

# **City of Waterloo**

Financial Statements and  
Supplementary Information

December 31, 2020

# City of Waterloo

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# City of Waterloo

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## **Independent Auditors' Report**

To the City Council  
City of Waterloo

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waterloo, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Waterloo'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.

### ***Auditors' 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 auditors' 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 City of Waterloo'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 City of Waterloo'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waterloo, Wisconsin, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents 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.

Management has omitted managements discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waterloo's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin  
April 7, 2021

# City of Waterloo

Statement of Net Position  
December 31, 2020

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>	<b>600 Community Development Authority</b>
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets</b>				
Cash and investments	\$ 3,705,863	\$ 812,038	\$ 4,517,901	\$ 45,742
Receivables (net):				
Taxes receivable	2,237,361	-	2,237,361	-
Accounts	145,240	618,104	763,344	-
Special assessments	9,481	-	9,481	-
Delinquent personal property taxes	4,083	-	4,083	-
Due from primary government	-	-	-	4,650
Due from other governments	38,573	-	38,573	-
Inventories	-	124,469	124,469	-
Prepaid items	50,935	-	50,935	-
Internal balances	230,866	(230,866)	-	-
Other assets	-	45,406	45,406	-
Restricted assets:	-	-	-	-
Cash and investments	30	5,091,838	5,091,868	-
Net pension asset	299,378	129,830	429,208	-
Restricted assets, other	-	5,068	5,068	-
Capital assets:				
Land	1,110,177	186,700	1,296,877	-
Construction in progress	-	435,348	435,348	-
Other capital assets	19,477,866	26,909,346	46,387,212	-
Less accumulated depreciation	(8,220,077)	(12,946,702)	(21,166,779)	-
Total assets	<u>19,089,776</u>	<u>21,180,579</u>	<u>40,270,355</u>	<u>50,392</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	-	23,829	23,829	-
Pension related amounts	<u>726,520</u>	<u>275,600</u>	<u>1,002,120</u>	<u>-</u>
Total deferred outflows of resources	<u>726,520</u>	<u>299,429</u>	<u>1,025,949</u>	<u>-</u>

See notes to financial statements

# City of Waterloo

Statement of Net Position  
December 31, 2020

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>	<b>600 Community Development Authority</b>
<b>Liabilities, Deferred inflows of Resources and Net Position</b>				
<b>Liabilities</b>				
Accounts payable	\$ 154,919	\$ 271,894	\$ 426,813	\$ 185
Accrued liabilities and deposits	77,751	43,143	120,894	-
Due to component unit	4,650	-	4,650	-
Noncurrent liabilities:				
Due within one year	774,479	586,414	1,360,893	-
Due in more than one year	<u>3,461,066</u>	<u>7,171,681</u>	<u>10,632,747</u>	<u>-</u>
Total liabilities	<u>4,472,865</u>	<u>8,073,132</u>	<u>12,545,997</u>	<u>185</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	2,202,053	-	2,202,053	4,850
Pension related amounts	<u>932,248</u>	<u>357,847</u>	<u>1,290,095</u>	<u>-</u>
Total deferred inflows of resources	<u>3,134,301</u>	<u>357,847</u>	<u>3,492,148</u>	<u>4,850</u>
<b>Net Position</b>				
Net investment in capital assets	10,194,219	10,765,353	20,708,011	-
Restricted for:				
Library	276,826	-	276,826	-
TIF Districts	596,400	-	596,400	-
Debt service	-	651,870	651,870	-
Pension	299,378	129,830	429,208	-
Impact fees	30	-	30	-
Replacement	-	799,359	799,359	-
Unrestricted	<u>842,277</u>	<u>702,617</u>	<u>1,796,455</u>	<u>45,357</u>
Total net position	<u>\$ 12,209,130</u>	<u>\$ 13,049,029</u>	<u>\$ 25,258,159</u>	<u>\$ 45,357</u>

See notes to financial statements

# City of Waterloo

## Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit 600 Community Development Authority
					Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 452,578	\$ 26,222	\$ -	\$ -	\$ (426,356)	\$ -	\$ (426,356)	\$ -
Public safety	1,466,137	217,865	26,457	-	(1,221,815)	-	(1,221,815)	-
Public works	1,159,023	187,269	281,382	140,878	(549,494)	-	(549,494)	-
Health and human services	4,652	-	-	-	(4,652)	-	(4,652)	-
Culture, education and recreation	742,233	69,378	72,263	206,295	(394,297)	-	(394,297)	-
Conservation and development	425,663	-	-	-	(425,663)	-	(425,663)	-
Interest and fiscal charges	200,377	-	-	-	(200,377)	-	(200,377)	-
Total governmental activities	<u>4,450,663</u>	<u>500,734</u>	<u>380,102</u>	<u>347,173</u>	<u>(3,222,654)</u>	<u>-</u>	<u>(3,222,654)</u>	<u>-</u>
Business-type activities:								
Electric	3,714,172	3,704,621	-	123,721	-	114,170	114,170	-
Water	399,562	867,634	-	-	-	468,072	468,072	-
Sewer	885,065	1,064,508	-	-	-	179,443	179,443	-
Total business-type activities	<u>4,998,799</u>	<u>5,636,763</u>	<u>-</u>	<u>123,721</u>	<u>-</u>	<u>761,685</u>	<u>761,685</u>	<u>-</u>
Total primary government	<u>\$ 9,449,462</u>	<u>\$ 6,137,497</u>	<u>\$ 380,102</u>	<u>\$ 470,894</u>	<u>(3,222,654)</u>	<u>761,685</u>	<u>(2,460,969)</u>	<u>-</u>
<b>Component Unit</b>								
600 Community Development Authority	<u>\$ 5,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,898)</u>
<b>General Revenues</b>								
Taxes								
Property taxes, levied for general purposes					992,017	-	992,017	-
Property taxes, levied for debt service					505,664	-	505,664	-
Property taxes, levied for TIF districts					166,302	-	166,302	-
Property taxes, levied for library					205,142	-	205,142	-
Other taxes					71,691	-	71,691	-
Intergovernmental revenues not restricted to specific programs					1,185,922	-	1,185,922	-
Public gifts and grants					66,491	-	66,491	-
Investment income					24,159	30,134	54,293	-
Gain on disposal of assets					570,750	-	570,750	-
Miscellaneous					84,577	-	84,577	8,050
Total general revenues					<u>3,872,715</u>	<u>30,134</u>	<u>3,902,849</u>	<u>2,152</u>
Transfers					<u>9,959</u>	<u>(9,959)</u>	<u>-</u>	<u>-</u>
Change in net position					660,020	781,860	1,441,880	2,152
<b>Net Position, Beginning</b>					<u>11,549,110</u>	<u>12,267,169</u>	<u>23,816,279</u>	<u>43,205</u>
<b>Net Position, Ending</b>					<u>\$ 12,209,130</u>	<u>\$ 13,049,029</u>	<u>\$ 25,258,159</u>	<u>\$ 45,357</u>

See notes to financial statements



# City of Waterloo

Balance Sheet  
Governmental Funds  
December 31, 2020

	<u>100 General</u>	<u>220 Fire and EMS</u>	<u>300 General Debt Service</u>	<u>400 Capital Projects</u>
<b>Assets</b>				
Cash and investments	\$ 971,182	\$ 290,732	\$ 1,567	\$ 1,516,168
Restricted cash and investments	-	-	-	-
Receivables (net):				
Taxes	1,122,590	279,464	338,385	-
Delinquent personal property taxes	4,083	-	-	-
Accounts	964	36,673	-	-
Special assessments	-	-	-	2,130
Due from other funds	239,719	-	-	-
Due from other governments	-	-	-	-
Prepaid items	50,935	-	-	-
Advances to other funds	21,479	-	-	-
	<u>\$ 2,410,952</u>	<u>\$ 606,869</u>	<u>\$ 339,952</u>	<u>\$ 1,518,298</u>
Total assets				
	<u>\$ 2,410,952</u>	<u>\$ 606,869</u>	<u>\$ 339,952</u>	<u>\$ 1,518,298</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 50,412	\$ 13,330	\$ -	\$ 75,843
Accrued liabilities	41,268	1,994	-	-
Due to other funds	-	-	-	-
Due to component units	4,650	-	-	-
Advances from other funds	-	-	-	-
	<u>96,330</u>	<u>15,324</u>	<u>-</u>	<u>75,843</u>
Total liabilities				
	<u>96,330</u>	<u>15,324</u>	<u>-</u>	<u>75,843</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	1,087,282	279,464	338,385	-
Unavailable revenues	-	31,333	-	-
	<u>1,087,282</u>	<u>310,797</u>	<u>338,385</u>	<u>-</u>
Total deferred inflows of resources				
	<u>1,087,282</u>	<u>310,797</u>	<u>338,385</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>				
Nonspendable	72,414	-	-	-
Restricted	-	-	1,567	-
Committed	-	280,748	-	-
Assigned	302,436	-	-	1,442,455
Unassigned (deficit)	852,490	-	-	-
	<u>1,227,340</u>	<u>280,748</u>	<u>1,567</u>	<u>1,442,455</u>
Total fund balances				
	<u>1,227,340</u>	<u>280,748</u>	<u>1,567</u>	<u>1,442,455</u>
Total liabilities and fund balance	<u>\$ 2,410,952</u>	<u>\$ 606,869</u>	<u>\$ 339,952</u>	<u>\$ 1,518,298</u>

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<b>412 TIF District No. 2</b>	<b>413 TIF District No. 3</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
\$ 475,777	\$ 19,991	\$ 430,446	\$ 3,705,863
-	-	30	30
81,308	87,858	327,756	2,237,361
-	-	-	4,083
12,076	27,272	68,255	145,240
-	-	7,351	9,481
-	-	-	239,719
-	-	38,573	38,573
-	-	-	50,935
-	-	-	21,479
<u>\$ 569,161</u>	<u>\$ 135,121</u>	<u>\$ 872,411</u>	<u>\$ 6,452,764</u>

\$ 5,693	\$ -	\$ 9,641	\$ 154,919
-	-	4,181	47,443
-	-	8,853	8,853
-	-	-	4,650
-	-	21,479	21,479
<u>5,693</u>	<u>-</u>	<u>44,154</u>	<u>237,344</u>
81,308	87,858	327,756	2,202,053
-	-	45,924	77,257
<u>81,308</u>	<u>87,858</u>	<u>373,680</u>	<u>2,279,310</u>
-	-	-	72,414
482,160	47,263	343,833	874,823
-	-	144,239	424,987
-	-	-	1,744,891
-	-	(33,495)	818,995
<u>482,160</u>	<u>47,263</u>	<u>454,577</u>	<u>3,936,110</u>
<u>\$ 569,161</u>	<u>\$ 135,121</u>	<u>\$ 872,411</u>	<u>\$ 6,452,764</u>

See notes to financial statements

## City of Waterloo

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2020

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<b>Total Fund Balances, Governmental Funds</b>	<b>\$ 3,936,110</b>
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**Amounts Reported for Governmental Activities in the Statement of Net Position  
are Different Because:**

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note 4.	12,367,966
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Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note 4.	77,257
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The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	299,378
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	726,520
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(932,248)
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Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note 2.	<u>(4,265,853)</u>
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<b>Net Position of Governmental Activities</b>	<b><u>\$ 12,209,130</u></b>
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# City of Waterloo

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
Year Ended December 31, 2020

	100 General	220 Fire and EMS	300 General Debt Service
<b>Revenues</b>			
Taxes	\$ 929,884	\$ 280,746	\$ 505,664
Intergovernmental	517,930	213,458	-
Licenses and permits	49,148	-	-
Fines, forfeitures and penalties	16,596	-	-
Public charges for services	189,034	169,329	-
Special assessments	-	-	-
Investment income	22,524	563	-
Miscellaneous revenues	2,924	10,295	-
Total revenues	<u>1,728,040</u>	<u>674,391</u>	<u>505,664</u>
<b>Expenditures</b>			
Current:			
General government	390,884	-	-
Public safety	813,171	479,725	-
Public works	668,049	-	-
Health and human services	4,652	-	-
Culture, recreation and education	295	-	-
Conservation and development	22,111	-	-
Capital Outlay	-	779,414	-
Debt Service:			
Principal	-	-	1,669,558
Interest and fiscal charges	-	-	87,607
Total expenditures	<u>1,899,162</u>	<u>1,259,139</u>	<u>1,757,165</u>
Excess (deficiency) of revenues over expenditures	<u>(171,122)</u>	<u>(584,748)</u>	<u>(1,251,501)</u>
<b>Other Financing Sources (Uses)</b>			
Debt issued	-	-	179,759
Sale of city property	200	1,000	-
Transfers in	265,723	-	1,073,309
Transfers out	-	-	-
Total other financing sources (uses)	<u>265,923</u>	<u>1,000</u>	<u>1,253,068</u>
Net change in fund balances	94,801	(583,748)	1,567
<b>Fund Balances (Deficit), Beginning</b>	<u>1,132,539</u>	<u>864,496</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 1,227,340</u>	<u>\$ 280,748</u>	<u>\$ 1,567</u>

See notes to financial statements

<b>400 Capital Projects</b>	<b>412 TIF District No. 2</b>	<b>413 TIF District No. 3</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
\$ 49,824	\$ 51,248	\$ 89,163	\$ 315,033	\$ 2,221,562
579,337	2,819	1,224	302,767	1,617,535
-	-	-	39,714	88,862
-	-	-	-	16,596
-	-	-	29,984	388,347
-	-	-	925	925
1	-	-	1,033	24,121
<u>6,500</u>	<u>32,013</u>	<u>27,272</u>	<u>111,945</u>	<u>190,949</u>
<u>635,662</u>	<u>86,080</u>	<u>117,659</u>	<u>801,401</u>	<u>4,548,897</u>
-	37,663	6,839	1,952	437,338
-	-	-	-	1,292,896
-	6,561	-	54,248	728,858
-	-	-	-	4,652
-	-	-	623,352	623,647
-	403,552	-	-	425,663
1,232,536	3,547	1,370	141,650	2,158,517
-	-	-	-	1,669,558
<u>41,349</u>	<u>-</u>	<u>68,775</u>	<u>2,138</u>	<u>199,869</u>
<u>1,273,885</u>	<u>451,323</u>	<u>76,984</u>	<u>823,340</u>	<u>7,540,998</u>
<u>(638,223)</u>	<u>(365,243)</u>	<u>40,675</u>	<u>(21,939)</u>	<u>(2,992,101)</u>
1,055,241	-	1,725,000	70,000	3,030,000
576,799	3,800	530	-	582,329
-	-	-	25,000	1,364,032
<u>(25,000)</u>	<u>(103,350)</u>	<u>(969,470)</u>	<u>(4,689)</u>	<u>(1,102,509)</u>
<u>1,607,040</u>	<u>(99,550)</u>	<u>756,060</u>	<u>90,311</u>	<u>3,873,852</u>
968,817	(464,793)	796,735	68,372	881,751
<u>473,638</u>	<u>946,953</u>	<u>(749,472)</u>	<u>386,205</u>	<u>3,054,359</u>
<u>\$ 1,442,455</u>	<u>\$ 482,160</u>	<u>\$ 47,263</u>	<u>\$ 454,577</u>	<u>\$ 3,936,110</u>

See notes to financial statements

## City of Waterloo

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2020

<b>Net Change in Fund Balances, Total Governmental Funds</b>	<b>\$</b>	<b>881,751</b>
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**Amounts Reported for Governmental Activities in the Statement of Activities are  
Different Because:**

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,158,517
Some items reported as capital outlay were not capitalized	(339,830)
Depreciation is reported in the government-wide financial statements	(600,192)
Net book value of assets retired	(54,812)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(14,785)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(3,030,000)
Principal repaid	1,669,558

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(18,927)
Accrued interest	(509)
Net pension asset/liability	639,902
Deferred outflows of resources related to pensions	(164,799)
Deferred inflows of resources related to pensions	(465,854)

<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>660,020</u></b>
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## City of Waterloo

Statement of Net Position  
Proprietary Fund  
December 31, 2020

	<b><u>Water &amp; Light Commission</u></b>
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 812,038
Receivables:	
Customer accounts receivable	618,104
Inventories	124,469
Restricted assets:	
Redemption account, current	<u>160,532</u>
Total current assets	<u>1,715,143</u>
Noncurrent assets:	
Restricted assets:	
Reserve account	519,176
Replacement account	799,359
Construction account	3,612,771
Net pension asset	129,830
Interest receivable	5,068
Capital assets:	
Land	186,700
Construction work in progress	435,348
Plant in service	26,909,346
Less accumulated depreciation	(12,946,702)
Other assets:	
Property held for future use	<u>45,406</u>
Total noncurrent assets	<u>19,696,302</u>
Total assets	<u>21,411,445</u>
<b>Deferred Outflows of Resources</b>	
Deferred charge on refunding	23,829
Pension related amounts	<u>275,600</u>
Total deferred outflows of resources	<u>299,429</u>

See notes to financial statements

## City of Waterloo

Statement of Net Position  
Proprietary Fund  
December 31, 2020

	<b><u>Water &amp; Light Commission</u></b>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 271,894
Accrued liabilities	10,237
Due to other funds	230,866
Compensated absences	22,757
Liabilities Payable from Restricted Assets	
Current portion of revenue bonds	563,657
Accrued interest	<u>32,906</u>
Total current liabilities	<u>1,132,317</u>
Noncurrent liabilities:	
Long-term debt:	
Revenue bonds	7,120,225
Unamortized debt discount	(32,235)
Other liabilities:	
Compensated absences	<u>83,691</u>
Total noncurrent liabilities	<u>7,171,681</u>
Total liabilities	<u>8,303,998</u>
<b>Deferred Inflows of Resources</b>	
Pension related amounts	<u>357,847</u>
Total deferred inflows of resources	<u>357,847</u>
<b>Net Position</b>	
Net investment in capital assets	10,765,353
Restricted for:	
Debt service	651,870
Replacement	799,359
Pension	129,830
Unrestricted net position	<u>702,617</u>
Total net position	<u><u>\$ 13,049,029</u></u>



## City of Waterloo

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
Year Ended December 31, 2020

	<b><u>Water &amp; Light Commission</u></b>
<b>Operating Revenues</b>	
Electric	\$ 3,704,621
Water	867,634
Sewer	<u>1,064,508</u>
Total operating revenues	<u>5,636,763</u>
<b>Operating Expenses</b>	
Operations and maintenance	4,140,205
Depreciation	<u>660,229</u>
Total operating expenses	<u>4,800,434</u>
Operating income	<u>836,329</u>
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	15,457
Income from nonutility operations	13,392
Income (expense) from merchandising and jobbing	1,285
Interest expense	(112,689)
Amortization of discounts, losses and debt issuance costs	<u>(85,676)</u>
Total nonoperating revenues (expenses)	<u>(168,231)</u>
Income before contributions and transfers	<u>668,098</u>
<b>Contributions and Transfers</b>	
Capital contributions	123,721
Capital contributions, muni	251,564
Transfer, tax equivalent	<u>(261,523)</u>
Total contributions and transfers	<u>113,762</u>
Change in net position	781,860
<b>Net Position, Beginning</b>	<u>12,267,169</u>
<b>Net Position, Ending</b>	<u><u>\$ 13,049,029</u></u>

See notes to financial statements

## City of Waterloo

### Statement of Cash Flows

#### Proprietary Fund

Year Ended December 31, 2020

	<b><u>Water &amp; Light Commission</u></b>
<b>Cash Flows From Operating Activities</b>	
Received from customers	\$ 5,651,781
Received from municipality for services	61,848
Paid to suppliers for goods and services	(3,479,060)
Paid to employees for services	<u>(588,441)</u>
Net cash flows from operating activities	<u>1,646,128</u>
<b>Cash Flows From Investing Activities</b>	
Investments purchased	(982,182)
Investments sold and matured	933,714
Investment income	<u>15,456</u>
Net cash flows from investing activities	<u>(33,012)</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Paid to municipality for tax equivalent	<u>(263,875)</u>
Net cash flows from noncapital financing activities	<u>(263,875)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Debt paid	(566,901)
Interest paid	(95,995)
Proceeds from debt issue	4,285,000
Discount on debt issued	(21,425)
Acquisition and construction of capital assets	(1,558,765)
Contributions in aid of construction	123,721
Debt issuance costs	<u>(70,580)</u>
Net cash flows from capital and related financing activities	<u>2,095,055</u>
Net change in cash and cash equivalents	3,444,296
<b>Cash and Cash Equivalents, Beginning</b>	<u>1,477,398</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 4,921,694</u></u>

See notes to financial statements

## City of Waterloo

### Statement of Cash Flows

#### Proprietary Fund

Year Ended December 31, 2020

	<b><u>Water &amp; Light Commission</u></b>
<b>Reconciliation of Operating Income to Net Cash Flows From Operating Activities</b>	
Operating income	\$ 836,329
Nonoperating revenue	14,677
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation	660,229
Depreciation charged to other funds	41,656
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Accounts receivable	62,181
Inventories	342
Pension related amounts	20,025
Accounts payable	19,521
Accrued liabilities	7,121
Due to other funds	(15,961)
Commitment to community	<u>8</u>
Net cash flows from operating activities	<u><u>\$ 1,646,128</u></u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds</b>	
Cash and investments	\$ 812,038
Redemption account	160,532
Reserve account	519,176
Replacement account	799,359
Construction account	<u>3,612,771</u>
Total cash and investments	5,903,876
Less noncash equivalents	<u>(982,182)</u>
Cash and cash equivalents	<u><u>\$ 4,921,694</u></u>
<b>Noncash Capital and Related Financing Activities</b>	
Municipality financed additions to utility plant	<u><u>\$ 251,564</u></u>
Amortization of discounts and losses	<u><u>\$ 15,096</u></u>

See notes to financial statements

## City of Waterloo

Statement of Fiduciary Net Position - Custodial Fund  
December 31, 2020

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	<b>Tax Collection Fund</b>
<b>Assets</b>	
Cash and investments	\$ 1,962,904
Taxes receivable	<u>1,454,328</u>
Total assets	<u>3,417,232</u>
<b>Liabilities</b>	
Accounts payable	343
Due to other governments	<u>3,416,889</u>
Total liabilities	<u>3,417,232</u>
<b>Net Position</b>	
Total net position	<u>\$ -</u>

See notes to financial statements

## City of Waterloo

Statement of Changes in Fiduciary Net Position - Custodial Fund  
Year Ended December 31, 2020

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	<b><u>Tax Collection Fund</u></b>
<b>Additions</b>	
Property taxes collected for other governments	<u>\$ 2,566,651</u>
Total additions	<u>2,566,651</u>
<b>Deductions</b>	
Property taxes distributed to other governments	<u>2,566,651</u>
Total deductions	<u>2,566,651</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

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## 1. Summary of Significant Accounting Policies

The accounting policies of the City of Waterloo, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

### Reporting Entity

This report includes all of the funds of the City of Waterloo. The reporting entity for the City of Waterloo consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

### Discretely Presented Component Unit

#### Waterloo Community Development Authority

The government-wide financial statements include the Waterloo Community Development Authority (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the City of Waterloo can impose its will on the CDA, and also create a potential financial benefit to or burden on the City of Waterloo. See Note 4. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2020. The CDA does not issue separate financial statements.

**Government-Wide and Fund Financial Statements****Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City of Waterloo does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

**Fund Financial Statements**

Financial statements of the City of Waterloo are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City of Waterloo or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City of Waterloo believes is particularly important to financial statement users may be reported as a major fund.

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



The City of Waterloo reports the following major governmental funds:

## **General Fund**

General Fund accounts for the City of Waterloo's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

## **Special Revenue Funds**

220 Fire and EMS Special Revenue Fund is used to account for and report financial resources that are committed to expenditures for fire operations.

## **Debt Service Funds**

300 General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TIF or enterprise debt.

## **Capital Projects Funds**

400 Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

412 Tax Incremental Financing (TIF) District No. 2 Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TIF project plan.

413 Tax Incremental Financing (TIF) District No. 3 Capital Projects Funds is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TIF project plan.

## **Enterprise Funds**

The City of Waterloo reports the following major enterprise fund:

Water and Light Commission Utility Fund accounts for operations of the electric, water and sewer systems.

The City of Waterloo reports the following nonmajor governmental funds:

## **Special Revenue Funds**

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

200 Cable TV  
812 Library  
204 Sanitary Sewer Impact Fees  
205 Water Impact Fees

203 Park and Recreation Impact Fees  
202 Public Works Impact Fees  
201 Stormwater Impact Fees  
225 Parks

## **Capital Projects Funds**

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

414 TIF District No. 4  
402 Special Assessments

In addition, the City of Waterloo reports the following fund type:

## **Custodial Funds**

Custodial Funds are used to account for and report assets controlled by the City of Waterloo and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Collection Fund

## **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

### **Government-Wide Financial Statements**

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City of Waterloo's electric, water and sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### **Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City of Waterloo considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City of Waterloo is entitled the resources and the amounts are available. Amounts owed to the City of Waterloo which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2020, there were \$325,010 of anticipated future assessments which are not reported as receivables in the water and light utility because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

### **Proprietary and Fiduciary Funds**

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The 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 utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary 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 expenses.

### **All Financial Statements**

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

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

#### **Deposits and Investments**

For purposes of the statement of cash flows, the City of Waterloo considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City of Waterloo funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.

- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The City of Waterloo has adopted an investment policy. That policy follows the state statute for allowable investments.

No policy exists for the following risks:

#### Custodial credit risk

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated to the general fund. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the City of Waterloo's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 4. for further information.

**Receivables**

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City of Waterloo, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the electric, water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

**Inventories and Prepaid Items**

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

**Capital Assets****Government-Wide Statements**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$25,000 for infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Land Improvements	15 Years
Machinery and Equipment	7 - 10 Years
Utility System	4 - 77 Years
Infrastructure	25 - 60 Years

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

**Other Assets**

Other assets in the proprietary funds represent property held for future use.

**Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

**Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

The City of Waterloo provides postemployment health insurance benefits for all eligible employees. Eligibility is based on retirees being employed for a minimum of 15 years by the City of Waterloo. The benefits are based on contractual agreements with employee groups, local ordinances or employee benefit policies. Employees may convert 1,080 hours of accumulated sick leave to pay for health care premiums. The cost of those premiums is recognized as an expenditure as the premiums are paid. The entire cost is paid by the City of Waterloo. Funding for those costs is provided out of the current operating budget of the City of Waterloo. The contributions are financed on a pay as you go basis. Total expenditures for such premiums during the year were not material. As of December 31, 2020, there are two participants currently eligible to receive the benefits. The liability as of year end was \$2,008 and is recorded in the general fund as it is all considered short term.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2020, are determined on the basis of current salary rates and include salary related payments.

### Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line or effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

### Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

### Equity Classifications

#### Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

## City of Waterloo

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- b. *Restricted net position* - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets" and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Adjustment</b>	<b>Total</b>
Net investment in capital assets	\$ 10,194,219	\$ 10,765,353	\$ (251,561)	\$ 20,708,011
Unrestricted	842,277	702,617	251,561	1,796,455

When both restricted and unrestricted resources are available for use, it is the City of Waterloo's policy to use restricted resources first, then unrestricted resources as they are needed.

### Fund Statements

Governmental fund balances are displayed as follows:

- a. *Nonspendable* - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. *Restricted* - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. *Committed* - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. *Assigned* - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the Clerk/Treasurer to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. *Unassigned* - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.



## City of Waterloo

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Notes to Financial Statements  
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The City of Waterloo considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in-grant agreements requiring dollar for dollar spending. Additionally, the City of Waterloo would first use committed, then assigned and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

The City of Waterloo has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 25 percent - 33 percent of the current year general fund final budgeted expenditures. The balance at year end was \$852,490, or 42.4 percent and is shown as unassigned general fund balance.

See Note 4. for further information.

### **Pension**

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Basis for Existing Rates**

#### **Electric Utility**

Current electric rates were approved by the Public Service Commission of Wisconsin effective September 1, 2017 and are designed to provide a 5 percent return on rate base.

#### **Water Utility**

Current water rates were approved by the Public Service Commission of Wisconsin effective January 31, 2019 and are designed to provide a 5.40 percent return on rate base.

#### **Sewer Utility**

Current sewer rates were approved by the City council effective November 1, 2018.

## **2. Reconciliation of Government-Wide and Fund Financial Statements**

### **Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between fund balance, total governmental funds and net position, governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

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Long-term liabilities applicable to the City of Waterloo's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position.

Bonds and notes payable	\$	3,968,747
Compensated absences		266,798
Accrued interest		<u>30,308</u>
Combined adjustment for long-term liabilities	\$	<u><u>4,265,853</u></u>

### 3. Stewardship, Compliance and Accountability

#### Excess Expenditures and Other Financing Uses Over Appropriations

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
220 Fire and EMS	\$ 1,255,719	\$ 1,259,139	\$ 3,420
413 TIF District No. 3	977,678	1,046,454	68,776
412 TIF District No. 2	146,820	554,673	407,853
600 Community Development Authority	4,233	5,898	1,665
200 Cable TV	62,838	68,279	5,441
225 Parks	258,590	290,458	31,868

The City of Waterloo controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City of Waterloo's year-end budget to actual report.

#### Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2020, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
225 Parks	\$ 24,642	Expenditures exceeded revenues
402 Special Assessments	8,853	Expenditures exceeded revenues

The 225 Parks fund deficit is anticipated to be funded with future contributions, general tax revenues or long-term borrowing. The 402 Special Assessments fund deficit is anticipated to be funded with a grant receivable and collection of special assessments.

#### Limitations on the City's Tax Levy

Wisconsin law limits the City of Waterloo's future tax levies. Generally the City of Waterloo is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City of Waterloo's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City of Waterloo is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

## City of Waterloo

Notes to Financial Statements  
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### 4. Detailed Notes on All Funds

#### Deposits and Investments

The City of Waterloo maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the City's funds.

The City of Waterloo's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 7,854,222	\$ 8,330,777	Custodial credit risk
LGIP	3,712,321	3,712,412	Credit risk
Petty cash	6,130	-	N/A
Total deposits and investments	<u>\$ 11,572,673</u>	<u>\$ 12,043,189</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 4,517,901		
Restricted cash and investments	5,091,868		
Per statement of assets and liabilities - custodial fund			
Tax collection fund	<u>1,962,904</u>		
Total deposits and investments	<u>\$ 11,572,673</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. Deposits in the credit union are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

Bank accounts and credit unions are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The City of Waterloo maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities in the amount of \$5,400,000 to secure the City of Waterloo's deposits.

#### Custodial Credit Risk

##### Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City of Waterloo's deposits may not be returned to the City of Waterloo.

## City of Waterloo

### Notes to Financial Statements

December 31, 2020

As of December 31, 2020, \$1,734,841 of the City of Waterloo's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,734,841
Total	<u>\$ 1,734,841</u>

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The City of Waterloo had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note 1. for further information on deposit and investment policies.

#### Receivables

All of the receivables on the balance sheet are expected to be collected within one year with the exception of \$9,481 in special assessments and \$4,083 of delinquent personal property taxes. Receivables of the 220 Fire and EMS are reported net of uncollectible ambulance receivables in the amount of \$79,389.

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 2,202,053	\$ -
Special assessments not yet due	-	7,351
Grants receivable, noncurrent	-	38,573
Accounts receivable, noncurrent	-	31,333
Total unearned/unavailable revenue for governmental funds	<u>\$ 2,202,053</u>	<u>\$ 77,257</u>

#### Restricted Assets

The following represent the balances of the restricted assets:

##### Long-Term Debt Accounts

*Redemption* - Used to segregate resources accumulated for debt service payments over the next twelve months.

*Reserve* - Used to report resources set aside to make up potential future deficiencies in the redemption account.

*Construction* - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

## City of Waterloo

Notes to Financial Statements  
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### Equipment Replacement Account

The water utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

### Impact Fee Account

The City of Waterloo has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

### Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2020:

Restricted assets:	
Redemption account	\$ 160,532
Reserve account	519,176
Replacement account	799,359
Construction account	3,612,771
Net pension asset	429,208
Impact fees account	30
Interest receivable	<u>5,068</u>
Total restricted assets	<u>\$ 5,526,144</u>

### Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	<u>\$ 1,110,177</u>	<u>\$ 49,462</u>	<u>\$ 49,462</u>	<u>\$ 1,110,177</u>
Total capital assets not being depreciated	<u>1,110,177</u>	<u>49,462</u>	<u>49,462</u>	<u>1,110,177</u>
Capital assets being depreciated:				
Land improvements	978,316	113,148	-	1,091,464
Buildings	6,705,718	194,240	-	6,899,958
Machinery and equipment	4,638,027	804,892	179,471	5,263,448
Streets	4,537,223	427,692	-	4,964,915
Storm sewers	<u>1,028,828</u>	<u>229,253</u>	<u>-</u>	<u>1,258,081</u>
Total capital assets being depreciated	<u>17,888,112</u>	<u>1,769,225</u>	<u>179,471</u>	<u>19,477,866</u>
Total capital assets	<u>18,998,289</u>	<u>1,818,687</u>	<u>228,933</u>	<u>20,588,043</u>

# City of Waterloo

Notes to Financial Statements  
December 31, 2020

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Less accumulated depreciation for:				
Land improvements	\$ (343,793)	\$ (35,518)	\$ -	\$ (379,311)
Buildings	(2,749,376)	(150,407)	-	(2,899,783)
Machinery and equipment	(3,156,106)	(198,997)	174,121	(3,180,982)
Streets	(1,263,423)	(175,027)	-	(1,438,450)
Storm sewers	(281,308)	(40,243)	-	(321,551)
Total accumulated depreciation	(7,794,006)	(600,192)	174,121	(8,220,077)
Net capital assets being depreciated	10,094,106	1,169,033	5,350	11,257,789
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 11,204,283</u>	<u>\$ 1,218,495</u>	<u>\$ 54,812</u>	<u>\$ 12,367,966</u>

Depreciation expense was charged to functions as follows:

## Governmental Activities

General government	\$ 36,864
Public safety	116,886
Public works, which includes the depreciation of infrastructure	304,350
Culture, education and recreation	<u>142,092</u>

Total governmental activities depreciation expense \$ 600,192

## Business-Type Activities

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Electric</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 151,824	\$ -	\$ -	\$ 151,824
Construction in progress	<u>75,673</u>	<u>1,122,907</u>	<u>763,232</u>	<u>435,348</u>
Total capital assets not being depreciated	<u>227,497</u>	<u>1,122,907</u>	<u>763,232</u>	<u>587,172</u>
Capital assets being depreciated:				
Buildings and improvements	1,852,225	14,891	2,571	1,864,545
Machinery and equipment	1,659,653	37,094	30,935	1,665,812
Infrastructure	<u>3,720,293</u>	<u>784,237</u>	<u>13,154</u>	<u>4,491,376</u>
Total capital assets being depreciated	<u>7,232,171</u>	<u>836,222</u>	<u>46,660</u>	<u>8,021,733</u>
Total capital assets	<u>7,459,668</u>	<u>1,959,129</u>	<u>809,892</u>	<u>8,608,905</u>
Less accumulated depreciation for:				
Buildings and improvements	(762,509)	(46,484)	2,571	(806,422)
Machinery and equipment	(1,342,608)	(77,809)	26,440	(1,393,977)
Infrastructure	<u>(1,908,864)</u>	<u>(133,651)</u>	<u>19,080</u>	<u>(2,023,435)</u>
Total accumulated depreciation	<u>(4,013,981)</u>	<u>(257,944)</u>	<u>48,091</u>	<u>(4,223,834)</u>
Net capital assets being depreciated	<u>3,218,190</u>	<u>578,278</u>	<u>(1,431)</u>	<u>3,797,899</u>
Net electric capital assets	<u>\$ 3,445,687</u>	<u>\$ 1,701,185</u>	<u>\$ 761,801</u>	<u>\$ 4,385,071</u>

# City of Waterloo

Notes to Financial Statements  
December 31, 2020

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Water</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 13,113	\$ -	\$ -	\$ 13,113
Total capital assets not being depreciated	13,113	-	-	13,113
Capital assets being depreciated:				
Buildings and improvements	1,037,787	7,148	1,234	1,043,701
Machinery and equipment	721,215	31,613	23,753	729,075
Infrastructure	5,930,885	259,398	28,825	6,161,458
Total capital assets being depreciated	7,689,887	298,159	53,812	7,934,234
Total capital assets	7,703,000	298,159	53,812	7,947,347
Less accumulated depreciation for:				
Buildings and improvements	(610,158)	(32,218)	1,234	(641,142)
Machinery and equipment	(597,236)	(20,885)	19,256	(598,865)
Infrastructure	(1,037,023)	(119,727)	28,264	(1,128,486)
Total accumulated depreciation	(2,244,417)	(172,830)	48,754	(2,368,493)
Net capital assets being depreciated	5,445,470	125,329	5,058	5,565,741
Net water capital assets	<u>\$ 5,458,583</u>	<u>\$ 125,329</u>	<u>\$ 5,058</u>	<u>\$ 5,578,854</u>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Sewer</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 21,763	\$ -	\$ -	\$ 21,763
Total capital assets not being depreciated	21,763	-	-	21,763
Capital assets being depreciated:				
Buildings and improvements	4,030,334	7,744	1,337	4,036,741
Machinery and equipment	3,713,055	58,490	168	3,771,377
Infrastructure	2,892,462	253,670	871	3,145,261
Total capital assets being depreciated	10,635,851	319,904	2,376	10,953,379
Total capital assets	10,657,614	319,904	2,376	10,975,142
Less accumulated depreciation for:				
Buildings and improvements	(2,460,268)	(105,329)	1,337	(2,564,260)
Machinery and equipment	(3,088,284)	(122,024)	166	(3,210,142)
Infrastructure	(537,084)	(43,758)	869	(579,973)
Total accumulated depreciation	(6,085,636)	(271,111)	(2,372)	(6,354,375)
Net capital assets being depreciated	4,550,215	48,793	4	4,599,004
Net sewer capital assets	<u>\$ 4,571,978</u>	<u>\$ 48,793</u>	<u>\$ 4</u>	<u>\$ 4,620,767</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 13,476,248</u>	<u>\$ 1,826,518</u>	<u>\$ 766,859</u>	<u>\$ 14,584,692</u>

## City of Waterloo

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Depreciation expense was charged to functions as follows:

### Business-Type Activities

Electric	\$ 222,041
Water	154,603
Sewer	<u>283,585</u>
Total business-type activities depreciation expense	<u>\$ 660,229</u>

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

### Interfund Receivables/Payables, Advances and Transfers

#### Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
100 General Fund	Water and Light Commission	\$ 230,866
100 General Fund	402 Special Assessments	<u>8,853</u>
Total, fund financial statements		239,719
Less fund eliminations		<u>(8,853)</u>
Total internal balances, government-wide statement of net position		<u>\$ 230,866</u>

All amounts are due within one year.

The principal purposes of these interfunds are for tax roll items and to cover temporary cash shortfalls. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

#### Advances

The 100 General Fund is advancing funds to the 225 Parks Fund. The amount advanced is determined by the amount of deficit cash in the fund at year end. No repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
100 General Fund	225 Parks	\$ <u>21,479</u>	\$ 21,479
Total, fund financial statements		<u>\$ 21,479</u>	

The principal purpose of this advance is due to expenditures exceeding revenues.



# City of Waterloo

Notes to Financial Statements  
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## Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
100 General Fund	Water & Light Commission	\$ 261,523	Tax equivalent
100 General Fund	200 Cable TV	4,200	Office rental
300 General Debt Service	225 Parks	489	Debt service
300 General Debt Service	412 TIF District No. 2	103,350	Debt service
300 General Debt Service	413 TIF District No. 3	969,470	Debt service
225 Parks	400 Capital Projects	<u>25,000</u>	Capital outlay
Subtotal, fund financial statements		1,364,032	
Less fund eliminations		(1,102,509)	
Less transfer to business-type activities for capital assets funded by governmental activities		<u>(251,564)</u>	
Total transfers, government-wide statement of activities		<u>\$ 9,959</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 2,221,865	\$ 3,030,000	\$ 1,576,865	\$ 3,675,000	\$ 650,000
General obligation debt from direct borrowings and direct placements	<u>386,440</u>	<u>-</u>	<u>92,693</u>	<u>293,747</u>	<u>95,271</u>
Subtotal	<u>2,608,305</u>	<u>3,030,000</u>	<u>1,669,558</u>	<u>3,968,747</u>	<u>745,271</u>
Other liabilities:					
Vested compensated absences	<u>247,870</u>	<u>47,858</u>	<u>28,930</u>	<u>266,798</u>	<u>29,208</u>
Total other liabilities	<u>247,870</u>	<u>47,858</u>	<u>28,930</u>	<u>266,798</u>	<u>29,208</u>
Total governmental activities long-term liabilities	<u>\$ 2,856,175</u>	<u>\$ 3,077,858</u>	<u>\$ 1,698,488</u>	<u>\$ 4,235,545</u>	<u>\$ 774,479</u>

# City of Waterloo

Notes to Financial Statements  
December 31, 2020

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
Revenue bonds	\$ 2,945,000	\$ 4,285,000	\$ 500,000	\$ 6,730,000	\$ 495,000
Revenue bonds from direct borrowings and direct placements	1,020,783	-	66,901	953,882	68,657
(Discounts)/Premiums	(12,934)	(21,425)	(2,124)	(32,235)	-
Subtotal	<u>3,952,849</u>	<u>4,263,575</u>	<u>564,777</u>	<u>7,651,647</u>	<u>563,657</u>
Other liabilities:					
Vested compensated absences	<u>98,161</u>	<u>28,301</u>	<u>20,014</u>	<u>106,448</u>	<u>22,757</u>
Total other liabilities	<u>98,161</u>	<u>28,301</u>	<u>20,014</u>	<u>106,448</u>	<u>22,757</u>
Total business-type activities long- term liabilities	<u>\$ 4,051,010</u>	<u>\$ 4,291,876</u>	<u>\$ 584,791</u>	<u>\$ 7,758,095</u>	<u>\$ 586,414</u>

In addition to the liabilities noted above, information on the net pension liability (asset) is provided in Note 5.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City of Waterloo may not exceed 5 percent of the equalized value of taxable property within the City of Waterloo's jurisdiction. The debt limit as of December 31, 2020, was \$12,234,985. Total general obligation debt outstanding at year end was \$3,968,747.

## General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City of Waterloo. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
<b>General Obligation Debt</b>					
General Obligation Refunding Bond	11/29/10	12/01/22	1.3-2.9%	\$ 1,835,000	\$ 645,000
State Trust Fund Loan, Direct	07/01/13	03/15/23	2.75%*	900,000	293,747
General Obligation Partial Refunding Promissory Notes, Series 2020A	05/28/20	05/01/30	1.4-2.35%	920,000	920,000
General Obligation Refunding Bonds, Series 2020B	05/28/20	05/01/37	2.6-3.2%	945,000	945,000
General Obligation Partial Refunding Promissory Notes, Series 2020C	05/28/20	05/01/28	1.1-1.6%	1,165,000	<u>1,165,000</u>
Total governmental activities, general obligation debt					<u>\$ 3,968,747</u>

\* The City of Waterloo prepaid the outstanding balance of this debt during 2021. See the Subsequent Event paragraph of Note 5 for further details.

## City of Waterloo

Notes to Financial Statements  
December 31, 2020

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Governmental Activities General Obligation Debt</b>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 650,000	\$ 82,597
2022	610,000	63,624
2023	295,000	50,391
2024	240,000	46,609
2025	190,000	43,318
2026-2030	745,000	170,384
2031-2035	640,000	97,508
2036-2037	305,000	9,765
Total	<u>\$ 3,675,000</u>	<u>\$ 564,196</u>

<u>Years</u>	<b>Governmental Activities Notes from Direct Borrowings and Direct Placements</b>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 95,271	\$ 8,078
2022	97,891	5,458
2023	100,585	2,766
Total	<u>\$ 293,747</u>	<u>\$ 16,302</u>

The City of Waterloo's outstanding State Trust Fund Loan from direct borrowings related to governmental activities of \$293,747 contain clauses that any delinquent payments are subject to a penalty of 1 percent per month and shall be deducted from any state payments that are due to the City of Waterloo.

### Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the Water & Light Commission.

All utility revenues net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2020 was \$662,891. Total customer net revenues as defined for the same period was \$1,526,691. Annual principal and interest payments are expected to require 29 percent of net revenues on average.

# City of Waterloo

Notes to Financial Statements  
December 31, 2020

Revenue debt payable at December 31, 2020, consists of the following:

## Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2020</u>
<b>Water Utility</b>					
2012 Revenue Bonds	11/06/12	11/01/28	0.50-3.00%	\$ 3,255,000	\$ 1,035,000
2013 Revenue Bonds, Direct	03/27/13	05/01/32	2.63%	1,384,900	953,882
2013 Revenue Bonds	12/31/13	11/01/22	0.80-3.20%	950,000	225,000
2016 Revenue Bonds	11/15/16	11/01/36	1.25-3.25%	1,310,000	1,185,000
2020 Revenue Bonds	09/10/20	11/01/40	0.4-2.25%	4,285,000	<u>4,285,000</u>
Total business-type activities, revenue debt					<u>\$ 7,683,882</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Business-Type Activities Revenue Debt</b>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 495,000	\$ 126,411
2022	540,000	107,533
2023	335,000	95,803
2024	345,000	92,033
2025	355,000	88,013
2026-2030	1,670,000	367,942
2031-2035	1,575,000	245,557
2036-2040	<u>1,415,000</u>	<u>89,366</u>
Total	<u>\$ 6,730,000</u>	<u>\$ 1,212,658</u>

<u>Years</u>	<b>Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements</b>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 68,657	\$ 24,138
2022	70,459	22,312
2023	72,309	20,439
2024	74,207	18,516
2025	76,155	16,542
2026-2030	411,831	51,246
2031-2032	<u>180,264</u>	<u>4,763</u>
Total	<u>\$ 953,882</u>	<u>\$ 157,956</u>

## Other Debt Information

Estimated payments of vested benefits are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

# City of Waterloo

## Notes to Financial Statements

December 31, 2020

### Current Refunding

On May 28, 2020, the City of Waterloo issued a total of \$2,110,000 in general obligation bonds and notes (Series 2020B and 2020C) with an average coupon rate of 3.28 and 2.698 percent to refund \$1,152,500 of outstanding notes with an average coupon rate of 1.958 and 3.55 percent. The net proceeds along with existing funds of the City of Waterloo were used to prepay the outstanding debt excluding \$980,000 of the Series 2020C issuance which was used for capital projects.

The cash flow requirements on the refunded debt prior to the current refunding was \$1,377,286 from 2020 through 2032. The cash flow requirements on the 2020 refunding issuances are \$1,529,309 from 2020 through 2037. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$89,336.

### Bond Covenant Disclosures

#### Insurance

The utility is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, workers compensation and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

The utility is covered under the following insurance policies at December 31, 2020:

Type	Coverage	Expiration
<i>Tricor, Inc.</i>		
General Liability	\$ 5,000,000	1/1/21
Automobile	5,000,000	1/1/21
Workers Compensation	500,000	1/1/21

#### Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2020 as follows:

Operating revenues	\$ 5,636,763
Investment income	15,457
Miscellaneous nonoperating income	13,392
Income from merchandising and jobbing	1,285
Less operation and maintenance expenses	<u>(4,140,205)</u>
Net defined earnings	<u>\$ 1,526,692</u>
Minimum Required Earnings per Resolution:	
Current year's revenue bond debt service	\$ 662,891
Coverage factor	<u>1.25</u>
Minimum required earnings	<u>\$ 828,614</u>
Actual Debt Coverage	<u>2.30</u>

# City of Waterloo

## Notes to Financial Statements

December 31, 2020

### Utility Budget

The 2020 utility budgets were prepared and approved as required by the bond resolutions.

### Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

#### Governmental Activities

Net investment in capital assets:

Land	\$ 1,110,177
Other capital assets, net of accumulated depreciation	11,257,789
Less long-term capital debt outstanding	<u>(2,173,747)</u>

Total net investment in capital assets \$ 10,194,219

#### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

	General Fund	220 Fire and EMS	300 General Debt Service	400 Capital Projects	412 TIF District No. 2	413 TIF District No. 3	Nonmajor Funds	Total
<b>Fund Balances</b>								
<b>Nonspendable:</b>								
Prepaid items	\$ 50,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,935
Advances	<u>21,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,479</u>
Subtotal	<u>72,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,414</u>
<b>Restricted for:</b>								
Debt service	-	-	1,567	-	-	-	-	1,567
TIF purposes	-	-	-	-	482,160	47,263	66,977	596,400
Library purposes	-	-	-	-	-	-	276,826	276,826
Impact fees	-	-	-	-	-	-	30	30
Subtotal	<u>-</u>	<u>-</u>	<u>1,567</u>	<u>-</u>	<u>482,160</u>	<u>47,263</u>	<u>343,833</u>	<u>874,823</u>
<b>Committed to:</b>								
Fire and EMS operations	-	280,748	-	-	-	-	-	280,748
Cable TV operations	-	-	-	-	-	-	144,239	144,239
Subtotal	<u>-</u>	<u>280,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,239</u>	<u>424,987</u>
<b>Assigned to:</b>								
Tax equivalent	261,523	-	-	-	-	-	-	261,523
Retiree health	38,132	-	-	-	-	-	-	38,132
DPW uniforms	786	-	-	-	-	-	-	786
Speed limit alert sign	240	-	-	-	-	-	-	240
Patrol uniforms	1,088	-	-	-	-	-	-	1,088
Defibrillator	667	-	-	-	-	-	-	667
Capital related purposes	-	-	-	1,442,455	-	-	-	1,442,455
Subtotal	<u>302,436</u>	<u>-</u>	<u>-</u>	<u>1,442,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,744,891</u>
<b>Unassigned (deficit):</b>	<u>852,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,495)</u>	<u>818,995</u>
Total fund balances	<u>\$ 1,227,340</u>	<u>\$ 280,748</u>	<u>\$ 1,567</u>	<u>\$ 1,442,455</u>	<u>\$ 482,160</u>	<u>\$ 47,263</u>	<u>\$ 454,577</u>	<u>\$ 3,936,110</u>

## City of Waterloo

Notes to Financial Statements  
December 31, 2020

### Business-Type Activities

Net investment in capital assets:

Land	\$ 186,700
Construction in progress	435,348
Other capital assets, net of accumulated depreciation	13,962,644
Less long-term debt outstanding	(7,683,882)
Plus unamortized debt discount and deferred charge on refunding	56,064
Plus unspent capital related debt proceeds	<u>3,808,479</u>

Total net investment in capital assets \$ 10,765,353

### Component Unit

#### Waterloo Community Development Authority

This report contains the Waterloo Community Development Authority (CDA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the CDA's deposits was \$45,742 and is part of the City of Waterloo's commingled cash. See Note 4.

## 5. Other Information

### Employees' Retirement System

#### Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

#### Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits Provided**

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**Post-Retirement Adjustments**

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<b>Year</b>	<b>Core Fund Adjustment</b>	<b>Variable Fund Adjustment</b>
2010	(1.3)%	22.0%
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)



**Contributions**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$139,293 in contributions from the City of Waterloo.

Contribution rates for the plan year reported as of December 31, 2020 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General (Executives & Elected Officials)	6.55 %	6.55 %
Protective with Social Security	6.55 %	10.55 %
Protective without Social Security	6.55 %	14.95 %

**Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2020, the City of Waterloo reported an asset of \$429,208 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City of Waterloo's proportion of the net pension asset was based on the City of Waterloo's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the City of Waterloo's proportion was 0.01331104 percent, which was an increase of 0.00017209 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City of Waterloo recognized pension expense of \$147,963.

# City of Waterloo

## Notes to Financial Statements

December 31, 2020

At December 31, 2020, the City of Waterloo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 814,736	\$ 407,720
Changes in assumptions	33,446	-
Net differences between projected and actual earnings on pension plan investments	-	877,455
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,274	4,920
Employer contributions subsequent to the measurement date	<u>152,664</u>	<u>-</u>
Total	<u>\$ 1,002,120</u>	<u>\$ 1,290,095</u>

\$152,664 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
2021	\$ (130,045)
2022	(98,225)
2023	13,761
2024	(226,130)

**Actuarial Assumptions**

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9 percent is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

**Long-Term Expected Return on Plan Assets**

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

<b>Core Fund Asset Class</b>	<b>Current Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6

# City of Waterloo

Notes to Financial Statements

December 31, 2020

<b>Variable Fund Asset Class</b>	<b>Current Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

## Single Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's 20-year Municipal GO AA Index as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## Sensitivity of the City of Waterloo's Proportionate Share of the Net Pension (Asset) Liability to Changes in the Discount Rate

The following presents the City of Waterloo's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.00 percent, as well as what the City of Waterloo's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase to Discount Rate (8.00%)</b>
City's proportionate share of the net pension (asset) liability	\$ 1,105,289	\$ (429,208)	\$ (1,576,422)

## Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

At December 31, 2020, the City of Waterloo reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

### **Risk Management**

The City of Waterloo is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

### **Commitments and Contingencies**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability band expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City of Waterloo is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City of Waterloo attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City of Waterloo's financial position or results of operations.

The City of Waterloo has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

### **Long-Term Contracts, WPPI Energy**

The electric utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Michigan and Iowa. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

Fifty members, representing approximately 99.8 percent of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$305 million as of December 31, 2020.

**TIF District No. 2**

During 2013, the City entered into a developer agreement related to a property located in TIF District No.2. As part of the developer agreement, for each revenue year beginning with revenue year 2017, the developer guarantees that the tax increment generated by the parcel during the revenue year should equal or exceed the guaranteed TIF revenue for the revenue year. If the City receives less than the guaranteed TIF revenue for the revenue year, then the developer shall pay to the City an amount equal to the difference. This difference equated to \$19,938 in 2020 and is shown as revenue at year-end. Any developer subsidy not paid will bear an interest rate of 6.0 percent per year until paid. As a part of the developer agreement, the developer shall also employ not less than three (3) full-time employment positions at the facilities. The original developer agreement was amended in 2018, which resulted in changes to the developer-guaranteed amounts.

Also, as part of the amended developer agreement, the City promises to pay the developer, subject to certain terms and conditions, the amount of \$1,182,362. The City is obligated to make these payments before September 30 of each revenue year, commencing with revenue year 2024. The obligation ceases upon the earlier of (i) the expiration of the term of the TIF district) or (ii) payment of the sum of \$1,182,362. The City paid out an \$800,000 contribution related to this agreement during 2013.

**Subsequent Event**

On January 4, 2021, the City of Waterloo prepayed the State Trust Fund Loan dated July 1, 2013, maturing in the years 2021-2023. The amount prepaid was equal to the remaining principal plus accrued interest to the date of redemption or \$300,275.

**Economic Dependency****Water and Light Commission**

The Water and Light Commission has one significant customer who was responsible for 13 percent of operating revenues in 2020.

**Tax Abatement**

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City of Waterloo is disclosing all abatement agreements individually.

The City of Waterloo through its Tax Incremental Financing District (TID) No. 2 has entered into a tax abatement agreement with a developer in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plan. The developer pays property taxes as they become due and are entitled to incentive payments that directly correlate to the taxes paid.

<u>Agreement Description</u>	<u>Calculation Method</u>	<u>Developer Commitment</u>	<u>2020 Payments</u>
TID No. 2	Incentive payment	Guaranteed TIF revenue of \$42,229 from revenue year 2021 through 2031.	\$ 388,000

## Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

When they become effective, application of these standards may restate portions of these financial statements.

## Segment Information

The City of Waterloo provides electric, water and sewer service to the City of Waterloo residents through the Water & Light Commission. The commission operates as a single entity. Revenue debt issued by the Commission is secured by the combined revenues of the three utility services, and therefore, combining statements and segment information are not required.

## REQUIRED SUPPLEMENTARY INFORMATION



# City of Waterloo

Detailed Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual - 100 General Fund  
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 932,339	\$ 932,339	\$ 929,884	\$ (2,455)
Intergovernmental	499,373	499,373	517,930	18,557
Licenses and permits	30,321	30,321	49,148	18,827
Fines, forfeitures and penalties	12,300	12,300	16,596	4,296
Public charges for services	216,953	216,953	189,034	(27,919)
Investment income	18,000	18,000	22,524	4,524
Miscellaneous revenues	<u>3,120</u>	<u>2,970</u>	<u>2,924</u>	<u>(46)</u>
Total revenues	<u>1,712,406</u>	<u>1,712,256</u>	<u>1,728,040</u>	<u>15,784</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	374,512	398,217	390,884	7,333
Public safety	896,160	896,160	813,171	82,989
Public works	691,925	691,925	668,049	23,876
Health and human services	4,902	4,902	4,652	250
Culture, recreation and education	1,000	1,000	295	705
Conservation and development	<u>17,487</u>	<u>17,487</u>	<u>22,111</u>	<u>(4,624)</u>
Total expenditures	<u>1,985,986</u>	<u>2,009,691</u>	<u>1,899,162</u>	<u>110,529</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(273,580)</u>	<u>(297,435)</u>	<u>(171,122)</u>	<u>126,313</u>
<b>Other Financing Sources</b>				
Transfers in	273,580	273,580	265,723	(7,857)
Sale of city property	<u>-</u>	<u>-</u>	<u>200</u>	<u>200</u>
Total other financing sources	<u>273,580</u>	<u>273,580</u>	<u>265,923</u>	<u>(7,657)</u>
Net change in fund balance	-	(23,855)	94,801	118,656
<b>Fund Balance, Beginning</b>	<u>1,132,539</u>	<u>1,132,539</u>	<u>1,132,539</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 1,132,539</u>	<u>\$ 1,108,684</u>	<u>\$ 1,227,340</u>	<u>\$ 118,656</u>

See notes to required supplementary information

# City of Waterloo

Detailed Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual - 220 Fire and EMS  
Year Ended December 31, 2020

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
<b>Taxes</b>				
Property	\$ 280,746	\$ 280,746	\$ 280,746	\$ -
Total taxes	280,746	280,746	280,746	-
<b>Intergovernmental</b>				
Fire insurance tax (2% fire dues)	13,500	13,500	12,466	(1,034)
State aid - emergency government	5,000	5,000	5,556	556
Payments for municipal services	174,868	174,868	177,553	2,685
Routes to recovery	-	-	17,883	17,883
Total intergovernmental	193,368	193,368	213,458	20,090
<b>Public Charges for Services</b>				
Public safety	130,000	130,000	169,329	39,329
Total public charges for services	130,000	130,000	169,329	39,329
<b>Investment Income</b>				
Interest on investments	1,000	1,000	563	(437)
Total miscellaneous	1,000	1,000	563	(437)
<b>Miscellaneous</b>				
Donations	1,000	1,000	10,295	9,295
Total miscellaneous	1,000	1,000	10,295	9,295
Total revenues	606,114	606,114	674,391	68,277
<b>Expenditures</b>				
<b>Public Safety</b>				
Fire protection	606,114	606,114	479,725	126,389
Total public safety	606,114	606,114	479,725	126,389
<b>Capital Outlay</b>				
Fire protection	33,000	766,945	779,414	(12,469)
Total capital outlay	33,000	766,945	779,414	(12,469)
Total expenditures	639,114	1,373,059	1,259,139	113,920
Excess (deficiency) of revenues over (under) expenditures	(33,000)	(766,945)	(584,748)	182,197
<b>Other Financing Sources</b>				
Sale of city property	-	-	1,000	1,000
Total other financing sources	-	-	1,000	1,000
Net change in fund balance	(33,000)	(766,945)	(583,748)	183,197
<b>Fund Balance, Beginning</b>	864,496	864,496	864,496	-
<b>Fund Balance, Ending</b>	\$ 831,496	\$ 97,551	\$ 280,748	\$ 183,197

See notes to required supplementary information

**City of Waterloo**Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System  
Year Ended December 31, 2020

<b>Fiscal Year Ending</b>	<b>Proportion of the Net Pension Liability/(Asset)</b>	<b>Proportionate Share of the Net Pension Liability/(Asset)</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
12/31/20	0.01331104%	\$ (429,208)	\$ 1,760,504	24.38%	102.96%
12/31/19	0.01313895%	467,442	1,661,469	28.13%	96.45%
12/31/18	0.01302015%	(386,583)	1,696,206	22.79%	102.93%
12/31/17	0.01247212%	102,800	1,562,837	6.58%	99.12%
12/31/16	0.01266419%	205,791	1,550,704	13.27%	98.20%
12/31/15	0.01286712%	(316,052)	1,517,985	20.82%	102.74%

Schedule of Employer Contributions - Wisconsin Retirement System  
Year Ended December 31, 2020

<b>Fiscal Year Ending</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/20	\$ 152,664	\$ (152,664)	\$ -	\$ 1,892,108	8.07%
12/31/19	137,186	(137,186)	-	1,776,318	7.72%
12/31/18	133,941	(133,941)	-	1,671,116	8.02%
12/31/17	143,229	(143,229)	-	1,671,489	8.57%
12/31/16	119,044	(119,044)	-	1,533,540	7.76%
12/31/15	120,826	(120,826)	-	1,474,584	8.19%

See notes to required supplementary information

## City of Waterloo

Notes to Required Supplementary Information  
Year Ended December 31, 2020

### Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented include any amendments made. The City of Waterloo may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$0. Budgets are adopted at the department level of expenditure.

### Excess Expenditures Over Appropriations

Excess expenditures over appropriations are as follows:

	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<b>General Fund</b>			
Council	\$ 15,071	\$ 16,568	\$ 1,497
Legal counseling	6,171	6,547	376
Clerk	233,869	240,803	6,934
Independent auditing	28,400	29,430	1,030
Police	329,010	332,734	3,724
Inspection	21,219	28,087	6,868
Public works/highway administration	301,503	302,469	966
Bridges, culvers and rivers	225	285	60
Sewage service	-	73	73
Public works/highway administration	301,503	302,469	966
Planning	8,700	9,106	406
Planning commission	6,187	11,159	4,972

### Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The City of Waterloo is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in assumptions.* No significant change in assumptions were noted from the prior year.

## **SUPPLEMENTARY INFORMATION**

# City of Waterloo

Detailed Schedule of Expenditures - Budget and Actual - 100 General Fund  
Year Ended December 31, 2020

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Taxes</b>				
Property	\$ 905,514	\$ 905,514	\$ 908,017	\$ 2,503
Mobile home lottery credit and parking fees	22,000	22,000	17,122	(4,878)
Interest and penalties on taxes	25	25	-	(25)
Other taxes	4,800	4,800	4,745	(55)
Total taxes	932,339	932,339	929,884	(2,455)
<b>Intergovernmental</b>				
State shared revenues	464,393	464,393	461,778	(2,615)
State aid, computers	21,321	21,321	37,421	16,100
State aid, recycling	12,379	12,379	12,378	(1)
State aid, other law enforcement	1,280	1,280	6,353	5,073
Total intergovernmental	499,373	499,373	517,930	18,557
<b>Licenses and Permits</b>				
Liquor and malt beverage licenses	7,500	7,500	7,478	(22)
Operators' license	1,700	1,700	675	(1,025)
Cigarette licenses	400	400	500	100
Mobile home park licenses	204	204	174	(30)
Bicycle licenses	30	30	15	(15)
Dog and cat licenses	4,111	4,111	5,044	933
Other nonbusiness licenses	465	465	430	(35)
Nonbusiness licenses	100	100	10	(90)
Building permits	6,180	6,180	10,438	4,258
Electrical permits	2,864	2,864	3,216	352
Plumbing permits	3,031	3,031	8,844	5,813
Heating and air conditioning permits	1,183	1,183	2,916	1,733
Landfill permits	-	-	200	200
Other regulatory permits and fees	243	243	1,253	1,010
Other business and occupational licenses	2,310	2,310	7,955	5,645
Total licenses and permits	30,321	30,321	49,148	18,827
<b>Fines, Forfeitures and Penalties</b>				
Court penalties and costs	8,500	8,500	11,096	2,596
Parking violations	3,800	3,800	5,500	1,700
Total fines, forfeitures and penalties	12,300	12,300	16,596	4,296

## City of Waterloo

Detailed Schedule of Expenditures - Budget and Actual - 100 General Fund  
Year Ended December 31, 2020

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Public Charges for Services</b>				
General government	\$ 25	\$ 25	\$ 13	\$ (12)
Clerk's fees	4,025	4,025	2,393	(1,632)
Law enforcement fees	67	67	144	77
Public health services	50	50	-	(50)
County highway maintenance and construction	2,088	2,088	95	(1,993)
Weed and nuisance control	82	82	-	(82)
Refuse and garbage collection	210,163	210,163	186,205	(23,958)
Recycling	<u>453</u>	<u>453</u>	<u>184</u>	<u>(269)</u>
Total public charges for services	<u>216,953</u>	<u>216,953</u>	<u>189,034</u>	<u>(27,919)</u>
<b>Investment Income</b>				
Interest on investments	<u>18,000</u>	<u>18,000</u>	<u>22,524</u>	<u>4,524</u>
Total investment income	<u>18,000</u>	<u>18,000</u>	<u>22,524</u>	<u>4,524</u>
<b>Miscellaneous</b>				
Awards and damages	2,782	2,782	-	(2,782)
Donations	-	-	2,818	2,818
Other miscellaneous	<u>338</u>	<u>188</u>	<u>106</u>	<u>(82)</u>
Total miscellaneous	<u>3,120</u>	<u>2,970</u>	<u>2,924</u>	<u>(46)</u>
Total revenues	<u>\$ 1,712,406</u>	<u>\$ 1,712,256</u>	<u>\$ 1,728,040</u>	<u>\$ 15,784</u>

# City of Waterloo

Detailed Schedule of Expenditures - Budget and Actual - 100 General Fund  
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>General Government</b>				
Council	\$ 15,071	\$ 15,071	\$ 16,568	\$ (1,497)
Mayor	6,706	6,706	5,164	1,542
Clerk	216,486	233,869	240,803	(6,934)
Legislative support	3,750	3,750	2,667	1,083
Elections	4,025	6,676	6,391	285
Assessment of property	2,070	2,070	355	1,715
Independent auditing	28,400	28,400	29,430	(1,030)
Legal counseling	2,500	6,171	6,547	(376)
Municipal building	18,295	18,295	15,681	2,614
Contingency	35,000	35,000	32,146	2,854
Property and liability insurance	41,459	41,459	35,132	6,327
Other general government	750	750	-	750
Total general government	374,512	398,217	390,884	7,333
<b>Public Safety</b>				
Police, administration	329,010	329,010	332,734	(3,724)
Police, patrol	539,306	539,306	447,259	92,047
Inspection	21,219	21,219	28,087	(6,868)
Emergency government	6,625	6,625	5,091	1,534
Total public safety	896,160	896,160	813,171	82,989
<b>Public Works</b>				
Machinery operation and maintenance	49,400	49,400	40,960	8,440
Garages and sheds	16,700	16,700	15,301	1,399
Engineering	5,000	5,000	4,592	408
Street maintenance	17,500	17,500	14,117	3,383
Bridges, culvers and rivers	225	225	285	(60)
Snow and ice control	42,000	42,000	36,716	5,284
Traffic control	6,600	6,600	5,822	778
Street lighting	61,467	61,467	60,330	1,137
Storm sewer maintenance	1,500	1,500	110	1,390
Tree and brush removal	9,400	9,400	7,800	1,600
Sewage service	-	-	73	(73)
Sidewalks	1,000	1,000	1,000	-
Refuse and garbage collection	171,840	171,840	171,112	728
Solid waste disposal	7,790	7,790	7,362	428
Public works/highway administration	301,503	301,503	302,469	(966)
Total public works	691,925	691,925	668,049	23,876
<b>Health and Human Services</b>				
Animal control	4,652	4,652	4,652	-
Cemetery	250	250	-	250
Total health and human services	4,902	4,902	4,652	250



## City of Waterloo

Detailed Schedule of Expenditures - Budget and Actual - 100 General Fund  
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Culture, Recreation and Education</b>				
Celebration and entertainment	\$ 1,000	\$ 1,000	\$ 295	\$ 705
Total culture, recreation and education	<u>1,000</u>	<u>1,000</u>	<u>295</u>	<u>705</u>
<b>Conservation and Development</b>				
Weed control	2,600	2,600	1,846	754
Planning commission	6,187	6,187	11,159	(4,972)
Planning	<u>8,700</u>	<u>8,700</u>	<u>9,106</u>	<u>(406)</u>
Total conservation and development	<u>17,487</u>	<u>17,487</u>	<u>22,111</u>	<u>(4,624)</u>
Total expenditures	<u>\$ 1,985,986</u>	<u>\$ 2,009,691</u>	<u>\$ 1,899,162</u>	<u>\$ 110,529</u>

# City of Waterloo

Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020

		<u>Special Revenue Funds</u>	
		<u>200 Cable TV</u>	<u>812 Library</u>
<b>Assets</b>			
Cash and investments		\$ 135,567	\$ 227,902
Restricted cash and investments		-	-
Receivables (net):			
Taxes		-	208,254
Accounts		9,780	58,313
Special assessments		-	-
Due from other governments		-	-
		<u>-</u>	<u>-</u>
Total assets		<u>\$ 145,347</u>	<u>\$ 494,469</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable		\$ 567	\$ 6,494
Accrued liabilities		541	2,895
Due to other funds		-	-
Advances from other funds		-	-
		<u>-</u>	<u>-</u>
Total liabilities		<u>1,108</u>	<u>9,389</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenues		-	208,254
Unavailable revenues		-	-
		<u>-</u>	<u>-</u>
Total deferred inflows of resources		<u>-</u>	<u>208,254</u>
<b>Fund Balances (Deficit)</b>			
Restricted		-	276,826
Committed		144,239	-
Unassigned (deficit)		-	-
		<u>-</u>	<u>-</u>
Total fund balances (deficit)		<u>144,239</u>	<u>276,826</u>
Total liabilities, deferred inflows of resources and fund balances		<u>\$ 145,347</u>	<u>\$ 494,469</u>

Special Revenue Funds						Capital Projects Funds
204 Sanitary Sewer Impact Fees	203 Park and Recreation Impact Fees	202 Public Works Impact Fees	201 Stormwater Impact Fees	205 Water Impact Fees	225 Parks	402 Special Assessments
\$ - 8	\$ - 4	\$ - 5	\$ - 2	\$ - 11	\$ - -	\$ - -
-	-	-	-	-	91,400	26
-	-	-	-	-	162	-
-	-	-	-	-	-	7,351
-	-	-	-	-	-	38,573
<u>\$ 8</u>	<u>\$ 4</u>	<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ 11</u>	<u>\$ 91,562</u>	<u>\$ 45,950</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,580	\$ -
-	-	-	-	-	745	-
-	-	-	-	-	-	8,853
-	-	-	-	-	21,479	-
-	-	-	-	-	24,804	8,853
-	-	-	-	-	91,400	26
-	-	-	-	-	-	45,924
-	-	-	-	-	91,400	45,950
8	4	5	2	11	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(24,642)	(8,853)
8	4	5	2	11	(24,642)	(8,853)
<u>\$ 8</u>	<u>\$ 4</u>	<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ 11</u>	<u>\$ 91,562</u>	<u>\$ 45,950</u>

# City of Waterloo

Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020

	Capital Projects Funds	Total Nonmajor Governmental Funds
	414 TIF District No. 4	
<b>Assets</b>		
Cash and investments	\$ 66,977	\$ 430,446
Restricted cash and investments	-	30
Receivables (net):		
Taxes	28,076	327,756
Accounts	-	68,255
Special assessments	-	7,351
Due from other governments	-	38,573
Total assets	<u>\$ 95,053</u>	<u>\$ 872,411</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 9,641
Accrued liabilities	-	4,181
Due to other funds	-	8,853
Advances from other funds	-	21,479
Total liabilities	-	44,154
<b>Deferred Inflows of Resources</b>		
Unearned revenues	28,076	327,756
Unavailable revenues	-	45,924
Total deferred inflows of resources	<u>28,076</u>	<u>373,680</u>
<b>Fund Balances (Deficit)</b>		
Restricted	66,977	343,833
Committed	-	144,239
Unassigned (deficit)	-	(33,495)
Total fund balances (deficit)	<u>66,977</u>	<u>454,577</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 95,053</u>	<u>\$ 872,411</u>

# City of Waterloo

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended December 31, 2020

	<b>Special Revenue Funds</b>			
	<b>200 Cable TV</b>	<b>812 Library</b>	<b>204 Sanitary Sewer Impact Fees</b>	<b>203 Park and Recreation Impact Fees</b>
<b>Revenues</b>				
Taxes	\$ -	\$ 205,142	\$ -	\$ -
Intergovernmental	4,069	89,786	-	-
Licenses and permits	39,394	-	-	-
Public charges for services	-	2,477	-	-
Special assessments	-	-	-	-
Investment income	818	215	-	-
Miscellaneous revenues	-	98,337	-	-
Total revenues	<u>44,281</u>	<u>395,957</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public works	-	-	-	-
Culture, recreation and education	64,079	414,476	-	-
Capital Outlay	-	-	-	-
Debt service:				
Debt Service	-	-	-	-
Total expenditures	<u>64,079</u>	<u>414,476</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(19,798)</u>	<u>(18,519)</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	(4,200)	-	-	-
Debt issued	-	-	-	-
Total other financing sources (uses)	<u>(4,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(23,998)	(18,519)	-	-
<b>Fund Balances (Deficit), Beginning</b>	<u>168,237</u>	<u>295,345</u>	<u>8</u>	<u>4</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 144,239</u>	<u>\$ 276,826</u>	<u>\$ 8</u>	<u>\$ 4</u>

Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds
202 Public Works Impact Fees	201 Stormwater Impact Fees	205 Water Impact Fees	225 Parks	402 Special Assessments	414 TIF District No. 4	
\$ -	\$ -	\$ -	\$ 84,000	\$ -	\$ 25,891	\$ 315,033
-	-	-	208,674	-	238	302,767
-	-	-	320	-	-	39,714
-	-	-	27,507	-	-	29,984
-	-	-	-	925	-	925
-	-	-	-	-	-	1,033
-	-	-	4,681	8,927	-	111,945
-	-	-	325,182	9,852	26,129	801,401
-	-	-	1,384	-	568	1,952
-	-	-	-	54,248	-	54,248
-	-	-	144,797	-	-	623,352
-	-	-	141,650	-	-	141,650
-	-	-	2,138	-	-	2,138
-	-	-	289,969	54,248	568	823,340
-	-	-	35,213	(44,396)	25,561	(21,939)
-	-	-	25,000	-	-	25,000
-	-	-	(489)	-	-	(4,689)
-	-	-	70,000	-	-	70,000
-	-	-	94,511	-	-	90,311
-	-	-	129,724	(44,396)	25,561	68,372
5	2	11	(154,366)	35,543	41,416	386,205
<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ 11</u>	<u>\$ (24,642)</u>	<u>\$ (8,853)</u>	<u>\$ 66,977</u>	<u>\$ 454,577</u>

## City of Waterloo

### Statement of Cash Flows

#### Component Unit

Year Ended December 31, 2020

#### **600 Community Development Authority**

#### **Cash Flows From Operating Activities**

Received from customers

\$ 8,250

Paid to suppliers for goods and services

(5,806)

Net cash flows from operating activities

2,444

Net change in cash and cash equivalents

2,444

#### **Cash and Cash Equivalents, Beginning**

43,298

#### **Cash and Cash Equivalents, Ending**

\$ 45,742

#### **Reconciliation of Operating Income to Net Cash Flows From Operating Activities**

Operating income

\$ 2,152

Changes in assets and liabilities:

Unearned revenues

200

Accounts payable

92

Net cash flows from operating activities

\$ 2,444

#### **Noncash Capital and Related Financing Activities**

None