

Financial Statements

April 30, 2016



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

INDEPENDENT AUDITOR'S REPORT

November 28, 2016

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, 2016, 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, 2016, 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, the schedule of funding progress, and budgetary comparison on pages 3 - 19, A1 - A6 and A7 - A17 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 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 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 nonmajor fund financial statements, the schedule 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.

Sumathi Boyle

Columbia, Illinois

CITY OF WATERLOO

Management's Discussion and Analysis April 30, 2016

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

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

Financial Highlights

- The net assets of the City of Waterloo exceeded its liabilities at April 30, 2016 by \$72,422,404. Net assets invested in capital assets (net of depreciation and related debt) account for 71% of this amount, with a value of \$51,483,959. Other restricted assets account for 2% or \$1,414,966. 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 \$903,331. Governmental activities resulted in a decrease in net position of \$1,150,528 with expenditures in excess of receipts. Net position from business-type activities increased \$2,053,859 as a result of operating revenue in excess of expenditures, a transfer of funds, the repayment of debt, and capital assets purchased.
- During the fiscal year ended April 30, 2016, the City adopted *Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions*. This statement changes the accounting principles relative to the City's participation in the Illinois Municipal Retirement Fund (IMRF) and the City's Police Pension Fund.
- In accordance with GASB No. 68, the City recognizes the net pension obligation of \$2,046,400 for IMRF, and \$2,869,014 for Police Pension on the statement of net position. This resulted in a reduction in net position as of April 30, 2015 of \$3,790,831.
- 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 \$830,114 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. \$755,245 is payable on project at fiscal year end 4/30/16.

- The City of Waterloo passed Resolution No. 13-07 on April 15, 2013, approving a segregated bank account to supplement monies paid to the Illinois Municipal Retirement Fund (IMRF) for payment of IMRF pensions. Contribution for fiscal year end 4/30/16 was \$284,675.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,177,319, or 96% 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, 2016, 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, 2016.

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 \$74,422,404 at April 30, 2016. 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$13,722,129	\$14,519,266	\$16,372,849	\$15,383,614	\$30,094,978	\$29,902,880
Capital Assets	16,294,695	16,438,391	42,910,610	43,607,741	59,205,305	60,046,132
Total Assets	<u>\$30,016,824</u>	<u>\$30,957,657</u>	<u>\$59,283,459</u>	<u>\$58,991,355</u>	<u>\$89,300,283</u>	<u>\$89,949,012</u>
Deferred Outflows of Resources	\$ 607,824	-	\$ 785,544	-	\$ 1,393,368	-
Long-term Liabilities	\$ 4,539,530	\$ 449,402	\$ 9,250,573	\$ 8,869,250	\$13,790,103	\$ 9,318,652
Other Liabilities	1,035,160	2,729,323	1,814,519	2,591,133	2,849,679	5,320,456
Total Liabilities	<u>\$5,574,690</u>	<u>\$ 3,178,725</u>	<u>\$11,065,092</u>	<u>\$11,460,383</u>	<u>\$16,639,782</u>	<u>\$14,639,108</u>
Deferred Inflows of Resources	\$1,631,465	-	-	-	\$ 1,631,465	-
Net Position:						
Invested in Capital Assets, net of related debt	16,294,695	16,438,391	35,189,264	34,217,574	51,483,959	50,655,965
Restricted	1,414,966	1,769,921	-	-	1,414,966	1,769,921
Unrestricted	5,708,832	9,570,620	13,814,647	13,313,398	19,523,479	22,884,018
Total Net Position	<u>\$23,418,493</u>	<u>\$27,778,932</u>	<u>\$49,003,911</u>	<u>\$47,530,972</u>	<u>\$72,422,404</u>	<u>\$75,309,904</u>

The City of Waterloo's total assets are \$89,300,283 as of April 30, 2016. Of this amount, \$59,205,305 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, \$24,854,527 is accounted for in cash, cash equivalents, and pooled investments, \$4,601,897 in accounts, taxes, and other receivable, with the remainder spread among miscellaneous assets.

Deferred outflows of resources at April 30, 2016 is \$1,393,368 as a result of the inclusion of pension obligations.

As of April 30, 2016, the City had outstanding liabilities of \$16,639,782, with \$7,721,346 in loans payable. Of the loans payable, \$618,031 is due within one year, with the remainder due at various dates. Refer to the notes to the financial statements for a more in depth discussion of long term debt.

Included in other liabilities in the table is \$1,961,519 in accounts payable, \$1,032,426 in accrued liabilities, \$270,129 in deposits payable to customers, \$738,948 in other post employment benefit obligation, and \$4,915,414 in net pension liability.

Deferred inflows of resources at April 30, 2016 is \$1,631,465 with \$418,991 related to pensions and \$1,212,474 in unavailable property tax revenue.

The largest portion of the City's net position (71.0 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 (2.0 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, 2016, 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	
	2016	2015	2016	2015	2016	2015
Program Revenues:						
Charges for services	\$ 1,601,955	\$ 1,634,254	\$17,860,624	\$18,666,695	\$19,462,579	\$20,300,949
Operating grants and contributions	720	61,909	-	-	720	61,909
Capital grants and contributions	-	-	-	-	-	-
General Revenues:						
Property taxes	1,256,291	802,496	-	-	1,256,291	802,496
Intergovernmental revenues	3,947,623	3,914,538	-	-	3,947,623	3,914,538
Utility taxes	776,809	829,521	-	-	776,809	829,521
Other	379,165	387,442	78,342	74,978	457,507	462,420
Total Revenues	<u>7,962,563</u>	<u>7,630,160</u>	<u>17,938,966</u>	<u>18,741,673</u>	<u>25,901,529</u>	<u>26,371,833</u>
Expenses:						
General government	1,262,126	1,235,203	-	-	1,262,126	1,235,203
Public safety	2,487,262	2,035,249	-	-	2,487,262	2,035,249
Highways and streets	3,663,214	2,611,056	-	-	3,663,214	2,611,056
Sanitation	708,344	689,920	-	-	708,344	689,920
Health	100	100	-	-	100	100
Culture and recreation	556,143	595,145	-	-	556,143	595,145
Interest and other charges on long-term debt	-	-	-	-	-	-
Electric fund	-	-	10,246,623	10,197,484	10,246,623	10,197,484
Gas fund	-	-	2,413,453	2,915,058	2,413,453	2,915,058
Water fund	-	-	1,774,066	1,860,151	1,774,066	1,860,151
Sewer fund	-	-	1,886,867	1,913,255	1,886,867	1,913,255
Total Expenses	<u>8,677,189</u>	<u>7,166,673</u>	<u>16,321,009</u>	<u>16,885,948</u>	<u>24,998,198</u>	<u>24,052,621</u>
Transfer of Funds	(435,902)	(435,902)	435,902	435,902	-	-
Increase (decrease) in net assets	(1,150,528)	27,585	2,053,859	2,291,627	903,331	2,319,212
Net position– beginning (restated)	<u>24,569,021</u>	<u>27,751,347</u>	<u>46,950,052</u>	<u>45,239,345</u>	<u>71,519,073</u>	<u>72,990,692</u>
Net position – ending	<u>\$23,418,493</u>	<u>\$27,778,932</u>	<u>\$49,003,911</u>	<u>\$47,530,972</u>	<u>\$72,422,404</u>	<u>\$75,309,904</u>

Total revenues for the City of Waterloo were \$25,901,529 for the year ended April 30, 2016. Governmental activities provided \$7,962,563 (30.7 percent), while \$17,938,966 (69.3 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

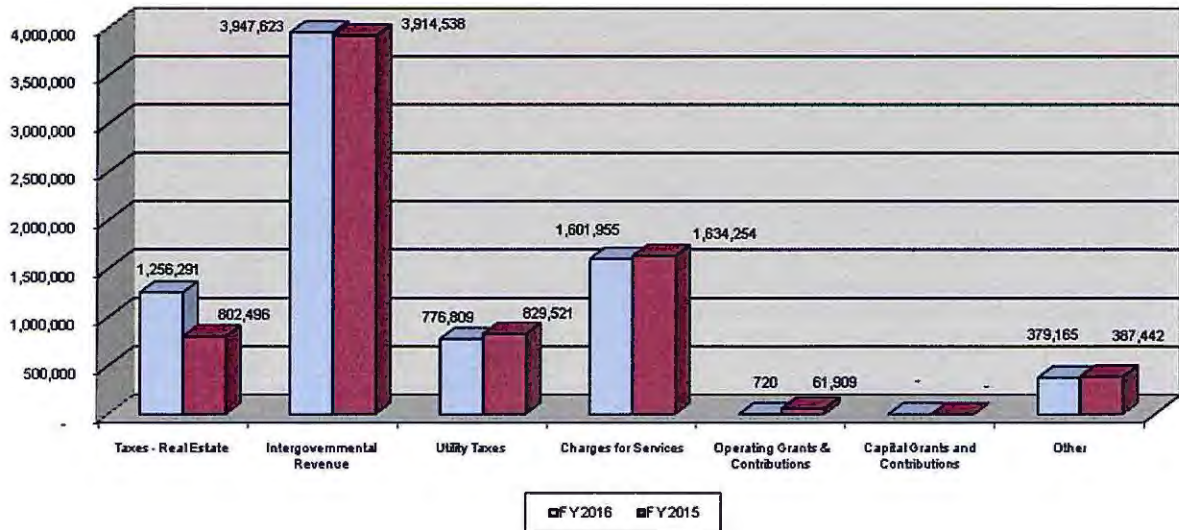
As noted earlier, the City of Waterloo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a financial analysis of the City's governmental and proprietary funds.

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, 2016		April 30, 2015		Increases/Decreases	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes – Real Estate	\$ 1,256,291	15.78%	\$ 802,496	10.52%	\$ 453,795	56.55%
Intergovernmental Revenue	3,947,623	49.58	3,914,538	51.30	33,085	0.85
Utility Taxes	776,809	9.76	829,521	10.87	(52,712)	(6.35)
Charges for Services	1,601,955	20.12	1,634,254	21.42	(32,299)	(1.98)
Operating Grants and Contributions	720	0.00	61,909	0.81	(61,189)	(98.84)
Capital Grants and Contributions	-	-	-	-	-	P -
Other	379,165	4.76	387,442	5.08	(8,277)	(2.14)
Total Revenues	7,962,563	100.00%	7,630,160	100.00%	332,403	4.36



- Real estate taxes** - This consists of real estate tax receipts received in 2016 for corporate, road and bridge, IMRF & FICA, police pension, band, and library purposes for the 2014 tax year. On the previous year's financial statements, real estate tax for police pension was not shown in the governmental funds revenue. The 2015 real estate tax rate was .53783%, down from the 2014 real estate tax rate of .53987%. Under PTELL, the amount of taxes over the prior year is limited to 5% or the Consumer Price Index (CPI), whichever is less, excluding new property.

- **Intergovernmental revenue** – Up overall 0.85% from the previous year. Intergovernmental revenue includes sales tax, business district sales tax, state income tax, state replacement tax, video gaming and motor fuel tax.
 - Sales taxes were \$2,220,901, an increase of 2.70% from the previous year.
 - A Business District was formed in January 2008 and \$79,525 was collected in the Business District Tax Fund, an increase of 28.81% from the previous year.
 - State income taxes were \$1,231,185, an increase of 3.39% from the previous year.
 - Video gaming began in January 2013 in which the City received \$60,060 from video gaming, an increase of 9.25% from the previous year.
 - Motor fuel taxes and state replacement taxes were \$355,952, a decrease of 19.91% from the previous year.

- **Utility taxes** – Down overall 6.35% from the previous year. This consists of a municipal electric tax \$292,896 (1.20% decrease), which is a step-rate based on kilowatt hour usage, a 5% municipal tax on gas and water usage \$196,796 (14.01% decrease), and other utility tax revenue \$287,117 (5.63% 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 1.98% from the previous year. This consists of charges for refuse collection \$723,429 (2.64% increase), a utility franchise charge from the business-type activities \$830,114 (4.12% decrease), court fines \$48,412 (23.87% decrease).

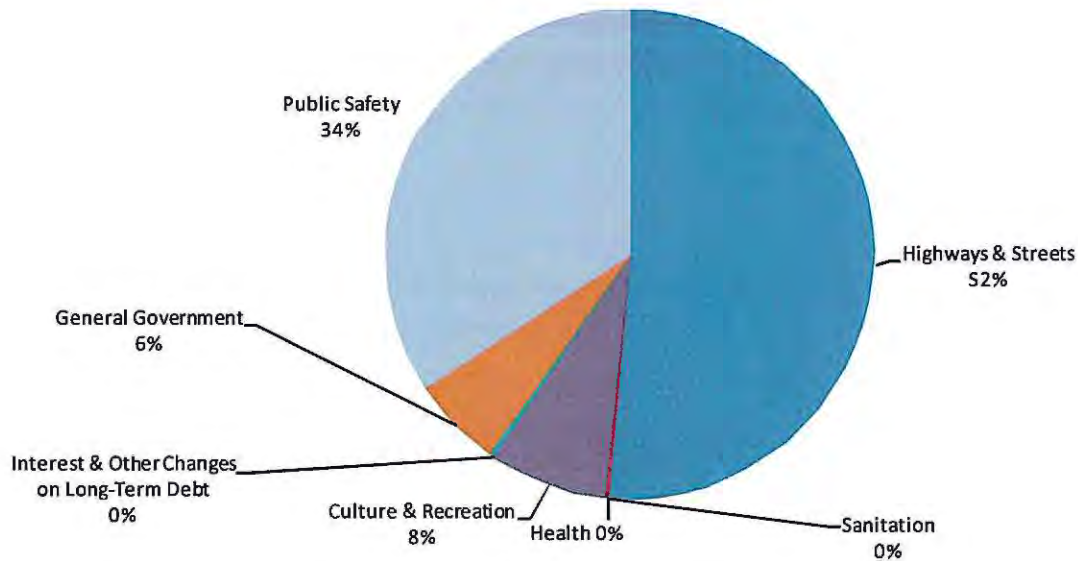
- **Operating grants and contributions** – This consists of a Safe Routes to School Grant received during the current fiscal year.

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

- **Other** – Down overall 2.14% from the previous year. This consists of licenses and permits \$226,867 (1.39% decrease), which includes building and other permits, inspection fees, liquor licenses, and franchise license fees. The remaining is interest income and investment income \$26,576 (30.32% increase) and miscellaneous income \$125,722 (8.22% 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, 2016



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.

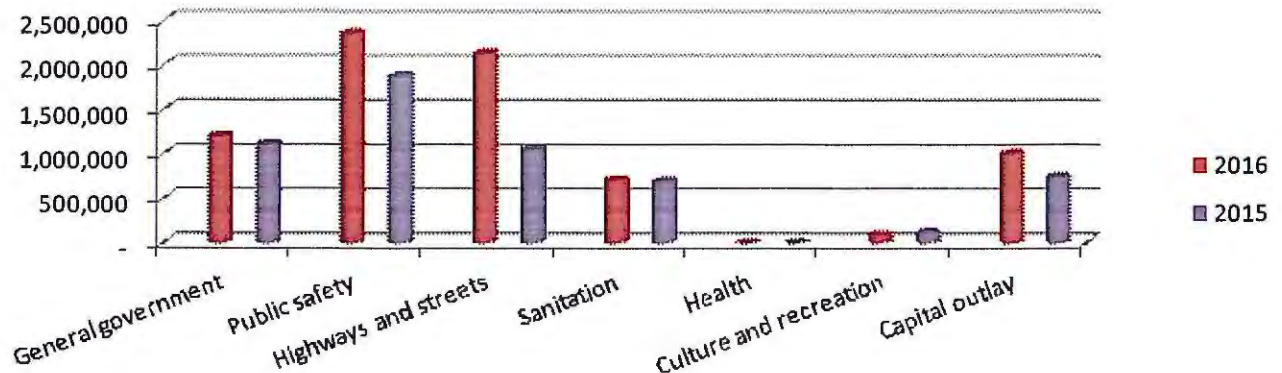
- **Culture and recreation** includes expenditures of the municipal band and library. It also includes support towards community relations programs, the sister cities program and other senior citizen programs.
- **Interest and other charges on long-term debt** is the interest on any debt payment. The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

The General Fund is the chief operating fund of the City. On April 30, 2016, unassigned fund balance of the General Fund was \$7,177,319. Total assets in the General Fund amounted to \$9,462,600, accounting for 68.96% of total governmental fund assets.

CITY OF WATERLOO'S GENERAL FUND

	2016	2015	Variance
REVENUES:			
Taxes – Real Estate	\$ 840,267	\$ 394,465	\$ 445,802
Intergovernmental	3,653,381	3,530,769	122,612
Utility Taxes	266,205	281,483	495,326
Charges for services	1,553,543	1,570,659	(17,116)
Licenses and permits	226,867	230,063	(3,196)
Fines	48,412	63,595	(15,183)
Miscellaneous	93,687	168,001	(61,758)
Interest	10,517	4,215	8,050
TOTAL REVENUES	6,692,879	6,243,250	974,537
EXPENDITURES:			
General government	1,196,741	1,109,990	87,640
Public safety	2,354,364	1,872,914	481,450
Highways and streets	2,131,030	1,054,400	1,076,630
Sanitation	708,344	689,920	18,424
Health	100	100	-
Culture and recreation	87,487	111,562	(24,075)
Capital Outlay	1,001,658	737,010	264,648
TOTAL EXPENDITURES	7,479,724	5,575,896	1,904,717
EXCESS OF REVENUES OVER EXPENDITURES	(786,845)	667,354	(1,454,199)
OTHER FINANCING SOURCES (USES):			
Transfers	-	-	-
NET CHANGE IN FUND BALANCES	\$ (786,845)	\$ 667,354	\$ (1,454,199)

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 \$610,485, about a 7.36% difference. The difference includes an increase in revenue appropriations of \$159,670 and a decrease in expense appropriations of \$450,815. During the year, some revenue and expenditures were less than budgetary estimates.

Overruns exceeding \$5,000 are summarized below:

- Additional \$6,977 was expended on equipment in Building.
- Additional \$16,912 was expended on Legal.
- Additional \$18,553 was expended in overtime salaries in the Police department.
- Additional \$17,777 was expended in office equipment in the Police department.
- Additional \$10,748 was expended in sick leave in the Street department.
- Additional \$9,195 was expended on land in the Street department.
- Additional \$175,462 was expended in equipment in the Street department.
- Additional \$7,158 was expended in street improvements in the Street department.

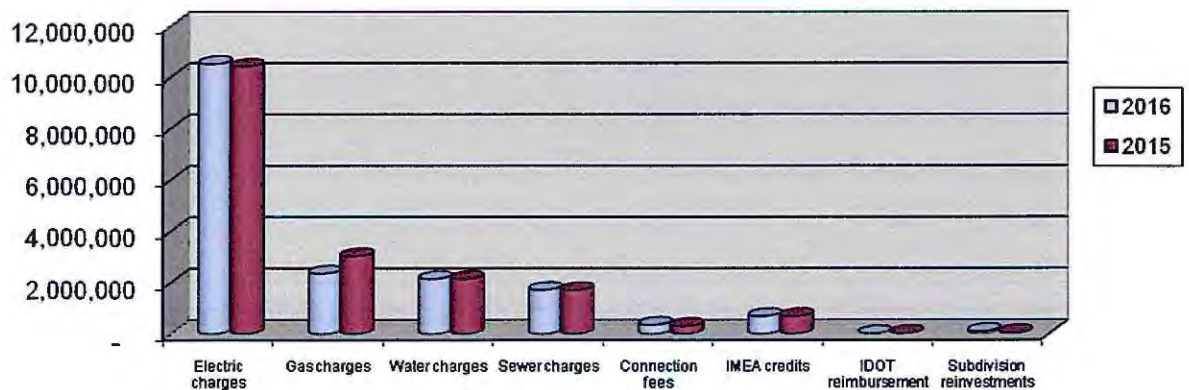
These overruns were offset by unused appropriations for alderman salaries of \$22,307, membership and dues of \$10,350, and \$5,033 of sales tax rebate in the legislative department; unused appropriations for health insurance of \$6,613 and \$6,840 for tourism in the finance department; unused appropriations of \$50,067 for equipment rental and service in building department; unused appropriations of \$35,818 for professional services and \$32,747 for office equipment in the zoning/building inspector department; unused appropriations of \$7,038 for new equipment in the emergency management agency department; unused appropriations of \$9,161 of salaries, \$21,717 of refuse, \$10,325 of community relations, and \$21,441 in downtown enhancements in the social services department. Unused appropriations in the police department include \$19,248 of salaries and \$7,901 of vacation leave. There were also unused appropriations of \$20,399 of health insurance, \$12,353 of communications, \$6,423 of insurance and bonds, \$17,147 in vehicle fuel and lube, \$11,217 in new equipment and \$115,997 in information systems in the Police department. Unused appropriates in the Emergency management agency include \$7,038 of new equipment. Unused appropriations in the street department include

\$21,191 of salaries, \$8,561 of over-time salaries, \$29,375 of interdepartmental salaries, \$5,787 of FICA, and \$11,431 of IMRF. Other unused appropriations in the street department include \$7,897 in health insurance, \$23,885 in equipment repair, \$6,921 in insurance and bonds, \$14,460 in construction materials, \$15,645 in vehicle fuel and lube, \$15,620 in vehicle equipment, \$34,972 in storm drains and \$1,206,545 of capital projects budgeted, but not expended. The capital projects budgeted, but not expended include Moore Street improvements which were completed, but not billed by the State of Illinois in the current fiscal year, safe routes to school improvements, multi-purpose path along Route 3, and Lakeview Drive curb and gutter and sidewalk project. Most of these capital projects were pushed to the next fiscal year for various reasons.

Proprietary Funds Revenue/Expense Analysis

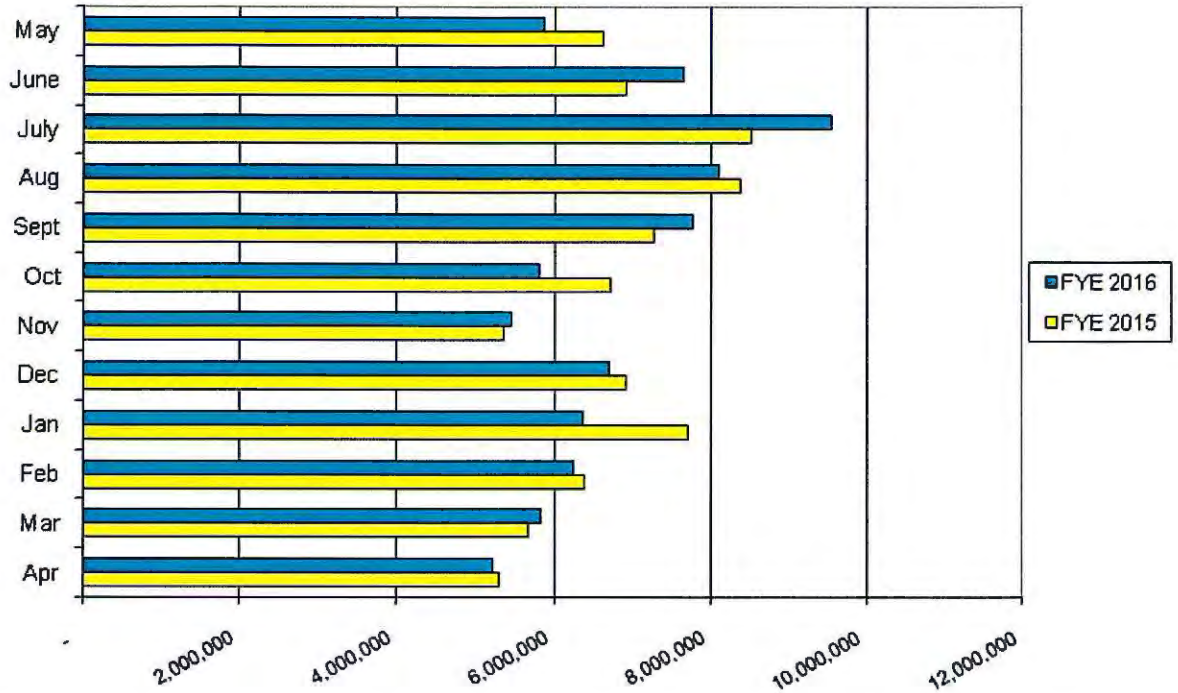
Proprietary Funds Revenue

The business-type activities (electric, gas, water, and sewer fund) operating revenues for year ended April 30, 2016 were \$17,816,578, down 2.75% from last year. Charges for services were \$16,689,466, a 3.32% decrease from last year. Connection fees were 14.10% more than what was received in the previous year. IMEA credits, which the City receives from IMEA for the Gas Turbine engines at the Power Plant, were slightly less than the previous year. IDOT reimbursement for the relocation of utilities along Route 3 was down \$18,196 from the previous year. Subdivision reinvestments received for utilities installed in their respective developments were slightly less than doubled from what was received in the previous year.



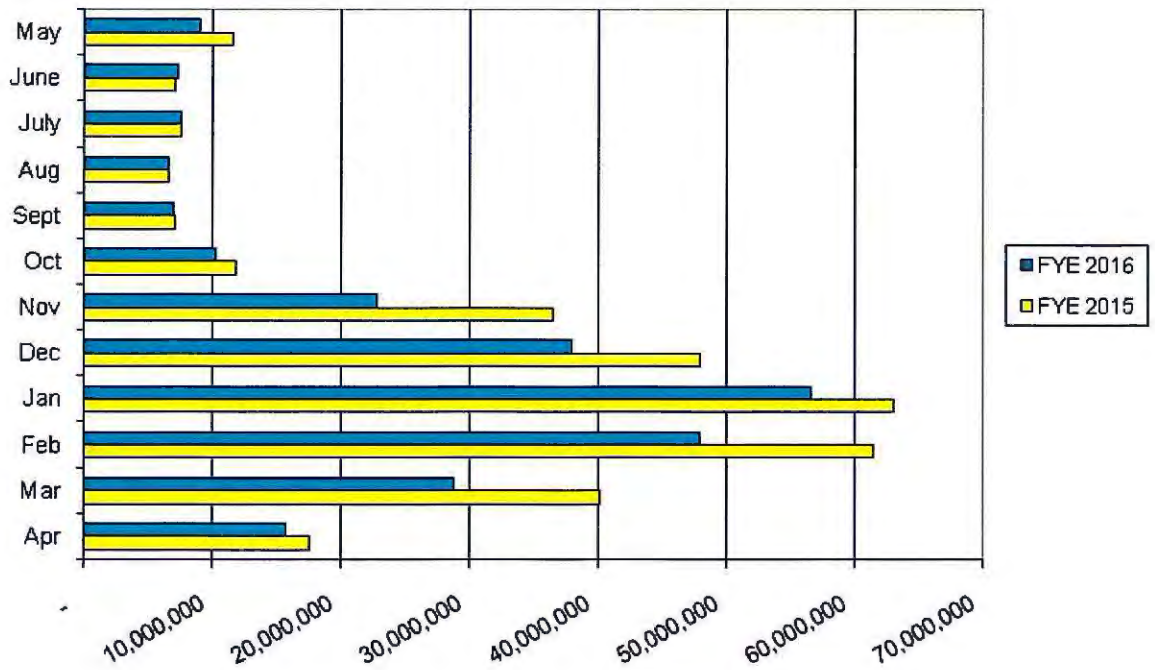
Electric charges for services increased 1.0% from the prior year, with a 1.5% decrease in the consumption of kilowatt hours (excluding demand).

Electric – Kilowatt Hours Billed (Excludes Demand)



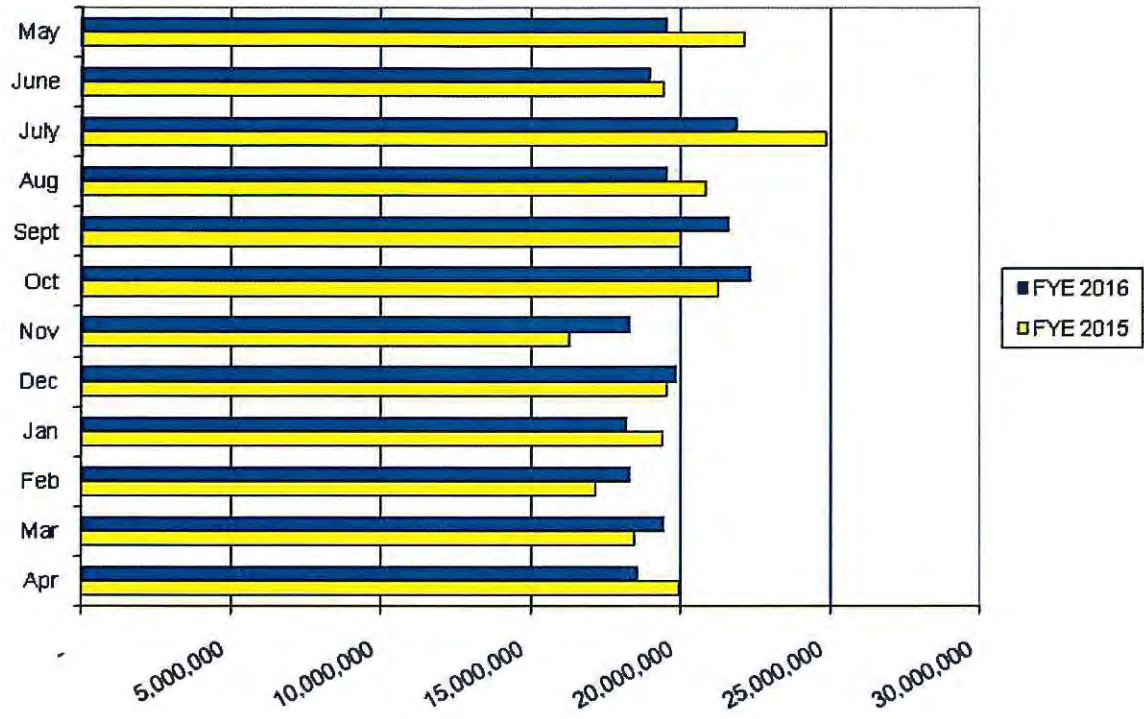
Gas charges for services decreased 22.4% from the prior year, with a 19.1% decrease in the consumption of cubic feet of natural gas.

Gas – Cubic Feet Billed



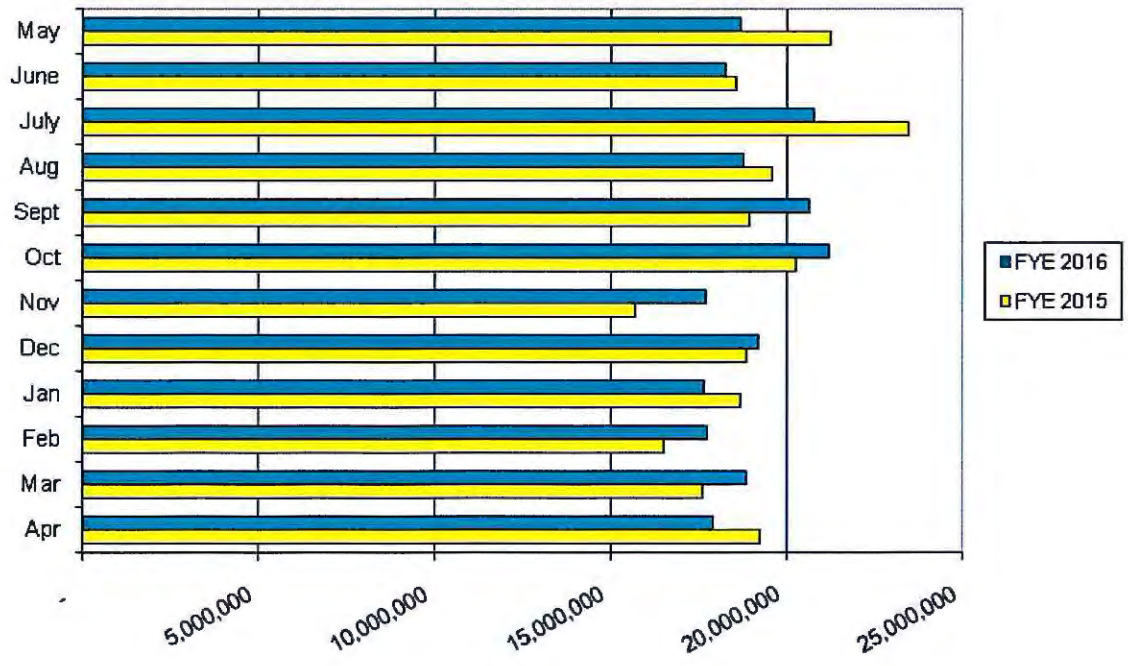
Water charges for services decreased 0.3% from the prior year with a 1.1% decrease in gallons billed.

Water – Gallons Billed



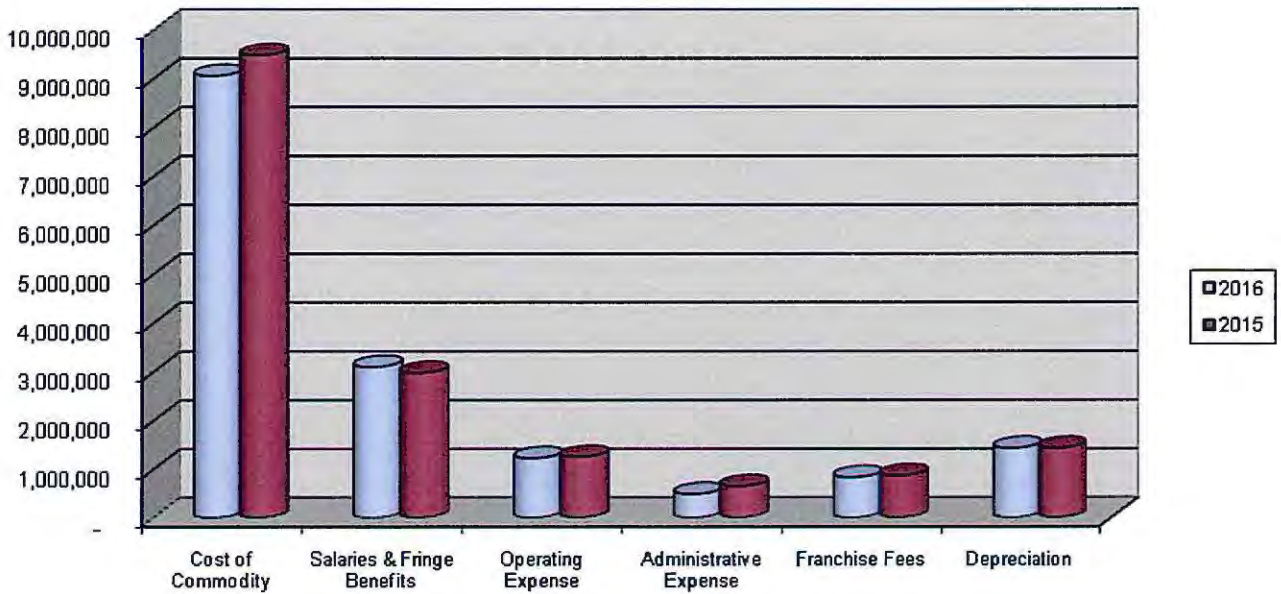
Sewer charges for services increased from the prior year, 0.4%. Since sewer is based on gallons of water consumed, there was also a decrease in consumption of 0.6% from the prior year.

Sewer – Gallons Billed



Proprietary Funds Expenses

The operating expenses of the proprietary funds for the fiscal year ended April 30, 2016 were \$16,118,971 down 3.1% from last year. Overall, the cost of electric, gas, and water purchased from an outside party decreased from last year by \$418,749 accounting for 81.4% of the decrease. Gas purchased decreased, however electric and water purchased increased. Salaries and fringe benefits increased \$122,721. Operating expenses had a little impact and decreased \$25,732 from the prior year. Administrative expenses also decreased \$158,644 from the prior year. Franchise fees decreased \$35,697 from the prior year due to the decrease in charges for utilities. Finally, depreciation expense increased \$1,735.



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, 2016, amounts to \$59,205,305 (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:

- Office equipment was purchased by Finance department at a cost of \$18,925.
- Office equipment was purchased by the Police department at a cost of \$81,371.
- Vehicles and equipment were purchased in the Police department at a cost of \$66,161.

- Equipment of \$290,880 was purchased by in the street department. Equipment purchases included a dump truck and a front end loader.
- Street improvements include Vandebrook Drive at a cost of \$452,209.
- Land was purchased at 611 Poplar at a total cost of \$45,974 with \$9,195 from governmental funds.
- Construction in progress includes costs incurred for safe routes to school, park and ride lot, Mockingbird Lane detention, and downtown crosswalks.
- HVAC System was purchased by the Library at a cost of \$220,671.

Proprietary Funds:

- Land was purchased at 611 Poplar at a total cost of \$45,974 with \$36,779 from proprietary funds.
- Equipment was purchased for use in the various utility departments at a total cost of \$93,604.
- Water meters purchased at a cost of \$46,514 were capitalized.
- Sewer lift station upgrades were completed at a cost of \$149,401.
- Building improvement of \$11,760 was made at the sewer plant.
- Sewer line replacements were installed at a cost of \$125,802.
- The purchase of electric meters and transformers accounted for \$87,144 invested into the electrical system of the City of Waterloo.
- The electric department purchased a pickup truck at a cost of \$25,050.
- Gas meters purchased at a cost of \$79,724 were capitalized.
- Construction in progress includes costs incurred for water main extension, lift station rebuild, arc flash study, and high pressure gas line engineering.

Long-Term Debt

At April 30, 2016, City of Waterloo has an EPA loan in the amount of \$7,721,346.

The City of Waterloo's total debt decreased \$1,668,821 during the fiscal year ended April 30, 2016.

Requests for Information

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

FINANCIAL SECTION

CITY OF WATERLOO, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 8,961,809	\$ 3,978,993	\$ 12,940,802
Investments	2,284,090	9,629,635	11,913,725
Taxes Receivable	927,903	-	927,903
Accounts Receivable, Net	235,196	2,226,324	2,461,520
Inventories	-	405,030	405,030
Prepays	100,657	132,867	233,524
Real Estate Taxes Receivable, Net	1,212,474	-	1,212,474
Total Current Assets	<u>\$ 13,722,129</u>	<u>\$ 16,372,849</u>	<u>\$ 30,094,978</u>
NONCURRENT ASSETS:			
Capital Assets:			
Land and Construction in Progress	\$ 1,321,013	\$ 3,271,564	\$ 4,592,577
Other Capital Assets, Net of Accumulated Depreciation	14,973,682	39,639,046	54,612,728
Total Non-Current Assets	<u>\$ 16,294,695</u>	<u>\$ 42,910,610</u>	<u>\$ 59,205,305</u>
Total Assets	<u>\$ 30,016,824</u>	<u>\$ 59,283,459</u>	<u>\$ 89,300,283</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	\$ 607,824	\$ 785,544	\$ 1,393,368
LIABILITIES AND DEFERRED INFLOW OF RESOURCES			
CURRENT LIABILITIES:			
Accounts Payable	\$ 966,719	\$ 793,323	\$ 1,760,042
Wages and Benefits Payable	68,441	82,266	150,707
Accrued Interest Payable	-	50,770	50,770
Consumer Deposits	-	270,129	270,129
E.P.A. Loan, Current	-	618,031	618,031
Total Current liabilities	<u>\$ 1,035,160</u>	<u>\$ 1,814,519</u>	<u>\$ 2,849,679</u>
NONCURRENT LIABILITIES:			
Other Post Employment Benefit Obligation	\$ 541,521	\$ 197,427	\$ 738,948
Compensated Absences	523,670	508,756	1,032,426
Net Pension Liability	3,474,339	1,441,075	4,915,414
E.P.A. Loan, Non-Current	-	7,103,315	7,103,315
Total Non-Current Liabilities	<u>\$ 4,539,530</u>	<u>\$ 9,250,573</u>	<u>\$ 13,790,103</u>
Total Liabilities	<u>\$ 5,574,690</u>	<u>\$ 11,065,092</u>	<u>\$ 16,639,782</u>
DEFERRED INFLOWS OF RESOURCES			
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	\$ 418,991	\$ -	\$ 418,991
Unavailable Revenue - Property Taxes	1,212,474	-	1,212,474
Total Deferred Inflows of Resources	<u>\$ 1,631,465</u>	<u>\$ -</u>	<u>\$ 1,631,465</u>
NET POSITION			
NET POSITION:			
Net Investment in Capital Assets	\$ 16,294,695	\$ 35,189,264	\$ 51,483,959
Restricted Net Position	1,414,966	-	1,414,966
Unrestricted Net Position	<u>5,708,832</u>	<u>13,814,647</u>	<u>19,523,479</u>
Total Net Position	<u>\$ 23,418,493</u>	<u>\$ 49,003,911</u>	<u>\$ 72,422,404</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2016

FUNCTION/PROGRAMS:	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING	Capital	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
General Government	\$ 1,262,126	\$ 830,114	\$ 720	\$ -	\$ (431,292)	\$ -	\$ (431,292)
Public Safety	2,487,262	48,412	-	-	(2,438,850)	-	(2,438,850)
Highways and Streets	3,663,214	-	-	-	(3,663,214)	-	(3,663,214)
Sanitation	708,344	723,429	-	-	15,085	-	15,085
Health	100	-	-	-	(100)	-	(100)
Culture and Recreation	556,143	-	-	-	(556,143)	-	(556,143)
Total Governmental Activities	\$ 8,677,189	\$ 1,601,955	\$ 720	\$ -	\$ (7,074,514)	\$ -	\$ (7,074,514)
BUSINESS-TYPE ACTIVITIES:							
Electric Fund	\$ 10,246,623	\$ 11,350,673	\$ -	\$ -	\$ -	\$ 1,104,050	\$ 1,104,050
Gas Fund	2,413,453	2,430,371	-	-	-	16,918	16,918
Water Fund	1,774,066	2,203,311	-	-	-	429,245	429,245
Sewer Fund	1,886,867	1,876,269	-	-	-	(10,598)	(10,598)
Total Business-Type Activities	\$ 16,321,009	\$ 17,860,624	\$ -	\$ -	\$ -	\$ 1,539,615	\$ 1,539,615
Totals	\$ 24,998,198	\$ 19,462,579	\$ 720	\$ -	\$ (7,074,514)	\$ 1,539,615	\$ (5,534,899)
GENERAL REVENUES:							
Taxes - Real Estate					\$ 1,256,291	\$ -	\$ 1,256,291
Intergovernmental					3,947,623	-	3,947,623
Utility Taxes					776,809	-	776,809
Licenses and Permits					226,867	-	226,867
Miscellaneous					125,722	-	125,722
Interest Income					14,020	23,127	37,147
Investment Income					12,556	55,215	67,771
Transfers					(435,902)	435,902	-
Total General Revenues					\$ 5,923,986	\$ 514,244	\$ 6,438,230
Change in Net Position					\$ (1,150,528)	\$ 2,053,859	\$ 903,331
Net Position, Beginning of Year (restated)					24,569,021	46,950,052	71,519,073
Net Position, End of Year					\$ 23,418,493	\$ 49,003,911	\$ 72,422,404

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
APRIL 30, 2016

ASSETS	OTHER GOVERNMENTAL		TOTAL
	GENERAL	FUNDS	
Cash and Cash Equivalents	\$ 7,775,348	\$ 1,186,461	\$ 8,961,809
Investments	2,244,859	39,231	2,284,090
Taxes Receivable	905,575	22,328	927,903
Accounts Receivable, Net	235,196	-	235,196
Prepays	100,657	-	100,657
Real Estate Taxes Receivable, Net	<u>787,090</u>	<u>425,384</u>	<u>1,212,474</u>
 Total Assets	 <u>\$ 12,048,725</u>	 <u>\$ 1,673,404</u>	 <u>\$ 13,722,129</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
LIABILITIES:			
Accounts Payable	\$ 929,213	\$ 37,506	\$ 966,719
Wage and Benefits Payable	<u>68,441</u>	<u>-</u>	<u>68,441</u>
 Total Liabilities	 <u>\$ 997,654</u>	 <u>\$ 37,506</u>	 <u>\$ 1,035,160</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	<u>\$ 787,090</u>	<u>\$ 425,384</u>	<u>\$ 1,212,474</u>
 Total Deferred Inflows of Resources	 <u>\$ 787,090</u>	 <u>\$ 425,384</u>	 <u>\$ 1,212,474</u>
FUND BALANCE:			
Nonspendable			
Prepays	\$ 100,657	\$ -	\$ 100,657
Restricted for:			
Hotel/Motel Tax	103,795	-	103,795
Culture and Recreation	-	587,014	587,014
Motor Fuel Tax	-	623,500	623,500
Committed for:			
IMRF Pension Plan	296,085	-	296,085
Capital Improvements	2,586,125	-	2,586,125
Unassigned:			
General Fund	<u>7,177,319</u>	<u>-</u>	<u>7,177,319</u>
 Total Fund Balance	 <u>\$ 10,263,981</u>	 <u>\$ 1,210,514</u>	 <u>\$ 11,474,495</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 <u>\$ 12,048,725</u>	 <u>\$ 1,673,404</u>	 <u>\$ 13,722,129</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, 2016

Total fund balance - total governmental funds	\$ 11,474,495
Capital assets of \$36,616,528 net of accumulated depreciation of \$20,321,833, are not financial resources and, therefore are not reported in the funds	16,294,695
Certain liabilities are not due and payable in the current period and therefore not reported in the funds:	
Other post employment benefit obligations	(541,521)
Compensated absences	(523,670)
Net pension liability (net of deferred outflows and inflows of resources)	<u>(3,285,506)</u>
Net position of governmental activities	<u>\$ 23,418,493</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, 2016

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES:			
Taxes - Real Estate	\$ 840,267	\$ 416,024	\$ 1,256,291
Intergovernmental	3,653,381	294,242	3,947,623
Utility Taxes	776,809	-	776,809
Charges for Services	1,553,543	-	1,553,543
Licenses and Permits	226,867	-	226,867
Fines	48,412	-	48,412
Grants	720	-	720
Miscellaneous	92,967	32,755	125,722
Interest	12,265	1,755	14,020
Investment Income	12,556	-	12,556
Total Revenues	<u>\$ 7,217,787</u>	<u>\$ 744,776</u>	<u>\$ 7,962,563</u>
EXPENDITURES:			
Current			
General Government	\$ 1,197,630	\$ -	\$ 1,197,630
Public Safety	2,354,364	-	2,354,364
Highways and Streets	2,131,030	247,362	2,378,392
Sanitation	708,344	-	708,344
Health	100	-	100
Culture and Recreation	87,487	429,003	516,490
Capital Outlay	1,001,658	220,671	1,222,329
Total Expenditures	<u>\$ 7,480,613</u>	<u>\$ 897,036</u>	<u>\$ 8,377,649</u>
(Deficiency) of Revenues	<u>\$ (262,826)</u>	<u>\$ (152,260)</u>	<u>\$ (415,086)</u>
Other Financing (Uses)			
Transfers (Out)	<u>\$ (435,902)</u>	<u>\$ -</u>	<u>\$ (435,902)</u>
Net Change in Fund Balance	<u>\$ (698,728)</u>	<u>\$ (152,260)</u>	<u>\$ (850,988)</u>
Fund Balance, Beginning of Year	<u>10,962,709</u>	<u>1,362,774</u>	<u>12,325,483</u>
Fund Balance, End of Year	<u>\$ 10,263,981</u>	<u>\$ 1,210,514</u>	<u>\$ 11,474,495</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, 2016

Net change in fund balance - total governmental funds	\$ (850,988)
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 \$1,366,025 exceeded capital outlay \$1,222,329 in the current period.	(143,696)
Other postemployment benefit obligations reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds.	(92,119)
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.	11,870
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>(75,595)</u>
Change in net position of governmental activities	<u>\$ (1,150,528)</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
APRIL 30, 2016

ASSETS	ENTERPRISE FUNDS					TOTAL
	ELECTRIC	GAS	WATER	SEWER	UTILITY DEPOSITS	
CURRENT ASSETS:						
Cash and Cash Equivalents	\$ 1,302,568	\$ 1,293,241	\$ 692,454	\$ 630,128	\$ 60,602	\$ 3,978,993
Investments	2,943,077	3,366,443	1,539,999	1,476,929	303,187	9,629,635
Accounts Receivable, Net	1,276,402	377,559	315,525	256,838	-	2,226,324
Inventories	300,000	29,000	48,830	27,200	-	405,030
Prepays	76,182	17,172	12,173	27,340	-	132,867
Total Current Assets	<u>\$ 5,898,229</u>	<u>\$ 5,083,415</u>	<u>\$ 2,608,981</u>	<u>\$ 2,418,435</u>	<u>\$ 363,789</u>	<u>\$ 16,372,849</u>
NON-CURRENT ASSETS:						
Due from Other Funds	\$ -	\$ 330,000	\$ -	\$ -	\$ -	\$ 330,000
Capital Assets, Net	20,597,403	4,174,947	5,284,585	12,853,675	-	42,910,610
Total Non-Current Assets	<u>\$ 20,597,403</u>	<u>\$ 4,504,947</u>	<u>\$ 5,284,585</u>	<u>\$ 12,853,675</u>	<u>\$ -</u>	<u>\$ 43,240,610</u>
Total Assets	<u>\$ 26,495,632</u>	<u>\$ 9,588,362</u>	<u>\$ 7,893,566</u>	<u>\$ 15,272,110</u>	<u>\$ 363,789</u>	<u>\$ 59,613,459</u>
DEFERRED OUTFLOWS OF RESOURCES						
Related to Pensions	<u>\$ 347,656</u>	<u>\$ 195,898</u>	<u>\$ 105,301</u>	<u>\$ 136,689</u>	<u>\$ -</u>	<u>\$ 785,544</u>
LIABILITIES						
CURRENT LIABILITIES:						
Accounts Payable	\$ 581,263	\$ 83,587	\$ 83,926	\$ 44,547	\$ -	\$ 793,323
Wages and Benefits Payable	36,294	21,099	11,771	13,102	-	82,266
Accrued Interest Payable	-	-	-	50,770	-	50,770
Consumer Deposits	38,804	-	-	-	231,325	270,129
E.P.A. Loan, Current	-	-	-	618,031	-	618,031
Total Current Liabilities	<u>\$ 656,361</u>	<u>\$ 104,686</u>	<u>\$ 95,697</u>	<u>\$ 726,450</u>	<u>\$ 231,325</u>	<u>\$ 1,814,519</u>
NON-CURRENT LIABILITIES:						
Other Post Employment Benefit Obligation	\$ 94,292	\$ 69,201	\$ 3,793	\$ 30,141	\$ -	\$ 197,427
Due to Other Funds	330,000	-	-	-	-	330,000
Compensated Absences	214,239	115,573	68,305	110,639	-	508,756
Net Pension Liability	638,068	357,506	194,408	251,093	-	1,441,075
E.P.A. Loan, Non-Current	-	-	-	7,103,315	-	7,103,315
Total Non-Current Liabilities	<u>\$ 1,276,599</u>	<u>\$ 542,280</u>	<u>\$ 266,506</u>	<u>\$ 7,495,188</u>	<u>\$ -</u>	<u>\$ 9,580,573</u>
Total Liabilities	<u>\$ 1,932,960</u>	<u>\$ 646,966</u>	<u>\$ 362,203</u>	<u>\$ 8,221,638</u>	<u>\$ 231,325</u>	<u>\$ 11,395,092</u>
NET POSITION						
NET POSITION:						
Net Investment in Capital Assets	\$ 20,597,403	\$ 4,174,947	\$ 5,284,585	\$ 5,132,329	\$ -	\$ 35,189,264
Unrestricted Net Position	<u>4,312,925</u>	<u>4,962,347</u>	<u>2,352,079</u>	<u>2,054,832</u>	<u>132,464</u>	<u>13,814,647</u>
Total Net Position	<u>\$ 24,910,328</u>	<u>\$ 9,137,294</u>	<u>\$ 7,636,664</u>	<u>\$ 7,187,161</u>	<u>\$ 132,464</u>	<u>\$ 49,003,911</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, 2016

	ENTERPRISE FUNDS					TOTAL
	ELECTRIC	GAS	WATER	SEWER	UTILITY DEPOSITS	
OPERATING ACCOUNTS:						
Charges for Services	\$ 10,499,222	\$ 2,345,515	\$ 2,137,240	\$ 1,707,489	\$ -	\$ 16,689,466
Connection Fees	86,630	50,445	54,665	158,362	-	350,102
IMEA Credits	684,125	-	-	-	-	684,125
Subdivision Reinvestments	68,272	24,613	-	-	-	92,885
Total Operating Accounts	<u>\$ 11,338,249</u>	<u>\$ 2,420,573</u>	<u>\$ 2,191,905</u>	<u>\$ 1,865,851</u>	<u>\$ -</u>	<u>\$ 17,816,578</u>
OPERATING EXPENSES:						
Cost of Sales	\$ 7,426,915	\$ 1,122,334	\$ 868,471	\$ -	\$ -	\$ 9,417,720
Distribution	1,261,143	747,742	357,679	-	-	2,366,564
Treatment	-	-	-	676,230	-	676,230
Collection	-	-	-	196,417	-	196,417
Administration	900,225	404,503	351,772	377,140	-	2,033,640
Depreciation	658,340	138,874	194,501	436,685	-	1,428,400
Total Operating Expenses	<u>\$ 10,246,623</u>	<u>\$ 2,413,453</u>	<u>\$ 1,772,423</u>	<u>\$ 1,686,472</u>	<u>\$ -</u>	<u>\$ 16,118,971</u>
Operating Income	<u>\$ 1,091,626</u>	<u>\$ 7,120</u>	<u>\$ 419,482</u>	<u>\$ 179,379</u>	<u>\$ -</u>	<u>\$ 1,697,607</u>
NON-OPERATING REVENUES (EXPENSES):						
Interest Income	\$ 8,478	\$ 6,824	\$ 3,471	\$ 3,881	\$ 473	\$ 23,127
Investment Income	17,243	18,829	9,186	8,261	1,696	55,215
Interest Expense and Other Charges	-	-	(1,643)	(200,395)	-	(202,038)
Other Income	12,424	9,798	11,406	10,418	-	44,046
Total Non-Operating Revenues (Expenses)	<u>\$ 38,145</u>	<u>\$ 35,451</u>	<u>\$ 22,420</u>	<u>\$ (177,835)</u>	<u>\$ 2,169</u>	<u>\$ (79,650)</u>
Income Before Transfers	\$ 1,129,771	\$ 42,571	\$ 441,902	\$ 1,544	\$ 2,169	\$ 1,617,957
Transfers In (Out)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (185,662)</u>	<u>\$ 621,564</u>	<u>\$ -</u>	<u>\$ 435,902</u>
Increase in Net Position	\$ 1,129,771	\$ 42,571	\$ 256,240	\$ 623,108	\$ 2,169	\$ 2,053,859
Total Net Position, Beginning of Year (restated)	<u>23,780,557</u>	<u>9,094,723</u>	<u>7,380,424</u>	<u>6,564,053</u>	<u>130,295</u>	<u>46,950,052</u>
Total Net Position, End of Year	<u>\$ 24,910,328</u>	<u>\$ 9,137,294</u>	<u>\$ 7,636,664</u>	<u>\$ 7,187,161</u>	<u>\$ 132,464</u>	<u>\$ 49,003,911</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2016

	ENTERPRISE FUNDS					TOTAL
	ELECTRIC	GAS	WATER	SEWER	UTILITY DEPOSITS	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received from Customers	\$ 11,337,763	\$ 2,475,797	\$ 2,183,909	\$ 1,856,752	\$ 121,301	\$ 17,975,522
Cash Paid Out to Customers	(3,146)	-	-	-	(110,376)	(113,522)
Cash Payments to Suppliers for Goods and Services	(8,966,641)	(1,518,419)	(1,257,451)	(812,077)	-	(12,554,588)
Cash Payments to Employees and Professional Contractors for Services	(993,507)	(567,912)	(301,024)	(416,252)	-	(2,278,695)
Net Cash Flows Provided by Operating Activities	<u>\$ 1,374,469</u>	<u>\$ 389,466</u>	<u>\$ 625,434</u>	<u>\$ 628,423</u>	<u>\$ 10,925</u>	<u>\$ 3,028,717</u>
CASH FLOWS FROM NON-CAPITAL RELATED FINANCING ACTIVITIES:						
Transfer of Funds	\$ -	\$ -	\$ (185,662)	\$ 621,564	\$ -	\$ 435,902
Other Income	12,424	9,798	11,406	10,418	-	44,046
Net Cash Flows Provided (Used) by Non-Capital Related Financing Activities	<u>\$ 12,424</u>	<u>\$ 9,798</u>	<u>\$ (174,256)</u>	<u>\$ 631,982</u>	<u>\$ -</u>	<u>\$ 479,948</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and Construction of Capital Assets	\$ (187,233)	\$ (100,320)	\$ (85,549)	\$ (358,168)	\$ -	\$ (731,270)
Principal Paid on Bonds and Notes	-	-	(1,065,956)	(602,865)	-	(1,668,821)
Interest Paid on Bonds and Notes	-	-	(13,324)	(204,361)	-	(217,685)
Net Cash Flows (Used) by Capital and Related Financing Activities	<u>\$ (187,233)</u>	<u>\$ (100,320)</u>	<u>\$ (1,164,829)</u>	<u>\$ (1,165,394)</u>	<u>\$ -</u>	<u>\$ (2,617,776)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
(Purchase) of Investments	\$ (1,517,243)	\$ (18,829)	\$ 990,814	\$ (8,261)	\$ (1,695)	\$ (555,214)
Investment Income	25,721	25,653	12,657	12,142	2,168	78,341
Net Cash Flows Provided (Used) by Investing Activities	<u>\$ (1,491,522)</u>	<u>\$ 6,824</u>	<u>\$ 1,003,471</u>	<u>\$ 3,881</u>	<u>\$ 473</u>	<u>\$ (476,873)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (291,862)</u>	<u>\$ 305,768</u>	<u>\$ 289,820</u>	<u>\$ 98,892</u>	<u>\$ 11,398</u>	<u>\$ 414,016</u>
Cash and Cash Equivalents at May 1, 2015	<u>1,594,430</u>	<u>987,473</u>	<u>402,634</u>	<u>531,236</u>	<u>49,204</u>	<u>3,564,977</u>
Cash and Cash Equivalents at April 30, 2016	<u>\$ 1,302,568</u>	<u>\$ 1,293,241</u>	<u>\$ 692,454</u>	<u>\$ 630,128</u>	<u>\$ 60,602</u>	<u>\$ 3,978,993</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2016

	ENTERPRISE FUNDS					TOTAL
	ELECTRIC	GAS	WATER	SEWER	UTILITY DEPOSITS	
Operating Income	\$ 1,091,626	\$ 7,120	\$ 419,482	\$ 179,379	\$ -	\$ 1,697,607
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation	\$ 658,340	\$ 138,874	\$ 194,501	\$ 436,685	\$ -	\$ 1,428,400
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(26,618)	55,224	(7,996)	(9,099)	-	11,511
(Increase) Decrease in Prepaid Insurance	(28,718)	(1,008)	(332)	(1,457)	-	(31,515)
(Increase) Decrease in Deferred Outflow of Resources	(347,656)	(195,898)	(105,301)	(136,689)	-	(785,544)
Increase (Decrease) in Accounts Payable	(212,590)	(7,789)	4,339	(361)	-	(216,401)
Increase (Decrease) in Wages and Benefits Payable	3,665	1,788	(464)	990	-	5,979
Increase in Other Post Employment Benefits Payable	23,929	10,808	4,616	5,789	-	45,142
Increase (Decrease) in Compensated Absences	(22,479)	(1,550)	115	3,386	-	(20,528)
Increase in Net Pension Obligation	381,985	211,897	116,474	149,800	-	860,156
Increase (Decrease) in Due to/from Other Funds	(170,000)	170,000	-	-	-	-
Increase in Consumer Deposits	22,985	-	-	-	10,925	33,910
 Total Adjustments	 \$ 282,843	 \$ 382,346	 \$ 205,952	 \$ 449,044	 \$ 10,925	 \$ 1,331,110
 Net Cash Provided by Operating Activities	 \$ 1,374,469	 \$ 389,466	 \$ 625,434	 \$ 628,423	 \$ 10,925	 \$ 3,028,717

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
EMPLOYEE RETIREMENT PLAN
APRIL 30, 2016

	<u>EMPLOYEE RETIREMENT PLAN</u>
ASSETS	
Cash and Short-Term Investments	\$ <u>105,952</u>
RECEIVABLES:	
Employer	\$ 458,733
Interest	<u>16,567</u>
Total Receivables	<u>\$ 475,300</u>
Investments	<u>\$ 4,435,387</u>
Total Assets	<u>\$ 5,016,639</u>
LIABILITIES	
Total Liabilities	<u>\$ -</u>
NET POSITION	
Held in Trust for Pension Benefits	<u>\$ 5,016,639</u>

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

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE RETIREMENT PLAN
YEAR ENDED APRIL 30, 2016

	<u>EMPLOYEE RETIREMENT PLAN</u>
ADDITIONS	
Contributions:	
Employer	\$ 441,000
Plan Members	96,824
Total Contributions	<u>\$ 537,824</u>
Investment income:	
Interest	\$ 37,653
Dividend	43,087
(Loss) on Investments	(31,352)
Unrealized Depreciation	<u>(78,565)</u>
Total Investment (Loss)	<u>\$ (29,177)</u>
Total Additions	<u>\$ 508,647</u>
DEDUCTIONS	
Retirement Benefits	\$ 153,593
Disability	53,499
Administrative Expense	32,467
Total Deductions	<u>\$ 239,559</u>
Change in Net Position	<u>\$ 269,088</u>
Net Position, Beginning of Year	<u>4,747,551</u>
Net Position, End of Year	<u>\$ 5,016,639</u>

See notes to financial statements.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

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, 2016.

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, 2016

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

Fund Financial Statements

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are reported only when payment is due.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

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

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.

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

Governmental Funds

The City reports the following major governmental funds:

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

Proprietary Funds

The City reports the following major enterprise funds:

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

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

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

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

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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

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

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.

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. Fair value is determined by closing market prices at year-end as reported by the investment custodian.

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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

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

individual inventory items are used. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis.

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

F. Capital Assets, Depreciation and Amortization

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

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

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

For more information describing capital assets, see Note 4.

G. Capitalized Interest

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. There were no funds affected in the year ended April 30, 2016.

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.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

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

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 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 a for 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 inflows of resources on the government-wide financial statements. Net positions are classified in the following categories:

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

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

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.
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 to 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. Budgetary Information

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 (2015), 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.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

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

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 and proprietary fund operations 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, 2016 on April 27, 2015 and it was amended on April 25, 2016.

M. 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.

N. Deferred Inflows 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.

O. New Accounting Pronouncements

During the current fiscal year, the City adopted Statement No. 68, Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27. This statement requires the City to change the accounting for the pension costs related to the City's participation in the Illinois

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

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

Municipal Retirement Fund (IMRF) and the Police Pension Fund. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial value, and attribute the present value to periods of employee service. This statement also requires enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope, in addition, the City will also be recognizing a net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to the City's proportionate share of the collective amounts in IMRF and the Police Pension Fund.

NOTE 2. CASH, CERTIFICATES OF DEPOSIT AND INVESTMENTS

Cash and Cash Equivalents

At April 30, 2016, the book balance of the City's cash and investments was \$5,414,510 and the bank balance was \$5,902,951. Of the bank balance, \$697,286 was covered by federal depository insurance and \$5,205,665 was covered by collateralized securities held by the City, its agent, or by the pledging financial institution's trust department or agent in the name of the City or applicable public trust and \$0 was uncollateralized.

	CARRYING AMOUNT	BANK VALUE
Pooled Cash, Cash and Cash Equivalents	\$ 5,414,510	\$ 5,902,951
External Investment Pool:		
The Illinois Funds - Money Market Fund	7,526,292	7,526,292
	\$ 12,940,802	\$ 13,429,243

Investments

As of April 30, 2016, the City had the following investments and maturities:

INVESTMENT TYPE	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)		
		ON DEMAND	LESS THAN 1	1-5
Certificates of Deposit	\$ 39,231	\$ -	\$ 23,682	\$ 15,549
IMET 1-3 Year Fund	11,874,494	11,874,494	-	-
Total Investments	\$ 11,913,725	\$ 11,874,494	\$ 23,682	\$ 15,549

Credit risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 2. CASH, CERTIFICATES OF DEPOSIT AND INVESTMENTS (CONT'D)

The IMET 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 IMET 1-3 Year Fund has a fluctuating net asset value (NAV) and an average portfolio maturity of 1-3 years. IMET invests exclusively in U.S. government backed securities (Treasuries and Agencies).

The Illinois Funds is an external investment pool administered by the Illinois State Treasurer. U.S. Bank, N.A. serves as custodian for The Illinois Funds. The fair value of the City's investment in The Illinois Funds is the same as the value of the pool shares. Although not subject to direct regulatory oversight, The Illinois Funds is administered in accordance with the provisions of Illinois statute 30 ILCS 235 "Public Funds Investment Act". The Illinois Funds - Money Market Fund is rated AAA by Standard & Poor's. The rating signifies an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks.

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 formal investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City's investments may not be returned to it. For all deposits in financial institutions, the City requires collateral equal to 100 percent of the deposits which exceed the insurance limitation provided by the FDIC or the FSLIC. 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
- Acceptable collateral as identified in the Illinois Compiled Statutes for use by the Treasurer of the State of Illinois

Concentration of Credit Risk - The City places no limit on the amount the City may invest in one issuer. As of April 30, 2016, the investments were substantially all invested in Illinois Metropolitan Investment Fund.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 2. CASH, CERTIFICATES OF DEPOSIT AND INVESTMENTS (CONT'D)

Pension Trust Policy

The City's pension trust is the police pension fund.

The Police Pension Plan may invest in any type of security allowed for in the Illinois Compiled Statutes (40 ILCS 5/1 - 113.2 - 113.4) regarding the investment of pension funds.

The investment policy of the Police Pension Plan provides for the following asset allocation guideline.

<u>ASSET CLASS</u>	<u>MINIMUM</u>	<u>TARGET</u>	<u>MAXIMUM</u>
Equities	0%	25% - 45%	45%
Fixed Income	0%	50% - 75%	75%
Cash / Cash Equivalents	0%	2% - 10%	10%

The Police Pension Plan 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.

Investments at April 30, 2016 are comprised of the following:

	<u>MARKET VALUE</u>	<u>COST</u>
Equity Mutual Funds	\$ 2,001,922	\$ 2,087,421
Corporate Bonds	1,110,594	1,141,312
U.S. Treasury Notes	1,121,317	1,115,044
Federal Farm Credit Banks	42,145	41,832
Federal Home Loan Bank	149,260	148,965
Federal National Mortgage Association	10,149	9,905
	<u>\$ 4,435,387</u>	<u>\$ 4,544,479</u>

NOTE 3. RECEIVABLES

Accounts receivable at April 30, 2016 consists of the following:

Garbage	\$ 114,541
Telecommunications Taxes	42,119
Video Gaming	10,924
Local Utility Taxes	67,612
Utility Bills	2,226,324
	<u>\$ 2,461,520</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 3. RECEIVABLES (CONT'D)

There is no allowance for doubtful accounts as management expects utility deposits of \$231,325 sufficient to cover any uncollectible accounts receivable.

Taxes receivable of \$927,903 is comprised of sales, income, motor fuel tax and other intergovernmental revenue.

Real estate taxes are collected one year in arrears. Although levied in 2015, real estate taxes are collected subsequent to June 30, 2016. 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	\$ 1,215,513
Less Allowance for Uncollectible Accounts	<u>(3,039)</u>
Net Real Estate Taxes Receivable	<u>\$ 1,212,474</u>

NOTE 4. CAPITAL ASSETS

Changes in Capital Assets:

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

	CAPITAL ASSETS, NOT DEPRECIATED			
	CONSTRUCTION			TOTAL
	LAND	IN PROGRESS		
Governmental activities				
Balance at May 1, 2016	\$ 1,019,267	\$ 302,477		\$ 1,321,744
Increase	9,195	1,029,104		1,038,299
Decrease	-	<u>1,039,030</u>		<u>1,039,030</u>
Balance at April 30, 2017	<u>\$ 1,028,462</u>	<u>\$ 292,551</u>		<u>\$ 1,321,013</u>
	CAPITAL ASSETS, DEPRECIATED			
	FURNITURE, MACHINERY AND			TOTAL
	BUILDINGS	INFRASTRUCTURE	EQUIPMENT	
Balance at May 1, 2015	\$ 4,568,079	\$ 24,729,463	\$ 4,774,913	\$ 34,072,455
Increases	220,671	545,051	457,338	1,223,060
Decreases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at April 30, 2016 (Carried Forward)	<u>\$ 4,788,750</u>	<u>\$ 25,274,514</u>	<u>\$ 5,232,251</u>	<u>\$ 35,295,515</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

	CAPITAL ASSETS, DEPRECIATED			
	FURNITURE, MACHINERY AND			TOTAL
	BUILDINGS	INFRASTRUCTURE	EQUIPMENT	
Balance at April 30, 2016 (Brought Forward)	\$ 4,788,750	\$ 25,274,514	\$ 5,232,251	\$ 35,295,515
Accumulated depreciation Balance at May 1, 2015	\$ 2,141,170	\$ 13,013,847	\$ 3,800,791	\$ 18,955,808
Increases	116,011	1,012,427	237,587	1,366,025
Decreases	-	-	-	-
Balance at April 30, 2016	<u>\$ 2,257,181</u>	<u>\$ 14,026,274</u>	<u>\$ 4,038,378</u>	<u>\$ 20,321,833</u>
Governmental activities, net	<u>\$ 2,531,569</u>	<u>\$ 11,248,240</u>	<u>\$ 1,193,873</u>	<u>\$ 14,973,682</u>

	CAPITAL ASSETS, NOT DEPRECIATED		
	CONSTRUCTION		
	LAND	IN PROGRESS	TOTAL
Business-type activities Balance at May 1, 2015	\$ 2,834,761	\$ 324,532	\$ 3,159,293
Increases	36,779	374,706	411,485
Decreases	-	299,214	299,214
Balance at April 30, 2016	<u>\$ 2,871,540</u>	<u>\$ 400,024</u>	<u>\$ 3,271,564</u>

	CAPITAL ASSETS, DEPRECIATED			
	FURNITURE, MACHINERY AND			TOTAL
	BUILDINGS	INFRASTRUCTURE	EQUIPMENT	
Balance at May 1, 2015	\$ 1,433,457	\$ 57,519,378	\$ 5,807,203	\$ 64,760,038
Increases	11,759	362,347	244,892	618,998
Decreases	-	-	-	-
Balance at April 30, 2016 (Carried Forward)	<u>\$ 1,445,216</u>	<u>\$ 57,881,725</u>	<u>\$ 6,052,095</u>	<u>\$ 65,379,036</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 4. CAPITAL ASSETS (CONT'D)

	CAPITAL ASSETS, DEPRECIATED			
	BUILDINGS	INFRASTRUCTURE	FURNITURE, MACHINERY AND EQUIPMENT	TOTAL
Balance at April 30, 2016 (Brought Forward)	\$ 1,445,216	\$ 57,881,725	\$ 6,052,095	\$ 65,379,036
Accumulated Depreciation				
Balance at May 1, 2015	<u>\$ 294,206</u>	<u>\$ 19,835,481</u>	<u>\$ 4,181,903</u>	<u>\$ 24,311,590</u>
Increases	\$ 35,983	\$ 1,262,622	\$ 129,795	\$ 1,428,400
Decreases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at April 30, 2016	<u>\$ 330,189</u>	<u>\$ 21,098,103</u>	<u>\$ 4,311,698</u>	<u>\$ 25,739,990</u>
Net Business-Type Capital Assets Depreciated	<u>\$ 1,115,027</u>	<u>\$ 36,783,622</u>	<u>\$ 1,740,397</u>	<u>\$ 39,639,046</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 91,480
Public Safety	64,431
Highway and Streets	1,170,461
Culture and Recreation	39,653
	<u>\$ 1,366,025</u>
Business-Type Activities	
Electric Fund	\$ 658,340
Gas Fund	138,874
Water Fund	194,501
Sewer Fund	436,685
	<u>\$ 1,428,400</u>

NOTE 5. LONG-TERM DEBT

A. Changes in Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended April 30, 2016:

	BALANCE MAY 1, 2015	ISSUED	RETIRED	BALANCE APRIL 30, 2016
Business-Type Activities				
E.P.A. Loan	\$ 8,324,211	\$ -	\$ 602,865	\$ 7,721,346
E.P.A. Loan	1,065,956	-	1,065,956	-
	<u>\$ 9,390,167</u>	<u>\$ -</u>	<u>\$ 1,668,821</u>	<u>\$ 7,721,346</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 5. LONG-TERM DEBT (CONT'D)

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

B. Notes Payable

The City received a loan from the Illinois Environmental Protection Agency of \$12,372,060. Through April 30, 2016, the balance of the loan is \$7,721,346.

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

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

YEAR ENDED <u>APRIL 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	\$ 618,031	\$ 189,195	\$ 807,226
2018	633,579	173,647	807,226
2019	649,517	157,709	807,226
2020	665,856	141,370	807,226
2021	682,607	124,619	807,226
2022 - 2026	3,679,417	356,713	4,036,130
2027	792,339	14,887	807,226
	<u>\$ 7,721,346</u>	<u>\$ 1,158,140</u>	<u>\$ 8,879,486</u>

The City had previously received a loan from the Illinois Environmental Protection Agency in the original amount of \$1,482,914. This loan was retired in its entirety in the year ended April 30, 2016.

C. Legal Debt Margin

At April 30, 2016, the legal debt margin of the City was as follows:

Assessed valuation - 2015	<u>\$ 226,002,790</u>
Legal Debt Margin	<u>8.625%</u>
Debt Margin	\$ 19,492,741
Debt Outstanding	-
Legal Debt Margin	<u>\$ 19,492,741</u>

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 5. LONG-TERM DEBT (CONT'D)

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

NOTE 6. 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 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 service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3 percent 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 for each year of service credit after 15 years to a maximum of 75 percent 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:

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 6. DEFINED PENSION PLAN (CONT'D)

- 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, 2015, the following employees were covered by the Plan:

Active	43
Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	10
Total	108

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 2015 was 15.96 percent. For the fiscal year ended April 30, 2016, the City contributed \$480,609 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, 2015, 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, 2015, actuarial valuation was determined using the following actuarial methods and assumption, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Assets Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.48%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 6. DEFINED PENSION PLAN (CONT'D)

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

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 weighing 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	TARGET ALLOCATION	RETURN 12/31/2015	PROJECTED RETURNS/RISK	
			ONE YEAR ARITHMETIC	TEN YEAR GEOMETRIC
Equities	38.00 %	0.02 %	8.85 %	7.39 %
International Equities	17.00	(1.90)	9.55	7.59
Fixed Income	27.00	(0.09)	3.05	3.00
Real Estate	8.00	11.99	7.20	6.00
Alternatives	9.00			
Private Entity		N/A	13.15	8.15
Hedge Funds		N/A	5.55	5.25
Commodities		N/A	4.40	2.75
Cash Equivalents	<u>1.00</u>	N/A	2.25	2.25
	<u>100.00 %</u>			

Single Discount Rate. The single discount rate used to measure the total pension liability was 7.48 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on 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, 2016

NOTE 6. DEFINED PENSION PLAN (CONT'D)

Changes in the City's Net Pension Liability. Changes in the City's net pension liability for the year ended December 31, 2015, were as follows:

	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET POSITION LIABILITY (ASSET)
Balance, December 31, 2014	\$ 15,300,956	\$ 14,299,246	\$ 1,001,710
Changes for the Year:			
Service Cost	\$ 323,114	\$ -	\$ 323,114
Interest	1,132,785	-	1,132,785
Difference Between Expected and Actual Experience	236,500	-	236,500
Changes in Assumptions	40,371	-	40,371
Contributions-Employees	-	131,980	(131,980)
Contributions-Employer	-	468,089	(468,089)
Net Investment Income	-	71,203	(71,203)
Benefit Payments Including Refunds of Employee Contributions	(717,413)	(717,413)	-
Other (Net Transfer)	-	16,808	(16,808)
Net Changes	<u>\$ 1,015,357</u>	<u>\$ (29,333)</u>	<u>\$ 1,044,690</u>
Balance, December 31, 2015	<u>\$ 16,316,313</u>	<u>\$ 14,269,913</u>	<u>\$ 2,046,400</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 7.48 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 (6.48 percent) or 1 percentage point higher (8.48 percent) than the current rate:

	DISCOUNT RATE		NET POSITION LIABILITY (ASSET)
1% decrease	6.48	%	\$ 4,234,242
Current discount rate	7.48		2,046,400
1% increase	8.48		244,077

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued report.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended December 31, 2015, the City recognized pension expense of \$504,593. At December 31, 2015, 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, 2016

NOTE 6. DEFINED PENSION PLAN (CONT'D)

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Difference Between Expected and Actual Experience	\$ 179,559	\$ -
Changes in Assumption	30,651	-
Net Difference Between Projected and Actual Earnings on Plan Investments	797,976	-
Contributions After Measurement Date	107,212	-
Total	\$ 1,115,398	\$ -

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

<u>YEAR ENDING</u> <u>DECEMBER 31,</u>		
2016	\$	373,367
2017		266,155
2018		266,155
2019		209,721
2020		-
Thereafter		-
Total	\$	1,115,398

Payable. At December 31, 2015, the City did not report any amount payable to IMRF.

NOTE 7. POLICE PENSION PLAN

Method Used to Value Investments - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

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.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 7. POLICE PENSION PLAN (CONT'D)

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.

Plan membership at April 30, 2016, pension plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	6
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1
Active Plan Members	<u>14</u>
 Total	 <u>21</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 preceding retirement or the annual salary held on the last day of service, plus 2 1/2% of such annual salary for service from 20 to 30 years (maximum 25%).

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

Disability Pension Amount

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

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

Pension to Survivors

Death of Retired Member

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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 7. POLICE PENSION PLAN (CONT'D)

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.

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 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, 2016, the City contributed, \$441,000 which was 48.22% of covered payroll.

Investment Policy - The Pension Plan's investment policy follows the investments permissible under the Illinois Compiled Statutes 40 ILCS 5/1 - 113.1 and 40 ILCS 5/1 - 113.2. The Board has not adopted a specific asset allocation policy as of April 30, 2016.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 7. POLICE PENSION PLAN (CONT'D)

Concentrations - The Pension Plan had the following concentrations of investments:

- 1) The Plan had investments of \$1,121,317 (25 percent of total investments) in U.S. Treasury Notes at April 30, 2016.
- 2) The Plan had the following investments in mutual funds at April 30, 2016.

DESCRIPTION	AMOUNT	PERCENTAGE
Federated International Leaders	\$ 218,754	5 %
Fidelity Spartan International Index	216,340	5
Vanguard High Dividend Yield	413,927	9
Vanguard Research 1000	565,151	13

Rate of Return - For the year ended April 30, 2016 the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was -1.25 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the City - The components of the net pension liability of the City at April 30, 2016, were

Total Pension Liability	\$ 7,885,653
Plan Fiduciary Net Position	<u>(5,016,639)</u>
City's Net Pension Liability	<u>\$ 2,869,014</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.	63.62%
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Actuarial assumptions - The total pension liability was determined by an actuarial valuation as of April 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0 percent
Salary Increases	3.5 percent, average, including inflation
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 7. POLICE PENSION PLAN (CONT'D)

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 member. 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.

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

	1% DECREASE (5.50%)	CURRENT DISCOUNT RATE (6.50%)	1% INCREASE (7.50%)
City's net pension liability	\$ 4,022,832	\$ 2,869,014	\$ 1,856,475

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended April 30, 2016, the City recognized pension expense of \$492,611. At April 30, 2016, 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	\$ -	\$ 418,991
Changes in Assumption	-	-
Difference Between Projected and Actual Investment		
Earnings on Pension Assets	277,970	-
Total	\$ 277,970	\$ 418,991

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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 7. POLICE PENSION PLAN (CONT'D)

YEAR ENDING	
<u>APRIL 30,</u>	
2017	\$ 23,062
2018	23,062
2019	23,062
2020	23,062
2021	(46,431)
Thereafter	<u>(186,838)</u>
Total	<u>\$ (141,021)</u>

Payable. At April 30, 2016, the City did not report any amount payable to Police Pension.

NOTE 8. OTHER POSTEMPLOYMENT BENEFIT PLAN

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

Funding policy - The Plan makes available to all employees who retire and their dependents the option to continue healthcare coverage under the City's group health program by contributing the monthly premium. Retirees contribute 100 percent of the premium for the level and type of coverage. The City pays 100 percent of the premium for duty-disabled police officers and their families. For the 2016 fiscal year, the annual pay-as-you-go cost is approximately \$31,477 (0.9 percent of payroll).

As of April 30, 2016, the Plan has two retirees receiving benefits and fifty-five active participants.

Annual OPEB cost and net OPEB obligation - The City engaged an actuarial firm to determine the estimated obligation associated with OPEB as of April 30, 2016, as well as the annual required contribution (ARC) for funding this obligation in accordance with the parameters of GASB Statement No. 45 for employers with more than one hundred total plan members. Based on this report, including assumptions that the ARC is not fully funded, the ARC for the City in fiscal year 2016 was \$143,011. The City's annual (OPEB) cost is calculated based on the ARC. The ARC represents a level of funding, that if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year ended April 30, 2016, the actual amount contributed to the plan, and changes in the City's net OPEB obligation to the plan:

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 8. OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

	ELECTRIC	GAS	WATER	SEWER	TOTAL PROPRIETARY FUNDS
Annual Required Contribution	\$ 24,897	\$ 11,610	\$ 4,605	\$ 6,124	\$ 47,236
Interest on OPEB Obligation	3,166	2,628	(37)	1,096	6,853
Adjustment to Annual Required Contribution	(4,134)	(3,430)	48	(1,431)	(8,947)
Annual OPEB Cost (Expense)	\$ 23,929	\$ 10,808	\$ 4,616	\$ 5,789	\$ 45,142
Contributions Made					
Increase in Net OPEB Obligation	\$ 23,929	\$ 10,808	\$ 4,616	\$ 5,789	\$ 45,142
Net OPEB Obligation - May 1, 2015	70,363	58,393	(823)	24,352	152,285
Net OPEB Obligation - April 30, 2016	\$ 94,292	\$ 69,201	\$ 3,793	\$ 30,141	\$ 197,427

	POLICE	MUNICIPAL	TOTAL GOVERNMENTAL FUNDS
Annual Required Contribution	\$ 87,882	\$ 16,166	\$ 104,048
Interest on OPEB Obligation	16,355	3,868	20,223
Adjustment to Annual Required Contribution	(21,352)	(5,050)	(26,402)
Annual OPEB Cost (Expense)	\$ 82,885	\$ 14,984	\$ 97,869
Contributions Made	(4,475)	(1,275)	(5,750)
Increase in Net OPEB Obligation	\$ 78,410	\$ 13,709	\$ 92,119
Net OPEB Obligation - May 1, 2015	363,449	85,953	449,402
Net OPEB Obligation - April 30, 2016	\$ 441,859	\$ 99,662	\$ 541,521

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended April 30, 2016 and the two preceding years are as follows:

FISCAL YEAR ENDED	ANNUAL OPEB COST	PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED	NET OPEB OBLIGATION
April 30, 2016	\$ 143,011	4.00%	\$ 738,948
April 30, 2015	151,888	21.70%	601,687
April 30, 2014	153,357	19.90%	482,704

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 8. OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Funded Status and Funding Progress - The funded status of the Plan based on the most recent actuarial valuation as of April 30, 2016 is as follows:

	TOTAL PROPRIETARY			
	FUNDS	POLICE	MUNICIPAL	TOTAL
Actuarial Accrued Liability (AAL)	\$ 455,160	\$ 740,240	\$ 157,378	\$ 1,352,778
Actuarial Value of Plan Assets	-	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 455,160</u>	<u>\$ 740,240</u>	<u>\$ 157,378</u>	<u>\$ 1,352,778</u>
Funded Ratio/Actuarial Value of Plan Assets (AAL)	0.0%	0.0%	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 1,851,130	\$ 965,452	\$ 680,896	\$ 3,497,478
UAAL as of Percentage of Covered Payroll	24.6%	76.7%	23.1%	38.7%

The details of the proprietary funds are as follows:

	TOTAL PROPRIETARY FUNDS				
	ELECTRIC	GAS	WATER	SEWER	TOTAL
Actuarial Accrued Liability (AAL)	\$ 233,926	\$ 115,784	\$ 41,510	\$ 63,940	\$ 455,160
Actuarial Value of Plan Assets	-	-	-	-	-
Unfunded actuarial accrued Liability (UAAL)	<u>\$ 233,926</u>	<u>\$ 115,784</u>	<u>\$ 41,510</u>	<u>\$ 63,940</u>	<u>\$ 455,160</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%	0.0%	0.0%	0.0%
Covered Payroll (Active Plan members)	\$ 805,925	\$ 495,319	\$ 239,375	\$ 310,511	\$ 1,851,130
UAAL as a Percentage of Covered Payroll	29.0%	23.4%	17.3%	20.6%	24.6%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 8. OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Actuarial Methods and Assumptions - The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the City and employees) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs to the City to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the actuarial valuation for the fiscal year ended April 30, 2016, the entry age normal cost method was used.

The following simplifying assumptions were made:

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

Mortality - Life expectancies were based on mortality tables according to the 1994 Group Annuity Mortality Tables for Males and Females.

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

Healthcare cost trend rate - The expected rate of increase in health insurance premiums initially used a select rate of 8 percent, with a reduction to the ultimate rate of 4.5 percent after five years. Rates include a 2.5 percent general inflation assumption.

Health insurance premiums - Health insurance premiums for employees for the year ended April 30, 2016 were used as the basis for the calculation of the present value of total benefits to be paid.

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

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 8. OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

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

NOTE 9. PROPERTY TAXES

The City's 2014 property tax levy was passed by the City on November 24, 2014. Property taxes attach as an enforceable lien on property as of January 1. Taxes were payable in two (2) installments on September 18, 2015 and October 28, 2015. Major tax payments were received by the City funds by April 30, 2016 for taxes payable in 2015.

The City's 2015 property tax levy was passed by the Board on November 23, 2015.

NOTE 10. COMMITMENTS AND CONTINGENCIES

A. Federal and State Grants

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

B. State Motor Fuel Fund

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

NOTE 11. RISK MANAGEMENT

The City is a member of the Illinois Municipal League Risk Management Association, a public entity risk pool, currently operating as a common risk management and insurance program. The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by their participation in a public entity risk pool. Whenever the pool determines that the assets of the fund are less than the reserves which would be required to be maintained by the fund, then the fund shall assess each public agency member the amount necessary to correct the deficiency. Each assessment will be prorated based upon the public agencies' annual contributions, provided that in no event shall the annual total of any

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 11. RISK MANAGEMENT (CONT'D)

assessment exceed 10 percent of the gross annual premium or contributions to the fund during the most recent year. The premium for the year ending April 30, 2016 was \$350,285. 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 12. 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 \$486,240 in gross utility revenue from Wal-Mart in the Proprietary fund.

Included in charges for services within governmental revenue is \$830,114 in administrative fees received from the Proprietary funds (Electric, Gas, Water and Sewer).

NOTE 13. INTERFUND TRANSFERS

<u>DUE FROM</u>	<u>DUE TO</u>	<u>AMOUNT</u>
Electric Fund	Gas Fund	<u>\$ 330,000</u>

The details for the interfund transfers for the year ended April 30, 2016 are as follows:

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

NOTE 14. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended April 30, 2016:

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 14. EXCESS OF EXPENDITURES OVER APPROPRIATIONS (CONT'D)

<u>FUND</u>	<u>DEPARTMENT</u>	<u>OBJECT CATEGORY</u>	<u>EXCEEDING APPROPRIATIONS</u>
General Fund	Legislative	Printing and publishing	\$ 71
General Fund	Legislative	Bad Debt expense	110
General Fund	Legislative	Miscellaneous	524
General Fund	Legal	Legal	6,912
General Fund	Records	Vacation leave	129
General Fund	Records	Insurance and bonds	292
General Fund	Records	Information systems	23
General Fund	Police	PEDA salaries	2,696

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

NOTE 15. 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:

5/1/16 - 4/30/17	\$ 29,313
5/1/17 - 4/30/18	29,313
5/1/18 - 4/30/19	32,195
5/1/19 - 4/30/20	32,195
5/1/20 - 4/30/210	32,195

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 fiscal year-end.

CITY OF WATERLOO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 16. PRIOR PERIOD ADJUSTMENT

During the current fiscal year, the City adopted Statement No. 68, Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27. This statement requires the City to change the accounting for the pension costs related to the City's participation in the Illinois Municipal Retirement Fund (IMRF). For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial value, and attribute the present value to periods of employee service. This Statement also requires enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope, in addition, the City will also be recognizing a net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to the City's proportionate share of the collective amounts in IMRF.

The implementation of GASB Statement No. 68 had the following effect:

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
Net Position, April 30, 2015	\$ 27,778,932	\$ 47,530,972	\$ 75,309,904
Recognition of Net Pension Liabilities	<u>(3,209,911)</u>	<u>(580,920)</u>	<u>(3,790,831)</u>
Restated Net Position, April 30, 2015	<u>\$ 24,569,021</u>	<u>\$ 46,950,052</u>	<u>\$ 71,519,073</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

Calendar Year Ending December 31,	LAST 10 CALENDAR YEARS (SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
TOTAL PENSION LIABILITY:										
Service Cost	\$ 323,114									
Interest on the Total Pension Liability	1,132,785									
Benefit Changes	-									
Difference Between Expected and Actual Experience	236,500									
Assumption Changes	40,371									
Benefit Payments and Refunds	(717,413)									
Net Change in Total Pension Liability	<u>\$ 1,015,357</u>									
Total Pension Liability - Beginning	<u>15,300,956</u>									
Total Pension Liability - Ending (a)	<u>\$ 16,316,313</u>									
PLAN FIDUCIARY NET POSITION:										
Employer Contributions	\$ 468,089									
Employee Contributions	131,980									
Pension Plan Net Investment Income	71,203									
Benefit Payments and Refunds	(717,413)									
Other	16,808									
Net Change in Plan Fiduciary Net Position	<u>\$ (29,333)</u>									
Plan Fiduciary Net Position - Beginning	<u>14,299,246</u>									
Plan Fiduciary Net Position - Ending (b)	<u>\$ 14,269,913</u>									
Net Pension Liability/(Asset)-Ending (a)-(b)	\$ 2,046,400									
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.46%									
Covered Valuation Payroll	\$ 2,932,889									
Net Pension Liability as a Percentage of Covered Valuation Payroll	69.77%									

CITY OF WATERLOO, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
MULTIYEAR SCHEDULE OF CONTRIBUTIONS

LAST 10 CALENDAR YEARS

<u>CALENDAR YEAR ENDING DECEMBER 31,</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>CONTRIBUTION DEFICIENCY (EXCESS)</u>	<u>COVERED VALUATION PAYROLL</u>	<u>ACTUAL CONTRIBUTION AS OF % OF COVERED VALUATION PAYROLL</u>
2015	\$ 468,089	\$ 468,089	\$ -	\$2,932,889	15.96%

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF FUNDING PROGRESS
OTHER POST PUBLIC EMPLOYMENT BENEFIT PLAN
APRIL 30, 2016

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

<u>ACTUARIAL VALUATION DATE</u>	<u>ACTUARIAL VALUE OF ASSETS (a)</u>	<u>ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE NORMAL COST (b)</u>	<u>UNFUNDED (OVERFUNDED) ACTUARIAL ACCRUED LIABILITY (b-a)</u>	<u>FUNDED RATIO (a/b)</u>	<u>COVERED PAYROLL (c)</u>	<u>UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b-a)/c)</u>
4/30/2015	\$ -	\$ 1,573,019	\$ 1,573,019	- %	\$ 3,687,166	42.66 %
4/30/2014	-	1,450,811	1,450,811	-	3,562,479	40.72
4/30/2013	-	1,335,844	1,335,844	-	3,442,008	38.81
4/30/2012	-	1,228,644	1,228,644	-	3,374,229	36.40
4/30/2011	-	1,157,616	1,157,616	-	3,260,125	35.50
4/30/2010	-	1,088,563	1,088,563	-	3,149,879	34.60

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2016

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
TOTAL PENSION LIABILITY:										
Service Cost	\$ 268,414	\$ 282,417								
Interest on the Total Pension Liability	500,155	382,427								
Changes of Benefit Terms	-	-								
Difference Between Expected and Actual Experience	(465,422)	790,465								
Changes of Assumptions	-	561,107								
Benefit Payments	(207,093)	(203,635)								
Net Change in Total Pension Liability	\$ 96,054	\$1,812,781								
Total Pension Liability - Beginning	7,789,599	5,976,818								
Total Pension Liability - Ending	\$ 7,885,653	\$7,789,599								
PLAN FIDUCIARY NET POSITION:										
Employer Contributions	\$ 441,000	\$ 380,000								
Employee Contributions	96,824	94,024								
Pension Plan Net Investment Income	(44,528)	156,597								
Benefit Payments and Refunds	(207,093)	(203,635)								
Other	(17,115)	(18,460)								
Net Change in Plan Fiduciary Net Position	\$ 269,088	\$ 408,526								
Plan Fiduciary Net Position - Beginning	4,747,551	4,339,025								
Plan Fiduciary Net Position - Ending	\$ 5,016,639	\$4,747,551								
Net Pension Liability/(Asset)	\$ 2,869,014	\$3,042,048								
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	63.62%	60.95%								
Covered Valuation Payroll	\$ 914,496	\$ 987,469								

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2016

MULTIYEAR SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS

<u>FISCAL</u> <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</u> <u>CONTRIBUTION</u> <u>AS A % OF</u> <u>COVERED</u> <u>VALUATION</u> <u>PAYROLL</u>
2016	\$ 402,177	\$ 441,000	\$ (38,823)	\$ 914,496	48.22%
2015	440,707	380,000	60,707	987,469	38.48%

CITY OF WATERLOO
POLICE PENSION FUND
APRIL 30, 2016

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	4.06%	-1.25%	-	-	-	-	-	-	-	-

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	WITH FINAL
			(BUDGETARY	BUDGET-
			BASIS)	POSITIVE
				(NEGATIVE)
REVENUE:				
Property Tax IMRF/FICA	\$ 108,000	\$ 108,000	\$ 107,945	\$ (55)
Property Tax Road and Bridge	55,000	55,000	54,971	(29)
Property Tax Gen. Corporate	236,500	236,500	236,351	(149)
Liquor License	6,000	6,200	6,217	17
Franchise License	116,000	120,000	120,855	855
Utility Franchise	900,000	848,000	830,114	(17,886)
Infrastructure Fee	258,000	262,000	269,543	7,543
Fees and Permits	80,000	80,000	81,495	1,495
Inspection Fees	20,000	20,000	18,300	(1,700)
State Income Tax	1,161,600	1,248,000	1,273,384	25,384
State Replacement Tax	60,560	63,930	61,710	(2,220)
Mobile Home Taxes	20	20	16	(4)
Grant	-	-	720	720
Sales Tax	2,100,000	2,200,000	2,205,480	5,480
Business District Tax	60,000	66,000	72,249	6,249
Video Gaming	47,000	60,000	59,800	(200)
Court Fines	60,000	47,000	48,412	1,412
Penalties on Service	9,000	9,200	9,190	(10)
Refuse Fees	732,500	732,500	713,760	(18,740)
Utility Bill Adjustment	(250)	(250)	(131)	119
Interest Income	2,650	5,250	10,518	5,268
Rural Fire District Rent	-	-	-	-
Tower Rental	29,500	29,500	29,313	(187)
Sundry Income	6,000	6,000	4,427	(1,573)
Donations	20,700	26,500	28,007	1,507
Hotel/Motel Tax	15,000	13,000	26,687	13,687
Miscellaneous	2,000	3,100	3,784	684
Total Revenue	<u>\$ 6,085,780</u>	<u>\$ 6,245,450</u>	<u>\$ 6,273,117</u>	<u>\$ 27,667</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2016

EXPENDITURES:	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
	Legislative			
Mayor	\$ 24,500	\$ 24,500	\$ 23,278	\$ 1,222
Aldermen	135,000	130,000	112,693	17,307
FICA	12,200	12,200	10,238	1,962
IMRF	-	-	-	-
Professional Services	27,000	27,000	26,546	454
Communications	5,500	6,000	5,363	637
Printing and Publishing	6,100	6,100	6,171	(71)
Membership and Dues	12,000	12,000	1,650	10,350
Training	15,500	15,500	11,447	4,053
Books and Publications	250	250	215	35
Bad Debt Expense	2,000	2,000	2,110	(110)
Insurance and Bonds	500	500	388	112
Sales Tax Rebate	65,000	65,000	59,967	5,033
Miscellaneous	12,000	14,000	14,524	(524)
Office Supplies	200	200	62	138
Capital Projects	-	310	310	-
Legislative Total Expense	<u>\$ 317,750</u>	<u>\$ 315,560</u>	<u>\$ 274,962</u>	<u>\$ 40,598</u>
Finance				
District of Public works	\$ 22,800	\$ 23,500	\$ 23,404	\$ 96
Finance Director	19,200	19,200	18,378	822
Clerical	56,500	56,500	54,621	1,879
Part-Time Salaries	4,500	4,500	4,178	322
Over-Time Salaries	2,000	2,000	965	1,035
Sick Leave	2,600	2,600	1,822	778
Vacation Leave	8,600	8,600	8,281	319
Treasurer	8,500	8,500	8,215	285
Health Insurance	24,500	28,500	17,887	10,613
Unemployment Insurance	200	200	156	44
FICA	9,000	9,200	8,895	305
IMRF	17,500	17,500	15,944	1,556
Bank Charges	900	800	607	193
Clothing Allowance	1,500	1,500	1,365	135

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
	Finance (Continued)			
Equipment Rental and Service	\$ 2,400	\$ 2,400	\$ 2,000	\$ 400
Professional Services	2,800	2,800	1,753	1,047
Postage	1,600	1,600	803	797
Communications	17,100	17,100	14,897	2,203
Printing and Publishing	1,500	1,500	1,142	358
Membership and Dues	200	200	70	130
Training	4,000	4,000	1,804	2,196
Insurance and Bonds	17,000	17,000	15,777	1,223
Miscellaneous	500	500	45	455
Office Supplies	5,000	5,000	3,341	1,659
Department Supplies	1,500	1,500	1,098	402
Equipment - Office	5,000	3,500	2,460	1,040
Furniture and Fixtures	1,000	-	-	-
Information Systems	11,000	11,000	7,935	3,065
Tourism	20,000	15,000	13,160	1,840
Finance Total Expenses	<u>\$ 268,900</u>	<u>\$ 266,200</u>	<u>\$ 231,003</u>	<u>\$ 35,197</u>
Building				
Building Repairs	\$ 7,500	\$ 7,500	\$ 5,450	\$ 2,050
Equipment Rental and Service	75,000	26,000	24,933	1,067
Professional Services	3,500	3,500	2,245	1,255
Independent Contractor	20,000	20,000	18,200	1,800
Utilities	62,000	62,000	58,249	3,751
Janitorial Supplies	2,000	2,000	1,629	371
Fuels	1,000	1,000	-	1,000
Equipment	5,000	13,000	11,977	1,023
Furniture and Fixtures	-	-	-	-
Building Total Expenses	<u>\$ 176,000</u>	<u>\$ 135,000</u>	<u>\$ 122,683</u>	<u>\$ 12,317</u>
Legal				
Legal	<u>\$ 150,000</u>	<u>\$ 160,000</u>	<u>\$ 166,912</u>	<u>\$ (6,912)</u>
Legal Total Expenses	<u>\$ 150,000</u>	<u>\$ 160,000</u>	<u>\$ 166,912</u>	<u>\$ (6,912)</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>WITH FINAL</u>
			<u>(BUDGETARY</u>	<u>BUDGET-</u>
			<u>BASIS)</u>	<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
Zoning/Building Inspector				
Planning Commission	\$ 6,420	\$ 6,420	\$ 4,670	\$ 1,750
Zoning Board	6,180	6,180	3,510	2,670
Zoning Officer	67,500	67,500	65,174	2,326
Building Inspector	48,000	48,000	47,169	831
Part-Time Salaries	1,000	1,000	210	790
Sick Leave	2,000	3,500	2,987	513
Vacation Leave	7,200	8,500	8,080	420
Health Insurance	58,700	55,000	53,848	1,152
Unemployment Insurance	200	200	187	13
FICA	10,500	10,500	10,065	435
IMRF	20,000	20,000	18,249	1,751
Vehicle Maintenance and Repair	1,500	1,600	1,556	44
Professional Services	92,000	80,000	56,182	23,818
Postage	100	100	100	-
Communications	1,000	1,500	1,419	81
Printing and Publishing	100	100	-	100
Membership and Dues	200	200	30	170
Training	2,000	2,000	1,196	804
Books and Publications	250	250	-	250
Insurance and Bonds	11,000	10,000	9,681	319
Miscellaneous	500	500	-	500
Office Supplies	1,000	1,000	865	135
Vehicle Fuel and Lube	3,500	3,000	2,237	763
Equipment - Office	40,000	10,000	7,253	2,747
Equipment - Vehicle	-	-	-	-
Information systems	-	1,000	780	220
Zoning/Building Inspector				
Total Expenses	\$ 380,850	\$ 338,050	\$ 295,448	\$ 42,602

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>(BUDGETARY</u> <u>BASIS)</u>	<u>WITH FINAL</u> <u>BUDGET-</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
Records				
Deputy City Clerk	\$ 48,000	\$ 48,000	\$ 46,737	\$ 1,263
Over-Time Salaries	500	500	-	500
Sick Leave	1,600	1,600	1,409	191
Vacation Leave	4,400	4,400	4,529	(129)
City Clerk	17,000	17,000	16,420	580
Health Insurance	24,000	24,000	22,124	1,876
Unemployment Insurance	100	100	71	29
FICA	5,500	5,500	4,916	584
IMRF	8,700	8,700	7,793	907
Clothing Allowance	250	250	212	38
Equipment Repairs	200	200	-	200
Professional Services	7,000	7,000	3,797	3,203
Postage	100	100	100	-
Printing and Publishing	5,000	4,000	2,646	1,354
Membership and Dues	200	200	110	90
Training	3,500	2,000	1,206	794
Books and Publications	100	100	-	100
Insurance and Bonds	350	350	642	(292)
Recording Fees	1,000	1,000	602	398
Miscellaneous	100	100	20	80
Office Supplies	500	500	391	109
Equipment - office	-	2,500	940	1,560
Information systems	500	525	548	(23)
Records Total Expenses	<u>\$ 128,600</u>	<u>\$ 128,625</u>	<u>\$ 115,213</u>	<u>\$ 13,412</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE
				WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Police				
Regular Salaries	\$ 955,000	\$ 955,000	\$ 927,056	\$ 27,944
Part-Time Salaries	20,000	22,000	21,511	489
PEDA salaries	-	6,000	8,696	(2,696)
Over-Time Salaries	40,000	60,000	58,553	1,447
Sick Leave	25,000	25,000	23,584	1,416
Vacation Leave	80,000	80,000	72,099	7,901
Holiday	45,000	46,000	45,955	45
Health Insurance	325,000	315,000	304,601	10,399
Unemployment Insurance	1,500	1,500	1,235	265
FICA	88,000	88,000	84,119	3,881
IMRF	8,500	8,500	7,564	936
Clothing Allowance	12,000	12,000	10,841	1,159
Vehicle Maintenance and Repair	20,000	20,000	18,372	1,628
Equipment Rental and Service	3,000	3,000	2,204	796
Postage	500	500	412	88
Communications	160,000	160,000	147,647	12,353
Printing and Publishing	1,000	1,000	220	780
Membership and Dues	12,000	12,000	11,475	525
Training	10,000	12,000	10,741	1,259
Books and Publications	1,000	1,000	300	700
Insurance and Bonds	67,000	61,000	60,577	423
Miscellaneous	3,000	3,000	1,425	1,575
Office Supplies	5,000	5,000	2,447	2,553
Department Supplies	6,500	6,500	5,671	829
Vehicle Fuel and Lube	45,000	40,000	27,853	12,147
Ammunition	1,500	1,500	1,184	316
Canine	3,000	3,000	2,439	561
Equipment - Office	2,000	28,000	19,777	8,223
Equipment - New	79,000	70,000	67,783	2,217
Equipment - Vehicle	60,000	60,000	55,787	4,213
Information Systems	140,500	25,500	24,503	997
Community Relations	3,500	3,500	1,985	1,515
DARE Fund	3,000	3,000	1,874	1,126
DUI Fund	3,000	3,000	2,600	400
Police Total Expenses	\$ 2,229,500	\$ 2,141,500	\$ 2,033,090	\$ 108,410

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
	Emergency Management Agency			
ESDA Coordinator	\$ 6,000	\$ 6,000	\$ 5,760	\$ 240
Unemployment Insurance	100	100	24	76
FICA	500	500	433	67
IMRF	300	300	264	36
Vehicle Maintenance and Repair	500	500	-	500
Postage	100	100	100	-
Communications	400	400	339	61
Training	200	200	-	200
Vehicle Fuel and Lube	200	100	-	100
Equipment	500	-	-	-
Equipment - new	22,000	15,000	14,962	38
Emergency Management Agency Total Expenses	\$ 30,800	\$ 23,200	\$ 21,882	\$ 1,318
Police Commission				
Legal	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Officer Candidates Testing	100	100	-	100
Testing for Officer Hiring	3,000	3,000	-	3,000
Printing and Publishing	1,000	1,000	284	716
Membership and Dues	400	400	375	25
Training	2,000	500	108	392
Office Supplies	100	100	-	100
Police Commission Total Expenses	\$ 7,600	\$ 6,100	\$ 767	\$ 5,333
Health and Ordinance				
Postage	\$ 100	\$ 100	\$ 100	\$ -
Miscellaneous	1,000	-	-	-
Health and Ordinance Total Expenses	\$ 1,100	\$ 100	\$ 100	\$ -

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS (BUDGETARY BASIS)</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
	Social Services			
Community Relations Coordinator	\$ 41,500	\$ 40,300	\$ 32,339	\$ 7,961
Sick Leave	1,300	1,300	1,268	32
Vacation Leave	2,300	3,500	3,363	137
Health Insurance	2,000	2,000	1,441	559
Unemployment Insurance	100	100	83	17
FICA	3,500	3,500	2,763	737
IMRF	7,000	7,000	5,396	1,604
Communications	1,000	1,000	910	90
Printing and Publishing	100	100	-	100
Training	2,000	2,000	864	1,136
Books and Publications	50	50	30	20
Street Lighting	70,000	70,000	69,109	891
Refuse	728,500	728,500	706,783	21,717
Insurance and Bonds	150	150	118	32
Miscellaneous	150	150	-	150
Office Supplies	3,000	3,000	794	2,206
Office Equipment	500	2,000	1,619	381
Furniture and Fixtures	-	-	-	-
Information Systems	500	500	425	75
Community Relations	26,000	21,000	15,675	5,325
Contribution Sr. Citizens	7,500	7,500	7,500	-
Sister Cities Program	2,000	2,000	-	2,000
Downtown Enhancement	35,000	40,000	13,559	26,441
Social Services Total Expenses	<u>\$ 934,150</u>	<u>\$ 935,650</u>	<u>\$ 864,039</u>	<u>\$ 71,611</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>WITH FINAL</u>
			<u>(BUDGETARY</u>	<u>BUDGET-</u>
			<u>BASIS)</u>	<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
Streets and Alleys				
Regular Salaries	\$ 298,000	\$ 285,000	\$ 276,809	\$ 8,191
Part-Time Salaries	3,200	3,200	237	2,963
Over-Time Salaries	25,000	25,000	16,439	8,561
Sick Leave	7,500	22,000	18,248	3,752
Vacation Leave	26,000	26,000	25,373	627
Interdepartmental Salaries	40,000	20,000	10,625	9,375
Health Insurance	96,000	91,000	88,103	2,897
Unemployment Insurance	500	500	373	127
FICA	31,000	31,000	25,213	5,787
IMRF	63,000	63,000	51,569	11,431
Clothing Allowance	7,250	7,250	3,382	3,868
Building Repairs	2,500	2,500	2,174	326
Equipment Repairs	50,000	50,000	26,815	23,185
Communications	2,500	2,500	1,739	761
Training	2,000	2,700	2,327	373
Utilities	18,000	19,000	15,058	3,942
Insurance and Bonds	68,000	62,000	61,079	921
Miscellaneous	6,000	6,000	5,471	529
Street Maintenance and Repair	10,000	15,000	12,648	2,352
Street Signs	7,500	10,000	8,993	1,007
Construction Materials	30,000	30,000	15,540	14,460
Department Supplies	10,000	10,000	9,816	184
Tools	3,000	3,000	2,358	642
Janitorial Supplies	2,000	2,500	2,473	27
Vehicle Fuel and Lube	40,000	40,000	24,355	15,645
Safety Materials	4,000	6,000	5,754	246
Land	-	10,000	9,195	805
Building Improvements	1,000	1,000	-	1,000
Equipment	11,500	187,000	186,962	38
Equipment - Office	-	-	-	-
Equipment - Vehicle	126,500	126,500	110,880	15,620
Street Improvements	150,000	180,000	157,158	22,842
Other Improvements - Storm Drains	75,000	50,000	40,028	9,972
Capital Projects	<u>2,898,250</u>	<u>2,450,000</u>	<u>1,691,705</u>	<u>758,295</u>
Streets and Alleys Total Expenses	<u>\$ 4,115,200</u>	<u>\$ 3,839,650</u>	<u>\$ 2,908,899</u>	<u>\$ 930,751</u>
Total Expenditures (Carried Forward)	<u>\$ 8,740,450</u>	<u>\$ 8,289,635</u>	<u>\$ 7,034,998</u>	<u>\$ 1,254,637</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>(BUDGETARY</u>	<u>WITH FINAL</u>
			<u>BASIS)</u>	<u>BUDGET-</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
Total Expenditures (Brought Forward)	<u>\$ 8,740,450</u>	<u>\$ 8,289,635</u>	<u>\$ 7,034,998</u>	<u>\$ 1,254,637</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,654,670)</u>	<u>\$ (2,044,185)</u>	<u>\$ (761,881)</u>	<u>\$ 1,282,304</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			\$ (21,240)	
Effect of Unrecorded Liabilities			<u>(3,724)</u>	
(Deficiency) of Revenue Over Expenses			\$ (786,845)	
BEGINNING FUND BALANCE			<u>8,464,701</u>	
ENDING FUND BALANCE			<u>\$ 7,677,856</u>	

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - UTILITY TAX FUND
YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS (BUDGETARY BASIS)</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUE:				
City Utility Tax	\$ 254,000	\$ 210,000	\$ 197,700	\$ (12,300)
Other Utility Tax	23,000	22,000	20,857	(1,143)
Electric Municipal Tax	295,000	296,000	292,680	(3,320)
Utility Bill Adjustment	(700)	(700)	(983)	(283)
Interest Income	2,500	2,000	1,748	(252)
Investment Income	13,500	6,700	12,556	5,856
	<u>\$ 587,300</u>	<u>\$ 536,000</u>	<u>\$ 524,558</u>	<u>\$ (11,442)</u>
EXPENDITURES:				
Bad Debt Expense	\$ 2,000	\$ 2,000	\$ 889	\$ 1,111
Customer Refunds	200	200	8	192
Capital Projects	100,000	-	-	-
	<u>\$ 102,200</u>	<u>\$ 2,200</u>	<u>\$ 897</u>	<u>\$ 1,303</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 485,100</u>	<u>\$ 533,800</u>	<u>\$ 523,661</u>	<u>\$ (10,139)</u>
OTHER FINANCING (USES):				
Transfers (Out)	<u>\$ (435,902)</u>	<u>\$ (435,902)</u>	<u>\$ (435,902)</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ 49,198</u>	<u>\$ 97,898</u>	<u>\$ 87,759</u>	<u>\$ (10,139)</u>
RECONCILIATION OF BUDGETARY BASIS TO GOVERNMENT FUND STATEMENT OF CHANGES IN FUND BALANCE:				
Effect of Unrecorded Assets			\$ 349	
Effect of Unrecorded Liabilities			<u>9</u>	
Excess of Revenue Over Expenses			<u>\$ 88,117</u>	
BEGINNING FUND BALANCE			<u>2,498,008</u>	
ENDING FUND BALANCE			<u>\$ 2,586,125</u>	

SUPPLEMENTAL INFORMATION

CITY OF WATERLOO, ILLINOIS
COMBINING BALANCE SHEET - GENERAL FUND
APRIL 30, 2016

ASSETS	GENERAL	UTILIY TAX FUND	TOTAL
Cash and Cash Equivalents	\$ 7,501,694	\$ 273,654	\$ 7,775,348
Investments	-	2,244,859	2,244,859
Taxes Receivable	905,575	-	905,575
Accounts Receivable, Net	167,584	67,612	235,196
Prepays	100,657	-	100,657
Real Estate Taxes Receivable, Net	<u>787,090</u>	<u>-</u>	<u>787,090</u>
 Total Assets	 <u>\$ 9,462,600</u>	 <u>\$2,586,125</u>	 <u>\$ 12,048,725</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
LIABILITIES:			
Accounts Payable	\$ 929,213	\$ -	\$ 929,213
Wage and Benefits Payable	<u>68,441</u>	<u>-</u>	<u>68,441</u>
 Total Liabilities	 <u>\$ 997,654</u>	 <u>\$ -</u>	 <u>\$ 997,654</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	\$ 787,090	\$ -	\$ 787,090
 Total Deferred Inflows of Resources	 <u>\$ 787,090</u>	 <u>\$ -</u>	 <u>\$ 787,090</u>
FUND BALANCE:			
Nonspendable			
Prepays	\$ 100,657	\$ -	\$ 100,657
Restricted for:			
Hotel/Motel Tax	103,795	-	103,795
Culture and Recreation	-	-	-
Motor Fuel Tax	-	-	-
Committed for:			
IMRF Pension Plan	296,085	-	296,085
Capital Improvements	-	2,586,125	2,586,125
Unassigned:			
General Fund	<u>7,177,319</u>	<u>-</u>	<u>7,177,319</u>
 Total Fund Balance	 <u>\$ 7,677,856</u>	 <u>\$2,586,125</u>	 <u>\$ 10,263,981</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 <u>\$ 9,462,600</u>	 <u>\$2,586,125</u>	 <u>\$ 12,048,725</u>

CITY OF WATERLOO, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -GENERAL FUNDAPRIL 30, 2016

	<u>GENERAL</u>	<u>UTILITY TAX FUND</u>	<u>TOTAL</u>
REVENUES:			
Taxes - Real Estate	\$ 840,267	\$ -	\$ 840,267
Intergovernmental	3,653,381	-	3,653,381
Utility Taxes	266,205	510,604	776,809
Charges for Services	1,553,543	-	1,553,543
Licenses and Permits	226,867	-	226,867
Fines	48,412	-	48,412
Grants	720	-	720
Miscellaneous	92,967	-	92,967
Interest	10,517	1,748	12,265
Investment Income	-	12,556	12,556
Total Revenues	<u>\$ 6,692,879</u>	<u>\$ 524,908</u>	<u>\$ 7,217,787</u>
EXPENDITURES:			
Current			
General Government	\$ 1,196,741	889	\$ 1,197,630
Public Safety	2,354,364	-	2,354,364
Highways and streets	2,131,030	-	2,131,030
Sanitation	708,344	-	708,344
Health	100	-	100
Culture and recreation	87,487	-	87,487
Capital outlay	1,001,658	-	1,001,658
Total expenditures	<u>\$ 7,479,724</u>	<u>\$ 889</u>	<u>\$ 7,480,613</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (786,845)</u>	<u>\$ 524,019</u>	<u>\$ (262,826)</u>
Other Financing (Uses)			
Transfers (Out)	<u>\$ -</u>	<u>\$ (435,902)</u>	<u>\$ (435,902)</u>
Net Change in Fund Balance	<u>\$ (786,845)</u>	<u>\$ 88,117</u>	<u>\$ (698,728)</u>
Fund Balance, Beginning of Year	<u>8,464,701</u>	<u>2,498,008</u>	<u>10,962,709</u>
Fund Balance, End of Year	<u>\$ 7,677,856</u>	<u>\$ 2,586,125</u>	<u>\$ 10,263,981</u>

CITY OF WATERLOO, ILLINOIS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
APRIL 30, 2016

ASSETS	MOTOR FUEL TAX	MUNICIPAL BAND FUND	LIBRARY FUND	TOTAL
Cash in Bank	\$ 602,524	\$ 17,318	\$ 566,619	\$ 1,186,461
Investments	-	-	39,231	39,231
Taxes Receivable	22,328	-	-	22,328
Real Estate Taxes Receivable, Net	<u>-</u>	<u>21,913</u>	<u>403,471</u>	<u>425,384</u>
Total Assets	<u>\$ 624,852</u>	<u>\$ 39,231</u>	<u>\$ 1,009,321</u>	<u>\$ 1,673,404</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	<u>\$ 1,352</u>	<u>\$ -</u>	<u>\$ 36,154</u>	<u>\$ 37,506</u>
Total Liabilities	<u>\$ 1,352</u>	<u>\$ -</u>	<u>\$ 36,154</u>	<u>\$ 37,506</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Property Taxes	<u>\$ -</u>	<u>\$ 21,913</u>	<u>\$ 403,471</u>	<u>\$ 425,384</u>
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ 21,913</u>	<u>\$ 403,471</u>	<u>\$ 425,384</u>
FUND BALANCES:				
Restricted for:				
Culture and Recreation	\$ -	\$ 17,318	\$ 569,696	\$ 587,014
Motor Fuel Tax	<u>623,500</u>	<u>-</u>	<u>-</u>	<u>623,500</u>
Total Fund Balances	<u>\$ 623,500</u>	<u>\$ 17,318</u>	<u>\$ 569,696</u>	<u>\$ 1,210,514</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 624,852</u>	<u>\$ 39,231</u>	<u>\$ 1,009,321</u>	<u>\$ 1,673,404</u>

CITY OF WATERLOO, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2016

	<u>MOTOR FUEL TAX</u>	<u>MUNICIPAL BAND FUND</u>	<u>LIBRARY FUND</u>	<u>TOTAL</u>
REVENUES:				
Taxes - Real Estate	\$ -	\$ 23,733	\$ 392,291	\$ 416,024
Intergovernmental	263,288	-	30,954	294,242
Miscellaneous	-	-	32,755	32,755
Interest	930	-	825	1,755
Total Revenues	<u>\$ 264,218</u>	<u>\$ 23,733</u>	<u>\$ 456,825</u>	<u>\$ 744,776</u>
EXPENDITURES:				
Highways and Streets	\$ 247,362	\$ -	\$ -	\$ 247,362
Culture and Recreation	-	21,702	407,301	429,003
Capital Projects	-	-	220,671	220,671
Total Expenditures	<u>\$ 247,362</u>	<u>\$ 21,702</u>	<u>\$ 627,972</u>	<u>\$ 897,036</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 16,856</u>	<u>\$ 2,031</u>	<u>\$ (171,147)</u>	<u>\$ (152,260)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>606,644</u>	<u>15,287</u>	<u>740,843</u>	<u>1,362,774</u>
FUND BALANCE - END OF YEAR	<u>\$ 623,500</u>	<u>\$ 17,318</u>	<u>\$ 569,696</u>	<u>\$ 1,210,514</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	<u>2016</u>	<u>2015</u>
General Government		
Legal		
Legal Fees	\$ 167,006	\$ 122,077
Total Legal	<u>\$ 167,006</u>	<u>\$ 122,077</u>
City Clerk		
Salaries - City Clerk	\$ 16,420	\$ 15,826
Salaries - Deputy City Clerk	46,938	45,899
Salaries - Sick Leave	1,409	1,710
Salaries - Vacation Leave	4,529	4,236
FICA	4,916	4,812
IMRF	7,793	8,433
Group Hospital Insurance	22,124	22,132
Unemployment Tax	71	71
Clothing Allowance	212	212
Postage	100	100
Printing and Publishing	2,498	2,227
Memberships and Dues	110	110
Training	1,207	2,907
Recording Fees	602	682
Insurance and Bonds	333	203
Office Supplies	391	166
Professional Services	3,797	495
Information Systems	410	652
Miscellaneous	20	-
Office Equipment	939	-
Total City Clerk	<u>\$ 114,819</u>	<u>\$ 110,873</u>
Legislation		
Salaries - Mayor	\$ 23,278	\$ 18,298
Salaries - Alderman	112,693	105,207
FICA	10,238	9,448
IMRF	-	3,663
Memberships and Dues	1,650	1,681
Professional Services	26,546	20,218
Office Supplies	62	-
Miscellaneous	14,460	11,435
Insurance and Bonds	370	378
Bad Debts	2,110	3,005
Books and Publications	6,386	6,183
Training	11,436	5,055
Communications	5,281	4,676
Capital Projects	310	(535)
Sales Tax Rebate	68,808	58,819
Total Legislation	<u>\$ 283,628</u>	<u>\$ 247,531</u>
Sub-Total General Government (Carried Forward)	<u>\$ 565,453</u>	<u>\$ 480,481</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	<u>2016</u>	<u>2015</u>
Sub-Total General Government (Brought Forward)	\$ 565,453	\$ 480,481
General Government (Continued)		
Zoning		
Planning Commission	\$ 4,670	\$ 3,230
Zoning Board	3,510	4,050
Salaries - Zoning Officer	65,444	64,852
Salaries - Building Inspector	47,364	47,355
Salaries - Part-Time	210	350
Salaries - Sick Leave	2,987	3,488
Salaries - Vacation Leave	8,080	5,748
FICA	10,065	9,800
IMRF	18,249	19,738
Group Hospital Insurance	53,848	53,238
Unemployment Tax	188	184
Postage	100	100
Memberships and Dues	30	315
Professional Services	56,476	48,467
Vehicle Maintenance and Repair	1,556	1,500
Equipment	939	1,799
Training	1,762	1,175
Office Supplies	865	689
Insurance and Bonds	9,696	10,059
Communications	1,441	802
Vehicle Fuel and Lubrications	2,177	2,882
Miscellaneous	-	65
Information Systems	780	-
Total Zoning	<u>\$ 290,437</u>	<u>\$ 279,886</u>
Sub-Total General Government (Carried Forward)	<u>\$ 855,890</u>	<u>\$ 760,367</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	<u>2016</u>	<u>2015</u>
Sub-Total General Government (Brought Forward)	\$ 855,890	\$ 760,367
General Government (Continued)		
Finance		
Salaries - Treasurer	\$ 8,215	\$ 8,115
Salaries - Director of Public Works	23,497	22,208
Salaries - Finance Director	18,454	18,595
Salaries - Clerical	54,732	55,180
Salaries - Overtime	965	897
Salaries - Part-Time	4,178	4,335
Salaries - Sick Leave	1,822	2,030
Salaries - Vacation Leave	8,281	7,463
FICA	8,895	8,857
IMRF	15,944	17,435
Group Hospital Insurance	17,887	24,801
Unemployment	156	143
Dues and Memberships	70	70
Insurance and Bonds	14,630	13,570
Communications and Dispatch	14,830	16,174
Equipment Rental and Service	2,000	2,539
Training	1,804	1,276
Clothing Allowance	1,365	1,270
Office Supplies	3,205	2,618
Postage	803	1,146
Equipment	218	1,527
Tourism	13,406	15,182
Professional Services	1,783	2,112
Miscellaneous	45	512
Printing and Publishing	1,142	1,307
Department Supplies	1,217	1,258
Bank Charges	607	656
Information Systems	7,935	8,211
Total Finance	<u>\$ 228,086</u>	<u>\$ 239,487</u>
Building		
Building Repairs	\$ 5,398	\$ 4,565
Equipment Rental and Service	24,933	23,908
Professional Services	2,370	2,275
Independent Contractors	18,270	18,270
Utilities	58,587	59,486
Janitorial Supplies	1,599	1,422
Fuels	-	210
Equipment	1,608	-
Total Building	<u>\$ 112,765</u>	<u>\$ 110,136</u>
Total General Government	<u>\$ 1,196,741</u>	<u>\$ 1,109,990</u>

SCHEDULE "13" (CONT'D)

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	<u>2016</u>	<u>2015</u>
Public Safety		
Police		
Salaries - Regular	\$ 941,461	\$ 923,471
Salaries - Part-Time	22,536	20,818
Salaries - Overtime	58,553	47,861
Salaries - Sick Leave	23,584	19,126
Salaries - Vacation Leave	72,099	67,362
Salaries - Holiday	45,955	40,907
FICA	84,119	81,756
IMRF	7,564	8,222
Pension	441,000	-
Group Hospital Insurance	304,601	299,301
Unemployment Tax	1,235	1,326
Insurance and Bonds	60,256	63,302
Communication and Dispatch	147,468	147,659
Training	10,741	10,069
Equipment Rental and Service	2,080	1,844
Vehicle Maintenance and Repairs	17,956	13,915
Memberships and Dues	11,475	11,241
Community Services Programs	3,938	5,239
Office Supplies	2,727	3,777
Postage	412	438
Ammunition	1,372	200
Clothing Allowance	10,841	14,466
Vehicle Fuel and Lubrications	27,203	37,995
Information Systems	24,528	22,885
Department Supplies	5,336	3,722
Canine	1,761	1,846
Printing and Publishing	220	478
Miscellaneous	1,391	2,015
Books and Publications	300	143
DUI Fund	2,600	1,795
Equipment - New	3,048	2,613
Equipment - Office	3,141	3,746
Equipment - Vehicle	4,588	63
Total Police	<u>\$ 2,346,089</u>	<u>\$ 1,859,601</u>
Sub-Total Public Safety (Carried Forward)	<u>\$ 2,346,089</u>	<u>\$ 1,859,601</u>

SCHEDULE "13" (CONT'D)

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	<u>2016</u>	<u>2015</u>
Sub-Total Public Safety (Brought Forward)	\$ 2,346,089	\$ 1,859,601
Public Safety (Continued)		
Police Commissioners		
Testing for Officer Hiring	\$ 600	\$ 2,240
Printing and Publishing	284	-
Office Supplies	-	245
Training	108	1,253
Memberships and Dues	375	375
Total Police Commissioners	<u>\$ 1,367</u>	<u>\$ 4,113</u>
E.S.D.A.		
E.S.D.A. Coordinator	\$ 5,760	\$ 5,760
FICA	432	432
IMRF	264	294
Communications and Dispatch	329	381
Postage	100	100
Unemployment	23	23
Equipment	-	2,210
Total E.S.D.A.	<u>\$ 6,908</u>	<u>\$ 9,200</u>
Total Public Safety	<u>\$ 2,354,364</u>	<u>\$ 1,872,914</u>

SCHEDULE "13" (CONT'D)

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	<u>2016</u>	<u>2015</u>
Highways and Streets		
Salaries - Regular	\$ 277,626	\$ 287,728
Salaries - Part-Time	67	240
Salaries - Overtime	16,439	11,693
Salaries - Sick Leave	18,248	9,449
Salaries - Vacation Leave	25,373	23,443
Salaries - Interdepartmental	10,625	9,568
FICA	25,213	24,698
IMRF	51,569	55,531
Group Hospital Insurance	88,103	87,729
Unemployment Tax	373	371
Equipment Repairs	26,470	23,819
Building Repairs	2,174	858
Utilities	14,968	18,621
Insurance and Bonds	60,924	61,946
Communication and Dispatch	1,490	1,737
Training	2,571	724
Safety Materials	5,645	3,849
Janitorial Supplies	2,473	1,027
Clothing Allowance	2,553	2,902
Tools	2,342	2,317
Street Maintenance and Repairs	11,440	4,134
Construction Materials	14,811	18,770
Vehicle Fuel and Lubrications	24,710	33,928
Equipment	6,911	5,259
Street Improvements	1,303,725	244,780
Storm Drains, Meter Repairs	40,028	24,621
Street Lights	69,126	68,883
Street Signs	9,761	6,548
Miscellaneous	5,471	6,709
Equipment - Office	-	908
Equipment - Vehicle	-	-
Building Improvements	-	3,073
Land	-	-
Supplies	9,801	6,653
Capital Projects	-	1,884
Total Highways and Streets	<u>\$ 2,131,030</u>	<u>\$ 1,054,400</u>

SCHEDULE "13" (CONT'D)

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - GENERAL FUND
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	2016	2015
Sanitation		
Solid Waste Collection	\$ 708,344	\$ 689,920
Total Sanitation	\$ 708,344	\$ 689,920
Health		
Postage	\$ 100	\$ 100
Total Health	\$ 100	\$ 100
Cultural and Recreation		
Salaries - Community Relations Coordinator	\$ 32,844	\$ 34,509
Salaries - Sick Leave	1,268	-
Salaries - Vacation Leave	3,363	523
FICA	2,763	2,617
IMRF	5,396	5,753
Group Hospital Insurance	1,441	1,397
Unemployment Tax	83	68
Insurance and Bonds	113	108
Communication and Dispatch	910	811
Training	864	23
Office Supplies	794	2,397
Equipment	1,619	-
Miscellaneous	-	-
Books and Publications	30	15
Information Systems	425	171
Community Relations	15,708	17,443
Contributions - Senior Citizens	7,500	7,500
Downtown Enhancement	12,074	34,645
Sister Cities Programs	292	3,582
Total Cultural and Recreation	\$ 87,487	\$ 111,562
Capital Outlay		
Culture and Recreation	\$ -	\$ 90,107
General Government	-	28,350
Public Safety	-	-
Highways and Streets	1,001,658	618,553
Total Capital Outlay	\$ 1,001,658	\$ 737,010
Total Expenditures - General Fund	\$ 7,479,724	\$ 5,575,896

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

Electric Fund	<u>2016</u>	<u>2015</u>
Cost of Sales		
Cost of Power	\$ 7,063,561	\$ 7,035,431
Salaries	162,678	168,061
FICA	11,673	12,235
IMRF	28,863	27,422
Group Hospital	43,705	43,146
Unemployment	142	147
Professional Services	162	95
Communications	2,033	2,326
Safety Materials	1,086	1,213
E.P.A. Permits	5,626	5,626
Utilities	53,009	54,135
Clothing Allowances	3,333	2,717
Department Supplies	1,823	1,842
Tools	909	627
Vehicle Fuel and Lubrications	(2,445)	(593)
Chemicals	8,529	7,668
Training	860	630
Building Repairs	491	3,028
Utility System Maintenance	37,041	19,996
Repairs	-	86
Equipment	-	908
Janitorial Supplies	3,836	4,156
Total Cost of Sales	<u>\$ 7,426,915</u>	<u>\$ 7,390,902</u>
Distribution		
Salaries	\$ 612,095	\$ 561,972
FICA	44,146	40,517
IMRF	109,295	90,707
Group Hospital	132,158	117,427
Other Post Employee Benefit	23,929	27,057
Unemployment	610	517
Building Repairs	2,972	3,460
Machinery Repairs	19,707	12,632
Communications	2,983	4,528
Utilities	16,289	17,527
Clothing Allowances	5,849	2,707
Tools	7,284	7,131
Professional Services	2,049	2,012

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	<u>2016</u>	<u>2015</u>
Distribution (continued)		
Department Supplies	\$ 32,954	\$ 25,961
Safety Materials	4,097	4,949
Line Materials	145,737	97,962
Training	1,399	1,329
Street Light Materials	77,126	39,779
Equipment	3,465	4,335
Janitorial Supplies	1,306	170
PCB Program	449	2,098
Vehicle Fuel and Lubrication	15,244	20,997
Repairs and Maintenance	-	49,617
Total Distribution	<u>\$ 1,261,143</u>	<u>\$ 1,135,391</u>
Administrative		
Salaries	\$ 132,998	\$ 131,911
FICA	9,799	9,760
IMRF	19,175	17,424
Group Hospital	22,845	22,860
Unemployment	259	239
Insurance and Bonds	88,560	160,025
Equipment Rentals	2,184	3,594
Postage	8,508	7,972
Printing and Publishing	1,022	1,210
Professional Services	64,711	92,733
Miscellaneous	1,316	9,222
Office Supplies	3,177	2,633
Information Systems	6,318	6,364
Training	4,089	940
Bad Debts	15,282	17,286
Equipment	218	1,298
Refunds	(85)	1,854
Administrative - General Fund	<u>519,849</u>	<u>515,355</u>
Total Administrative	<u>\$ 900,225</u>	<u>\$ 1,002,680</u>
Depreciation	<u>\$ 658,340</u>	<u>\$ 658,374</u>
Total Operating Expenses - Electric Fund	<u>\$ 10,246,623</u>	<u>\$ 10,187,347</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	<u>2016</u>	<u>2015</u>
Gas Fund		
Cost of Sales		
Gas Purchased	\$ 1,122,334	\$ 1,591,829
Total Cost of Sales	<u>\$ 1,122,334</u>	<u>\$ 1,591,829</u>
Distribution		
Salaries	\$ 407,684	\$ 404,283
FICA	29,165	29,102
IMRF	68,978	65,640
Group Hospital Insurance	102,033	94,800
Other Post Employment Benefit	10,808	13,103
Unemployment	448	428
Repairs	14,130	10,692
Vehicle Fuel	11,288	16,552
Utilities	12,308	12,696
Communications	8,168	7,490
Training	1,839	1,034
Office Supplies	358	635
Chemicals	3,099	1,980
Line Materials	44,592	37,012
Safety Materials	3,216	3,284
Clothing Allowances	3,915	2,966
Department Supplies	1,678	783
Tools	1,835	881
Janitorial Supplies	291	-
Capital Projects	18,503	17,269
Equipment and Building	3,406	4,381
Total Distribution	<u>\$ 747,742</u>	<u>\$ 725,011</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	<u>2016</u>	<u>2015</u>
Gas Fund (Continued)		
Administration		
Salaries	\$ 133,009	\$ 131,923
FICA	9,825	9,788
IMRF	19,175	17,482
Group Hospital Insurance	22,845	22,860
Unemployment	260	239
Insurance and Bonds	38,554	37,182
Equipment Rentals	2,183	3,594
Office Supplies	3,143	2,568
Postage	8,463	7,978
Information Systems	7,268	6,364
Memberships and Dues	3,797	3,564
Miscellaneous	1,314	9,219
Printing and Publishing	1,022	1,210
Professional Services	27,457	22,307
Legal	-	-
Training	1,303	237
Books and Publications	-	-
Bad Debts	3,242	6,532
Furniture and Fixtures	-	213
Equipment	1,814	1,085
Refunds	154	1,818
Administration - General Fund	<u>119,675</u>	<u>159,712</u>
Total Administration	<u>\$ 404,503</u>	<u>\$ 445,875</u>
Depreciation	<u>\$ 138,874</u>	<u>\$ 152,343</u>
Total Operating Expenses - Gas Fund	<u>\$ 2,413,453</u>	<u>\$ 2,915,058</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	<u>2016</u>	<u>2015</u>
Water Fund		
Cost of Sales		
Water Purchased	\$ 868,471	\$ 845,855
Total Cost of Sales	<u>\$ 868,471</u>	<u>\$ 845,855</u>
Distribution		
Salaries	\$ 154,510	\$ 151,687
FICA	11,148	10,783
IMRF	28,762	24,366
Group Hospital Insurance	42,218	32,050
Other Post Employment Benefit	4,616	10,563
Unemployment	133	119
Repairs	52	10,067
Communications	3,571	3,466
Utilities	19,795	18,777
Miscellaneous	1,004	1,024
Department Supplies	831	488
Tools	1,327	2,351
Vehicle Fuel and Lubrications	2,781	3,556
Chemicals	13,345	9,081
Safety Materials	2,246	1,015
Repairs and Maintenance	45,743	132,224
Testing	4,435	7,540
Professional Services	65	5
Clothing Allowance	632	870
Training	1,524	1,376
Capital Projects	18,941	-
Total Distribution	<u>\$ 357,679</u>	<u>\$ 421,408</u>
Administration		
Salaries	\$ 133,083	\$ 131,914
FICA	9,806	9,760
IMRF	19,175	17,424
Group Hospital Insurance	22,845	22,860
Unemployment	260	239
Insurance and Bonds	18,327	18,610
Equipment Rentals	2,184	3,594
Office Supplies	3,143	2,583
Postage	8,523	7,874
Memberships and Dues	83	91
Miscellaneous	1,313	9,214
Printing and Publishing	1,022	1,210
Professional Services	13,017	22,128
Customer Refunds	-	2,340
Information Systems	6,318	6,364
Bad Debts	3,693	4,814
Equipment	1,814	1,536
Administration - General Fund	105,875	106,301
Training	1,291	-
Total Administration	<u>\$ 351,772</u>	<u>\$ 368,856</u>
Depreciation and Amortization	<u>194,501</u>	<u>196,846</u>
Total Operating Expenses - Water Fund	<u>\$ 1,772,423</u>	<u>\$ 1,832,965</u>

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	2016	2015
Sewer Fund		
Sewer Treatment Plant		
Salaries	\$ 246,358	\$ 243,194
FICA	18,122	17,849
IMRF	42,739	39,254
Group Hospital Insurance	37,010	36,924
Other Post Employment Benefits	5,789	5,203
Unemployment	214	233
Building Repairs	5,068	1,132
Machinery Repairs	83,900	107,489
Utilities	203,176	168,877
Communications	3,030	6,379
Department Supplies	1,453	2,702
Safety Materials	158	448
Disposal Fees	2,520	720
Chemicals	4,128	15,332
Clothing Allowance	2,071	1,892
Tools	567	319
Vehicle Fuels	38	105
Miscellaneous	-	-
Office Supplies	176	66
E.P.A. Permits	17,500	17,500
Equipment	-	3,300
Janitorial Supplies	308	437
Training	1,905	1,173
Total Sewer Treatment Plant	\$ 676,230	\$ 670,528
Sewer Collection System		
Utilities	\$ 78,185	\$ 67,919
Building Repairs	3,074	1,252
Equipment Repairs	34,461	29,024
Vehicle Fuels	4,274	5,056
Chemicals	-	161
Department Supplies	4,615	2,962
Tools	513	1,098
Fuels	779	852
Safety Materials	382	-
Repairs and Maintenance	70,134	98,644
Equipment Lease	-	2,280
Total Sewer Collection System	\$ 196,417	\$ 209,248

CITY OF WATERLOO, ILLINOIS
SCHEDULES OF EXPENDITURES - PROPRIETARY FUND TYPES
YEAR ENDED APRIL 30, 2016
(WITH COMPARATIVE TOTALS FOR APRIL 30, 2015)

	2016	2015
Sewer Fund (Continued)		
Administration		
Salaries	\$ 112,055	\$ 111,018
FICA	8,178	8,164
IMRF	19,175	17,425
Group Hospital Insurance	22,845	22,861
Unemployment	144	124
Insurance and Bonds	40,619	40,136
Equipment Rentals	1,894	2,687
Office Supplies	3,156	2,581
Postage	8,472	7,892
Printing and Publishing	1,022	1,210
Miscellaneous	1,314	9,219
Professional Services	62,215	76,922
Customer Refunds	-	1,724
Information Systems	6,318	6,735
Bad Debts	3,509	4,650
Equipment	218	1,298
Administration - General Fund	84,715	84,443
Training	1,291	-
Total Administration	\$ 377,140	\$ 399,089
Depreciation	\$ 436,685	\$ 419,102
Total Operating Expenses - Sewer Fund	\$ 1,686,472	\$ 1,697,967

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF INVESTMENTS
AS OF APRIL 30, 2016

Governmental Activities	<u>ISSUER</u>	<u>AMOUNT</u>	<u>MATURITY</u>	<u>INTEREST</u>
Capital Improvements Fund				
1 - 3 Year Investment Fund	IMET	\$ 2,244,859		
Total Capital Improvements Fund		<u>\$ 2,244,859</u>		
Library Fund				
Certificate of Deposit	State Bank of Waterloo	\$ 3,000	8/13/2016	0.950
Certificate of Deposit	State Bank of Waterloo	3,000	4/30/2017	0.950
Certificate of Deposit	State Bank of Waterloo	15,549	7/8/2017	0.950
Certificate of Deposit	State Bank of Waterloo	17,682	6/8/2016	0.950
Total Library Fund		<u>\$ 39,231</u>		
Total Governmental Activities		<u>\$ 2,284,090</u>		
Business-Type Activities				
Water Fund				
1 - 3 Year Investment Fund	IMET	\$ 1,539,999		
Total Water Fund		<u>\$ 1,539,999</u>		
Sewer Fund				
1 - 3 Year Investment Fund	IMET	\$ 1,476,929		
Total Sewer Fund		<u>\$ 1,476,929</u>		
Electric Fund				
1 - 3 Year Investment Fund	IMET	\$ 2,943,077		
Total Electric Fund		<u>\$ 2,943,077</u>		
Gas Fund				
1 - 3 Year Investment Fund	IMET	\$ 3,366,443		
Total Gas Fund		<u>\$ 3,366,443</u>		
Consumer Deposits				
Certificate of Deposit	IMET	\$ 303,187		
Total Consumer Deposits		<u>\$ 303,187</u>		
Business-Type Activities		<u>\$ 9,629,635</u>		

CITY OF WATERLOO, ILLINOIS
SCHEDULE OF INVESTMENTS
AS OF APRIL 30, 2016

Fiduciary Fund Types	<u>ISSUER</u>	<u>AMOUNT</u>	<u>MATURITY</u>	<u>INTEREST</u>
Police Pension				
Equity Mutual Funds		\$ 2,001,922		
Corporate Bonds		1,110,594		
U.S. Treasury Notes		1,121,317		
Federal Farm Credit Banks		42,145		
Federal Home Loan Bank		149,260		
Federal National Mortgage Association		10,149		
Total Police Pension		<u>\$ 4,435,387</u>		
Total Fiduciary Fund Types		<u>\$ 4,435,387</u>		
Total Investments		<u>\$ 16,349,112</u>		

ADDITIONAL INFORMATION
(UNAUDITED)

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

	TAX YEAR		
	2015	2014	2013
Assessed Valuation	<u>\$ 226,002,790</u>	<u>\$ 221,176,891</u>	<u>\$ 214,122,452</u>
Tax Rates (per \$100 of Assessed Valuation)			
Corporate	0.08254	0.10693	0.10999
Road and Bridge	0.02428	0.02487	0.02567
Municipal Band	0.00972	0.00995	0.01028
Library	0.14962	0.14785	0.14988
Illinois Municipal Retirement	0.05761	0.05901	0.05903
Police Pension	0.19464	0.17181	0.17033
Special Library	<u>0.01942</u>	<u>0.01945</u>	<u>0.01998</u>
	<u>0.53783</u>	<u>0.53987</u>	<u>0.54516</u>
Taxes Extended			
Corporate	\$ 186,543	\$ 236,504	\$ 235,513
Road and Bridge	54,874	55,007	54,965
Municipal Band	21,968	22,007	22,012
Library	338,146	327,010	320,927
Illinois municipal retirement	130,200	130,517	126,397
Police Pension	439,892	380,004	364,715
Special library	<u>43,890</u>	<u>43,019</u>	<u>42,782</u>
	<u>\$ 1,215,513</u>	<u>\$ 1,194,068</u>	<u>\$ 1,167,311</u>
Taxes Collected			
Corporate		\$ 234,964	\$ 234,964
Road and Bridge		54,837	54,837
Municipal Band		21,960	21,960
Library		320,178	320,178
Illinois Municipal Retirement		126,102	126,102
Police Pension		363,864	363,864
Special Library		<u>42,681</u>	<u>42,681</u>
		<u>\$ 1,164,586</u>	<u>\$ 1,164,586</u>
Percentage of Extension Collected		<u>97.53%</u>	<u>99.77%</u>

needs to be updated

CITY OF WATERLOO, ILLINOIS
ADDITIONAL INFORMATION
REGARDING CUSTOMERS AND INSURANCE

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	4,380	4,205	3,885	4,633	4,050
End of Year	4,431	4,252	3,931	4,666	4,081

NOTE 2. INSURANCE

The following insurance policies are maintained by the City and are in effect April 30, 2015.

A. Illinois Municipal League Risk Management Association

Coverage period: December 31, 2015 to December 31, 2016

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

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

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

CITY OF WATERLOO, ILLINOIS
ADDITIONAL INFORMATION
REGARDING CUSTOMERS AND INSURANCE

PROPERTY COVERAGES

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

STAND-ALONE COVERAGES

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

CITY OF WATERLOO, ILLINOIS
ADDITIONAL INFORMATION
REGARDING CUSTOMERS AND INSURANCE

STAND-ALONE COVERAGES (CONTINUED)

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

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

Coverage period: December 31, 2015 to December 31, 2016

<u>POSITION</u>	<u>INSURED</u>	<u>COVERAGE</u>
Mayor	Tom Smith	\$ 50,000
City Clerk	Barbara Pace	50,000
Finance Officer	Shawn Kennedy	50,000
Treasurer	Brad Papenberg	Greater of \$50,000 or three times population on file with Illinois Municipal League Risk Management Association