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	40
Improvements, other than buildings	15-25
Furniture, fixtures, and equipment	5-10

For more information describing capital assets, see Note 4.

G. Capitalized Interest

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. There were no funds affected in the year ended April 30, 2018.

H. Long-Term Debt and Bond Discounts/Premiums

In the government-wide and proprietary funds, outstanding debt is reported as liabilities. Bond discounts or premiums and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

I. Fund Equity

Beginning with fiscal year 2012, the City implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

balances more transparent. The following classifications describe the relative strength of the spending constraints:

- ° Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- ° Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- ° Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove the constraint.
- ° Assigned fund balance - amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- ° Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council or the finance committee has provided otherwise in its commitment or assignment actions.

J. Net Position

Net positions represent the difference between assets and liabilities and deferred outflow / inflows of resources on the government-wide financial statements. Net positions are classified in the following categories:

1. Net investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
2. Restricted net position - This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. Unrestricted net position - This is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

K. Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Sick leave accrues for full-time, permanent employees to specified maximums. Generally, after one year of service, employees are entitled to all accrued vacation leave upon termination. Retirees are entitled to a percentage of their sick leave.

Police officers are not entitled to their proportionate sick leave balance until they retire or become disabled. However, these employees historically remain with the City until retirement. Selected management employees are entitled to all accrued sick and vacation leave balances at termination. The estimated liabilities include required salary-related payments. Compensated absences are reported as accrued in the government-wide and proprietary fund financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles as they relate to governmental entities 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheet - governmental funds 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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

The City's deposits with local banks consist of the following at April 30, 2018:

	<u>CARRYING AMOUNT</u>	<u>BANK VALUE</u>
Governmental Activities:		
Cash and Cash Equivalents	\$ 9,021,593	\$ 9,278,185
Certificates of Deposit	39,569	39,569
Business-Type Activities:		
Cash and Cash Equivalents	3,511,054	4,219,119
Fiduciary Fund (Police Pension):		
Cash and Cash Equivalents	134,341	134,341
	<u>\$ 12,706,557</u>	<u>\$ 13,671,214</u>

Custodial Credit Risk - Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires collateral equal to 100 percent of the deposits which exceed the insurance limitation provided by the FDIC. The City's investment policy limits collateral to the following: U.S. government direct securities, obligations of federal agencies, obligations of federal instrumentalities, obligations of the State of Illinois, obligations of the City of Waterloo, letters of credit issued by a Federal Home Loan Bank, and acceptable collateral as identified in the Illinois Compiled Statutes for use by the Treasurer of the State of Illinois. The Police Pension Plan's investment policy requires collateral equal to 110 percent of the deposits which exceed the insurance limitation provided by the FDIC.

Of the bank balance at April 30, 2018, \$1,496,633 was covered by federal depository insurance, \$12,174,581 was covered by collateralized securities held by third-party institutions in the City's name, and \$-0- was uncollateralized.

Investments

The City's investments consist of the following at April 30, 2018:

	<u>FAIR VALUE</u>	<u>COST</u>
Governmental Activities:		
IMET 1-3 Year Fund	\$ 2,240,557	\$ 2,000,000
Business-type Activities:		
IMET 1-3 Year Fund	14,904,677	12,950,000
Sub-Total (Carried Forward)	<u>\$ 17,145,234</u>	<u>\$ 14,950,000</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (CONT'D)

	<u>FAIR VALUE</u>	<u>COST</u>
Sub-Total (Brought Forward)	\$ 17,145,234	\$ 14,950,000
Fiduciary Fund (Police Pension):		
Equity Mutual Funds	2,412,131	2,045,257
Corporate Bonds	1,308,799	1,362,008
U.S. Treasury Notes	1,083,179	1,119,674
U.S. Treasury Bonds	243,361	259,967
Federal Farm Credit Banks	127,065	131,726
Federal Home Loan Bank	203,753	210,861
Federal National Mortgage Association	9,645	9,905
	<u>5,387,933</u>	<u>5,139,398</u>
	<u>\$ 22,533,167</u>	<u>\$ 20,089,398</u>

The Illinois Metropolitan Investment Fund (IMET) is a quasi-intergovernmental entity created under the Intergovernmental Cooperation Act and the Illinois Municipal Code in 1996. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. IMET issues a publicly available financial report, which may be obtained at <http://www.investimet.com>.

The 1-3 Year Fund is designed as an investment vehicle for public funds not required to be spent in the near term and are available for investment in securities with slightly longer average maturities. Although the 1-3 Year Fund is designed for funds that may be invested for a year or more, there is no minimum investment term and there are no early withdrawal/redemption fees or penalties for funds invested for less than one year.

The 1-3 Year Fund provides 5 day liquidity, participants are able to redeem investment shares with 5 business days notice to the IMET Operations desk. The 1-3 Year Fund has a fluctuating net asset value (NAV) and an average portfolio maturity of one to three years. IMET invests exclusively in U.S. government backed securities (Treasuries and Agencies).

The Police Pension Plan's investment policy allows the Police Pension Board to invest in any type of security allowed for in Illinois Compiled Statutes (40 ILCS 5/1 -113.2 - 113.4) regarding the investment of pension funds. The policy also allows the Board to appoint investment advisors as defined in the Illinois Compiled Statutes (40 ILCS 5/1 - 101.4). Thus, the Board has entered into an agreement with an investment manager. Under the terms of the agreement, the investment manager has full power and authority to hold and manage all money and securities deposited with the investment manager.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (CONT'D)

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. Both the City and Police Pension Plan limit their credit risk by investing in debt securities rated by Standard & Poor's and/or Moody's Investors Services as investment-grade.

Credit rating for the City's and Police Pension Plan's investments are as follow at April 30, 2018:

	STANDARD & POORS	MOODY'S INVESTORS SERVICES
IMET 1-3 Year Fund	Not Rated	Aaa
Corporate Bonds	AAA to BBB	Aaa to Baa3
U.S. Treasury Notes	AA	Aaa
U.S. Treasury Bonds	AA	Aaa
Federal Farm Credit Banks	AA+	Aaa
Federal Home Loan Bank	AA+	Aaa
Federal National Mortgage Association	AA+	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 City and Police Pension Plan will not be able to recover the value of its investment that is in possession of an outside party. The City's and Police Pension Plan's investment policies do not address custodial credit risk for investments. The City's IMET is not subject to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's and Police Pension Plan's investment in a single issuer. The City's investment policy does not address concentration of credit risk. The City's investments were all invested in Illinois Metropolitan Investment Fund at April 30, 2018.

The Police Pension Plan's investment policy limits its concentration of credit risk by establishing diversification guidelines for its investment portfolio as follows:

ASSET CLASS	MINIMUM	MAXIMUM	ACTUAL AT APRIL 30, 2018
Equities	30%	45%	43.68%
Fixed Income	45%	70%	53.89%
Cash / Cash Equivalents	0%	10%	2.43%

The Police Pension Plan's investment portfolio totaled \$5,522,274 (which includes cash and cash equivalents) at April 30, 2018. The Plan's investment in a single issuer of 5 percent or more at April 30, 2018 consists of the following equity mutual funds: Vanguard High Dividend Yield Index = 9.01% and Vanguard Russell 1000 Index = 13.23%.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (CONT'D)

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's and the Police Pension Plan's investment policies do not specifically limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates.

Investments and maturities of the City's and Police Pension Plan's investments are as follows at April 30, 2018:

	FAIR VALUE	SEGMENTED TIME DISTRIBUTION INVESTMENT MATURITIES IN YEARS			
		ON DEMAND			
		OR <1	1-5	6-10	>10
Governmental Activities:					
IMET 1-3 Year Fund	\$ 2,240,557	\$ 2,240,557	\$ -	\$ -	\$ -
Business-Type Activities:					
IMET 1-3 Year Fund	14,904,677	14,904,677	-	-	-
Fiduciary Fund (Police Pension):					
Equity Mutual Funds	2,412,131	2,412,131	-	-	-
Corporate Bonds	1,308,799	29,921	691,438	355,060	232,380
U.S. Treasury Notes	1,083,179	69,437	852,440	161,302	-
U.S. Treasury Bonds	243,361	-	-	-	243,361
Federal Farm Credit Banks	127,065	-	19,855	57,548	49,662
Federal Home Loan Bank	203,753	-	188,434	-	15,319
Federal National Mortgage Assoc.	9,645	-	9,645	-	-
	<u>5,387,933</u>	<u>2,511,489</u>	<u>1,761,812</u>	<u>573,910</u>	<u>540,722</u>
	<u>\$ 22,533,167</u>	<u>\$ 19,656,723</u>	<u>\$ 1,761,812</u>	<u>\$ 573,910</u>	<u>\$ 540,722</u>

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 Fair Value Measurement and Application, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents the fair value hierarchy for the balances of the investments of the City measured at fair value on a recurring basis as of April 30, 2018:

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (CONT'D)

	<u>FAIR VALUE</u>	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>
FIDUCIARY FUND (Police Pension):				
Equity Mutual Funds	\$ 2,412,131	\$ 2,412,131	\$ -	\$ -
Corporate Bonds	1,308,799	1,308,799	-	-
U.S. Treasury Notes	1,083,179	1,083,179	-	-
U.S. Treasury Bonds	243,361	243,361	-	-
Federal Farm Credit Banks	127,065	127,065	-	-
Federal Home Loan Bank	203,753	203,753	-	-
Federal National Mortgage Association	9,645	9,645	-	-
	<u>\$ 5,387,933</u>	<u>\$ 5,387,933</u>	<u>\$ -</u>	<u>\$ -</u>

Level 1 Fair Value Measurements

The fair value of investments in this category is based on quoted prices in active markets for identical assets.

The following table presents the valuation method for investments of the City measured at net asset value (NAV) per share as of April 30, 2018:

	<u>FAIR VALUE</u>	<u>REDEMPTION FREQUENCY</u>	<u>REDEMPTION NOTICE PERIOD</u>
Governmental Activities:			
IMET 1-3 Year Fund	\$ 2,240,557	Daily	5 Days
Business-Type Activities:			
IMET 1-3 Year Fund	<u>14,904,677</u>	Daily	5 Days
	<u>\$ 17,145,234</u>		

The Illinois Metropolitan Investment Fund 1-3 Year Series is designed as an investment vehicle for funds not required to be spent in the short-term and which are available for investment in securities with average maturities and returns generally greater than those for money market instruments.

The IMET 1-3 Year Series comprises investments in U.S. Treasury obligations, U.S. government agency and agency-backed securities, and asset and mortgage-backed securities made on behalf of its participants. The Fund also comprises cash and money market mutual funds. The fair values of the underlying investments are used to determine NAV per share of the IMET 1-3 Year Fund investment.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 4. RECEIVABLES

Accounts receivable at April 30, 2018 consists of the following:

Garbage	\$ 116,806
Telecommunications Taxes	38,475
Video Gaming	18,375
Local Utility Taxes	75,227
Utility Bills	2,382,922
	<u>\$ 2,631,805</u>

There is no allowance for doubtful accounts as management expects utility deposits of \$243,325 sufficient to cover any uncollectible accounts receivable.

Taxes receivable of \$784,682 is comprised of sales, income, motor fuel tax and other intergovernmental revenue.

Real estate taxes are collected one year in arrears. Although levied in 2017 real estate taxes are collected subsequent to June 30, 2018. Accordingly, real estate taxes are reported as deferred revenue because they are not available to liquidate liabilities of the current period nor or they intended to do so.

Real estate taxes receivable are as follows:

Real Estate Taxes Receivable	\$ 1,292,725
Less Allowance for Uncollectible Accounts	(3,231)
Net Real Estate Taxes Receivable	<u>\$ 1,289,494</u>

NOTE 5. CAPITAL ASSETS

Changes in Capital Assets:

The following table provides a summary of changes in capital assets:

	CAPITAL ASSETS, NOT DEPRECIATED		
	LAND	CONSTRUCTION IN PROGRESS	TOTAL
Governmental Activities			
Balance at May 1, 2017	\$ 1,030,586	\$ 339,164	\$ 1,369,750
Increase	-	1,163,539	1,163,539
Decrease	-	1,231,706	1,231,706
Balance at April 30, 2018	<u>\$ 1,030,586</u>	<u>\$ 270,997</u>	<u>\$ 1,301,583</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 5. CAPITAL ASSETS (CONT'D)

	CAPITAL ASSETS, DEPRECIATED			
	FURNITURE, MACHINERY AND			TOTAL
	BUILDINGS	INFRASTRUCTURE	EQUIPMENT	
Balance at May 1, 2017	\$ 4,788,750	\$ 25,638,463	\$ 5,408,594	\$ 35,835,807
Increases	275,955	1,957,291	286,238	2,519,484
Decreases	-	-	-	-
Balance at April 30, 2018	<u>5,064,705</u>	<u>27,595,754</u>	<u>5,694,832</u>	<u>38,355,291</u>
Accumulated Depreciation				
Balance at May 1, 2017	2,378,709	15,048,317	4,309,962	21,736,988
Increases	120,863	1,110,745	297,302	1,528,910
Decreases	-	-	-	-
Balance at April 30, 2018	<u>2,499,572</u>	<u>16,159,062</u>	<u>4,607,264</u>	<u>23,265,898</u>
Governmental Activities, Net	<u>\$ 2,565,133</u>	<u>\$ 11,436,692</u>	<u>\$ 1,087,568</u>	<u>\$ 15,089,393</u>
CAPITAL ASSETS, NOT DEPRECIATED				
Business-Type Activities	CONSTRUCTION			TOTAL
	LAND	IN PROGRESS		
Balance at May 1, 2017	\$ 2,871,540	\$ 330,650		\$ 3,202,190
Increases	-	576,158		576,158
Decreases	-	785,488		785,488
Balance at April 30, 2018	<u>\$ 2,871,540</u>	<u>\$ 121,320</u>		<u>\$ 2,992,860</u>
CAPITAL ASSETS, DEPRECIATED				
	FURNITURE, MACHINERY AND			TOTAL
	BUILDINGS	INFRASTRUCTURE	EQUIPMENT	
Balance at May 1, 2017	\$ 1,456,952	\$ 58,572,152	\$ 6,392,748	\$ 66,421,852
Increases	21,709	1,171,722	691,782	1,885,213
Decreases	-	-	-	-
Balance at April 30, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Carried Forward)	<u>\$ 1,478,661</u>	<u>\$ 59,743,874</u>	<u>\$ 7,084,530</u>	<u>\$ 68,307,065</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 5. CAPITAL ASSETS (CONT'D)

	CAPITAL ASSETS, DEPRECIATED			
	FURNITURE, MACHINERY AND			
	BUILDINGS	INFRASTRUCTURE	EQUIPMENT	TOTAL
Balance at April 30, 2018 (Brought Forward)	<u>\$ 1,478,661</u>	<u>\$ 59,743,874</u>	<u>\$ 7,084,530</u>	<u>\$ 68,307,065</u>
Accumulated Depreciation				
Balance at May 1, 2017	<u>366,466</u>	<u>22,372,472</u>	<u>4,467,989</u>	<u>27,206,927</u>
Increases	36,695	1,295,635	213,665	1,545,995
Decreases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at April 30, 2018	<u>403,161</u>	<u>23,668,107</u>	<u>4,681,654</u>	<u>28,752,922</u>
Net Business-Type Capital Assets Depreciated	<u>\$ 1,075,500</u>	<u>\$ 36,075,767</u>	<u>\$ 2,402,876</u>	<u>\$ 39,554,143</u>
Governmental Activities:				
General Government			\$ 88,814	
Public Safety			82,949	
Highway and Streets			1,311,092	
Culture and Recreation			46,055	
			<u>\$ 1,528,910</u>	
Business-Type Activities:				
Electric Fund			\$ 713,299	
Gas Fund			148,327	
Water Fund			210,143	
Sewer Fund			474,226	
			<u>\$ 1,545,995</u>	

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 6. LONG-TERM DEBT

A. Changes in Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended April 30, 2018:

Business-Type Activities	BALANCE	ISSUED	RETIRED	BALANCE
	MAY 1, 2017			APRIL 30, 2018
E.P.A. Loan	\$ 7,103,315	\$ -	\$ 633,579	\$ 6,469,736
	<u>\$ 7,103,315</u>	<u>\$ -</u>	<u>\$ 633,579</u>	<u>\$ 6,469,736</u>

Balances shown for bonds do not include unamortized premiums/discounts.

B. Loan Payable

The City received a loan from the Illinois Environmental Protection Agency of \$12,372,060. Through April 30, 2018, the balance of the loan is \$6,469,736.

The loan bears an interest rate of 2.50 percent and is payable over twenty (20) years with a final maturity in the year ended April 30, 2027.

The following is a schedule of the remaining principal and interest due on the Illinois Environmental Protection Agency loan:

YEAR ENDED APRIL 30,	PRINCIPAL	INTEREST	TOTAL
2019	\$ 649,517	\$ 157,709	\$ 807,226
2020	665,856	141,370	807,226
2021	682,607	124,619	807,226
2022	699,779	107,447	807,226
2023	717,383	89,843	807,226
2024 - 2027	3,054,594	174,311	3,228,905
	<u>\$ 6,469,736</u>	<u>\$ 795,299</u>	<u>\$ 7,265,035</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 6. LONG-TERM DEBT (CONT'D)

C. Legal Debt Margin

At April 30, 2018, the legal debt margin of the City was as follows:

Assessed Valuation - 2017	\$ 267,094,823
Legal Debt Margin	<u>8.625%</u>
Debt Margin	\$ 23,036,928
Debt Outstanding	<u>-</u>
Legal Debt Margin	<u>\$ 23,036,928</u>

The loan payable to the Illinois Environmental Protection Agency is payable from the system's revenues and hence are not considered in the computation of the legal debt margin and is also excluded by statute.

NOTE 7. DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Plan

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

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONT'D)

Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms. At December 31, 2017, the following employees were covered by the Plan:

Active	43
Temporary Disability	1
Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to but not yet receiving benefits	8
Total	<u>110</u>

Contributions. As set by statute, the City's regular plan members are required to contribute 4.5 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2017 was 11.29 percent. For the fiscal year ended April 30, 2018, the City contributed \$320,040 to the plan. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial methods and assumption, applied to all periods included in the measurement:

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 7. DEFINED PENSION PLAN (CONT'D)

Actuarial Cost Method	Entry Age Normal
Assets Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
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Other Information:

Notes	There were no benefit changes during the year.
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The long term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates or return (expected returns, net of Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 7. DEFINED PENSION PLAN (CONT'D)

ASSET CLASS	PORTFOLIO TARGET PERCENTAGE	LONG-TERM EXPECTED REAL RATE OF RETURN
Equities	37.00 %	6.85 %
International Equities	18.00	6.75
Fixed Income	28.00	3.00
Real Estate	9.00	5.75
Alternatives	7.00	
Private Entity		7.35
Hedge Funds		5.05
Commodities		2.65
Cash Equivalents	<u>1.00</u>	2.25
	<u>100.00 %</u>	

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

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

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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 7. DEFINED PENSION PLAN (CONT'D)

Changes in the City's Net Pension Liability. Changes in the City's net pension liability for the year ended December 31, 2017, were as follows:

	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET PENSION LIABILITY (ASSET)
Balance, December 31, 2016	<u>\$ 16,628,065</u>	<u>\$ 14,943,913</u>	<u>\$ 1,684,152</u>
Changes for the Year:			
Service Cost	341,104	-	341,104
Interest	1,233,973	-	1,233,973
Difference Between Expected and Actual Experience	(38,812)	-	(38,812)
Changes in Assumptions	(567,969)	-	(567,969)
Contributions-Employees	-	135,605	(135,605)
Contributions-Employer	-	340,217	(340,217)
Net Investment Income	-	2,625,678	(2,625,678)
Benefit Payments Including Refunds of Employee Contributions	(691,276)	(691,276)	-
Other (Net Transfer)	-	(194,275)	194,275
Net Changes	<u>277,020</u>	<u>2,215,949</u>	<u>(1,938,929)</u>
Balance, December 31, 2017	<u>\$ 16,905,085</u>	<u>\$ 17,159,862</u>	<u>\$ (254,777)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.50 percent, as well as, what the net position liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate:

	DISCOUNT RATE		NET PENSION LIABILITY (ASSET)
1% decrease	6.50	%	\$ 1,868,832
Current discount rate	7.50		(254,777)
1% increase	8.50		(2,014,338)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended April 30, 2018, the City recognized pension expense of \$211,145. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 7. DEFINED PENSION PLAN (CONT'D)

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Difference Between Expected and Actual Experience	\$ 65,677	\$ 294,737
Changes in Assumption	11,211	444,822
Net Difference Between Projected and Actual Earnings on Plan Investments	437,248	1,216,199
Contributions After Measurement Date	<u>98,803</u>	<u>-</u>
Total	<u>\$ 612,939</u>	<u>\$ 1,955,758</u>

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

YEAR ENDING DECEMBER 31,	
2018	\$ (218,370)
2019	(373,607)
2020	(446,793)
2021	(304,049)
2022	-
Thereafter	-
Total	<u>\$ (1,342,819)</u>

NOTE 8. POLICE PENSION PLAN

Plan Administration - Police sworn personnel are covered by the police pension plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by the Illinois Compiled Statutes (chapter 40 ILCS 5/3-101) and may be amended only by the Illinois legislature.

The City accounts for the plan as a pension trust fund. The City does not, however, separately issue a financial report for the police pension plan.

Management of the police pension plan is vested in the City's Police Pension Board, which consists of five members - two elected by active plan members, one elected by retired members and two members appointed by the mayor.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 8. POLICE PENSION PLAN (CONT'D)

Plan membership at April 30, 2018, consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	8
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	3
Active Plan Members	<u>18</u>
 Total	 <u>29</u>

Benefits Provided - The Police Pension Plan provides retirement disability and death benefits. Benefits provided under the statute are summarized as follows:

Tier 1 - For police officers first entering Article 3 prior to January 1, 2011.

Tier 2 - For police officers first entering Article 3 after December 31, 2010.

Normal Pension Amount

Tier 1 - Age 50 with 20 or more years of creditable service. Pension is 50% of the greater of the annual salary held in the year proceeding retirement or the annual salary held on the last day of service, plus 2 1/2% of such annual salary for service from 20 to 30 years (maximum 25%).

Tier 2 - Age 55 with 10 or more years of creditable service. Pension is 2 1/2% of the final average salary for each year of service. Final Average Salary is the highest salary based on the highest consecutive 96 months of the final 120 months of service.

Disability Pension Amount

Line of duty - Greater of 65% of salary attached to rank at date of suspension or retirement and the retirement pension available. Minimum of \$1,000 per month.

Not on duty - 50% of salary attached to rank at date of suspension or retirement. Minimum of \$1,000 per month.

Pension to Survivors

Death of Retired Member

Tier 1 - 100% of pension amount to surviving spouse (or dependent children).

Tier 2 - 66 2/3 % of pension amount to surviving spouse (or dependent children), subject to the following increase: the lesser of 1/2 of the Consumer Price Index - Urban (CPI-U) or 3% of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount each January 1 thereafter.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 8. POLICE PENSION PLAN (CONT'D)

Death While in Service (Not in line of duty)

With 20 years of creditable service, the pension amount earned as of the date of death.

With between 10 and 20 years of creditable service, 50 percent of the salary attached to the rank for the year prior to the date of death.

Death in Line of Duty

100% of the salary attached to the rank for the last day of service year prior to date of death.

Minimum Survivor Pension

\$1,000 per month to all surviving spouses.

Pension Increases

Tier 1 - 3% increase each January 1.

Tier 2 - 3% increase of the original pension amount each January 1.

Disabled - 3% increase of the original amount each January 1.

Contributions by Police Officer - Covered employees are required to contribute 9.91 percent 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. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary.

Contributions by the City - The City files an annual report with the Illinois Department of Insurance in compliance with the Illinois Compiled Statute. The City also engages an actuary to determine the employer contributions in an amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended April 30, 2018, the City contributed, \$418,000 which was 33.11% of covered payroll.

Investment Policy - The Pension Plan's investment policy follows the investments permissible under the Illinois Compiled Statutes 40 ILCS 5/Illinois Pension Code.

Rate of Return - For the year ended April 30, 2018 the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.69 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 8. POLICE PENSION PLAN (CONT'D)

Net Pension Liability of the City - The components of the net pension liability of the City at April 30, 2018, were:

Total Pension Liability	\$ 9,883,575
Plan Fiduciary Net Position	<u>(5,982,810)</u>
City's Net Pension Liability	<u>\$ 3,900,765</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.53%
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Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of April 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Actuarial Valuation Method	5-year smoothed market, no corridor
Inflation	2.0 percent
Salary Increases	Graded rates from 4.86 % at age 25 to 1.12% at age 55, plus 2 percent inflation allowance
Investment Rate of Return	6.50%, net of pension plan investment expense, including inflation
Retirement Age	Active plan members were assumed to retire between the ages of 50 and 69
Mortality	For active plan members, rates were developed from the RP-2000 Combined Healthy Mortality Table (Male) with blue collar adjustment projected by Scale BB to 2015. For disabled plan members, rates were developed from the RP-2000 Combined Healthy Mortality Table (Male) with blue collar adjustment projected by Scale BB to 2015 with a 150% load for participants under age 50.
Other Information	There were no benefit changes during the year.

The long-term expected rate of return on pension plan investments was based on the city council's decision with the actuary and the long-term expected rate of return based on the investment portfolio as a whole.

Discount Rate - The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was 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 was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 8. POLICE PENSION PLAN (CONT'D)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City, calculated using the discount rate of 6.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% DECREASE (5.50%)	CURRENT DISCOUNT RATE (6.50%)	1% INCREASE (7.50%)
City's Net Pension Liability	\$ 5,320,699	\$ 3,900,765	\$ 2,667,061

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources . For the year ended April 30, 2018, the City recognized pension expense of \$644,910. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to Police Pension from the following sources:

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Difference Between Expected and Actual Experience	\$ 610,655	\$ -
Difference Between Projected and Actual Investment		
Earnings on Pension Assets	90,711	-
Total	<u>\$ 701,366</u>	<u>\$ -</u>

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

YEAR ENDING APRIL 30,	
2019	\$ 81,656
2020	81,656
2021	81,656
2022	81,656
2023	58,979
Thereafter	315,763
Total	<u>\$ 701,366</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 9. OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description - The City of Waterloo defined other postemployment benefit plan (OPEB) is a single-employer defined benefit healthcare Plan that is administered by the City and covers retired employees of the City and their dependents. The Plan provides for the continuation of health care benefits for eligible retired employees. The City has the authority to establish and amend benefit provisions of the plan. The Plan does not issue a separate publicly available report.

Funding Policy - The Plan makes available to all employees who retire and their dependents the option to continue healthcare coverage under the City's group health program by contributing the monthly premium. Retirees contribute 100 percent of the premium for the level and type of coverage. The City pays 100 percent of the premium for duty-disabled police officers and their families. For the 2018 fiscal year, the annual pay-as-you-go cost is approximately \$33,745 (0.9 percent of payroll).

As of April 30, 2018, the Plan has four retirees receiving benefits and fifty-four active participants.

Annual OPEB Cost and Net OPEB Obligation - The City engaged an actuarial firm to determine the estimated obligation associated with OPEB as of April 30, 2018, as well as the annual required contribution (ARC) for funding this obligation in accordance with the parameters of GASB Statement No. 45 for employers with more than one hundred total plan members. Based on this report, including assumptions that the ARC is not fully funded, the ARC for the City in fiscal year 2018 was \$104,255. The City's annual (OPEB) cost is calculated based on the ARC. The ARC represents a level of funding, that if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year ended April 30, 2018, the actual amount contributed to the plan, and changes in the City's net OPEB obligation to the plan:

	ELECTRIC	GAS	WATER	SEWER	TOTAL PROPRIETARY FUNDS
Annual Required Contribution	\$ 18,623	\$ 9,452	\$ 3,446	\$ 4,511	\$ 36,032
Interest on OPEB Obligation	4,997	3,497	323	1,541	10,358
Adjustment to Annual Required Contribution	(6,524)	(4,565)	(422)	(2,011)	(13,522)
Annual OPEB Cost (Expense)	17,096	8,384	3,347	4,041	32,868
Contributions Made	(615)	-	-	-	(615)
Increase in Net OPEB Obligation	16,481	8,384	3,347	4,041	32,253
Net OPEB Obligation - May 1, 2017	111,052	77,702	7,187	34,237	230,178
Net OPEB Obligation - April 30, 2018	\$ 127,533	\$ 86,086	\$ 10,534	\$ 38,278	\$ 262,431

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 9. OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

			TOTAL GOVERNMENTAL FUNDS
	POLICE	MUNICIPAL	
Annual Required Contribution	\$ 63,666	\$ 15,962	\$ 79,628
Interest on OPEB Obligation	22,129	4,840	26,969
Adjustment to Annual Required Contribution	(28,891)	(6,319)	(35,210)
Annual OPEB Cost (Expense)	56,904	14,483	71,387
Contributions Made	(8,350)	(7,260)	(15,610)
Increase in Net OPEB Obligation	48,554	7,223	55,777
Net OPEB Obligation - May 1, 2017	491,755	107,563	599,318
Net OPEB Obligation - April 30, 2018	<u>\$ 540,309</u>	<u>\$ 114,786</u>	<u>\$ 655,095</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended April 30, 2018 and the two preceding years are as follows:

FISCAL YEAR ENDED	ANNUAL OPEB COST	PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED	NET OPEB OBLIGATION
April 30, 2018	\$ 104,255	15.60%	\$ 917,526
April 30, 2017	105,502	14.20%	829,496
April 30, 2016	143,011	4.00%	738,948

Funded Status and Funding Progress - The funded status of the Plan based on the most recent actuarial valuation as of April 30, 2018 is as follows:

	TOTAL PROPRIETARY FUNDS	POLICE	MUNICIPAL	TOTAL
Actuarial Accrued Liability (AAL)	\$ 391,176	\$ 612,059	\$ 176,015	\$ 1,179,250
Actuarial Value of Plan Assets	-	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 391,176</u>	<u>\$ 612,059</u>	<u>\$ 176,015</u>	<u>\$ 1,179,250</u>
Funded Ratio/Actuarial Value of Plan Assets (AAL)	0.0%	0.0%	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 2,036,900	\$ 982,946	\$ 729,596	\$ 3,749,442
UAAL as of Percentage of Covered Payroll	19.2%	62.3%	24.1%	31.5%

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 9. OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

The details of the proprietary funds are as follows:

	ELECTRIC	GAS	WATER	SEWER	TOTAL PROPRIETARY FUNDS
Actuarial Accrued Liability (AAL)	\$ 196,596	\$ 107,040	\$ 35,408	\$ 52,132	\$ 391,176
Actuarial Value of Plan Assets	-	-	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 196,596</u>	<u>\$ 107,040</u>	<u>\$ 35,408</u>	<u>\$ 52,132</u>	<u>\$ 391,176</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%	0.0%	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 883,457	\$ 543,509	\$ 267,842	\$ 342,092	\$ 2,036,900
UAAL as a Percentage of Covered Payroll	22.3%	19.7%	13.2%	15.2%	19.2%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear 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 - The projection of future benefit payments for an ongoing plan involves 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 City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the City and employees) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs to the City to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the actuarial valuation for the fiscal year ended April 30, 2018, the entry age normal cost method was used.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 9. OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

The following simplifying assumptions were made:

Retirement Age for Active Employees - Active plan members were assumed to retire at age 50 (police) or 55 (municipal) or the first year thereafter in which the member would qualify for benefits. If an employee would not yet qualify for 5 years of benefits, then the employee is assumed to work until he/she has accumulated enough years of vested service to obtain benefits until they reach Medicare eligibility (age 65).

Mortality - Probabilities of death for participants were according to RP2000 Blue Collar table projected to 2017 using scale AA for Police. For all others the RP2000 table projected to 2017 using scale AA was used. No additional provision was included for mortality improvements beyond 2017.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 was used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare Cost Trend Rate - The expected rate of increase in health insurance premiums initially used a select rate of 8.5 percent, with a reduction to the ultimate rate of 4.5 percent after five years. Rates include a 2.5 percent general inflation assumption.

Health Insurance Premiums - Health insurance premiums for employees for the year ended April 30, 2018 were used as the basis for the calculation of the present value of total benefits to be paid.

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 4.5 percent was used. In addition, a simplified version of the unit credit cost method was used.

The unfunded actuarial accrued liability (UAAL) is being amortized over 30 years as a level dollar amount.

NOTE 10. PROPERTY TAXES

The City's 2016 property tax levy was passed by the City on November 21, 2016. Property taxes attach as an enforceable lien on property as of January 1. Taxes were payable in two (2) installments on October 10, 2017 and November 9, 2017. Major tax payments were received by the City funds by April 30, 2018 for taxes payable in 2017.

The City's 2017 property tax levy was passed by the Board on December 4, 2017.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 11. COMMITMENTS AND CONTINGENCIES

A. Federal and State Grants

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

B. State Motor Fuel Fund

This fund is under the direct supervision of state authorities and is subject to audit and review by them. Therefore, this report does not constitute final approval. Under current procedures, the allotments of the City are being received from the State of Illinois each month. These allotments, however, may be expended only for specific projects that have been approved by the Department of Transportation, State of Illinois.

NOTE 12. RISK MANAGEMENT

The City is a member of the Illinois Municipal League Risk Management Association, a public entity risk pool, currently operating as a common risk management and insurance program. The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by their participation in a public entity risk pool. Whenever the pool determines that the assets of the fund are less than the reserves which would be required to be maintained by the fund, then the fund shall assess each public agency member the amount necessary to correct the deficiency. Each assessment will be prorated based upon the public agencies' annual contributions, provided that in no event shall the annual total of any assessment exceed 10 percent of the gross annual premium or contributions to the fund during the most recent year. The premium for the year ending April 30, 2018 was \$377,273. In the opinion of the City officials, no additional liability will be incurred. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

NOTE 13. CONCENTRATIONS

Management expects that approximately \$600,000 in sales tax revenue is derived from the Wal-Mart Super Center located within the corporate limits.

The City also had approximately \$454,700 in gross utility revenue from Wal-Mart in the Proprietary fund.

Included in charges for services within governmental revenue is \$913,791 in administrative fees received from the Proprietary funds (Electric, Gas, Water and Sewer).

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 14. INTERFUND TRANSFERS

The details for the interfund transfers for the year ended April 30, 2018 are as follows:

<u>Fund</u>	<u>AMOUNT</u>
Transfer from Utility Tax Fund to Sewer Fund to cover debt payment	\$ 435,902
Transfer from Water Fund to Sewer Fund to cover debt payment	<u>185,662</u>
	<u>\$ 621,564</u>

NOTE 15. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended April 30, 2018:

<u>FUND</u>	<u>DEPARTMENT</u>	<u>OBJECT CATEGORY</u>	<u>EXCEEDING APPROPRIATIONS</u>
General Fund	Finance	Health Insurance Reimbursement	\$ 504
General Fund	Zoning/Building Inspector	Building Inspector	495
General Fund	Zoning/Building Inspector	Health Insurance Reimbursement	108
General Fund	Records	Deputy City Clerk	335
General Fund	Records	Sick Leave	368
General Fund	Police	Holiday	3,059
General Fund	Police	Unemployment Insurance	232
General Fund	Streets and Alleys	Vacation Leave	1,730
General Fund	Streets and Alleys	Health Insurance Reimbursement	4,155
General Fund	Streets and Alleys	Clothing Allowance	1,266
General Fund	Streets and Alleys	Tools	12

The excess expenditures were covered by available fund balance in the funds.

NOTE 16. LEASE REVENUE

The City has a lease agreement with Verizon Wireless for rental of a parcel of property on which communications equipment will be stationed. The terms of this agreement are based on 5 year increments. After each 5 year period, the next term will be automatically renewed unless canceled by either party. Rent under this agreement will be paid in annual installments of \$9,000 and increase at each renewal date as set

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

NOTE 16. LEASE REVENUE (CONT'D)

forth in the lease. This lease was amended to provide additional space at a total cost of \$4,800 for the initial term. The lease provides for annual increases.

The City has a lease agreement with Sprint Spectrum L.P. for rental of a parcel of property on which communications equipment will be stationed. The terms of this agreement are based on 5 year increments. After each 5 year period, the next term will be automatically renewed for 5 years unless canceled by either party. Rent under this agreement will be paid in annual installments of \$7,000 and increase at each renewal date as set forth in the lease.

Minimal rentals on leases for the next five years are as follows:

5/1/18 - 4/30/19	\$ 31,844
5/1/19 - 4/30/20	31,844
5/1/20 - 4/30/21	31,844
5/1/21 - 4/30/22	31,844
5/1/22 - 4/30/23	31,844

The leases included in the balance shown in the previous schedule include rental amounts that are determined annually based on formulas prescribed in the individual lease agreements. The minimum future rentals for these leases were determined using the rates in effect at April 30, 2018.

NOTE 17. SUBSEQUENT EVENTS

Management has evaluated the effect of subsequent events on the financial statements through the date of this report, which is the date the financials statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WATERLOO, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
APRIL 30, 2018

Calendar Year Ending December 31,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
LAST 10 CALENDAR YEARS (SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014)										
TOTAL PENSION LIABILITY:										
Service Cost	\$ 341,104	\$ 349,687	\$ 323,114							
Interest on the Total Pension Liability	1,233,973	1,208,003	1,132,785							
Benefit Changes	-	-	-							
Difference Between Expected and Actual Experience	(38,812)	(522,498)	236,500							
Assumption Changes	(567,969)	(40,678)	40,371							
Benefit Payments and Refunds	(691,276)	(682,762)	(717,413)							
Net Change in Total Pension Liability	277,020	311,752	1,015,357							
Total Pension Liability - Beginning	16,628,065	16,316,313	15,300,956							
Total Pension Liability - Ending (a)	16,905,085	16,628,065	16,316,313							
PLAN FIDUCIARY NET POSITION:										
Employer Contributions	340,217	360,379	468,089							
Employee Contributions	135,605	133,474	131,980							
Pension Plan Net Investment Income	2,625,678	994,458	71,203							
Benefit Payments and Refunds	(691,276)	(682,762)	(717,413)							
Other	(194,275)	(131,549)	16,808							
Net Change in Plan Fiduciary Net Position	2,215,949	674,000	(29,333)							
Plan Fiduciary Net Position - Beginning	14,943,913	14,269,913	14,299,246							
Plan Fiduciary Net Position - Ending (b)	\$ 17,159,862	\$ 14,943,913	\$ 14,269,913							
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ (254,777)	\$ 1,684,152	\$ 2,046,400							
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.51%	89.87%	87.46%							
Covered Valuation Payroll	\$ 3,013,449	\$ 2,966,080	\$ 2,932,889							
Net Pension Liability as a Percentage of Covered Valuation Payroll	-8.45%	56.78%	69.77%							

CITY OF WATERLOO, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
APRIL 30, 2018

LAST 10 CALENDAR YEARS

<u>CALENDAR YEAR ENDING DECEMBER 31,</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>CONTRIBUTION DEFICIENCY (EXCESS)</u>	<u>COVERED VALUATION PAYROLL</u>	<u>ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION PAYROLL</u>
2015	\$ 468,089	\$ 468,089	\$ -	\$ 2,932,889	15.96%
2016	360,379	360,379	-	2,966,080	12.15%
2017	340,217	340,217	-	3,013,449	11.29%

CITY OF WATERLOO, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
NOTES TO SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2017 CONTRIBUTION RATE*
APRIL 30, 2018

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

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

Other Information:

Notes There were no benefit changes during the year.

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

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2018

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
TOTAL PENSION LIABILITY:										
Service Cost	\$ 329,507	\$ 246,585	\$ 268,414	\$ 282,417						
Interest on the Total Pension Liability	551,919	505,436	500,155	382,427						
Changes of Benefit Terms	-	-	-	-						
Difference Between Expected and Actual Experience	669,634	226,932	(465,422)	790,465						
Changes of Assumptions	-	-	-	561,107						
Benefit Payments	(292,707)	(239,384)	(207,093)	(203,635)						
Net Change in Total Pension Liability	1,258,353	739,569	96,054	1,812,781						
Total Pension Liability - Beginning	8,625,222	7,885,653	7,789,599	5,976,818						
Total Pension Liability - Ending	9,883,575	8,625,222	7,885,653	7,789,599						
PLAN FIDUCIARY NET POSITION:										
Employer Contributions	418,000	405,000	441,000	380,000						
Employee Contributions	107,693	79,999	96,824	94,024						
Pension Plan Net Investment Income	236,870	295,773	(44,528)	156,597						
Benefit Payments and Refunds	(292,707)	(239,384)	(207,093)	(203,635)						
Other	(28,180)	(16,893)	(17,115)	(18,460)						
Net Change in Plan Fiduciary Net Position	441,676	524,495	269,088	408,526						
Plan Fiduciary Net Position - Beginning	5,541,134	5,016,639	4,747,551	4,339,025						
Plan Fiduciary Net Position - Ending	\$ 5,982,810	\$ 5,541,134	\$ 5,016,639	\$ 4,747,551						
Net Pension Liability/(Asset)	\$ 3,900,765	\$ 3,084,088	\$ 2,869,014	\$ 3,042,048						
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	60.53%	64.24%	63.62%	60.95%						
Covered Valuation Payroll	\$ 1,262,314	\$ 871,922	\$ 914,496	\$ 987,469						
Net Pension Liability as a Percentage of Covered Valuation Payroll	309.02%	353.71%	313.73%	308.07%						

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2018

MULTIYEAR SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS

<u>FISCAL YEAR ENDING APRIL 30,</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>CONTRIBUTION DEFICIENCY (EXCESS)</u>	<u>COVERED VALUATION PAYROLL</u>	<u>ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION PAYROLL</u>
2018	\$ 412,129	\$ 418,000	\$ (5,871)	\$ 871,922	47.94%
2017	402,177	405,000	(2,823)	914,496	44.29%
2016	440,707*	441,000	(293)	967,469	45.58%
2015	380,000*	380,000	-	873,150	43.52%

* Estimate based on the prior year actuarial evaluation.

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2018

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: Actuarially determined contributions are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

Methods and Assumptions Used to Determine Total Pension Liability and Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Ends in fiscal year 2014
Asset Valuation Method	5-year smoothed market, no corridor
Salary Increases	Graded rates from 4.86% at age 25 to 1.12 % at age 55, plus 2.0% inflation allowance
Payroll Growth	3.50% per year
Investment Rate of Return	6.50% per year
Retirement Age	

<u>AGE</u>	<u>RATE OF RETIREMENT</u>	<u>AGE</u>	<u>RATE OF RETIREMENT</u>
50	0.36	60	0.22
51	0.22	61	0.30
52	0.18	62	0.39
53	0.19	63	0.48
54	0.19	64	0.57
55	0.20	65	0.65
56	0.20	66	0.74
57	0.20	67	0.83
58	0.21	68	0.91
59	0.21	69	1.00

Mortality Active Lives
 RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment
 projected by Scale BB to 2015

Disabled Lives
 RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment
 projected by Scale BB to 2015 with a 150% load for participants under age 50

Other Information: There were no benefit changes during the year.

Municipal Contributions at 100% based upon 5-year historical average. Contributions are assumed to be based upon the ARC or ADEC calculated two years prior. A detailed description of the actuarial assumptions and methods can be found in the May 1, 2018 actuarial valuation report.

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2018

SCHEDULE OF INVESTMENT RETURNS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual Money - Weighted Rate of Return, Net of Investment Expense	3.09%	-1.25%	5.43%	3.69%	-	-	-	-	-	-

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN
APRIL 30, 2018

ACTUARIAL VALUATION DATE	ANNUAL OPEB COST		PERCENTAGE OF OPEB COST CONTRIBUTED		NET OPEB OBLIGATION	
4/30/2018	\$	104,255	15.60	%	\$	917,526
4/30/2017		105,502	14.20			829,496
4/30/2016		143,011	4.00			738,948
4/30/2015		151,888	21.70			601,687
4/30/2014		153,357	19.90			482,704
4/30/2013		154,873	18.00			359,815
4/30/2012		131,978	45.60			232,895
4/30/2011		132,910	41.50			161,044
4/30/2010		133,903	37.80			83,296

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE NORMAL COST (b)	UNFUNDED (OVERFUNDED) ACTUARIAL ACCRUED LIABILITY (b-a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b-a)/c)
4/30/2018	\$ -	\$ 1,179,250	\$ 1,179,250	- %	\$ 3,749,442	31.50 %
4/30/2017	-	1,092,519	1,092,519	-	3,622,650	30.20
4/30/2016	-	1,352,778	1,352,778	-	3,497,478	38.70
4/30/2015	-	1,573,019	1,573,019	-	3,687,166	42.66
4/30/2014	-	1,450,811	1,450,811	-	3,562,479	40.72
4/30/2013	-	1,335,844	1,335,844	-	3,442,008	38.81
4/30/2012	-	1,228,664	1,228,664	-	3,374,229	36.40
4/30/2011	-	1,157,616	1,157,616	-	3,260,125	35.50
4/30/2010	-	1,088,563	1,088,563	-	3,149,879	34.60

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
REVENUE:				
Property Tax IMRF/FICA	\$ 109,000	\$ 109,000	\$ 108,607	\$ (393)
Property Tax Road and Bridge	55,000	55,000	54,807	(193)
Property Tax Gen. Corporate	231,000	237,000	237,046	46
Liquor License	7,000	8,300	9,806	1,506
Franchise License	130,000	125,000	124,667	(333)
Utility Franchise	874,000	902,000	913,791	11,791
Infrastructure Fee	245,000	238,000	239,509	1,509
Fees and Permits	90,000	125,000	128,677	3,677
Inspection Fees	20,000	19,000	17,275	(1,725)
State Income Tax	1,239,000	1,269,000	1,328,455	59,455
State Replacement Tax	52,900	49,200	51,945	2,745
Mobile Home Taxes	20	15	15	-
Grant	-	-	-	-
Sales Tax	2,250,000	2,175,000	2,184,316	9,316
Business District Tax	90,000	90,000	91,964	1,964
Video Gaming	84,000	100,000	102,878	2,878
Court Fines	50,000	75,000	71,971	(3,029)
Penalties on Service	9,200	9,500	9,383	(117)
Refuse Fees	741,500	743,000	745,768	2,768
Utility Bill Adjustment	(250)	(250)	(44)	206
Interest Income	33,000	96,300	103,584	7,284
Rural Fire District Rent	-	-	-	-
Tower Rental	30,000	30,000	29,923	(77)
Sundry Income	11,000	21,000	52,749	31,749
Donations	22,000	50,000	54,740	4,740
Hotel/Motel Tax	22,000	22,000	20,539	(1,461)
Miscellaneous	2,000	500	814	314
Total Revenue	<u>\$ 6,397,370</u>	<u>\$ 6,548,565</u>	<u>\$ 6,683,185</u>	<u>\$ 134,620</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
EXPENDITURES:				
Legislative				
Mayor	\$ 25,500	\$ 25,500	\$ 23,953	\$ 1,547
Aldermen	130,000	125,000	122,100	2,900
FICA	12,500	12,500	11,963	537
IMRF	-	-	-	-
Professional Services	59,000	35,000	30,126	4,874
Communications	5,000	5,000	4,469	531
Printing and Publishing	6,700	6,700	6,273	427
Membership and Dues	12,000	12,000	11,600	400
Training	15,500	6,000	3,519	2,481
Books and Publications	250	275	265	10
Bad Debt Expense	2,000	2,000	1,596	404
Insurance and Bonds	550	550	489	61
Sales Tax Rebate	90,000	92,000	91,037	963
Miscellaneous	15,000	15,000	12,696	2,304
Office Supplies	200	300	288	12
Capital Projects	-	-	(1,314)	1,314
Legislative Total Expense	<u>374,200</u>	<u>337,825</u>	<u>319,060</u>	<u>18,765</u>
Finance				
District of Public Works	24,500	24,500	23,412	1,088
Finance Director	20,200	20,200	19,828	372
Clerical	60,000	60,000	57,997	2,003
Human Resource	11,000	-	-	-
Part-Time Salaries	4,200	-	-	-
Over-Time Salaries	2,000	2,000	908	1,092
Sick Leave	3,000	3,000	2,338	662
Vacation Leave	10,000	10,000	8,445	1,555
Treasurer	8,500	8,500	8,463	37
Health Insurance	22,000	22,000	13,608	8,392
Health Insurance Reimbursement	7,000	12,000	12,504	(504)
Unemployment Insurance	200	200	187	13
FICA	12,000	12,000	9,135	2,865
IMRF	15,000	15,000	12,484	2,516
Bank Charges	1,000	1,000	828	172
Clothing Allowance	1,500	1,600	1,575	25
Sub-Total (Carried Forward)	<u>\$ 202,100</u>	<u>\$ 192,000</u>	<u>\$ 171,712</u>	<u>\$ 20,288</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Sub-Total (Brought Forward)	\$ 202,100	\$ 192,000	\$ 171,712	\$ 20,288
Equipment Rental and Service	2,200	2,200	2,031	169
Professional Services	5,800	5,000	1,633	3,367
Postage	1,600	1,600	483	1,117
Communications	17,500	17,500	16,508	992
Printing and Publishing	1,500	1,500	824	676
Membership and Dues	200	200	80	120
Training	3,000	3,000	1,799	1,201
Insurance and Bonds	16,500	13,500	13,426	74
Miscellaneous	500	500	353	147
Office Supplies	5,000	5,000	2,821	2,179
Department Supplies	1,600	1,600	1,282	318
Equipment - Office	2,500	2,500	1,006	1,494
Furniture and Fixtures	1,000	1,000	-	1,000
Information Systems	11,000	11,000	8,778	2,222
Tourism	15,500	20,000	19,252	748
Finance Total Expenses	<u>287,500</u>	<u>278,100</u>	<u>241,988</u>	<u>36,112</u>
Building				
Building Repairs	35,000	35,000	13,048	21,952
Equipment Rental and Service	25,000	25,000	10,260	14,740
Professional Services	3,500	3,500	1,315	2,185
Independent Contractor	20,000	20,000	18,200	1,800
Utilities	62,000	60,000	56,134	3,866
Janitorial Supplies	2,000	2,000	1,588	412
Fuels	1,000	1,000	-	1,000
Equipment	5,000	5,000	622	4,378
Furniture and Fixtures	-	-	-	-
Building Total Expenses	<u>153,500</u>	<u>151,500</u>	<u>101,167</u>	<u>50,333</u>
Legal				
Legal	170,000	170,000	143,370	26,630
Legal Total Expenses	<u>\$ 170,000</u>	<u>\$ 170,000</u>	<u>\$ 143,370</u>	<u>\$ 26,630</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
Zoning/Building Inspector				
Planning Commission	\$ 6,420	\$ 6,420	\$ 5,185	\$ 1,235
Zoning Board	6,180	6,180	3,020	3,160
Zoning Officer	70,000	70,000	69,894	106
Building Inspector	44,000	44,000	44,495	(495)
Part-Time Salaries	1,000	1,000	210	790
Sick Leave	3,000	3,000	2,126	874
Vacation Leave	7,500	7,500	5,815	1,685
Health Insurance	42,000	42,000	39,109	2,891
Health Insurance Reimbursement	4,200	8,000	8,108	(108)
Unemployment Insurance	200	200	181	19
FICA	11,000	11,000	9,984	1,016
IMRF	15,000	15,000	13,617	1,383
Vehicle Maintenance and Repair	1,500	1,500	886	614
Professional Services	56,500	56,500	27,822	28,678
Postage	100	100	100	-
Communications	1,100	1,300	1,244	56
Printing and Publishing	100	250	219	31
Membership and Dues	200	475	475	-
Training	2,000	2,000	579	1,421
Books and Publications	250	1,000	993	7
Insurance and Bonds	12,500	12,000	11,563	437
Miscellaneous	500	500	-	500
Office Supplies	1,000	1,000	595	405
Vehicle Fuel and Lube	2,000	2,000	1,348	652
Equipment - Office	2,000	-	-	-
Equipment - Vehicle	-	-	-	-
Information Systems	1,200	1,200	1,200	-
Zoning/Building Inspector				
Total Expenses	\$ 291,450	\$ 294,125	\$ 248,768	\$ 45,357

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Records				
Deputy City Clerk	\$ 50,000	\$ 50,000	\$ 50,335	\$ (335)
Over-Time Salaries	500	500	-	500
Sick Leave	1,700	2,000	2,368	(368)
Vacation Leave	5,000	5,000	4,795	205
City Clerk	17,500	17,500	16,664	836
Health Insurance	17,500	17,500	15,769	1,731
Health Insurance Reimbursement	2,100	8,600	8,021	579
Unemployment Insurance	100	100	68	32
FICA	6,000	6,000	5,382	618
IMRF	6,500	6,500	6,402	98
Clothing Allowance	250	250	214	36
Equipment Repairs	200	200	-	200
Professional Services	7,000	7,000	495	6,505
Postage	100	100	100	-
Printing and Publishing	4,000	4,000	3,097	903
Membership and Dues	200	250	140	110
Training	3,500	1,000	700	300
Books and Publications	100	100	-	100
Insurance and Bonds	350	350	294	56
Recording Fees	1,000	1,000	836	164
Miscellaneous	100	100	10	90
Office Supplies	500	500	416	84
Equipment - office	500	500	369	131
Information systems	500	-	-	-
Records Total Expenses	<u>\$ 125,200</u>	<u>\$ 129,050</u>	<u>\$ 116,475</u>	<u>\$ 12,575</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
Police				
Regular Salaries	\$ 1,045,000	\$ 1,035,000	\$ 1,012,195	\$ 22,805
Part-Time Salaries	22,000	22,000	21,357	643
PEDA Salaries	-	9,000	8,910	90
Over-Time Salaries	50,000	100,000	98,326	1,674
Sick Leave	30,000	30,000	19,310	10,690
Vacation Leave	80,000	80,000	79,694	306
Holiday	60,000	65,000	68,059	(3,059)
Health Insurance	250,000	230,000	222,806	7,194
Health Insurance Reimbursement	29,400	44,000	39,893	4,107
Unemployment Insurance	1,500	1,500	1,732	(232)
FICA	95,000	96,500	96,317	183
IMRF	6,500	6,500	6,032	468
Clothing Allowance	20,000	24,000	23,388	612
Vehicle Maintenance and Repair	20,000	20,000	13,290	6,710
Equipment Rental and Service	3,000	3,000	2,615	385
Postage	500	500	431	69
Communications	162,000	162,000	159,182	2,818
Printing and Publishing	1,000	1,000	491	509
Membership and Dues	12,000	12,000	10,806	1,194
Training	21,000	26,000	25,891	109
Books and Publications	1,000	1,000	78	922
Insurance and Bonds	74,000	68,000	66,421	1,579
Miscellaneous	3,000	2,000	243	1,757
Office Supplies	5,000	5,000	2,777	2,223
Department Supplies	6,500	6,500	3,909	2,591
Vehicle Fuel and Lube	30,000	30,000	28,697	1,303
Ammunition	1,500	1,500	1,352	148
Canine	3,000	600	512	88
Equipment - Office	8,000	9,000	8,102	898
Equipment - New	15,000	8,500	8,427	73
Equipment - Vehicle	115,500	117,000	116,863	137
Information Systems	31,000	31,000	22,400	8,600
Community Relations	3,500	3,500	1,546	1,954
DARE Fund	3,000	3,000	2,107	893
DUI Fund	3,000	6,000	5,985	15
Police Total Expenses	<u>\$ 2,211,900</u>	<u>\$ 2,260,600</u>	<u>\$ 2,180,144</u>	<u>\$ 80,456</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
Emergency Management Agency				
ESDA Coordinator	\$ 6,000	\$ 6,000	\$ 5,760	\$ 240
Unemployment Insurance	100	100	23	77
FICA	500	500	435	65
IMRF	250	250	200	50
Vehicle Maintenance and Repair	500	500	-	500
Postage	100	100	100	-
Communications	300	300	241	59
Training	200	200	-	200
Vehicle Fuel and Lube	100	100	-	100
Equipment	-	-	-	-
Equipment - New	-	-	-	-
Emergency Management Agency Total Expenses	<u>8,050</u>	<u>8,050</u>	<u>6,759</u>	<u>1,291</u>
Police Commission				
Legal	1,000	1,000	-	1,000
Officer Candidates Testing	100	-	-	-
Testing for Officer Hiring	8,000	12,000	11,561	439
Printing and Publishing	-	-	-	-
Membership and Dues	2,500	2,500	375	2,125
Training	2,000	2,000	-	2,000
Office Supplies	100	100	-	100
Police Commission Total Expenses	<u>13,700</u>	<u>17,600</u>	<u>11,936</u>	<u>5,664</u>
Health and Ordinance				
Postage	100	100	100	-
Miscellaneous	1,000	1,000	-	1,000
Equipment -New	-	-	-	-
Health and Ordinance Total Expenses	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 100</u>	<u>\$ 1,000</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
Social Services				
Community Relations Coordinator	\$ 51,000	\$ 51,000	\$ 49,891	\$ 1,109
Sick Leave	1,400	1,400	480	920
Vacation Leave	3,000	3,000	2,706	294
Health Insurance	2,000	12,700	9,619	3,081
Health Insurance Reimbursement	-	2,000	-	2,000
Unemployment Insurance	100	100	68	32
FICA	4,200	4,200	3,990	210
IMRF	6,100	6,100	5,908	192
Communications	1,000	1,000	939	61
Printing and Publishing	100	100	-	100
Training	2,000	2,000	750	1,250
Books and Publications	50	50	30	20
Street Lighting	70,000	70,000	69,184	816
Refuse	737,500	739,000	738,209	791
Insurance and Bonds	200	200	193	7
Miscellaneous	150	150	-	150
Office Supplies	3,000	3,000	2,760	240
Office Equipment	500	500	35	465
Furniture and Fixtures	-	-	-	-
Information Systems	3,400	1,000	581	419
Community Relations	28,300	28,300	19,924	8,376
Contribution Sr. Citizens	7,500	7,500	7,500	-
Sister Cities Program	300	300	295	5
Downtown Enhancement	77,000	97,000	89,685	7,315
Social Services Total Expenses	<u>\$ 998,800</u>	<u>\$ 1,030,600</u>	<u>\$ 1,002,747</u>	<u>\$ 27,853</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
Streets and Alleys				
Regular Salaries	\$ 314,000	\$ 300,000	\$ 287,189	\$ 12,811
Part-Time Salaries	3,300	3,300	(2,422)	5,722
Over-Time Salaries	25,000	10,000	7,144	2,856
Sick Leave	6,000	18,000	16,542	1,458
Vacation Leave	28,000	36,000	37,730	(1,730)
Interdepartmental Salaries	15,000	15,000	5,217	9,783
Health Insurance	70,000	70,000	63,241	6,759
Health Insurance Reimbursement	10,500	12,500	16,655	(4,155)
Unemployment Insurance	500	500	368	132
FICA	30,000	30,000	26,138	3,862
IMRF	44,000	44,000	39,400	4,600
Clothing Allowance	4,300	4,300	5,566	(1,266)
Building Repairs	5,000	5,000	2,781	2,219
Equipment Repairs	50,000	50,000	34,180	15,820
Communications	2,000	2,000	1,817	183
Training	2,000	2,000	1,202	798
Utilities	17,000	17,000	16,914	86
Insurance and Bonds	75,000	70,000	68,167	1,833
Miscellaneous	6,000	6,000	2,838	3,162
Street Maintenance and Repair	20,000	20,000	11,125	8,875
Street Signs	5,000	5,000	1,177	3,823
Construction Materials	30,000	30,000	11,868	18,132
Department Supplies	10,000	10,000	8,440	1,560
Tools	3,000	3,000	3,012	(12)
Janitorial Supplies	2,500	2,500	1,691	809
Vehicle Fuel and Lube	30,000	25,000	20,922	4,078
Safety Materials	7,500	7,500	5,448	2,052
Land	-	-	-	-
Building Improvements	1,000	1,000	-	1,000
Equipment	92,000	100,000	94,133	5,867
Equipment Leases	30,000	10,805	10,805	-
Equipment - Vehicle	55,000	61,000	60,782	218
Street Improvements	150,000	150,000	127,316	22,684
Other Improvements - Storm Drains	50,000	20,000	8,167	11,833
Capital Projects	2,840,000	2,655,000	1,769,523	885,477
Streets and Alleys Total Expenses	4,033,600	3,796,405	2,765,076	1,031,329
Total Expenditures (Carried Forward)	\$ 8,669,000	\$ 8,474,955	\$ 7,137,590	\$ 1,337,365

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
Total Expenditures (Brought Forward)	\$ 8,669,000	\$ 8,474,955	\$ 7,137,590	\$ 1,337,365
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,271,630)	\$ (1,926,390)	(454,405)	\$ 1,471,985
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance:				
Effect of Unrecorded Assets			(137,827)	
Effect of Unrecorded Liabilities			<u>446,573</u>	
(Deficiency) of Revenue Over Expenses			(145,659)	
BEGINNING FUND BALANCE			<u>7,756,532</u>	
ENDING FUND BALANCE			<u>\$ 7,610,873</u>	

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - UTILITY TAX FUND
YEAR ENDED APRIL 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
REVENUE:				
City Utility Tax	\$ 205,000	\$ 215,000	\$ 231,861	\$ 16,861
Other Utility Tax	23,000	23,000	22,333	(667)
Electric Municipal Tax	300,000	290,000	303,771	13,771
Utility Bill Adjustment	(1,000)	(1,000)	(338)	662
Interest Income	2,000	2,300	2,644	344
Investment Income	6,700	3,500	(7,906)	(11,406)
Total Revenue	<u>535,700</u>	<u>532,800</u>	<u>552,365</u>	<u>19,565</u>
EXPENDITURES:				
Bad Debt Expense	2,000	2,000	668	1,332
Customer Refunds	200	200	15	185
Capital Projects	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>72,200</u>	<u>2,200</u>	<u>683</u>	<u>1,517</u>
Excess of Revenues Over Expenditures	463,500	530,600	551,682	21,082
OTHER FINANCING (USES):				
Transfers (Out)	<u>(435,902)</u>	<u>(435,902)</u>	<u>(435,902)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 27,598</u>	<u>\$ 94,698</u>	115,780	<u>\$ 21,082</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance:				
Effect of Unrecorded Assets			272	
Effect of Unrecorded Liabilities			<u>15</u>	
Excess of Revenue Over Expenses			116,067	
BEGINNING FUND BALANCE			<u>2,676,582</u>	
ENDING FUND BALANCE			<u>\$ 2,792,649</u>	

CITY OF WATERLOO, ILLINOIS
NOTES TO BUDGETARY COMPARISON SCHEDULES
YEAR ENDED APRIL 30, 2018

Budget Policy and Practice

The City Collector - Budget Officer submits an annual budget to the City Council for review and public hearings are held to address priorities and the allocation of resources. In April of the prior fiscal year (2017), the City Council adopted the annual fiscal year budget for the City operating funds. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Basis of Budgeting

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source.

The budgets for the operating funds are prepared on the cash basis. Revenues are budgeted in the year receipt is expected and expenditures are budgeted in the year expected to be paid. Appropriations lapse at year-end.

The City adopted its annual budget for the fiscal year ended April 30, 2018 on April 17, 2017 and it was amended on April 16, 2018.

OTHER SUPPLEMENTAL INFORMATION

CITY OF WATERLOO, ILLINOIS
COMBINING BALANCE SHEET - GENERAL FUND
YEAR ENDED APRIL 30, 2018

<u>ASSETS</u>	<u>GENERAL</u>	<u>UTILITY TAX FUND</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$ 7,161,081	\$ 476,865	\$ 7,637,946
Investments	-	2,240,557	2,240,557
Taxes Receivable	759,789	-	759,789
Accounts Receivable, Net	173,656	75,227	248,883
Due from Other Funds	-	-	-
Prepays	107,619	-	107,619
Real Estate Taxes Receivable, Net	833,139	-	833,139
 Total Assets	 <u>\$ 9,035,284</u>	 <u>\$ 2,792,649</u>	 <u>\$ 11,827,933</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>			
LIABILITIES:			
Accounts Payable	\$ 503,538	\$ -	\$ 503,538
Wage and Benefits Payable	87,734	-	87,734
 Total Liabilities	 <u>591,272</u>	 <u>-</u>	 <u>591,272</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	833,139	-	833,139
 Total Deferred Inflows of Resources	 <u>833,139</u>	 <u>-</u>	 <u>833,139</u>
FUND BALANCE:			
Nonspendable			
Prepays	107,619	-	107,619
Restricted for:			
Hotel/Motel Tax	118,538	-	118,538
Committed for:			
IMRF Pension Plan	449,175	-	449,175
Capital Improvements	-	2,792,649	2,792,649
Unassigned:			
General Fund	6,935,541	-	6,935,541
 Total Fund Balance	 <u>7,610,873</u>	 <u>2,792,649</u>	 <u>10,403,522</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 <u>\$ 9,035,284</u>	 <u>\$ 2,792,649</u>	 <u>\$ 11,827,933</u>

CITY OF WATERLOO, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -GENERAL FUNDYEAR ENDED APRIL 30, 2018

	GENERAL	UTILITY TAX FUND	TOTAL
REVENUES:			
Taxes - Real Estate	\$ 818,460	\$ -	\$ 818,460
Intergovernmental	3,625,462	-	3,625,462
Utility Taxes	235,665	557,899	793,564
Charges for Services	1,669,614	-	1,669,614
Licenses and Permits	280,425	-	280,425
Fines	71,971	-	71,971
Grants	-	-	-
Miscellaneous	158,178	-	158,178
Interest	103,583	2,644	106,227
Investment Income	-	(7,906)	(7,906)
Total Revenues	<u>6,963,358</u>	<u>552,637</u>	<u>7,515,995</u>
EXPENDITURES:			
Current			
General Government	1,191,649	668	1,192,317
Public Safety	2,500,796	-	2,500,796
Highways and Streets	1,285,381	-	1,285,381
Sanitation	740,230	-	740,230
Health	100	-	100
Culture and Recreation	195,734	-	195,734
Capital Outlay	<u>1,195,127</u>	<u>-</u>	<u>1,195,127</u>
Total Expenditures	<u>7,109,017</u>	<u>668</u>	<u>7,109,685</u>
Excess (Deficiency) of Revenues Over Expenditures	(145,659)	551,969	406,310
Other Financing (Uses)			
Transfers (Out)	<u>-</u>	<u>(435,902)</u>	<u>(435,902)</u>
Net Change in Fund Balance	(145,659)	116,067	(29,592)
Fund Balance, Beginning of Year	<u>7,756,532</u>	<u>2,676,582</u>	<u>10,433,114</u>
Fund Balance, End of Year	<u>\$ 7,610,873</u>	<u>\$ 2,792,649</u>	<u>\$ 10,403,522</u>

CITY OF WATERLOO, ILLINOIS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED APRIL 30, 2018

<u>ASSETS</u>	MOTOR FUEL TAX	MUNICIPAL BAND FUND	LIBRARY FUND	TOTAL
Cash in Bank	\$ 719,611	\$ 17,117	\$ 646,919	\$ 1,383,647
Certificates of Deposit	-	-	39,569	39,569
Taxes Receivable	24,893	-	-	24,893
Real Estate Taxes Receivable, Net	-	22,931	433,424	456,355
Total Assets	<u>\$ 744,504</u>	<u>\$ 40,048</u>	<u>\$ 1,119,912</u>	<u>\$ 1,904,464</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts Payable	\$ 3,376	\$ -	\$ 13,379	\$ 16,755
Due to Other Funds	-	-	-	-
Total Liabilities	<u>3,376</u>	<u>-</u>	<u>13,379</u>	<u>16,755</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Property Taxes	-	22,931	433,424	456,355
Total Deferred Inflows of Resources	<u>-</u>	<u>22,931</u>	<u>433,424</u>	<u>456,355</u>
FUND BALANCES:				
Restricted for:				
Culture and Recreation	-	17,117	673,109	690,226
Motor Fuel Tax	741,128	-	-	741,128
Total Fund Balances	<u>741,128</u>	<u>17,117</u>	<u>673,109</u>	<u>1,431,354</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 744,504</u>	<u>\$ 40,048</u>	<u>\$ 1,119,912</u>	<u>\$ 1,904,464</u>

CITY OF WATERLOO, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2018

	MOTOR FUEL TAX	MUNICIPAL BAND FUND	LIBRARY FUND	TOTAL
REVENUES:				
Taxes - Real Estate	\$ -	\$ 23,370	\$ 414,622	\$ 437,992
Intergovernmental	271,627	-	35,090	306,717
Miscellaneous	-	1,763	28,901	30,664
Interest	8,746	-	875	9,621
Total Revenues	280,373	25,133	479,488	784,994
EXPENDITURES:				
Highways and Streets	207,232	-	-	207,232
Culture and Recreation	-	26,124	388,573	414,697
Capital Outlay	-	-	70,765	70,765
Total Expenditures	207,232	26,124	459,338	692,694
Excess (Deficiency) of Revenues Over Expenditures	73,141	(991)	20,150	92,300
FUND BALANCE - BEGINNING OF YEAR	667,987	18,108	652,959	1,339,054
FUND BALANCE - END OF YEAR	\$ 741,128	\$ 17,117	\$ 673,109	\$ 1,431,354

CITY OF WATERLOO, ILLINOIS
 SCHEDULES OF EXPENDITURES - GENERAL FUND
 YEAR ENDED APRIL 30, 2018
 (WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

	2018	2017
General Government		
Legal		
Legal Fees	\$ 153,613	\$ 161,986
Total Legal	<u>153,613</u>	<u>161,986</u>
City Clerk		
Salaries - City Clerk	16,664	17,058
Salaries - Deputy City Clerk	50,612	48,882
Salaries - Sick Leave	2,368	1,637
Salaries - Vacation Leave	4,795	4,554
FICA	5,382	5,197
IMRF	6,403	6,532
Group Hospital Insurance	15,769	16,868
Health Insurance Reimbursement	8,021	2,013
Unemployment Tax	68	71
Clothing Allowance	215	212
Postage	100	100
Printing and Publishing	3,199	3,404
Memberships and Dues	140	30
Training	700	2,204
Recording Fees	836	687
Insurance and Bonds	277	217
Office Supplies	492	147
Professional Services	495	560
Information Systems	-	-
Miscellaneous	10	-
Office Equipment	369	-
Total City Clerk	<u>116,915</u>	<u>110,373</u>
Legislation		
Salaries - Mayor	23,953	24,303
Salaries - Alderman	122,100	119,542
FICA	11,963	10,985
Memberships and Dues	11,600	11,500
Professional Services	30,096	128,738
Office Supplies	288	-
Miscellaneous	12,093	12,673
Insurance and Bonds	468	412
Bad Debts	1,596	3,250
Books and Publications	6,538	6,427
Training	3,488	6,782
Communications	4,466	3,901
Capital Projects	(1,315)	-
Sales Tax Rebate	91,002	89,837
Total Legislation	<u>318,336</u>	<u>418,350</u>
Sub-Total General Government (Carried Forward)	<u>\$ 588,864</u>	<u>\$ 690,709</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

SCHEDULE "16" (CONT'D)

	<u>2018</u>	<u>2017</u>
Sub-Total General Government (Brought Forward)	\$ 588,864	\$ 690,709
General Government (Continued)		
Zoning		
Planning Commission	5,185	4,395
Zoning Board	3,020	3,160
Salaries - Zoning Officer	70,264	68,733
Salaries - Building Inspector	44,795	49,266
Salaries - Part-Time	210	280
Salaries - Sick Leave	2,126	7,163
Salaries - Vacation Leave	5,815	12,487
FICA	9,984	11,103
IMRF	13,617	16,420
Group Hospital Insurance	39,109	43,327
Health Insurance Reimbursement	8,108	1,871
Unemployment Tax	181	247
Books & Publications	993	-
Postage	100	100
Printing and Publishing	219	73
Memberships and Dues	475	150
Professional Services	28,462	58,762
Vehicle Maintenance and Repair	886	788
Equipment	-	-
Training	579	120
Office Supplies	595	995
Insurance and Bonds	10,989	9,940
Communications	1,336	860
Vehicle Fuel and Lubrications	1,311	1,391
Miscellaneous	-	80
Information Systems	1,200	1,200
Total Zoning	<u>249,559</u>	<u>292,911</u>
Sub-Total General Government (Carried Forward)	\$ 838,423	\$ 983,620

CITY OF WATERLOO, ILLINOIS
 SCHEDULES OF EXPENDITURES - GENERAL FUND
 YEAR ENDED APRIL 30, 2018
 (WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

	2018	2017
Sub-Total General Government (Brought Forward)	\$ 838,423	\$ 983,620
General Government (Continued)		
Finance		
Salaries - Treasurer	8,463	8,338
Salaries - Director of Public Works	23,540	23,147
Salaries - Finance Director	19,932	19,204
Salaries - Clerical	58,192	56,656
Salaries - Overtime	908	1,066
Salaries - Part-Time	-	-
Salaries - Sick Leave	2,338	2,026
Salaries - Vacation Leave	8,445	7,479
FICA	9,134	8,779
IMRF	12,484	13,088
Group Hospital Insurance	13,608	17,128
Health Insurance Reimbursement	12,504	3,826
Unemployment	187	119
Dues and Memberships	80	70
Insurance and Bonds	14,881	15,590
Communications and Dispatch	16,588	15,508
Equipment Rental and Service	2,001	1,909
Training	1,799	775
Clothing Allowance	1,575	1,270
Office Supplies	2,963	3,267
Postage	483	1,255
Equipment	-	292
Tourism	19,252	11,293
Professional Services	1,615	1,933
Miscellaneous	353	45
Printing and Publishing	735	1,370
Department Supplies	1,310	1,402
Bank Charges	828	776
Information Systems	7,904	8,619
Total Finance	242,102	226,230
Building		
Building Repairs	13,048	12,745
Equipment Rental and Service	19,940	107,854
Professional Services	1,615	2,035
Independent Contractors	18,200	18,200
Utilities	56,131	58,378
Janitorial Supplies	1,568	2,044
Fuels	-	510
Equipment	622	2,990
Total Building	111,124	204,756
Total General Government	\$ 1,191,649	\$ 1,414,606

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

	<u>2018</u>	<u>2017</u>
Public Safety		
Police		
Salaries - Regular	\$ 1,031,346	\$ 953,117
Salaries - Part-Time	21,672	20,943
Salaries - Overtime	98,326	80,578
Salaries - Sick Leave	19,310	64,270
Salaries - Vacation Leave	79,694	99,250
Salaries - Holiday	68,059	42,916
FICA	96,317	88,441
IMRF	6,032	6,321
Pension	418,000	405,000
Group Hospital Insurance	222,806	228,247
Health Insurance Reimbursement	39,893	29,727
Unemployment Tax	1,732	1,359
Insurance and Bonds	65,409	61,505
Communication and Dispatch	159,992	154,442
Training	29,335	11,603
Equipment Rental and Service	2,615	2,014
Vehicle Maintenance and Repairs	13,411	18,477
Memberships and Dues	10,806	11,051
Community Services Programs	4,057	7,601
Office Supplies	3,262	2,943
Postage	431	430
Ammunition	1,353	1,250
Clothing Allowance	22,527	11,779
Vehicle Fuel and Lubrications	29,350	25,288
Information Systems	22,234	35,813
Department Supplies	3,922	5,678
Canine	512	1,193
Printing and Publishing	491	1,385
Miscellaneous	243	1,571
Books and Publications	78	28
DUI Fund	5,985	5,262
Independent Contractor	-	(37)
Equipment - New	1,800	4,362
Equipment - Office	1,101	1,413
Equipment - Vehicle	-	580
Total Police	<u>2,482,101</u>	<u>2,385,800</u>
Sub-Total Public Safety (Carried Forward)	<u>\$ 2,482,101</u>	<u>\$ 2,385,800</u>

SCHEDULE "16" (CONT'D)

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

	<u>2018</u>	<u>2017</u>
Sub-Total Public Safety (Brought Forward)	\$ 2,482,101	\$ 2,385,800
Public Safety (Continued)		
Police Commissioners		
Testing for Officer Hiring	11,561	5,891
Printing and Publishing	-	120
Training	-	-
Memberships and Dues	375	375
Total Police Commissioners	<u>11,936</u>	<u>6,386</u>
E.S.D.A.		
E.S.D.A. Coordinator	5,760	5,760
FICA	435	435
IMRF	200	215
Communications and Dispatch	241	244
Postage	100	100
Unemployment	23	23
Total E.S.D.A.	<u>6,759</u>	<u>6,777</u>
Total Public Safety	<u>\$ 2,500,796</u>	<u>\$ 2,398,963</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

	2018	2017
Highways and Streets		
Salaries - Regular	\$ 286,378	\$ 303,200
Salaries - Part-Time	-	(37)
Salaries - Overtime	7,144	11,472
Salaries - Sick Leave	16,543	6,275
Salaries - Vacation Leave	37,730	25,890
Salaries - Interdepartmental	5,217	8,906
FICA	26,138	25,997
IMRF	39,400	42,146
Group Hospital Insurance	63,241	67,912
Health Insurance Reimbursement	16,655	8,620
Unemployment Tax	368	371
Equipment Repairs	34,819	26,757
Building Repairs	1,602	4,989
Utilities	17,626	14,848
Insurance and Bonds	66,650	62,181
Communication and Dispatch	1,912	1,283
Training	1,202	575
Safety Materials	5,448	2,549
Janitorial Supplies	1,699	1,690
Clothing Allowance	5,566	729
Tools	2,512	3,944
Street Maintenance and Repairs	9,695	7,102
Construction Materials	11,915	17,786
Vehicle Fuel and Lubrications	21,138	24,964
Equipment	3,934	3,452
Street Improvements	501,818	526,982
Storm Drains, Meter Repairs	6,883	39,659
Street Lights	69,184	69,185
Street Signs	1,177	2,691
Equipment Leases	10,805	-
Miscellaneous	3,188	3,239
Building Improvements	-	1,357
Supplies	7,794	11,341
Total Highways and Streets	<u>\$ 1,285,381</u>	<u>\$ 1,328,055</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

	<u>2018</u>	<u>2017</u>
Sanitation		
Solid Waste Collection	\$ 740,230	\$ 718,574
Total Sanitation	<u>740,230</u>	<u>718,574</u>
Health		
Postage	<u>100</u>	<u>100</u>
Total Health	<u>100</u>	<u>100</u>
Cultural and Recreation		
Salaries - Community Relations Coordinator	50,392	45,071
Salaries - Sick Leave	480	921
Salaries - Vacation Leave	2,705	1,642
FICA	3,990	3,542
IMRF	5,907	5,612
Group Hospital Insurance	9,620	1,593
Unemployment Tax	68	71
Equipment Leases	-	-
Insurance and Bonds	178	136
Communication and Dispatch	933	934
Training	750	640
Office Supplies	2,744	983
Equipment	35	-
Books and Publications	30	30
Information Systems	552	2,384
Community Relations	20,527	19,046
Contributions - Senior Citizens	7,500	7,500
Downtown Enhancement	89,004	96,525
Sister Cities Programs	319	1,723
Total Cultural and Recreation	<u>195,734</u>	<u>188,353</u>
Capital Outlay		
General Government	1,823	805
Public Safety	126,912	105,263
Highways and Streets	<u>1,066,392</u>	<u>482,961</u>
Total Capital Outlay	<u>1,195,127</u>	<u>589,029</u>
Total Expenditures - General Fund	<u>\$ 7,109,017</u>	<u>\$ 6,637,680</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

Electric Fund	2018	2017
Cost of Sales		
Cost of Power	\$ 7,320,362	\$ 7,310,166
Salaries	189,593	176,595
FICA	13,834	12,862
IMRF	11,951	36,115
Group Hospital	30,789	33,033
Health Insurance Reimbursement	4,297	7,688
Unemployment	156	158
Professional Services	-	165
Communications	2,394	1,824
Safety Materials	1,077	1,216
E.P.A. Permits	5,626	5,626
Utilities	38,955	33,898
Clothing Allowances	2,181	2,182
Department Supplies	2,958	2,423
Tools	135	643
Vehicle Fuel and Lubrications	(1,079)	551
Chemicals	7,492	4,013
Training	465	540
Building Repairs	823	1,807
Utility System Maintenance	71,304	33,167
Equipment	-	183
Janitorial Supplies	3,686	3,548
Total Cost of Sales	<u>7,706,999</u>	<u>7,668,403</u>
Distribution		
Salaries	625,885	660,868
FICA	45,906	48,264
IMRF	46,916	140,761
Group Hospital	94,149	102,922
Health Insurance Reimbursement	16,741	20,044
Other Post Employee Benefit	16,481	16,760
Other - IMRF	1,023	685
Unemployment	495	555
Building Repairs	995	1,250
Machinery Repairs	45,769	16,886
Communications	3,633	2,905
Utilities	22,077	16,728
Clothing Allowances	4,544	478
Tools	6,014	6,073
Professional Services	<u>1,589</u>	<u>542</u>
Sub-Total (Carried Forward)	<u>\$ 932,217</u>	<u>\$ 1,035,721</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

	<u>2018</u>	<u>2017</u>
Sub-Total Carried Forward	\$ 932,217	\$ 1,035,721
Distribution (continued)		
Department Supplies	22,714	28,066
Safety Materials	5,908	7,011
Line Materials	118,073	98,787
Training	2,692	710
Miscellaneous	497	250
Street Light Materials	98,768	48,483
Equipment	3,820	2,418
Janitorial Supplies	1,231	1,313
PCB Program	395	395
Vehicle Fuel and Lubrication	15,208	15,198
Repairs and Maintenance	17,695	11,119
Total Distribution	<u>1,219,218</u>	<u>1,249,471</u>
Administrative		
Salaries	140,731	138,689
FICA	10,458	10,268
IMRF	7,812	23,162
Group Hospital	18,651	17,675
Health Insurance Reimbursement	3,003	2,759
Unemployment	245	247
Insurance and Bonds	127,629	118,842
Equipment Rentals	2,227	3,002
Postage	11,334	9,352
Printing and Publishing	1,360	1,401
Professional Services	23,314	82,422
Miscellaneous	2,344	2,299
Office Supplies	2,845	3,372
Information Systems	6,088	7,460
Training	1,380	989
Bad Debts	12,980	16,099
Equipment	-	1,845
Refunds	-	694
Administrative - General Fund	570,375	548,364
Total Administrative	<u>942,776</u>	<u>988,941</u>
Depreciation	<u>713,299</u>	<u>672,860</u>
	<u>713,299</u>	<u>672,860</u>
Total Operating Expenses - Electric Fund	<u>\$ 10,582,292</u>	<u>\$ 10,579,675</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

	<u>2018</u>	<u>2017</u>
Gas Fund		
Cost of Sales		
Gas Purchased	\$ 1,344,354	\$ 1,081,457
Total Cost of Sales	<u>1,344,354</u>	<u>1,081,457</u>
Distribution		
Salaries	428,061	428,682
FICA	31,123	31,152
IMRF	30,046	91,565
Group Hospital Insurance	79,964	81,975
Health Insurance Reimbursement	16,542	15,742
Other Post Employment Benefit	8,384	8,501
Other - IMRF	185	4,601
Unemployment	377	422
Repairs	4,297	4,542
Vehicle Fuel	11,617	10,354
Utilities	14,287	13,372
Communications	4,809	7,734
Training	1,876	925
Office Supplies	461	291
Chemicals	4,243	1,708
Line Materials	41,790	43,099
Safety Materials	4,441	5,308
Clothing Allowances	4,393	903
Department Supplies	2,328	1,760
Tools	4,946	4,282
Janitorial Supplies	-	-
Other Repairs and Maintenance	17,369	48,886
Equipment and Building	5,384	5,155
Total Distribution	<u>\$ 716,923</u>	<u>\$ 810,959</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

	<u>2018</u>	<u>2017</u>
Gas Fund (Continued)		
Administration		
Salaries	\$ 140,740	\$ 138,699
FICA	10,485	10,292
IMRF	7,812	23,162
Group Hospital Insurance	18,651	17,675
Health Insurance Reimbursement	3,003	2,759
Unemployment	245	247
Insurance and Bonds	45,510	41,203
Equipment Rentals	2,249	2,864
Office Supplies	2,756	3,751
Postage	11,503	9,593
Information Systems	6,088	7,460
Memberships and Dues	4,219	4,029
Miscellaneous	2,344	2,579
Printing and Publishing	3,924	1,401
Professional Services	29,041	25,285
Training	557	112
Bad Debts	3,419	6,041
Equipment	12,828	1,822
Refunds	-	-
Administration - General Fund	<u>132,968</u>	<u>112,031</u>
Total Administration	438,342	411,005
Depreciation	<u>148,327</u>	<u>138,865</u>
Total Operating Expenses - Gas Fund	<u>\$ 2,647,946</u>	<u>\$ 2,442,286</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

SCHEDULE "17" (CONT'D)

	2018	2017
Water Fund		
Cost of Sales		
Water Purchased	\$ 1,005,762	\$ 899,267
Total Cost of Sales	<u>1,005,762</u>	<u>899,267</u>
Distribution		
Salaries	166,269	165,923
FICA	12,214	12,147
IMRF	11,550	35,031
Group Hospital Insurance	21,741	24,831
Health Insurance Reimbursement	7,155	7,961
Other Post Employment Benefit	3,347	3,394
Other - IMRF	(25)	(3,968)
Unemployment	169	146
Repairs	2,637	2,307
Communications	3,977	3,488
Utilities	7,601	21,087
Miscellaneous	1,000	5,210
Department Supplies	1,136	1,086
Tools	3,097	3,306
Vehicle Fuel and Lubrications	4,377	3,212
Chemicals	5,835	10,085
Safety Materials	662	1,414
Repairs and Maintenance	45,392	49,671
Testing	4,142	5,405
Professional Services	-	95
Clothing Allowance	1,430	753
Training	1,268	1,353
Capital Projects	<u>25,856</u>	<u>8,115</u>
Total Distribution	<u>330,830</u>	<u>362,052</u>
Administration		
Salaries	140,816	138,775
FICA	10,464	10,275
IMRF	7,812	23,162
Group Hospital Insurance	18,651	17,674
Health Insurance Reimbursement	3,003	2,759
Unemployment	245	247
Insurance and Bonds	19,657	18,720
Equipment Rentals	2,249	3,002
Office Supplies	2,718	3,328
Postage	11,334	9,325
Memberships and Dues	93	83
Miscellaneous	2,344	2,298
Printing and Publishing	1,360	1,401
Professional Services	60,308	32,989
Customer Refunds	1,669	1,721
Information Systems	6,088	7,460
Bad Debts	2,494	4,073
Equipment	-	292
Administration - General Fund	120,658	108,130
Training	<u>438</u>	<u>97</u>
Total Administration	<u>412,401</u>	<u>385,811</u>
Depreciation and Amortization	<u>210,143</u>	<u>197,734</u>
Total Operating Expenses - Water Fund	<u>\$ 1,959,136</u>	<u>\$ 1,844,864</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

	<u>2018</u>	<u>2017</u>
Sewer Fund		
Sewer Treatment Plant		
Salaries	\$ 265,935	\$ 253,890
FICA	19,841	18,678
IMRF	17,905	53,599
Group Hospital Insurance	27,229	28,508
Health Insurance Reimbursement	905	4,140
Other Post Employment Benefits	4,041	4,096
Other - IMRF	2,883	(2,927)
Unemployment	205	214
Building Repairs	95	1,377
Machinery Repairs	60,396	57,197
Utilities	202,365	199,912
Communications	6,975	2,952
Department Supplies	1,305	1,157
Safety Materials	1,009	3,154
Disposal Fees	2,300	2,140
Chemicals	9,485	4,238
Clothing Allowance	1,651	396
Tools	714	420
Vehicle Fuels	63	20
Miscellaneous	-	6,386
Office Supplies	200	-
E.P.A. Permits	17,500	17,500
Equipment	-	1,366
Janitorial Supplies	155	-
Training	465	1,247
Total Sewer Treatment Plant	<u>643,622</u>	<u>659,660</u>
 Sewer Collection System		
Equipment Lease	900	-
Utilities	74,054	67,646
Building Repairs	-	958
Equipment Repairs	25,485	33,249
Vehicle Fuels	3,656	3,704
Department Supplies	7,335	1,494
Tools	721	383
Fuels	1,342	1,094
Safety Materials	233	209
Repairs and Maintenance	13,832	44,469
Total Sewer Collection System	<u>\$ 127,558</u>	<u>\$ 153,206</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2018
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2017)

	<u>2018</u>	<u>2017</u>
Sewer Fund (Continued)		
Administration		
Salaries	\$ 119,475	\$ 117,929
FICA	8,834	8,687
IMRF	7,812	23,162
Group Hospital Insurance	18,651	17,675
Health Insurance Reimbursement	3,003	2,759
Unemployment	132	133
Insurance and Bonds	41,566	41,519
Equipment Rentals	1,962	2,227
Office Supplies	2,749	3,285
Postage	11,358	9,344
Printing and Publishing	1,072	1,239
Miscellaneous	2,344	2,299
Professional Services	40,667	60,399
Customer Refunds	569	4,094
Information Systems	6,088	7,460
Bad Debts	2,481	4,475
Equipment	-	2,245
Administration - General Fund	89,791	85,568
Training	438	97
Total Administration	<u>358,992</u>	<u>394,596</u>
Depreciation	<u>474,226</u>	<u>457,478</u>
Total Operating Expenses - Sewer Fund	<u>\$ 1,604,398</u>	<u>\$ 1,664,940</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF INVESTMENTS
YEAR ENDED APRIL 30, 2018

Governmental Activities	<u>ISSUER</u>	<u>AMOUNT</u>	<u>MATURITY</u>	<u>INTEREST</u>
Capital Improvements Fund				
1 - 3 Year Investment Fund	IMET	\$ 2,240,557		
Total Capital Improvements Fund		<u>2,240,557</u>		
Total Governmental Activities		<u>2,240,557</u>		
Business-Type Activities				
Water Fund				
1 - 3 Year Investment Fund	IMET	<u>2,335,712</u>		
Total Water Fund		<u>2,335,712</u>		
Sewer Fund				
1 - 3 Year Investment Fund	IMET	<u>1,973,415</u>		
Total Sewer Fund		<u>1,973,415</u>		
Electric Fund				
1 - 3 Year Investment Fund	IMET	<u>6,134,018</u>		
Total Electric Fund		<u>6,134,018</u>		
Gas Fund				
1 - 3 Year Investment Fund	IMET	<u>4,158,925</u>		
Total Gas Fund		<u>4,158,925</u>		
Utility Deposits				
1-3 Year Investment Fund	IMET	<u>302,607</u>		
Total Utility Deposits		<u>302,607</u>		
Total Business-Type Activities		<u>\$ 14,904,677</u>		

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF INVESTMENTS
YEAR ENDED APRIL 30, 2018

Fiduciary Fund Types	<u>ISSUER</u>	<u>AMOUNT</u>	<u>MATURITY</u>	<u>INTEREST</u>
Police Pension				
Equity Mutual Funds		\$ 2,412,131		
Corporate Bonds		1,308,799		
U.S. Treasury Notes		1,083,179		
U.S. Treasury Bonds		243,361		
Federal Farm Credit Banks		127,065		
Federal Home Loan Bank		203,753		
Federal National Mortgage Association		9,645		
Total Police Pension		<u>5,387,933</u>		
Total Fiduciary Fund Types		<u>5,387,933</u>		
Total Investments		<u>\$ 22,533,167</u>		

ADDITIONAL INFORMATION
(UNAUDITED)

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF ASSESSED VALUATION - TAX RATES
TAXES EXTENDED AND COLLECTED

	TAX YEAR		
	2017	2016	2015
Assessed Valuation	<u>\$ 267,094,823</u>	<u>\$ 260,178,226</u>	<u>\$ 226,002,790</u>
Tax Rates (Per \$100 of Assessed Valuation)			
Corporate	0.10415	0.10285	0.08254
Road and Bridge	0.02274	0.02378	0.02428
Municipal Band	0.00951	0.00952	0.00972
Library	0.14985	0.14997	0.14962
Illinois Municipal Retirement	0.05558	0.05707	0.05761
Police Pension	0.17275	0.17509	0.19464
Special Library	<u>0.01998</u>	<u>0.01998</u>	<u>0.01942</u>
	<u>0.53456</u>	<u>0.53826</u>	<u>0.53783</u>
Taxes Extended			
Corporate	\$ 251,762	\$ 237,911	\$ 186,543
Road and Bridge	54,969	55,008	54,874
Municipal Band	22,989	22,021	21,968
Library	362,233	346,909	338,146
Illinois Municipal Retirement	134,886	132,014	130,200
Police Pension	417,589	405,016	439,892
Special library	<u>48,298</u>	<u>46,217</u>	<u>43,890</u>
	<u>\$ 1,292,726</u>	<u>\$ 1,245,096</u>	<u>\$ 1,215,513</u>
Taxes Collected			
Corporate		\$ 237,046	\$ 186,251
Road and Bridge		54,807	54,787
Municipal Band		21,941	21,933
Library		345,647	337,616
Illinois Municipal Retirement		131,533	129,996
Police Pension		403,542	439,202
Special Library		<u>46,049</u>	<u>43,821</u>
		<u>\$ 1,240,565</u>	<u>\$ 1,213,606</u>
Percentage of Extension Collected		<u>99.64%</u>	<u>99.84%</u>

CITY OF WATERLOO, ILLINOIS
ADDITIONAL INFORMATION
REGARDING CUSTOMERS AND INSURANCE
YEAR ENDED APRIL 30, 2018

NOTE 1. CUSTOMERS

The City provides water and sewer service to the following number of customers:

	<u>WATER</u>	<u>SEWER</u>	<u>GAS</u>	<u>ELECTRIC</u>	<u>TRASH</u>
Beginning of Year	4,503	4,319	3,996	4,741	4,148
End of Year	4,583	4,397	4,063	4,817	4,229

NOTE 2. INSURANCE

The following insurance policies are maintained by the City and are in effect as of April 30, 2018.

A. Illinois Municipal League Risk Management Association

Coverage period: December 31, 2017 to December 31, 2018

**SELF-INSURED RETENTION FUND AND EXCESS OR REINSURANCE
 COVERAGE COMBINED LIMITS OF LIABILITY**

General Liability, Auto Liability	\$8,000,000 each occurrence,
Broad Form Property, Civil Constitutional	each covered member, for all
Rights - Assault/Battery, Contractual Liability	applicable coverages
Employee Benefit Programs Liability,	
Incidental Malpractice, Intentional Building Removal,	
Limited Worldwide Liability, Personal Injury/	
Advertising Liability, and Watercraft Liability	

SPECIAL LIABILITY COVERAGES

<u>Fire Legal Liability</u>	\$100,000 each occurrence, \$100,000 annual aggregate
<u>Premises Medical Payments</u>	\$3,000 each person, \$1,000,000 each occurrence
<u>Liquor Liability</u>	\$1,000,000 each occurrence, \$1,000,000 annual aggregate
<u>Public Officials/Employees</u>	\$1,000,000 each occurrence, \$8,000,000 annual aggregate
<u>Auto Medical Payments</u>	\$10,000 each person, \$1,000,000 each occurrence
<u>Uninsured/Underinsured Motorist</u>	\$100,000 each person, \$300,000 each accident

CITY OF WATERLOO, ILLINOIS
ADDITIONAL INFORMATION
REGARDING CUSTOMERS AND INSURANCE
YEAR ENDED APRIL 30, 2018

PROPERTY COVERAGES

<u>Personal Property/Building</u>	Combined limit: \$30,000,000
<u>Auto Physical Damage</u>	any location, each occurrence; \$250,000,000 each occurrence, all members
<u>Inland Marine</u>	\$50,000 extra expense
<u>Valuable Papers/Records</u>	\$50,000 each occurrence
<u>Flood and Earthquake Coverage</u>	\$5,000,000 each occurrence / annual aggregate, each covered member, \$76,500,000, annual aggregate, all members

STAND-ALONE COVERAGES

<u>Crime Coverage</u>	\$100,000 each occurrence
<u>Workers Compensation/ Occupational Disease</u>	Statutory
<u>Employer's Liability</u>	\$3,000,000 each accident
<u>General Liability, Auto Liability Broad Form Property, Civil Constitutional Rights - Assault/Battery, Contractual Liability Employee Benefit Programs Liability, Incidental Malpractice, Intentional Building Removal Limited Worldwide Liability, Personal Injury/ Advertising Liability, and Watercraft Liability</u>	\$2,000,000 each occurrence
<u>Fire Legal Liability</u>	\$100,000 each occurrence, \$100,000 annual aggregate
<u>Premises Medical Payments</u>	\$3,000 each person, \$2,000,000 each occurrence
<u>Liquor Liability</u>	\$1,000,000 each occurrence, \$1,000,000 annual aggregate
<u>Public Officials/Employees</u>	\$2,000,000 each occurrence

CITY OF WATERLOO, ILLINOIS
ADDITIONAL INFORMATION
REGARDING CUSTOMERS AND INSURANCE
YEAR ENDED APRIL 30, 2018

STAND-ALONE COVERAGES (CONTINUED)

<u>Auto Medical Payments</u>	\$10,000 each person, \$1,000,000 each occurrence
<u>Uninsured/Underinsured Motorist</u>	\$100,000 each person, \$300,000 each accident
<u>Flood/Earthquake</u>	\$1,500,000 each occurrence
<u>Auto Physical Damage,</u> <u>Building/Personal Property, Inland Marine</u>	\$2,000,000 each occurrence, each location; \$50,000 extra expense
<u>Crime Coverage</u>	\$100,000 each occurrence
<u>Valuable Papers/Records</u>	\$50,000 each occurrence
<u>Workers Compensation/</u> <u>Occupational Disease</u>	\$2,000,000 each occurrence
<u>Employer's Liability</u>	\$2,000,000 each accident
<u>Additional Endorsements for Electric Utility Liability</u>	\$8,000,000 with no annual aggregate limit
<u>Additional Endorsements for Replacement Cost Value</u>	
Electric Utility Property	\$ 17,825,022
Gas Utility Property	1,693,488

B. Illinois Municipal League Risk Management Association - Public Official Bond Coverage

Coverage Period: December 31, 2017 to December 31, 2018

<u>POSITION</u>	<u>INSURED</u>	<u>COVERAGE</u>
Mayor	Tom Smith	\$ 50,000
City Clerk	Barbara Pace	50,000
Finance Officer	Shawn Kennedy	50,000
Treasurer	Brad Papenberg	50,000