

Financial Statements

April 30, 2020



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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 2020, 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

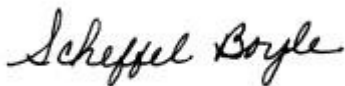
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information, other postemployment benefit information, and budgetary comparison information on pages 3 - 20, and A1 – A23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual major and nonmajor fund financial statements, schedules of expenditures, schedule of investments, schedule of assessed valuation and additional information regarding customers and insurance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual major and nonmajor fund financial statements, schedules of expenditures and schedule of investments are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual major and nonmajor fund financial statements, schedules of expenditures, and schedule of investments are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Columbia, Illinois

December 18, 2020

FINANCIAL SECTION

CITY OF WATERLOO

Management's Discussion and Analysis April 30, 2020

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 21).

Financial Highlights

- The net assets of the City of Waterloo exceeded its liabilities at April 30, 2020 by \$85,064,382. Net assets invested in capital assets (net of depreciation and related debt) account for 71% of this amount, with a value of \$60,093,056. Other restricted assets account for 2% or \$2,008,084. 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 \$4,073,546. Governmental activities resulted in a decrease in net position of \$1,627,938 with expenditures in excess of receipts. Net position from business-type activities increased \$5,701,484 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 \$523,741 for IMRF, and \$4,453,816 for Police Pension on the statement of net position.
- During the fiscal year ended April 30, 2020, 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 post-employment benefit obligation of \$1,386,076 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 \$876,369 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 4/30/20.
- 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. Water treatment facility and transmission design and easements in construction in progress total \$654,708 and \$39,711 respectively at 4/30/20.
- The City of Waterloo purchased land and easements at a cost of \$230,626 for the proposed 2.0-3.25 million gallon water treatment facility for the City of Waterloo.
- The City of Waterloo passed Resolution 19-18, approving an AMI water meter installation contract with Second Sight Systems. During fiscal year 4/30/20, \$209,719 was paid to Second Sight Systems.
- The City of Waterloo passed Resolution 20-01, approving the payoff of a loan with Illinois Environmental Protection Agency- Bureau of Water for the construction of the sewer treatment plant. The payoff was completed on January 24, 2020 for \$5,557,975. \$3,000,000 was transferred from the Capital Improvement Fund and \$700,000 was borrowed from the Electric Fund to assist the payoff.
- The City of Waterloo received a credit of \$318,985 as a result of the MRT rate case settlement and is reflected as other income. At fiscal year end 4/30/20, \$265,470 of the credit is shown as receivable.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,299,599, 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, 2020, 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, 2020.

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 \$85,064,382 at April 30, 2020. 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$12,203,749	\$14,526,083	\$22,338,460	\$22,768,490	\$34,542,209	\$37,294,573
Non-Current Assets	<u>15,918,505</u>	<u>16,114,046</u>	<u>44,174,551</u>	<u>43,547,464</u>	<u>60,093,056</u>	<u>59,661,510</u>
Total Assets	<u>\$28,122,254</u>	<u>\$30,640,129</u>	<u>\$66,513,011</u>	<u>\$66,315,954</u>	<u>\$94,635,265</u>	<u>\$96,956,083</u>
Deferred Outflows of Resources	<u>\$ 3,232,952</u>	<u>\$ 882,666</u>	<u>\$ 1,390,214</u>	<u>\$ 1,876,587</u>	<u>\$ 4,623,166</u>	<u>\$ 2,759,253</u>
Long-term Liabilities	\$ 5,922,173	\$ 4,954,384	\$ 1,435,857	\$ 7,674,766	\$ 7,358,030	\$12,629,150
Other Liabilities	<u>696,485</u>	<u>659,775</u>	<u>1,456,405</u>	<u>1,852,242</u>	<u>2,152,890</u>	<u>2,512,017</u>
Total Liabilities	<u>\$6,618,658</u>	<u>\$5,614,159</u>	<u>\$ 2,892,262</u>	<u>\$ 9,527,008</u>	<u>\$ 9,510,920</u>	<u>\$15,141,167</u>
Deferred Inflows of Resources	<u>\$3,087,410</u>	<u>\$2,631,560</u>	<u>\$ 1,595,719</u>	<u>\$ 951,773</u>	<u>\$ 4,683,129</u>	<u>\$ 3,583,333</u>
Net Position:						
Invested in Capital Assets, net of related debt	15,918,505	16,114,046	44,174,551	37,727,245	60,093,056	53,841,291
Restricted	2,008,084	1,935,004	-	-	2,008,084	1,935,004
Unrestricted	<u>3,722,549</u>	<u>5,228,026</u>	<u>19,240,693</u>	<u>19,986,515</u>	<u>22,963,242</u>	<u>25,214,541</u>
Total Net Position	<u>\$21,649,138</u>	<u>\$23,277,076</u>	<u>\$63,415,244</u>	<u>\$57,713,760</u>	<u>\$85,064,382</u>	<u>\$80,990,836</u>

The City of Waterloo's total assets are \$94,635,265 as of April 30, 2020. Of this amount, \$60,093,056 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, \$28,622,824 is accounted for in cash, cash equivalents, and pooled investments, \$ 5,281,390 in accounts, taxes, and other receivable, and \$637,995 in miscellaneous assets.

Deferred outflows of resources at April 30, 2020 is \$4,623,166 as a result of the inclusion of obligations related to pensions and other post employment benefits.

As of April 30, 2020, the City had outstanding liabilities of \$9,510,920 consisting of \$1,889,316 in accounts payable, \$994,397 in accrued liabilities, \$263,574 in deposits payable to customers, \$1,386,076 in other post employment benefit obligation, and \$4,977,557 in net pension liability.

Deferred inflows of resources at April 30, 2020 is \$4,683,129 with \$3,285,580 related to pensions and \$1,397,549 in unavailable property tax revenue.

The largest portion of the City's net position (70.6 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 (27.0 percent) may be used to meet the City's ongoing obligations to its citizens and creditors for all activities.

At April 30, 2020, 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Program Revenues:						
Charges for services	\$ 1,755,528	\$ 1,775,901	\$19,272,930	\$19,780,041	\$21,028,458	\$21,555,942
Operating grants and contributions	1,715	1,381	-	-	1,715	1,381
Capital grants and contributions	-	-	-	-	-	-
General Revenues:						
Property taxes	1,310,244	1,413,088	-	-	1,310,244	1,413,088
Intergovernmental revenues	4,685,332	4,351,959	-	-	4,685,332	4,351,959
Utility taxes	747,098	812,677	-	-	747,098	812,677
Other	637,354	721,218	816,213	429,835	1,453,567	1,151,053
Total Revenues	<u>9,137,271</u>	<u>9,076,224</u>	<u>20,089,143</u>	<u>20,209,876</u>	<u>29,226,414</u>	<u>29,286,100</u>
Expenses:						
General government	1,319,344	1,280,363	-	-	1,319,344	1,280,363
Public safety	1,911,824	3,418,641	-	-	1,911,824	3,418,641
Highways and streets	2,758,137	2,553,216	-	-	2,758,137	2,553,216
Sanitation	821,099	777,121	-	-	821,099	777,121
Health	100	100	-	-	100	100
Culture and recreation	736,754	745,789	-	-	736,754	745,789
Interest and other charges on long-term debt	-	-	-	-	-	-
Electric fund	-	-	10,860,872	10,724,092	10,860,872	10,724,092
Gas fund	-	-	2,707,188	2,883,793	2,707,188	2,883,793
Water fund	-	-	2,151,326	1,987,390	2,151,326	1,987,390
Sewer fund	-	-	1,886,224	1,904,175	1,886,224	1,904,175
Total Expenses	<u>7,547,258</u>	<u>8,775,230</u>	<u>17,605,610</u>	<u>17,499,450</u>	<u>25,152,868</u>	<u>26,274,680</u>
Transfer of Funds	(3,217,951)	(435,902)	3,217,951	435,902	-	-
Increase (decrease) in net assets	(1,627,938)	(134,908)	5,701,484	3,146,328	4,073,456	3,011,420
Net position– beginning	<u>23,277,076</u>	<u>23,411,984</u>	<u>57,713,760</u>	<u>54,567,432</u>	<u>80,990,836</u>	<u>77,979,416</u>
Net position – ending	<u>\$21,649,138</u>	<u>\$23,277,076</u>	<u>\$63,415,244</u>	<u>\$57,713,760</u>	<u>\$85,064,832</u>	<u>\$80,990,836</u>

Total revenues for the City of Waterloo were \$29,226,414 for the year ended April 30, 2020. Governmental activities provided \$9,137,271 (31.3 percent), while \$20,089,143 (68.7 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

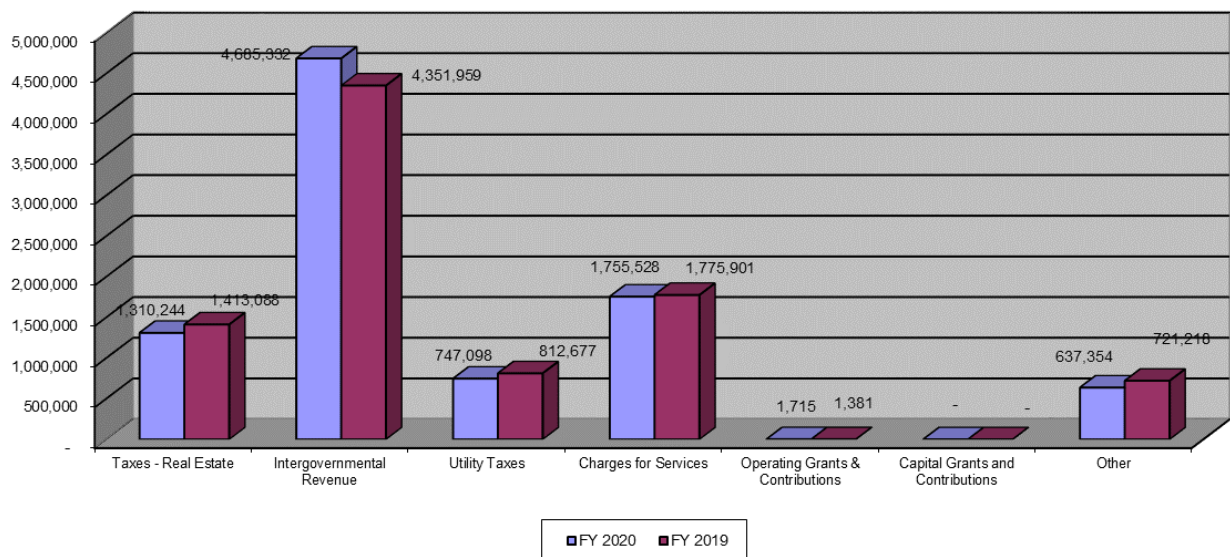
As noted earlier, the City of Waterloo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a financial analysis of the City's governmental and proprietary funds.

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, 2020		April 30, 2019		Increases/Decreases	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes – Real Estate	\$ 1,310,244	14.34%	\$ 1,413,088	15.57%	\$ (102,844)	(7.28)%
Intergovernmental Revenue	4,685,332	51.28	4,351,959	47.95	333,373	7.66
Utility Taxes	747,098	8.18	812,677	8.95	(65,579)	(8.07)
Charges for Services	1,755,528	19.21	1,775,901	19.56	(20,373)	(1.15)
Operating Grants and Contributions	1,715	.02	1,381	.02	334	24.19
Capital Grants and Contributions	-	-	-	-	-	-
Other	637,354	6.97	721,218	7.95	(83,864)	(11.63)
Total Revenues	9,137,271	100.00%	9,076,224	100.00%	61,047	0.67



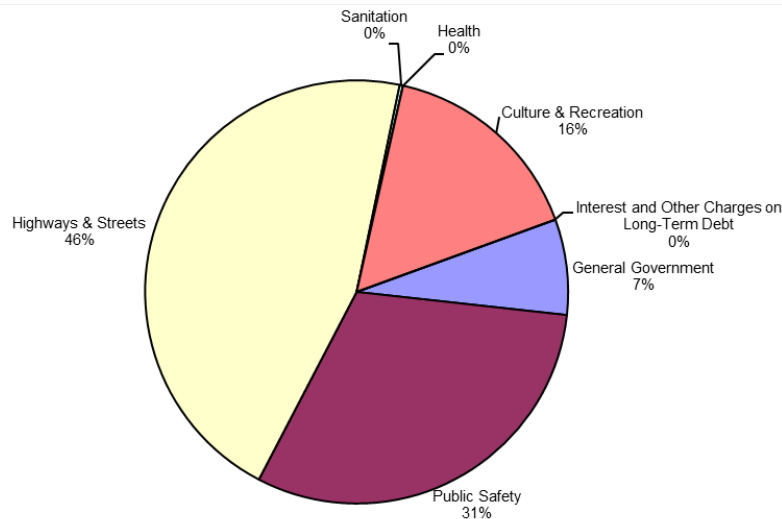
- Real estate taxes** - This consists of real estate tax receipts received in 2020 for corporate, road and bridge, IMRF & FICA, police pension, band, and library purposes for the 2018 tax year. The 2019 real estate tax rate was .51772%, down from the 2018 real estate tax rate of .52990%. Under PTELL, 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 7.66% from the previous year. Intergovernmental revenue includes sales tax, business district sales tax, state income tax, state replacement tax, video gaming, cannabis use tax and motor fuel tax.
 - Sales taxes were \$2,364,054, an increase of 4.62% from the previous year.
 - A Business District was formed in January 2008 and \$66,614 was collected in the Business District Tax Fund, a decrease of 27.27% from the previous year as no tax was collected from January 1, 2020 through April 30, 2020 with the Amendment to the Business District term.
 - State income taxes were \$1,458,494, a decrease of 0.20% from the previous year.
 - Video gaming began in January 2013 in which the City received \$129,930 from video gaming, an increase of 5.82% from the previous year.
 - Cannabis use tax began in January 2020 in which the City received \$2,689 from cannabis use tax during the fiscal year.
 - Motor fuel taxes and state replacement taxes were \$663,551, an increase of 59.33% from the previous year.
- **Utility taxes** – Down overall 8.07% from the previous year. This consists of a municipal electric tax \$305,242 (5.61% decrease), which is a step-rate based on kilowatt hour usage, a 5% municipal tax on gas and water usage \$230,106 (4.01% decrease), and other utility tax revenue \$211,750 (15.16% 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** – Down overall 1.15% from the previous year. This consists of charges for refuse collection \$836,539 (5.48% increase), a utility franchise charge from the business-type activities \$876,369 (6.16% decrease), court fines \$42,620 (12.95% 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** – Down overall 11.63% from the previous year. This consists of licenses and permits \$295,005 (13.53% increase), which includes building and other permits, inspection fees, liquor licenses, and franchise license fees. The remaining is interest income and investment income \$207,136 (11.30% decrease) and miscellaneous income \$135,213 (40.65% decrease).

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, 2020



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.

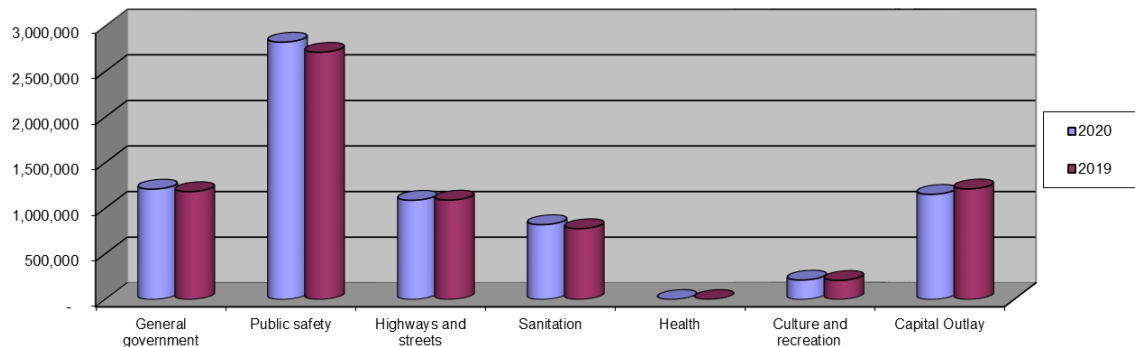
- **Health** includes any expenditure for health related issues.
- **Culture and recreation** includes expenditures of the municipal band and library. It also includes support towards community relations programs, the sister cities program and other senior citizen programs.
- **Interest and other charges 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, 2020, unreserved fund balance of the General Fund was \$7,299,599. Total assets in the General Fund amounted to \$9,860,180, accounting for 80.48% of total governmental fund assets.

CITY OF WATERLOO'S GENERAL FUND

	2020	2019	Variance
REVENUES:			
Taxes – Real Estate	\$ 845,221	\$ 954,897	\$ (109,676)
Intergovernmental	4,093,819	3,989,341	104,478
Utility Taxes	747,098	812,677	(65,579)
Charges for services	1,712,908	1,726,940	(14,032)
Licenses and permits	295,005	259,852	35,153
Fines	42,620	48,961	(6,341)
Grants	1,715	1,381	334
Miscellaneous	111,980	94,832	17,148
Interest	136,478	154,882	(18,404)
Investment Income	54,758	61,153	(6,395)
TOTAL REVENUES	8,041,602	8,104,916	(63,314)
EXPENDITURES:			
General government	1,211,418	1,183,548	27,870
Public safety	2,823,095	2,712,022	111,073
Highways and streets	1,088,471	1,090,524	(2,053)
Sanitation	821,099	777,121	43,978
Health	100	100	-
Culture and recreation	213,467	209,400	4,067
Capital Outlay	1,153,622	1,268,056	(114,434)
TOTAL EXPENDITURES	7,311,272	7,240,771	70,501
EXCESS OF REVENUES OVER EXPENDITURES	730,330	864,145	(133,815)
OTHER FINANCING SOURCES (USES):			
Transfers	(3,217,951)	(435,902)	(2,782,049)
NET CHANGE IN FUND BALANCES	\$ (2,487,621)	\$ 428,243	\$ (2,915,864)

City of Waterloo General Fund Expenditures



General Fund Budgetary Highlights

The General Fund budget is approximately 8.3 million dollars. Differences between the original budget and the final budget were \$401,940, about a 4.85% difference. The difference includes an increase in revenue appropriations of \$189,590 and a decrease in expense appropriations of \$212,350. During the year, some revenue and expenditures were less than budgetary estimates.

Overruns exceeding \$5,000 are summarized below:

- Additional \$12,814 in equipment in the Building department.
- Additional \$8,190 in professional services in the Zoning/Building Inspector department.
- Additional \$6,873 was expended in PEDA salaries in the Police department.
- Additional \$34,195 was expended in sick leave in the Police department.
- Additional \$18,315 was expended in vacation leave in the Police department.
- Additional \$12,383 in downtown enhancement in Social Services.
- Additional \$6,585 was expended in equipment repairs in the Street department.
- Additional \$8,889 was expended in equipment in the Street department.

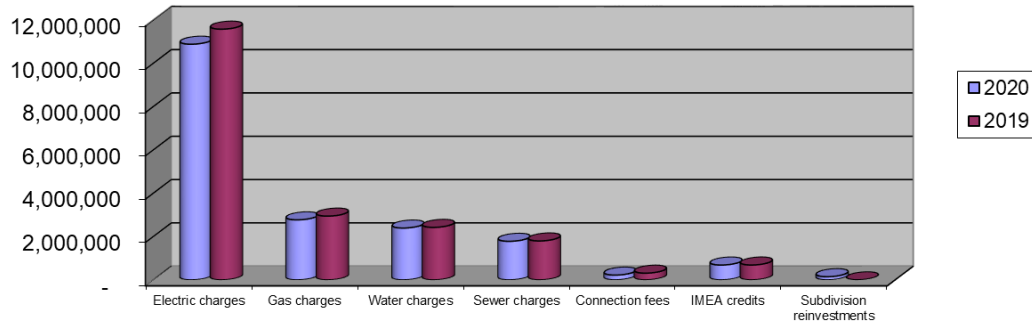
These overruns were offset by unused appropriations for alderman salaries of \$10,494, training of \$12,110, and miscellaneous of \$5,762 in the legislative department; unused appropriations of \$13,258 of health insurance, and \$5,470 for tourism in the finance department; unused appropriations of \$21,653 for equipment rental and service in the building department; unused appropriations of \$73,322 of legal services; and unused appropriations of \$6,265 for professional services in the records department. Unused appropriations in the police department include \$94,863 of regular salaries \$5,713 of part-time salaries, \$5,653 of holiday, \$34,261 of health insurance, \$10,379 of FICA, \$8,970 for vehicle maintenance and repair, \$9,834 of training, \$10,874 of insurance and bonds, \$11,035 in new equipment \$73,698 of vehicle equipment, and \$6,795 of DUI fund expenditures. Unused appropriations in the street department include \$8,750 of salaries, \$12,949 of overtime salaries. Other unused appropriations in the street department include \$17,587 of street maintenance and repairs, \$29,494 in vehicle equipment, \$6,549

in street improvements, \$36,416 in storm drains and \$1,164,445 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

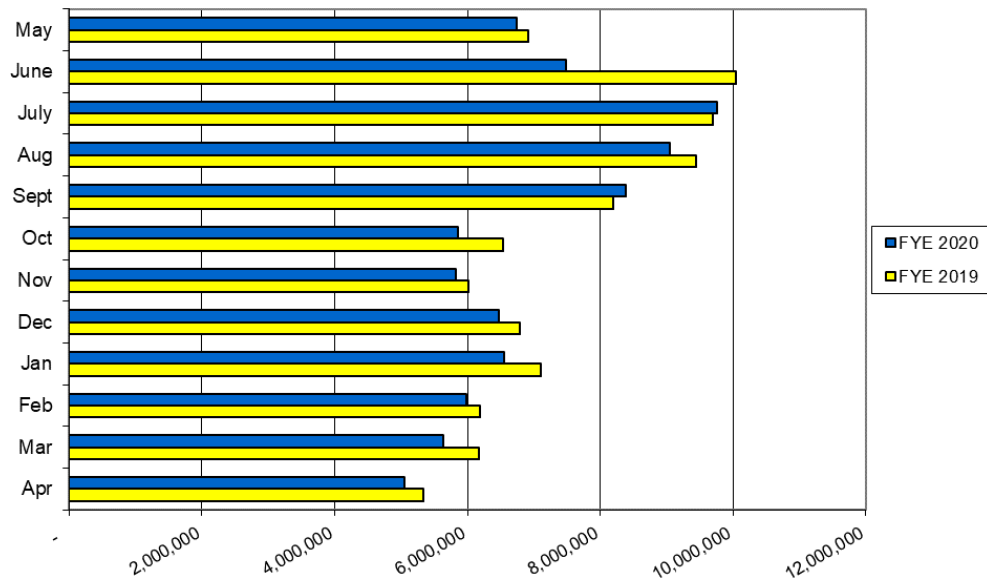
Proprietary Funds Revenue

The business-type activities (electric, gas, water, and sewer fund) operating revenues for year ended April 30, 2020 were \$18,877,693, down 4.36% from last year. Charges for services were \$17,826,250, a 4.89% decrease from last year. Connection fees were 28.86% 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 less than the previous year. Subdivision reinvestments received for utilities installed in their respective developments was \$146,160 compared to \$200 received in the previous year.



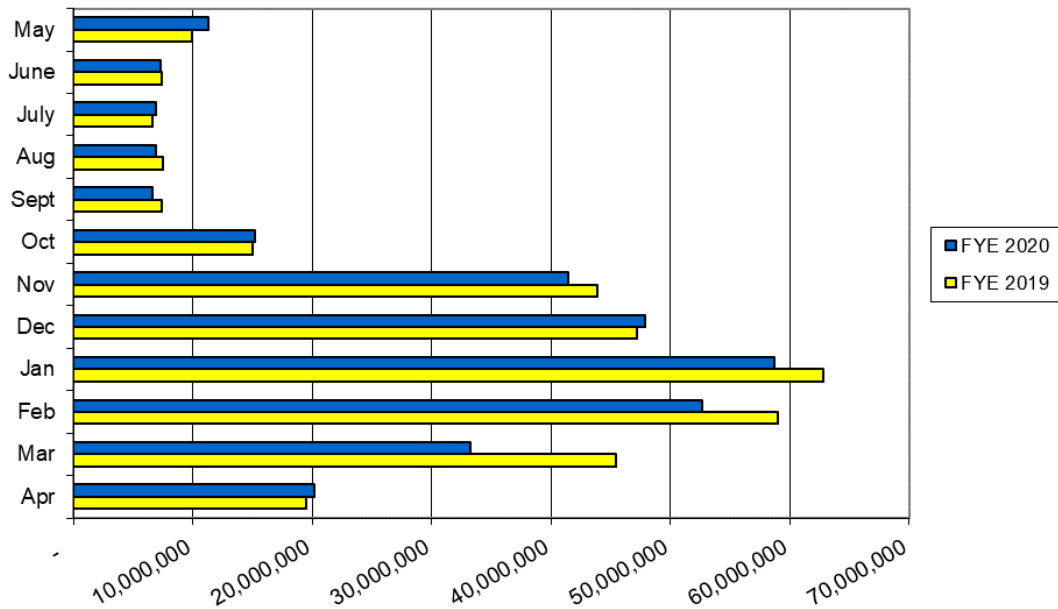
Electric charges for services decreased 6.01% from the prior year, with a 6.37% decrease in the consumption of kilowatt hours (excluding demand).

Electric – Kilowatt Hours Billed (Excludes Demand)



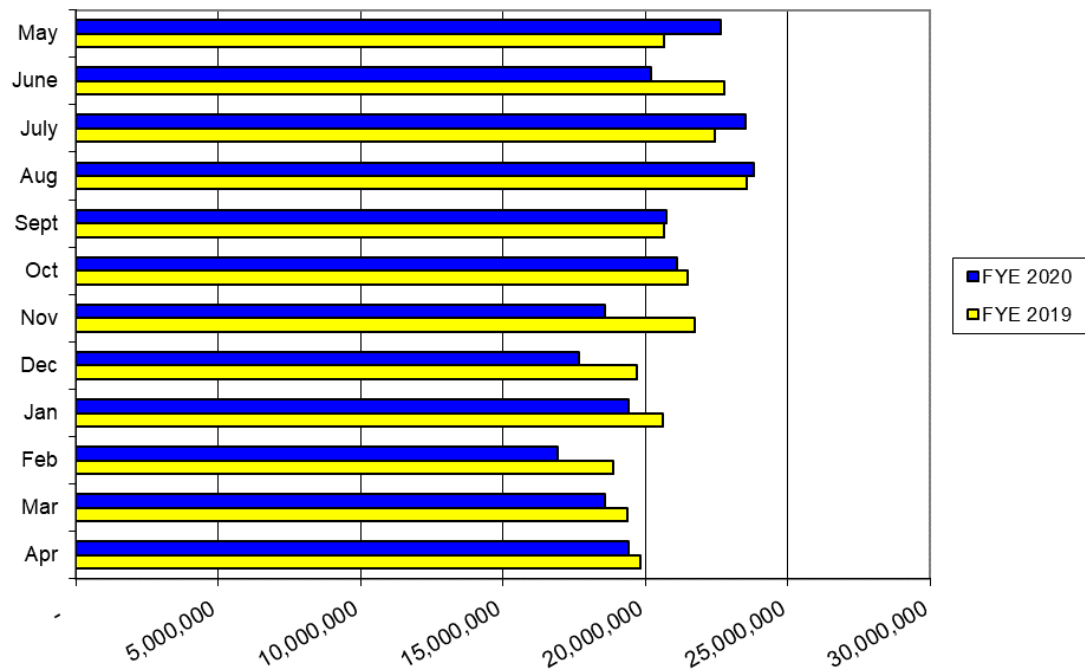
Gas charges for services decreased 5.87% from the prior year, with a 7.06% decrease in the consumption of cubic feet of natural gas.

Gas – Cubic Feet Billed



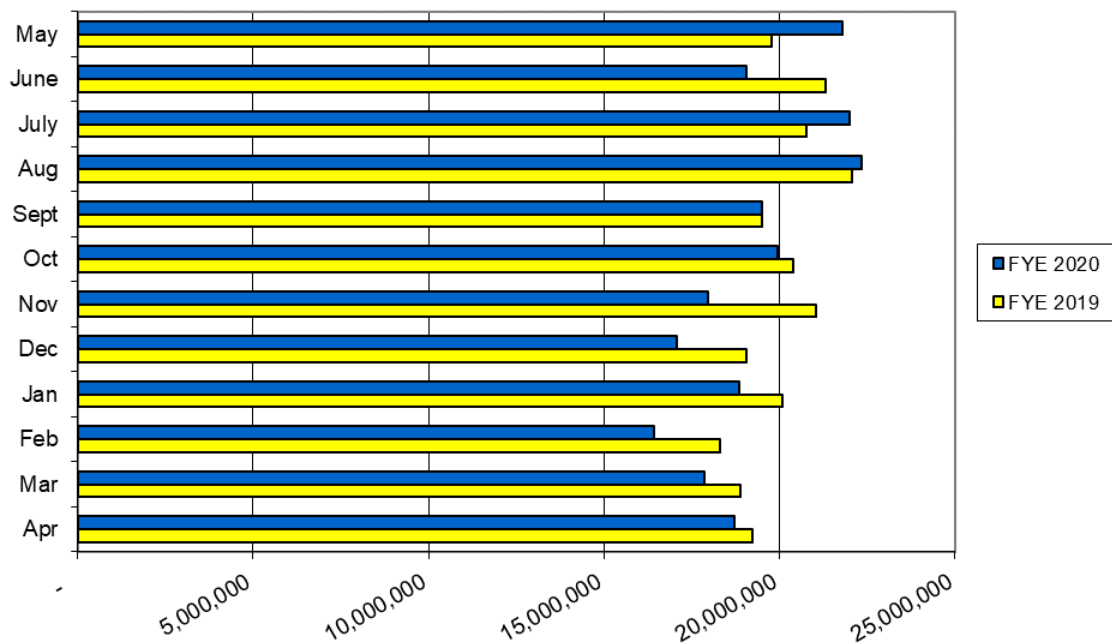
Water charges for services decreased 1.28% from the prior year with a 3.56% decrease in gallons billed.

Water – Gallons Billed



Sewer charges for services decreased from the prior year, 0.92%. Since sewer is based on gallons of water consumed, there was also a decrease in consumption of 3.73% from the prior year.

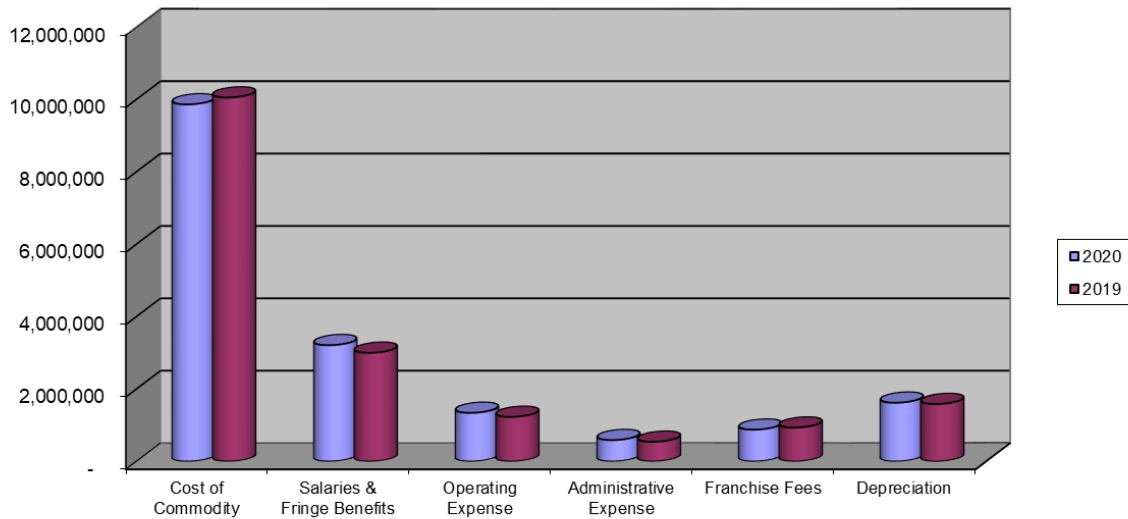
Sewer – Gallons Billed



Proprietary Funds Expenses

The operating expenses of the proprietary funds for the fiscal year ended April 30, 2020 were \$17,502,510 up 0.90% from last year. Overall, the cost of electric, gas, and water purchased from an outside party decreased from last year by \$189,716. However, salaries and fringe benefits increased \$210,426 and operating expenses increased

\$110,895 from the prior year. Administrative expenses increased \$45,911 from the prior year. Franchise fees decreased \$57,058 from the prior year due to the decrease in charges for utilities. Finally, depreciation expense increased \$36,040.



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, 2020, amounts to \$60,093,056 (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:

- Mobile radios at a cost of \$31,563, software at a cost of \$24,456 and equipment for new vehicles at a cost of \$8,302 were purchased in the Police department.
- Dump Truck at a cost of \$105,506 and lawnmower at a cost of \$10,516 were purchased by the street department.
- Street improvements include Sterritt Run and Quail Run subdivision asphalt overlay at a cost of \$681,633.
- 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 \$52,578.
- Land was purchased at a cost of \$230,626 for the new water treatment plant.
- Water meters and AMI modules at a cost of \$863,822 were capitalized.
- Lift station alarms were upgraded at a cost of \$21,749.
- A pickup truck was purchased in the Sewer department at a cost of \$31,270.
- Sewer line replacements were installed at a cost of \$136,380.

- The purchase of electric meters, transformers, and poles accounted for \$131,021 invested into the electrical system of the City of Waterloo.
- A new roof at the power plant was installed at a cost of \$41,150.
- The multi-purpose trail along Route 3 was improved by adding lighting at a cost of \$100,196.
- Gas meters, indexes, and AMI modules at a cost of \$148,595 were capitalized.
- 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

The City of Waterloo's total debt decreased \$5,820,219 during the fiscal year ended April 30, 2020. The City elected to retire the EPA Loan on the construction of the sewer treatment plant.

Requests for Information

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

CITY OF WATERLOO, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	GOVERNMENTAL BUSINESS-TYPE		
	ACTIVITIES	ACTIVITIES	TOTAL
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 9,603,747	\$ 4,187,900	\$ 13,791,647
Certificates of Deposit	24,366	-	24,366
Investments	-	14,806,811	14,806,811
Taxes Receivable	804,852	-	804,852
Accounts Receivable, Net	255,953	2,823,036	3,078,989
Inventories	-	405,030	405,030
Prepays	117,282	115,683	232,965
Real Estate Taxes Receivable, Net	1,397,549	-	1,397,549
Total Current Assets	12,203,749	22,338,460	34,542,209
NON-CURRENT ASSETS:			
Capital Assets:			
Land and Construction in Progress	1,959,303	3,851,224	5,810,527
Other Capital Assets, Net of Accumulated Depreciation	13,959,202	40,323,327	54,282,529
Total Non-Current Assets	15,918,505	44,174,551	60,093,056
Total Assets	28,122,254	66,513,011	94,635,265
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	3,167,707	1,359,043	4,526,750
Related Other Post-Employment Benefits	65,245	31,171	96,416
	3,232,952	1,390,214	4,623,166
LIABILITIES AND DEFERRED INFLOW OF RESOURCES			
CURRENT LIABILITIES:			
Accounts Payable	509,541	1,058,025	1,567,566
Deferred Grant Revenue	58,727	-	58,727
Wages and Benefits Payable	128,217	134,806	263,023
Consumer Deposits	-	263,574	263,574
Total Current Liabilities	696,485	1,456,405	2,152,890
NON-CURRENT LIABILITIES:			
Other Post-Employment Benefit Obligation	937,974	448,102	1,386,076
Compensated Absences	377,660	616,737	994,397
Net Pension Liability	4,606,539	371,018	4,977,557
Total Non-Current Liabilities	5,922,173	1,435,857	7,358,030
Total Liabilities	6,618,658	2,892,262	9,510,920
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	1,689,861	1,595,719	3,285,580
Unavailable Revenue - Property Taxes	1,397,549	-	1,397,549
Total Deferred Inflows of Resources	3,087,410	1,595,719	4,683,129
NET POSITION			
NET POSITION:			
Net Investment in Capital Assets	15,918,505	44,174,551	60,093,056
Restricted Net Position	2,008,084	-	2,008,084
Unrestricted Net Position	3,722,549	19,240,693	22,963,242
Total Net Position	\$ 21,649,138	\$ 63,415,244	\$ 85,064,382

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2020

	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
FUNCTION/PROGRAMS:							
General Government	\$ 1,319,344	\$ 876,369	\$ 1,715	\$ -	\$ (441,260)	\$ -	\$ (441,260)
Public Safety	1,911,824	42,620	-	-	(1,869,204)	-	(1,869,204)
Highways and Streets	2,758,137	-	-	-	(2,758,137)	-	(2,758,137)
Sanitation	821,099	836,539	-	-	15,440	-	15,440
Health	100	-	-	-	(100)	-	(100)
Culture and Recreation	736,754	-	-	-	(736,754)	-	(736,754)
Total Governmental Activities	7,547,258	1,755,528	1,715	-	(5,790,015)	-	(5,790,015)
BUSINESS-TYPE ACTIVITIES:							
Electric Fund	10,860,872	11,772,572	-	-	-	911,700	911,700
Gas Fund	2,707,188	3,149,594	-	-	-	442,406	442,406
Water Fund	2,151,326	2,445,866	-	-	-	294,540	294,540
Sewer Fund	1,886,224	1,904,898	-	-	-	18,674	18,674
Total Business-Type Activities	17,605,610	19,272,930	-	-	-	1,667,320	1,667,320
Totals	\$ 25,152,868	\$ 21,028,458	\$ 1,715	\$ -	(5,790,015)	1,667,320	(4,122,695)
GENERAL REVENUES:							
Taxes - Real Estate					1,310,244	-	1,310,244
Intergovernmental					4,685,332	-	4,685,332
Utility Taxes					747,098	-	747,098
Licenses and Permits					295,005	-	295,005
Miscellaneous					135,213	-	135,213
Interest Income					152,378	22,533	174,911
Investment Income					54,758	793,680	848,438
Transfers					(3,217,951)	3,217,951	-
Total General Revenues					4,162,077	4,034,164	8,196,241
Change in Net Position					(1,627,938)	5,701,484	4,073,546
Net Position, Beginning of Year					23,277,076	57,713,760	80,990,836
Net Position, End of Year					\$ 21,649,138	\$ 63,415,244	\$ 85,064,382

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
APRIL 30, 2020

<u>ASSETS</u>	<u>GENERAL</u>	OTHER GOVERNMENTAL <u>FUNDS</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$ 7,798,002	\$ 1,805,745	\$ 9,603,747
Certificates of Deposit	-	24,366	24,366
Taxes Receivable	772,602	32,250	804,852
Accounts Receivable, Net	255,953	-	255,953
Due from Other Funds	1,754	-	1,754
Prepays	117,282	-	117,282
Real Estate Taxes Receivable, Net	<u>914,587</u>	<u>482,962</u>	<u>1,397,549</u>
 Total Assets	 <u>\$ 9,860,180</u>	 <u>\$ 2,345,323</u>	 <u>\$ 12,205,503</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>			
LIABILITIES:			
Accounts Payable	\$ 473,232	\$ 36,309	\$ 509,541
Deferred Grant Revenue	-	58,727	58,727
Due to Other Funds	-	1,754	1,754
Wage and Benefits Payable	<u>128,217</u>	<u>-</u>	<u>128,217</u>
 Total Liabilities	 <u>601,449</u>	 <u>96,790</u>	 <u>698,239</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	<u>914,587</u>	<u>482,962</u>	<u>1,397,549</u>
 Total Deferred Inflows of Resources	 <u>914,587</u>	 <u>482,962</u>	 <u>1,397,549</u>
FUND BALANCE:			
Nonspendable:			
Prepays	117,282	-	117,282
Restricted for:			
Hotel/Motel Tax	125,231	-	125,231
Culture and Recreation	-	838,837	838,837
Motor Fuel Tax	-	926,734	926,734
Committed for:			
IMRF Pension Plan	450,299	-	450,299
Capital Improvements	351,733	-	351,733
Unassigned:			
General Fund	<u>7,299,599</u>	<u>-</u>	<u>7,299,599</u>
 Total Fund Balance	 <u>8,344,144</u>	 <u>1,765,571</u>	 <u>10,109,715</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 <u>\$ 9,860,180</u>	 <u>\$ 2,345,323</u>	 <u>\$ 12,205,503</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, 2020

Total fund balance - total governmental funds	\$ 10,109,715
Capital assets of \$42,304,531 net of accumulated depreciation of \$26,386,026, are not financial resources and, therefore are not reported in the funds	15,918,505
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)	(872,729)
Compensated absences	(377,660)
Net pension liability (net of deferred outflows and inflows of resources)	(3,128,693)
Net position of governmental activities	\$ <u>21,649,138</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, 2020

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES:			
Taxes - Real Estate	\$ 845,221	\$ 465,023	\$ 1,310,244
Intergovernmental	4,093,819	591,513	4,685,332
Utility Taxes	747,098	-	747,098
Charges for Services	1,712,908	-	1,712,908
Licenses and Permits	295,005	-	295,005
Fines	42,620	-	42,620
Grants	1,715		1,715
Miscellaneous	111,980	23,233	135,213
Interest	136,478	15,900	152,378
Investment Income	54,758	-	54,758
Total Revenues	<u>8,041,602</u>	<u>1,095,669</u>	<u>9,137,271</u>
EXPENDITURES:			
Current			
General Government	1,211,418	-	1,211,418
Public Safety	2,823,095	-	2,823,095
Highways and Streets	1,088,471	320,211	1,408,682
Sanitation	821,099	-	821,099
Health	100	-	100
Culture and Recreation	213,467	474,726	688,193
Capital Outlay	1,153,622	225,978	1,379,600
Total Expenditures	<u>7,311,272</u>	<u>1,020,915</u>	<u>8,332,187</u>
Excess of Revenues	730,330	74,754	805,084
Other Financing (Uses)			
Transfers (Out)	<u>(3,217,951)</u>	<u>-</u>	<u>(3,217,951)</u>
Net Change in Fund Balance	(2,487,621)	74,754	(2,412,867)
Fund Balance, Beginning of Year	<u>10,831,765</u>	<u>1,690,817</u>	<u>12,522,582</u>
Fund Balance, End of Year	<u>\$ 8,344,144</u>	<u>\$ 1,765,571</u>	<u>\$ 10,109,715</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, 2020

Net change in fund balance - total governmental funds	\$ (2,412,867)
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 \$1,575,141 exceeded capital outlay \$1,379,600 in the current period.	(195,541)
Changes in 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.	(44,218)
Changes in 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.	66,983
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>957,705</u>
Change in net position of governmental activities	<u>\$ (1,627,938)</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
APRIL 30, 2020

<u>ASSETS</u>	<u>ENTERPRISE FUNDS</u>					<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	\$ 2,200,155	\$ 779,501	\$ 529,821	\$ 606,495	\$ 71,928	\$ 4,187,900
Investments	8,197,321	4,172,990	1,519,407	590,526	326,567	14,806,811
Accounts Receivable, Net	1,396,231	762,649	379,957	284,199	-	2,823,036
Due from Other Funds	700,000	1,000	-	-	-	701,000
Inventories	300,000	29,000	48,830	27,200	-	405,030
Prepays	72,393	12,957	9,829	20,504	-	115,683
Total Current Assets	<u>12,866,100</u>	<u>5,758,097</u>	<u>2,487,844</u>	<u>1,528,924</u>	<u>398,495</u>	<u>23,039,460</u>
NON-CURRENT ASSETS:						
Capital Assets, Net	19,688,008	4,962,525	7,371,876	12,152,142	-	44,174,551
Total Non-Current Assets	<u>19,688,008</u>	<u>4,962,525</u>	<u>7,371,876</u>	<u>12,152,142</u>	<u>-</u>	<u>44,174,551</u>
Total Assets	<u>32,554,108</u>	<u>10,720,622</u>	<u>9,859,720</u>	<u>13,681,066</u>	<u>398,495</u>	<u>67,214,011</u>
DEFERRED OUTFLOWS OF RESOURCES:						
Related to Pensions	591,271	333,346	186,966	247,460	-	1,359,043
Related to Other Post Employment Benefits	15,056	9,299	3,396	3,420	-	31,171
Total Deferred Outflows of Resources	<u>606,327</u>	<u>342,645</u>	<u>190,362</u>	<u>250,880</u>	<u>-</u>	<u>1,390,214</u>
LIABILITIES						
CURRENT LIABILITIES:						
Accounts Payable	572,419	44,771	413,674	27,161	-	1,058,025
Wages and Benefits Payable	60,418	39,905	12,577	21,906	-	134,806
Due to Other Funds	-	-	1,000	700,000	-	701,000
Consumer Deposits	22,999	-	-	-	240,575	263,574
Total Current Liabilities	<u>655,836</u>	<u>84,676</u>	<u>427,251</u>	<u>749,067</u>	<u>240,575</u>	<u>2,157,405</u>
NON-CURRENT LIABILITIES:						
Net Pension Liability	161,627	90,921	51,117	67,353	-	371,018
Other Post-Employment Benefit Obligation	216,441	133,681	48,817	49,163	-	448,102
Compensated Absences	233,602	141,668	88,355	153,112	-	616,737
Total Non-Current Liabilities	<u>611,670</u>	<u>366,270</u>	<u>188,289</u>	<u>269,628</u>	<u>-</u>	<u>1,435,857</u>
Total Liabilities	<u>1,267,506</u>	<u>450,946</u>	<u>615,540</u>	<u>1,018,695</u>	<u>240,575</u>	<u>3,593,262</u>
DEFERRED INFLOWS OF RESOURCES:						
Related to Pensions	695,142	391,046	219,851	289,680	-	1,595,719
NET POSITION						
NET POSITION:						
Net Investment in Capital Assets	19,688,008	4,962,525	7,371,876	12,152,142	-	44,174,551
Unrestricted Net Position	<u>11,509,779</u>	<u>5,258,750</u>	<u>1,842,815</u>	<u>471,429</u>	<u>157,920</u>	<u>19,240,693</u>
Total Net Position	<u>\$ 31,197,787</u>	<u>\$ 10,221,275</u>	<u>\$ 9,214,691</u>	<u>\$ 12,623,571</u>	<u>\$ 157,920</u>	<u>\$ 63,415,244</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, 2020

	ENTERPRISE FUNDS					
	<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>SEWER</u>	<u>UTILITY DEPOSITS</u>	<u>TOTAL</u>
OPERATING REVENUES:						
Charges for Services	\$ 10,881,501	\$ 2,771,173	\$ 2,393,058	\$ 1,780,518	\$ -	\$ 17,826,250
Connection Fees	47,630	27,900	32,585	112,422	-	220,537
IMEA Credits	684,746	-	-	-	-	684,746
Subdivision Reinvestments	126,480	19,680	-	-	-	146,160
Total Operating Revenues	<u>11,740,357</u>	<u>2,818,753</u>	<u>2,425,643</u>	<u>1,892,940</u>	<u>-</u>	<u>18,877,693</u>
OPERATING EXPENSES:						
Cost of Sales	7,935,712	1,282,121	1,007,887	-	-	10,225,720
Distribution	1,185,432	771,469	535,431	-	-	2,492,332
Treatment	-	-	-	736,375	-	736,375
Collection	-	-	-	160,848	-	160,848
Administration	976,669	472,162	375,356	442,116	-	2,266,303
Depreciation	763,059	181,436	232,652	443,785	-	1,620,932
Total Operating Expenses	<u>10,860,872</u>	<u>2,707,188</u>	<u>2,151,326</u>	<u>1,783,124</u>	<u>-</u>	<u>17,502,510</u>
Operating Income	<u>879,485</u>	<u>111,565</u>	<u>274,317</u>	<u>109,816</u>	<u>-</u>	<u>1,375,183</u>
NON-OPERATING REVENUES (EXPENSES):						
Interest Income	12,683	2,930	1,440	4,954	526	22,533
Investment Income	394,140	200,644	119,945	63,250	15,701	793,680
Interest Expense and Other Charges	-	-	-	(103,100)	-	(103,100)
Other Income	32,215	330,841	20,223	11,958	-	395,237
Total Non-Operating Revenues (Expenses)	<u>439,038</u>	<u>534,415</u>	<u>141,608</u>	<u>(22,938)</u>	<u>16,227</u>	<u>1,108,350</u>
Income (Loss) Before Transfers	1,318,523	645,980	415,925	86,878	16,227	2,483,533
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,217,951</u>	<u>-</u>	<u>3,217,951</u>
Increase in Net Position	1,318,523	645,980	415,925	3,304,829	16,227	5,701,484
Total Net Position, Beginning 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>
Total Net Position, End of Year	<u>\$ 31,197,787</u>	<u>\$ 10,221,275</u>	<u>\$ 9,214,691</u>	<u>\$ 12,623,571</u>	<u>\$ 157,920</u>	<u>\$ 63,415,244</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2020

	ENTERPRISE FUNDS					
	ELECTRIC	GAS	WATER	SEWER	UTILITY DEPOSITS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received from Customers	\$ 11,594,531	\$ 2,550,819	\$ 2,382,630	\$ 1,861,889	\$ 110,050	\$ 18,499,919
Cash Paid Out to Customers	316	-	-	-	(101,575)	(101,259)
Cash Payments to Suppliers for Goods and Services	(8,984,258)	(1,966,283)	(1,282,548)	(874,413)	-	(13,107,502)
Cash Payments to Employees and Professional Contractors for Services	(1,045,441)	(604,526)	(317,269)	(446,325)	-	(2,413,561)
Net Cash Flows Provided (Used) by Operating Activities	1,565,148	(19,990)	782,813	541,151	8,475	2,877,597
CASH FLOWS FROM NON-CAPITAL RELATED FINANCING ACTIVITIES:						
Transfer of Funds	(700,000)	-	-	3,917,951	-	3,217,951
Other Income	32,215	330,841	20,223	11,958	-	395,237
Net Cash Flows (Used) by Non-Capital Related Financing Activities	(667,785)	330,841	20,223	3,929,909	-	3,613,188
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and Construction of Capital Assets	(290,009)	(158,987)	(1,594,374)	(204,649)	-	(2,248,019)
Principal Paid on Bonds and Notes	-	-	-	(5,820,219)	-	(5,820,219)
Interest Paid on Bonds and Notes	-	-	-	(141,370)	-	(141,370)
Net Cash Flows (Used) by Capital and Related Financing Activities	(290,009)	(158,987)	(1,594,374)	(6,166,238)	-	(8,209,608)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Sale/(Purchase) of Investments	(394,139)	(200,644)	880,055	1,436,751	(15,701)	1,706,322
Investment Income (Loss)	406,823	203,574	121,385	68,204	16,227	816,213
Net Cash Flows Provided by Investing Activities	12,684	2,930	1,001,440	1,504,955	526	2,522,535
Net Increase (Decrease) in Cash and Cash Equivalents	620,038	154,794	210,102	(190,223)	9,001	803,712
Cash and Cash Equivalents at May 1, 2019	1,580,117	624,707	319,719	796,718	62,927	3,384,188
Cash and Cash Equivalents at April 30, 2020	<u>\$ 2,200,155</u>	<u>\$ 779,501</u>	<u>\$ 529,821</u>	<u>\$ 606,495</u>	<u>\$ 71,928</u>	<u>\$ 4,187,900</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2020

	ENTERPRISE FUNDS					
	ELECTRIC	GAS	WATER	SEWER	UTILITY DEPOSITS	TOTAL
Operating Income	\$ 879,485	\$ 111,565	\$ 274,317	\$ 109,816	\$ -	\$ 1,375,183
Adjustment to Reconcile Operating Income to						
Net Cash Provided by Operating Activities:						
Depreciation	763,059	181,436	232,652	443,785	-	1,620,932
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(134,881)	(267,934)	(43,013)	(31,051)	-	(476,879)
(Increase) Decrease in Prepaid Insurance	2,706	444	163	986	-	4,299
(Increase) Decrease in Deferred Outflow of Resources	219,638	125,951	59,528	81,256	-	486,373
Increase (Decrease) in Accounts Payable	53,657	(70,697)	303,268	(4,923)	-	281,305
Increase (Decrease) in Wages and Benefits Payable	13,329	10,962	865	3,983	-	29,139
Increase (Decrease) in Due to Other Funds		(1,000)	1,000			
Increase (Decrease) in Other Post-Employment Benefit Obligation	19,486	16,622	5,417	4,433	-	45,958
Increase (Decrease) in Compensated Absences	7,795	18,686	11,381	20,810	-	58,672
Increase (Decrease) in Net Pension Liability	(524,859)	(299,128)	(156,166)	(209,024)	-	(1,189,177)
Increase (Decrease) in Deferred Inflow of Resources	276,362	153,103	93,401	121,080	-	643,946
Increase (Decrease) in Consumer Deposits	(10,629)	-	-	-	8,475	(2,154)
Total Adjustments	685,663	(131,555)	508,496	431,335	8,475	1,502,414
Net Cash Provided by Operating Activities	<u>\$ 1,565,148</u>	<u>\$ (19,990)</u>	<u>\$ 782,813</u>	<u>\$ 541,151</u>	<u>\$ 8,475</u>	<u>\$ 2,877,597</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
POLICE PENSION PLAN
APRIL 30, 2020

	<u>EMPLOYEE RETIREMENT PLAN</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 327,631
RECEIVABLES:	
Employer	522,530
Interest	<u>28,050</u>
Total Receivables	550,580
Investments	<u>6,016,479</u>
Total Assets	<u>6,894,690</u>
<u>LIABILITIES</u>	
Total Liabilities	<u>-</u>
<u>NET POSITION</u>	
Held in Trust for Pension Benefits	<u>\$ 6,894,690</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, 2020

	<u>EMPLOYEE RETIREMENT PLAN</u>
ADDITIONS:	
Contributions:	
Employer	\$ 500,000
Plan Members	<u>106,943</u>
Total Contributions	<u>606,943</u>
Investment Income:	
Interest	100,575
Dividend	74,856
Gain on Investments	9,819
Unrealized Appreciation	<u>14,110</u>
Total Investment Income	<u>199,360</u>
 Total Additions	 <u>806,303</u>
DEDUCTIONS:	
Retirement Benefits	295,849
Disability	160,797
Administrative Expense	<u>46,925</u>
Total Deductions	<u>503,571</u>
 Change in Net Position	 302,732
Net Position, Beginning of Year	<u>6,591,958</u>
 Net Position, End of Year	 <u>\$ 6,894,690</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

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, 2020.

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, 2020

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, 2020

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, 2020

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

Allocation of Indirect Expenses

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

Administrative Expenses

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

D. Cash and Investments

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

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

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

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

E. Inventories and Prepaids

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

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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

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, 2020.

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, 2020

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, 2020

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, 2020

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

The City's deposits with local banks consist of the following at April 30, 2020:

	<u>CARRYING AMOUNT</u>	<u>BANK VALUE</u>
Governmental Activities:		
Cash and Cash Equivalents	\$ 9,603,747	\$ 10,027,821
Certificates of Deposit	24,366	24,366
Business-Type Activities:		
Cash and Cash Equivalents	4,187,900	4,717,291
Fiduciary Fund (Police Pension):		
Cash and Cash Equivalents	327,631	327,631
	<u>\$ 14,143,644</u>	<u>\$ 15,097,109</u>

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

Of the bank balance at April 30, 2020, \$2,019,571 was covered by federal depository insurance, \$13,077,536 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, 2020:

	<u>FAIR VALUE</u>	<u>COST</u>
Business-type Activities:		
IMET 1-3 Year Fund	\$ 14,806,811	\$ 11,650,000
Sub-Total (Carried Forward)	<u>14,806,811</u>	<u>11,650,000</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 2. DEPOSITS AND INVESTMENTS (CONT'D)

	<u>FAIR VALUE</u>	<u>COST</u>
Sub-Total (Brought Forward)	\$ 14,806,811	\$ 11,650,000
Fiduciary Fund (Police Pension):		
Equity Mutual Funds	2,292,146	2,170,692
Corporate Bonds	1,402,074	1,358,930
U.S. Treasury Notes	1,057,659	1,000,674
U.S. Treasury Bonds	774,194	631,642
Federal Farm Credit Banks	128,211	111,327
Federal Home Loan Bank	143,091	139,565
Federal National Mortgage Association	10,429	9,905
Foreign Bonds, Notes and Debentures	68,898	66,506
Equity Exchange Traded Funds	139,777	160,948
	<u>6,016,479</u>	<u>5,650,189</u>
	<u>\$ 20,823,290</u>	<u>\$ 17,300,189</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, 2020

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, 2020:

	STANDARD & POORS	MOODY'S INVESTORS SERVICES
IMET 1-3 Year Fund	Not Rated	Aaa
Corporate Bonds	AAA to BBB	Aaa to Baa3
U.S. Treasury Notes	AA	Aaa
U.S. Treasury Bonds	AA	Aaa
Federal Farm Credit Banks	AA+	Aaa
Federal Home Loan Bank	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa

Custodial Credit Risk - Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to the investment, the City and Police Pension Plan will not be able to recover the value of its investment that is in possession of an outside party. The City's and Police Pension Plan's investment policies do not address custodial credit risk for investments. The City's IMET is not subject to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's and Police Pension Plan's investment in a single issuer. The City's investment policy does not address concentration of credit risk. The City's investments were all invested in Illinois Metropolitan Investment Fund at April 30, 2020.

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

ASSET CLASS	MINIMUM	MAXIMUM	ACTUAL AT APRIL 30, 2020
Equities	30%	45%	38%
Fixed Income	45%	70%	57%
Cash / Cash Equivalents	0%	10%	5%

The Police Pension Plan's investment portfolio totaled \$6,344,110 (which includes cash and cash equivalents) at April 30, 2020. The Plan's investment in a single issuer of 5 percent or more at April 30, 2020 consists of the following equity mutual funds: Vanguard High Dividend Yield Index = 7.42% and Vanguard Russell 1000 Index = 13.25%.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

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, 2020:

		SEGMENTED TIME DISTRIBUTION INVESTMENT MATURITIES IN YEARS			
		ON DEMAND			
	FAIR VALUE	OR <1	1-5	6-10	>10
Business-Type Activities:					
IMET 1-3 Year Fund	14,806,811	14,806,811	-	-	-
Fiduciary Fund (Police Pension):					
Equity Mutual Funds	2,292,146	2,292,146	-	-	-
Corporate Bonds	1,402,074	166,168	650,874	183,276	401,756
U.S. Treasury Notes	1,057,659	110,116	739,999	207,544	-
U.S. Treasury Bonds	774,194	-	159,734	42,518	571,942
Federal Farm Credit Banks	128,211	-	65,045	-	63,166
Federal Home Loan Bank	143,091	35,314	89,596	18,181	-
Federal National Mortgage Assoc.	10,429	-	10,429	-	-
Foreign Bonds, Notes & Debenture	68,898	-	59,125	-	9,773
Equity Exchange Traded Funds	139,777	139,777	-	-	-
	<u>6,016,479</u>	<u>2,743,521</u>	<u>1,774,802</u>	<u>451,519</u>	<u>1,046,637</u>
	<u>\$ 20,823,290</u>	<u>\$ 17,550,332</u>	<u>\$ 1,774,802</u>	<u>\$ 451,519</u>	<u>\$ 1,046,637</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, 2020:

	FAIR VALUE	REDEMPTION FREQUENCY	REDEMPTION NOTICE
			PERIOD
Business-Type Activities:			
IMET 1-3 Year Fund	<u>\$ 14,806,811</u>	Daily	5 Days
	<u>\$ 14,806,811</u>		

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

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, 2020:

	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
FIDUCIARY FUND (Police Pension):				
Equity Mutual Funds	\$ 2,292,146	\$ 2,292,146	\$ -	\$ -
Corporate Bonds	1,402,074	1,402,074	-	-
U.S. Treasury Notes	1,057,659	1,057,659	-	-
U.S. Treasury Bonds	774,194	774,194	-	-
Federal Farm Credit Banks	128,211	128,211	-	-
Federal Home Loan Bank	143,091	143,091	-	-
Federal National Mortgage Association	10,429	10,429	-	-
Foreign Bonds, Notes & Debentures	68,898	68,898	-	-
Equity Exchange Traded Funds	139,777	139,777	-	-
	<u>\$ 6,016,479</u>	<u>\$ 6,016,479</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, 2020

NOTE 4. RECEIVABLES

Accounts receivable at April 30, 2020 consists of the following:

Garbage	\$ 139,738
Telecommunications Taxes	29,724
Video Gaming	6,571
Local Utility Taxes	79,920
Utility Bills	<u>2,823,036</u>
	<u>\$ 3,078,989</u>

There is no allowance for doubtful accounts as management expects utility deposits of \$240,575 sufficient to cover any uncollectible accounts receivable.

Taxes receivable of \$804,852 is comprised of sales, income, motor fuel tax and other intergovernmental revenue.

Real estate taxes are collected one year in arrears. Although levied in 2019 real estate taxes are collected subsequent to June 30, 2020. 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	\$ 1,401,052
Less Allowance for Uncollectible Accounts	<u>(3,503)</u>
Net Real Estate Taxes Receivable	<u>\$ 1,397,549</u>

NOTE 5. CAPITAL ASSETS

Changes in Capital Assets:

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

	CAPITAL ASSETS, NOT DEPRECIATED		
	LAND	CONSTRUCTION IN PROGRESS	TOTAL
Governmental Activities			
Balance at May 1, 2019	\$ 1,030,586	\$ 423,908	\$ 1,454,494
Increase	-	1,186,430	1,186,430
Decrease	-	<u>681,621</u>	<u>681,621</u>
Balance at April 30, 2020	<u>\$ 1,030,586</u>	<u>\$ 928,717</u>	<u>\$ 1,959,303</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 5. CAPITAL ASSETS (CONT'D)

	CAPITAL ASSETS, DEPRECIATED			
	FURNITURE, MACHINERY AND			TOTAL
	BUILDINGS	INFRASTRUCTURE	EQUIPMENT	
Balance at May 1, 2019	\$ 5,119,514	\$ 28,327,241	\$ 6,023,682	\$ 39,470,437
Increases	-	681,633	193,158	874,791
Decreases	-	-	-	-
Balance at April 30, 2020	<u>5,119,514</u>	<u>29,008,874</u>	<u>6,216,840</u>	<u>40,345,228</u>
Accumulated Depreciation				
Balance at May 1, 2019	2,624,798	17,235,485	4,950,602	24,810,885
Increases	126,139	1,115,766	333,236	1,575,141
Decreases	-	-	-	-
Balance at April 30, 2020	<u>2,750,937</u>	<u>18,351,251</u>	<u>5,283,838</u>	<u>26,386,026</u>
Governmental Activities, Net	<u>\$ 2,368,577</u>	<u>\$ 10,657,623</u>	<u>\$ 933,002</u>	<u>\$ 13,959,202</u>
CAPITAL ASSETS, NOT DEPRECIATED				
Business-Type Activities	CONSTRUCTION			TOTAL
	LAND	IN PROGRESS		
Balance at May 1, 2019	\$ 2,871,540	\$ 258,426		\$ 3,129,966
Increases	230,626	727,207		957,833
Decreases	-	236,575		236,575
Balance at April 30, 2020	<u>\$ 3,102,166</u>	<u>\$ 749,058</u>		<u>\$ 3,851,224</u>
CAPITAL ASSETS, DEPRECIATED				
	FURNITURE, MACHINERY AND			TOTAL
	BUILDINGS	INFRASTRUCTURE	EQUIPMENT	
Balance at May 1, 2019	\$ 1,478,661	\$ 61,184,242	\$ 8,092,409	\$ 70,755,312
Increases	41,150	367,597	1,118,015	1,526,762
Decreases	-	-	-	-
Balance at April 30, 2020 (Carried Forward)	<u>\$ 1,519,811</u>	<u>\$ 61,551,839</u>	<u>\$ 9,210,424</u>	<u>\$ 72,282,074</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 5. CAPITAL ASSETS (CONT'D)

	CAPITAL ASSETS, DEPRECIATED			
	FURNITURE, MACHINERY AND EQUIPMENT			TOTAL
	BUILDINGS	INFRASTRUCTURE		
Balance at April 30, 2020 (Brought Forward)	\$ 1,519,811	\$ 61,551,839	\$ 9,210,424	\$ 72,282,074
Accumulated Depreciation				
Balance at May 1, 2019	436,949	24,961,551	4,939,314	30,337,814
Increases	34,303	1,297,361	289,269	1,620,933
Decreases	-	-	-	-
Balance at April 30, 2020	471,252	26,258,912	5,228,583	31,958,747
Net Business-Type Capital Assets Depreciated	\$ 1,048,559	\$ 35,292,927	\$ 3,981,841	\$ 40,323,327
Governmental Activities:				
General Government			\$ 88,024	
Public Safety			113,815	
Highway and Streets			1,326,363	
Culture and Recreation			46,939	
			<u>\$ 1,575,141</u>	
Business-Type Activities:				
Electric Fund			\$ 763,059	
Gas Fund			181,436	
Water Fund			232,653	
Sewer Fund			443,785	
			<u>\$ 1,620,933</u>	

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 6. LONG-TERM LIABILITIES

A. Changes in Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended April 30, 2020:

Governmental Activities

	BALANCE MAY 1, 2019	INCREASE	DECREASE	BALANCE APRIL 30, 2020
Compensated Absences	444,643	-	66,983	377,660
Net Pension Liability	3,667,607	938,932	-	4,606,539
Total Governmental Long-Term Liabilities	<u>4,112,250</u>	<u>938,932</u>	<u>66,983</u>	<u>4,984,199</u>

Business-Type Activities

E.P.A. Loan	5,820,219	-	5,820,219	-
Compensated Absences	558,065	58,672	-	616,737
Net Pension Liability (asset)	1,560,195	-	1,189,177	371,018
Total Business Long-Term Liability	<u>7,938,479</u>	<u>58,672</u>	<u>7,009,396</u>	<u>987,755</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

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

B. Legal Debt Margin

At April 30, 2020, the legal debt margin of the City was as follows:

Assessed Valuation - 2019	\$ 294,845,677
Legal Debt Margin	<u>8.625%</u>
Debt Margin	\$ 25,430,440
Debt Outstanding	<u>-</u>
Legal Debt Margin	<u>\$ 25,430,440</u>

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, 2020

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

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

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

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

Employees Covered by Benefit Terms . At December 31, 2019, the following employees were covered by the Plan:

Active	47
Inactive employees or beneficiaries currently receiving benefits	59
Inactive employees entitled to but not yet receiving benefits	11
Total	<u>117</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 2019 was 8.13 percent. For the fiscal year ended April 30, 2020, the City contributed \$262,809 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, 2019, 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, 2019, 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, 2020

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

Actuarial Cost Method	Entry Age Normal
Assets Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

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

Other Information:

Notes There were no benefit changes during the year.

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

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

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

<u>ASSET CLASS</u>	<u>PORTFOLIO TARGET PERCENTAGE</u>	<u>LONG-TERM EXPECTED REAL RATE OF RETURN</u>
Equities	37.00 %	5.75 %
International Equities	18.00	6.50
Fixed Income	28.00	3.25
Real Estate	9.00	5.20
Alternatives	7.00	
Private Entity		7.60
Hedge Funds		N/A
Commodities		3.60
Cash Equivalents	<u>1.00</u>	1.85
	<u><u>100.00</u></u> %	

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

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 2.75%, and the resulting single discount rate is 7.25%.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 7. DEFINED BENEFIT 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, 2019, were as follows:

	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET PENSION LIABILITY (ASSET)
Balance, December 31, 2018	<u>\$ 18,537,315</u>	<u>\$ 16,308,465</u>	<u>\$ 2,228,850</u>
Changes for the Year:			
Service Cost	328,098	-	328,098
Interest	1,325,447	-	1,325,447
Difference Between Expected and Actual Experience	162,941	-	162,941
Changes in Assumptions	-	-	-
Contributions-Employees	-	254,673	(254,673)
Contributions-Employer	-	140,962	(140,962)
Net Investment Income	-	3,030,965	(3,030,965)
Benefit Payments Including Refunds of Employee Contributions	(838,673)	(838,673)	-
Other (Net Transfer)	-	94,995	(94,995)
Net Changes	<u>977,813</u>	<u>2,682,922</u>	<u>(1,705,109)</u>
Balance, December 31, 2019	<u>\$ 19,515,128</u>	<u>\$ 18,991,387</u>	<u>\$ 523,741</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	%	\$ 2,903,326
Current discount rate	7.25		523,741
1% increase	8.25		(1,453,852)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended April 30, 2020, the City recognized pension expense of \$218,360. At April 30, 2020, 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, 2020

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

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Difference Between Expected and Actual Experience	\$ 274,720	\$ 18,335
Changes in Assumption	229,201	137,160
Net Difference Between Projected and Actual Earnings on Plan Investments	1,315,434	2,097,073
Contributions After Measurement Date	<u>100,974</u>	<u>-</u>
Total	<u>\$ 1,920,329</u>	<u>\$ 2,252,568</u>

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

YEAR ENDING <u>DECEMBER 31,</u>	
2020	\$ (1,693)
2021	(45,434)
2022	87,130
2023	(372,242)
2024	-
Thereafter	-
Total	<u>\$ (332,239)</u>

NOTE 8. POLICE PENSION PLAN

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

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

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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 8. POLICE PENSION PLAN (CONT'D)

Plan membership at April 30, 2020, consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	10
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	3
Active Plan Members	<u>17</u>
 Total	 <u>30</u>

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

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

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

Normal Pension Amount

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

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

Disability Pension Amount

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

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

Pension to Survivors

Death of Retired Member

Tier 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, 2020

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, 2020, the City contributed, \$500,000 which was 37.31% 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, 2020 the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.29 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, 2020

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, 2020, were:

Total Pension Liability	\$ 11,348,506
Plan Fiduciary Net Position	(6,894,690)
City's Net Pension Liability	<u>\$ 4,453,816</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.75%
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Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of April 30, 2020, 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	2.5 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, 2020

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	\$ 6,262,174	\$ 4,453,816	\$ 3,000,382

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources . For the year ended April 30, 2020, the City recognized pension expense of \$(428,493). At April 30, 2020, 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	\$ 1,407,928	\$ 1,033,012
Changes of assumptions	894,910	-
Difference Between Projected and Actual Investment	303,583	-
Total	<u>\$ 2,606,421</u>	<u>\$ 1,033,012</u>

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

YEAR ENDING APRIL 30,	
2021	\$ 322,389
2022	318,195
2023	295,517
2024	278,022
2025	227,635
Thereafter	131,651
Total	<u>\$ 1,573,409</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

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, 2020, membership consisted of:

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

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, 2020, calculated in accordance with GASB Statement No. 75 were as follows:

Total OPEB Liability	\$ 1,386,076
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u>\$ 1,386,076</u>

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, 2020, using the following actuarial assumptions:

Salary Increases	3.50%
Investment Rate of Return	N/A
Municipal Bond Index Rate	2.91%
(Unfunded Plan)	

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, 2020

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, 2019	\$ 1,244,278	\$ -	\$ 1,244,278
Changes for the year:			
Service cost	83,870	-	83,870
Interest cost	46,023	-	46,023
Benefit Changes	(20,350)	-	(20,350)
Assumption changes	92,135	-	92,135
Contributions - Employer	-	59,880	(59,880)
Benefit payments	(59,880)	(59,880)	-
Net Changes	141,798	-	141,798
Balance April 30, 2020	\$ 1,386,076	\$ -	\$ 1,386,076

Discount Rate - The discount rate used to measure the total OPEB liability was 2.91%. 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 2.91%, 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	1.91%	\$ 1,498,047
Current discount rate	2.91%	1,386,076
1% increase	3.91%	1,281,579

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%	\$ 1,235,230
Current discount rate	8.50%	1,386,076
1% increase	9.50%	1,562,113

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

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, 2020 the City recognized OPEB expense of \$120,960. At April 30, 2020, 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	\$ 96,416	\$ -

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>	
2021	\$ 11,417
2022	11,417
2023	11,417
2024	11,417
2025	11,417
Thereafter	39,331
	<u>\$ 96,416</u>

NOTE 10. PROPERTY TAXES

The City's 2018 property tax levy was passed by the City on December 3, 2018. Property taxes attach as an enforceable lien on property as of January 1. Taxes were payable in two (2) installments on October 8, 2019 and November 8, 2019. Major tax payments were received by the City funds by April 30, 2020 for taxes payable in 2019.

The City's 2019 property tax levy was passed by the Board on December 2, 2019.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

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. 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.

C. State Motor Fuel Fund

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

NOTE 12. RISK MANAGEMENT

The City is a member of the Illinois Municipal League Risk Management Association, a public entity risk pool, currently operating as a common risk management and insurance program. The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by their participation in a public entity risk pool. Whenever the pool determines that the assets of the fund are less than the reserves which would be required to be maintained by the fund, then the fund shall assess each public agency member the amount necessary to correct the deficiency. Each assessment will be prorated based upon the public agencies' annual contributions, provided

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

NOTE 12. RISK MANAGEMENT (CONT'D)

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 ended April 30, 2020 was \$349,449. 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 \$481,700 in gross utility revenue from Wal-Mart in the Proprietary fund.

Included in charges for services within governmental revenue is \$876,369 in administrative fees received from the Proprietary funds (Electric, Gas, Water and Sewer).

NOTE 14. INTERFUND TRANSFERS/LOANS

These were transfers totaling \$3,217,951 from the Utility Tax Fund to the Sewer Fund for debt service.

The Electric Fund loaned the Sewer Fund \$700,000 for purposes of retiring the debt to the Illinois Environmental Protection Agency.

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, 2020:

<u>FUND</u>	<u>DEPARTMENT</u>	<u>OBJECT CATEGORY</u>	<u>EXCEEDING APPROPRIATIONS</u>
General Fund	Finance	Treasurer	\$ 119
General Fund	Finance	Health Insurance Reimbursement	1,436
General Fund	Zoning/Building Inspector	Sick Leave	704
General Fund	Records	Deputy City Clerk	1,330
General Fund	Police	Health Insurance Reimbursement	1,019
General Fund	Police	Unemployment Insurance	77
General Fund	Police	Clothing Allowance	473
General Fund	Social Services	Community Relations Coordinator	136
General Fund	Streets and Alleys	Health Insurance Reimbursement	886
General Fund	Streets and Alleys	Street Signs	589
General Fund	Streets and Alleys	Janitorial Supplies	128

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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020

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:

5/1/20 - 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
5/1/24 - 4/30/25		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, 2020.

NOTE 17. NEW ACCOUNTING PRONOUNCEMENTS

During the current fiscal year, the City adopted Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements.

NOTE 18. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact the operating revenues. Other financial impact could occur though such potential impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WATERLOO, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
APRIL 30, 2020

Calendar Year Ending December 31,	LAST 10 CALENDAR YEARS (SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
TOTAL PENSION LIABILITY:										
Service Cost	\$ 328,098	\$ 316,253	\$ 341,104	\$ 349,687	\$ 323,114					
Interest on the Total Pension Liability	1,325,447	1,249,990	1,233,973	1,208,003	1,132,785					
Benefit Changes	-	-	-	-	-					
Difference Between Expected and Actual Experience	162,941	350,276	(38,812)	(522,498)	236,500					
Assumption Changes	-	509,057	(567,969)	(40,678)	40,371					
Benefit Payments and Refunds	(838,673)	(793,346)	(691,276)	(682,762)	(717,413)					
Net Change in Total Pension Liability	977,813	1,632,230	277,020	311,752	1,015,357					
Total Pension Liability - Beginning	18,537,315	16,905,085	16,628,065	16,316,313	15,300,956					
Total Pension Liability - Ending (a)	19,515,128	18,537,315	16,905,085	16,628,065	16,316,313					
PLAN FIDUCIARY NET POSITION:										
Employer Contributions	254,673	328,734	340,217	360,379	468,089					
Employee Contributions	140,962	137,227	135,605	133,474	131,980					
Pension Plan Net Investment Income	3,030,965	(882,965)	2,625,678	994,458	71,203					
Benefit Payments and Refunds	(838,673)	(793,346)	(691,276)	(682,762)	(717,413)					
Other	94,995	358,953	(194,275)	(131,549)	16,808					
Net Change in Plan Fiduciary Net Position	2,682,922	(851,397)	2,215,949	674,000	(29,333)					
Plan Fiduciary Net Position - Beginning	16,308,465	17,159,862	14,943,913	14,269,913	14,299,246					
Plan Fiduciary Net Position - Ending (b)	\$ 18,991,387	\$ 16,308,465	\$ 17,159,862	\$ 14,943,913	\$ 14,269,913					
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ 523,741	\$ 2,228,850	\$ (254,777)	\$ 1,684,152	\$ 2,046,400					
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.32%	87.98%	101.51%	89.87%	87.46%					
Covered Valuation Payroll	\$ 3,132,508	\$ 3,049,475	\$ 3,013,449	\$ 2,966,080	\$ 2,932,889					
Net Pension Liability as a Percentage of Covered Valuation Payroll	16.72%	73.09%	-8.45%	56.78%	69.77%					

CITY OF WATERLOO, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
APRIL 30, 2020

LAST 10 CALENDAR YEARS

CALENDAR YEAR ENDING DECEMBER 31,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED VALUATION PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION PAYROLL
2015	\$ 468,089	\$ 468,089	\$ -	\$ 2,932,889	15.96%
2016	360,379	360,379	-	2,966,080	12.15%
2017	340,218	340,217	1	3,013,449	11.29%
2018	328,733	328,734	(1)	3,049,475	10.78%
2019	254,986	254,673	313	3,132,508	8.13%

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 2019 CONTRIBUTION RATE*
APRIL 30, 2020

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): 24-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 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

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

Total OPEB Liability

	2020	2019	2018	2016	2015	2014	2013	2012	2011	2010
Discount Rate	0.00%	0.00%	0.00%							
Service Cost	\$ 83,870	\$ 78,330	\$ -							
Interest Cost	46,023	44,905	-							
Plan Amendments	(20,350)	-	-							
Actuarial Losses/(Gains)	-	-	-							
Assumption Changes	92,135	17,522	-							
Benefit Payments	(59,880)	(55,189)	-							
Net Change in Total OPEB Liability	141,798	85,568	-							
Total OPEB Liability - Beginning	1,244,278	1,158,710	-							
Total OPEB Liability - Ending (a)	\$ 1,386,076	\$ 1,244,278	\$ -							

Plan Fiduciary Net Position

Employer Contributions	\$ 59,880	\$ 55,189	\$ -							
Employee Contributions	-	-	-							
Net Investment Income	-	-	-							
Benefit Payments	(59,880)	(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)	\$ 1,386,076	\$ 1,244,278	\$ -							

Plan Fiduciary Net Position as a Percentage
of Total OPEB Liability

	0.00%	0.00%								
Covered Valuation Payroll	\$ 4,162,934	\$ 4,022,159	\$ -							
Net OPEB Liability as a Percentage of Covered Valuation Payroll	33.30%	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%
2020	59,880	59,880	-	4,162,934	1.44%

CITY OF WATERLOO
NOTES TO THE SCHEDULE OF POST RETIREMENT BENEFITS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2020 TOTAL OPEB LIABILITY
POST RETIREMENT BENEFITS

Methods and Assumptions Used to Determine the 2020 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>										
Discount Rate	2.91%										
Salary Appreciation	Increase Rate: 3.5% per annum; compounded annually (includes 1.75% merit component)										
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> <tr> <th><u>Age</u></th><th><u>Probability of Termination</u></th></tr> <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> </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 8.5%, grading down .50% per year until an ultimate rate of 4.5% 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 2020 TOTAL OPEB LIABILITY
POST RETIREMENT BENEFITS

Methods and Assumptions Used to Determine the 2020 Total OPEB Liability Continued:

Monthly Health Plan Premium Costs (Blended)	<u>Coverage</u>	<u>Medical</u>	<u>Dental & Vision</u>
	Employee Only	\$ 769.96	\$ 35.57
	Employee Plus Spouse	1,550.66	73.90
	Employee Plus Children	1,341.98	70.66
	Family	2,122.68	118.25
	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, 2020

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
TOTAL PENSION LIABILITY:										
Service Cost	\$ 350,827	\$ 350,827	\$ 329,507	\$ 246,585	\$ 268,414	\$ 282,417				
Interest on the Total Pension Liability	631,372	633,007	551,919	505,436	500,155	382,427				
Changes of Benefit Terms	-	-	-	-	-	-				
Difference Between Expected and Actual Experience	476,317	(960,117)	669,634	226,932	(465,422)	790,465				
Changes of Assumptions	728,347	-	-	-	-	561,107				
Changes of Benefit Terms	27,379									
Benefit Payments	(456,646)	(316,382)	(292,707)	(239,384)	(207,093)	(203,635)				
Net Change in Total Pension Liability	1,757,596	(292,665)	1,258,353	739,569	96,054	1,812,781				
Total Pension Liability - Beginning	9,590,910	9,883,575	8,625,222	7,885,653	7,789,599	5,976,818				
Total Pension Liability - Ending	11,348,506	9,590,910	9,883,575	8,625,222	7,885,653	7,789,599				
PLAN FIDUCIARY NET POSITION:										
Employer Contributions	500,000	538,000	418,000	405,000	441,000	380,000				
Employee Contributions	106,943	121,205	107,693	79,999	96,824	94,024				
Pension Plan Net Investment Income	180,516	294,505	236,870	295,773	(44,528)	156,597				
Benefit Payments and Refunds	(456,646)	(316,382)	(292,707)	(239,384)	(207,093)	(203,635)				
Other	(28,081)	(28,180)	(28,180)	(16,893)	(17,115)	(18,460)				
Net Change in Plan Fiduciary Net Position	302,732	609,148	441,676	524,495	269,088	408,526				
Plan Fiduciary Net Position - Beginning	6,591,958	5,982,810	5,541,134	5,016,639	4,747,551	4,339,025				
Plan Fiduciary Net Position - Ending	\$ 6,894,690	\$ 6,591,958	\$ 5,982,810	\$ 5,541,134	\$ 5,016,639	\$ 4,747,551				
Net Pension Liability/(Asset)	\$ 4,453,816	\$ 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	60.75%	68.73%	60.53%	64.24%	63.62%	60.95%				
Covered Valuation Payroll	\$ 1,340,280	\$ 1,382,122	\$ 1,262,314	\$ 871,922	\$ 914,496	\$ 987,469				
Net Pension Liability as a Percentage of Covered Valuation Payroll	332.30%	216.98%	309.02%	353.71%	313.73%	308.07%				

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2020

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>
2020	\$ 479,637	\$ 500,000	\$ (20,363)	\$ 1,340,280	37.31%
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, 2020

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%	3.29%	-	-	-	-

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2020

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, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
REVENUE:				
Property Tax IMRF/FICA	\$ 111,000	\$ 111,000	\$ 110,912	\$ (88)
Property Tax Road and Bridge	55,000	55,000	54,964	(36)
Property Tax Gen. Corporate	179,500	179,500	179,345	(155)
Liquor License	20,000	22,000	23,980	1,980
Franchise License	127,000	127,000	119,046	(7,954)
Utility Franchise	945,000	915,000	876,369	(38,631)
Infrastructure Fee	230,000	191,500	193,358	1,858
Fees and Permits	110,000	140,000	134,654	(5,346)
Inspection Fees	20,000	20,000	17,325	(2,675)
State Income Tax	1,440,000	1,530,000	1,553,786	23,786
State Replacement Tax	56,400	68,800	72,038	3,238
Mobile Home Taxes	15	5	5	-
Sales Tax	2,250,000	2,325,000	2,355,818	30,818
Business District Tax	80,000	90,000	88,947	(1,053)
Video Gaming	122,000	143,000	147,445	4,445
Cannabis Use Tax	-	-	1,780	1,780
Court Fines	50,000	50,000	42,620	(7,380)
Penalties on Service	9,500	9,500	8,865	(635)
Refuse Fees	829,000	829,000	827,408	(1,592)
Utility Bill Adjustment	(250)	(250)	(58)	192
Interest Income	143,000	143,000	132,592	(10,408)
Tower Rental	32,800	32,800	32,805	5
Sundry Income	6,000	18,000	19,411	1,411
Donations	31,000	31,000	31,936	936
Asset Seizure	-	-	1,715	1,715
Hotel/Motel Tax	20,000	21,000	20,851	(149)
Miscellaneous	500	5,200	6,599	1,399
Total Revenue	<u>\$ 6,867,465</u>	<u>\$ 7,057,055</u>	<u>\$ 7,054,516</u>	<u>\$ (2,539)</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
EXPENDITURES:				
Legislative				
Mayor	\$ 26,000	\$ 26,000	\$ 24,296	\$ 1,704
Aldermen	133,500	133,500	123,006	10,494
FICA	12,500	12,500	11,268	1,232
Professional Services	35,500	35,500	34,673	827
Communications	5,000	5,000	3,567	1,433
Printing and Publishing	6,700	6,700	6,662	38
Membership and Dues	12,000	12,000	11,600	400
Training	15,500	5,500	3,390	2,110
Books and Publications	300	450	405	45
Bad Debt Expense	2,000	2,000	660	1,340
Insurance and Bonds	500	350	346	4
Sales Tax Rebate	95,000	95,000	92,273	2,727
Miscellaneous	15,000	15,000	9,238	5,762
Office Supplies	200	200	67	133
Capital Projects	-	100	84	16
Legislative Total Expense	<u>359,700</u>	<u>349,800</u>	<u>321,535</u>	<u>28,265</u>
Finance				
District of Public Works	25,500	25,500	25,069	431
Finance Director	21,500	21,500	20,951	549
Clerical	61,000	61,000	58,932	2,068
Human Resource	11,500	11,600	11,430	
Part-Time Salaries	-	2,500	2,214	286
Over-Time Salaries	2,000	2,000	999	1,001
Sick Leave	3,500	3,500	2,432	1,068
Vacation Leave	10,000	10,000	8,238	1,762
Treasurer	8,800	8,600	8,719	(119)
Health Insurance	27,000	27,000	13,742	13,258
Health Insurance Reimbursement	12,000	15,000	16,436	(1,436)
Unemployment Insurance	200	200	155	45
FICA	12,500	12,500	10,305	2,195
IMRF	11,500	12,000	11,267	733
Bank Charges	1,000	1,000	770	230
Clothing Allowance	1,400	1,500	-	1,500
Sub-Total (Carried Forward)	<u>\$ 209,400</u>	<u>\$ 215,400</u>	<u>\$ 191,659</u>	<u>\$ 23,571</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Sub-Total (Brought Forward)	\$ 209,400	\$ 215,400	\$ 191,659	\$ 23,571
Equipment Rental and Service	2,400	2,400	2,044	356
Professional Services	3,000	3,000	2,273	727
Postage	1,600	1,600	1,275	325
Communications	18,500	18,500	17,373	1,127
Printing and Publishing	1,500	1,500	1,232	268
Membership and Dues	600	600	379	221
Training	4,000	4,000	2,098	1,902
Insurance and Bonds	13,000	11,000	10,570	430
Miscellaneous	500	500	178	322
Office Supplies	5,000	5,000	2,871	2,129
Department Supplies	1,600	1,600	1,273	327
Equipment - Office	2,500	2,500	635	1,865
Furniture and Fixtures	2,000	2,000	150	1,850
Information Systems	9,200	12,000	9,837	2,163
Tourism	17,000	13,000	11,530	1,470
Finance Total Expenses	<u>291,800</u>	<u>294,600</u>	<u>255,377</u>	<u>39,053</u>
Building				
Building Repairs	14,000	20,000	13,657	6,343
Equipment Rental and Service	50,000	50,000	28,347	21,653
Professional Services	3,500	3,500	1,975	1,525
Independent Contractor	24,000	24,000	22,254	1,746
Utilities	62,000	62,000	58,266	3,734
Janitorial Supplies	2,000	2,000	1,655	345
Fuels	1,000	1,000	63	937
Equipment	-	13,000	12,814	186
Building Total Expenses	<u>156,500</u>	<u>175,500</u>	<u>139,031</u>	<u>36,469</u>
Legal				
Legal	200,000	200,000	126,678	73,322
Legal Total Expenses	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 126,678</u>	<u>\$ 73,322</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Zoning/Building Inspector				
Planning Commission	\$ 6,420	\$ 6,420	\$ 2,475	\$ 3,945
Zoning Board	6,180	6,180	2,715	3,465
Zoning Officer	74,000	74,000	72,749	1,251
Building Inspector	51,000	51,000	47,943	3,057
Part-Time Salaries	500	500	280	220
Sick Leave	4,000	4,000	4,704	(704)
Vacation Leave	8,000	9,000	8,660	340
Health Insurance	51,000	51,000	49,586	1,414
Health Insurance Reimbursement	8,000	8,000	4,400	3,600
Unemployment Insurance	200	200	188	12
FICA	11,500	11,500	10,656	844
IMRF	11,000	12,000	11,815	185
Vehicle Maintenance and Repair	1,500	1,500	284	1,216
Professional Services	30,000	50,000	38,190	11,810
Postage	1,100	1,100	100	1,000
Communications	1,300	1,300	1,045	255
Printing and Publishing	100	100	-	100
Membership and Dues	200	200	150	50
Training	2,000	2,500	2,046	454
Books and Publications	500	500	-	500
Insurance and Bonds	9,000	8,000	7,844	156
Miscellaneous	500	500	-	500
Office Supplies	2,000	2,000	893	1,107
Vehicle Fuel and Lube	2,000	1,500	1,227	273
Equipment - Office	2,000	2,000	1,325	675
Information Systems	1,500	1,500	1,200	300
Zoning/Building Inspector				
Total Expenses	<u>\$ 285,500</u>	<u>\$ 306,500</u>	<u>\$ 270,475</u>	<u>\$ 36,025</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Records				
Deputy City Clerk	\$ 52,000	\$ 53,000	\$ 54,330	\$ (1,330)
Over-Time Salaries	500	500	-	500
Sick Leave	2,000	2,000	1,367	633
Vacation Leave	5,200	5,200	3,785	1,415
City Clerk	17,800	17,800	16,851	949
Health Insurance	15,000	15,000	14,510	490
Health Insurance Reimbursement	4,400	4,600	559	4,041
Unemployment Insurance	100	100	80	20
FICA	6,000	6,000	5,560	440
IMRF	5,000	5,300	5,229	71
Clothing Allowance	250	250	-	250
Equipment Repairs	200	200	-	200
Professional Services	7,000	7,000	735	6,265
Postage	100	100	100	-
Printing and Publishing	5,000	5,000	3,230	1,770
Membership and Dues	200	100	30	70
Training	3,500	500	80	420
Books and Publications	100	100	-	100
Insurance and Bonds	400	300	233	67
Recording Fees	1,500	1,500	1,306	194
Miscellaneous	100	100	10	90
Office Supplies	500	500	70	430
Equipment - office	500	500	-	500
Information systems	500	500	-	500
Records Total Expenses	<u>\$ 127,850</u>	<u>\$ 126,150</u>	<u>\$ 108,065</u>	<u>\$ 18,085</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
Police				
Regular Salaries	\$ 1,220,000	\$ 1,180,000	\$ 1,125,137	\$ 54,863
Part-Time Salaries	23,000	23,000	17,287	5,713
PEDA Salaries	-	7,000	6,873	127
Over-Time Salaries	50,000	60,000	52,379	7,621
Sick Leave	30,000	73,000	64,195	8,805
Vacation Leave	85,000	115,000	103,315	11,685
Holiday	90,000	85,000	84,347	653
Health Insurance	300,000	280,000	265,739	14,261
Health Insurance Reimbursement	45,000	45,000	46,019	(1,019)
Unemployment Insurance	1,500	1,500	1,577	(77)
FICA	115,000	113,000	104,621	8,379
IMRF	5,000	5,000	4,997	3
Clothing Allowance	16,500	19,500	19,973	(473)
Vehicle Maintenance and Repair	20,000	20,000	11,030	8,970
Equipment Rental and Service	3,000	3,000	2,018	982
Postage	500	500	440	60
Communications	190,000	190,000	188,748	1,252
Printing and Publishing	1,000	1,000	962	38
Membership and Dues	13,500	13,500	11,884	1,616
Training	15,500	15,500	5,666	9,834
Books and Publications	1,200	1,200	612	588
Insurance and Bonds	112,000	105,000	101,126	3,874
Miscellaneous	3,000	3,000	1,376	1,624
Office Supplies	5,000	5,000	3,231	1,769
Department Supplies	6,500	6,500	5,568	932
Vehicle Fuel and Lube	34,000	35,500	33,175	2,325
Ammunition	2,000	2,000	1,735	265
Canine	-	-	-	-
Equipment - Office	35,000	35,500	35,253	247
Equipment - New	15,000	15,000	3,965	11,035
Equipment - Vehicle	82,000	95,000	8,302	86,698
Information Systems	39,500	46,500	42,220	4,280
Community Relations	3,500	3,500	781	2,719
DARE Fund	4,000	4,000	2,581	1,419
DUI Fund	7,000	7,000	205	6,795
Police Total Expenses	<u>\$ 2,574,200</u>	<u>\$ 2,615,200</u>	<u>\$ 2,357,337</u>	<u>\$ 257,863</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Emergency Management Agency				
ESDA Coordinator	\$ 6,000	\$ 6,000	\$ 5,760	\$ 240
Unemployment Insurance	100	100	30	70
FICA	500	500	441	59
IMRF	-	-	-	-
Vehicle Maintenance and Repair	500	500	-	500
Postage	100	100	100	-
Communications	300	300	205	95
Training	200	200	-	200
Vehicle Fuel and Lube	100	100	-	100
Emergency Management Agency Total Expenses	<u>7,800</u>	<u>7,800</u>	<u>6,536</u>	<u>1,264</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	5,000	3,950	1,050
Printing and Publishing	100	150	118	32
Membership and Dues	500	500	375	125
Training	2,000	2,000	867	1,133
Office Supplies	100	100	-	100
Police Commission Total Expenses	<u>9,700</u>	<u>9,750</u>	<u>5,310</u>	<u>4,440</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, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
Social Services				
Community Relations Coordinator	\$ 52,500	\$ 52,500	\$ 52,636	\$ (136)
Sick Leave	1,500	1,500	843	657
Vacation Leave	3,500	4,000	3,462	538
Health Insurance	25,500	25,500	25,118	382
Health Insurance Reimbursement	3,000	3,000	-	3,000
Unemployment Insurance	100	100	80	20
FICA	4,500	4,500	4,268	232
IMRF	5,000	5,100	5,013	87
Communications	1,000	1,000	824	176
Printing and Publishing	100	100	-	100
Training	1,000	1,200	588	612
Books and Publications	50	50	30	20
Street Lighting	70,000	70,000	69,168	832
Refuse	824,000	822,000	819,019	2,981
Insurance and Bonds	250	700	681	19
Miscellaneous	150	150	-	150
Office Supplies	3,000	3,000	2,224	776
Office Equipment	500	500	-	500
Information Systems	3,000	3,000	2,661	339
Community Relations	27,000	32,000	25,782	6,218
Contribution Sr. Citizens	7,500	7,500	7,500	-
Sister Cities Program	500	500	310	190
Downtown Enhancement	70,000	90,000	82,383	7,617
Social Services Total Expenses	<u>\$ 1,103,650</u>	<u>\$ 1,127,900</u>	<u>\$ 1,102,590</u>	<u>\$ 25,310</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u> <u>BASIS)</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Streets and Alleys				
Regular Salaries	\$ 305,000	\$ 305,000	\$ 296,250	\$ 8,750
Part-Time Salaries	4,300	4,350	1,425	2,925
Over-Time Salaries	25,000	25,000	12,051	12,949
Sick Leave	10,000	10,000	6,145	3,855
Vacation Leave	20,000	20,000	17,867	2,133
Interdepartmental Salaries	15,000	15,000	11,856	3,144
Health Insurance	70,000	70,000	69,275	725
Health Insurance Reimbursement	12,000	12,000	12,886	(886)
Unemployment Insurance	500	500	428	72
FICA	30,000	28,000	25,356	2,644
IMRF	30,000	32,000	30,265	1,735
Clothing Allowance	1,979	1,979	104	1,875
Building Repairs	5,000	5,000	3,596	1,404
Equipment Repairs	50,000	75,000	56,585	18,415
Communications	2,500	2,100	1,410	690
Training	2,000	2,000	693	1,307
Utilities	19,000	19,000	16,535	2,465
Insurance and Bonds	55,000	52,000	51,423	577
Miscellaneous	6,000	7,000	6,459	541
Street Maintenance and Repair	50,000	50,000	32,413	17,587
Street Signs	5,000	5,000	5,589	(589)
Construction Materials	30,000	30,000	27,431	2,569
Department Supplies	10,000	10,000	8,873	1,127
Tools	3,000	5,000	3,640	1,360
Janitorial Supplies	2,500	2,500	2,628	(128)
Vehicle Fuel and Lube	30,000	35,000	31,988	3,012
Safety Materials	7,500	7,500	4,947	2,553
Land	-	-	-	-
Building Improvements	1,000	1,000	-	1,000
Equipment	9,000	20,500	17,889	2,611
Equipment - Vehicle	135,000	135,000	105,506	29,494
Street Improvements	200,000	200,000	193,451	6,549
Other Improvements - Storm Drains	75,000	75,000	38,584	36,416
Capital Projects	<u>2,161,500</u>	<u>1,811,500</u>	<u>997,055</u>	<u>814,445</u>
Streets and Alleys Total Expenses	<u>3,382,779</u>	<u>3,073,929</u>	<u>2,090,603</u>	<u>983,326</u>
Total Expenditures (Carried Forward)	<u>\$ 8,500,579</u>	<u>\$ 8,288,229</u>	<u>\$ 6,783,637</u>	<u>\$ 1,504,422</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
Total Expenditures (Brought Forward)	\$ 8,500,579	\$ 8,288,229	\$ 6,783,637	\$ 1,504,422
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,633,114)	\$ (1,231,174)	270,879	\$ 1,502,053
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance:				
Effect of Unrecorded Assets			(129,794)	
Effect of Unrecorded Liabilities			(27,094)	
Excess (Deficiency) of Revenues Over Expenses			113,991	
BEGINNING FUND BALANCE			7,878,420	
ENDING FUND BALANCE			\$ 7,992,411	

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - UTILITY TAX FUND
YEAR ENDED APRIL 30, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>(BUDGETARY</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS)</u>	
REVENUE:				
City Utility Tax	\$ 249,000	\$ 241,500	\$ 230,611	\$ (10,889)
Other Utility Tax	23,000	22,500	22,768	268
Electric Municipal Tax	325,000	307,000	305,055	(1,945)
Utility Bill Adjustment	(2,000)	(2,000)	(505)	1,495
Interest Income	4,200	3,800	3,886	86
Investment Income	45,300	54,760	54,758	(2)
Total Revenue	644,500	627,560	616,573	(10,987)
EXPENDITURES:				
Bad Debt Expense	2,000	2,000	541	1,459
Customer Refunds	200	200	-	200
Capital Projects	-	-	-	-
Total Expenditures	2,200	2,200	541	1,659
Excess of Revenues Over Expenditures	642,300	625,360	616,032	(9,328)
OTHER FINANCING (USES):				
Transfers (Out)	(435,902)	(3,000,000)	(3,217,951)	(217,951)
Net Change in Fund Balance	\$ 206,398	\$ (2,374,640)	(2,601,919)	\$ (227,279)
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance:				
Effect of Unrecorded Assets			307	
Effect of Unrecorded Liabilities			-	
Excess (Deficiency) of Revenues Over Expenses			(2,601,612)	
BEGINNING FUND BALANCE			2,953,345	
ENDING FUND BALANCE			\$ 351,733	

CITY OF WATERLOO, ILLINOIS
NOTES TO BUDGETARY COMPARISON SCHEDULES
YEAR ENDED APRIL 30, 2020

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 (2019), 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, 2020 on April 15, 2019 and it was amended on April 6, 2020.

OTHER SUPPLEMENTAL INFORMATION

CITY OF WATERLOO, ILLINOIS
COMBINING BALANCE SHEET - GENERAL FUND
YEAR ENDED APRIL 30, 2020

<u>ASSETS</u>	<u>GENERAL</u>	<u>UTILITY TAX FUND</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$ 7,526,189	\$ 271,813	\$ 7,798,002
Taxes Receivable	772,602	-	772,602
Accounts Receivable, Net	176,033	79,920	255,953
Due from other Funds	1,754	-	1,754
Prepays	117,282	-	117,282
Real Estate Taxes Receivable, Net	<u>914,587</u>	<u>-</u>	<u>914,587</u>
Total Assets	<u>\$ 9,508,447</u>	<u>\$ 351,733</u>	<u>\$ 9,860,180</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>			
LIABILITIES:			
Accounts Payable	\$ 473,232	\$ -	\$ 473,232
Wage and Benefits Payable	<u>128,217</u>	<u>-</u>	<u>128,217</u>
Total Liabilities	<u>601,449</u>	<u>-</u>	<u>601,449</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	<u>914,587</u>	<u>-</u>	<u>914,587</u>
Total Deferred Inflows of Resources	<u>914,587</u>	<u>-</u>	<u>914,587</u>
FUND BALANCE:			
Nonspendable			
Prepays	117,282	-	117,282
Restricted for:			
Hotel/Motel Tax	125,231	-	125,231
Committed for:			
IMRF Pension Plan	450,299	-	450,299
Capital Improvements	-	351,733	351,733
Unassigned:			
General Fund	<u>7,299,599</u>	<u>-</u>	<u>7,299,599</u>
Total Fund Balance	<u>7,992,411</u>	<u>351,733</u>	<u>8,344,144</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 9,508,447</u>	<u>\$ 351,733</u>	<u>\$ 9,860,180</u>

CITY OF WATERLOO, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GENERAL FUND
YEAR ENDED APRIL 30, 2020

	GENERAL	UTILITY TAX FUND	TOTAL
REVENUES:			
Taxes - Real Estate	\$ 845,221	\$ -	\$ 845,221
Intergovernmental	4,093,819	-	4,093,819
Utility Taxes	188,862	558,236	747,098
Charges for Services	1,712,908	-	1,712,908
Licenses and Permits	295,005	-	295,005
Fines	42,620	-	42,620
Grants	1,715	-	1,715
Miscellaneous	111,980	-	111,980
Interest	132,592	3,886	136,478
Investment Income	-	54,758	54,758
Total Revenues	<u>7,424,722</u>	<u>616,880</u>	<u>8,041,602</u>
EXPENDITURES:			
Current			
General Government	1,210,877	541	1,211,418
Public Safety	2,823,095	-	2,823,095
Highways and Streets	1,088,471	-	1,088,471
Sanitation	821,099	-	821,099
Health	100	-	100
Culture and Recreation	213,467	-	213,467
Capital Outlay	<u>1,153,622</u>	<u>-</u>	<u>1,153,622</u>
Total Expenditures	<u>7,310,731</u>	<u>541</u>	<u>7,311,272</u>
Excess (Deficiency) of Revenues Over Expenditures	113,991	616,339	730,330
Other Financing (Uses)			
Transfers (Out)	<u>-</u>	<u>(3,217,951)</u>	<u>(3,217,951)</u>
Net Change in Fund Balance	113,991	(2,601,612)	(2,487,621)
Fund Balance, Beginning of Year	<u>7,878,420</u>	<u>2,953,345</u>	<u>10,831,765</u>
Fund Balance, End of Year	<u>\$ 7,992,411</u>	<u>\$ 351,733</u>	<u>\$ 8,344,144</u>

CITY OF WATERLOO, ILLINOIS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2020

<u>ASSETS</u>	<u>MOTOR FUEL TAX</u>	<u>MUNICIPAL BAND FUND</u>	<u>LIBRARY FUND</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$ 896,570	\$ 14,928	\$ 894,247	\$ 1,805,745
Certificates of Deposit	-	-	24,366	24,366
Taxes Receivable	32,250	-	-	32,250
Real Estate Taxes Receivable, Net	-	22,864	460,098	482,962
Total Assets	<u>\$ 928,820</u>	<u>\$ 37,792</u>	<u>\$ 1,378,711</u>	<u>\$ 2,345,323</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts Payable	\$ 332	\$ -	\$ 35,977	\$ 36,309
Due to Other Funds	1,754	-	-	1,754
Deferred Grant Revenue	-	-	58,727	58,727
Total Liabilities	<u>2,086</u>	<u>-</u>	<u>94,704</u>	<u>96,790</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Property Taxes	-	22,864	460,098	482,962
Total Deferred Inflows of Resources	<u>-</u>	<u>22,864</u>	<u>460,098</u>	<u>482,962</u>
FUND BALANCES:				
Restricted for:				
Culture and Recreation	-	14,928	823,909	838,837
Motor Fuel Tax	926,734	-	-	926,734
Total Fund Balances	<u>926,734</u>	<u>14,928</u>	<u>823,909</u>	<u>1,765,571</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 928,820</u>	<u>\$ 37,792</u>	<u>\$ 1,378,711</u>	<u>\$ 2,345,323</u>

CITY OF WATERLOO, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2020

	MOTOR FUEL TAX	MUNICIPAL BAND FUND	LIBRARY FUND	TOTAL
REVENUES:				
Taxes - Real Estate	\$ -	\$ 24,862	\$ 440,161	\$ 465,023
Intergovernmental	405,155	-	186,358	591,513
Miscellaneous	-	-	23,233	23,233
Interest	14,375	-	1,525	15,900
	<u>419,530</u>	<u>24,862</u>	<u>651,277</u>	<u>1,095,669</u>
Total Revenues				
EXPENDITURES:				
Highways and Streets	320,211	-	-	320,211
Culture and Recreation	-	25,393	449,333	474,726
Capital Outlay	-	-	225,978	225,978
	<u>320,211</u>	<u>25,393</u>	<u>675,311</u>	<u>1,020,915</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	99,319	(531)	(24,034)	74,754
FUND BALANCE - BEGINNING OF YEAR	<u>827,415</u>	<u>15,459</u>	<u>847,943</u>	<u>1,690,817</u>
FUND BALANCE - END OF YEAR	<u>\$ 926,734</u>	<u>\$ 14,928</u>	<u>\$ 823,909</u>	<u>\$ 1,765,571</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	<u>2020</u>	<u>2019</u>
General Government		
Legal		
Legal Fees	\$ 117,075	\$ 138,378
Total Legal	<u>117,075</u>	<u>138,378</u>
City Clerk		
Salaries - City Clerk	16,851	16,862
Salaries - Deputy City Clerk	55,315	51,392
Salaries - Sick Leave	1,367	1,092
Salaries - Vacation Leave	3,785	5,426
FICA	5,560	5,451
IMRF	5,229	5,737
Group Hospital Insurance	14,510	13,208
Health Insurance Reimbursement	559	3,260
Unemployment Tax	80	62
Clothing Allowance	-	215
Postage	100	100
Printing and Publishing	3,380	3,567
Memberships and Dues	30	30
Training	80	1,794
Recording Fees	1,306	980
Insurance and Bonds	244	239
Office Supplies	70	501
Professional Services	2,512	7,052
Miscellaneous	10	-
Office Equipment	-	-
Total City Clerk	<u>110,988</u>	<u>116,968</u>
Legislation		
Salaries - Mayor	24,296	24,058
Salaries - Alderman	123,006	121,121
FICA	11,268	11,106
Memberships and Dues	11,600	11,538
Professional Services	34,634	34,967
Office Supplies	67	102
Miscellaneous	9,009	10,797
Insurance and Bonds	358	447
Bad Debts	660	1,422
Books and Publications	7,066	6,645
Training	3,389	4,652
Communications	3,814	4,856
Capital Projects	-	1,517
Sales Tax Rebate	94,707	86,057
Total Legislation	<u>323,874</u>	<u>319,285</u>
Sub-Total General Government (Carried Forward)	<u>\$ 551,937</u>	<u>\$ 574,631</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	<u>2020</u>	<u>2019</u>
Sub-Total General Government (Brought Forward)	\$ 551,937	\$ 574,631
General Government (Continued)		
Zoning		
Planning Commission	2,475	3,930
Zoning Board	2,715	2,785
Salaries - Zoning Officer	73,463	71,469
Salaries - Building Inspector	48,559	46,927
Salaries - Part-Time	280	210
Salaries - Sick Leave	4,704	2,274
Salaries - Vacation Leave	8,660	8,029
FICA	10,656	10,299
IMRF	11,815	12,733
Group Hospital Insurance	49,586	43,866
Health Insurance Reimbursement	4,400	6,885
Unemployment Tax	188	158
Books & Publications	-	61
Postage	100	100
Printing and Publishing	-	-
Memberships and Dues	150	-
Professional Services	39,858	19,625
Vehicle Maintenance and Repair	284	103
Equipment	1,325	-
Training	2,046	507
Office Supplies	1,587	1,745
Insurance and Bonds	7,574	10,048
Communications	1,135	1,212
Vehicle Fuel and Lubrications	1,160	1,256
Information Systems	1,200	1,200
Total Zoning	<u>273,920</u>	<u>245,422</u>
Sub-Total General Government (Carried Forward)	\$ 825,857	\$ 820,053

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	2020	2019
Sub-Total General Government (Brought Forward)	<u>\$ 825,857</u>	<u>\$ 820,053</u>
General Government (Continued)		
Finance		
Salaries - Treasurer	8,719	8,590
Salaries - Director of Public Works	25,316	23,834
Salaries - Finance Director	21,152	20,781
Salaries - Clerical	60,288	57,396
Salaries - Human Resource	11,953	8,857
Salaries - Overtime	999	1,369
Salaries - Sick Leave	2,432	2,468
Salaries - Vacation Leave	8,238	8,150
FICA	10,305	9,598
IMRF	11,267	11,867
Group Hospital Insurance	13,762	11,743
Health Insurance Reimbursement	16,436	8,375
Unemployment	155	138
Dues and Memberships	379	379
Insurance and Bonds	11,148	12,620
Communications and Dispatch	17,732	17,375
Equipment Rental and Service	2,044	2,195
Training	2,098	786
Clothing Allowance	-	1,287
Office Supplies	2,901	3,580
Postage	1,275	1,303
Equipment	785	976
Tourism	11,530	14,026
Professional Services	2,293	2,255
Miscellaneous	178	93
Printing and Publishing	1,232	1,205
Department Supplies	1,254	1,562
Bank Charges	770	847
Information Systems	9,697	9,086
Total Finance	<u>258,552</u>	<u>242,741</u>
Building		
Building Repairs	13,657	30,885
Equipment Rental and Service	28,346	8,563
Professional Services	2,125	1,705
Independent Contractors	22,400	18,300
Utilities	58,222	59,460
Janitorial Supplies	1,655	1,160
Equipment	-	-
Total Building	<u>126,468</u>	<u>120,073</u>
Total General Government	<u>\$ 1,210,877</u>	<u>\$ 1,182,867</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	<u>2020</u>	<u>2019</u>
Public Safety		
Police		
Salaries - Regular	\$ 1,148,420	\$ 1,143,839
Salaries - Part-Time	16,253	18,063
Salaries - Overtime	52,379	48,891
Salaries - Sick Leave	64,195	27,312
Salaries - Vacation Leave	103,315	67,187
Salaries - Holiday	84,347	75,932
FICA	104,622	101,338
IMRF	4,997	5,540
Pension	500,000	538,000
Group Hospital Insurance	265,739	251,196
Health Insurance Reimbursement	46,018	34,736
Unemployment Tax	1,577	1,375
Insurance and Bonds	103,056	78,064
Communication and Dispatch	191,758	162,804
Training	5,657	10,765
Equipment Rental and Service	2,019	1,356
Vehicle Maintenance and Repairs	11,354	15,494
Memberships and Dues	11,884	12,129
Community Services Programs	3,362	3,998
Office Supplies	2,803	5,962
Postage	440	447
Ammunition	1,735	1,567
Clothing Allowance	19,303	14,138
Vehicle Fuel and Lubrications	32,840	33,902
Information Systems	18,006	25,461
Department Supplies	5,533	6,868
Canine	-	-
Printing and Publishing	962	1,087
Miscellaneous	1,451	880
Books and Publications	612	-
DUI Fund	205	205
Equipment - New	3,965	3,080
Equipment - Office	3,690	3,073
Total Police	<u>2,812,497</u>	<u>2,694,689</u>
Sub-Total Public Safety (Carried Forward)	<u>\$ 2,812,497</u>	<u>\$ 2,694,689</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	<u>2020</u>	<u>2019</u>
Sub-Total Public Safety (Brought Forward)	\$ 2,812,497	\$ 2,694,689
Public Safety (Continued)		
Police Commissioners		
Testing for Officer Hiring	2,702	10,289
Printing and Publishing	118	33
Memberships and Dues	375	375
Total Police Commissioners	<u>4,062</u>	<u>10,697</u>
E.S.D.A.		
E.S.D.A. Coordinator	5,760	5,760
FICA	441	440
IMRF	-	32
Communications and Dispatch	205	279
Postage	100	100
Unemployment	30	25
Total E.S.D.A.	<u>6,536</u>	<u>6,636</u>
Total Public Safety	<u>\$ 2,823,095</u>	<u>\$ 2,712,022</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	<u>2020</u>	<u>2019</u>
Highways and Streets		
Salaries - Regular	\$ 302,614	\$ 286,533
Salaries - Part-Time	898	1,195
Salaries - Overtime	12,051	16,540
Salaries - Sick Leave	6,145	14,990
Salaries - Vacation Leave	17,867	25,521
Salaries - Interdepartmental	11,856	11,710
FICA	25,356	26,191
IMRF	30,265	35,111
Group Hospital Insurance	69,275	62,213
Health Insurance Reimbursement	12,885	8,864
Unemployment Tax	428	404
Equipment Repairs	56,564	41,319
Building Repairs	4,051	4,884
Utilities	16,566	16,913
Insurance and Bonds	50,829	61,128
Communication and Dispatch	1,458	3,100
Training	693	630
Safety Materials	4,947	7,690
Janitorial Supplies	2,972	2,142
Clothing Allowance	104	3,060
Tools	3,639	3,000
Street Maintenance and Repairs	32,687	36,035
Construction Materials	23,276	30,551
Vehicle Fuel and Lubrications	31,706	30,772
Equipment	6,112	8,899
Street Improvements	234,329	260,488
Storm Drains, Meter Repairs	38,819	-
Street Lights	69,163	69,183
Street Signs	5,589	7,767
Equipment Leases	-	-
Miscellaneous	6,459	3,690
Supplies	8,868	10,001
Total Highways and Streets	<u>\$ 1,088,471</u>	<u>\$ 1,090,524</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	<u>2020</u>	<u>2019</u>
Sanitation		
Solid Waste Collection	\$ 821,099	\$ 777,121
Total Sanitation	<u>821,099</u>	<u>777,121</u>
Health		
Postage	<u>100</u>	<u>100</u>
Total Health	<u>100</u>	<u>100</u>
Cultural and Recreation		
Salaries - Community Relations Coordinator	53,518	49,962
Salaries - Sick Leave	843	2,773
Salaries - Vacation Leave	3,462	2,705
FICA	4,268	4,163
IMRF	5,013	5,907
Group Hospital Insurance	25,118	21,933
Unemployment Tax	80	62
Equipment Leases	-	50
Insurance and Bonds	689	179
Communication and Dispatch	896	971
Training	588	900
Office Supplies	2,224	2,744
Equipment	-	-
Books and Publications	30	30
Information Systems	2,662	2,839
Community Relations	25,811	31,824
Contributions - Senior Citizens	7,500	7,500
Downtown Enhancement	80,455	77,744
Sister Cities Programs	<u>310</u>	<u>335</u>
Total Cultural and Recreation	<u>213,467</u>	<u>212,621</u>
Capital Outlay		
General Government	12,814	-
Public Safety	64,322	153,704
Highways and Streets	<u>1,076,486</u>	<u>1,059,543</u>
Total Capital Outlay	<u>1,153,622</u>	<u>1,213,247</u>
Total Expenditures - General Fund	<u>\$ 7,310,731</u>	<u>\$ 7,188,502</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

Electric Fund	2020	2019
Cost of Sales		
Cost of Power	\$ 7,574,032	\$ 7,554,181
Salaries	182,069	175,485
FICA	12,980	12,726
IMRF	12,665	7,839
Group Hospital	39,499	34,847
Health Insurance Reimbursement	4,681	4,979
Unemployment	159	105
Professional Services	65	269
Communications	1,838	2,588
Safety Materials	1,102	1,208
E.P.A. Permits	5,626	5,626
Utilities	34,349	28,610
Clothing Allowances	1,591	2,686
Department Supplies	2,291	1,517
Tools	580	1,007
Vehicle Fuel and Lubrications	4,575	22,825
Chemicals	4,095	7,080
Training	654	540
Building Repairs	617	365
Utility System Maintenance	48,481	12,803
Equipment	1,196	15
Janitorial Supplies	2,567	2,875
Total Cost of Sales	<u>7,935,712</u>	<u>7,880,176</u>
Distribution		
Salaries	649,266	668,534
FICA	46,614	48,704
IMRF	45,856	28,653
Group Hospital	118,224	103,849
Health Insurance Reimbursement	19,968	15,784
Other Post Employee Benefit	6,915	33,413
Other - IMRF	4,309	(14,322)
Unemployment	614	524
Building Repairs	2,020	7,503
Machinery Repairs	10,804	5,188
Communications	3,946	4,693
Utilities	21,444	22,355
Clothing Allowances	2,346	3,364
Tools	2,717	4,693
Professional Services	<u>2,078</u>	<u>1,464</u>
Sub-Total (Carried Forward)	<u>\$ 937,121</u>	<u>\$ 934,399</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	<u>2020</u>	<u>2019</u>
Sub-Total Carried Forward	\$ 937,121	\$ 934,399
Distribution (continued)		
Department Supplies	27,289	18,652
Safety Materials	11,824	11,862
Line Materials	85,077	67,389
Training	2,011	2,398
Miscellaneous	-	220
Street Light Materials	77,177	61,353
Equipment	3,518	6,109
Janitorial Supplies	1,360	716
PCB Program	455	870
Vehicle Fuel and Lubrication	15,825	16,395
Repairs and Maintenance	23,775	18,460
Total Distribution	<u>1,185,432</u>	<u>1,138,823</u>
Administrative		
Salaries	156,069	147,414
FICA	11,570	10,922
IMRF	8,865	5,136
Group Hospital	26,363	21,820
Health Insurance Reimbursement	2,528	3,031
Unemployment	250	243
Insurance and Bonds	111,296	121,795
Equipment Rentals	2,222	2,001
Postage	11,295	10,589
Printing and Publishing	1,232	1,165
Professional Services	77,018	27,970
Miscellaneous	2,934	2,132
Office Supplies	3,413	3,479
Information Systems	9,623	7,876
Training	5,391	1,369
Bad Debts	9,602	13,920
Equipment	1,670	976
Refunds	1,594	2,809
Administrative - General Fund	533,734	576,449
Total Administrative	<u>976,669</u>	<u>961,096</u>
Depreciation	<u>763,059</u>	<u>743,997</u>
	<u>763,059</u>	<u>743,997</u>
Total Operating Expenses - Electric Fund	<u>\$ 10,860,872</u>	<u>\$ 10,724,092</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	<u>2020</u>	<u>2019</u>
Gas Fund		
Cost of Sales		
Gas Purchased	\$ 1,282,121	\$ 1,506,040
Total Cost of Sales	<u>1,282,121</u>	<u>1,506,040</u>
Distribution		
Salaries	446,657	429,868
FICA	31,464	30,835
IMRF	29,042	18,516
Group Hospital Insurance	99,539	91,810
Health Insurance Reimbursement	15,788	13,012
Other Post Employment Benefit	8,800	6,867
Other - IMRF	2,449	(6,236)
Unemployment	496	438
Repairs	15,718	4,782
Vehicle Fuel	11,727	12,059
Utilities	14,041	14,979
Communications	4,662	5,834
Training	1,126	7,648
Miscellaneous	-	805
Office Supplies	135	447
Chemicals	3,024	3,685
Line Materials	62,411	86,913
Safety Materials	3,115	4,030
Clothing Allowances	1,291	4,533
Department Supplies	1,363	3,373
Tools	3,934	4,003
Janitorial Supplies	187	405
Other Repairs and Maintenance	11,571	17,992
Equipment and Building	2,929	6,510
Total Distribution	<u>\$ 771,469</u>	<u>\$ 763,108</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	<u>2020</u>	<u>2019</u>
Gas Fund (Continued)		
Administration		
Salaries	\$ 156,077	\$ 147,424
FICA	11,594	10,952
IMRF	8,865	5,136
Group Hospital Insurance	26,363	21,820
Health Insurance Reimbursement	2,371	3,031
Unemployment	251	243
Insurance and Bonds	35,186	45,476
Equipment Rentals	2,222	2,077
Office Supplies	3,128	2,993
Postage	11,383	10,535
Information Systems	9,623	7,876
Memberships and Dues	395	875
Miscellaneous	3,084	2,548
Printing and Publishing	1,232	1,405
Professional Services	31,440	23,414
Legal	26,656	12,277
Training	89	138
Bad Debts	2,686	2,110
Equipment	1,078	560
Administration - General Fund	<u>138,439</u>	<u>147,959</u>
Total Administration	<u>472,162</u>	<u>448,849</u>
Depreciation	<u>181,436</u>	<u>165,796</u>
Total Operating Expenses - Gas Fund	<u>\$ 2,707,188</u>	<u>\$ 2,883,793</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	2020	2019
Water Fund		
Cost of Sales		
Water Purchased	\$ 1,007,887	\$ 993,535
Total Cost of Sales	<u>1,007,887</u>	<u>993,535</u>
Distribution		
Salaries	169,860	154,022
FICA	12,404	11,551
IMRF	12,447	7,434
Group Hospital Insurance	27,403	24,380
Health Insurance Reimbursement	5,430	1,026
Other Post Employment Benefit	2,569	29,549
Other - IMRF	6,478	(1,382)
Unemployment	152	174
Repairs	6,858	3,217
Communications	4,169	4,749
Utilities	14,342	10,555
Miscellaneous	4,684	1,000
Department Supplies	1,065	1,622
Tools	2,599	2,728
Vehicle Fuel and Lubrications	3,394	3,327
Chemicals	2,733	4,383
Safety Materials	1,054	1,772
Repairs and Maintenance	35,741	41,115
Testing	6,364	4,044
Professional Services	-	164
Clothing Allowance	234	-
Training	684	1,970
Capital Projects	214,767	66,097
Total Distribution	<u>535,431</u>	<u>373,497</u>
Administration		
Salaries	156,049	148,189
FICA	11,576	10,928
IMRF	8,865	5,136
Group Hospital Insurance	26,363	21,820
Health Insurance Reimbursement	2,371	3,031
Unemployment	251	243
Insurance and Bonds	14,907	18,148
Equipment Rentals	2,222	2,077
Office Supplies	2,749	2,957
Postage	11,328	11,005
Memberships and Dues	598	83
Miscellaneous	2,933	2,132
Printing and Publishing	1,232	1,165
Professional Services	3,606	43,351
Customer Refunds	-	-
Information Systems	9,623	7,876
Bad Debts	2,261	2,306
Equipment	1,228	976
Administration - General Fund	117,152	120,096
Training	42	94
Total Administration	<u>375,356</u>	<u>401,613</u>
Depreciation and Amortization	<u>232,652</u>	<u>218,745</u>
Total Operating Expenses - Water Fund	<u>\$ 2,151,326</u>	<u>\$ 1,987,390</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	<u>2020</u>	<u>2019</u>
Sewer Fund		
Sewer Treatment Plant		
Salaries	\$ 294,163	\$ 272,316
FICA	21,519	20,147
IMRF	19,216	11,623
Group Hospital Insurance	47,220	30,616
Health Insurance Reimbursement	2,953	4,526
Other Post Employment Benefits	1,577	(4,174)
Other - IMRF	8,302	609
Unemployment	322	187
Building Repairs	723	10,034
Machinery Repairs	65,025	80,508
Utilities	207,558	219,706
Communications	28,317	8,156
Department Supplies	354	2,138
Safety Materials	1,063	1,401
Disposal Fees	8,031	9,853
Chemicals	5,786	12,033
Clothing Allowance	1,357	1,706
Tools	169	638
Vehicle Fuels	416	37
Miscellaneous	3,791	-
Office Supplies	41	287
E.P.A. Permits	17,500	17,500
Janitorial Supplies	185	464
Training	787	585
Total Sewer Treatment Plant	<u>736,375</u>	<u>700,896</u>
 Sewer Collection System		
Equipment Lease	-	-
Utilities	69,554	74,414
Building Repairs	657	-
Equipment Repairs	79,686	66,740
Vehicle Fuels	3,600	4,456
Department Supplies	3,199	4,841
Tools	758	513
Fuels	-	1,733
Safety Materials	465	1,018
Repairs and Maintenance	2,929	43,071
Total Sewer Collection System	<u>\$ 160,848</u>	<u>\$ 196,786</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2020
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2019)

	<u>2020</u>	<u>2019</u>
Sewer Fund (Continued)		
Administration		
Salaries	\$ 136,423	\$ 125,682
FICA	9,970	9,260
IMRF	8,865	5,136
Group Hospital Insurance	26,363	21,821
Health Insurance Reimbursement	2,371	3,031
Unemployment	154	147
Insurance and Bonds	31,742	37,356
Equipment Rentals	2,044	1,852
Office Supplies	2,854	3,292
Postage	11,312	10,554
Printing and Publishing	1,232	1,165
Miscellaneous	2,934	2,132
Professional Services	40,532	74,897
Customer Refunds	65,530	-
Information Systems	9,623	7,876
Bad Debts	1,867	2,036
Equipment	785	976
Administration - General Fund	87,515	89,394
Training	-	94
Total Administration	<u>442,116</u>	<u>396,701</u>
Depreciation	<u>443,785</u>	<u>456,354</u>
Total Operating Expenses - Sewer Fund	<u>\$ 1,783,124</u>	<u>\$ 1,750,737</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF INVESTMENTS
YEAR ENDED APRIL 30, 2020

Business-Type Activities	ISSUER	AMOUNT
Water Fund		
1 - 3 Year Investment Fund	IMET	\$ 1,519,407
Total Water Fund		<u>1,519,407</u>
Sewer Fund		
1 - 3 Year Investment Fund	IMET	<u>590,526</u>
Total Sewer Fund		<u>590,526</u>
Electric Fund		
1 - 3 Year Investment Fund	IMET	<u>8,197,321</u>
Total Electric Fund		<u>8,197,321</u>
Gas Fund		
1 - 3 Year Investment Fund	IMET	<u>4,172,990</u>
Total Gas Fund		<u>4,172,990</u>
Utility Deposits		
1-3 Year Investment Fund	IMET	<u>326,567</u>
Total Utility Deposits		<u>326,567</u>
Total Business-Type Activities		<u>\$ 14,806,811</u>

SCHEDULE "16" (CONT'D)

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF INVESTMENTS
YEAR ENDED APRIL 30, 2020

Fiduciary Fund Types	<u>ISSUER</u>	<u>AMOUNT</u>
Police Pension		
Equity Mutual Funds		\$ 2,292,146
Corporate Bonds		1,402,074
U.S. Treasury Notes		1,057,659
U.S. Treasury Bonds		774,194
Federal Farm Credit Banks		128,211
Federal Home Loan Bank		143,091
Federal National Mortgage Association		10,429
Foreign Bonds, Notes and Debentures		68,898
Equity Exchange Traded Funds		<u>139,777</u>
Total Police Pension		<u>6,016,479</u>
 Total Fiduciary Fund Types		 <u>6,016,479</u>
 Total Investments		 <u><u>\$ 20,823,290</u></u>

ADDITIONAL INFORMATION
(UNAUDITED)

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

	TAX YEAR		
	2019	2018	2017
Assessed Valuation	<u>\$ 294,845,677</u>	<u>\$ 274,108,760</u>	<u>\$ 267,094,823</u>
Tax Rates (Per \$100 of Assessed Valuation)			
Corporate	0.09209	0.07061	0.10415
Road and Bridge	0.02026	0.02164	0.02274
Municipal Band	0.00847	0.00905	0.00951
Library	0.14218	0.14457	0.14985
Illinois Municipal Retirement	0.05157	0.05311	0.05580
Police Pension	0.18417	0.21164	0.17275
Special Library	<u>0.01898</u>	<u>0.01928</u>	<u>0.01998</u>
	<u>0.51772</u>	<u>0.52990</u>	<u>0.53478</u>
Taxes Extended			
Corporate	\$ 249,214	\$ 179,502	\$ 251,762
Road and Bridge	54,828	55,013	54,969
Municipal Band	22,921	23,007	22,989
Library	384,767	367,521	362,233
Illinois Municipal Retirement	139,558	135,014	134,886
Police Pension	498,400	538,024	417,589
Special library	<u>51,364</u>	<u>49,013</u>	<u>48,298</u>
	<u>\$ 1,401,052</u>	<u>\$ 1,347,094</u>	<u>\$ 1,292,726</u>
Taxes Collected			
Corporate		\$ 179,345	\$ 251,317
Road and Bridge		54,965	54,873
Municipal Band		22,986	22,947
Library		367,200	361,593
Illinois Municipal Retirement		134,896	134,647
Police Pension		537,553	416,851
Special Library		<u>48,970</u>	<u>48,212</u>
		<u>\$ 1,345,915</u>	<u>\$ 1,290,440</u>
Percentage of Extension Collected		<u>99.91%</u>	<u>99.82%</u>

CITY OF WATERLOO, ILLINOIS
ADDITIONAL INFORMATION
REGARDING CUSTOMERS AND INSURANCE
YEAR ENDED APRIL 30, 2020

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	4,649	4,458	4,113	4,876	4,285
End of Year	4,689	4,494	4,142	4,912	4,327

NOTE 2. INSURANCE

The following insurance policies are maintained by the City and are in effect as of April 30, 2020.

A. Illinois Municipal League Risk Management Association

Coverage period: December 31, 2019 to December 31, 2020

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

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

SPECIAL LIABILITY COVERAGES

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

CITY OF WATERLOO, ILLINOIS
ADDITIONAL INFORMATION
REGARDING CUSTOMERS AND INSURANCE
YEAR ENDED APRIL 30, 2020

PROPERTY COVERAGES

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

STAND-ALONE COVERAGES

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

CITY OF WATERLOO, ILLINOIS
ADDITIONAL INFORMATION
REGARDING CUSTOMERS AND INSURANCE
YEAR ENDED APRIL 30, 2020

STAND-ALONE COVERAGES (CONTINUED)

<u>Auto Medical Payments</u>	\$10,000 each person, \$1,000,000 each occurrence
<u>Uninsured/Underinsured Motorist</u>	\$100,000 each person, \$300,000 each accident
<u>Flood/Earthquake</u>	\$1,500,000 each occurrence
<u>Auto Physical Damage,</u> <u>Building/Personal Property, Inland Marine</u>	\$2,000,000 each occurrence, each location; \$50,000 extra expense
<u>Crime Coverage</u>	\$100,000 each occurrence
<u>Valuable Papers/Records</u>	\$50,000 each occurrence
<u>Workers Compensation/</u> <u>Occupational Disease</u>	\$2,000,000 each occurrence
<u>Employer's Liability</u>	\$2,000,000 each accident
<u>Additional Endorsements for Electric Utility Liability</u>	\$8,000,000 with no annual aggregate limit
<u>Additional Endorsements for Replacement Cost Value</u>	
Electric Utility Property	\$ 17,840,542
Gas Utility Property	1,704,298

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

Coverage Period: December 31, 2019 to December 31, 2020

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