

Financial Statements

April 30, 2019



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, 2019, 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, 2019, 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, and A1 – A22 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

November 20, 2019

CITY OF WATERLOO

Management's Discussion and Analysis April 30, 2019

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, 2019 by \$80,990,836. Net assets invested in capital assets (net of depreciation and related debt) account for 66% of this amount, with a value of \$53,841,291. Other restricted assets account for 2% or \$1,935,004. 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 \$3,011,420. Governmental activities resulted in a decrease in net position of \$134,908 with expenditures in excess of receipts. Net position from business-type activities increased \$3,146,328 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 obligation of \$2,228,850 for IMRF, and \$2,998,952 for Police Pension on the statement of net position.
- During the fiscal year ended April 30, 2019, the City adopted *Government Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement changes the accounting principles relative to the City's reporting of projected benefit payments to be provided to current active and inactive employees. In accordance with GASB No. 75, the City recognizes the net pension obligation of \$1,244,278 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 \$933,898 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 be paid by the City of Waterloo General Fund. \$288,838 is payable on project at fiscal year-end 4/30/19.
- The City of Waterloo passed Resolutions 19-02 and 19-03, authorizing the design and bidding services related to the new 2.0-3.25 million gallon water treatment facility for the City of Waterloo with a total not to exceed \$830,000.00 and for easement services related to the new 2.0-3.25 million gallon water treatment facility for the City of Waterloo with a total not to exceed \$145,000.00.
- Subsequent to fiscal year ended April 30, 2019, the City of Waterloo purchased land and easements at a cost of \$230,626.00 related to the new 2.0-3.25 million gallon water treatment facility for the City of Waterloo.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,183,934, or 100% 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, 2019, 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, 2019.

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 \$80,990,836 at April 30, 2019. 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and Other Assets	\$14,526,083	\$13,732,397	\$22,768,490	\$21,347,579	\$37,294,573	\$35,079,976
Non-Current Assets	<u>16,114,046</u>	<u>16,465,218</u>	<u>43,547,464</u>	<u>42,727,539</u>	<u>59,661,510</u>	<u>59,192,757</u>
Total Assets	<u>\$30,640,129</u>	<u>\$30,197,615</u>	<u>\$66,315,954</u>	<u>\$64,075,118</u>	<u>\$96,956,083</u>	<u>\$94,272,733</u>
Deferred Outflows of Resources	<u>\$ 882,666</u>	<u>\$ 880,648</u>	<u>\$ 1,876,587</u>	<u>\$ 433,657</u>	<u>\$ 2,759,253</u>	<u>\$ 1,314,305</u>
Long-term Liabilities	\$ 4,954,384	\$ 5,026,649	\$ 7,674,766	\$ 6,628,962	\$12,629,150	\$11,655,611
Other Liabilities	<u>659,775</u>	<u>608,027</u>	<u>1,852,242</u>	<u>1,857,548</u>	<u>2,512,017</u>	<u>2,465,575</u>
Total Liabilities	<u>\$5,614,159</u>	<u>\$5,634,676</u>	<u>\$ 9,527,008</u>	<u>\$ 8,486,510</u>	<u>\$15,141,167</u>	<u>\$14,121,186</u>
Deferred Inflows of Resources	<u>\$2,631,560</u>	<u>\$1,859,403</u>	<u>\$ 951,773</u>	<u>\$ 1,385,849</u>	<u>\$ 3,583,333</u>	<u>\$ 3,245,252</u>
Net Position:						
Invested in Capital Assets, net of related debt	16,114,046	16,465,218	37,727,245	36,077,267	53,841,291	52,542,485
Restricted	1,935,004	1,657,511	-	-	1,935,004	1,657,511
Unrestricted	<u>5,228,026</u>	<u>5,461,455</u>	<u>19,986,515</u>	<u>18,559,149</u>	<u>25,214,541</u>	<u>24,020,604</u>
Total Net Position	<u>\$23,277,076</u>	<u>\$23,584,184</u>	<u>\$57,713,760</u>	<u>\$54,636,416</u>	<u>\$80,990,836</u>	<u>\$78,220,600</u>

The City of Waterloo's total assets are \$96,956,083 as of April 30, 2019. Of this amount, \$59,661,510 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, \$31,796,733 is accounted for in cash, cash equivalents, and pooled investments, \$4,853,872 in accounts, taxes, and other receivable, and \$643,968 in miscellaneous assets.

Deferred outflows of resources at April 30, 2019 is \$2,759,253 as a result of the inclusion of obligations related to pensions and other post-employment benefits.

As of April 30, 2019, the City had outstanding liabilities of \$15,141,167, with \$5,820,219 in loans payable. Of the loans payable, \$665,857 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 \$1,580,432 in accounts payable, \$1,002,708 in accrued liabilities, \$265,728 in deposits payable to customers, \$1,244,278 in other post-employment benefit obligation, and \$5,227,802 in net pension liability.

Deferred inflows of resources at April 30, 2019 is \$3,583,333 with \$2,239,607 related to pensions and \$1,343,726 in unavailable property tax revenue.

The largest portion of the City's net position (66.5 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 (2.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (31.1 percent) may be used to meet the City's ongoing obligations to its citizens and creditors for all activities.

At April 30, 2019, 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Program Revenues:						
Charges for services	\$ 1,775,901	\$ 1,741,585	\$19,780,041	\$19,777,679	\$21,555,942	\$21,519,264
Operating grants and contributions	1,381	-	-	-	1,381	-
Capital grants and contributions	-	1,185,425	-	-	-	1,185,425
General Revenues:						
Property taxes	1,413,088	1,256,452	-	-	1,413,088	1,256,452
Intergovernmental revenues	4,351,959	3,932,179	-	-	4,351,959	3,932,179
Utility taxes	812,677	793,564	-	-	812,677	793,564
Other	<u>721,218</u>	<u>577,209</u>	<u>429,835</u>	<u>(25,258)</u>	<u>1,151,053</u>	<u>551,951</u>
Total Revenues	<u>9,076,224</u>	<u>9,486,414</u>	<u>20,209,876</u>	<u>19,752,421</u>	<u>29,286,100</u>	<u>29,238,835</u>
Expenses:						
General government	1,280,363	1,330,207	-	-	1,280,363	1,330,208
Public safety	3,418,641	2,935,816	-	-	3,418,641	2,935,815
Highways and streets	2,553,216	2,748,265	-	-	2,553,216	2,748,265
Sanitation	777,121	740,230	-	-	777,121	740,230
Health	100	100	-	-	100	100
Culture and recreation	745,789	658,676	-	-	745,789	658,676
Interest and other charges on long-term debt	-	-	-	-	-	-
Electric fund	-	-	10,724,092	10,582,292	10,724,092	10,582,292
Gas fund	-	-	2,883,793	2,647,946	2,883,793	2,647,946
Water fund	-	-	1,987,390	1,959,136	1,987,390	1,959,136
Sewer fund	-	-	<u>1,904,175</u>	<u>1,773,880</u>	<u>1,904,175</u>	<u>1,773,880</u>
Total Expenses	<u>8,775,230</u>	<u>8,413,294</u>	<u>17,499,450</u>	<u>16,963,254</u>	<u>26,274,680</u>	<u>25,376,548</u>
Transfer of Funds	(435,902)	(435,902)	435,902	435,902	-	-
Increase (decrease) in net assets	(134,908)	637,218	3,146,328	3,225,069	3,011,420	3,862,287
Net position– beginning (restated)	<u>23,411,984</u>	<u>22,946,966</u>	<u>54,567,432</u>	<u>51,411,347</u>	<u>77,979,416</u>	<u>74,358,313</u>
Net position – ending	<u>\$23,277,076</u>	<u>\$23,584,184</u>	<u>\$57,713,760</u>	<u>\$54,636,416</u>	<u>\$80,990,836</u>	<u>\$78,220,600</u>

Total revenues for the City of Waterloo were \$29,286,100 for the year ended April 30, 2019. Governmental activities provided \$9,076,224 (31.0 percent), while \$20,209,876 (69.0 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

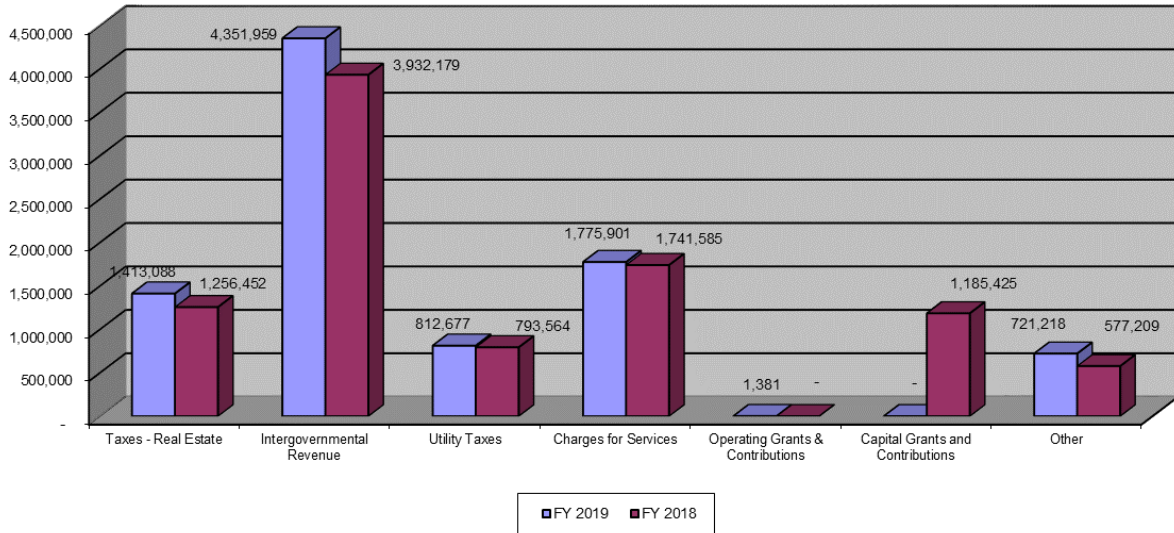
As noted earlier, the City of Waterloo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a financial analysis of the City's governmental and proprietary funds.

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, 2019		April 30, 2018		Increases/Decreases	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes – Real Estate	\$ 1,413,088	15.57%	\$ 1,256,452	13.24%	\$ 156,636	12.47%
Intergovernmental Revenue	4,351,959	47.95	3,932,179	41.45	419,780	10.68
Utility Taxes	812,677	8.95	793,564	8.37	19,113	2.41
Charges for Services	1,775,901	19.56	1,741,585	18.36	34,316	1.97
Operating Grants and Contributions	1,381	.02	-	-	1,381	100.00
Capital Grants and Contributions	-	-	1,185,425	12.50	(1,185,425)	(100.00)
Other	<u>721,218</u>	<u>7.95</u>	<u>577,209</u>	<u>6.08</u>	<u>144,009</u>	<u>24.95</u>
Total Revenues	<u>9,076,224</u>	<u>100.00%</u>	<u>9,486,414</u>	<u>100.00%</u>	<u>(410,190)</u>	<u>(4.32)</u>



- Real estate taxes** - This consists of real estate tax receipts received in 2019 for corporate, road and bridge, IMRF & FICA, police pension, band, and library purposes for the 2017 tax year. The 2018 real estate tax rate was .52990%, down from the 2017 real estate tax rate of .53478%. 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 10.68% 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 \$2,259,741, an increase of 3.99% from the previous year.
 - A Business District was formed in January 2008 and \$91,585 was collected in the Business District Tax Fund, an increase of 2.67% from the previous year.
 - State income taxes were \$1,461,382, an increase of 20.95% from the previous year.
 - Video gaming began in January 2013 in which the City received \$122,789 from video gaming, an increase of 19.23% from the previous year.
 - Motor fuel taxes and state replacement taxes were \$416,462, an increase of 16.12% from the previous year.

- **Utility taxes** – Up overall 2.41% from the previous year. This consists of a municipal electric tax \$323,369 (6.35% increase), which is a step-rate based on kilowatt hour usage, a 5% municipal tax on gas and water usage \$239,719 (3.55% increase), and other utility tax revenue \$249,589 (3.26% 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 1.97% from the previous year. This consists of charges for refuse collection \$793,042 (4.92% increase), a utility franchise charge from the business-type activities \$933,898 (2.20% increase), court fines \$48,961 (31.97% decrease).

- **Operating grants and contributions** – This consists of asset seizures during the fiscal year through the police department.

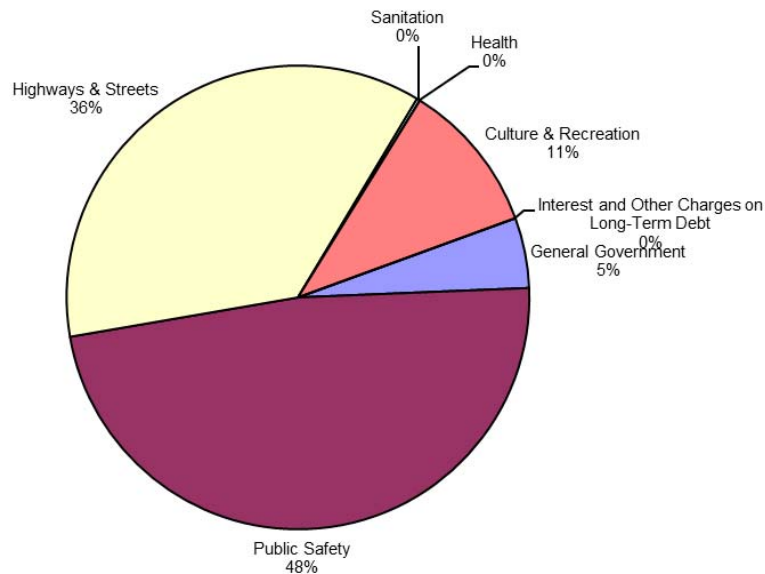
- **Capital grants and contributions** – This consists of contributed assets or street improvements (infrastructure), which is not normally reported as revenues, however, in the statement of activities, the cost of these assets are reported as program revenue. There were no capital grants and contributions recognized in the current year.

- **Other** – Up overall 24.95% from the previous year. This consists of licenses and permits \$259,852 (7.34% decrease), which includes building and other permits, inspection fees, liquor licenses, and franchise license fees. The remaining is interest income and investment income \$233,524 (116.34% increase) and miscellaneous income \$227,842 (20.65% 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, 2019



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.

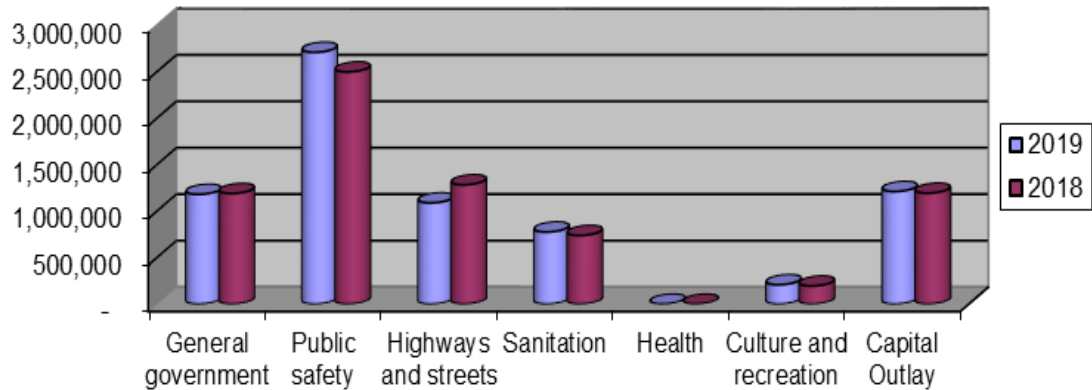
- **Culture and recreation** includes expenditures of the municipal band and library. It also includes support towards community relations programs, the sister cities program and other senior citizen programs.
- **Interest and other charges on long-term debt** is the interest on any debt payment. The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

The General Fund is the chief operating fund of the City. On April 30, 2019, unreserved fund balance of the General Fund was \$7,183,934. Total assets in the General Fund amounted to \$9,334,037, accounting for 64.26% of total governmental fund assets.

CITY OF WATERLOO'S GENERAL FUND

	2019	2018	Variance
REVENUES:			
Taxes – Real Estate	\$ 954,897	\$ 818,460	\$ 136,437
Intergovernmental	3,989,341	3,625,462	363,879
Utility Taxes	225,752	235,665	(9,913)
Charges for services	1,726,940	1,669,614	57,326
Licenses and permits	259,852	280,425	(20,573)
Fines	48,961	71,971	(23,010)
Grants	1,381		1,381
Miscellaneous	94,832	158,178	(63,346)
Interest	150,872	103,583	47,289
TOTAL REVENUES	7,452,828	6,963,358	489,470
EXPENDITURES:			
General government	1,182,867	1,191,649	(8,782)
Public safety	2,712,022	2,500,796	211,226
Highways and streets	1,090,524	1,285,381	(194,857)
Sanitation	777,121	740,230	36,891
Health	100	100	-
Culture and recreation	209,400	195,734	13,666
Capital Outlay	1,213,247	1,195,127	18,120
TOTAL EXPENDITURES	7,185,281	7,109,017	76,264
EXCESS OF REVENUES OVER EXPENDITURES	267,547	(145,659)	413,206
OTHER FINANCING SOURCES (USES):			
Transfers	-	-	-
NET CHANGE IN FUND BALANCES	\$ 267,547	\$ (145,659)	\$ 413,206

City of Waterloo
General Fund Expenditures



General Fund Budgetary Highlights

The General Fund budget is approximately 8.2 million dollars. Differences between the original budget and the final budget were \$428,880, about a 5.23% difference. The difference includes an increase in revenue appropriations of \$56,230 and a decrease in expense appropriations of \$372,650. During the year, some revenue and expenditures were less than budgetary estimates.

Overruns exceeding \$5,000 are summarized below:

- Additional \$5,932 was expended in holiday pay in the Police department.
- Additional \$33,021 was expended in insurance and bonds in the Police department.
- Additional \$12,923 was expended in equipment-new in the Police Department.
- Additional \$6,650 was expended in refuse in Social Services.
- Additional \$16,156 was expended in street maintenance and repair in the Street department.

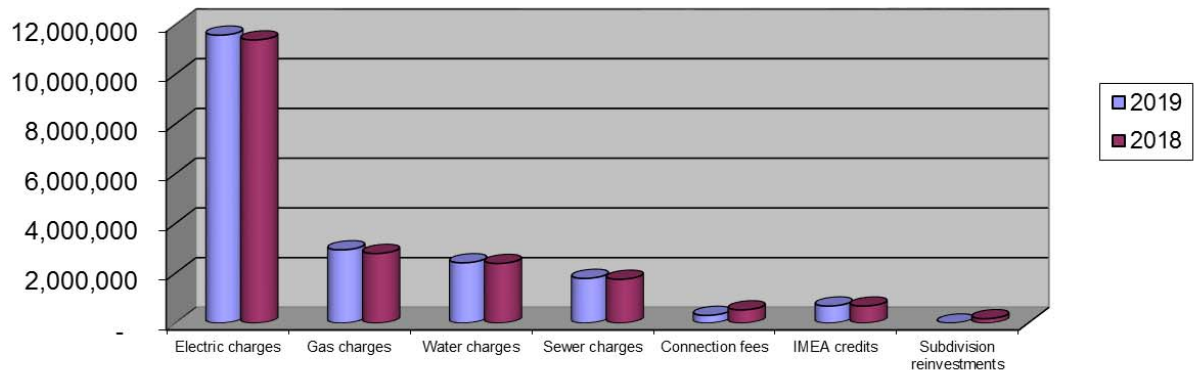
These overruns were offset by unused appropriations for alderman salaries of \$8,879, training of \$10,848, and sales tax rebate of \$9,512 in the legislative department; unused appropriations of \$8,448 for clerical, \$18,257 of health insurance, and \$5,974 for tourism in the finance department; unused appropriations of \$9,115 for building repairs and \$31,758 for equipment rental and service in the building department; unused appropriations of \$26,604 of legal services; unused appropriations of \$19,860 for professional services and \$5,061 insurance and bonds in the zoning/building inspector department; unused appropriations of \$5,292 for health insurance in the records department; unused appropriations of \$118,869 of regular salaries, \$22,813 of vacation leave, \$23,804 of health insurance, \$10,264 of health insurance reimbursement, \$13,162 FICA, \$10,000 for canine, and \$9,841 of vehicle equipment in the police department; unused appropriations of \$7,433 of community relations and \$8,528 of downtown enhancement in the social services department. Unused appropriations in the street

department include \$10,408 of salaries, \$8,460 of overtime salaries, \$5,010 of sick leave, and \$6,889 of IMRF. Other unused appropriations in the street department include \$6,540 of clothing allowance, \$8,075 in equipment repair, \$21,467 in insurance and bonds, \$10,318 in equipment, \$24,118 in street improvements, \$75,000 in storm drains and \$1,269,559 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

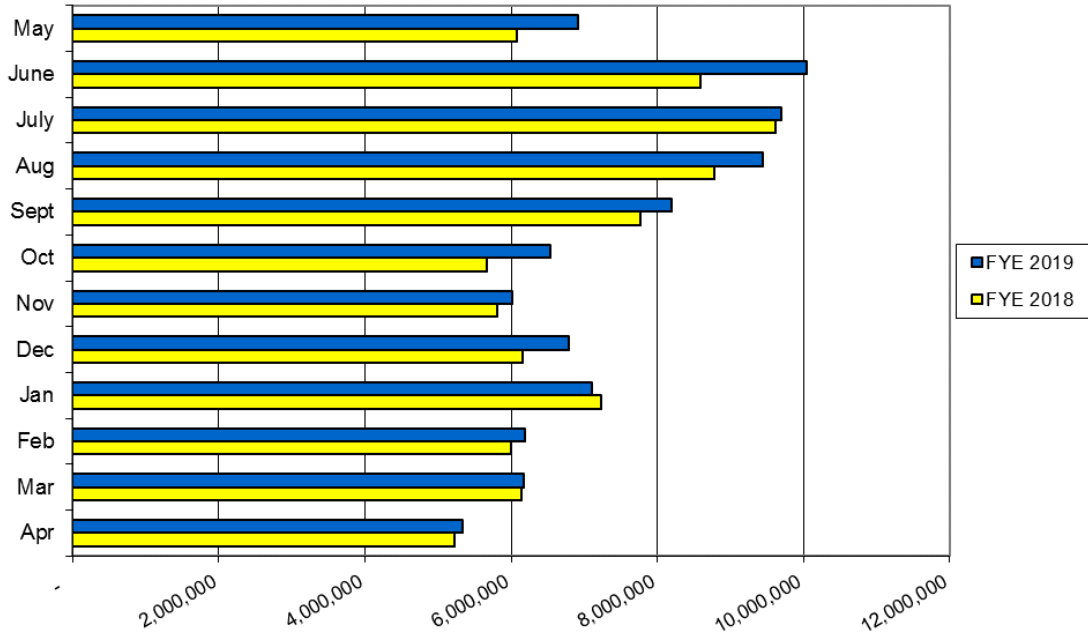
Proprietary Funds Revenue

The business-type activities (electric, gas, water, and sewer fund) operating revenues for year ended April 30, 2019 were \$19,738,519, up 0.04% from last year. Charges for services were \$18,742,119, a 2.18% increase from last year. Connection fees were 41.56% less 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 99.89% less than what was received in the previous year.



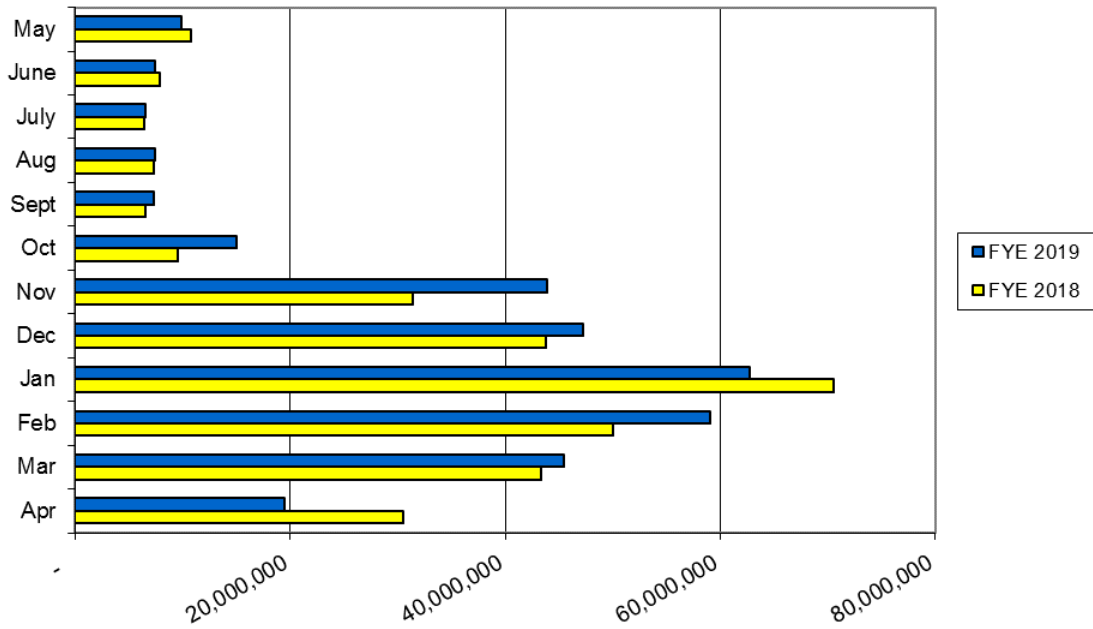
Electric charges for services increased 1.70% from the prior year, with a 6.46% increase in the consumption of kilowatt hours (excluding demand).

Electric – Kilowatt Hours Billed (Excludes Demand)



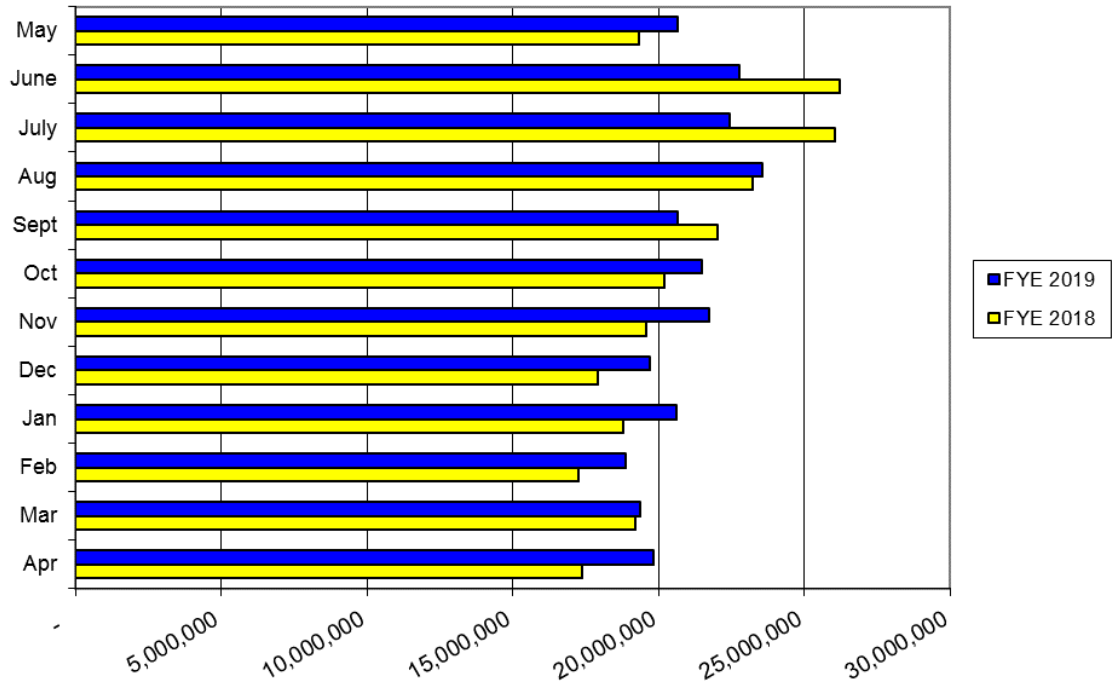
Gas charges for services increased 5.15% from the prior year, with a 4.23% increase in the consumption of cubic feet of natural gas.

Gas – Cubic Feet Billed



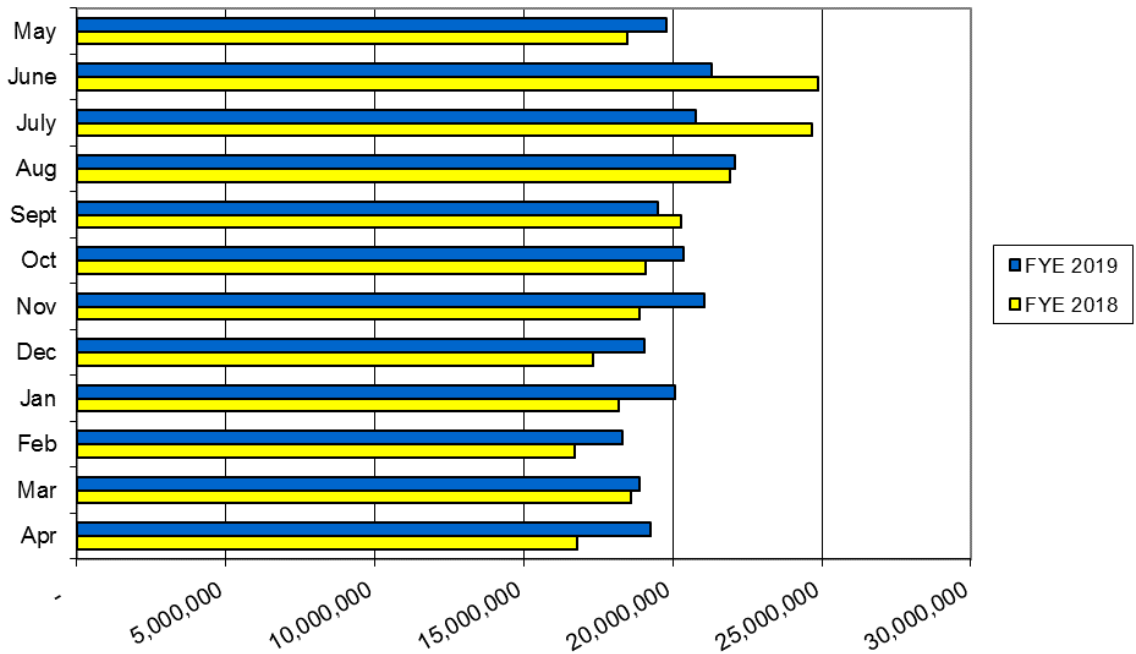
Water charges for services increased 1.14% from the prior year with a 1.77% increase in gallons billed.

Water – Gallons Billed



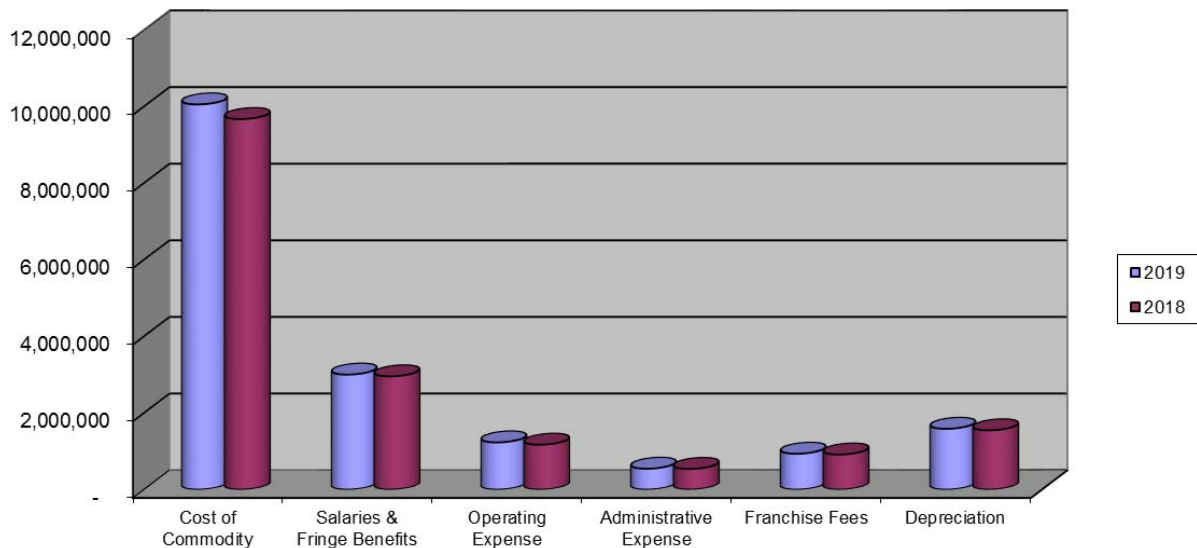
Sewer charges for services increased from the prior year, 2.03%. Since sewer is based on gallons of water consumed, there was also an increase in consumption of 1.94% from the prior year.

Sewer – Gallons Billed



Proprietary Funds Expenses

The operating expenses of the proprietary funds for the fiscal year ended April 30, 2019 were \$17,346,012 up 3.29% from last year. Overall, the cost of electric, gas, and water purchased from an outside party increased from last year by \$383,278 accounting for 69.4% of the increase. Salaries and fringe benefits increased \$45,434. Operating expenses increased \$59,745 from the prior year. Administrative expenses increased \$4,780 from the prior year. Franchise fees increased \$20,106 from the prior year due to the increase in charges for utilities. Finally, depreciation expense increased \$38,897.



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, 2019, amounts to \$59,661,510 (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 \$153,704.
- Equipment of \$175,146 was purchased by in the street department. Equipment purchases included a grader.
- A new roof was installed at 223 N Main building at a cost of \$54,809.
- Street improvements include West Lake Estates subdivision and part of Vandebrook subdivision asphalt overlay at a cost of \$731,487.

- Construction in progress includes costs incurred for Moore Street improvements and shared use path on South Market.

Proprietary Funds:

- Equipment was purchased for use in the various utility departments at a total cost of \$3,038.
- Water meters and AMI modules at a cost of \$507,970 were capitalized.
- Sewer line replacements were installed at a cost of \$161,446.
- The purchase of electric meters and transformers accounted for \$586,296 invested into the electrical system of the City of Waterloo.
- The electric department purchased a digger truck at a cost of \$73,953.
- Storage area fencing was installed at a cost of \$49,950.
- Gas meters, indexes, and AMI modules at a cost of \$422,918 were capitalized.
- A high-pressure gas line was capitalized at a cost of \$642,676.
- Construction in progress includes costs incurred for water main extension, water treatment plant facility plan and design, and sewer line extension engineering.

Long-Term Debt

At April 30, 2019, City of Waterloo has an EPA loan in the amount of \$5,820,219.

The City of Waterloo's total debt decreased \$649,517 during the fiscal year ended April 30, 2019.

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.

FINANCIAL SECTION

CITY OF WATERLOO, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2019

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	GOVERNMENTAL BUSINESS-TYPE		TOTAL
	ACTIVITIES	ACTIVITIES	
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 9,557,961	\$ 3,384,188	\$ 12,942,149
Certificates of Deposit	39,741	-	39,741
Investments	2,301,710	16,513,133	18,814,843
Taxes Receivable	904,778	-	904,778
Accounts Receivable, Net	259,211	2,346,157	2,605,368
Inventories	-	405,030	405,030
Prepays	118,956	119,982	238,938
Real Estate Taxes Receivable, Net	1,343,726	-	1,343,726
Total Current Assets	<u>14,526,083</u>	<u>22,768,490</u>	<u>37,294,573</u>
NON-CURRENT ASSETS:			
Capital Assets:			
Land and Construction in Progress	1,454,494	3,129,967	4,584,461
Other Capital Assets, Net of Accumulated Depreciation	14,659,552	40,417,497	55,077,049
Total Non-Current Assets	<u>16,114,046</u>	<u>43,547,464</u>	<u>59,661,510</u>
Total Assets	<u>30,640,129</u>	<u>66,315,954</u>	<u>96,956,083</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	872,042	1,871,513	2,743,555
Related Other Post-Employment Benefits	10,624	5,074	15,698
	<u>882,666</u>	<u>1,876,587</u>	<u>2,759,253</u>
<u>LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>			
CURRENT LIABILITIES:			
Accounts Payable	488,267	776,720	1,264,987
Deferred Grant Revenue	70,575	-	70,575
Wages and Benefits Payable	100,933	105,667	206,600
Accrued Interest Payable	-	38,270	38,270
Consumer Deposits	-	265,728	265,728
E.P.A. Loan, Current	-	665,857	665,857
Total Current Liabilities	<u>659,775</u>	<u>1,852,242</u>	<u>2,512,017</u>
NON-CURRENT LIABILITIES:			
Other Post-Employment Benefit Obligation	842,134	402,144	1,244,278
Compensated Absences	444,643	558,065	1,002,708
Net Pension Liability	3,667,607	1,560,195	5,227,802
E.P.A. Loan, Non-Current	-	5,154,362	5,154,362
Total Non-Current Liabilities	<u>4,954,384</u>	<u>7,674,766</u>	<u>12,629,150</u>
Total Liabilities	<u>5,614,159</u>	<u>9,527,008</u>	<u>15,141,167</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	1,287,834	951,773	2,239,607
Unavailable Revenue - Property Taxes	1,343,726	-	1,343,726
Total Deferred Inflows of Resources	<u>2,631,560</u>	<u>951,773</u>	<u>3,583,333</u>
<u>NET POSITION</u>			
NET POSITION:			
Net Investment in Capital Assets	16,114,046	37,727,245	53,841,291
Restricted Net Position	1,935,004	-	1,935,004
Unrestricted Net Position	<u>5,228,026</u>	<u>19,986,515</u>	<u>25,214,541</u>
Total Net Position	<u>\$ 23,277,076</u>	<u>\$ 57,713,760</u>	<u>\$ 80,990,836</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2019

	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
FUNCTION/PROGRAMS:							
General Government	\$ 1,280,363	\$ 933,898	\$ 1,381	\$ -	\$ (345,084)	\$ -	\$ (345,084)
Public Safety	3,418,641	48,961	-	-	(3,369,680)	-	(3,369,680)
Highways and Streets	2,553,216	-	-	-	(2,553,216)	-	(2,553,216)
Sanitation	777,121	793,042	-	-	15,921	-	15,921
Health	100	-	-	-	(100)	-	(100)
Culture and Recreation	745,789	-	-	-	(745,789)	-	(745,789)
Total Governmental Activities	<u>8,775,230</u>	<u>1,775,901</u>	<u>1,381</u>	<u>-</u>	<u>(6,997,948)</u>	<u>-</u>	<u>(6,997,948)</u>
BUSINESS-TYPE ACTIVITIES:							
Electric Fund	10,724,092	12,343,660	-	-	-	1,619,568	1,619,568
Gas Fund	2,883,793	2,994,956	-	-	-	111,163	111,163
Water Fund	1,987,390	2,481,080	-	-	-	493,690	493,690
Sewer Fund	1,904,175	1,960,345	-	-	-	56,170	56,170
Total Business-Type Activities	<u>17,499,450</u>	<u>19,780,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,280,591</u>	<u>2,280,591</u>
Totals	<u>\$ 26,274,680</u>	<u>\$ 21,555,942</u>	<u>\$ 1,381</u>	<u>\$ -</u>	<u>(6,997,948)</u>	<u>2,280,591</u>	<u>(4,717,357)</u>
GENERAL REVENUES:							
Taxes - Real Estate					1,413,088	-	1,413,088
Intergovernmental					4,351,959	-	4,351,959
Utility Taxes					812,677	-	812,677
Licenses and Permits					259,852	-	259,852
Miscellaneous					227,842	-	227,842
Interest Income					172,371	21,381	193,752
Investment Income					61,153	408,454	469,607
Transfers					(435,902)	435,902	-
Total General Revenues					<u>6,863,040</u>	<u>865,737</u>	<u>7,728,777</u>
Change in Net Position					(134,908)	3,146,328	3,011,420
Net Position, Beginning of Year (restated)					<u>23,411,984</u>	<u>54,567,432</u>	<u>77,979,416</u>
Net Position, End of Year					<u>\$ 23,277,076</u>	<u>\$ 57,713,760</u>	<u>\$ 80,990,836</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
APRIL 30, 2019

<u>ASSETS</u>	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$ 7,845,454	\$ 1,712,507	\$ 9,557,961
Certificates of Deposit	-	39,741	39,741
Investments	2,301,710	-	2,301,710
Taxes Receivable	880,709	24,069	904,778
Accounts Receivable, Net	259,211	-	259,211
Prepays	118,956	-	118,956
Real Estate Taxes Receivable, Net	<u>881,342</u>	<u>462,384</u>	<u>1,343,726</u>
 Total Assets	 <u>\$ 12,287,382</u>	 <u>\$ 2,238,701</u>	 <u>\$ 14,526,083</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>			
LIABILITIES:			
Accounts Payable	\$ 473,342	\$ 14,925	\$ 488,267
Deferred Grant Revenue	-	70,575	70,575
Wage and Benefits Payable	<u>100,933</u>	<u>-</u>	<u>100,933</u>
 Total Liabilities	 <u>574,275</u>	 <u>85,500</u>	 <u>659,775</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	<u>881,342</u>	<u>462,384</u>	<u>1,343,726</u>
 Total Deferred Inflows of Resources	 <u>881,342</u>	 <u>462,384</u>	 <u>1,343,726</u>
FUND BALANCE:			
Nonspendable:			
Prepays	118,956	-	118,956
Restricted for:			
Hotel/Motel Tax	125,231	-	125,231
Culture and Recreation	-	863,402	863,402
Motor Fuel Tax	-	827,415	827,415
Committed for:			
IMRF Pension Plan	450,299	-	450,299
Capital Improvements	2,953,345	-	2,953,345
Unassigned:			
General Fund	<u>7,183,934</u>	<u>-</u>	<u>7,183,934</u>
 Total Fund Balance	 <u>10,831,765</u>	 <u>1,690,817</u>	 <u>12,522,582</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 <u>\$ 12,287,382</u>	 <u>\$ 2,238,701</u>	 <u>\$ 14,526,083</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
APRIL 30, 2019

Total fund balance - total governmental funds	\$ 12,522,582
Capital assets of \$40,924,931 net of accumulated depreciation of \$24,810,885, are not financial resources and, therefore are not reported in the funds	16,114,046
Certain liabilities are not due and payable in the current period and therefore not reported in the funds:	
Other post-employment benefit obligations (net of deferred outflows of resources)	(831,510)
Compensated absences	(444,643)
Net pension liability (net of deferred outflows and inflows of resources)	<u>(4,083,399)</u>
Net position of governmental activities	<u>\$ 23,277,076</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2019

	OTHER GOVERNMENTAL		TOTAL
	GENERAL	FUNDS	
REVENUES:			
Taxes - Real Estate	\$ 954,897	\$ 458,191	\$ 1,413,088
Intergovernmental	3,989,341	362,618	4,351,959
Utility Taxes	812,677	-	812,677
Charges for Services	1,726,940	-	1,726,940
Licenses and Permits	259,852	-	259,852
Fines	48,961	-	48,961
Grants	1,381	-	1,381
Miscellaneous	94,832	133,010	227,842
Interest	154,882	17,489	172,371
Investment Income	61,153	-	61,153
Total Revenues	<u>8,104,916</u>	<u>971,308</u>	<u>9,076,224</u>
EXPENDITURES:			
Current			
General Government	1,183,548	-	1,183,548
Public Safety	2,712,022	-	2,712,022
Highways and Streets	1,090,524	221,334	1,311,858
Sanitation	777,121	-	777,121
Health	100	-	100
Culture and Recreation	209,400	490,511	699,911
Capital Outlay	1,268,056	-	1,268,056
Total Expenditures	<u>7,240,771</u>	<u>711,845</u>	<u>7,952,616</u>
Excess of Revenues	864,145	259,463	1,123,608
Other Financing (Uses)			
Transfers (Out)	<u>(435,902)</u>	<u>-</u>	<u>(435,902)</u>
Net Change in Fund Balance	428,243	259,463	687,706
Fund Balance, Beginning of Year	<u>10,403,522</u>	<u>1,431,354</u>	<u>11,834,876</u>
Fund Balance, End of Year	<u>\$ 10,831,765</u>	<u>\$ 1,690,817</u>	<u>\$ 12,522,582</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, 2019

Net change in fund balance - total governmental funds	\$ 687,706
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 \$1,544,987 exceeded capital outlay \$1,268,057 in the current period.	(276,930)
Capital contributions to infrastructure are not reported is not a current resource and is not included in the net change in fund balance	-
Other postemployment benefit obligations and related deferrals 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.	(4,215)
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.	26,146
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.	<u>(567,615)</u>
Change in net position of governmental activities	<u>\$ (134,908)</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
APRIL 30, 2019

<u>ASSETS</u>	ENTERPRISE FUNDS					<u>TOTAL</u>
	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>SEWER</u>	<u>UTILITY DEPOSITS</u>	
CURRENT ASSETS:						
Cash and Cash Equivalents	\$ 1,580,117	\$ 624,707	\$ 319,719	\$ 796,718	\$ 62,927	\$ 3,384,188
Investments	7,803,182	3,972,346	2,399,462	2,027,277	310,866	16,513,133
Accounts Receivable, Net	1,261,350	494,715	336,944	253,148	-	2,346,157
Inventories	300,000	29,000	48,830	27,200	-	405,030
Prepays	75,099	13,401	9,992	21,490	-	119,982
Total Current Assets	<u>11,019,748</u>	<u>5,134,169</u>	<u>3,114,947</u>	<u>3,125,833</u>	<u>373,793</u>	<u>22,768,490</u>
NON-CURRENT ASSETS:						
Capital Assets, Net	<u>20,161,058</u>	<u>4,984,974</u>	<u>6,010,154</u>	<u>12,391,278</u>	<u>-</u>	<u>43,547,464</u>
Total Non-Current Assets	<u>20,161,058</u>	<u>4,984,974</u>	<u>6,010,154</u>	<u>12,391,278</u>	<u>-</u>	<u>43,547,464</u>
Total Assets	<u>31,180,806</u>	<u>10,119,143</u>	<u>9,125,101</u>	<u>15,517,111</u>	<u>373,793</u>	<u>66,315,954</u>
DEFERRED OUTFLOWS OF RESOURCES:						
Related to Pensions	823,480	467,119	249,342	331,572	-	1,871,513
Related to Other Post Employment Benefits	2,485	1,477	548	564	-	5,074
Total Deferred Outflows of Resources	<u>825,965</u>	<u>468,596</u>	<u>249,890</u>	<u>332,136</u>	<u>-</u>	<u>1,876,587</u>
<u>LIABILITIES</u>						
CURRENT LIABILITIES:						
Accounts Payable	518,762	115,468	110,406	32,084	-	776,720
Wages and Benefits Payable	47,089	28,943	11,712	17,923	-	105,667
Accrued Interest Payable	-	-	-	38,270	-	38,270
Consumer Deposits	33,628	-	-	-	232,100	265,728
E.P.A. Loan, Current	-	-	-	665,857	-	665,857
Total Current Liabilities	<u>599,479</u>	<u>144,411</u>	<u>122,118</u>	<u>754,134</u>	<u>232,100</u>	<u>1,852,242</u>
NON-CURRENT LIABILITIES:						
Net Pension Liability	686,486	390,049	207,283	276,377	-	1,560,195
Other Post-Employment Benefit Obligation	196,955	117,059	43,400	44,730	-	402,144
Compensated Absences	225,807	122,982	76,974	132,302	-	558,065
E.P.A. Loan, Non-Current	-	-	-	5,154,362	-	5,154,362
Total Non-Current Liabilities	<u>1,109,248</u>	<u>630,090</u>	<u>327,657</u>	<u>5,607,771</u>	<u>-</u>	<u>7,674,766</u>
Total Liabilities	<u>1,708,727</u>	<u>774,501</u>	<u>449,775</u>	<u>6,361,905</u>	<u>232,100</u>	<u>9,527,008</u>
DEFERRED INFLOWS OF RESOURCES:						
Related to Pensions	<u>418,780</u>	<u>237,943</u>	<u>126,450</u>	<u>168,600</u>	<u>-</u>	<u>951,773</u>
<u>NET POSITION</u>						
NET POSITION:						
Net Investment in Capital Assets	20,161,058	4,984,974	6,010,154	6,571,059	-	37,727,245
Unrestricted Net Position	<u>9,718,206</u>	<u>4,590,321</u>	<u>2,788,612</u>	<u>2,747,683</u>	<u>141,693</u>	<u>19,986,515</u>
Total Net Position	<u>\$ 29,879,264</u>	<u>\$ 9,575,295</u>	<u>\$ 8,798,766</u>	<u>\$ 9,318,742</u>	<u>\$ 141,693</u>	<u>\$ 57,713,760</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, 2019

	ENTERPRISE FUNDS					TOTAL
	ELECTRIC	GAS	WATER	SEWER	UTILITY DEPOSITS	
OPERATING REVENUES:						
Charges for Services	\$ 11,576,765	\$ 2,944,048	\$ 2,424,169	\$ 1,797,137	\$ -	\$ 18,742,119
Connection Fees	67,660	40,465	47,790	154,087	-	310,002
IMEA Credits	686,198	-	-	-	-	686,198
Subdivision Reinvestments	200	-	-	-	-	200
Total Operating Revenues	<u>12,330,823</u>	<u>2,984,513</u>	<u>2,471,959</u>	<u>1,951,224</u>	<u>-</u>	<u>19,738,519</u>
OPERATING EXPENSES:						
Cost of Sales	7,880,176	1,506,040	993,535	-	-	10,379,751
Distribution	1,138,823	763,108	373,497	-	-	2,275,428
Treatment	-	-	-	700,896	-	700,896
Collection	-	-	-	196,786	-	196,786
Administration	961,096	448,849	401,613	396,701	-	2,208,259
Depreciation	743,997	165,796	218,745	456,354	-	1,584,892
Total Operating Expenses	<u>10,724,092</u>	<u>2,883,793</u>	<u>1,987,390</u>	<u>1,750,737</u>	<u>-</u>	<u>17,346,012</u>
Operating Income	<u>1,606,731</u>	<u>100,720</u>	<u>484,569</u>	<u>200,487</u>	<u>-</u>	<u>2,392,507</u>
NON-OPERATING REVENUES (EXPENSES):						
Interest Income	11,699	3,603	851	4,670	558	21,381
Investment Income	169,163	113,421	63,750	53,861	8,259	408,454
Interest Expense and Other Charges	-	-	-	(153,438)	-	(153,438)
Other Income	12,837	10,443	9,121	9,121	-	41,522
Total Non-Operating Revenues (Expenses)	<u>193,699</u>	<u>127,467</u>	<u>73,722</u>	<u>(85,786)</u>	<u>8,817</u>	<u>317,919</u>
Income (Loss) Before Transfers	1,800,430	228,187	558,291	114,701	8,817	2,710,426
Transfers In	-	-	-	435,902	-	435,902
Increase in Net Position	1,800,430	228,187	558,291	550,603	8,817	3,146,328
Total Net Position, Beginning of Year (restated)	<u>28,078,834</u>	<u>9,347,108</u>	<u>8,240,475</u>	<u>8,768,139</u>	<u>132,876</u>	<u>54,567,432</u>
Total Net Position, End of Year	<u>\$ 29,879,264</u>	<u>\$ 9,575,295</u>	<u>\$ 8,798,766</u>	<u>\$ 9,318,742</u>	<u>\$ 141,693</u>	<u>\$ 57,713,760</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2019

	ENTERPRISE FUNDS					TOTAL
	ELECTRIC	GAS	WATER	SEWER	UTILITY DEPOSITS	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received from Customers	\$ 12,370,893	\$ 3,010,237	\$ 2,453,071	\$ 1,940,096	\$ 114,225	\$ 19,888,522
Cash Paid Out to Customers	317	-	-	-	(125,450)	(125,133)
Cash Payments to Suppliers for Goods and Services	(8,968,491)	(2,134,840)	(1,385,261)	(820,987)	-	(13,309,579)
Cash Payments to Employees and Professional Contractors for Services	<u>(1,041,021)</u>	<u>(621,392)</u>	<u>(350,321)</u>	<u>(474,166)</u>	<u>-</u>	<u>(2,486,900)</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>2,361,698</u>	<u>254,005</u>	<u>717,489</u>	<u>644,943</u>	<u>(11,225)</u>	<u>3,966,910</u>
CASH FLOWS FROM NON-CAPITAL RELATED FINANCING ACTIVITIES:						
Transfer of Funds	-	-	-	435,902	-	435,902
Other Income	<u>12,837</u>	<u>10,443</u>	<u>9,121</u>	<u>9,121</u>	<u>-</u>	<u>41,522</u>
Net Cash Flows Provided by Non-Capital Related Financing Activities	<u>12,837</u>	<u>10,443</u>	<u>9,121</u>	<u>445,023</u>	<u>-</u>	<u>477,424</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and Construction of Capital Assets	(710,958)	(1,063,509)	(672,834)	(138,052)	-	(2,585,353)
Principal Paid on Bonds and Notes	-	-	-	(649,517)	-	(649,517)
Interest Paid on Bonds and Notes	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157,709)</u>	<u>-</u>	<u>(157,709)</u>
Net Cash Flows (Used) by Capital and Related Financing Activities	<u>(710,958)</u>	<u>(1,063,509)</u>	<u>(672,834)</u>	<u>(945,278)</u>	<u>-</u>	<u>(3,392,579)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Sale/(Purchase) of Investments	(1,669,164)	186,579	(63,750)	(53,862)	(8,259)	(1,608,456)
Investment Income (Loss)	<u>180,862</u>	<u>117,024</u>	<u>64,601</u>	<u>58,531</u>	<u>8,817</u>	<u>429,835</u>
Net Cash Flows Provided (Used) by Investing Activities	<u>(1,488,302)</u>	<u>303,603</u>	<u>851</u>	<u>4,669</u>	<u>558</u>	<u>(1,178,621)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	175,275	(495,458)	54,627	149,357	(10,667)	(126,866)
Cash and Cash Equivalents at May 1, 2018	<u>1,404,842</u>	<u>1,120,165</u>	<u>265,092</u>	<u>647,361</u>	<u>73,594</u>	<u>3,511,054</u>
Cash and Cash Equivalents at April 30, 2019	<u>\$ 1,580,117</u>	<u>\$ 624,707</u>	<u>\$ 319,719</u>	<u>\$ 796,718</u>	<u>\$ 62,927</u>	<u>\$ 3,384,188</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2019

	ENTERPRISE FUNDS					TOTAL
	ELECTRIC	GAS	WATER	SEWER	UTILITY DEPOSITS	
Operating Income	\$ 1,606,731	\$ 100,720	\$ 484,569	\$ 200,487	\$ -	\$ 2,392,507
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation	743,997	165,796	218,745	456,354	-	1,584,892
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	41,057	25,724	(18,888)	(11,128)	-	36,765
(Increase) Decrease in Prepaid Insurance	9,146	6,487	3,160	5,121	-	23,914
(Increase) Decrease in Net Pension Asset	80,459	45,682	23,363	31,032	-	180,536
(Increase) Decrease in Deferred Outflow of Resources	(633,791)	(359,101)	(192,871)	(257,167)	-	(1,442,930)
Increase (Decrease) in Accounts Payable	(22,406)	(18,915)	16,914	8,297	-	(16,110)
Increase (Decrease) in Wages and Benefits Payable	6,203	4,451	(1,955)	1,931	-	10,630
Increase (Decrease) in Other Post-Employment Benefit Obligation	35,898	8,344	30,097	(3,610)	-	70,729
Increase (Decrease) in Compensated Absences	7,436	(2,508)	(35)	6,860	-	11,753
Increase (Decrease) in Net Pension Liability	686,486	390,049	207,283	276,377	-	1,560,195
Increase (Decrease) in Deferred Inflow of Resources	(198,848)	(112,724)	(52,893)	(69,611)	-	(434,076)
Increase (Decrease) in Consumer Deposits	(670)	-	-	-	(11,225)	(11,895)
 Total Adjustments	 <u>754,967</u>	 <u>153,285</u>	 <u>232,920</u>	 <u>444,456</u>	 <u>(11,225)</u>	 <u>1,574,403</u>
 Net Cash Provided by Operating Activities	 <u>\$ 2,361,698</u>	 <u>\$ 254,005</u>	 <u>\$ 717,489</u>	 <u>\$ 644,943</u>	 <u>\$ (11,225)</u>	 <u>\$ 3,966,910</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
POLICE PENSION PLAN
APRIL 30, 2019

	<u>EMPLOYEE RETIREMENT PLAN</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 117,312
RECEIVABLES:	
Employer	560,091
Interest	<u>25,135</u>
Total Receivables	585,226
Investments	<u>5,889,420</u>
Total Assets	<u>6,591,958</u>
<u>LIABILITIES</u>	
Total Liabilities	<u>-</u>
<u>NET POSITION</u>	
Held in Trust for Pension Benefits	<u>\$ 6,591,958</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
POLICE PENSION PLAN
YEAR ENDED APRIL 30, 2019

	<u>EMPLOYEE RETIREMENT PLAN</u>
ADDITIONS:	
Contributions:	
Employer	\$ 538,000
Plan Members	121,205
Total Contributions	<u>659,205</u>
Investment Income:	
Interest	94,700
Dividend	67,176
Gain on Investments	40,663
Unrealized Appreciation	108,552
Total Investment Income	<u>311,091</u>
Total Additions	<u>970,296</u>
DEDUCTIONS:	
Retirement Benefits	209,501
Disability	91,091
Refund of Contributions	15,789
Administrative Expense	44,767
Total Deductions	<u>361,148</u>
Change in Net Position	609,148
Net Position, Beginning of Year	<u>5,982,810</u>
Net Position, End of Year	<u>\$ 6,591,958</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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, 2019.

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, 2019

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, pensions and OPEB, 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, 2019

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 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, 2019

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 Prepays

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.

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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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 5.

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, 2019.

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, 2019

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, 2019

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, 2019

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

The City's deposits with local banks consist of the following at April 30, 2019:

	CARRYING AMOUNT	BANK VALUE
Governmental Activities:		
Cash and Cash Equivalents	\$ 9,557,961	\$ 9,849,154
Certificates of Deposit	39,741	39,741
Business-Type Activities:		
Cash and Cash Equivalents	3,384,188	3,764,124
Fiduciary Fund (Police Pension):		
Cash and Cash Equivalents	117,312	117,312
	\$ 13,099,202	\$ 13,770,331

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, 2019, \$1,601,472 was covered by federal depository insurance, \$12,168,859 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, 2019:

	FAIR VALUE	COST
Governmental Activities:		
IMET 1-3 Year Fund	\$ 2,301,710	\$ 2,000,000
Business-type Activities:		
IMET 1-3 Year Fund	16,513,133	14,150,000
Sub-Total (Carried Forward)	\$ 18,814,843	\$ 16,150,000

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 2. DEPOSITS AND INVESTMENTS (CONT'D)

	<u>FAIR VALUE</u>	<u>COST</u>
Sub-Total (Brought Forward)	<u>\$ 18,814,843</u>	<u>\$ 16,150,000</u>
Fiduciary Fund (Police Pension):		
Equity Mutual Funds	2,701,657	2,291,831
Corporate Bonds	1,313,743	1,343,519
U.S. Treasury Notes	1,182,340	1,196,525
U.S. Treasury Bonds	363,998	368,365
Federal Farm Credit Banks	111,353	111,327
Federal Home Loan Bank	206,441	210,861
Federal National Mortgage Association	9,888	9,905
	<u>5,889,420</u>	<u>5,532,333</u>
	<u>\$ 24,704,263</u>	<u>\$ 21,682,333</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, 2019

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, 2019:

	<u>STANDARD & POORS</u>	<u>MOODY'S INVESTORS SERVICES</u>
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, 2019.

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

<u>ASSET CLASS</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>ACTUAL AT APRIL 30, 2019</u>
Equities	30%	45%	45%
Fixed Income	45%	70%	53%
Cash / Cash Equivalentents	0%	10%	2%

The Police Pension Plan's investment portfolio totaled \$6,006,732 (which includes cash and cash equivalentents) at April 30, 2019. The Plan's investment in a single issuer of 5 percent or more at April 30, 2019 consists of the following equity mutual funds: Vanguard High Dividend Yield Index = 8.84% and Vanguard Russell 1000 Index = 14.31%.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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, 2019:

	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	\$ 2,301,710	\$ 2,301,710	\$ -	\$ -	\$ -
Business-Type Activities:					
IMET 1-3 Year Fund	16,513,133	16,513,133	-	-	-
Fiduciary Fund (Police Pension):					
Equity Mutual Funds	2,701,657	2,701,657	-	-	-
Corporate Bonds	1,313,743	34,931	714,823	302,103	261,886
U.S. Treasury Notes	1,182,340	-	835,169	347,171	-
U.S. Treasury Bonds	363,998	-	-	-	363,998
Federal Farm Credit Banks	111,353	-	-	59,807	51,546
Federal Home Loan Bank	206,441	70,366	120,156	15,919	-
Federal National Mortgage Assoc.	9,888	-	9,888	-	-
	<u>5,889,420</u>	<u>2,806,954</u>	<u>1,680,036</u>	<u>725,000</u>	<u>677,430</u>
	<u>\$ 24,704,263</u>	<u>\$ 21,621,797</u>	<u>\$ 1,680,036</u>	<u>\$ 725,000</u>	<u>\$ 677,430</u>

The following table presents the valuation method for investments of the City measured at net asset value (NAV) per share as of April 30, 2019:

	FAIR VALUE	REDEMPTION FREQUENCY	REDEMPTION NOTICE PERIOD
Governmental Activities:			
IMET 1-3 Year Fund	\$ 2,301,710	Daily	5 Days
Business-Type Activities:			
IMET 1-3 Year Fund	<u>16,513,133</u>	Daily	5 Days
	<u>\$ 18,814,843</u>		

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 2. DEPOSITS AND INVESTMENTS (CONT'D)

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.

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, 2019:

	<u>FAIR VALUE</u>	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>
FIDUCIARY FUND (Police Pension):				
Equity Mutual Funds	\$ 2,701,657	\$ 2,701,657	\$ -	\$ -
Corporate Bonds	1,313,743	1,313,743	-	-
U.S. Treasury Notes	1,182,340	1,182,340	-	-
U.S. Treasury Bonds	363,998	363,998	-	-
Federal Farm Credit Banks	111,353	111,353	-	-
Federal Home Loan Bank	206,441	206,441	-	-
Federal National Mortgage Association	9,888	9,888	-	-
	<u>\$ 5,889,420</u>	<u>\$ 5,889,420</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.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 4. RECEIVABLES

Accounts receivable at April 30, 2019 consists of the following:

Garbage	\$ 125,619
Telecommunications Taxes	34,220
Video Gaming	24,085
Local Utility Taxes	75,287
Utility Bills	<u>2,346,157</u>
	<u>\$ 2,605,368</u>

There is no allowance for doubtful accounts as management expects utility deposits of \$232,100 sufficient to cover any uncollectible accounts receivable.

Taxes receivable of \$904,778 is comprised of sales, income, motor fuel tax and other intergovernmental revenue.

Real estate taxes are collected one year in arrears. Although levied in 2018 real estate taxes are collected subsequent to June 30, 2019. 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	\$ 1,347,094
Less Allowance for Uncollectible Accounts	<u>(3,368)</u>
Net Real Estate Taxes Receivable	<u>\$ 1,343,726</u>

NOTE 5. CAPITAL ASSETS

Changes in Capital Assets:

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

	<u>CAPITAL ASSETS, NOT DEPRECIATED</u>		
	<u>LAND</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
Governmental Activities			
Balance at May 1, 2018	\$ 1,030,586	\$ 270,997	\$ 1,301,583
Increase	-	884,645	884,645
Decrease	-	<u>731,734</u>	<u>731,734</u>
Balance at April 30, 2019	<u>\$ 1,030,586</u>	<u>\$ 423,908</u>	<u>\$ 1,454,494</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 5. CAPITAL ASSETS (CONT'D)

	<u>CAPITAL ASSETS, DEPRECIATED</u>			
	<u>FURNITURE, MACHINERY AND</u>			<u>TOTAL</u>
	<u>BUILDINGS</u>	<u>INFRASTRUCTURE</u>	<u>EQUIPMENT</u>	
Balance at May 1, 2018	\$ 5,064,705	\$ 27,595,754	\$ 5,694,832	\$ 38,355,291
Increases	54,809	731,487	328,850	1,115,146
Decreases	-	-	-	-
Balance at April 30, 2019	<u>5,119,514</u>	<u>28,327,241</u>	<u>6,023,682</u>	<u>39,470,437</u>
Accumulated Depreciation				
Balance at May 1, 2018	2,499,572	16,159,062	4,607,264	23,265,898
Increases	125,226	1,076,423	343,338	1,544,987
Decreases	-	-	-	-
Balance at April 30, 2019	<u>2,624,798</u>	<u>17,235,485</u>	<u>4,950,602</u>	<u>24,810,885</u>
Governmental Activities, Net	<u>\$ 2,494,716</u>	<u>\$ 11,091,756</u>	<u>\$ 1,073,080</u>	<u>\$ 14,659,552</u>
	<u>CAPITAL ASSETS, NOT DEPRECIATED</u>			
	<u>CONSTRUCTION</u>			
	<u>LAND</u>	<u>IN PROGRESS</u>	<u>TOTAL</u>	
Business-Type Activities				
Balance at May 1, 2018	\$ 2,871,540	\$ 121,320	\$ 2,992,860	
Increases	-	965,351	965,351	
Decreases	-	828,245	828,245	
Balance at April 30, 2019	<u>\$ 2,871,540</u>	<u>\$ 258,426</u>	<u>\$ 3,129,966</u>	
	<u>CAPITAL ASSETS, DEPRECIATED</u>			
	<u>FURNITURE, MACHINERY AND</u>			<u>TOTAL</u>
	<u>BUILDINGS</u>	<u>INFRASTRUCTURE</u>	<u>EQUIPMENT</u>	
Balance at May 1, 2018	\$ 1,478,661	\$ 59,743,874	\$ 7,084,530	\$ 68,307,065
Increases	-	1,440,368	1,007,879	2,448,247
Decreases	-	-	-	-
Balance at April 30, 2019 (Carried Forward)	<u>\$ 1,478,661</u>	<u>\$ 61,184,242</u>	<u>\$ 8,092,409</u>	<u>\$ 70,755,312</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 5. CAPITAL ASSETS (CONT'D)

	CAPITAL ASSETS, DEPRECIATED			
	BUILDINGS	INFRASTRUCTURE	FURNITURE, MACHINERY AND EQUIPMENT	TOTAL
Balance at April 30, 2019 (Brought Forward)	\$ 1,478,661	\$ 61,184,242	\$ 8,092,409	\$ 70,755,312
Accumulated Depreciation				
Balance at May 1, 2018	403,161	23,668,107	4,681,654	28,752,922
Increases	33,788	1,293,444	257,660	1,584,892
Decreases	-	-	-	-
Balance at April 30, 2019	436,949	24,961,551	4,939,314	30,337,814
Net Business-Type Capital Assets Depreciated	<u>\$ 1,041,712</u>	<u>\$ 36,222,691</u>	<u>\$ 3,153,095</u>	<u>\$ 40,417,498</u>
Governmental Activities:				
General Government			\$ 89,044	
Public Safety			98,625	
Highway and Streets			1,310,379	
Culture and Recreation			46,939	
			<u>\$ 1,544,987</u>	
Business-Type Activities:				
Electric Fund			\$ 743,997	
Gas Fund			165,796	
Water Fund			218,745	
Sewer Fund			456,354	
			<u>\$ 1,584,892</u>	

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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, 2019:

Governmental Activities

	BALANCE MAY 1, 2018	INCREASE	DECREASE	BALANCE APRIL 30, 2019
Othe Post-Employment				
Benefit Obligation	827,295	14,839	-	842,134
Compensated Absences	470,789	-	26,146	444,643
Net Pension Liability	<u>3,826,523</u>	<u>-</u>	<u>158,916</u>	<u>3,667,607</u>
Total Governmental				
Long-Term Liabilities	<u>5,124,607</u>	<u>14,839</u>	<u>185,062</u>	<u>4,954,384</u>
Business-Type Activities				
E.P.A. Loan	6,469,736	-	649,517	5,820,219
Othe Post-Employment				
Benefit Obligation	331,415	70,729	-	402,144
Compensated Absences	546,312	11,753	-	558,065
Net Pension Liability (asset)	<u>(180,536)</u>	<u>1,740,731</u>	<u>-</u>	<u>1,560,195</u>
Total Business				
Long-Term Liability	<u>7,166,927</u>	<u>1,823,213</u>	<u>649,517</u>	<u>8,340,623</u>

The current portion of above long-term debt is \$665,857 of the E.P.A. loan.

B. Loan Payable

The City received a loan from the Illinois Environmental Protection Agency of \$12,372,060. Through April 30, 2019, the balance of the loan is \$5,820,219.

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
2020	\$ 665,857	\$ 141,369	\$ 807,226
2021	682,607	124,619	807,226
2022	699,779	107,447	807,226
2023	717,383	89,843	807,226
2024	735,429	71,797	807,226
2025 - 2027	<u>2,319,164</u>	<u>102,515</u>	<u>2,421,679</u>
	<u>\$ 5,820,219</u>	<u>\$ 637,590</u>	<u>\$ 6,457,809</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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

C. Legal Debt Margin

At April 30, 2019, the legal debt margin of the City was as follows:

Assessed Valuation - 2018	\$ 274,108,760
Legal Debt Margin	<u>8.625%</u>
Debt Margin	\$ 23,641,881
Debt Outstanding	<u>-</u>
Legal Debt Margin	<u>\$ 23,641,881</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, 2019

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
- 1/2 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	44
Temporary Disability	1
Inactive employees or beneficiaries currently receiving benefits	60
Inactive employees entitled to but not yet receiving benefits	<u>11</u>
Total	<u><u>116</u></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 2018 was 10.78 percent. For the fiscal year ended April 30, 2019, the City contributed \$291,564 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, 2018, 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, 2018, 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, 2019

NOTE 7. DEFINED PENSION PLAN (CONT'D)

ASSET CLASS	PORTFOLIO TARGET PERCENTAGE	LONG-TERM EXPECTED REAL RATE OF RETURN
Equities	37.00 %	7.15 %
International Equities	18.00	7.25
Fixed Income	28.00	3.75
Real Estate	9.00	6.25
Alternatives	7.00	
Private Entity		8.50
Hedge Funds		5.50
Commodities		3.20
Cash Equivalent	1.00	2.50
	100.00 %	

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 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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, 2018, were as follows:

	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET PENSION LIABILITY (ASSET)
Balance, December 31, 2017	<u>\$ 16,905,085</u>	<u>\$ 17,159,862</u>	<u>\$ (254,777)</u>
Changes for the Year:			
Service Cost	316,253	-	316,253
Interest	1,249,990	-	1,249,990
Difference Between Expected and Actual Experience	350,276	-	350,276
Changes in Assumptions	509,057	-	509,057
Contributions-Employees	-	137,227	(137,227)
Contributions-Employer	-	328,734	(328,734)
Net Investment Income	-	(882,965)	882,965
Benefit Payments Including Refunds of Employee Contributions	(793,346)	(793,346)	-
Other (Net Transfer)	-	358,953	(358,953)
Net Changes	<u>1,632,230</u>	<u>(851,397)</u>	<u>2,483,627</u>
Balance, December 31, 2018	<u>\$ 18,537,315</u>	<u>\$ 16,308,465</u>	<u>\$ 2,228,850</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 7.25 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 (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	DISCOUNT RATE	NET PENSION LIABILITY (ASSET)
1% decrease	6.25 %	\$ 4,526,764
Current discount rate	7.25	2,228,850
1% increase	8.25	324,415

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended April 30, 2019, the City recognized pension expense of \$135,156. At April 30, 2019, 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, 2019

NOTE 7. DEFINED PENSION PLAN (CONT'D)

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Difference Between Expected and Actual Experience	\$ 262,729	\$ 156,536
Changes in Assumption	370,620	290,991
Net Difference Between Projected and Actual Earnings on Plan Investments	1,961,910	912,149
Contributions After Measurement Date	78,313	-
Total	\$ 2,673,572	\$ 1,359,676

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

<u>YEAR ENDING</u> <u>DECEMBER 31,</u>		
2019	\$	375,145
2020		223,646
2021		280,879
2022		434,226
2023		-
Thereafter		-
Total	\$	1,313,896

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, 2019

NOTE 8. POLICE PENSION PLAN (CONT'D)

Plan membership at April 30, 2019, consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	7
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6
Active Plan Members	18
Total	31

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 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, 2019

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, 2019, the City contributed, \$538,000 which was 38.93% 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, 2019 the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.33 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, 2019

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, 2019, were:

Total Pension Liability	\$ 9,590,910
Plan Fiduciary Net Position	<u>(6,591,958)</u>
City's Net Pension Liability	<u>\$ 2,998,952</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.73%
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Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of April 30, 2019, 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, 2019

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	\$ 4,345,444	\$ 2,998,952	\$ 1,850,352

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended April 30, 2019, the City recognized pension expense of \$639,391. At April 30, 2019, 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	\$ -	\$ 879,931
Difference Between Projected and Actual Investment		
Earnings on Pension Assets	69,983	-
Total	\$ 69,983	\$ 879,931

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

YEAR ENDING APRIL 30,		
2020	\$	(62,690)
2021		(62,690)
2022		(62,690)
2023		(62,690)
2024		(80,186)
Thereafter		(479,002)
Total	\$	(809,948)

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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.

Benefits Provided - The City provides to retirees the option to continue healthcare coverage under the City's group health program. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the IMRF.

At April 30, 2019, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Inactive	
Participants Entitled to But Not Yet Receiving Benefits	6
Active Participants	59
Total	65

Contributions - Retirees and their dependents may continue the coverage under the group health program by contributing one hundred percent (100%) of the blended average action group cost. The City pays one hundred percent (100%) of the cost of coverage for duty disabled police officers.

Net OPEB Liability - The components of the net OPEB liability of the plan at April 30, 2019, calculated in accordance with GASB Statement No. 75 were as follows:

Total OPEB Liability	\$ 1,244,278
Plan Fiduciary Net Position	-
Net OPEB Liability	\$ 1,244,278

Plan fiduciary net position as a percentage of the total OPEB Liability 0.00%

See the schedule of post-retirement benefits liability and related ratios in the required supplementary information for additional information related to the funded status of the plan.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of April 30, 2019, using the following actuarial assumptions:

Salary Increases	3.50%
Investment Rate of Return	N/A
Municipal Bond Index Rate (Unfunded Plan)	3.79%

Mortality RP2014 base rates projected using scale MP2018.

Healthcare Inflation 8.5%, grading down .50% per year until 4.5% is reached.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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

Changes in Net OPEB Liability - Changes in net OPEB liability calculated under GASB Statement No. 75 are as follows:

	TOTAL OPEB LIABILITY	PLAN FIDUCIARY NET POSITION	NET OPEB LIABILITY
Balance May 1, 2018	\$ 1,158,710	\$ -	\$ 1,158,710
Changes for the year:			
Service cost	78,330	-	78,330
Interest cost	44,905	-	44,905
Assumption changes	17,522	-	17,522
Contributions - Employer	-	55,189	(55,189)
Benefit payments	(55,189)	(55,189)	-
Net Changes	85,568	-	85,568
Balance April 30, 2019	\$ 1,244,278	\$ -	\$ 1,244,278

Discount Rate - The discount rate used to measure the total OPEB liability was 3.79%. Since the plan is unfunded, this is based on the 20-year muni index rate.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the plan, calculated using the discount rate of 3.79%, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	DISCOUNT RATE	NET OPEB LIABILITY (ASSET)
1% decrease	2.79%	\$ 1,346,083
Current discount rate	3.79%	1,244,278
1% increase	4.79%	1,150,057

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the plan, as well as, what the plan's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher:

	TREND RATE	NET OPEB LIABILITY (ASSET)
1% decrease	7.50%	\$ 1,114,173
Current discount rate	8.50%	1,244,278
1% increase	9.50%	1,395,599

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended April 30, 2019 the City recognized OPEB expense of \$125,059. At April 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Assumption Changes	\$ 15,698	\$ -

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

<u>YEAR ENDED APRIL 30,</u>		
2020	\$	1,824
2021		1,824
2022		1,824
2023		1,824
2024		1,824
Thereafter		6,578
	\$	15,698

NOTE 10. PROPERTY TAXES

The City's 2017 property tax levy was passed by the City on December 4, 2017. Property taxes attach as an enforceable lien on property as of January 1. Taxes were payable in two (2) installments on January 16, 2019 and February 20, 2019. Major tax payments were received by the City funds by April 30, 2019 for taxes payable in 2018.

The City's 2018 property tax levy was passed by the Board on December 3, 2018.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 11. COMMITMENTS AND CONTINGENCIES

A. Water Treatment Facility

Management is planning to construct a 2.0 to 3.25 million gallon water treatment facility.

On July 1, 2019 the City purchased real estate for placement of the new water treatment facility at a cost of \$230,626.

The City has approved a professional services agreement relative to the acquisition of easements with a total cost not to exceed \$145,000.

The City has also approved a professional services agreement for designing and bidding a 2.0 to 3.25 million gallon water treatments facility at a cost not to exceed \$830,000.

B. Illinois Environmental Protection Agency Loan

Management expects to retire the Illinois Environmental Protection Agency Loan prior to April 30, 2020.

C. 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.

D. 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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 12. RISK MANAGEMENT (CONT'D)

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, 2019 was \$358,410. 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 \$665,700 in gross utility revenue from Wal-Mart in the Proprietary fund.

Included in charges for services within governmental revenue is \$933,898 in administrative fees received from the Proprietary funds (Electric, Gas, Water and Sewer).

NOTE 14. INTERFUND TRANSFERS

The details for the interfund transfers for the year ended April 30, 2019 are as follows:

<u>Fund</u>	<u>AMOUNT</u>
Transfer from Utility Tax Fund to Sewer Fund to cover debt payment	\$ 435,902
	<u>\$ 435,902</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, 2019:

<u>FUND</u>	<u>DEPARTMENT</u>	<u>OBJECT CATEGORY</u>	<u>EXCEEDING APPROPRIATIONS</u>
General Fund	Finance	Information Systems	\$ 74
General Fund	Zoning/Building Inspector	Vacation Leave	28
General Fund	Zoning/Building Inspector	Communications	4
General Fund	Records	Vacation Leave	426
General Fund	Records	Professional Services	52
General Fund	Police	Printing and Publishing	87
General Fund	Police	Office Supplies	20
General Fund	Police	Department Supplies	199
General Fund	Police	Ammunition	67
General Fund	Police	DARE Fund	1,089
General Fund	Social Services	Communications	48

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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

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 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:

5/1/19 - 4/30/20	\$ 32,805
5/1/20 - 4/30/21	32,805
5/1/21 - 4/30/22	32,805
5/1/22 - 4/30/23	32,805
5/1/23 - 4/30/24	35,566

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, 2019.

NOTE 17. PRIOR PERIOD ADJUSTMENT

During the current fiscal year, the City adopted Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

The implementation of GASB Statement No. 75 had the following effect:

Government Wide:

Net Position, April 30, 2018	\$ 23,584,184
Recognition of Net Other Post Employment Benefits Liability	<u>(172,200)</u>
Restated Net Position, April 30, 2018	<u><u>23,411,984</u></u>

Proprietary Funds

Electric	
Net Position, April 30, 2018	28,112,358
Recognition of Net Other Post Employment Benefits Liability	<u>(33,524)</u>
Restated Net Position, April 30, 2018	<u><u>28,078,834</u></u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2019

NOTE 17. PRIOR PERIOD ADJUSTMENT (CONT'D)

Gas	
Net Position, April 30, 2018	9,369,737
Recognition of Net Other Post Employment Benefits Liability	<u>(22,629)</u>
Restated Net Position, April 30, 2018	<u>9,347,108</u>
Water	
Net Position, April 30, 2018	8,243,244
Recognition of Net Other Post Employment Benefits Liability	<u>(2,769)</u>
Restated Net Position, April 30, 2018	<u>8,240,475</u>
Sewer	
Net Position, April 30, 2018	8,778,201
Recognition of Net Other Post Employment Benefits Liability	<u>(10,062)</u>
Restated Net Position, April 30, 2018	<u>\$ 8,768,139</u>

NOTE 18. 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, 2019

Calendar Year Ending December 31,	LAST 10 CALENDAR YEARS (SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
TOTAL PENSION LIABILITY:										
Service Cost	\$ 316,253	\$ 341,104	\$ 349,687	\$ 323,114						
Interest on the Total Pension Liability	1,249,990	1,233,973	1,208,003	1,132,785						
Benefit Changes	-	-	-	-						
Difference Between Expected and Actual Experience	350,276	(38,812)	(522,498)	236,500						
Assumption Changes	509,057	(567,969)	(40,678)	40,371						
Benefit Payments and Refunds	(793,346)	(691,276)	(682,762)	(717,413)						
Net Change in Total Pension Liability	<u>1,632,230</u>	<u>277,020</u>	<u>311,752</u>	<u>1,015,357</u>						
Total Pension Liability - Beginning	<u>16,905,085</u>	<u>16,628,065</u>	<u>16,316,313</u>	<u>15,300,956</u>						
Total Pension Liability - Ending (a)	<u>18,537,315</u>	<u>16,905,085</u>	<u>16,628,065</u>	<u>16,316,313</u>						
PLAN FIDUCIARY NET POSITION:										
Employer Contributions	328,734	340,217	360,379	468,089						
Employee Contributions	137,227	135,605	133,474	131,980						
Pension Plan Net Investment Income	(882,965)	2,625,678	994,458	71,203						
Benefit Payments and Refunds	(793,346)	(691,276)	(682,762)	(717,413)						
Other	<u>358,953</u>	<u>(194,275)</u>	<u>(131,549)</u>	<u>16,808</u>						
Net Change in Plan Fiduciary Net Position	<u>(851,397)</u>	<u>2,215,949</u>	<u>674,000</u>	<u>(29,333)</u>						
Plan Fiduciary Net Position - Beginning	<u>17,159,862</u>	<u>14,943,913</u>	<u>14,269,913</u>	<u>14,299,246</u>						
Plan Fiduciary Net Position - Ending (b)	<u>\$ 16,308,465</u>	<u>\$ 17,159,862</u>	<u>\$ 14,943,913</u>	<u>\$ 14,269,913</u>						
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ 2,228,850	\$ (254,777)	\$ 1,684,152	\$ 2,046,400						
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.98%	101.51%	89.87%	87.46%						
Covered Valuation Payroll	\$ 3,049,475	\$ 3,013,449	\$ 2,966,080	\$ 2,932,889						
Net Pension Liability as a Percentage of Covered Valuation Payroll	73.09%	-8.45%	56.78%	69.77%						

CITY OF WATERLOO, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
APRIL 30, 2019

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%
2018	328,733	328,734	-	3,049,475	10.78%

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, 2019

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): 25-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 20 years for most employers (two employers were financed over 29 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, 2016 actuarial valuation

CITY OF WATERLOO
MULTIYEAR SCHEDULE OF POST RETIREMENT BENEFITS
GASB 75 HISTORICAL NET OPEB LIABILITY

LAST 10 CALENDAR YEARS
(schedule to be built prospectively from 2018)

Calendar year ending April 30,

	2019	2018	2016	2015	2014	2013	2012	2011	2010	2009
Total OPEB Liability										
Discount Rate	0.00%	0.00%								
Service Cost	\$ 78,330	\$ -								
Interest Cost	44,905	-								
Plan Amendments	-	-								
Actuarial Losses/(Gains)	-	-								
Assumption Changes	17,522	-								
Benefit Payments	(55,189)	-								
Net Change in Total OPEB Liability	85,568	-								
Total OPEB Liability - Beginning	1,158,710	-								
Total OPEB Liability - Ending (a)	\$ 1,244,278	\$ -								
Plan Fiduciary Net Position										
Employer Contributions	\$ 55,189	\$ -								
Employee Contributions	-	-								
Net Investment Income	-	-								
Benefit Payments	(55,189)	-								
Administrative Expenses	-	-								
Net Change in Plan Fiduciary Net Position	-	-								
Plan Fiduciary Net Position - Beginning	-	-								
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -								
Net OPEB Liability/(Asset) -Ending (a)-(b)	\$ 1,244,278	\$ -								
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%									
Covered Valuation Payroll	\$ 4,022,159	\$ -								
Net OPEB Liability as a Percentage of Covered Valuation Payroll	30.94%									

CITY OF WATERLOO
MULTIYEAR SCHEDULE OF EMPLOYER PAID CONTRIBUTIONS
POST RETIREMENT BENEFITS

LAST 10 CALENDAR YEARS

<u>YEAR</u> <u>ENDING</u> <u>APRIL 30,</u>	<u>ACTUARIALLY</u> <u>DETERMINED</u> <u>CONTRIBUTION</u>	<u>ACTUAL</u> <u>CONTRIBUTION</u>	<u>CONTRIBUTION</u> <u>DEFICIENCY</u> <u>(EXCESS)</u>	<u>COVERED</u> <u>VALUATION</u> <u>PAYROLL</u>	<u>ACTUAL CONTRIBUTION</u> <u>AS A % OF COVERED</u> <u>VALUATION PAYROLL</u>
2019	55,189	55,189	-	4,022,159	1.37%

CITY OF WATERLOO
NOTES TO THE SCHEDULE OF POST RETIREMENT BENEFITS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2019 TOTAL OPEB LIABILITY
POST RETIREMENT BENEFITS

Methods and Assumptions Used to Determine the 2019 Total OPEB Liability:

Funding Method	Entry Age Normal Cost Method - A method under which the actuarial present value of the projected benefits of each active participant is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to the valuation year is called the Normal Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the Actuarial Accrued Liability.										
Mortality Rates	<p>Pre-Retirement: Males: RP-2014 Healthy Employee Table for males, with projected mortality improvement based on the most recently published mortality improvement scale (MP 2018).</p> <p>Females: RP-2014 Healthy Employee Table for females, with projected mortality improvement based on the most recently published mortality improvement scale (MP 2018).</p> <p>Post-Retirement: Males: RP-2014 Healthy Employee Table for males, with projected mortality improvement based on the most recently published mortality improvement scale (MP 2018).</p> <p>Females: RP-2014 Healthy Employee Table for females, with projected mortality improvement based on the most recently published mortality improvement scale (MP 2018).</p> <p>2.60% per annum. Since the Plan is unfunded, this is based on a current 20 Year Yield to Maturity of AA rated bonds.</p>										
Discount Rate	2.75% per annum										
Inflation	Increase Rate: 4.0% per annum; compounded annually (includes 1.75% merit component)										
Salary Appreciation											
Assumed Retirement Age	Age 56 and the completion of 20 Years of Service but not later than Age 60 with 10 Years of Service.										
Termination prior to Retirement other	<p>T-1 Actuary's Table, Sample Values:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Age</u></th> <th style="text-align: left;"><u>Probability of Termination</u></th> </tr> </thead> <tbody> <tr> <td>20</td> <td>0.054417</td> </tr> <tr> <td>30</td> <td>0.037056</td> </tr> <tr> <td>40</td> <td>0.011306</td> </tr> <tr> <td>50+</td> <td>0.000000</td> </tr> </tbody> </table>	<u>Age</u>	<u>Probability of Termination</u>	20	0.054417	30	0.037056	40	0.011306	50+	0.000000
<u>Age</u>	<u>Probability of Termination</u>										
20	0.054417										
30	0.037056										
40	0.011306										
50+	0.000000										
Healthcare Inflation	Initial rate of 7.5%, grading down .25% per year until an ultimate rate of 4.0% is reached.										
Plan Assets and Funding Policy	There are no designated plan assets to pay benefits. Benefits are paid on a pay-as-you-go basis.										

CITY OF WATERLOO
NOTES TO THE SCHEDULE OF POST RETIREMENT BENEFITS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2019 TOTAL OPEB LIABILITY
POST RETIREMENT BENEFITS

Methods and Assumptions Used to Determine the 2019 Total OPEB Liability Continued:

Age Weighted Retiree
 Medical Costs and
 Dental Costs

	<u>Retiree</u>	<u>Retiree Plus Spouse</u>
Non-Medicare Eligible	\$ 1,060.17	\$ 2,120.34
Medicare Eligible	22.94	45.88

Dental Costs are included above and are assumed to not be age weighted. For Medicare retirees, there is an employer liability for dental costs only.

Medical Premiums are age weighted for retirees based on the 2013 Society of Actuaries commissioned paper, "Health Care Costs-From Birth to Death", published in June 2013. The 5-year age weight bands are based on a 50% male/50% female claim distribution split, as follows:

<u>Age Group</u>	<u>Age Weight</u>
Less than 20	0.5435
20-24	0.5095
25-29	0.6660
30-34	0.8400
35-39	0.9230
40-44	1.0170
45-49	1.1825
50-54	1.4630
55-59	1.7875
60-64	2.2085

Coverage Election	It is assumed that 100% of active plan members who retiree and are eligible elect plan coverage.
Marital Status	Assumed 80% are married, Spouse is assumed to be 3 years younger than the participant.
Covered Lives for Claim Cost Development	For actives and retirees who are not married, it is assumed there are no covered dependents. For married actives, it is assumed there are 1.5 covered dependents on average. For married retirees, it is assumed there is 1 covered dependent.
Expense Load	Included in retiree per capita costs.

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2019

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
TOTAL PENSION LIABILITY:										
Service Cost	\$ 350,827	\$ 329,507	\$ 246,585	\$ 268,414	\$ 282,417					
Interest on the Total Pension Liability	633,007	551,919	505,436	500,155	382,427					
Changes of Benefit Terms	-	-	-	-	-					
Difference Between Expected and Actual Experience	(960,117)	669,634	226,932	(465,422)	790,465					
Changes of Assumptions	-	-	-	-	561,107					
Benefit Payments	(316,382)	(292,707)	(239,384)	(207,093)	(203,635)					
Net Change in Total Pension Liability	(292,665)	1,258,353	739,569	96,054	1,812,781					
Total Pension Liability - Beginning	9,883,575	8,625,222	7,885,653	7,789,599	5,976,818					
Total Pension Liability - Ending	9,590,910	9,883,575	8,625,222	7,885,653	7,789,599					
PLAN FIDUCIARY NET POSITION:										
Employer Contributions	538,000	418,000	405,000	441,000	380,000					
Employee Contributions	121,205	107,693	79,999	96,824	94,024					
Pension Plan Net Investment Income	294,505	236,870	295,773	(44,528)	156,597					
Benefit Payments and Refunds	(316,382)	(292,707)	(239,384)	(207,093)	(203,635)					
Other	(28,180)	(28,180)	(16,893)	(17,115)	(18,460)					
Net Change in Plan Fiduciary Net Position	609,148	441,676	524,495	269,088	408,526					
Plan Fiduciary Net Position - Beginning	5,982,810	5,541,134	5,016,639	4,747,551	4,339,025					
Plan Fiduciary Net Position - Ending	\$ 6,591,958	\$ 5,982,810	\$ 5,541,134	\$ 5,016,639	\$ 4,747,551					
Net Pension Liability/(Asset)	\$ 2,998,952	\$ 3,900,765	\$ 3,084,088	\$ 2,869,014	\$ 3,042,048					
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.73%	60.53%	64.24%	63.62%	60.95%					
Covered Valuation Payroll	\$ 1,382,122	\$ 1,262,314	\$ 871,922	\$ 914,496	\$ 987,469					
Net Pension Liability as a Percentage of Covered Valuation Payroll	216.98%	309.02%	353.71%	313.73%	308.07%					

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2019

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>
2019	\$ 534,652	\$ 538,000	\$ (3,348)	\$ 1,262,314	42.62%
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, 2019

SCHEDULE OF INVESTMENT RETURNS

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Annual Money - Weighted Rate of Return, Net of Investment Expense	3.09%	-1.25%	5.43%	3.69%	4.33%	-	-	-	-	-

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2019

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 2041
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, 2019 actuarial valuation report.

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUE:				
Property Tax IMRF/FICA	\$ 111,000	\$ 111,000	\$ 110,707	\$ (293)
Property Tax Road and Bridge	55,000	55,000	54,873	(127)
Property Tax Gen. Corporate	252,000	252,000	251,317	(683)
Liquor License	14,000	20,200	20,810	610
Franchise License	125,000	126,500	126,509	9
Utility Franchise	915,000	925,000	933,898	8,898
Infrastructure Fee	235,000	231,000	230,006	(994)
Fees and Permits	125,000	100,000	94,783	(5,217)
Inspection Fees	20,000	20,000	17,750	(2,250)
State Income Tax	1,328,000	1,380,000	1,377,258	(2,742)
State Replacement Tax	55,250	52,000	53,844	1,844
Mobile Home Taxes	15	15	15	-
Sales Tax	2,250,000	2,227,000	2,225,155	(1,845)
Business District Tax	90,000	86,000	88,897	2,897
Video Gaming	104,000	117,000	117,079	79
Court Fines	75,000	50,000	48,961	(1,039)
Penalties on Service	9,500	9,500	9,640	140
Refuse Fees	770,600	783,000	782,966	(34)
Utility Bill Adjustment	(250)	(250)	(89)	161
Interest Income	97,000	142,000	150,873	8,873
Tower Rental	30,000	32,800	32,805	5
Sundry Income	6,000	6,000	5,271	(729)
Donations	37,000	37,000	37,458	458
Asset Seizure	-	1,380	1,381	1
Hotel/Motel Tax	22,000	18,500	19,656	1,156
Miscellaneous	500	200	105	(95)
Total Revenue	<u>\$ 6,726,615</u>	<u>\$ 6,782,845</u>	<u>\$ 6,791,928</u>	<u>\$ 9,083</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
EXPENDITURES:				
Legislative				
Mayor	\$ 25,500	\$ 25,500	\$ 24,058	\$ 1,442
Aldermen	130,000	130,000	121,121	8,879
FICA	12,500	12,500	11,107	1,393
Professional Services	35,000	35,000	34,928	72
Communications	5,000	5,200	5,185	15
Printing and Publishing	6,700	6,700	6,373	327
Membership and Dues	12,000	12,000	11,538	462
Training	15,500	10,000	4,652	5,348
Books and Publications	300	300	272	28
Bad Debt Expense	2,000	2,000	1,422	578
Insurance and Bonds	550	400	363	37
Sales Tax Rebate	95,000	90,000	85,488	4,512
Miscellaneous	15,000	15,000	10,690	4,310
Office Supplies	200	200	102	98
Capital Projects	5,000	1,500	1,433	67
Legislative Total Expense	<u>360,250</u>	<u>346,300</u>	<u>318,732</u>	<u>27,568</u>
Finance				
District of Public Works	25,000	25,000	23,700	1,300
Finance Director	21,000	21,000	20,672	328
Clerical	65,500	58,000	57,052	948
Human Resource	11,000	6,500	6,226	
Over-Time Salaries	2,000	2,000	1,370	630
Sick Leave	3,500	3,500	2,468	1,032
Vacation Leave	10,000	10,000	8,150	1,850
Treasurer	8,600	8,600	8,590	10
Health Insurance	30,000	25,000	11,743	13,257
Health Insurance Reimbursement	12,000	12,000	8,375	3,625
Unemployment Insurance	200	200	138	62
FICA	12,500	12,500	9,598	2,902
IMRF	15,000	13,000	11,867	1,133
Bank Charges	1,000	1,000	848	152
Clothing Allowance	1,600	1,400	1,287	113
Sub-Total (Carried Forward)	<u>\$ 218,900</u>	<u>\$ 199,700</u>	<u>\$ 172,084</u>	<u>\$ 27,342</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
Sub-Total (Brought Forward)	\$ 218,900	\$ 199,700	\$ 172,084	\$ 27,342
Equipment Rental and Service	2,200	2,200	2,195	5
Professional Services	3,000	3,000	2,279	721
Postage	1,600	1,600	1,303	297
Communications	17,500	17,700	17,544	156
Printing and Publishing	1,500	1,500	1,205	295
Membership and Dues	200	400	379	21
Training	3,000	3,000	786	2,214
Insurance and Bonds	14,000	12,000	11,356	644
Miscellaneous	500	500	93	407
Office Supplies	5,000	5,000	3,748	1,252
Department Supplies	1,600	1,600	1,570	30
Equipment - Office	2,500	2,500	560	1,940
Furniture and Fixtures	2,000	2,000	416	1,584
Information Systems	8,000	9,000	9,074	(74)
Tourism	20,000	20,000	14,026	5,974
Finance Total Expenses	<u>301,500</u>	<u>281,700</u>	<u>238,618</u>	<u>42,808</u>
Building				
Building Repairs	40,000	40,000	30,885	9,115
Equipment Rental and Service	50,000	25,000	18,242	6,758
Professional Services	3,500	3,500	1,985	1,515
Independent Contractor	20,000	20,000	18,300	1,700
Utilities	60,000	60,000	58,946	1,054
Janitorial Supplies	2,000	2,000	1,273	727
Fuels	1,000	1,000	-	1,000
Equipment	5,000	5,000	-	5,000
Building Total Expenses	<u>181,500</u>	<u>156,500</u>	<u>129,631</u>	<u>26,869</u>
Legal				
Legal	<u>170,000</u>	<u>170,000</u>	<u>143,396</u>	<u>26,604</u>
Legal Total Expenses	<u>\$ 170,000</u>	<u>\$ 170,000</u>	<u>\$ 143,396</u>	<u>\$ 26,604</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
Zoning/Building Inspector				
Planning Commission	\$ 6,420	\$ 6,420	\$ 3,930	\$ 2,490
Zoning Board	6,180	6,180	2,785	3,395
Zoning Officer	73,000	73,000	71,081	1,919
Building Inspector	48,000	48,000	46,558	1,442
Part-Time Salaries	1,000	500	210	290
Sick Leave	4,000	4,000	2,274	1,726
Vacation Leave	8,000	8,000	8,028	(28)
Health Insurance	45,000	45,000	43,866	1,134
Health Insurance Reimbursement	8,000	8,000	6,885	1,115
Unemployment Insurance	200	200	158	42
FICA	11,000	11,000	10,299	701
IMRF	14,000	14,000	12,733	1,267
Vehicle Maintenance and Repair	1,500	1,500	103	1,397
Professional Services	40,000	30,000	20,140	9,860
Postage	100	100	100	-
Communications	1,300	1,300	1,304	(4)
Printing and Publishing	100	100	-	100
Membership and Dues	200	200	-	200
Training	2,000	2,000	507	1,493
Books and Publications	500	500	61	439
Insurance and Bonds	12,500	8,000	7,439	561
Miscellaneous	500	500	-	500
Office Supplies	1,000	2,000	1,745	255
Vehicle Fuel and Lube	2,000	2,000	1,254	746
Equipment - Office	2,000	2,000	-	2,000
Information Systems	1,500	1,500	1,200	300
Zoning/Building Inspector				
Total Expenses	<u>\$ 290,000</u>	<u>\$ 276,000</u>	<u>\$ 242,660</u>	<u>\$ 33,340</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
Records				
Deputy City Clerk	\$ 51,200	\$ 51,200	\$ 51,102	\$ 98
Over-Time Salaries	500	500	-	500
Sick Leave	2,000	2,000	1,092	908
Vacation Leave	5,000	5,000	5,426	(426)
City Clerk	17,600	17,600	16,862	738
Health Insurance	18,500	13,500	13,208	292
Health Insurance Reimbursement	4,400	4,400	3,260	1,140
Unemployment Insurance	100	100	62	38
FICA	6,000	6,000	5,451	549
IMRF	6,300	6,300	5,737	563
Clothing Allowance	250	250	214	36
Equipment Repairs	200	200	-	200
Professional Services	7,000	7,000	7,052	(52)
Postage	100	100	100	-
Printing and Publishing	4,000	5,000	3,669	1,331
Membership and Dues	200	200	30	170
Training	3,500	3,500	1,794	1,706
Books and Publications	100	100	-	100
Insurance and Bonds	400	400	199	201
Recording Fees	1,000	1,500	980	520
Miscellaneous	100	100	-	100
Office Supplies	500	600	577	23
Equipment - office	500	500	-	500
Information systems	500	500	-	500
Records Total Expenses	<u>\$ 129,950</u>	<u>\$ 126,550</u>	<u>\$ 116,815</u>	<u>\$ 9,735</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
Police				
Regular Salaries	\$ 1,255,000	\$ 1,200,000	\$ 1,136,131	\$ 63,869
Part-Time Salaries	23,000	23,000	18,863	4,137
PEDA Salaries	-	-	-	-
Over-Time Salaries	50,000	60,000	48,891	11,109
Sick Leave	30,000	30,000	27,312	2,688
Vacation Leave	90,000	90,000	67,187	22,813
Holiday	70,000	84,000	75,932	8,068
Health Insurance	275,000	260,000	251,196	8,804
Health Insurance Reimbursement	45,000	45,000	34,736	10,264
Unemployment Insurance	1,500	1,500	1,375	125
FICA	114,500	110,000	101,338	8,662
IMRF	6,100	6,100	5,540	560
Clothing Allowance	16,500	16,500	13,120	3,380
Vehicle Maintenance and Repair	20,000	20,000	16,035	3,965
Equipment Rental and Service	3,000	3,000	1,356	1,644
Postage	500	500	447	53
Communications	163,000	164,000	163,628	372
Printing and Publishing	1,000	1,000	1,087	(87)
Membership and Dues	13,500	13,500	12,129	1,371
Training	15,500	15,500	14,255	1,245
Books and Publications	1,200	1,200	-	1,200
Insurance and Bonds	71,000	105,000	104,021	979
Miscellaneous	3,000	3,000	880	2,120
Office Supplies	5,000	6,000	6,020	(20)
Department Supplies	6,500	6,500	6,699	(199)
Vehicle Fuel and Lube	30,000	35,000	34,157	843
Ammunition	1,500	1,500	1,567	(67)
Canine	10,000	-	-	-
Equipment - Office	9,000	9,100	9,007	93
Equipment - New	22,000	35,000	34,923	77
Equipment - Vehicle	126,000	122,000	116,159	5,841
Information Systems	30,000	30,000	25,745	4,255
Community Relations	3,500	3,500	1,542	1,958
DARE Fund	3,000	3,000	4,089	(1,089)
DUI Fund	3,000	3,000	205	2,795
Police Total Expenses	<u>\$ 2,517,800</u>	<u>\$ 2,507,400</u>	<u>\$ 2,335,572</u>	<u>\$ 171,828</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
Emergency Management Agency				
ESDA Coordinator	\$ 6,000	\$ 6,000	\$ 5,760	\$ 240
Unemployment Insurance	100	100	25	75
FICA	500	500	440	60
IMRF	200	50	32	18
Vehicle Maintenance and Repair	500	500	-	500
Postage	100	100	100	-
Communications	300	300	300	-
Training	200	200	-	200
Vehicle Fuel and Lube	100	100	-	100
Emergency Management Agency				
Total Expenses	<u>8,000</u>	<u>7,850</u>	<u>6,657</u>	<u>1,193</u>
Police Commission				
Legal	1,000	1,000	-	1,000
Officer Candidates Testing	1,000	1,000	-	1,000
Testing for Officer Hiring	5,000	10,000	9,041	959
Printing and Publishing	-	100	33	67
Membership and Dues	2,500	500	375	125
Training	2,000	2,000	-	2,000
Office Supplies	100	100	-	100
Police Commission Total Expenses	<u>11,600</u>	<u>14,700</u>	<u>9,449</u>	<u>5,251</u>
Health and Ordinance				
Postage	100	100	100	-
Miscellaneous	1,000	1,000	-	1,000
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, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
Social Services				
Community Relations Coordinator	\$ 51,500	\$ 51,500	\$ 50,122	\$ 1,378
Sick Leave	1,400	2,800	2,773	27
Vacation Leave	3,000	3,000	2,528	472
Health Insurance	22,500	22,500	21,933	567
Health Insurance Reimbursement	3,000	3,000	-	3,000
Unemployment Insurance	100	100	62	38
FICA	4,300	4,300	4,163	137
IMRF	6,000	6,000	5,522	478
Communications	1,000	1,000	1,048	(48)
Printing and Publishing	100	100	-	100
Training	2,000	1,000	900	100
Books and Publications	50	50	30	20
Street Lighting	70,000	70,000	69,183	817
Refuse	766,100	775,000	772,750	2,250
Insurance and Bonds	250	200	150	50
Miscellaneous	150	150	50	100
Office Supplies	3,000	1,000	89	911
Office Equipment	500	-	-	-
Information Systems	3,000	3,000	2,839	161
Community Relations	40,000	40,000	32,567	7,433
Contribution Sr. Citizens	7,500	7,500	7,500	-
Sister Cities Program	550	550	359	191
Downtown Enhancement	86,000	86,000	77,472	8,528
Social Services Total Expenses	<u>\$ 1,072,000</u>	<u>\$ 1,078,750</u>	<u>\$ 1,052,040</u>	<u>\$ 26,710</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
Streets and Alleys				
Regular Salaries	\$ 295,000	\$ 290,000	\$ 284,592	\$ 5,408
Part-Time Salaries	4,000	4,200	948	3,252
Over-Time Salaries	25,000	25,000	16,540	8,460
Sick Leave	20,000	20,000	14,990	5,010
Vacation Leave	30,000	30,000	25,521	4,479
Interdepartmental Salaries	15,000	15,000	11,710	3,290
Health Insurance	65,000	65,000	62,213	2,787
Health Insurance Reimbursement	11,000	11,000	8,864	2,136
Unemployment Insurance	500	500	404	96
FICA	30,000	30,000	26,191	3,809
IMRF	42,000	38,000	35,111	2,889
Clothing Allowance	9,600	9,600	3,060	6,540
Building Repairs	5,000	5,000	4,884	116
Equipment Repairs	50,000	60,000	41,925	18,075
Communications	2,000	3,500	3,249	251
Training	2,000	1,000	630	370
Utilities	17,000	19,000	17,490	1,510
Insurance and Bonds	72,000	52,000	50,533	1,467
Miscellaneous	6,000	6,000	4,040	1,960
Street Maintenance and Repair	20,000	40,000	36,156	3,844
Street Signs	5,000	8,000	7,767	233
Construction Materials	30,000	30,000	25,275	4,725
Department Supplies	10,000	12,000	9,993	2,007
Tools	3,000	3,000	3,000	-
Janitorial Supplies	2,500	2,500	2,174	326
Vehicle Fuel and Lube	30,000	32,000	30,191	1,809
Safety Materials	7,500	8,500	7,690	810
Land	-	-	-	-
Building Improvements	1,000	1,000	-	1,000
Equipment	193,300	193,300	182,982	10,318
Street Improvements	200,000	200,000	175,882	24,118
Other Improvements - Storm Drains	75,000	25,000	-	25,000
Capital Projects	2,257,500	2,000,000	987,941	1,012,059
Streets and Alleys Total Expenses	<u>3,535,900</u>	<u>3,240,100</u>	<u>2,081,946</u>	<u>1,158,154</u>
Total Expenditures (Carried Forward)	<u>\$ 8,579,600</u>	<u>\$ 8,206,950</u>	<u>\$ 6,675,616</u>	<u>\$ 1,531,060</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	<u>POSITIVE</u> <u>(NEGATIVE)</u>
Total Expenditures (Brought Forward)	\$ 8,579,600	\$ 8,206,950	\$ 6,675,616	\$ 1,531,060
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,852,985)	\$ (1,424,105)	116,312	\$ 1,540,417
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance:				
Effect of Unrecorded Assets			122,900	
Effect of Unrecorded Liabilities			<u>28,335</u>	
(Deficiency) of Revenue Over Expenses			267,547	
BEGINNING FUND BALANCE			<u>7,610,873</u>	
ENDING FUND BALANCE			<u>\$ 7,878,420</u>	

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - UTILITY TAX FUND
YEAR ENDED APRIL 30, 2019

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUE:				
City Utility Tax	\$ 215,000	\$ 242,000	\$ 241,502	\$ (498)
Other Utility Tax	23,000	23,000	23,878	878
Electric Municipal Tax	290,000	325,000	323,165	(1,835)
Utility Bill Adjustment	(1,000)	(3,000)	(1,783)	1,217
Interest Income	2,500	4,100	4,010	(90)
Investment Income	4,650	44,000	61,153	17,153
	<u>534,150</u>	<u>635,100</u>	<u>651,925</u>	<u>16,825</u>
EXPENDITURES:				
Bad Debt Expense	2,000	2,000	681	1,319
Customer Refunds	200	200	15	185
Capital Projects	-	-	54,809	-
	<u>2,200</u>	<u>2,200</u>	<u>55,505</u>	<u>1,504</u>
Excess of Revenues Over Expenditures	531,950	632,900	596,420	(36,480)
OTHER FINANCING (USES):				
Transfers (Out)	(435,902)	(435,902)	(435,902)	-
Net Change in Fund Balance	<u>\$ 96,048</u>	<u>\$ 196,998</u>	160,518	<u>\$ (36,480)</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance:				
Effect of Unrecorded Assets			163	
Effect of Unrecorded Liabilities			<u>15</u>	
Excess of Revenue Over Expenses			160,696	
BEGINNING FUND BALANCE			<u>2,792,649</u>	
ENDING FUND BALANCE			<u>\$ 2,953,345</u>	

CITY OF WATERLOO, ILLINOIS
NOTES TO BUDGETARY COMPARISON SCHEDULES
YEAR ENDED APRIL 30, 2019

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 (2018), 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, 2019 on April 16, 2018 and it was amended on April 15, 2019.

OTHER SUPPLEMENTAL INFORMATION

CITY OF WATERLOO, ILLINOIS
COMBINING BALANCE SHEET - GENERAL FUND
YEAR ENDED APRIL 30, 2019

<u>ASSETS</u>	<u>GENERAL</u>	<u>UTILITY TAX FUND</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$ 7,269,106	\$ 576,348	\$ 7,845,454
Investments	-	2,301,710	2,301,710
Taxes Receivable	880,709	-	880,709
Accounts Receivable, Net	183,924	75,287	259,211
Prepays	118,956	-	118,956
Real Estate Taxes Receivable, Net	<u>881,342</u>	<u>-</u>	<u>881,342</u>
 Total Assets	 <u>\$ 9,334,037</u>	 <u>\$ 2,953,345</u>	 <u>\$ 12,287,382</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>			
LIABILITIES:			
Accounts Payable	\$ 473,342	\$ -	\$ 473,342
Wage and Benefits Payable	<u>100,933</u>	<u>-</u>	<u>100,933</u>
 Total Liabilities	 <u>574,275</u>	 <u>-</u>	 <u>574,275</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	<u>881,342</u>	<u>-</u>	<u>881,342</u>
 Total Deferred Inflows of Resources	 <u>881,342</u>	 <u>-</u>	 <u>881,342</u>
FUND BALANCE:			
Nonspendable			
Prepays	118,956	-	118,956
Restricted for:			
Hotel/Motel Tax	125,231	-	125,231
Committed for:			
IMRF Pension Plan	450,299	-	450,299
Capital Improvements	-	2,953,345	2,953,345
Unassigned:			
General Fund	<u>7,183,934</u>	<u>-</u>	<u>7,183,934</u>
 Total Fund Balance	 <u>7,878,420</u>	 <u>2,953,345</u>	 <u>10,831,765</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 <u>\$ 9,334,037</u>	 <u>\$ 2,953,345</u>	 <u>\$ 12,287,382</u>

CITY OF WATERLOO, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GENERAL FUND
YEAR ENDED APRIL 30, 2019

	GENERAL	UTILITY TAX FUND	TOTAL
REVENUES:			
Taxes - Real Estate	\$ 954,897	\$ -	\$ 954,897
Intergovernmental	3,989,341	-	3,989,341
Utility Taxes	225,752	586,925	812,677
Charges for Services	1,726,940	-	1,726,940
Licenses and Permits	259,852	-	259,852
Fines	48,961	-	48,961
Grants	1,381	-	1,381
Miscellaneous	94,832	-	94,832
Interest	150,872	4,010	154,882
Investment Income	-	61,153	61,153
Total Revenues	<u>7,452,828</u>	<u>652,088</u>	<u>8,104,916</u>
EXPENDITURES:			
Current			
General Government	1,182,867	681	1,183,548
Public Safety	2,712,022	-	2,712,022
Highways and Streets	1,090,524	-	1,090,524
Sanitation	777,121	-	777,121
Health	100	-	100
Culture and Recreation	209,400	-	209,400
Capital Outlay	1,213,247	54,809	1,268,056
Total Expenditures	<u>7,185,281</u>	<u>55,490</u>	<u>7,240,771</u>
Excess (Deficiency) of Revenues Over Expenditures	267,547	596,598	864,145
Other Financing (Uses) Transfers (Out)	<u>-</u>	<u>(435,902)</u>	<u>(435,902)</u>
Net Change in Fund Balance	267,547	160,696	428,243
Fund Balance, Beginning of Year	<u>7,610,873</u>	<u>2,792,649</u>	<u>10,403,522</u>
Fund Balance, End of Year	<u>\$ 7,878,420</u>	<u>\$ 2,953,345</u>	<u>\$ 10,831,765</u>

CITY OF WATERLOO, ILLINOIS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2019

<u>ASSETS</u>	<u>MOTOR FUEL TAX</u>	<u>MUNICIPAL BAND FUND</u>	<u>LIBRARY FUND</u>	<u>TOTAL</u>
Cash in Bank	\$ 805,422	\$ 15,459	\$ 891,626	\$ 1,712,507
Certificates of Deposit	-	-	39,741	39,741
Taxes Receivable	24,069	-	-	24,069
Real Estate Taxes Receivable, Net	-	22,949	439,435	462,384
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 829,491</u>	<u>\$ 38,408</u>	<u>\$ 1,370,802</u>	<u>\$ 2,238,701</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts Payable	\$ 2,076	\$ -	\$ 12,849	\$ 14,925
Deferred Grant Revenue	-	-	70,575	70,575
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>2,076</u>	<u>-</u>	<u>83,424</u>	<u>85,500</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Property Taxes	-	22,949	439,435	462,384
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>22,949</u>	<u>439,435</u>	<u>462,384</u>
FUND BALANCES:				
Restricted for:				
Culture and Recreation	-	15,459	847,943	863,402
Motor Fuel Tax	827,415	-	-	827,415
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>827,415</u>	<u>15,459</u>	<u>847,943</u>	<u>1,690,817</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 829,491</u>	<u>\$ 38,408</u>	<u>\$ 1,370,802</u>	<u>\$ 2,238,701</u>

CITY OF WATERLOO, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2019

	MOTOR FUEL TAX	MUNICIPAL BAND FUND	LIBRARY FUND	TOTAL
REVENUES:				
Taxes - Real Estate	\$ -	\$ 24,430	\$ 433,761	\$ 458,191
Intergovernmental	291,662	-	70,956	362,618
Miscellaneous	-	780	132,230	133,010
Interest	<u>15,959</u>	<u>-</u>	<u>1,530</u>	<u>17,489</u>
Total Revenues	<u>307,621</u>	<u>25,210</u>	<u>638,477</u>	<u>971,308</u>
EXPENDITURES:				
Highways and Streets	221,334	-	-	221,334
Culture and Recreation	-	26,868	463,643	490,511
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>221,334</u>	<u>26,868</u>	<u>463,643</u>	<u>711,845</u>
Excess (Deficiency) of Revenues Over Expenditures	86,287	(1,658)	174,834	259,463
FUND BALANCE - BEGINNING OF YEAR	<u>741,128</u>	<u>17,117</u>	<u>673,109</u>	<u>1,431,354</u>
FUND BALANCE - END OF YEAR	<u>\$ 827,415</u>	<u>\$ 15,459</u>	<u>\$ 847,943</u>	<u>\$ 1,690,817</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	<u>2019</u>	<u>2018</u>
General Government		
Legal		
Legal Fees	\$ 138,378	\$ 153,613
Total Legal	<u>138,378</u>	<u>153,613</u>
City Clerk		
Salaries - City Clerk	16,862	16,664
Salaries - Deputy City Clerk	51,392	50,612
Salaries - Sick Leave	1,092	2,368
Salaries - Vacation Leave	5,426	4,795
FICA	5,451	5,382
IMRF	5,737	6,403
Group Hospital Insurance	13,208	15,769
Health Insurance Reimbursement	3,260	8,021
Unemployment Tax	62	68
Clothing Allowance	215	215
Postage	100	100
Printing and Publishing	3,567	3,199
Memberships and Dues	30	140
Training	1,794	700
Recording Fees	980	836
Insurance and Bonds	239	277
Office Supplies	501	492
Professional Services	7,052	495
Miscellaneous	-	10
Office Equipment	-	369
Total City Clerk	<u>116,968</u>	<u>116,915</u>
Legislation		
Salaries - Mayor	24,058	23,953
Salaries - Alderman	121,121	122,100
FICA	11,106	11,963
Memberships and Dues	11,538	11,600
Professional Services	34,967	30,096
Office Supplies	102	288
Miscellaneous	10,797	12,093
Insurance and Bonds	447	468
Bad Debts	1,422	1,596
Books and Publications	6,645	6,538
Training	4,652	3,488
Communications	4,856	4,466
Capital Projects	1,517	(1,315)
Sales Tax Rebate	86,057	91,002
Total Legislation	<u>319,285</u>	<u>318,336</u>
Sub-Total General Government (Carried Forward)	<u>\$ 574,631</u>	<u>\$ 588,864</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	<u>2019</u>	<u>2018</u>
Sub-Total General Government (Brought Forward)	\$ 574,631	\$ 588,864
General Government (Continued)		
Zoning		
Planning Commission	3,930	5,185
Zoning Board	2,785	3,020
Salaries - Zoning Officer	71,469	70,264
Salaries - Building Inspector	46,927	44,795
Salaries - Part-Time	210	210
Salaries - Sick Leave	2,274	2,126
Salaries - Vacation Leave	8,029	5,815
FICA	10,299	9,984
IMRF	12,733	13,617
Group Hospital Insurance	43,866	39,109
Health Insurance Reimbursement	6,885	8,108
Unemployment Tax	158	181
Books & Publications	61	993
Postage	100	100
Printing and Publishing	-	219
Memberships and Dues	-	475
Professional Services	19,625	28,462
Vehicle Maintenance and Repair	103	886
Equipment	-	-
Training	507	579
Office Supplies	1,745	595
Insurance and Bonds	10,048	10,989
Communications	1,212	1,336
Vehicle Fuel and Lubrications	1,256	1,311
Information Systems	1,200	1,200
Total Zoning	<u>245,422</u>	<u>249,559</u>
Sub-Total General Government (Carried Forward)	\$ 820,053	\$ 838,423

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	<u>2019</u>	<u>2018</u>
Sub-Total General Government (Brought Forward)	\$ 820,053	\$ 838,423
General Government (Continued)		
Finance		
Salaries - Treasurer	8,590	8,463
Salaries - Director of Public Works	23,834	23,540
Salaries - Finance Director	20,781	19,932
Salaries - Clerical	57,396	58,192
Salaries - Human Resource	8,857	-
Salaries - Overtime	1,369	908
Salaries - Sick Leave	2,468	2,338
Salaries - Vacation Leave	8,150	8,445
FICA	9,598	9,134
IMRF	11,867	12,484
Group Hospital Insurance	11,743	13,608
Health Insurance Reimbursement	8,375	12,504
Unemployment	138	187
Dues and Memberships	379	80
Insurance and Bonds	12,620	14,881
Communications and Dispatch	17,375	16,588
Equipment Rental and Service	2,195	2,001
Training	786	1,799
Clothing Allowance	1,287	1,575
Office Supplies	3,580	2,963
Postage	1,303	483
Equipment	976	-
Tourism	14,026	19,252
Professional Services	2,255	1,615
Miscellaneous	93	353
Printing and Publishing	1,205	735
Department Supplies	1,562	1,310
Bank Charges	847	828
Information Systems	9,086	7,904
Total Finance	<u>242,741</u>	<u>242,102</u>
Building		
Building Repairs	30,885	13,048
Equipment Rental and Service	8,563	19,940
Professional Services	1,705	1,615
Independent Contractors	18,300	18,200
Utilities	59,460	56,131
Janitorial Supplies	1,160	1,568
Equipment	-	622
Total Building	<u>120,073</u>	<u>111,124</u>
Total General Government	<u>\$ 1,182,867</u>	<u>\$ 1,191,649</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	<u>2019</u>	<u>2018</u>
Public Safety		
Police		
Salaries - Regular	\$ 1,143,839	\$ 1,031,346
Salaries - Part-Time	18,063	21,672
Salaries - Overtime	48,891	98,326
Salaries - Sick Leave	27,312	19,310
Salaries - Vacation Leave	67,187	79,694
Salaries - Holiday	75,932	68,059
FICA	101,338	96,317
IMRF	5,540	6,032
Pension	538,000	418,000
Group Hospital Insurance	251,196	222,806
Health Insurance Reimbursement	34,736	39,893
Unemployment Tax	1,375	1,732
Insurance and Bonds	78,064	65,409
Communication and Dispatch	162,804	159,992
Training	10,765	29,335
Equipment Rental and Service	1,356	2,615
Vehicle Maintenance and Repairs	15,494	13,411
Memberships and Dues	12,129	10,806
Community Services Programs	3,998	4,057
Office Supplies	5,962	3,262
Postage	447	431
Ammunition	1,567	1,353
Clothing Allowance	14,138	22,527
Vehicle Fuel and Lubrications	33,902	29,350
Information Systems	25,461	22,234
Department Supplies	6,868	3,922
Canine	-	512
Printing and Publishing	1,087	491
Miscellaneous	880	243
Books and Publications	-	78
DUI Fund	205	5,985
Equipment - New	3,080	1,800
Equipment - Office	3,073	1,101
Total Police	<u>2,694,689</u>	<u>2,482,101</u>
Sub-Total Public Safety (Carried Forward)	<u>\$ 2,694,689</u>	<u>\$ 2,482,101</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	2019	2018
Sub-Total Public Safety (Brought Forward)	\$ 2,694,689	\$ 2,482,101
Public Safety (Continued)		
Police Commissioners		
Testing for Officer Hiring	10,289	11,561
Printing and Publishing	33	-
Memberships and Dues	375	375
Total Police Commissioners	10,697	11,936
E.S.D.A.		
E.S.D.A. Coordinator	5,760	5,760
FICA	440	435
IMRF	32	200
Communications and Dispatch	279	241
Postage	100	100
Unemployment	25	23
Total E.S.D.A.	6,636	6,759
Total Public Safety	\$ 2,712,022	\$ 2,500,796

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	2019	2018
Highways and Streets		
Salaries - Regular	\$ 286,533	\$ 286,378
Salaries - Part-Time	1,195	-
Salaries - Overtime	16,540	7,144
Salaries - Sick Leave	14,990	16,543
Salaries - Vacation Leave	25,521	37,730
Salaries - Interdepartmental	11,710	5,217
FICA	26,191	26,138
IMRF	35,111	39,400
Group Hospital Insurance	62,213	63,241
Health Insurance Reimbursement	8,864	16,655
Unemployment Tax	404	368
Equipment Repairs	41,319	34,819
Building Repairs	4,884	1,602
Utilities	16,913	17,626
Insurance and Bonds	61,128	66,650
Communication and Dispatch	3,100	1,912
Training	630	1,202
Safety Materials	7,690	5,448
Janitorial Supplies	2,142	1,699
Clothing Allowance	3,060	5,566
Tools	3,000	2,512
Street Maintenance and Repairs	36,035	9,695
Construction Materials	30,551	11,915
Vehicle Fuel and Lubrications	30,772	21,138
Equipment	8,899	3,934
Street Improvements	260,488	501,818
Storm Drains, Meter Repairs	-	6,883
Street Lights	69,183	69,184
Street Signs	7,767	1,177
Equipment Leases	-	10,805
Miscellaneous	3,690	3,188
Supplies	10,001	7,794
Total Highways and Streets	<u>\$ 1,090,524</u>	<u>\$ 1,285,381</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	<u>2019</u>	<u>2018</u>
Sanitation		
Solid Waste Collection	\$ 777,121	\$ 740,230
Total Sanitation	<u>777,121</u>	<u>740,230</u>
Health		
Postage	<u>100</u>	<u>100</u>
Total Health	<u>100</u>	<u>100</u>
Cultural and Recreation		
Salaries - Community Relations Coordinator	49,962	50,392
Salaries - Sick Leave	2,773	480
Salaries - Vacation Leave	2,526	2,705
FICA	4,163	3,990
IMRF	5,521	5,907
Group Hospital Insurance	21,933	9,620
Unemployment Tax	62	68
Equipment Leases	50	-
Insurance and Bonds	179	178
Communication and Dispatch	971	933
Training	900	750
Office Supplies	88	2,744
Equipment	-	35
Books and Publications	30	30
Information Systems	2,839	552
Community Relations	31,824	20,527
Contributions - Senior Citizens	7,500	7,500
Downtown Enhancement	77,744	89,004
Sister Cities Programs	<u>335</u>	<u>319</u>
Total Cultural and Recreation	<u>209,400</u>	<u>195,734</u>
Capital Outlay		
General Government	-	1,823
Public Safety	153,704	126,912
Highways and Streets	<u>1,059,543</u>	<u>1,066,392</u>
Total Capital Outlay	<u>1,213,247</u>	<u>1,195,127</u>
Total Expenditures - General Fund	<u>\$ 7,185,281</u>	<u>\$ 7,109,017</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	<u>2019</u>	<u>2018</u>
Electric Fund		
Cost of Sales		
Cost of Power	\$ 7,554,181	\$ 7,320,362
Salaries	175,485	189,593
FICA	12,726	13,834
IMRF	7,839	11,951
Group Hospital	34,847	30,789
Health Insurance Reimbursement	4,979	4,297
Unemployment	105	156
Professional Services	269	-
Communications	2,588	2,394
Safety Materials	1,208	1,077
E.P.A. Permits	5,626	5,626
Utilities	28,610	38,955
Clothing Allowances	2,686	2,181
Department Supplies	1,517	2,958
Tools	1,007	135
Vehicle Fuel and Lubrications	22,825	(1,079)
Chemicals	7,080	7,492
Training	540	465
Building Repairs	365	823
Utility System Maintenance	12,803	71,304
Equipment	15	-
Janitorial Supplies	2,875	3,686
Total Cost of Sales	<u>7,880,176</u>	<u>7,706,999</u>
 Distribution		
Salaries	668,534	625,885
FICA	48,704	45,906
IMRF	28,653	46,916
Group Hospital	103,849	94,149
Health Insurance Reimbursement	15,784	16,741
Other Post Employee Benefit	33,413	16,481
Other - IMRF	(14,322)	1,023
Unemployment	524	495
Building Repairs	7,503	995
Machinery Repairs	5,188	45,769
Communications	4,693	3,633
Utilities	22,355	22,077
Clothing Allowances	3,364	4,544
Tools	4,693	6,014
Professional Services	<u>1,464</u>	<u>1,589</u>
 Sub-Total (Carried Forward)	<u>\$ 934,399</u>	<u>\$ 932,217</u>

CITY OF WATERLOO, ILLINOIS
 SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
 YEAR ENDED APRIL 30, 2019
 (WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	<u>2019</u>	<u>2018</u>
Sub-Total Carried Forward	\$ 934,399	\$ 932,217
Distribution (continued)		
Department Supplies	18,652	22,714
Safety Materials	11,862	5,908
Line Materials	67,389	118,073
Training	2,398	2,692
Miscellaneous	220	497
Street Light Materials	61,353	98,768
Equipment	6,109	3,820
Janitorial Supplies	716	1,231
PCB Program	870	395
Vehicle Fuel and Lubrication	16,395	15,208
Repairs and Maintenance	18,460	17,695
Total Distribution	<u>1,138,823</u>	<u>1,219,218</u>
Administrative		
Salaries	147,414	140,731
FICA	10,922	10,458
IMRF	5,136	7,812
Group Hospital	21,820	18,651
Health Insurance Reimbursement	3,031	3,003
Unemployment	243	245
Insurance and Bonds	121,795	127,629
Equipment Rentals	2,001	2,227
Postage	10,589	11,334
Printing and Publishing	1,165	1,360
Professional Services	27,970	23,314
Miscellaneous	2,132	2,344
Office Supplies	3,479	2,845
Information Systems	7,876	6,088
Training	1,369	1,380
Bad Debts	13,920	12,980
Equipment	976	-
Refunds	2,809	-
Administrative - General Fund	<u>576,449</u>	<u>570,375</u>
Total Administrative	<u>961,096</u>	<u>942,776</u>
Depreciation	<u>743,997</u>	<u>713,299</u>
	<u>743,997</u>	<u>713,299</u>
Total Operating Expenses - Electric Fund	<u>\$ 10,724,092</u>	<u>\$ 10,582,292</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	<u>2019</u>	<u>2018</u>
Gas Fund		
Cost of Sales		
Gas Purchased	\$ 1,506,040	\$ 1,344,354
Total Cost of Sales	<u>1,506,040</u>	<u>1,344,354</u>
Distribution		
Salaries	429,868	428,061
FICA	30,835	31,123
IMRF	18,516	30,046
Group Hospital Insurance	91,810	79,964
Health Insurance Reimbursement	13,012	16,542
Other Post Employment Benefit	6,867	8,384
Other - IMRF	(6,236)	185
Unemployment	438	377
Repairs	4,782	4,297
Vehicle Fuel	12,059	11,617
Utilities	14,979	14,287
Communications	5,834	4,809
Training	7,648	1,876
Miscellaneous	805	-
Office Supplies	447	461
Chemicals	3,685	4,243
Line Materials	86,913	41,790
Safety Materials	4,030	4,441
Clothing Allowances	4,533	4,393
Department Supplies	3,373	2,328
Tools	4,003	4,946
Janitorial Supplies	405	-
Other Repairs and Maintenance	17,992	17,369
Equipment and Building	6,510	5,384
Total Distribution	<u>\$ 763,108</u>	<u>\$ 716,923</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	2019	2018
Gas Fund (Continued)		
Administration		
Salaries	\$ 147,424	\$ 140,740
FICA	10,952	10,485
IMRF	5,136	7,812
Group Hospital Insurance	21,820	18,651
Health Insurance Reimbursement	3,031	3,003
Unemployment	243	245
Insurance and Bonds	45,476	45,510
Equipment Rentals	2,077	2,249
Office Supplies	2,993	2,756
Postage	10,535	11,503
Information Systems	7,876	6,088
Memberships and Dues	875	4,219
Miscellaneous	2,548	2,344
Printing and Publishing	1,405	3,924
Professional Services	23,414	29,041
Legal	12,277	-
Training	138	557
Bad Debts	2,110	3,419
Equipment	560	12,828
Administration - General Fund	147,959	132,968
Total Administration	448,849	438,342
Depreciation	165,796	148,327
Total Operating Expenses - Gas Fund	\$ 2,883,793	\$ 2,647,946

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	<u>2019</u>	<u>2018</u>
Water Fund		
Cost of Sales		
Water Purchased	\$ 993,535	\$ 1,005,762
Total Cost of Sales	<u>993,535</u>	<u>1,005,762</u>
Distribution		
Salaries	154,022	166,269
FICA	11,551	12,214
IMRF	7,434	11,550
Group Hospital Insurance	24,380	21,741
Health Insurance Reimbursement	1,026	7,155
Other Post Employment Benefit	29,549	3,347
Other - IMRF	(1,382)	(25)
Unemployment	174	169
Repairs	3,217	2,637
Communications	4,749	3,977
Utilities	10,555	7,601
Miscellaneous	1,000	1,000
Department Supplies	1,622	1,136
Tools	2,728	3,097
Vehicle Fuel and Lubrications	3,327	4,377
Chemicals	4,383	5,835
Safety Materials	1,772	662
Repairs and Maintenance	41,115	45,392
Testing	4,044	4,142
Professional Services	164	-
Clothing Allowance	-	1,430
Training	1,970	1,268
Capital Projects	66,097	25,856
Total Distribution	<u>373,497</u>	<u>330,830</u>
Administration		
Salaries	148,189	140,816
FICA	10,928	10,464
IMRF	5,136	7,812
Group Hospital Insurance	21,820	18,651
Health Insurance Reimbursement	3,031	3,003
Unemployment	243	245
Insurance and Bonds	18,148	19,657
Equipment Rentals	2,077	2,249
Office Supplies	2,957	2,718
Postage	11,005	11,334
Memberships and Dues	83	93
Miscellaneous	2,132	2,344
Printing and Publishing	1,165	1,360
Professional Services	43,351	60,308
Customer Refunds	-	1,669
Information Systems	7,876	6,088
Bad Debts	2,306	2,494
Equipment	976	-
Administration - General Fund	120,096	120,658
Training	94	438
Total Administration	<u>401,613</u>	<u>412,401</u>
Depreciation and Amortization	<u>218,745</u>	<u>210,143</u>
Total Operating Expenses - Water Fund	<u>\$ 1,987,390</u>	<u>\$ 1,959,136</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	2019	2018
Sewer Fund		
Sewer Treatment Plant		
Salaries	\$ 272,316	\$ 265,935
FICA	20,147	19,841
IMRF	11,623	17,905
Group Hospital Insurance	30,616	27,229
Health Insurance Reimbursement	4,526	905
Other Post Employment Benefits	(4,174)	4,041
Other - IMRF	609	2,883
Unemployment	187	205
Building Repairs	10,034	95
Machinery Repairs	80,508	60,396
Utilities	219,706	202,365
Communications	8,156	6,975
Department Supplies	2,138	1,305
Safety Materials	1,401	1,009
Disposal Fees	9,853	2,300
Chemicals	12,033	9,485
Clothing Allowance	1,706	1,651
Tools	638	714
Vehicle Fuels	37	63
Miscellaneous	-	-
Office Supplies	287	200
E.P.A. Permits	17,500	17,500
Janitorial Supplies	464	155
Training	585	465
Total Sewer Treatment Plant	<u>700,896</u>	<u>643,622</u>
Sewer Collection System		
Equipment Lease	-	900
Utilities	74,414	74,054
Equipment Repairs	66,740	25,485
Vehicle Fuels	4,456	3,656
Department Supplies	4,841	7,335
Tools	513	721
Fuels	1,733	1,342
Safety Materials	1,018	233
Repairs and Maintenance	43,071	13,832
Total Sewer Collection System	<u>\$ 196,786</u>	<u>\$ 127,558</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2019
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2018)

	2019	2018
Sewer Fund (Continued)		
Administration		
Salaries	\$ 125,682	\$ 119,475
FICA	9,260	8,834
IMRF	5,136	7,812
Group Hospital Insurance	21,821	18,651
Health Insurance Reimbursement	3,031	3,003
Unemployment	147	132
Insurance and Bonds	37,356	41,566
Equipment Rentals	1,852	1,962
Office Supplies	3,292	2,749
Postage	10,554	11,358
Printing and Publishing	1,165	1,072
Miscellaneous	2,132	2,344
Professional Services	74,897	40,667
Customer Refunds	-	569
Information Systems	7,876	6,088
Bad Debts	2,036	2,481
Equipment	976	-
Administration - General Fund	89,394	89,791
Training	94	438
Total Administration	396,701	358,992
Depreciation	456,354	474,226
Total Operating Expenses - Sewer Fund	\$ 1,750,737	\$ 1,604,398

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF INVESTMENTS
YEAR ENDED APRIL 30, 2019

Governmental Activities	<u>ISSUER</u>	<u>AMOUNT</u>
Capital Improvements Fund		
1 - 3 Year Investment Fund	IMET	\$ 2,301,710
Total Capital Improvements Fund		<u>2,301,710</u>
Total Governmental Activities		<u>2,301,710</u>
Business-Type Activities		
Water Fund		
1 - 3 Year Investment Fund	IMET	<u>2,399,462</u>
Total Water Fund		<u>2,399,462</u>
Sewer Fund		
1 - 3 Year Investment Fund	IMET	<u>2,027,277</u>
Total Sewer Fund		<u>2,027,277</u>
Electric Fund		
1 - 3 Year Investment Fund	IMET	<u>7,803,182</u>
Total Electric Fund		<u>7,803,182</u>
Gas Fund		
1 - 3 Year Investment Fund	IMET	<u>3,972,346</u>
Total Gas Fund		<u>3,972,346</u>
Utility Deposits		
1-3 Year Investment Fund	IMET	<u>310,866</u>
Total Utility Deposits		<u>310,866</u>
Total Business-Type Activities		<u>\$ 16,513,133</u>

SCHEDULE "16" (CONT'D)

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF INVESTMENTS
YEAR ENDED APRIL 30, 2019

Fiduciary Fund Types	ISSUER	AMOUNT
Police Pension		
Equity Mutual Funds		\$ 2,701,657
Corporate Bonds		1,313,743
U.S. Treasury Notes		1,182,340
U.S. Treasury Bonds		363,998
Federal Farm Credit Banks		111,353
Federal Home Loan Bank		206,441
Federal National Mortgage Association		9,888
Total Police Pension		5,889,420
Total Fiduciary Fund Types		5,889,420
Total Investments		\$ 24,704,263

ADDITIONAL INFORMATION

(UNAUDITED)

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

	TAX YEAR		
	2018	2017	2016
Assessed Valuation	<u>\$ 274,108,760</u>	<u>\$ 267,094,823</u>	<u>\$ 260,178,226</u>
Tax Rates (Per \$100 of Assessed Valuation)			
Corporate	0.07061	0.10415	0.10285
Road and Bridge	0.02164	0.02274	0.02378
Municipal Band	0.00905	0.00951	0.00952
Library	0.14457	0.14985	0.14997
Illinois Municipal Retirement	0.05311	0.05580	0.05707
Police Pension	0.21164	0.17275	0.17509
Special Library	<u>0.01928</u>	<u>0.01998</u>	<u>0.01998</u>
	<u>0.52990</u>	<u>0.53478</u>	<u>0.53826</u>
Taxes Extended			
Corporate	\$ 179,502	\$ 251,762	\$ 237,911
Road and Bridge	55,013	54,969	55,008
Municipal Band	23,007	22,989	22,021
Library	367,521	362,233	346,909
Illinois Municipal Retirement	135,014	134,886	132,014
Police Pension	538,024	417,589	405,016
Special library	<u>49,013</u>	<u>48,298</u>	<u>46,217</u>
	<u>\$ 1,347,094</u>	<u>\$ 1,292,726</u>	<u>\$ 1,245,096</u>
Taxes Collected			
Corporate		\$ 251,317	\$ 237,046
Road and Bridge		54,873	54,807
Municipal Band		22,947	21,941
Library		361,593	345,647
Illinois Municipal Retirement		134,647	131,533
Police Pension		416,851	403,542
Special Library		<u>48,212</u>	<u>46,049</u>
		<u>\$ 1,290,440</u>	<u>\$ 1,240,565</u>
Percentage of Extension Collected		<u>99.82%</u>	<u>99.64%</u>

CITY OF WATERLOO, ILLINOIS
ADDITIONAL INFORMATION
REGARDING CUSTOMERS AND INSURANCE
YEAR ENDED APRIL 30, 2019

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	4,583	4,397	4,063	4,817	4,229
End of Year	4,649	4,458	4,113	4,876	4,285

NOTE 2. INSURANCE

The following insurance policies are maintained by the City and are in effect as of April 30, 2019.

A. Illinois Municipal League Risk Management Association

Coverage period: December 31, 2018 to December 31, 2019

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

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	\$8,000,000 each occurrence, each covered member, for all applicable coverages
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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, 2019

PROPERTY COVERAGES

<u>Personal Property/Building</u>	Combined limit: \$30,000,000 any location, each occurrence;
<u>Auto Physical Damage</u>	\$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, 2019

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, 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/ 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	\$ 17,840,542
Gas Utility Property	1,704,298

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

Coverage Period: December 31, 2018 to December 31, 2019

<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