

# Annual Comprehensive Financial Report



**FISCAL YEAR ENDED  
JUNE 30, 2022  
CITY OF WATERLOO, IOWA**

# **CITY OF WATERLOO, IOWA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**Year Ended June 30, 2022**

**Prepared by:  
City of Waterloo Finance Department  
Bridgett Wood, Finance Manager  
Emily Graham, Financial Analyst  
Brent Bohlen, Financial Analyst  
Kim Bahr, Financial Analyst**

## Contents

---

### Introductory Section

---

Table of contents	i–ii
Transmittal letter	iii–viii
Officials	ix
Organizational structure	x
GFOA Certificate	xi

---

### Financial Section

---

Independent auditor’s report	1–3
Management’s discussion and analysis (unaudited)	4–15
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	16–17
Statement of activities	18–19
Fund financial statements:	
Balance sheet—governmental funds	20–23
Reconciliation of governmental funds balance sheet to the statement of net position	24
Statement of revenues, expenditures and changes in fund balances—governmental funds	25–26
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	27
Statement of net position—enterprise funds	28
Statement of revenues, expenses and changes in net position—enterprise funds	29
Statement of cash flows—enterprise funds	30–31
Statement of fiduciary net position—custodial fund	32
Statement of changes in fiduciary net position—custodial fund	33
Notes to basic financial statements	34–83
Required supplementary information (unaudited):	
Schedule of changes in the City’s total OPEB liability and related ratios Iowa Public Employees’ Retirement System:	84–85
Schedule of the City’s proportionate share of the net pension liability	86–87
Schedule of City contributions	88
Notes to required supplementary information—IPERS pension liability	89
Municipal Fire and Police Retirement System of Iowa:	
Schedule of the City’s proportionate share of the net pension liability	90–91
Schedule of City contributions	92
Notes to required supplementary information—MFPRSI pension liability	93
Budgetary comparison schedule—budget and actual (modified cash basis)—all governmental funds and proprietary funds	94–95
Note to required supplementary information—budgetary reporting	96
Schedule of comparison—funds statements (GAAP basis) to budgetary (modified cash) basis	97–98
Schedule of employer contributions for Waterloo Water Works pension plan	99–100
Schedule of changes in net pension liability and related ratios for Waterloo Water Works pension plan	101–102
Notes to required supplementary information for Waterloo Water Works pension plan	103
IPERS schedule of the Waterloo Water Works’ proportionate share of the net pension liability	104–105
IPERS schedule of Waterloo Water Works contributions	106–107

---

## Contents

---

### Financial Section (continued)

---

Supplementary information:	
Schedule of expenditures by function and department—General Fund	108-118
Nonmajor governmental funds:	
Combining balance sheet	119
Combining schedule of revenues, expenditures and changes in fund balances	120
Nonmajor special revenue funds:	
Fund descriptions	121
Combining balance sheet	122-123
Combining statement of revenues, expenditures and changes in fund balances (deficit)	124-125
Capital projects funds:	
Fund descriptions	126
Combining balance sheet	127-128
Combining statement of revenues, expenditures and changes in fund balances (deficit)	129-130

---

### Statistical Section (Unaudited)

---

Statistical section contents	131
Net position by component	132
Changes in net position	133-134
Fund balances—governmental funds	135
Changes in fund balances—governmental funds	136
Assessed and taxable value of property	137
Property tax rates	138
Principal taxpayers	139
Property tax levies and collections	140
Ratios of outstanding debt by type	141
Ratios of general bonded debt outstanding	142
Direct and overlapping governmental activities debt	143
Legal debt margin information	144
Sewer revenue bond coverage	145
Demographic and economic statistics	146
Principal area employers	147
Full-time equivalent city government employees by function/program	148
Operating indicators by function/program	149-150
Capital asset statistics by function/program	151

---



# CITY OF WATERLOO

## Finance Office

March 31, 2023

Mayor  
QUENTIN  
HART

Members of the City Council  
and Citizens of the City of Waterloo, Iowa

COUNCIL  
MEMBERS

JOHN  
CHILES  
Ward 1

We are pleased to present the Annual Comprehensive Financial Report of the City of Waterloo, Iowa (City) for the year ended June 30, 2022 in accordance with the provisions of Chapter 11 of the Code of Iowa. This report is published to provide the City Council and citizens detailed information concerning the financial condition of the City. It has also been audited by an independent certified public accounting firm in accordance with generally accepted auditing standards and the federal single audit act requirements, including the provisions of Title 2 of the U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). RSM US LLP issued an unmodified (“clean”) opinion on the financial statements for the year ended June 30, 2022.

JONATHAN  
GRIEDER  
Ward 2

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

NIA  
WILDER  
Ward 3

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

### **THE CITY’S BACKGROUND AND SERVICES**

JEROME  
AMOS, JR  
Ward 4

Waterloo is the 8th largest and historically one of the most diverse cities in the state of Iowa with a population of 67,314, according to the 2020 U.S. Census. The City was incorporated in 1868 and is the county seat of Black Hawk County. Waterloo and the neighboring City of Cedar Falls are the primary urban centers in the area, serving as a retail and healthcare hub for the region. The City is empowered to levy a property tax on real property located within its boundaries. The City operates under a Mayor – Council form of government, with the mayor as the elected chief executive. The City Council is comprised of seven members, five of whom are elected from separate wards and two who are elected at-large. The Mayor is elected to two-year terms, and the City Council members are elected to four-year staggered terms.

RAY  
FEUSS  
Ward 5

ROB  
NICHOLS  
At-Large

The City of Waterloo provides a full range of municipal services to its citizens and is organized into a number of operating departments, the activities of which are directed by the Mayor. The public services provided by the employees of the City include police and fire protection, building inspections and animal control, a regional airport, construction and maintenance of highways, streets and other infrastructure, and recreational and cultural and arts services. The City also provides solid waste collection and wastewater treatment services. Other human services are provided through the community development, housing and human rights departments. The central garage provides vehicle maintenance services, and the human resources, management information systems, city attorney, city clerk and finance departments perform various administrative functions.

DAVE  
BOESEN  
At-Large

Funds, agencies, boards, commissions, trusts and authorities involved in the provision of municipal services must be included in the City’s financial reporting as component units if the City is financially accountable. Although the Waterloo Water Works and the Waterloo Convention & Visitors Bureau, Inc. are operated as independent entities, they meet the requirements to be considered component units of the City and these entities are included in this report. The Waterloo Community School District and the Metropolitan Transit Authority do not meet the established criteria for component entities of the City and are not included in this report.

## **ECONOMIC OUTLOOK**

The economy of Waterloo and the Cedar Valley area is seeing continued commercial and industrial activity. The largest employer in the City is Deere & Company through its Waterloo Works Drivetrain Operations, Engine Works, Foundry, Product Engineering and Assembly facilities. Other major employers include Tyson Foods, University of Northern Iowa, Mercy One, Unity Point Health, Hy-Vee and The VGM Group.

The area's regional economic development corporation, Grow Cedar Valley, works with the city to help create development in Waterloo as well as the entire metropolitan area. Total building permit valuation for Waterloo was over \$100 million for the ninth straight year, reaching \$113.66 million for the fiscal year ended June 30, 2022. This marked the eighth best construction year in history, and the City has averaged \$139.52 million during the past 4 years in permit activity. New housing starts were at 38 new units. Waterloo is a regional retail center for Black Hawk and surrounding counties. Retail sales were \$1,279.3 million in fiscal 2022, an increase of \$30.10 million from the prior year. Waterloo's population declined in the official 2020 census, although the City believes it has remained relatively stable during the past decade.

The overall city tax base has reflected an average annual growth of approximately 1.5% during the last five years. The City has developed a more diverse employment base in recent years, although Deere & Company continues to play a major role in the local economy. Deere (a Fortune 100 company) remains the city's largest employer and also its largest taxpayer. The company has invested over \$1.0 billion in its Waterloo facilities since 2010, including the Westfield advanced manufacturing facility and the Waterloo Foundry, the largest electric foundry in the state. The City's unemployment level as of September 30, 2022 was 2.4% compared to the state level of 2.7% and the federal level of 3.5%.

### **Downtown/Cedar Valley Riverfront Renaissance**

The Riverfront Renaissance project utilized state "Vision Iowa" funds, as well as private funds, local funds, and partnerships with other businesses to create three new major developments to revitalize the downtown area along the Cedar River:

- The RiverWalk Loop – a walking and recreational trail system along the banks of Cedar River from 1<sup>st</sup> Street to 18<sup>th</sup> Street in Downtown Waterloo.
- The Cedar River Dam improvements – an inflatable bladder dam system that improved recreational water depth upstream of the dam at 4<sup>th</sup> Street.
- The Riverfront Amphitheater – this space has become a popular destination for many activities, and is bringing more residents and visitors to downtown Waterloo and the riverfront.

### **Downtown/Cedar Valley SportsPlex**

The Cedar Valley SportsPlex is a 125,000 square-foot recreational facility with indoor soccer fields, gyms, a leisure pool and slide, fitness facility, running track and multi-purpose activity spaces. The facility opened in 2014 and now has approximately 4,700 members.

### **Downtown/Cedar Valley TechWorks Campus**

At the other end of the Riverwalk Loop, the \$52 million Cedar Valley TechWorks Campus Project has transformed two former Deere and Co. 6-story industrial buildings into a Marriott Hotel, Deere Training center (Tech Two building) and a multi-tenant green technology and advanced manufacturing innovation center (Tech One building). The Marriot was the first project approved under the Iowa Reinvestment District (IRD) program. The Tech One Building contains advanced educational platforms for the University of Northern Iowa and their Metal Casting Center classes, while Hawkeye Community College is now renovating the 2<sup>nd</sup> floor for their IGNITE (Introduction to Advanced Manufacturing) and smart automation and robotics classes.

Lincoln Savings Bank has recently renovated a 50-year old former Deere factory at a total project investment of \$18.3 million. LSB currently occupies two of the top three floors of the Tech One building to house their financial technology operation, which is projected to add over 300 new employees into the Downtown Waterloo area. LSB is now underway to renovate the 4<sup>th</sup> floor for expansion opportunities, at a cost of \$4.4 million.

The IRD development will also include the creation of a Marina along the Cedar River. This will be part of a water trail designation in Black Hawk County in partnership with the City of Cedar Falls. In excess of \$500,000 in federal enhancement funds have been programmed for this project, over \$80,000 will come from a State of Iowa Great Places grant, and some other smaller and local funding support. Construction of a trail along the river and docks for kayaks

and other boats is expected to begin in the spring of 2022. The City is also platting additional lots for commercial development in the area.

### **Downtown/Other Developments**

Other developments in the downtown area include the \$15 million Grand Crossing development. Phases I and II are complete with 108 condominium units and first floor retail and commercial space including a medical office, Jimmy John's restaurant, and coffee shop. An excess right-of-way parcel was recently sold by the Iowa Department of Transportation to allow space for a Phase III or similar development. The \$8 million urban campus developed by Hawkeye Community College is bringing additional educational and student services populations downtown.

The \$2.5 million renovation of the historic Friedl Bakery building is complete, with 3 commercial spaces on main floor and 12 new residential units above. The Art Bloc, a seven-story 72 unit residential tower on the riverfront near the RiverLoop Amphitheater, is now open as well, and leasing space to tenants. JSA is under a \$3.0 million renovation at West 5<sup>th</sup> and Jefferson Street – mixed use building with commercial space and 7 new residential units.

Makenda LLC has completed a \$10 million interior and exterior renovation of the former Ramada Hotel in Downtown Waterloo, which has re-opened as a dual-branded Best Western Plus and Executive Residency Hotel. The City has hired Global Spectrum, L.P. to manage the Waterloo Convention Center, located directly across the street from this hotel. The Convention Center is currently undergoing a \$13 million renovation, including interior renovations on both floors with new equipment, signage, and an addition at the main entrance.

Lincoln Park, a popular downtown destination, was recently improved with a \$1 million facelift including improved infrastructure, new seating, lighting and walkways.

### **North Crossing**

North Crossing, the former Logan Plaza Shopping Center in the northern part of the City, was acquired by a developer and completely demolished, with plans to replace it with several new medical and retail buildings. All five phases of the project are now complete with over \$10 million in new taxable value. The project includes multiple medical buildings, a new Burger King restaurant, Kwik Star convenience store and strip mall renovations. Over 40 acres of land are available for additional development in this area. The public-private partnership for the redevelopment has been created from:

- The \$30 million Highway 63 redevelopment project which created green space, aesthetics, recreational trails, and economic opportunity along the corridor, as well as improving traffic movements with turning lanes
- The continued investment by Unity Point Health (formerly Allen Hospital) with over \$40 million in improvements and expansions to the hospital campus, and over \$8 million in the Nursing College campus.
- The new Carver Academy middle school built on the former Logan School site, offering a more aesthetically pleasing campus setup for students with a greenhouse, and partnerships with other entities.

An additional \$10 million investment is under design for the buildout of the North Crossing medical-retail campus, including a new senior center in partnership with Unity Point, 180-unit multi-family residential campus, and a day care center, also in partnership with Unity Point Hospital, as well as new streets, improvements for drainage, and 14 new lots for retail, restaurant, and office development.

### **Midport**

The City completed the construction of the majority of the infrastructure needed to open over 400 acres for commercial and industrial development in the Waterloo Air & Rail Park (WARP) located near the Waterloo Regional Airport. The City received a State of Iowa RISE award for construction of WARP Drive, which serves 38 acres of land and is now complete. The City has received a second RISE award for the construction of Hyper Drive to serve an additional 32 acres, including the entrance to serve the new \$8 million CPM manufacturing plant. The City has three other smaller projects working to start construction in the new area.

A number of developers have plans for smaller infill construction projects in the Airport area, comprising 14 lots with a projected \$8 million investment.

There has been over \$3.0 million in private investment in new hangars at the Waterloo Regional Airport.

The City has a Development Agreement with a new infill 50,000 sq. ft. \$2.5 million industrial building on the former Schultz Manufacturing site. This infill site works to create better industrial density of the area, and will help to develop smaller lots along David Street as well.

Hydrite Chemical continues its plans for expansions, with its 4<sup>th</sup> expansion in 12 years, with a new office, warehousing, and further roadway investments and rail expansions at its site on WCF and N Drive. This expansion, like the others before it, will add employees, aimed at 13 for this expansion.

### **Other New Development Projects**

The Lost Island Theme Park, a \$104 million investment by the Bertch family to create a new theme park near the #2 nationally ranked Lost Island Waterpark on the city's southeast side opened this summer of 2022. The City has received a State of Iowa \$3.2 million RISE award for the construction of Shaulis Road directly in front of the Theme Park. The project will add lanes for increased traffic, as well as work to improve drainage conditions in the corridor, and is currently in progress.

The former Greyhound Park has been demolished, creating new development land near the U.S. Highways 20 and 63 interchange. A Love's Travel Center and a new Casey's convenience store are now open. Warren Transport is under construction for their \$8.6 million new headquarters and vehicle maintenance facility. Cedar Valley Crossing has built roadways and platted lots for a new 10-lot industrial park, with the first building at 50,000 sq. ft. now occupied, and 2 additional projects planned for 2022-2023. Around the intersection of Highway 63 and West Ridgeway Avenue we also have Cardinal Construction with multiple new buildings on their site, two new 8,400 sq ft commercial buildings to the south of them, as well as Kwik Star planning an expansion to their fuel blending facility.

Crystal Distribution is currently constructing a new \$21.0 million cold storage facility in the former Rath Packing plant area. This brownfield redevelopment will create an additional 23 acres in lots for continued infill projects. The City received a \$1.7 million RISE grant to aid with the 11<sup>th</sup> Street Bridge replacement project, for the industrial reinvestment.

Con-trol has completed their new \$12 million cross-docking facility in the Northeast Industrial Park. The City has received a State of Iowa RISE award for the reconstruction of a portion of Newell Street, to add turning lanes and flatten out for sight visibility, to facilitate the Con-trol project. The City has two other smaller buildings projects as well, with A and T Trucking building their new \$300,000 site in the area, and Gray Transportation expanding with a \$1.6 million new building.

The Boys & Girls Club has finished construction of a \$5.0 million Teen Center in the Walnut Historic Neighborhood near downtown. Within this neighborhood, All-In Grocers has started construction on a \$2.5 million grocery store and there has been \$2.8 million of residential construction and rehabilitation work completed.

The San Marnan corridor continues to see new development, including the \$1.5 million Cedar Valley Hospice office, a \$1.6 million addition by Locke Funeral Home, and a new \$1.1 million facility for Club Car Wash. The South Waterloo Business Park, a State of Iowa Certified Site (which is an intense process of acquiring a full plat layout, archeological, historical, soil surveys, etc.) is 183 acres of land acquired by the City for business park development.

The City is also working on several projects in the University corridor, with recent projects completed of: the \$9.6 million Greenhill apartment project, the \$3.4 million Maple Lanes renovation, \$2.9 million in renovations completed by Digestive Healthcare, a new \$2.8 million facility for Tommy Car Wash, the \$1.8 million renovation/rebuild of the Papa John's strip center to include a Family Dollar and other tenant space.

The former Schoitz Hospital, at the northeast corner of Kimball Avenue and West Ridgeway Avenue, has been demolished and will be redeveloped into three commercial lots and one residential lot. Planned projects announced include a Scooter's restaurant, a new Kwik Star food market, and a new multi-family residential 8-plex.

### **Housing projects**

The City has recently worked with Waterloo Schools for more land for infill – one project will create 32 new residential units on a former school (Edison School) site. The City is also working for a new project for the former Orange School site, and around the new Orange School site.



The City also created the Infill Housing Program, with over 100 new units as a part of the program to reinvest into older neighborhoods in the community. The CLURA, a tax abatement program, is also raising the number of the housing units built per year on average. The City further partnered with Hawkeye Community College to have students build new homes on lots owned by the City of Waterloo (obtained through blight elimination program). The partnership has built 3 homes, with one under construction. The average cost per home built was \$134,500, with the houses selling for \$142,000, \$156,000 and \$176,000 with multiple bidders. These first three homes were built in a neighborhood which had not seen any new construction in over 60 years.

### **Street Improvements**

The one-cent local option tax was approved in 2013 for another ten years, to be used for street repairs and improvements. Other major construction initiatives that are primarily funded with Metropolitan Planning Organization (MPO) funds and grants, and include the reconstruction of Highway 63 through the northern part of the City, which was completed in 2020, with pedestrian enhancements expected to be complete in 2022. The reconstruction of University Avenue from Midway Drive to U.S. Highway 63 was a transfer of jurisdiction project from the IDOT, and is substantially complete, with some pedestrian portions being finished now.

The City has been awarded \$12.5 million in federal competitive bridge funds and a \$1.7 million State of Iowa RISE grant to assist with the reconstruction of the Park Avenue and 11th St. bridges in the downtown area. Construction of the bridge project is underway.

Design is underway for the La Porte Road corridor to improve streets and bike trails near the new Lost Worlds Theme Park and the Crossroads Shopping Center area. The La Porte Road segments include over \$8.5 million in federal roadway (MPO) funding, and the City was awarded a \$340,000 RISE grant for improvements to the adjoining Shaulis Road area for additional improvements to turning lanes, flood control, and intersection improvements to accommodate anticipated theme park traffic. The City of Waterloo just received a \$20.5 million RAISE grant from the federal government, matching that with the MPO funds, we will work to complete the \$30 million project over the next 3 years.

### **Infrastructure Improvements**

The City of Waterloo is embarking upon a fiber system backbone and to home program in many stages – working with Magellan Advisors for a plan and design, conducting a consumer survey, passing a local referendum vote for bonding over \$20 million for fiber installation. Receiving an EDA grant for fiber design, applying for a Middle Mile grant for over \$20 million in fiber backbone funds, and moving ahead with this tremendous Smart City initiative to work towards the future of Waterloo for its own utility operations, improving the environment for its business and residential communities, and improving our future ability to draw both new business and new homeowners to the area.

### **Recreational Facilities**

The City is also continuing to develop its extensive system of bike trails, which are being connected to countywide and regional trail networks, creating a system of more than 117 miles of trails. The Riverwalk Loop trail in downtown Waterloo has been completed and a new trail has been constructed along the newly constructed Shaulis Road connection from Highway 63 to the Isle of Capri Boulevard. This trail system connects directly into the American Discovery Trail. Major trail facilities have been added as part of the University Avenue reconstruction project, including a new 10 ft. wide concrete recreational trail from the West Waterloo city limits to U.S. Highway 63. A new trailhead, parking lot, and trail underpass has been constructed at the University Avenue and Highway 63 intersection. A recreational area for all-terrain vehicle trails has also been developed in the Riverview neighborhood. The City recently built a new Riverfront Skateboard park near MidAmerican Energy Company. The City has received a grant for the construction of the Shaulis Road Recreational Trail in the southeast part of the City, which will be completed in 2022. The new La Porte Road redevelopment will also work to link into the Downtown Waterloo trail system at its northeast-most point.

Phase 1 of the Greenbelt Lake Improvements Project has been completed with a REAP grant for a \$200,000 investment in a new accessible fishing pier with several shoreline fishing points and a large pollinator planting.

Master Plans are currently underway for Waterloo's aquatic facilities at Byrnes Park and Gates Park. The City of Waterloo, working in partnership with Cedar Falls, is also working on a master water trail system that could include a whitewater park through the Cedar River dam location, in concert with the State of Iowa Destination Iowa grant program.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waterloo, Iowa for its Annual Comprehensive Financial Report (ACFR) for fiscal year 2021. This is the eighteenth year that the City received this award, which is a prestigious national award, recognizing conformance with the highest standards for the preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The ACFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Management believes that the current report continues to meet the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

## **FINANCIAL MANAGEMENT INFORMATION**

**Budgetary Controls** - The City's management staff is responsible and is actively involved in the financial planning and management of the City's daily operations and long-range strategic planning. The objective of budgetary controls is to ensure compliance with the annual budget approved by the City Council, as well as budget control procedures mandated by the State of Iowa.

Management control policies adopted by the City Council require that departmental and activity budgets comply with departmental appropriations. Amendments exceeding de minimus guidelines require the specific approval of the City Council Finance Committee. These policies also require certain non-routine expenditures exceeding \$2,500 to be pre-authorized by the City Council Finance Committee.

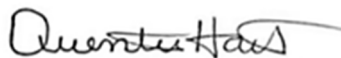
Long-term financial and capital improvement planning are crucial strategic functions of the City. The City's management staff, coordinated by the Planning Department, prepares and presents the five-year Capital Improvement Program (CIP) to the Mayor and City Council for their review and approval annually. The CIP outlines the City's planned schedule of capital project construction over the next five-year cycle. The CIP provides an analysis of the financial funding impact and capital debt impact of the planned construction project program.

The City met the minimum fund balance requirement for the General Fund and adhered to all other financial policies approved by the City Council.

## **ACKNOWLEDGMENTS**

This report could not have been completed without the dedicated service of the entire Finance department and other City staff in addition to the RSM US LLP audit team. We want to thank all of the City departments for their assistance in providing data necessary for this report. Special thanks go to Emily Graham, Brent Bohlen and Kimberly Bahr in the Finance Department and also the City Clerk staff. Each of you has our appreciation and respect for your contributions to this report. We also want to thank the members of the City Council for their support of our efforts to conduct the financial operations of the City in a responsible and progressive manner.

Sincerely,



Quentin Hart  
Mayor



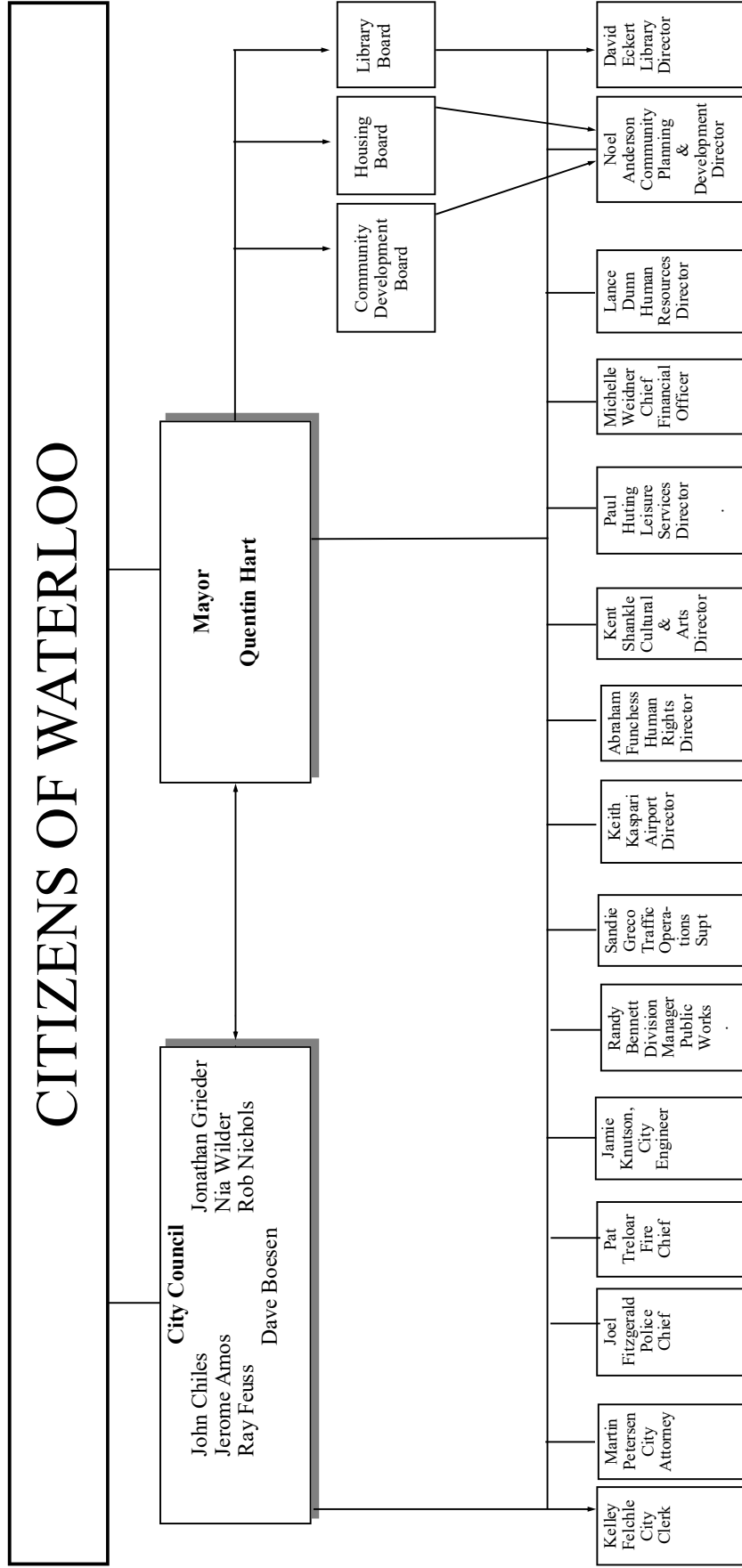
Bridgett Wood  
Finance Manager

**City of Waterloo, Iowa**

**Officials  
As of June 30, 2022**

Name	Title	Term Expires
<b>Elected</b>		
Quentin Hart	Mayor	January, 2023
John Chiles	Council Member - 1st Ward	January, 2025
Jonathan Grieder	Council Member - 2nd Ward	January, 2024
Nia Wilder	Council Member - 3rd Ward	January, 2025
Jerome Amos	Council Member - 4th Ward	January, 2024
Ray Feuss	Council Member - 5th Ward	January, 2025
Rob Nichols	Council Member - At-Large	January, 2025
Dave Boesen	Council Member - At-Large	January, 2024
<b>Appointed</b>		
Michelle Weidner, CPA	Chief Financial Officer	Indefinite
Kelley Felchle, CMC	City Clerk	Indefinite
Jamie Knutson, PE	City Engineer	Indefinite
Martin Petersen	City Attorney	Indefinite
Joel Fitzgerald, Sr., Phd.	Chief of Waterloo Police Department	Indefinite
Pat Treloar	Chief of Fire Services	Indefinite

CITY OF WATERLOO, IOWA — ORGANIZATIONAL STRUCTURE





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Waterloo  
Iowa**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrill*

Executive Director/CEO



RSM US LLP

## Independent Auditor's Report

Honorable Mayor and  
Members of the City Council  
City of Waterloo, Iowa

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waterloo, Iowa (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, 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.

We did not audit the financial statements of the discretely presented component units, Waterloo Water Works and Waterloo Convention & Visitors Bureau, Inc. which collectively represent 100% of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us and our opinions, insofar as it relates to the amounts included for the discretely presented component units, are based solely on the reports of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Waterloo Convention & Visitors Bureau, Inc. were not audited in accordance with *Government Auditing Standards*.

**Emphasis of Matter**

As discussed in Note 3 of the basic financial statements, the City adopted GASB Statement No. 87, *Leases*, as of July 1, 2021. As a result of the adoption, the City recorded lease-related receivables and deferred inflows of resources in the financial statements and added the required disclosures to the notes of the basic financial statements. Our opinions are not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the pension and other postemployment benefit information, and the Budgetary Comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules as listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are 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 GAAS. In our opinion, based on our audit and the reports of other auditors, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and capital asset schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

***RSM US LLP***

Kansas City, Missouri  
March 31, 2023



## City of Waterloo, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2022

---

As management of the City of Waterloo, we offer readers of the City of Waterloo's financial statements this narrative overview and analysis of the financial activities of the City of Waterloo for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at pages iii–viii of this report. The City adopted GASB Statement No. 87, *Leases*, as of July 1, 2021, which resulted in recoding lease receivables and deferred inflows of resources in the General Fund and the governmental activities financial statements. The amounts presented in the management's discussion and analysis for fiscal year 2021 have not been restated.

#### Financial Highlights

- The assets and deferred outflows of resources of the City of Waterloo exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$474,443,598 (net position). Of this amount, the City's unrestricted net position (\$15,582,982) is negative, due to recording the City's share of postemployment benefit liabilities and pension liabilities.
- The City's total net position increased by \$16,440,306 compared to the 2021 ending net position of \$458,003,292.
- As of the close of this current fiscal year, the City of Waterloo's governmental funds reported combined ending fund balances of \$88,369,459, an increase of \$4,892,976 in comparison with the prior year. Approximately 8.3% of this total amount, \$7,367,895, is available for spending at the City's discretion (unassigned fund balance), although some funds are legally limited for specified purposes.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,347,431, or 20.6% of total General Fund expenditures.
- The City of Waterloo's total long-term liabilities increased by \$27,550,171 or 21.1% during the current fiscal year, due to increased general obligation bonds and state revolving fund capital loans issued for construction projects.

#### Overview of the Financial Statements

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Waterloo's finances in a manner similar to a private-sector business.

The statement of net position presents information about all of the City of Waterloo's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Waterloo is improving or deteriorating.

The statement of activities presents information illustrating how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

## City of Waterloo, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2022

---

Both of the government-wide financial statements distinguish functions of the City of Waterloo that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Waterloo include public safety, public works, health and social services, culture and recreation, community and economic development and general government. In addition, the convention bureau provides marketing services for tourism operated as a separate discretely presented component unit of the City. The business-type activities of the City of Waterloo include the sanitary sewer system and the solid waste system. The water utility is operated as a separate discretely presented component unit of the City. For detailed information about the Waterloo Convention & Visitors Bureau, Inc. or the Waterloo Water Works, please see their separate audited financial statements.

The government-wide financial statements include only the City of Waterloo itself (known as the primary government) and its discretely presented component units, the Waterloo Water Works and Waterloo Convention and Visitors Bureau, Inc. The Waterloo Community School District and the Metropolitan Transit Authority provide services to the citizens of Waterloo but do not meet established criteria as component units of the City and thus are not included in this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Waterloo, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Waterloo can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Waterloo maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Trust and Agency Fund, Tax Increment Financing Fund, and Road Use Tax Fund, all of which are considered to be major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**Proprietary funds.** The City of Waterloo maintains two proprietary funds, which are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitary sewer fund and the sanitation fund. The sanitary sewer fund is considered to be a major fund of the City of Waterloo.

## City of Waterloo, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2022

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Waterloo's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one type of fiduciary fund, a custodial fund.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** The City's budgetary comparison schedule and the other postemployment benefit plan schedule of funding progress are presented as required supplementary information immediately following the notes to the financial statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

#### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Waterloo, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$458,003,292 at the close of the fiscal year ended June 30, 2021.

By far the largest portion of the City of Waterloo's net position (98%) reflects its investment in capital assets (e.g., land, buildings and improvements, infrastructure and vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Waterloo uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Waterloo's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### Statement of Net Position

A condensed version of the Statement of Net Position as of June 30, 2022 and 2021 follows:

	City of Waterloo's Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 189,772,275	\$ 168,931,889	\$ 31,631,454	\$ 25,312,452	\$ 221,403,729	\$ 194,244,341
Capital assets	441,952,813	428,326,093	134,284,928	121,928,678	576,237,741	550,254,771
<b>Total assets</b>	<b>631,725,088</b>	<b>597,257,982</b>	<b>165,916,382</b>	<b>147,241,130</b>	<b>797,641,470</b>	<b>744,499,112</b>
<b>Deferred outflows of resources</b>	<b>10,541,268</b>	<b>18,333,071</b>	<b>877,362</b>	<b>1,068,660</b>	<b>11,418,630</b>	<b>19,401,731</b>
<b>Liabilities</b>						
Current liabilities	57,406,528	41,465,540	7,321,254	7,620,284	64,727,782	49,085,824
Long-term liabilities	133,763,749	169,564,952	41,720,930	33,309,943	175,484,679	202,874,895
<b>Total liabilities</b>	<b>191,170,277</b>	<b>211,030,492</b>	<b>49,042,184</b>	<b>40,930,227</b>	<b>240,212,461</b>	<b>251,960,719</b>
<b>Deferred inflows of resources</b>	<b>91,217,739</b>	<b>53,753,975</b>	<b>3,186,302</b>	<b>182,857</b>	<b>94,404,041</b>	<b>53,936,832</b>
<b>Net position</b>						
Net investment in capital assets	349,086,033	357,396,168	91,180,224	92,076,756	440,266,257	449,472,924
Restricted	49,258,884	39,925,625	201,439	138,467	49,460,323	40,064,092
Unrestricted (deficit)	(38,466,577)	(46,515,207)	23,183,595	14,981,483	(15,282,982)	(31,533,724)
<b>Total net position</b>	<b>\$ 359,878,340</b>	<b>\$ 350,806,586</b>	<b>\$ 114,565,258</b>	<b>\$ 107,196,706</b>	<b>\$ 474,443,598</b>	<b>\$ 458,003,292</b>

## City of Waterloo, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2022

\$49,460,323 of the City of Waterloo's net position (10.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$15,582,982) is a negative position, due to the net pension liabilities for the city's share of liabilities in the IPERS and MFPRSI pension plans and the city's liability for other postemployment health care benefits.

The separate governmental activities had positive balances in the net investment in capital assets and fund balances restricted for specific purposes. Business-type activities also reported positive balances in all categories. The same situation held true for the prior fiscal year.

The City's total net position increased compared to the 2021 ending net position. Governmental-type activities' net position increased by \$9,071,754, from the 2021 net position of \$350,806,586. This increase was largely related to capital invested in City infrastructure projects and a reduction in pension liabilities. See page 26 for a reconciliation of this increase. The total business-type activities' net position increased by \$7,368,552 from the 2021 net position of \$107,196,706, due to capital invested in City infrastructure projects and debt retirement payments.

### Statement of Activities

A condensed version of the Statement of Activities as of June 30, 2022 and 2021 follows:

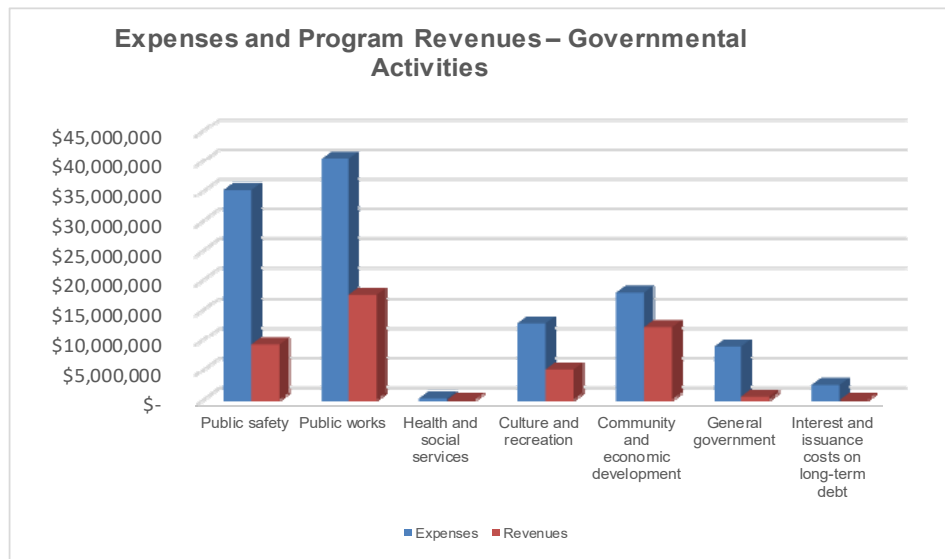
	City of Waterloo's Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 18,508,752	\$ 15,151,064	\$ 24,238,004	\$ 22,632,728	\$ 42,746,756	\$ 37,783,792
Operating grants and contributions	13,687,016	16,409,982	273,624	274,551	13,960,640	16,684,533
Capital grants and contributions	12,557,843	10,923,191	1,996,216	204,889	14,554,059	11,128,080
General revenues:						
Property taxes	53,380,778	52,877,346	-	-	53,380,778	52,877,346
Other taxes	22,207,901	20,577,471	-	-	22,207,901	20,577,471
Other	5,741,453	5,995,168	47,218	18,999	5,788,671	6,014,167
<b>Total revenues</b>	<b>126,083,743</b>	<b>121,934,222</b>	<b>26,555,062</b>	<b>23,131,167</b>	<b>152,638,805</b>	<b>145,065,389</b>
<b>Expenses:</b>						
Public safety	35,225,720	39,844,040	-	-	35,225,720	39,844,040
Public works	40,090,235	31,393,797	-	-	40,090,235	31,393,797
Health and social services	270,849	281,594	-	-	270,849	281,594
Culture and recreation	12,776,096	11,878,940	-	-	12,776,096	11,878,940
Community and economic development	17,995,941	12,518,489	-	-	17,995,941	12,518,489
General government	8,221,016	10,644,609	-	-	8,221,016	10,644,609
Interest on long-term debt	2,432,132	2,212,316	-	-	2,432,132	2,212,316
Sanitary sewer	-	-	13,240,601	12,110,438	13,240,601	12,110,438
Sanitation	-	-	5,945,909	5,272,312	5,945,909	5,272,312
<b>Total expenses</b>	<b>117,011,989</b>	<b>108,773,785</b>	<b>19,186,510</b>	<b>17,382,750</b>	<b>136,198,499</b>	<b>126,156,535</b>
Change in net position	9,071,754	13,160,437	7,368,552	5,748,417	16,440,306	18,908,854
Net position, beginning	350,806,586	337,646,149	107,196,706	101,448,289	458,003,292	439,094,438
Net position, ending	\$ 359,878,340	\$ 350,806,586	\$ 114,565,258	\$ 107,196,706	\$ 474,443,598	\$ 458,003,292

**City of Waterloo, Iowa**

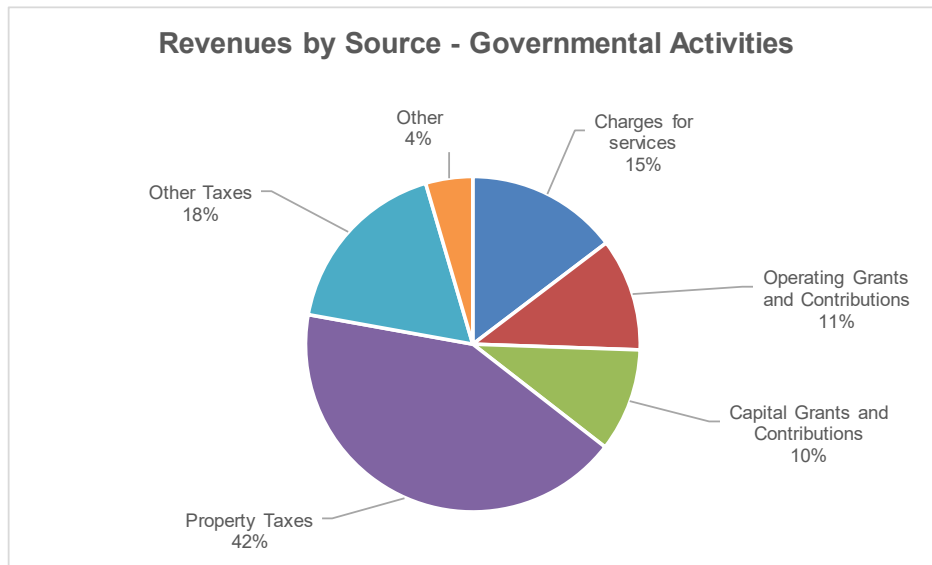
**Management’s Discussion and Analysis  
For Fiscal Year Ended June 30, 2022**

Total governmental activities’ revenue for the current fiscal year was \$126,083,743. The largest single revenue source for the City was property taxes of \$53,380,778. Property taxes increased by \$503,342 (0.95%) during the year. This increase is a result of a combination of factors, including an increase in the assessed value of property of 0.7%, an increase of 1.8% in the taxable value of property and an increase of 1.0% in the levy rate.

Certain revenues are generated that are specific to governmental program activities. These totaled \$44,753,611 during the fiscal year ended June 30, 2022. The graph below illustrates the comparison between the expenses by governmental activity type and the revenues generated that are specific to those activities.



The graph below shows the percentage of the total governmental revenues allocated by each revenue type.

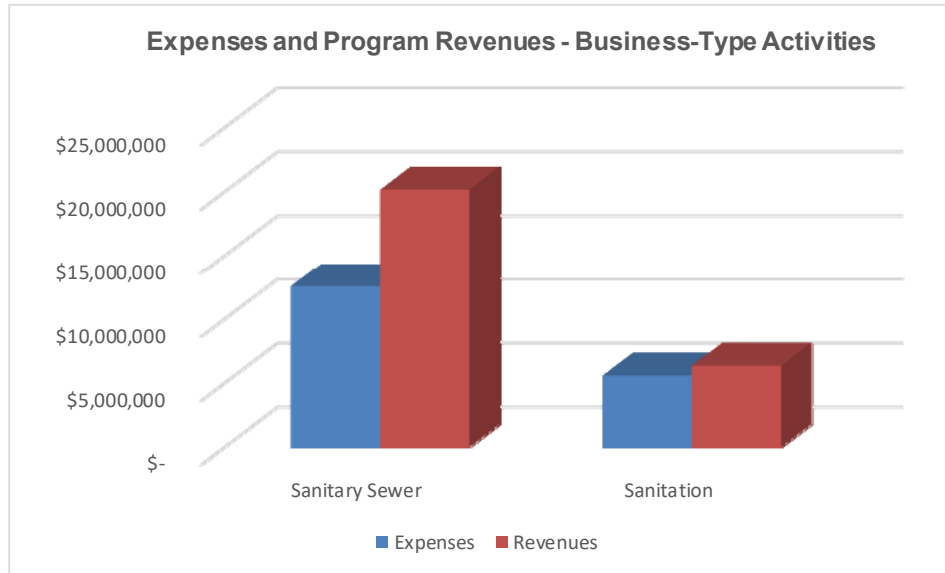


**City of Waterloo, Iowa**

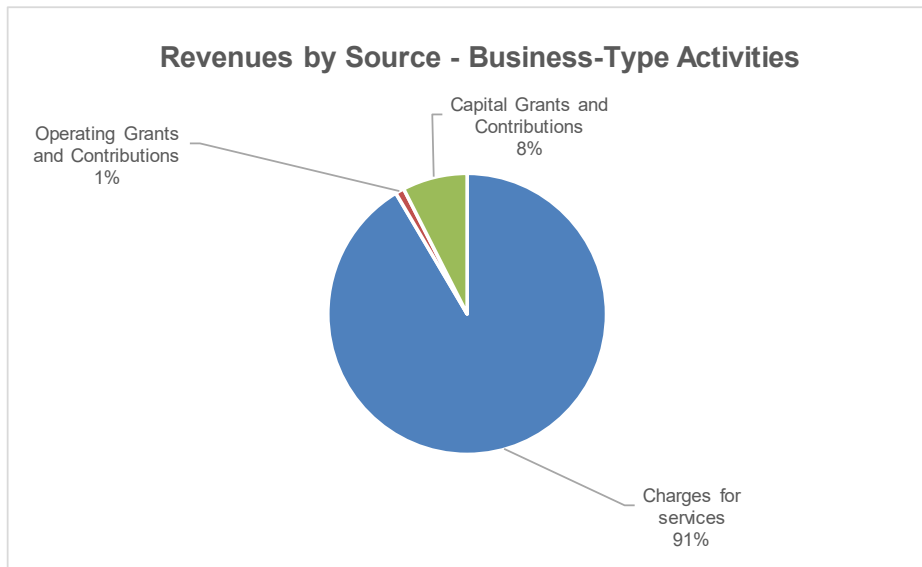
**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2022**

---

Total business-type activities' revenue for the fiscal year was \$26,555,062. \$26,507,844 of this revenue was generated for specific business-type activity expenses. The graph below shows a comparison between the business-type activity expenses and program revenues.



The graph below shows the breakdown of revenues by source for the business-type activities.



**Business-type activities.** Business-type activities increased the City of Waterloo's net position by \$7,368,552 from the 2021 net position of \$107,196,706, accounting for 44.8% of the increase in the City's net position.

## City of Waterloo, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2022

---

#### Financial Analysis of the Government's Funds

As noted earlier, the City of Waterloo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Waterloo's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Waterloo's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Waterloo's governmental funds reported combined ending fund balances of \$88,406,669, an increase of \$4,930,186 in comparison with the prior year. Fund balance in the amount of \$81,038,774 is not available for new spending because it represents amounts previously paid for items that were not exhausted at year-end (nonspendable) or has already been restricted, committed or assigned to be used for a variety of purposes. Approximately 8.3% of total fund balance or \$7,367,895, constitutes unassigned fund balance.

The General Fund is the chief operating fund of the City of Waterloo. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,347,431, while total fund balance was \$26,996,945. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 20.6% of total General Fund expenditures, while total fund balance represents 45.1% of that same amount.

Net general fund operations resulted in an increase in total general fund balance of \$462,718, and a decrease in unassigned fund balance of \$389,315 for the year.

A significant source of increased revenue was again due to a program implemented by the state that the City participated in that resulted in increased ambulance fee revenue during the year. This resulted in a substantial increase in revenue, net of related expense, for the year in the amount of nearly \$1,380,000.

Golf revenue was \$197,000 more than budgeted. The city's airport revenue was \$185,000 more than budgeted, mainly due to rental income.

The City took over operations of the Convention Center in January 2020. The City elected to begin major renovations while events were being delayed or cancelled due to the pandemic to hopefully allow better future performance. As a result, Convention Center operations incurred a loss of \$627,000.

Due to the city's payroll schedule, there will be an additional pay period during the fiscal year ending June 30, 2023. The city set aside a portion of the increase in general fund revenue over expenses to cover this payroll so that property taxes will not need to be increased for that expense.

These items all contributed to the decrease in unassigned fund balance of \$389,315 and the overall increase of \$462,718.

Trust and Agency Fund – The net increase in fund balance of \$286,882 during the current year is due primarily to property taxes collected for prior years.

TIF Fund – Of the total fund balance, \$4,917,682 is restricted for the payment of debt service related to tax increment financing district projects. The net increase in fund balance during the current year was \$474,461 and is the result of timing differences between revenue collections and the payment of TIF obligations.

## City of Waterloo, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2022

---

Road Use Tax Fund – The net decrease in fund balance in the road use tax fund of \$1,219,844 is due primarily to the use of transfer of jurisdiction funds received in prior years from the State of Iowa for University Avenue that were spent on construction during the current year.

Local Option Sales Tax Fund – The net increase in fund balance of \$7,294,289 is partly due to Local Option taxes being received of \$3,535,739 over budget and expenses coming in at \$2,403,941 under budget.

**Proprietary funds.** The City of Waterloo's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the sanitary sewer fund at the end of the year was \$109,075,570, an increase of \$6,917,450 from the 2021 net position of \$102,157,570. This increase was due primarily to investments in the construction of mandated sewer infrastructure projects.

Other factors concerning the finances of the sanitary sewer fund have already been addressed in the discussion of the City of Waterloo's business-type activities.

#### **Budgetary Highlights**

In accordance with the Code of Iowa, the City Council annually adopts a budget on the modified cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and non-program. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital projects funds and permanent funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. These budget amendments are reflected in the final budgeted amounts.

Differences between the original budget and the final amended budget for the City of Waterloo are summarized below.

The total original expenditure budget of \$219,905,963, including transfers out, was increased to \$255,485,178 (an increase of \$35,579,215).

- In the Public Safety program category, expenses and related revenue for various law enforcement grants and non-property tax funded projects were increased (\$1.1 million).
- In the Public Works category, the use of Road Use Tax fund balance was added to fund the anticipated increase in expenses for the University Avenue reconstruction, the use of Local Option Tax fund balance was added to fund the anticipated increase in expenses for street reconstruction, (\$4.6 million).
- The Culture & Recreation program category was increased to reflect a number of additional grants and donations received by the Cultural and Arts department, the Library and Leisure Services. Revenue and expenses were increased for the Sportsplex to more closely match operations and the use of unassigned fund balance was increased for Young Arena operations (\$.2 million).
- Additional federal revenue and expense expected to be completed using Block Grant and Housing funds were added to the Community and Economic Development category (\$2.1 million).
- Amendments reflecting the use of restricted health insurance reserves and insurance refunds to fund additional claims were made in the General Government category (\$.8 million).



## City of Waterloo, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2022

---

- Expenses were added relating to refunding several bond issues to achieve reduced interest expense (\$.2 million).
- In the Capital Projects program, additional expenses relating to grant revenue awarded during the year that was not originally budgeted were added. Several construction project budgets were adjusted to more accurately reflect the work expected to be completed by June 30, 2022 (\$21 million).
- In the Business Type/Enterprises activity, which accounts for the activities of the sewer and garbage funds, line item adjustments were made to more accurately reflect the amount that will be spent for capital improvement projects and operations by June 30, 2022 (\$.4 million).
- Transfers Out were increased to more accurately reflect the portion of capital projects paid by the TIF Fund (\$4.6 million).

The total original revenue budget, including other financing sources of \$206,640,872 was increased to \$236,608,918 (an increase of \$26,968,046).

- State and federal grant revenue was increased to reflect additional grants awarded after the original budget certification for a variety of programs, including community development block grants, public safety projects, airport and traffic improvements, and storm water lift stations (\$5.9 million).
- Amendments were made to various charges for services to reflect higher revenues than originally anticipated with the certified budget (\$.7 million).
- Miscellaneous revenue was increased to reflect additional donations received for various City projects, insurance and other refunds received that exceeded original budget projections (\$1.2 million).
- Other financing sources were increased to reflect the issuance of refunding bond issues (\$14.2 million).
- Transfers In were increased to reflect the portion of projects paid by ARPA funds and TIF funds (\$4.6 million).

See pages 91 through 97 for the Budgetary Comparison Schedule - Budget and Actual (Modified Cash Basis) – All Governmental Funds and Proprietary Funds.

### Capital Asset and Debt Administration

**Capital Assets.** The City of Waterloo's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$576,237,741 (net of accumulated depreciation) as reflected in the following table. The total increase in the City of Waterloo's investment in capital assets for the current fiscal year was 4.7% (a 3.2% increase for governmental activities and a 10.1% increase for business-type activities).

## City of Waterloo, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2022

This investment in capital assets includes land, buildings and improvements, park facilities, vehicles and equipment, and roads, highways and bridges (also referred to as infrastructure assets) placed in service since July 1, 1980.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 46,106,167	\$ 46,104,367	\$ 759,233	\$ 759,233	\$ 46,865,400	\$ 46,863,600
Land held for redevelopment	19,014,063	18,227,365	-	-	19,014,063	18,227,365
Buildings and improvements	62,627,949	61,439,241	39,802,280	41,215,339	102,430,229	102,654,580
Other improvements	-	-	57,655,854	49,815,260	57,655,854	49,815,260
Software	14,900	25,779	-	-	14,900	25,779
Infrastructure	248,190,874	242,982,791	-	-	248,190,874	242,982,791
Furniture, vehicles, machinery and equipment	12,138,676	13,094,532	4,449,803	4,778,338	16,588,479	17,872,870
Construction-in-progress	53,860,184	46,452,018	31,617,758	25,360,508	85,477,942	71,812,526
	<b>\$ 441,952,813</b>	<b>\$ 428,326,093</b>	<b>\$ 134,284,928</b>	<b>\$ 121,928,678</b>	<b>\$ 576,237,741</b>	<b>\$ 550,254,771</b>

Major capital assets events during the current fiscal year included the following:

- The City acquired properties for economic development (\$1.8 million). Land held for redevelopment was transferred to private parties for redevelopment (\$.2 million).
- New additions to buildings and improvements totaled \$1.5 million, including the Riverside Skate Park project, Hope Martin park shelter reconstruction, W 5<sup>th</sup> Street parking ramp repairs and Truck Wash area improvements. Disposals included one runway at the airport that was taken out of service (\$1.27 million).
- The City invested \$4.6 million in new vehicles, equipment, computers and software for various city departments. The most significant of these included Police body cameras and in car recorders at \$3.9 million, a fire engine pumper (\$.65 million) and a forestry lift truck (\$.19 million).
- New investments in infrastructure assets totaled \$8.3 million, including several street reconstruction projects, and the Exhibition Hall Ceiling Renovation at the Convention Center.
- The City invested \$3.2 million in a number of sewer reconstruction projects during the year and \$.9 million in new vehicles and equipment for the sewer and sanitation departments, including a garbage truck and a street sweeper.
- There were a number of projects under construction that are included in Construction-in-progress. \$6.1 million was invested in renovations to the Convention Center. \$32.6 million was invested in street flood control projects, including \$10.2 million for University Avenue reconstruction, \$3.5 million for new roads and \$9.6 million for improvements to existing roads.
- The City invested \$3.3 million in various sewer system projects, including \$1.6 mil in reconstructed sewer lines, the completion of wing dike repairs (\$.5 million), and treatment plant improvements in the business enterprise funds.
- There were several major construction projects underway for business-enterprise activities at year-end. Significant projects include \$10 million that was invested in biosolids processing equipment and \$3.3 million that was invested in the Dry Run Creek Sewer Interceptor. Numerous other sewer lines were reconstructed or lined (\$2.1 million) as well as other treatment system improvements.

Additional information about the City of Waterloo's capital assets can be found in Note 6 of this report.

## City of Waterloo, Iowa

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2022

---

**Long-term liabilities.** At the end of the current fiscal year, the City of Waterloo had total bonded debt outstanding of \$116.5 million. This entire amount is comprised of debt backed by the full faith and credit of the government. This was an increase of \$13.2 million from the prior year, net of premiums and discounts. The additional debt was issued to aide in the planning, undertaking, and carrying out of urban renewal projects in the San Marnan Redevelopment Area to include costs associated with acquisition of property and financing one or more economic development grants to private developers to fund the acquisition, construction, and equipping of a recreational theme park.

The long-term portion of the state revolving fund capital loans being issued for sewer improvements increased by \$14.0 million during the year.. Funds were borrowed for the construction of the biosolids treatment system improvements, Highway 63 Interceptor, the construction of the Dry Run Creek Sewer interceptor, and the improvements in sanitary gatewells as well as for sewer pipe lining.

The amount of other loans, originally issued to purchase land in the City's industrial parks for economic development projects and to provide developer incentives, increased by \$1.1 million. A new loan of \$2.9 million was entered into for Crystal Distributions development, while debt retirement on outstanding loans totaled \$1.8 million. The City has obligations to employees for benefit time not used at fiscal year-end. During the current fiscal year the balance due on these obligations increased by \$58 thousand due to additional benefits accrued.

The City of Waterloo's total long-term liabilities decreased by \$24.0 million (11.0%) during the current fiscal year, due to the items discussed above and decreases in estimated pension liabilities of \$47.9 million.

The City of Waterloo maintains an Aa2 rating from Moody's Investor Services, Inc. for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total assessed valuation. The current debt limitation for the City of Waterloo is \$203,580,256 which is significantly greater than the City of Waterloo's outstanding general obligation debt (\$118,186,617) and other debt subject to debt limitation (\$10,330,841). The total debt subject to this limitation is \$128,517,458, resulting in available debt margin of \$75,062,798.

Additional information about the City of Waterloo's long-term liabilities can be found in Note 9 of this report.

#### **Economic Factors and Next Year's Budgets and Rates**

Property taxes provide 42% of General Fund revenues. Over the past five years, citywide assessed valuations have risen an average of 2% annually, while property tax regulations imposed by the State of Iowa resulted in taxable values increasing by an average of 1.4% over that same time period. The fiscal 2023 budget reflects an increase in total property tax and utility excise tax revenue of 3.8%. As discussed elsewhere in this report, the City budgeted to use \$2,447,505 in general fund reserves for general operations for the year ended June 30, 2022.

Personnel costs comprise a significant portion of City operating costs. Wage increases identified in contractual bargaining agreements range from 2% to 5% for fiscal year 2023. The employer contribution rate required for the Municipal Fire and Police Retirement System will decrease by 2.28% to 23.90% of eligible compensation. Anticipated health care costs for the year ending June 30, 2023 are expected to stay stable. The City had been using excess health insurance reserves to reduce the rates for past several years.

**City of Waterloo, Iowa**

**Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2022**

---

Federal and state mandates for clean water continue to result in additional costs both for sewer system users and property taxpayers. Significant construction and revolving fund loan borrowing are anticipated during the next fiscal year. Sanitary and storm water rates are being evaluated to address these issues.

These factors were considered in preparing the City of Waterloo's budget for fiscal year 2023.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Waterloo's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Bridgett Wood, MBA, Finance Manager, City of Waterloo, 715 Mulberry Street, Waterloo, Iowa 50703.

City of Waterloo, Iowa

Statement of Net Position  
June 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Waterloo Water Works	Waterloo Convention & Visitors Bureau, Inc.
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 77,160,666	\$ 23,790,872	\$ 100,951,538	\$ 21,453,008	\$ 869,861
Restricted cash and cash equivalents	845,340	-	845,340	-	-
Investments	-	-	-	549,750	192,007
Receivables:					
Customer accounts, net of allowance for uncollectible accounts	2,506,965	5,084,951	7,591,916	1,923,550	-
Property taxes:					
Delinquent	488,117	-	488,117	-	-
Succeeding year	54,160,881	-	54,160,881	-	-
Internal accounts	(38,704)	38,704	-	-	-
Due from other governments:					
Component unit	279,458	1,564,770	1,844,228	-	-
Primary government	-	-	-	-	215,535
Other	7,941,729	32,899	7,974,628	-	-
Accrued interest	12,423	-	12,423	5,401	-
Special assessments	-	395,476	395,476	-	-
Leases Receivable	2,725,870	-	2,725,870	-	-
Inventories and prepaids	1,607,453	105,313	1,712,766	523,520	10,712
<b>Total current assets</b>	<b>147,690,198</b>	<b>31,012,985</b>	<b>178,703,183</b>	<b>24,455,229</b>	<b>1,288,115</b>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	41,703,950	618,469	42,322,419	-	-
Investments	-	-	-	204,593	31,995
Receivables	8,566	-	8,566	-	42,605
Special assessments receivable	369,561	-	369,561	253,900	-
Net pension asset	-	-	-	312,919	-
Capital assets, net of accumulated depreciation	322,972,399	101,907,936	424,880,335	29,479,668	22,124
Capital assets not being depreciated	118,980,414	32,376,992	151,357,406	6,027,701	-
<b>Total noncurrent assets</b>	<b>484,034,890</b>	<b>134,903,397</b>	<b>618,938,287</b>	<b>36,278,781</b>	<b>96,724</b>
<b>Total assets</b>	<b>631,725,088</b>	<b>165,916,382</b>	<b>797,641,470</b>	<b>60,734,010</b>	<b>1,384,839</b>
<b>Deferred Outflows of Resources</b>					
Pension related amounts	8,851,239	530,641	9,381,880	193,268	-
OPEB related amounts	1,690,029	346,721	2,036,750	-	-
<b>Total deferred outflows of resources</b>	<b>10,541,268</b>	<b>877,362</b>	<b>11,418,630</b>	<b>193,268</b>	<b>-</b>

See notes to basic financial statements.

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Waterloo	Waterloo
	Activities	Activities		Water Works	Convention & Visitors Bureau, Inc.
<b>Liabilities</b>					
Current liabilities:					
Accounts and retainages payable	\$ 5,414,618	\$ 2,991,594	\$ 8,406,212	\$ 284,943	\$ 5,874
Accrued liabilities and other	2,603,955	295,254	2,899,209	105,550	11,466
Due to primary government	-	-	-	1,481,231	-
Due to component unit	215,535	-	215,535	-	-
Due to other governments	-	-	-	49,733	-
Noncurrent liabilities due and payable					
within one year	16,899,543	3,969,108	20,868,651	69,902	-
Unearned revenues	30,823,196	-	30,823,196	-	-
Current liabilities payable from restricted assets:					
Health claims	845,340	-	845,340	-	-
Other	312,850	-	312,850	-	-
Accrued interest	291,491	65,298	356,789	-	-
<b>Total current liabilities</b>	<b>57,406,528</b>	<b>7,321,254</b>	<b>64,727,782</b>	<b>1,991,359</b>	<b>17,340</b>
Noncurrent liabilities:					
Customer deposits	48,070	417,030	465,100	204,593	-
Worker's compensation claims	564,550	-	564,550	-	-
General obligation bonds and notes, net of bond discounts and premium	97,960,250	8,576,367	106,536,617	-	-
State revolving fund capital loan	-	29,627,503	29,627,503	-	-
Other loans and notes	8,060,287	-	8,060,287	-	-
Total postemployment benefits liability	14,387,107	2,951,607	17,338,714	-	-
Compensated absences	120,255	79,531	199,786	-	-
Net pension liability	12,623,230	68,892	12,692,122	29,161	-
<b>Total noncurrent liabilities</b>	<b>133,763,749</b>	<b>41,720,930</b>	<b>175,484,679</b>	<b>233,754</b>	<b>-</b>
<b>Total liabilities</b>	<b>191,170,277</b>	<b>49,042,184</b>	<b>240,212,461</b>	<b>2,225,113</b>	<b>17,340</b>
<b>Deferred Inflows of Resources</b>					
Property taxes	54,653,539	-	54,653,539	-	-
Pension related amounts	31,404,933	2,602,688	34,007,621	2,303,620	-
OPEB related amounts	2,844,728	583,614	3,428,342	-	-
Leases	2,314,539	-	2,314,539	-	-
<b>Total deferred inflows of resources</b>	<b>91,217,739</b>	<b>3,186,302</b>	<b>94,404,041</b>	<b>2,303,620</b>	<b>-</b>
<b>Net Position</b>					
Net investment in capital assets	349,086,033	91,180,224	440,266,257	35,507,369	22,124
Restricted for:					
Debt service	5,364,561	201,439	5,566,000	-	-
Tourism promotion	2,455,442	-	2,455,442	-	-
Public access television	233,671	-	233,671	-	-
Housing	5,575,790	-	5,575,790	-	-
Donor specified	1,083,235	-	1,083,235	-	-
Library	523,128	-	523,128	-	-
Street and right-of-way maintenance	10,943,143	-	10,943,143	-	-
Improvements	16,477,663	-	16,477,663	-	-
Self-funded insurance	5,650,389	-	5,650,389	-	-
Employee benefits	951,862	-	951,862	-	-
Unrestricted (deficit)	(38,466,577)	23,183,595	(15,282,982)	20,891,176	1,345,375
<b>Total net position</b>	<b>\$ 359,878,340</b>	<b>\$ 114,565,258</b>	<b>\$ 474,443,598</b>	<b>\$ 56,398,545</b>	<b>\$ 1,367,499</b>

**City of Waterloo, Iowa**

**Statement of Activities  
Year Ended June 30, 2022**

Programs/Functions	Program Revenues				
	Direct Expenses	Indirect Allocations	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>					
Governmental activities:					
Public safety	\$ 35,225,720	\$ -	\$ 8,221,744	\$ 962,055	\$ -
Public works	40,470,235	(380,000)	2,804,930	9,381,006	5,459,521
Health and social services	270,849	-	-	31,333	-
Culture and recreation	12,826,096	(50,000)	4,571,018	572,457	-
Community and economic development	17,995,941	-	2,510,223	2,596,573	7,098,322
General government	8,859,516	(638,500)	400,837	143,592	-
Interest and issuance costs on long-term debt	2,432,132	-	-	-	-
<b>Total governmental activities</b>	<b>118,080,489</b>	<b>(1,068,500)</b>	<b>18,508,752</b>	<b>13,687,016</b>	<b>12,557,843</b>
Business-type activities:					
Sanitary Sewer	12,548,601	692,000	18,163,310	-	1,996,216
Sanitation	5,569,409	376,500	6,074,694	273,624	-
<b>Total business-type activities</b>	<b>18,118,010</b>	<b>1,068,500</b>	<b>24,238,004</b>	<b>273,624</b>	<b>1,996,216</b>
<b>Total primary government</b>	<b>\$ 136,198,499</b>	<b>\$ -</b>	<b>\$ 42,746,756</b>	<b>\$ 13,960,640</b>	<b>\$ 14,554,059</b>
Component unit, Waterloo Water Works	\$ 7,495,266	\$ -	\$ 12,373,045	\$ -	\$ 30,304
Component unit, Waterloo Convention & Visitors Bureau, Inc.	\$ 740,076	\$ -	\$ 107,595	\$ 725,374	\$ -

**General Revenues**

Taxes:
Property taxes
Other taxes:
Local option sales
Utility excise
Gaming
Hotel/motel
Gas and electric
Cable television
Mobile home
Bank/credit union
Investment earnings
Miscellaneous
Gain on sale of capital assets
<b>Total general revenues</b>

Changes in net position  
Net position, beginning of year  
  
Net position, end of year

See notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Waterloo Water Works	Waterloo Convention & Visitors Bureau, Inc.
\$ (26,041,921)	\$ -	\$ (26,041,921)	\$ -	\$ -
(22,444,778)	-	(22,444,778)	-	-
(239,516)	-	(239,516)	-	-
(7,632,621)	-	(7,632,621)	-	-
(5,790,823)	-	(5,790,823)	-	-
(7,676,587)	-	(7,676,587)	-	-
(2,432,132)	-	(2,432,132)	-	-
(72,258,378)	-	(72,258,378)	-	-
-	6,918,925	6,918,925	-	-
-	402,409	402,409	-	-
-	7,321,334	7,321,334	-	-
(72,258,378)	7,321,334	(64,937,044)	-	-
-	-	-	4,908,083	-
-	-	-	-	92,893
53,380,778	-	53,380,778	-	-
12,217,117	-	12,217,117	-	-
1,321,657	-	1,321,657	-	-
1,495,059	-	1,495,059	-	-
1,450,699	-	1,450,699	-	-
4,846,341	-	4,846,341	-	-
598,604	-	598,604	-	-
71,529	-	71,529	-	-
206,895	-	206,895	-	-
215,140	18,508	233,648	59,664	8,134
3,996,316	-	3,996,316	184,990	145,551
1,529,997	28,710	1,558,707	6,600	-
81,330,132	47,218	81,377,350	251,254	153,685
9,071,754	7,368,552	16,440,306	5,159,337	246,578
350,806,586	107,196,706	458,003,292	51,239,208	1,120,921
\$ 359,878,340	\$ 114,565,258	\$ 474,443,598	\$ 56,398,545	\$ 1,367,499



**City of Waterloo, Iowa**

**Balance Sheet  
Governmental Funds  
June 30, 2022**

	General	Trust and Agency
<b>Assets</b>		
Cash and cash equivalents	\$ 11,701,181	\$ 1,051,650
Receivables:		
Customer accounts, net	2,356,148	-
Property tax:		
Delinquent	139,449	84,314
Succeeding year	21,098,879	13,444,346
Special assessments	369,561	-
Accrued interest	5,432	6
Due from other funds	9,136,281	-
Due from other governments:		
Federal	104,781	-
Iowa	440,862	-
Other	283,645	145,009
Leases receivable	2,725,870	-
Inventories and prepaids	1,062,665	-
Restricted assets:		
Cash and cash equivalents	36,961,833	1,844,107
Receivables	8,566	-
Advances to other funds	-	-
<b>Total assets</b>	<b>\$ 86,395,153</b>	<b>\$ 16,569,432</b>

(Continued)

Tax Increment Financing	Road Use Tax	Local Option Sales Tax	Other Governmental	Total
\$ 9,682,233	\$ 9,697,238	\$ 17,685,355	\$ 27,343,009	\$ 77,160,666
-	140,058	-	10,759	2,506,965
199,758	-	-	64,596	488,117
11,367,846	-	-	8,249,810	54,160,881
-	-	-	-	369,561
11	-	34	6,940	12,423
-	-	-	-	9,136,281
-	-	-	1,593,174	1,697,955
-	1,399,067	1,339,335	2,358,863	5,538,127
117,126	20,302	279,458	139,565	985,105
-	-	-	-	2,725,870
-	513,929	-	30,859	1,607,453
-	-	-	3,743,350	42,549,290
-	-	-	-	8,566
-	108,189	13,598	7,825	129,612
<u>\$ 21,366,974</u>	<u>\$ 11,878,783</u>	<u>\$ 19,317,780</u>	<u>\$ 43,548,750</u>	<u>\$ 199,076,872</u>

City of Waterloo, Iowa

Balance Sheet (Continued)  
Governmental Funds  
June 30, 2022

	General	Trust and Agency
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 553,148	\$ 2,021
Retainages payable	15,476	-
Accrued liabilities	1,999,824	242,783
Due to other funds	-	-
Unearned revenue	30,737,485	-
Compensated absences	105,711	-
Due to Waterloo Convention & Visitors Bureau, Inc.	215,535	-
Payables from restricted assets	1,158,190	-
Advances from other funds	168,316	-
<b>Total liabilities</b>	<b>34,953,685</b>	<b>244,804</b>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue—property tax	21,730,986	13,528,660
Unavailable revenue—local option sales tax	-	-
Unavailable revenue—special assessments	369,561	-
Unavailable revenue—intergovernmental and other	29,437	-
Deferred inflows—leases	2,314,539	-
<b>Total deferred inflows of resources</b>	<b>24,444,523</b>	<b>13,528,660</b>
<b>Fund balances</b>		
Nonspendable	1,062,665	-
Restricted	7,624,578	2,795,968
Assigned	5,962,271	-
Unassigned	12,347,431	-
<b>Total fund balances</b>	<b>26,996,945</b>	<b>2,795,968</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 86,395,153</b>	<b>\$ 16,569,432</b>

See notes to basic financial statements.

Tax Increment Financing	Road Use Tax	Local Option Sales Tax	Other Governmental	Total
\$ 144,114	\$ 199,627	\$ 660,548	\$ 1,387,665	\$ 2,947,123
-	-	173,745	2,278,274	2,467,495
-	217,450	54,569	89,329	2,603,955
4,053,261	-	-	5,083,020	9,136,281
-	-	-	85,711	30,823,196
-	4,634	-	9,910	120,255
-	-	-	-	215,535
-	-	-	48,070	1,206,260
-	-	-	-	168,316
4,197,375	421,711	888,862	8,981,979	49,688,416
11,567,604	-	-	8,314,406	55,141,656
-	-	295,210	-	295,210
-	-	-	-	369,561
-	-	-	2,868,594	2,898,031
-	-	-	-	2,314,539
11,567,604	-	295,210	11,183,000	61,018,997
-	513,929	-	30,859	1,607,453
4,917,682	10,943,143	15,933,732	28,236,054	70,451,157
684,313	-	2,199,976	96,394	8,942,954
-	-	-	(4,979,536)	7,367,895
5,601,995	11,457,072	18,133,708	23,383,771	88,369,459
\$ 21,366,974	\$ 11,878,783	\$ 19,317,780	\$ 43,548,750	\$ 199,076,872

**City of Waterloo, Iowa**

**Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2022**

Total governmental fund balances		\$ 88,369,459
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds		441,952,813
Certain revenues are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds		4,050,919
Pension and other post employment benefits obligation (OPEB) related deferred outflows of resources and deferred inflows of resources are not reported in the governmental funds, but are amortized and recognized as a component of pension/OPEB expense in the government-wide financial statements, as follows:		
Deferred outflows of resources—IPERS	\$ 1,910,997	
Deferred outflows of resources—MFPRSI	6,940,242	
Deferred outflows of resources—OPEB	1,690,029	
Deferred inflows of resources—IPERS	(10,020,724)	
Deferred inflows of resources—MFPRSI	(21,384,209)	
Deferred inflows of resources—OPEB	<u>(2,844,728)</u>	(23,708,393)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds	(106,200,000)	
Other loans and notes	(6,969,126)	
Financed purchase	(3,361,715)	
Bond discount	149,165	
Bond premium	(1,629,415)	
Total OPEB liability	(14,387,107)	
Workers' compensation claims payable	(564,550)	
Compensated absences	(4,908,989)	
Net pension liability—IPERS	(259,007)	
Net pension liability—MFPRSI	(12,364,223)	
Accrued interest payable	<u>(291,491)</u>	<u>(150,786,458)</u>
<b>Net position of governmental activities</b>		<b><u>\$ 359,878,340</u></b>

See notes to basic financial statements.

**City of Waterloo, Iowa**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2022**

	General	Trust and Agency
<b>Revenues:</b>		
Property taxes	\$ 21,576,703	\$ 12,985,417
Other taxes	9,312,848	432,460
Licenses and permits	1,316,691	-
Investment income	114,154	9,627
Rent	1,207,789	-
Intergovernmental	1,304,518	-
Charges for services	12,869,207	1,512
Interfund charges for services	2,376,381	-
Special assessments	248,787	-
Miscellaneous	2,641,916	-
<b>Total revenues</b>	<b>52,968,994</b>	<b>13,429,016</b>
<b>Expenditures:</b>		
Current operating:		
Public safety	33,190,502	4,721,836
Public works	3,813,233	-
Health and social services	293,448	-
Culture and recreation	10,596,931	-
Community and economic development	3,394,670	-
General government	7,943,077	16,005
Debt service:		
Principal	401,215	-
Interest and fees	6,551	-
Capital outlay	168,557	-
<b>Total expenditures</b>	<b>59,808,184</b>	<b>4,737,841</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(6,839,190)</b>	<b>8,691,175</b>
<b>Other financing sources (uses):</b>		
Transfers in	8,456,370	-
Transfers out	(3,097,114)	(8,404,293)
Bond premium	-	-
Proceeds from sale of capital assets	379,892	-
Proceeds from insurance	1,562,760	-
Issuance of general obligation bonds	-	-
<b>Total other financing sources (uses)</b>	<b>7,301,908</b>	<b>(8,404,293)</b>
<b>Net changes in fund balances</b>	<b>462,718</b>	<b>286,882</b>
Fund balances, beginning of year	26,534,227	2,509,086
Fund balances, end of year	<b>\$ 26,996,945</b>	<b>\$ 2,795,968</b>

See notes to basic financial statements.

Tax Increment Financing	Road Use Tax	Local Option Sales Tax	Other Governmental	Total
\$ 10,756,905	\$ -	\$ -	\$ 8,272,005	\$ 53,591,030
-	-	14,027,431	245,476	24,018,215
-	28,405	-	-	1,345,096
14,399	-	25,685	51,275	215,140
-	-	-	250,428	1,458,217
-	9,045,177	-	15,895,164	26,244,859
-	110,613	116,128	181,593	13,279,053
-	50,000	-	-	2,426,381
-	-	-	-	248,787
-	140,641	-	1,532,215	4,314,772
<u>10,771,304</u>	<u>9,374,836</u>	<u>14,169,244</u>	<u>26,428,156</u>	<u>127,141,550</u>
-	-	-	-	37,912,338
-	8,220,620	6,874,955	6,862,031	25,770,839
-	-	-	-	293,448
-	-	-	863,430	11,460,361
2,497,255	-	-	11,708,696	17,600,621
-	-	-	53,545	8,012,627
193,367	-	-	10,611,018	11,205,600
46,633	-	-	2,755,088	2,808,272
-	3,233,165	-	31,205,907	34,607,629
<u>2,737,255</u>	<u>11,453,785</u>	<u>6,874,955</u>	<u>64,059,715</u>	<u>149,671,735</u>
<u>8,034,049</u>	<u>(2,078,949)</u>	<u>7,294,289</u>	<u>(37,631,559)</u>	<u>(22,530,185)</u>
98,500	859,105	-	11,045,535	20,459,510
(8,828,103)	-	-	(130,000)	(20,459,510)
-	-	-	235,494	235,494
1,170,015	-	-	-	1,549,907
-	-	-	-	1,562,760
-	-	-	24,075,000	24,075,000
<u>(7,559,588)</u>	<u>859,105</u>	<u>-</u>	<u>35,226,029</u>	<u>27,423,161</u>
474,461	(1,219,844)	7,294,289	(2,405,530)	4,892,976
5,127,534	12,676,916	10,839,419	25,789,301	83,476,483
<u>\$ 5,601,995</u>	<u>\$ 11,457,072</u>	<u>\$ 18,133,708</u>	<u>\$ 23,383,771</u>	<u>\$ 88,369,459</u>

**City of Waterloo, Iowa**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2022**

Net change in fund balances—governmental funds	\$	4,892,976
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or construct capital assets are reported in the governmental funds as expenditures. However, those costs are reported in the statement of net position and are allocated over their estimated useful lives as depreciation expense in the statement of activities. The amounts of capital outlay and depreciation expense for the year are as follows:		
Capital outlay	\$ 30,592,278	
Depreciation	<u>(16,945,648)</u>	13,646,630
The net effect of various miscellaneous transactions involving capital assets is to increase/decrease net position:		
Proceeds from sale of capital assets	(1,549,907)	
Gain on disposal of capital assets	<u>1,529,997</u>	(19,910)
The issuance of long-term debt provides current financial resources to governmental funds while repayment of the principal of long-term debt consumes current financial resources. These transactions have no effect on the change in net position in the statement of activities. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In addition, interest is accrued on outstanding debt in the statement of net position whereas in the governmental funds an interest expenditure is reported only when due. The following is a detail of the net effect on these differences in the treatment of long-term debt and related items:		
General obligation bonds issued for governmental purposes	(24,075,000)	
Issuance of other long-term debt	(2,900,000)	
Repayment of general obligation bond principal	8,960,000	
Repayment of other long-term debt principal	2,245,600	
Bond premium	(235,494)	
Amortization of bond discounts and premiums	202,755	
Change in accrued interest	<u>(30,637)</u>	(15,832,776)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the governmental funds:		
Current year		4,050,919
Prior year		(5,750,192)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
OPEB expense		1,024,506
Change in workers' compensation claims payable		74,777
Change in compensated absences and deferred compensation liabilities		(18,105)
Pension expense—IPERS		2,556,058
Pension expense—MFPRSI		<u>4,446,871</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>9,071,754</u></b>

See notes to basic financial statements.



City of Waterloo, Iowa

Statement of Net Position  
Enterprise Funds  
June 30, 2022

	Sanitary Sewer	Nonmajor - Sanitation	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 19,580,653	\$ 4,210,219	\$ 23,790,872
Customer accounts receivable, net	4,002,069	1,082,882	5,084,951
Special assessments receivable	32,167	363,309	395,476
Due from other governments:			
Waterloo Water Works	1,021,317	543,453	1,564,770
Other	413	32,486	32,899
Inventories	105,313	-	105,313
<b>Total current assets</b>	<b>24,741,932</b>	<b>6,232,349</b>	<b>30,974,281</b>
Noncurrent assets:			
Advances to other funds	27,003	11,701	38,704
Restricted cash and cash equivalents	488,639	129,830	618,469
Capital assets, net of accumulated depreciation	100,244,642	1,663,294	101,907,936
Capital assets not being depreciated	32,376,992	-	32,376,992
<b>Net capital assets</b>	<b>132,621,634</b>	<b>1,663,294</b>	<b>134,284,928</b>
<b>Total noncurrent assets</b>	<b>133,137,276</b>	<b>1,804,825</b>	<b>134,942,101</b>
<b>Total assets</b>	<b>157,879,208</b>	<b>8,037,174</b>	<b>165,916,382</b>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	362,204	168,437	530,641
OPEB related amounts	201,249	145,472	346,721
<b>Total deferred outflows of resources</b>	<b>563,453</b>	<b>313,909</b>	<b>877,362</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
Liabilities:			
Current liabilities:			
Accounts payable	1,613,995	201,763	1,815,758
Retainages payable	1,175,836	-	1,175,836
Accrued liabilities	203,518	91,736	295,254
Current maturities of general obligation and capital loans	3,725,000	-	3,725,000
Compensated absences and deferred compensation	174,745	69,363	244,108
Accrued interest	65,298	-	65,298
<b>Total current liabilities</b>	<b>6,958,392</b>	<b>362,862</b>	<b>7,321,254</b>
Noncurrent liabilities:			
Security deposits	287,200	129,830	417,030
General obligation bonds, net bond discount and premium	8,576,367	-	8,576,367
State revolving fund capital loan	29,627,503	-	29,627,503
Total other postemployment benefits liability	1,713,216	1,238,391	2,951,607
Compensated absences and deferred compensation	37,688	41,843	79,531
Net pension liability	47,152	21,740	68,892
<b>Total noncurrent liabilities</b>	<b>40,289,126</b>	<b>1,431,804</b>	<b>41,720,930</b>
<b>Total liabilities</b>	<b>47,247,518</b>	<b>1,794,666</b>	<b>49,042,184</b>
<b>Deferred Inflows of Resources</b>			
Pension related amounts	1,781,373	821,315	2,602,688
OPEB related amounts	338,750	244,864	583,614
<b>Total deferred inflows of resources</b>	<b>2,120,123</b>	<b>1,066,179</b>	<b>3,186,302</b>
<b>Net Position</b>			
Net investment in capital assets	89,516,928	1,663,296	91,180,224
Restricted for debt service	201,439	-	201,439
Unrestricted	19,356,653	3,826,942	23,183,595
<b>Total net position</b>	<b>\$ 109,075,020</b>	<b>\$ 5,490,238</b>	<b>\$ 114,565,258</b>

See notes to basic financial statements.

**City of Waterloo, Iowa**

**Statement of Revenues, Expenses and Changes in Net Position  
Enterprise Funds  
Year Ended June 30, 2022**

	Sanitary Sewer	Nonmajor - Sanitation	Total
<b>Operating revenues:</b>			
Charges for sales and service	\$ 18,163,310	\$ 6,053,026	\$ 24,216,336
Miscellaneous	-	21,668	21,668
<b>Total operating revenues</b>	<b>18,163,310</b>	<b>6,074,694</b>	<b>24,238,004</b>
<b>Operating expenses:</b>			
Salaries and benefits	4,331,079	2,348,526	6,679,605
Contractual services	1,965,193	2,189,637	4,154,830
Intra-city reimbursements	692,000	376,500	1,068,500
Commodities	2,402,277	651,972	3,054,249
Depreciation	3,216,135	379,274	3,595,409
<b>Total operating expenses</b>	<b>12,606,684</b>	<b>5,945,909</b>	<b>18,552,593</b>
<b>Operating income</b>	<b>5,556,626</b>	<b>128,785</b>	<b>5,685,411</b>
<b>Nonoperating revenues (expenses):</b>			
Interest income	11,150	7,358	18,508
Intergovernmental	-	273,624	273,624
Interest expense	(654,517)	-	(654,517)
Amortization	20,600	-	20,600
Gain on sale of capital assets	26,660	2,050	28,710
<b>Total nonoperating revenues (expenses)</b>	<b>(596,107)</b>	<b>283,032</b>	<b>(313,075)</b>
<b>Income prior to capital contributions</b>	<b>4,960,519</b>	<b>411,817</b>	<b>5,372,336</b>
Capital contributions	1,996,216	-	1,996,216
<b>Change in net position</b>	<b>6,956,735</b>	<b>411,817</b>	<b>7,368,552</b>
Net position, beginning of year	102,118,285	5,078,421	107,196,706
Net position, end of year	<b>\$ 109,075,020</b>	<b>\$ 5,490,238</b>	<b>\$ 114,565,258</b>

See notes to basic financial statements.

**City of Waterloo, Iowa**

**Statement of Cash Flows  
Enterprise Funds  
Year Ended June 30, 2022**

	Sanitary Sewer	Nonmajor - Sanitation	Total
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 17,686,990	\$ 5,989,325	\$ 23,676,315
Payments to suppliers	(8,434,200)	(2,843,081)	(11,277,281)
Payments to or on behalf of employees	(4,389,066)	(2,145,424)	(6,534,490)
Payment for interfund services used	(692,000)	(376,500)	(1,068,500)
<b>Net cash provided by operating activities</b>	<b>4,171,724</b>	<b>624,320</b>	<b>4,796,044</b>
<b>Cash flows from noncapital financing activities,</b>			
intergovernmental proceeds	1,447	285,914	287,361
<b>Cash flows from capital and related financing activities:</b>			
Purchase and construction of capital assets	(10,688,487)	(265,875)	(10,954,362)
Proceeds from disposal of capital assets	38,158	-	38,158
Proceeds from bonds and notes	15,236,012	-	15,236,012
Principal paid on debt	(3,182,240)	-	(3,182,240)
Interest paid on debt	(442,136)	-	(442,136)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>961,307</b>	<b>(265,875)</b>	<b>695,432</b>
<b>Cash flows from investing activities,</b>			
interest received	11,150	7,358	18,508
<b>Increase in cash and cash equivalents</b>	<b>5,145,628</b>	<b>651,717</b>	<b>5,797,345</b>
Cash and cash equivalents, beginning of year	14,923,664	3,688,332	18,611,996
Cash and cash equivalents, end of year	<u>\$ 20,069,292</u>	<u>\$ 4,340,049</u>	<u>\$ 24,409,341</u>
<b>Reconciliation of cash and cash equivalents to statement of net position:</b>			
Unrestricted cash and cash equivalents	\$ 19,580,653	\$ 4,210,219	\$ 23,790,872
Restricted cash and cash equivalents	488,639	129,830	618,469
	<u>\$ 20,069,292</u>	<u>\$ 4,340,049</u>	<u>\$ 24,409,341</u>

(Continued)

**City of Waterloo, Iowa**

**Statement of Cash Flows (Continued)  
Enterprise Funds  
Year Ended June 30, 2022**

	Sanitary Sewer	Nonmajor - Sanitation	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 5,556,626	\$ 128,785	\$ 5,685,411
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	3,216,135	379,274	3,595,409
(Increase) decrease in accounts receivable	(463,040)	(106,086)	(569,126)
Increase in due from Waterloo Water Works	(13,280)	20,717	7,437
(Increase) decrease in inventories and prepaids	(69,029)	95,324	26,295
Increase (decrease) in accounts payable	(3,997,701)	(96,796)	(4,094,497)
Increase in accrued liabilities	28,209	4,164	32,373
Increase (decrease) in other post employment benefits liability	56,419	72,845	129,264
Decrease in compensated absences and deferred compensation	21,768	15,987	37,755
Increase in net pension liability	(2,322,234)	(926,785)	(3,249,019)
Decrease in deferred outflows of resources	164,056	27,241	191,297
Decrease in deferred inflows of resources	1,993,795	1,009,650	3,003,445
<b>Net cash provided by operating activities</b>	<b>\$ 4,171,724</b>	<b>\$ 624,320</b>	<b>\$ 4,796,044</b>
Schedule of noncash capital and related financing activities:			
Payables for acquisition of capital assets	\$ 2,268,113	\$ -	\$ 2,268,113
Capital assets contributed	1,996,216	-	1,996,216

See notes to basic financial statements.

City of Waterloo, Iowa

Statement of Fiduciary Net Position  
Custodial Fund  
June 30, 2022

	Custodial Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 25,957
<b>Liabilities</b>	
Due to other governments	25,957
<b>Net Position</b>	
Restricted for others	\$ -

See notes to basic financial statements.

**City of Waterloo, Iowa**

**Statement of Changes in Fiduciary Net Position  
Custodial Fund  
Year Ended June 30, 2022**

	Custodial Fund
Additions:	
Property taxes collected for others	\$ 2,149,213
Building permits	129,979
Other additions	57,980
<b>Total additions</b>	<u>2,337,172</u>
Deductions:	
Payments to other governments	<u>2,337,172</u>
<b>Change in net position</b>	<u>-</u>
Net position, beginning of year	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>

See notes to basic financial statements.

**City of Waterloo, Iowa**

**Index to the Notes to Basic Financial Statements**

<u>Note Number</u>	<u>Title</u>	<u>Page Number</u>
1	Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies	35-45
2	Cash and Investments	45-46
3	Leases Receivable	46-48
4	Loans and Notes	48-49
5	Interfund Activity	49-50
6	Capital Assets	51-54
7	Compensated Absences	54-55
8	Long-Term Liabilities	55-60
9	Retirement Systems	60-75
10	Deficit Fund Balances	75
11	Commitments	76
12	Other Postemployment Benefits	76-79
13	Employee Health Care Plan	80
14	Worker's Compensation Plan	80
15	Joint Ventures and Jointly Governed Organizations	81
16	Industrial Development Revenue Bonds	81
17	Risk Management	81
18	Tax Abatements	81-82
19	Fund Balances	82
20	New GASB Statements and Pending Pronouncements	83

## City of Waterloo, Iowa

### Notes to Basic Financial Statements

---

#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies

##### Nature of operations:

The City of Waterloo, Iowa (City) is a political subdivision of the state of Iowa located in Black Hawk County. It was incorporated in 1868 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the full-time Mayor and seven part-time City Council members elected on a nonpartisan basis. The Mayor is elected for a two-year term. City Council members from five wards plus two at-large are elected for staggered four-year terms. The City provides numerous services to citizens including public safety, public works, health and social services, culture and recreation, community and economic development and general government services. The City also provides sanitary sewer and sanitation (garbage pickup) utilities for its citizens. Through its component unit, Waterloo Water Works, water utility services are also provided.

##### Reporting entity:

In accordance with Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions, authorities and material component units and have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the City.

These financial statements present the City of Waterloo (the primary government) and its discretely presented component units, the Waterloo Water Works and Waterloo Convention & Visitors Bureau, Inc. Complete financial statements of the Waterloo Water Works component unit can be obtained from the Waterloo Water Works administrative office, 325 Sycamore Street, Waterloo, Iowa. Complete financial statements of the Waterloo Convention & Visitors Bureau, Inc. can be obtained from their office at 500 Jefferson Street, Waterloo, Iowa.

**Blended component unit:** The Waterloo Housing Authority (Authority) is governed by a board that includes all seven members of the City Council plus two members appointed by the Mayor, subject to approval of a majority of the City Council, for a total of nine members. Although the Authority is considered legally separate from the City, it has a financial benefit/burden relationship with the City. Due to the nature of its relationship with the City, the Authority is considered part of the primary government. The Authority is reported as a special revenue fund.



## City of Waterloo, Iowa

### Notes to Basic Financial Statements

---

#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

##### Discretely presented component units:

**Waterloo Water Works:** The Waterloo Water Works is a component unit that is legally separate from the City but is financially accountable to the City. The Waterloo Water Works is governed by a three-member board appointed by the City Council and its operating budget is subject to the review of the City Council. The Waterloo Water Works operates on a calendar year-end and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Due to the different year-end, the amount reported by the Waterloo Water Works as due to the primary government and the primary government's due from the Waterloo Water Works do not agree by \$362,997.

**Waterloo Convention & Visitors Bureau, Inc.:** The Waterloo Convention & Visitors Bureau, Inc. (the Organization) is a nonprofit corporation and a component unit of the City whose purpose is to strengthen the local economy by competitively marketing the area as a destination for conventions, tour groups, sporting events and individual travelers.

The Organization's operations are funded primarily by an allocation of the local hotel/motel tax from the City's local transient guest tax. By ordinance, the City allocates 50% of the tax to the Organization.

The Organization is governed by a 15-member Board of Directors. Five members are appointed by the City, and the other ten are elected by other members of the Organization's Board. Although the City does not appoint the voting majority of the Organization's Board of Directors, the Organization has been determined to be fiscally dependent on the City.

##### Basis of presentation:

**Government-wide financial statements:** The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate Waterloo Water Works and Waterloo Convention & Visitors Bureau, Inc. component units.

The statement of net position presents the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given program or function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program or function. Program/function revenue includes: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given program/function and (2) grants, contributions and other resources that are restricted to meeting the operational or capital requirements of a particular program/function. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Fund financial statements:** Separate financial statements are provided for governmental and proprietary funds. The focus of fund financial statements is on major funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds. The other enterprise fund is reported in a separate column on the enterprise funds financial statements as a nonmajor fund.

**Description of funds:** The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenue and expenditures or expenses, and other financing sources and uses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into categories as follows:

**Governmental Fund Types:** Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental fund types:

General fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term debt.

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.

The City had the following major governmental funds:

**General Fund** is used to account for and report all financial resources not accounted for and reported in another fund.

**Trust and Agency (Employee Benefits) Special Revenue Fund** is required by the Code of Iowa to account for property taxes levied for employee benefits. This fund either pays benefits as expenditures (primarily police and fire pension costs) or transfers cash to the General Fund to reimburse allowable benefits paid from that fund.

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Tax Increment Financing Fund** is a special revenue fund used to account for the accumulation of resources from tax increment financing projects, payment of contracted rebates and other obligations related to the projects and transfers to the GO Debt Service Fund and/or other funds to reimburse the other funds for expenditures on the projects.

**Road Use Tax Fund** is a special revenue fund required by the Code of Iowa to account for the City's share of fuel taxes collected and allocated by the State which is restricted for local street maintenance.

**Local Option Sales Tax Fund** is a special revenue fund required by the Code of Iowa to account for the City's share of 1% sales tax approved by the citizens of Waterloo collected and allocated by the State which is restricted for the construction, reconstruction and repair of local streets.

**Proprietary Fund Type:** Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to that of a private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The City had the following major enterprise fund:

**Sanitary Sewer Fund:** Operates the sewage collection system and wastewater treatment plant.

**Fiduciary Fund Type:** To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Custodial Fund: This is a custodial fund used to account for property taxes collected on behalf of the Metropolitan Transit Agency, Water Works kill water assessments, Grout Museum District and building permits passed through to Black Hawk County.

**Measurement focus and basis of accounting:**

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

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days of the end of the fiscal year.

Property taxes when levied for, other taxes, charges for services, intergovernmental revenue (shared revenue, grants and reimbursements from other governments) and interest are considered to be measurable and are recognized as revenue, if available. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, pension benefits and compensated absences are recorded as expenditures only when payment is due and the liability has matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt, premiums and discounts on the issuance of long-term debt and acquisitions under long-term leases are reported as other financing sources.

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenue. It is the City's policy to first apply cost-reimbursement grant resources to such programs and then by general revenue.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue 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 revenue of the City's enterprise funds are charges to customers for services. Operating expenses include the costs of services and administrative expenses. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

**Budgets and budgetary accounting:** The budgetary comparison and related disclosures are reported as required supplementary information.

**Summary of significant accounting policies:**

The significant accounting policies followed by the City include the following:

**Cash and cash equivalents:** The cash balances of most City funds are pooled and deposited into interest-bearing demand deposit accounts, certificates of deposit and Iowa Public Agency Investment Trust (IPAIT). Interest earned on investments is allocated among funds in the ratio of cash provided by the fund unless otherwise provided by law. Interest earned by the Road Use Tax Fund is allocated to the General Fund. Investments consist of nonnegotiable certificates of deposit and deposits in IPAIT money market accounts which are stated at amortized cost plus accrued interest.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid (including restricted assets) are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Receivables and payables:** Receivables are reported net of any allowance for uncollectible accounts. As of June 30, 2022, the General Fund and the enterprise funds had allowances for uncollectible customer accounts totaling \$490,533 and \$346,022, respectively.

Property taxes receivable are recognized on the levy or lien date, which is the date that the tax asking is certified by the City to the County Board of Supervisors. Current year delinquent property taxes receivable represent unpaid taxes from the current year. The succeeding year property taxes receivable represent taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 31 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property taxes receivable have been recorded, the related revenue is reported as a deferred inflow of resources (unavailable revenue) and will not be recognized as revenue until the year for which it is levied and budgeted for.

Property tax revenue which became due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; was based on January 1, 2020 assessed property valuations; was for the tax accrual period July 1, 2021 through June 30, 2022; and reflected the tax asking contained in the budget certified to the County Board of Supervisors in March 2021.

Special assessments are levied against certain property owners and become liens against the property benefited by the improvement. Special assessments receivable consist of current assessments which are due within one-year, delinquent assessments remaining unpaid after the due date, uncollected assessments which have been levied, but are not due within one year.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services.

Loans and notes consist of amounts advanced to private individuals or organizations. Collections of principal and interest from loans and notes made from federal funds are program income of the federal program when received in cash.

Due from other governments consists of grants, shared revenue and amounts collected by other governments on behalf of the City.

**Inventories and prepaids:** Inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of governmental fund-type inventories are recorded as expenditures when purchased. Inventories and prepaids recorded in the governmental fund types do not reflect current available resources; therefore, an equivalent portion of fund balance is nonspendable.

Prepaids consist primarily of a deposit for insurance deductibles and premiums paid in advance, which are recorded as an expenditure or an expense when consumed.

## City of Waterloo, Iowa

### Notes to Basic Financial Statements

---

#### Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

**Restricted assets:** Certain assets of the governmental funds and enterprise funds are classified as restricted assets because their use is completely restricted by donors, bond indentures, contracts or grant agreements.

**Bond discounts, premiums and issuance costs:** In the government-wide financial statements and proprietary fund types in the fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as an expense in the year the costs are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs are reported as an expenditure in the year the costs are incurred.

**Capital assets:** Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position and in the fund financial statements for proprietary funds. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset useful lives are not capitalized.

Capital assets, other than infrastructure, are defined by the City as assets with an initial, individual cost in excess of \$5,000 and estimated useful lives in excess of one year. Infrastructure is defined by the City as assets available for public use, other than buildings, and having a cost of \$50,000 or more.

Depreciation is computed using the straight-line method over the estimated useful life of the asset. Estimated useful lives are as follows:

	Years
Governmental activities:	
Buildings and improvements	10 - 40
Infrastructure	15 - 100
Furniture and equipment	3 - 20
Vehicles, machinery and equipment	3 - 25
Software	5
Business-type activities:	
Buildings	15 - 50
Improvements other than buildings	50
Furniture and equipment	5 - 20
Vehicles, machinery and equipment	5 - 10
Software	5
Discretely presented component units:	
Buildings and improvements	8 - 40
Water supply and distribution systems	10 - 99
Meters and equipment	5 - 63
Machinery and equipment	5 - 26
Leasehold improvements	5 - 39

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

The City's collection of works of art, library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

**Leases**

Lessor: The City is a lessor in real estate leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary and governmental fund financial statements. The City recognizes lease receivables with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- For leases where the City is a lessor, the City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Deferred outflows of resources:** In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. These items are pension and OPEB related deferred outflows of resources, which consists of unrecognized items not yet charged to pension and OPEB expense and pension contributions from the City after the measurement date but before the end of the City's reporting period.

**Deferred inflows of resources:** In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from four sources: property taxes, local option sales taxes, special assessments and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the governmental funds and the government-wide financial statements report a deferred inflow of resources for leases which are recognized as revenue over the lease term.

Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

In the City's government-wide statements, the property tax revenues are reported as a deferred inflow of resources and will become an inflow in the year for which they are levied and budgeted for. The City's government-wide and enterprise fund statements also include unrecognized pension and OPEB related amounts as deferred inflows.

**Pensions:** The net pension liability, deferred inflows and outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and the Municipal Fire and Police Retirement System of Iowa (MFPRSI) and additions to/deductions from IPERS' and MFPRSI's fiduciary net position have been determined on the same basis as they are reported by IPERS and MFPRSI. 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.

**Total OPEB liability:** For purposes of measuring the total other postemployment benefit (OPEB) liability, deferred inflows of resources related to OPEB and OPEB expense, information has been based on an actuary report. For that purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total of OPEB liability attributable to governmental activities will be paid primarily by the General Fund.

**Interfund transactions:** Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective fund's operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Noncurrent portions of long-term interfund loan receivables and payables are reported as advances within the governmental and enterprise funds.

**Compensated absences:** City ordinances and labor contracts with the City call for the accumulation of vacation, compensatory time and sick leave for subsequent use or for payment upon termination or retirement. During 2001, the City began offering an early sick leave payout option for certain employees. Qualifying employees can elect to receive 60% of the time in their frozen sick leave bank over a five-year period prior to their retirement or termination of employment. Vacation and compensatory time are accrued when incurred in the government-wide and the proprietary funds statements and reported as a liability. Matured compensated absences, for example, as a result of employee retirements and resignations, are considered due and expected to be liquidated with expendable available financial resources and are reported as an expenditure and a fund liability of the respective governmental fund. Governmental fund liabilities for unmatured compensated absences are not reported in the fund financial statements.



Notes to Basic Financial Statements

---

**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Long-term liabilities:** In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities.

In the governmental fund financial statements, the face amount of long-term debt issued is reported as an other financing source.

**Fund balance:** In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated by the City Council to the Chief Financial Officer in accordance with the City's Fund Balance and Reserve Policy.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

**Net position:** Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Amounts reported as net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds for the various capital project GO Bonds Funds are \$20,687,995. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The government-wide statement of net position reports \$49,258,884 of restricted net position for governmental activities of which \$8,846,802 is restricted by enabling legislation for debt service, library, tourism promotion and public access television.

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

## City of Waterloo, Iowa

### Notes to Basic Financial Statements

---

#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Indirect allocations:** Operating funds, departments and activities receive services from supporting funds, departments and activities. Annually, management estimates the value of those services and records applicable indirect allocations. Activities related to federal grant programs have not been included in the indirect cost calculations, but are reported within the function the grant serves.

**Estimates and assumptions:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### **Note 2. Cash and Investments**

**Interest rate risk:** The City's policy allows the operating funds to be invested in instruments authorized by the City's investment policy that mature within 397 days and funds not identified as operating funds to be invested with maturities longer than 397 days. However, all investments of the City shall have maturities that are consistent with the liquidity needs of the City.

As of June 30, 2022, the City had investments in the Iowa Public Agency Investment Trust (IPAIT) which were valued at an amortized cost of \$19,916,885, pursuant to GASB Statement No. 79. IPAIT is registered with the Securities and Exchange Commission. The City's investment in IPAIT is not subject to interest rate risk.

The discretely presented Waterloo Water Works component unit's certificates of deposit are restricted to comply with debt covenants and to secure customer deposits.

**Credit risk:** In accordance with the City's investment policy, the City may invest in interest bearing savings accounts, interest bearing money market accounts, and interest bearing checking accounts at any bank, savings and loan associations or credit union in the state of Iowa, obligations of the United States government, its agencies and instrumentalities, certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions, IPAIT, prime bankers' acceptances that mature within 270 days of purchase and are eligible for purchase by a Federal Reserve Bank, commercial paper or other short-term corporate debt that matures within 270 days of purchase and is rated within the two highest classifications, as established by at least one of the standard rating services, repurchase agreements, open-end management investment company organized in trust form, registered with Securities & Exchanges Commission. The policy does not allow the City to invest in reverse repurchase agreements and futures and options contracts.

The investment in the Iowa Public Agency Investment Trust is rated AAAM by Standard & Poors.

**Concentration of credit risk:** The City's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from overconcentration of assets in a specific maturity, a specific issuer or a specific class of securities. Accordingly, the policy limits the City from investing in prime bankers' acceptances or commercial paper of more than 10% of the investment portfolio and more than 5% of the investment portfolio with a single issuer at the time of purchase. In addition, no more than 5% of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification at the time of purchase. As of June 30, 2022, the City's investments were not subject to concentration of credit risk.

Notes to Basic Financial Statements

---

**Note 2. Cash and Investments (Continued)**

**Custodial credit risk:** For deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City and Waterloo Water Works' deposits as of June 30, 2022 were entirely covered by federal depository insurance, National Credit Union insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure that there will be no loss of public funds. In addition, the City had no investments subject to custodial credit risk since the City does not hold the underlying investments.

**Note 3. Leases Receivable**

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The effect on the City's financial statements were to record lease receivables and deferred inflows of resources for lessor activities in the amounts of \$1,740,316 as of July 1, 2021. Although certain leases were entered into during prior years, the effective date of the adoption of the new Standard was July 1, 2021. The City had the following long-term leases as of June 30, 2022:

On March 2, 2022, the City entered into a 35 month lease as lessor for the use of Apex - Agriculture Land. An initial lease receivable was recorded in the amount of \$1,236,648. As of June 30, 2022, the value of the lease receivable is \$1,098,871. The lessee is required to make monthly fixed payments of \$138,274. The lease has an interest rate of 0.4257%. The value of the deferred inflow of resources as of June 30, 2022 was \$1,095,316.80, and the City recognized lease revenue of \$141,331 during the fiscal year.

On November 1, 2021, the City entered into a 24 month lease as lessor for the use of GSA Lease. An initial lease receivable was recorded in the amount of \$179,123.54. As of June 30, 2022, the value of the lease receivable is \$119,704. The lessee is required to make monthly fixed payments of \$7,454. The lease has an interest rate of 0.2477%. The value of the deferred inflow of resources as of June 30, 2022 was \$119,416, and the City recognized lease revenue of \$59,707 during the fiscal year.

On July 1, 2021, the City entered into a 582 month lease as lessor for the use of Hangar and Ground Site Lease. An initial lease receivable was recorded in the amount of \$144,738. As of June 30, 2022, the value of the lease receivable is \$142,599. The lessee is required to make monthly variable principal and interest payments of \$365 based on a CPI index of 0.00%. The lease has an interest rate of 1.7047%. The value of the deferred inflow of resources as of June 30, 2022 was \$141,754, the City recognized lease revenue of \$2,984 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

Notes to Basic Financial Statements

---

**Note 3. Leases Receivable (Continued)**

On July 1, 2021, the City entered into a 234 month lease as Lessor for the use of Air Methods - ALO. An initial lease receivable was recorded in the amount of \$58,453. As of June 30, 2022, the value of the lease receivable is \$56,704. The lessee is required to make monthly fixed payments of \$200. The lease has an interest rate of 1.5180%. The value of the deferred inflow of resources as of June 30, 2022 was \$55,455, and the City recognized lease revenue of \$2,998 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On July 1, 2021, the City entered into a 36 month lease as Lessor for the use of Livingston Lease - ALO. An initial lease receivable was recorded in the amount of \$147,369. As of June 30, 2022, the value of the lease receivable is \$98,375. The lessee is required to make monthly fixed payments of \$4,112. The lease has an interest rate of 0.3147%. The value of the deferred inflow of resources as of June 30, 2022 was \$98,246, and the City recognized lease revenue of \$49,123 during the fiscal year.

On July 1, 2021, the City entered into a 105 month lease as Lessor for the use of Kingfisher Lease - Blue Top Aircraft Storage Hanger - ALO. An initial lease receivable was recorded in the amount of \$400,692. As of June 30, 2022, the value of the lease receivable is \$356,492. The lessee is required to make monthly fixed payments of \$4,000. The lease has an interest rate of 1.0953%. The value of the deferred inflow of resources as of June 30, 2022 was \$354,899, and the City recognized lease revenue of \$45,793 during the fiscal year. The lessee has 2 extension option(s), each for 36 months. The lessee had a termination period of 6 months as of the lease commencement.

On July 1, 2021, the City entered into a 218 month lease as Lessor for the use of Verizon Lease - 1101 Campbell Ave. An initial lease receivable was recorded in the amount of \$197,506. As of June 30, 2022, the value of the lease receivable is \$189,538. The lessee is required to make monthly fixed payments of \$880. The lease has an interest rate of 1.4620%. The value of the deferred inflow of resources as of June 30, 2022 was \$186,638, and the City recognized lease revenue of \$10,869 during the fiscal year. The lessee has 3 extension option(s), each for 60 months. The lessee had a termination period of 3 months as of the lease commencement.

On July 1, 2021, the City entered into a 249 month lease as Lessor for the use of AT\_T Lease - 2528 West Airline Hwy. An initial lease receivable was recorded in the amount of \$173,495. As of June 30, 2022, the value of the lease receivable is \$165,812. The lessee is required to make annual fixed payments of \$9,701. The lease has an interest rate of 1.5510%. The value of the deferred inflow of resources as of June 30, 2022 was \$165,134, and the City recognized lease revenue of \$8,361 during the fiscal year. The lessee has 3 extension option(s), each for 60 months. The lessee had a termination period of 1 month as of the lease commencement.

On July 1, 2021, the City entered into a 48 month lease as Lessor for the use of Verve Kombucha LLC - Waterloo Public Market. An initial lease receivable was recorded in the amount of \$176,327. As of June 30, 2022, the value of the lease receivable is \$140,991. The lessee is required to make monthly fixed payments of \$3,000. The lease has an interest rate of 0.4570%. The value of the deferred inflow of resources as of June 30, 2022 was \$132,245, and the City recognized lease revenue of \$44,082 during the fiscal year.

Notes to Basic Financial Statements

---

**Note 3. Leases Receivable (Continued)**

On July 1, 2021, the City entered into a 60 month lease as Lessor for the use of Lamar Lease - 11th St Billboards. An initial lease receivable was recorded in the amount of \$7,357. As of June 30, 2022, the value of the lease receivable is \$5,955. The lessee is required to make annual fixed payments of \$1,402. The lease has an interest rate of 0.5773%. The value of the deferred inflow of resources as of June 30, 2022 was \$5,885, and the City recognized lease revenue of \$1,471 during the fiscal year.

On July 1, 2021, the City entered into a 90 month lease as Lessor for the use of BMC Aggregates LLC - 2465 Wagner Rd. An initial lease receivable was recorded in the amount of \$33,847. As of June 30, 2022, the value of the lease receivable is \$29,010. The lessee is required to make annual fixed payments of \$5,000. The lease has an interest rate of 0.9670%. The value of the deferred inflow of resources as of June 30, 2022 was \$29,334, and the City recognized lease revenue of \$4,513 during the fiscal year.

On July 1, 2021, the City entered into a 570 month lease as Lessor for the use of A-Line EDS Lease - ALO. An initial lease receivable was recorded in the amount of \$130,612. As of June 30, 2022, the value of the lease receivable is \$130,612. The lessee is required to make monthly variable principal and interest payments of \$364 based on a CPI index of 0.00%. The lease has an interest rate of 1.7047%. The value of the deferred inflow of resources as of June 30, 2022 was \$127,862.65, and the City recognized lease revenue of \$2,750 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On July 1, 2021, the City entered into a 30 month lease as Lessor for the use of ML Golf - Golf Course Pro Shop. An initial lease receivable was recorded in the amount of \$128,591. As of June 30, 2022, the value of the lease receivable is \$65,793. The lessee is required to make annual fixed payments of \$63,000. The lease has an interest rate of 0.3147%. The value of the deferred inflow of resources as of June 30, 2022 was \$77,154, and the City recognized lease revenue of \$51,436 during the fiscal year.

On July 1, 2021, the City entered into a 99 month lease as Lessor for the use of Riverfront Stadium - 850 Park Rd. An initial lease receivable was recorded in the amount of \$141,330. As of June 30, 2022, the value of the lease receivable is \$125,411. The lessee is required to make monthly fixed payments of \$1,425. The lease has an interest rate of 0.9670%. The value of the deferred inflow of resources as of June 30, 2022 was \$124,199, and the City recognized lease revenue of \$17,131 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

**Note 4. Loans and Notes**

Community Development Block Grant (CDBG) Loans:

*Low-income housing loans:* The City has provided six loans for low-income housing projects, five of which have a below-market interest rate. All have minimal payments required each year until maturity. The balance of the six loans at June 30, 2022 was \$1,092,425. Maturities range from January 2024 to August 2031. Cash received is program income and considered to be charges for services. Given the nature and collection history of the loans, the City has determined these amounts are uncollectible and has recorded an allowance for the full amount of the loans.

City of Waterloo, Iowa

Notes to Basic Financial Statements

---

**Note 4. Loans and Notes (Continued)**

*Forgivable loans:* The City, through its CDBG, HOME program, Economic Development Initiative program, Lead Paint Removal grant, federal and state Jumpstart funds and lowans Helping lowans funds, provides forgivable rehabilitation loans to low-income households. The loans are forgiven on a sliding scale over a five-year period, provided the home is not sold or abandoned. If the home is sold or abandoned, the City's lien against the property prevents a clear title transfer unless the unforgiven portion of the note is satisfied. As of June 30, 2022, the City had made 1,087 such loans totaling \$36,722,932. The loan balances are considered forgivable and/or uncollectible by the City given the nature and terms of the loans and therefore, have not been recorded as assets on the balance sheet.

**Note 5. Interfund Activity**

The composition of interfund receivables and payables balances as of June 30, 2022 was as follows:

	Due From	Due To
Major governmental funds:		
General	\$ 9,136,281	\$ -
Tax increment financing	-	4,053,261
Nonmajor governmental funds	-	5,083,020
	<u>\$ 9,136,281</u>	<u>\$ 9,136,281</u>

Advances to and from other funds as of June 30, 2022, were as follows:

	Advances To	Advances From
Major governmental funds:		
General	\$ -	\$ 168,316
Road use tax	108,189	-
Local option sales tax	13,598	-
Nonmajor governmental funds	7,825	-
Major Enterprise Fund, sanitary sewer	27,003	-
Nonmajor Enterprise Fund, sanitation	11,701	-
	<u>\$ 168,316</u>	<u>\$ 168,316</u>

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

---

**Note 5. Interfund Activity (Continued)**

Interfund balances result 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. The interfund receivables and payables are scheduled to be collected in the subsequent year whereas the interfund advances are not.

Due to/from primary government and component units:

Due to (from) governmental funds:	
Local option sales tax	\$ 279,458
Due from Water Works	<u>279,458</u>
Due to enterprise funds:	
Sanitary sewer	1,021,317
Sanitation	543,453
Due from Waterloo Water Works	<u>1,564,770</u>
Total due from Water Works	1,844,228
Waterloo Water Works—due to primary government	1,481,231
Difference	<u>\$ 362,997</u>

The difference in the above amounts of \$362,997 results from the different year ends of the entities as described in Note 1.

Due to Waterloo Convention & Visitors Bureau, Inc. from General Fund	<u>\$ 215,535</u>
----------------------------------------------------------------------	-------------------

The following is a schedule of transfers as included in the basic financial statements of the City:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General	\$ 8,456,370	\$ 3,097,114
Trust and agency	-	8,404,293
Tax increment financing	98,500	8,828,103
Local option sales tax	859,105	-
Nonmajor governmental funds	11,045,535	130,000
	<u>\$ 20,459,510</u>	<u>\$ 20,459,510</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance				Ending Balance
	June 30, 2021	Additions	Deletions	Transfers	June 30, 2022
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 46,104,367	\$ 1,800	\$ -	\$ -	\$ 46,106,167
Land held for redevelopment	18,227,365	786,698	-	-	19,014,063
Construction-in-progress	46,452,018	27,690,759	-	(20,282,593)	53,860,184
Total capital assets, not being depreciated	110,783,750	28,479,257	-	(20,282,593)	118,980,414
Capital assets, being depreciated:					
Buildings and improvements	137,264,070	-	30,869	4,270,426	141,503,627
Infrastructure	428,506,320	-	-	16,012,167	444,518,487
Vehicles, machinery, furniture and equipment	38,797,975	2,113,021	919,467	-	39,991,529
Software	817,293	-	-	-	817,293
Total capital assets, being depreciated	605,385,658	2,113,021	950,336	20,282,593	626,830,936
Less accumulated depreciation for:					
Buildings and improvements	75,824,829	3,067,829	16,980	-	78,875,678
Infrastructure	185,523,529	10,804,084	-	-	196,327,613
Vehicles, machinery, furniture and equipment	25,703,443	3,062,856	913,446	-	27,852,853
Software	791,514	10,879	-	-	802,393
Total accumulated depreciation	287,843,315	16,945,648	930,426	-	303,858,537
Total capital assets, being depreciated, net	317,542,343	(14,832,627)	19,910	20,282,593	322,972,399
Governmental activities capital assets, net	\$ 428,326,093	\$ 13,646,630	\$ 19,910	\$ -	\$ 441,952,813



City of Waterloo, Iowa

Notes to Basic Financial Statements

Note 6. Capital Assets (Continued)

	Beginning Balance			Ending Balance	
	June 30, 2021	Additions	Deletions	Transfers	June 30, 2022
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 759,233	\$ -	\$ -	\$ -	\$ 759,233
Construction-in-progress	25,360,508	15,548,681	11,498	(9,279,933)	31,617,758
Total capital assets, not being depreciated	26,119,741	15,548,681	11,498	(9,279,933)	32,376,991
Capital assets, being depreciated:					
Buildings	71,699,337	-	-	-	71,699,337
Improvements other than buildings	71,966,928	-	-	9,279,933	81,246,861
Vehicles, machinery, furniture and equipment	14,693,636	414,476	313,014	-	14,795,098
Total capital assets, being depreciated	158,359,901	414,476	313,014	9,279,933	167,741,296
Less accumulated depreciation for:					
Buildings	30,483,998	1,413,059	-	-	31,897,057
Improvements other than buildings	22,151,668	1,439,339	-	-	23,591,007
Vehicles, machinery, furniture and equipment	9,915,298	743,011	313,014	-	10,345,295
Total accumulated depreciation	62,550,964	3,595,409	313,014	-	65,833,359
Total capital assets, being depreciated, net	95,808,937	(3,180,933)	-	9,279,933	101,907,937
Business-type activities capital assets, net	\$ 121,928,678	\$ 12,367,748	\$ 11,498	\$ -	\$ 134,284,928

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

**Note 6. Capital Assets (Continued)**

	Beginning Balance December 31, 2020	Additions	Deletions	Ending Balance December 31, 2021
Discretely Presented Component Unit - Waterloo Water Works Capital Assets				
Capital assets, not being depreciated:				
Land	\$ 472,362	\$ -	\$ -	\$ 472,362
Construction-in-progress	3,699,631	3,016,592	(1,160,884)	5,555,339
Total capital assets, not being depreciated	<u>4,171,993</u>	<u>3,016,592</u>	<u>(1,160,884)</u>	<u>6,027,701</u>
Capital assets, being depreciated:				
Buildings and improvements	1,799,537	479,900	-	2,279,437
Water supply and distribution systems	37,159,866	964,977	-	38,124,843
Meters and equipment	1,242,713	-	-	1,242,713
Machinery and equipment	4,071,682	153,060	(42,488)	4,182,254
Total capital assets, being depreciated	<u>44,273,798</u>	<u>1,597,937</u>	<u>(42,488)</u>	<u>45,829,247</u>
Less accumulated depreciation for:				
Buildings and improvements	952,370	25,411	-	977,781
Water supply and distribution systems	10,916,568	909,060	-	11,825,628
Meters and equipment	819,045	17,739	-	836,784
Machinery and equipment	2,467,421	284,453	(42,488)	2,709,386
Total accumulated depreciation	<u>15,155,404</u>	<u>1,236,663</u>	<u>(42,488)</u>	<u>16,349,579</u>
Total capital assets, being depreciated, net	<u>29,118,394</u>	<u>361,274</u>	<u>-</u>	<u>29,479,668</u>
Net discretely presented component unit—Waterloo Water Works capital assets, net	<u>\$ 33,290,387</u>	<u>\$ 3,377,866</u>	<u>\$ (1,160,884)</u>	<u>\$ 35,507,369</u>
	Beginning Balance June 30, 2021	Additions	Deletions	Ending Balance June 30, 2022
Discretely Presented Component Unit - Waterloo Convention & Visitors Bureau, Inc.				
Capital assets, being depreciated:				
Equipment	\$ 130,104	\$ -	\$ -	\$ 130,104
Leasehold improvements	125,924	-	-	125,924
Total capital assets, being depreciated	<u>256,028</u>	<u>-</u>	<u>-</u>	<u>256,028</u>
Less accumulated depreciation				
Total capital assets, being depreciated, net	<u>220,855</u>	<u>13,049</u>	<u>-</u>	<u>233,904</u>
	<u>\$ 35,173</u>	<u>\$ (13,049)</u>	<u>\$ -</u>	<u>\$ 22,124</u>

## City of Waterloo, Iowa

### Notes to Basic Financial Statements

---

#### Note 6. Capital Assets (Continued)

Depreciation expense was charged by the City as follows for the year ended June 30, 2022:

Governmental activities:	
Public safety	\$ 1,857,556
Public works	12,879,383
Culture and recreation	1,903,436
Community and economic development	141,900
General government	163,373
Total governmental activities	<u>16,945,648</u>
Business-type activities:	
Sanitary sewer	3,216,135
Sanitation	379,274
Total business-type activities	<u>3,595,409</u>
Total primary government	<u>\$ 20,541,057</u>
Component unit—Waterloo Water Works	<u>\$ 1,236,663</u>
Component unit—Waterloo Convention & Visitors Bureau, Inc.	<u>\$ 13,049</u>

#### Note 7. Compensated Absences

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. A calendar year is primarily used for the calculation of vacation pay benefits while sick leave utilizes the City's fiscal year. Vacation days for most bargaining unit employees must be taken or paid during the calendar year with limited exceptions. Nonbargaining unit employees may carry forward up to 10 days' vacation with proper approval. Upon termination, employees receive payment for unused vacation plus a payment for vacation hours accrued from January through the termination date. As of June 30, 2022, there was \$3,507,672 accrued for vacation.

Prior to July 1, 1984, sick leave was allowed to accumulate to a maximum of 240 days, except for police and fire personnel who could accumulate a maximum of 260 days. Any unused days as of July 1, 1984 were accumulated into a frozen sick leave bank. The days frozen in the bank are paid upon use, termination or retirement (except for library employees who will only be paid upon use). If paid upon retirement, the amount due to employees is computed as the amount equal to 60% of the total accumulated hours times the employee's current pay rate paid to employees. Retirees have the option of receiving the payout immediately or receiving it as an annuity over 60 months. Active employees could elect to receive a payout of 60% of their frozen sick dollars beginning in July 2001. As of June 30, 2022, there was \$49,820 accrued for the frozen sick leave bank.

After July 1, 1984, sick leave is allowed to accumulate up to 12 days per year. At the end of the year, 25% of any unused sick leave is rolled over to the employee's casual leave bank and the balance of 75% of the unused sick leave is added to the employee's sick leave storage bank for future use. The days accumulated in the bank after July 1, 1984 are not payable upon termination or retirement. Certain Fire Department employees are eligible to roll 75% of their unused sick leave, with the balance added to their sick leave storage bank.

## City of Waterloo, Iowa

### Notes to Basic Financial Statements

#### Note 7. Compensated Absences (Continued)

Certain employees can elect either to be paid overtime compensation or to accrue the hours as compensatory time, defined as additional time off from regular hours. Employees are required to be paid for these services upon termination of employment. Maximum hours eligible to be used later as compensatory time are limited by law and labor contracts. Governmental funds do not recognize these accumulations as expenditures until paid. As of June 30, 2022, there was \$1,723,379 accrued for unused compensatory time, which includes unused sick leave and frozen sick leave bank.

Employees are also eligible to receive pay-outs of a portion of unused casual leave. The accrued casual pay is reported as compensated absences in the applicable fund which includes \$120,255 in governmental funds, as the liabilities are considered matured and are expected to be liquidated with expendable available financial resources, and \$1,476 in an enterprise fund. Frozen sick leave, vacation pay and compensatory time liabilities are accrued when incurred in the government-wide and proprietary fund statements and reported as a liability.

#### Note 8. Long-Term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2022:

	June 30, 2021	Additions	Reductions	June 30, 2022	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 91,085,000	\$ 24,075,000	\$ 8,960,000	\$ 106,200,000	\$ 9,720,000
Loans and notes (direct borrowing)	5,913,512	2,900,000	1,844,386	6,969,126	1,869,966
Financed purchases	3,762,930	-	401,215	3,361,715	400,588
Compensated absences	5,009,210	4,025,324	4,005,290	5,029,244	4,908,989
Total OPEB liability	18,442,207	-	4,055,099	14,387,108	-
Net pension liability—IPERS	13,310,754	-	13,051,747	259,007	-
Net pension liability—MFPRSI	43,638,986	-	31,274,763	12,364,223	-
Subtotal	181,162,599	31,000,324	63,592,500	148,570,423	16,899,543
Unamortized discounts	(164,664)	-	(15,499)	(149,165)	-
Bond premium	1,612,175	235,494	218,254	1,629,415	-
Total long-term liabilities, governmental activities	\$ 182,610,110	\$ 31,235,818	\$ 63,795,255	\$ 150,050,673	\$ 16,899,543
<b>Business-type activities:</b>					
General obligation bonds	\$ 12,315,000	\$ -	\$ 1,965,000	\$ 10,350,000	\$ 1,930,000
State revolving fund capital loans (direct borrowing)	17,403,731	15,236,012	1,217,240	31,422,503	1,795,000
Compensated absences	285,884	164,399	126,644	323,639	244,108
Total OPEB liability	2,822,343	129,264	-	2,951,607	-
Net pension liability—IPERS	3,317,912	-	3,249,020	68,892	-
Subtotal	36,144,870	15,529,675	6,557,904	45,116,641	3,969,108
Unamortized discounts	(59,302)	-	(23,147)	(36,155)	-
Bond premium	236,269	-	43,747	192,522	-
Total long-term liabilities, business-type activities	\$ 36,321,837	\$ 15,529,675	\$ 6,578,504	\$ 45,273,008	\$ 3,969,108

Compensated absences and net pension and OPEB liabilities attributable to governmental activities are generally liquidated by the General Fund.

## City of Waterloo, Iowa

### Notes to Basic Financial Statements

---

#### **Note 8. Long-Term Liabilities (Continued)**

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the City. Bonds are generally issued for the purpose of financing the acquisition and construction of major capital facilities or infrastructure.

Debt indentures require that certain covenants relating to the maintenance and efficiency of the operating system, the rate structure, restrictions on borrowings, leasing or disposition of assets and minimum insurance coverage be adhered to. These covenants are: (a) the interest on the tax-exempt bonds are to be excludable from gross income for federal income tax purposes, (b) the annual report must be submitted within 270 days after year-end, and (c) the City must give notice of significant events including those events causing delinquency of payment, bond calls, defeasances of bonds, or rating changes of bonds no later than ten business days after the event.

On January 4, 2022, the City issued \$14,075,000 of tax-exempt General Obligation Urban Renewal Bonds, Series 2022A, maturing June 1, 2023, through June 1, 2041, at stated interest rate between 2.00 and 2.60 percent.

On May 18, 2022, the City issued \$5,685,000 of tax-exempt General Obligation Bonds, Series 2022B, and \$4,315,000 in taxable General Obligation Bonds, Series 2022C, maturing June 1, 2023, through June 1, 2037, at stated interest rates ranging from 3.0 percent to 3.3 percent.

On May 18, 2022, the City also issued \$4,315,000 of taxable General Obligation Bonds, Series 2022C, maturing June 1, 2023, through June 1, 2037, at stated interest rates ranging from 3.75 percent to 4.3 percent.

Reasons for issuances were to finance a variety of capital improvements, vehicle and equipment acquisitions and urban renewal projects, including the acquisition of properties and financing one or more Economic Development Grants to private developers to fund the acquisition construction, and equipping of a recreational theme park.

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

**Note 8. Long-Term Liabilities (Continued)**

The City's outstanding general obligation long-term debt is as follows:

Issue Date	Purpose	Interest Rates	Outstanding June 30, 2022
Publicly issued long-term debt:			
June 2014	Tax-exempt-capital improvements/general	2.00 - 3.12	\$ 3,375,000
June 2014	Taxable	1.00 - 4.00	2,860,000
June 2015	Tax-exempt-capital improvements/general	3.00 - 3.50	7,080,000
June 2015	Taxable	1.50 - 4.00	895,000
June 2016	Tax-exempt-capital improvements/general	2.00 - 2.25	4,280,000
June 2016	Taxable	0.80 - 3.10	1,175,000
June 2016	Taxable	0.90 - 3.40	7,085,000
June 2017	Tax-exempt-capital improvements/general	3.00	4,940,000
June 2017	Taxable	1.35 - 3.35	2,535,000
June 2017	Taxable-urban renewal	2.75 - 3.50	6,365,000
June 2018	Tax-exempt-capital improvements/general	3.00	6,530,000
June 2018	Taxable	2.50 - 3.50	680,000
June 2019	Tax-exempt-capital improvements/general	3.00	4,995,000
June 2019	Taxable	2.73	2,345,000
October 2019	Refunding	2.00	1,555,000
October 2019	Taxable refunding	1.56	2,140,000
June 2020	Tax-exempt-capital improvements/general	2.00	6,190,000
June 2020	Taxable	1.52	6,710,000
June 2021	Tax-exempt-capital improvements/general; refunding	2.00	12,940,000
June 2021	Taxable-capital improvements general; refunding	1.56	7,800,000
January 2022	Tax exempt-urban renewal	2.00 - 2.60	14,075,000
May 2022	Tax-exempt-capital improvements/general	3.0 - 3.3	5,685,000
May 2022	Taxable	3.75 - 4.3	4,315,000
			<u>\$ 116,550,000</u>

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

**Note 8. Long-Term Liabilities (Continued)**

Annual debt service on general obligation and revenue bonds as of June 30, 2022 are as follows:

	GO Debt Service General Obligation Bonds	
	Principal	Interest
Years ending June 30:		
2023	\$ 9,720,000	\$ 2,802,245
2024	9,515,000	2,470,463
2025	9,460,000	2,250,476
2026	10,170,000	2,023,083
2027	9,330,000	1,781,994
2028–2032	36,775,000	5,539,960
2033–2036	17,865,000	1,781,580
2037–2041	3,365,000	216,702
	<u>\$ 106,200,000</u>	<u>\$ 18,866,503</u>
	Sanitary Sewer Enterprise General Obligation Bonds	
	Principal	Interest
Years ending June 30:		
2023	\$ 1,930,000	\$ 233,666
2024	1,885,000	193,596
2025	1,805,000	153,821
2026	1,485,000	115,734
2027	1,170,000	86,246
2028–2032	2,075,000	133,403
	<u>\$ 10,350,000</u>	<u>\$ 916,466</u>

**Loans and notes:** The City has entered into development agreements including rebates of property taxes paid by other parties to the agreements. Most agreements include a set percentage of taxes paid for a specified number of years. The following agreements require a guaranteed amount of principal plus interest to be paid to the developer. As of June 30, 2022, the outstanding balance of these loans was \$6,969,126.

- Deer Creek Development, LLC, original loan amount of \$1,896,017 plus interest at 7% through March 31, 2011 then at 4.75%, compounded semiannually. In fiscal year 2014, there were additions to the agreement of \$6,130. Payable at \$300,000 in fiscal year 2011 and semiannual payments of \$100,000 are due beginning November 2011 until principal plus interest have been paid. The loan balance was \$807,067 at June 30, 2022.
- North Crossing Development, LLC, original loan amount of \$7,000,000 plus interest at 1.81% through September 1, 2025. Payable in annual payments of \$1,000,000 are due beginning August 29, 2019 until principal plus interest have been paid. The loan balance was \$2,900,390 at June 30, 2022.
- Fusion Investments, LLC, original loan amount of \$1,155,453 plus interest at 0.56%. Payable in annual payments of \$40,000 are due beginning in fiscal year 2021, not to exceed a total of \$1,200,000. The loan balance was \$1,082,030 at June 30, 2022.
- Crystal Distribution, LLC, original loan amount of \$2,900,000 at 0.00% interest. Payable in annual payments of \$725,000 are due beginning in fiscal year 2022, through 2025.

City of Waterloo, Iowa

Notes to Basic Financial Statements

**Note 8. Long-Term Liabilities (Continued)**

**Other loans and notes:** Other governmental activity loans and notes mature as follows:

	Governmental Activities	
	Principal	Interest
Years ending June 30:		
2023	\$ 1,869,966	\$ 95,034
2024	1,895,074	69,926
2025	1,925,538	44,101
2026	356,964	17,569
2027	79,863	5,405
2028-2031	841,721	10,914
	<u>\$ 6,969,126</u>	<u>\$ 242,949</u>

**State revolving fund capital notes:** During fiscal years 2018, 2019 and 2021, the City entered into five agreements with the Iowa Finance Authority for Clean Water Revolving Loans with an approved loan amount totaling \$29,129,000. During fiscal year 2022, the City entered into three additional agreements with a total approved loan amount of \$13,343,000. During fiscal year 2022, the City made draws on these loans of \$15,236,000. As of June 30, 2022, the notes had an outstanding balance of \$31,422,503. The notes bear interest at 1.75%, with annual principal and interest payments through 2042.

These notes mature as follows:

	Business-type activities	
	Principal	Interest
Years ending June 30:		
2023	\$ 1,795,000	\$ 23,316
2024	1,830,000	37,227
2025	1,867,000	334,549
2026	1,902,000	487,762
2027	1,941,000	792,803
2028-2032	10,303,000	3,424,660
2032-2037	10,860,000	2,258,365
2038-2040	924,503	569,831
	<u>\$ 31,422,503</u>	<u>\$ 7,928,513</u>



**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

**Note 8. Long-Term Liabilities (Continued)**

**Finance Purchases:** On April 12, 2021, the City entered into a 10-year financed purchase agreement for police equipment, including body cameras and tasers. The lease bears interest at 0.56% and annual payments of principal and interest are due through the expiration of the lease term in April 2031. The financed purchases mature as follows:

Fiscal year ending:	Governmental Activities	
	Principal	Interest
2023	\$ 400,588	\$ 19,350
2024	402,724	17,213
2025	404,980	14,958
2026	425,888	12,690
2027	428,272	10,305
2028-2013	1,299,263	16,472
	<u>\$ 3,361,715</u>	<u>\$ 90,988</u>

**Note 9. Retirement Systems**

The City contributes to two employee retirement systems, the Iowa Public Employees Retirement System (IPERS) and the Municipal Fire and Police Retirement System of Iowa (MFPRSI). IPERS is administered by the State of Iowa. MFPRSI is governed by a nine-member Board of Trustees. Though separate and apart from state government, the Board is authorized by the state legislature, which also establishes by statute the pension and disability benefits and the System's funding mechanism. All full-time employees must participate in either IPERS or MFPRSI. Below is a summary of amounts reported by the City as of and for the year ended June 30, 2022:

	IPERS	MFPRSI	Total
Net pension liability	\$ 327,898	\$ 12,364,223	\$ 12,692,121
Deferred outflow of resources	2,441,638	6,940,242	9,381,880
Deferred inflow of resources	12,623,412	21,384,209	34,007,621
Pension expense (benefit)	(2,556,058)	(4,446,871)	(7,002,929)

Iowa Public Employees' Retirement System:

**Plan description:** Employees of the City are provided with pensions through the Iowa Public Employees Retirement System (IPERS)—a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Notes to Basic Financial Statements

**Note 9. Retirement Systems (Continued)**

**Benefits provided:** IPERS provides retirement, disability and death benefits. Retirement benefits are determined based on the employee’s highest five-year average salary and a multiplier based on the years of service. Employees are eligible for full retirement age 65; at age 62 with at least 20 years of covered employment or when the years of service plus the employee’s age equals or exceeds 88. Four years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are calculated based on the actuarial present value of the employee’s accrued benefit at the time of death or a calculation based on the employee’s contributions, highest covered annual wage and years of service.

**Contributions:** Per Iowa Code Section 97B.4(4)(d) the required contribution rate is determined by the IPERS actuary as the rate necessary to fully fund the benefits as defined by Iowa Code Chapter 97B. Employees are required to contribute 6.29% of their annual pay. The City contractually required contribution rate for the year ended June 30, 2022, was 9.44% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were \$1,866,325 for the year ended June 30, 2022.

**Pension liabilities, pension expense, and deferred inflow and outflows of resources related to pensions:** At June 30, 2022, the City reported a liability of \$327,898 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2021, the City’s proportion was 0.233893%, a decrease of .004485% from the City’s proportion at June 30, 2020.

For the year ended June 30, 2022, the City recognized pension benefit of \$1,627,987. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 249,484	\$ (250,497)
Changes of assumptions	214,473	-
Net difference between projected and actual earnings on pension plan investments	-	(11,880,269)
Changes in proportion and differences between City contributions and proportionate share of contributions	111,356	(492,646)
Total deferred amounts to be recognized in pension expense in future periods	575,313	(12,623,412)
City contributions subsequent to the measurement date	1,866,325	-
Total deferred amounts related to pensions	<u>\$ 2,441,638</u>	<u>\$ (12,623,412)</u>

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

---

**Note 9. Retirement Systems (Continued)**

\$1,866,325 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The deferred outflows and deferred inflows resulting from the difference between projected and actual earnings on pension plan investments will be recognized as a reduction of pension expense over five years. The other deferred inflows and outflows will be recognized in pension expense using the average expected remaining service lives of all IPERS members. The average is determined by taking the calculated total future service years of the Plan divided by the number of the people in the Plan including retirees.

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

Years ended June 30:	
2023	\$ (2,976,609)
2024	(2,979,513)
2025	(2,788,006)
2026	(3,304,804)
2027	833
	<u>\$ (12,048,099)</u>

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2021)	2.60% per annum
Rates of salary increases (effective June 30, 2021)	3.25% to 16.25%, average, including inflation. Rates vary by membership group.
Long-term effective investment rate of return (effective June 30, 2021)	7.00%, compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2021)	3.25%, per annum, based on 2.60% inflation and 0.65% real wage inflation.

Mortality rates were based on the RP-2014 Generational Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Projection Scale MP 2017. Different adjustments apply to pre-retirement, post-retirement and post-disability mortality tables.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an assumption study dated March 24, 2017 and demographic assumption study dated June 28, 2018.

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.

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

**Note 9. Retirement Systems (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core-plus fixed income	26.0%	0.29%
Domestic equity	22.0	4.43
Global smart beta equity	6.0	5.10
International equity	17.5	6.01
Private equity	13.0	9.51
Private real assets	7.5	4.63
Public real assets	7.0	2.81
Public credit	4.0	2.87
Private credit	3.0	3.01
Cash	1.0	(0.25)
	100.0%	

**Discount rate:** The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from cities will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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’s proportionate share of the net pension liability to changes in the discount rate:** The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00 %)	1% Increase (8.00 %)
City’s proportionate share of the net pension liability (asset)	\$ 11,605,375	\$ 327,898	\$ (9,123,345)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report; which can be located at [www.ipers.org](http://www.ipers.org).

**Municipal Fire and Police Retirement System of Iowa**

**Plan description:** MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite #201, West Des Moines, Iowa 50266 or at [www.mfprsi.org](http://www.mfprsi.org).

Notes to Basic Financial Statements

---

**Note 9. Retirement Systems (Continued)**

MFPRSI benefits are established under Chapter 411 of the Code of Iowa and the administrative rules thereunder. Chapter 411 of the Code of Iowa and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

**Pension benefits:** Members with 4 or more years of service are entitled to pension benefits beginning at age 55. Full service retirement benefits are granted to members with 22 years of service, while partial benefits are available to those members with 4 to 22 years of service based on the ratio of years completed to years required (i.e., 22 years). Members with less than 4 years of service are entitled to a refund of their contribution only, with interest, for the period of employment.

Benefits are calculated based upon the member's highest 3 years of compensation. The average of these 3 years becomes the member's average final compensation. The base benefit is 66% of the member's average final compensation. Additional benefits are available to members who perform more than 22 years of service (2% for each additional year of service, up to a maximum of 8 years). Survivor benefits are available to the beneficiary of a retired member according to the provisions of the benefit option chosen plus an additional benefit for each child. Survivor benefits are subject to a minimum benefit for those members who chose the basic benefit with a 50% surviving spouse benefit.

Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4, or 5 year DROP period. By electing to participate in DROP the member is signing a contract indicating the member will retire at the end of the selected DROP period. During the DROP period the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

Disability and death benefits: Disability coverage is broken down into two types, accidental and ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60% of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50% of the member's average final compensation, for those with 5 or more years of service, or the member's service retirement benefit calculation amount, and 25% of average final compensation for those with less than 5 years of service.

Death benefits are similar to disability benefits. Benefits for accidental death are 50% of the average final compensation of the member plus an additional amount for each child, or the provisions for ordinary death. Ordinary death benefits consist of a pension equal to 40% of the average final compensation of the member plus an additional amount for each child, or a lump-sum distribution to the designated beneficiary equal to 50% of the previous year's earnable compensation of the member or equal to the amount of the member's total contributions plus interest.

Benefits are increased (escalated) annually in accordance with Chapter 411.6 of the Code of Iowa which states a standard formula for the increases.

The surviving spouse or dependents of an active member who dies due to a traumatic personal injury incurred in the line of duty receives a \$100,000 lump-sum payment.

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

**Note 9. Retirement Systems (Continued)**

**Contributions:** Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2022.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1% of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17% of earnable compensation. The City's contribution rate was 26.18% for the year ended June 30, 2022.

The City's contributions to MFPRSI for the year ended June 30, 2022 were \$4,847,245.

If approved by the state legislature, state appropriation may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17% of earnable compensation. The State of Iowa therefore is considered to be a nonemployer contributing entity in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 67—*Financial Reporting for Pension Plans*, (GASB 67).

There were no state appropriations to MFPRSI during their fiscal year ended June 30, 2022.

**Net pension liabilities, pension expense, and deferred inflows and outflows of resources related to pensions:** At June 30, 2022, the City reported a liability of \$12,364,223 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2021, the City's proportion was 5.505631%, an increase of 0.03436% from the City's proportion at June 30, 2020.

For the year ended June 30, 2022, the City recognized a pension benefit of \$4,446,871. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,434,220	\$ (139,147)
Changes of assumptions	465,665	-
Net difference between projected and actual earnings on pension plan investments	-	(20,929,106)
Changes in proportion and differences between City contributions and proportionate share of contributions	193,112	(315,956)
Total deferred amounts to be recognized in pension expense in future periods	2,092,997	(21,384,209)
City contributions subsequent to the measurement date	4,847,245	-
Total deferred amounts related to pensions	<u>\$ 6,940,242</u>	<u>\$ (21,384,209)</u>

City of Waterloo, Iowa

Notes to Basic Financial Statements

---

**Note 9. Retirement Systems (Continued)**

\$4,847,245 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The deferred outflows and deferred inflows resulting from the difference between projected and actual earnings on pension plan investments will be recognized as a reduction of pension expense over five years. The other deferred inflows and outflows will be recognized in pension expense using the average expected remaining service lives of all MFPRSI members. The average is determined by taking the calculated total future service years of the Plan divided by the number of the people in the Plan including retirees. Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Years ended June 30:	
2023	\$ (3,867,922)
2024	(4,128,846)
2025	(4,855,002)
2026	(6,348,241)
2027	(91,201)
	<u>\$ (19,291,212)</u>

**Actuarial assumptions:** The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75% to 15.11%, average, including inflation.
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2020. There were no significant changes in benefit terms

Mortality rates were based on RP 2014 Blue Collar Combined Healthy table with males set-forward zero years, females set-forward two years and disabled set-forward three-years (males only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning 2017.

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 (i.e., 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.

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

**Note 9. Retirement Systems (Continued)**

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Large cap		5.50%
Small cap		5.80
International large cap		7.30
Core plus fixed income		3.30
Emerging markets		9.00
Emerging market debt		6.30
Master limited partnerships		9.00
<b>Core Investments</b>	40.00%	
<b>Private Equity/Debt</b>	15.00	9.00
Private core real estate		6.00
Private non-core real estate		8.00
<b>Real Estate</b>	10.00	
<b>Tactical Asset Allocation</b>	35.00	6.40
	100.00%	

**Discount rate:** The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at current contribution rate and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of City's proportionate share of the net pension liability to changes in the discount rate:** The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the city's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50 %)	1% Increase (8.50 %)
City's proportionate share of the net pension liability (asset) \$	36,588,329	12,364,223	(7,740,385)

**Component unit:** Waterloo Water Works contributes to the Waterloo Water Works Pension Plan (WWW Plan) and the Iowa Public Employees' Retirement System (IPERS).



City of Waterloo, Iowa

Notes to Basic Financial Statements

---

**Note 9. Retirement Systems (Continued)**

**Waterloo Water Works Pension Plan:**

**Plan description:** The Waterloo Water Works Pension Plan is a single-employer defined benefit plan administered by the Pension Committee of Waterloo Water Works. The WWW Plan provides retirement benefits to plan members and beneficiaries. No new WWW Plan members were allowed after December 31, 2007. The WWW Plan does not issue a stand-alone financial report. The actuarial report on the Plan is held at the Waterloo Water Work's office.

The following brief description is provided for general informational purposes only. Refer to the WWW Plan documents for more information.

**Pension benefits:** Retirement benefits are calculated using the highest three consecutive years of pensionable earnings during the last ten years of employment. The accrued benefit is determined to be 60% of average compensation, reduced if years of service is less than thirty years. Normal retirement age is 65. Married members may receive a benefit for life; however, members are required by law to receive a reduced qualified joint and survivor benefit, unless formally elected otherwise. In no event shall pensionable earnings exceed the limitation specified in Section 401(a)(17) of the Internal Revenue Code. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Committee.

As of December 31, the following members were covered by the WWW Plan:

Inactive plan members and beneficiaries currently receiving benefits	38
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	11
Total members	<u>50</u>

**Contributions:** The contribution requirements of the Plan members (employees) and Waterloo Water Works are established and may be amended by Waterloo Water Works. Mandatory contributions to the WWW Plan by WWW Plan members are equal to the IPERS rate effective January 1 of the previous year, 6.29% for the year ending December 31, 2021. Prior to 2010, WWW Plan member contributions were not required and Waterloo Water Works made all the required contributions. Beginning January 1, 2010, WWW Plan members were required to contribute one-third of the full contribution rate of 4.1% and Waterloo Water Works paid the rest of the required contribution. As of January 1, 2011, WWW Plan members were required to contribute two-thirds of the full contribution rate of 4.3% and beginning January 1, 2012, WWW Plan members were required to contribute all of the mandatory contributions. The Waterloo Water Works Board of Trustees has approved Waterloo Water Works contributions to the Plan in excess of the amount determined annually by the actuary in an effort to eliminate over time the net pension liability as computed by the actuary.

City of Waterloo, Iowa

Notes to Basic Financial Statements

**Note 9. Retirement Systems (Continued)**

**Net pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions:** At December 31, 2020, the Water Works' recognized pension benefit of \$164,321. At December 31, 2021, the Water Works' reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	193,268	(1,579,893)
Total deferred amounts related to pensions	<u>\$ 193,268</u>	<u>\$ (1,579,893)</u>

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

Years ending December 31:	
2022	\$ (349,333)
2023	(542,599)
2024	(315,828)
2025	(178,865)
Total	<u>\$ (1,386,625)</u>

**Actuarial assumptions:** The Waterloo Water Works' net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2021 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	2.50% per annum
Rates of salary increases	3.00% per annum
Long-term investment rate of return	7.00%, compounded annually, net of investment expenses.

City of Waterloo, Iowa

Notes to Basic Financial Statements

**Note 9. Retirement Systems (Continued)**

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2021 through December 31, 2021. In addition, mortality rates were based on 2022 Dataset Mortality Tables with scale.

The long-term expected rate of return on WWW Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return 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. Best estimates of arithmetic real rates of return for each major asset class included in the WWW Plan's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class:	Target Allocation	Long-Term Expected Real Rate of Return
Cash and fixed income	28%	2.700%
Equity large cap	60	7.20
Equity small cap	12	7.70
Total	<u>100%</u>	

**Discount rate:** The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that WWW Plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the differences between actuarially determined contribution rates and the member rate. Professional judgement on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. Based on those assumptions the WWW Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit.

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liability calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower, or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	\$ 493,562	\$ (312,919)	\$ (1,012,101)

City of Waterloo, Iowa

Notes to Basic Financial Statements

**Note 9. Retirement Systems (Continued)**

**Changes in Waterloo Water Works' net pension liability:** Changes in the Waterloo Water Works' net pension liability for the year ended December 31, 2019 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, beginning of year	\$ 9,181,837	\$ 8,503,074	\$ 678,763
Changes for the year:			
Service cost	49,151	-	49,151
Interest	618,695	-	618,695
Difference between expected and actual experience	141,919	-	141,919
Changes in assumptions	16,840	-	16,840
Contributions, employer	-	300,000	(300,000)
Contributions, member	-	44,312	(44,312)
Net investment income	-	1,473,975	(1,473,975)
Benefit payments including refunds of employee contributions	(689,128)	(689,128)	-
Balance, end of year	<u>\$ 9,319,314</u>	<u>\$ 9,632,233</u>	<u>\$ (312,919)</u>

**Payables to the Waterloo Water Works' Plan:** All required Waterloo Water Works contributions and required employee contributions which had been withheld from employee wages were remitted to the WWW Plan by December 31, 2021.

**IPERS—Waterloo Water Works:**

*Plan Description:* IPERS membership is mandatory for employees of Waterloo Water Works, except for those covered by another retirement system. Employees of Waterloo Water Works are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, IA 50306-9117 or at [www.ipers.org](http://www.ipers.org).

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general information purposes only. Refer to the plan documents for more information.

Notes to Basic Financial Statements

---

**Note 9. Retirement Systems (Continued)**

*Pension benefits:* A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest of three-year average salary as of that date will be used if it is greater than the highest five-year average salary).

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1, 1990 receive a guaranteed dividend with their regular November benefit payments.

*Disability and death benefits:* A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

*Contributions:* Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to one percentage point. IPERS' Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2021, pursuant to the required rate, regular members contributed 6.29% of covered payroll and Waterloo Water Works contributed 9.44% of covered payroll for a total rate of 15.73%.

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

**Note 9. Retirement Systems (Continued)**

The Waterloo Water Works' contributions to IPERS for the year ended December 31, 2020 were \$167,183.

As December 31, 2021, the Waterloo Water Works' liability for its proportionate share of the net pension liability totaled \$29,161. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Water Works' proportion of the net pension liability was based on the Water Works' share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2021, the Water Works' collective proportion was 0.008447%, which was a decrease of 0.025824% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Water Works recognized a pension benefit of \$199,109. At December 31, 2021, the Water Works reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (22,278)
Changes of assumptions	-	-
Net difference between projected and actual earnings on IPERS' investments	-	(780,847)
Changes in proportion and differences between Water Works contributions and proportionate share of contributions	-	(12,882)
Total deferred amounts to be recognized in pension expense in future periods	-	(816,007)
Water Works contributions subsequent to the measurement date	92,280	-
Total deferred amounts related to pensions	<u>\$ 92,280</u>	<u>\$ (816,007)</u>

Deferred outflows of resources related to pensions of \$92,280 represent the amount Waterloo Water Works contributed subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ended December 31:	
2022	\$ (195,040)
2023	(207,681)
2024	(189,391)
2025	(240,654)
2026	16,759
	<u>\$ (816,007)</u>

There were no nonemployer contributing entities at IPERS.

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

---

**Note 9. Retirement Systems (Continued)**

*Actuarial assumptions:* The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements: The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience study dated June 28, 2018.

Rate of inflation (effective June 30, 2021)	2.60% per annum
Rates of salary increases (effective June 30, 2021)	3.25% to 16.25%, average, including inflation. Rates vary by membership group.
Long-term effective investment rate of return (effective June 30, 2021)	7.00%, compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2021)	3.25%, per annum, based on 2.60% inflation and 0.65% real wage inflation.

Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core-plus fixed income	26.0%	0.29%
Domestic equity	22.0	4.43
Global smart beta equity	6.0	5.10
International equity	17.5	6.01
Private equity	13.0	9.51
Private real assets	7.5	4.63
Public real assets	7.0	2.81
Public credit	4.0	2.87
Private credit	3.0	3.01
Cash	1.0	(0.25)
	100.0%	

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

---

**Note 9. Retirement Systems (Continued)**

*Discount rate:* The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from Waterloo Water Works will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term 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 Waterloo Water Works' proportionate share of the net pension liability to changes in the discount rate:* The following presents the Waterloo Water Works' proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Waterloo Water Works' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Water Work's proportionate share of the net pension liability (asset)	\$ 1,032,120	\$ 29,161	\$ (811,381)

*IPERS' Fiduciary net position:* Detailed information about the IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

*Payables to the pension plan:* At December 31, 2021, Waterloo Water Works reported payables to IPERS of \$20,056 for legally required Waterloo Water Works' contributions and \$13,364 for legally required Waterloo Water Works' contributions which had been withheld from employee wages but not yet remitted to IPERS.

**Note 10. Deficit Fund Balances**

Funds with deficit balances as of June 30, 2022 were as follows:

Nonmajor governmental:	
Special revenue:	
Grants	\$ 1,922,648
Capital projects,	
Capital Improvements	(2,855,708)

The deficit of the above funds are expected to be eliminated through future transfers from other funds, grant proceeds or bond proceeds.



## City of Waterloo, Iowa

### Notes to Basic Financial Statements

---

#### Note 11. Commitments

**Construction:** The City is involved in construction of capital assets, mainly streets, riverfront improvements and Brownfields reconstruction. Much of the construction is partially funded through federal, state and local grants and donations. City participation in the programs is generally funded through proceeds of debt issues and local option taxes. As of June 30, 2022, the City was committed to approximately \$51 million of construction contracts.

**Property tax rebates:** The City has entered into a number of development agreements with various businesses located in City tax increment financing districts. The agreements generally offer rebates of portions of taxes paid for up to 10 years, depending on each individual agreement. The amount of the rebates are a percentage of the actual taxes paid by the business. Rebates are reported at the time property taxes are received. See Note 19 for additional information.

**Loan guarantee:** The City has guaranteed a bank loan of Cedar Skyline Corporation d/b/a Main Street Waterloo, a not-for-profit corporation. Main Street Waterloo and the City are not part of the same reporting entity. In 1999, Main Street Waterloo entered into a loan agreement with a financial institution, which was amended in 2006, 2010, 2016 and 2021. The note matures monthly through August 17, 2025. When the loan was entered into, the City voted to extend a nonexchange financial guarantee on the Main Street Waterloo loan. In the event that Main Street Waterloo is unable to repay the loan, the City would be required to make the payment, with no requirements for Main Street Waterloo to repay the City if the City has to pay any amount on the loan. As of June 30, 2022, the loan balance was \$161,141. Based on City management's assessment of the qualitative factors and historical data, the City has not recorded a liability for this nonexchange financial guarantee.

#### Note 12. Other Postemployment Benefits

**Plan description:** The City's defined benefit OPEB plan, a single-employer health care plan provides OPEB for all active and retired employees and their eligible dependents. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone financial report.

**Benefits provided:** Individuals who are employed by the City are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. As required by state law, employees who retire from service with the City prior to age 65 are eligible for coverage in the plan. Police and fire employees must have completed four years of service, be age 55 and vested in the Municipal Fire and Police Retirement System. All other employees must have completed four years of service (seven years of service after July 1, 2012), be age 55 and be vested in IPERS to participate in the plan. Retirees are allowed to be covered by the plan until they are Medicare eligible at 65. Spouses of retirees are eligible to be covered on the plan for an additional eight years or until they reach age 65.

**Contributions:** The current funding policy of the City is to pay health claims as they occur. Contributions are required for both retiree and dependent coverage. Retirees are required to pay the current premium equivalent amounts less a contribution subsidy provided by the City for those employees hired prior to July 1, 1990.

The contribution subsidy available to retirees and their eligible dependents is determined by years of service and the date of retirement. The subsidy is available until a retiree reaches age 65. Once the retiree reaches age 65, the dependent may continue coverage at a 100% subsidy, grading down 20% each year thereafter. This benefit is available only to those hired before July 1, 1990. The percentage of the monthly contribution that the City subsidizes is detailed in the table on the next page.

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

---

**Note 12. Other Postemployment Benefits (Continued)**

Criteria	Employer Subsidy Percentage
Retire prior to September 1, 1990: All employees	100%
Retire on or after September 1, 1990: Hired prior to July 1, 1990:	
28+ continuous years of service	100
20-27 continuous years of service	80
15-19 continuous years of service	60
10-14 continuous years of service	40
< 10 continuous years of service	-
Hired on or after July 1, 1990: All employees	-

The current full premium equivalent amounts as of June 30, 2022 are shown below:

	PPO
Single	\$ 846
Subscriber and spouse	2,115

Disabled retirees follow a contribution schedule that is slightly different from regular retirees. Work related incidents allow disabled retirees and their dependents a 100% subsidy until age 65. Nonwork related incidents allow a 75% subsidy until age 65. Once the retiree reaches age 65, dependents of disabled retirees receive a 75% subsidy, grading down 20% each year thereafter.

Employees covered by benefit terms: At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	113
Active employees, fully eligible for benefits	12
Active employees, not fully eligible for benefits	510
	<u>635</u>

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

---

**Note 12. Other Postemployment Benefits (Continued)**

**Total OPEB liability:** The City's total OPEB liability of \$17,338,714 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial methods and assumptions:* The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.25% per annum
Discount rate	2.16% as of July 1, 2021 and 3.54% as of June 30, 2022
Health care cost trend rates:	
Premedicare medical and Rx benefits	7.00% reduced 0.25% per annum to ultimate of 4.00%
Medicare benefits	6.00% reduced 0.25% per annum to ultimate of 4.00%
Stop loss fees	7.00% reduced 0.25% per annum to ultimate of 4.00%
Administrative fees	4.00% for all periods
Mortality rates	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis

The discount rate was based on Bond Buyer 20-Bond GO index.

**Changes in the total OPEB liability**

	Total OPEB Liability
Balance as of June 30, 2021	\$ 21,264,550
Changes for the year:	
Service cost	862,931
Interest	460,398
Differences between expected and actual results	(3,480,352)
Changes in assumptions or other inputs	(143,310)
Contributions and payments made	(1,625,503)
Net changes	(3,925,836)
Balance as of June 30, 2022	\$ 17,338,714

City of Waterloo, Iowa

Notes to Basic Financial Statements

**Note 12. Other Postemployment Benefits (Continued)**

**Sensitivity of the total OPEB liability to changes in the discount rate:** The following presents the total OPEB liability of the City, as well as what the City's approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability	\$ 18,429,000	\$ 17,338,714	\$ 16,325,000

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Health Care Current Trend	1% Increase
Total OPEB liability	\$ 15,939,000	\$ 17,338,714	\$ 18,393,000

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:** For the year ended June 30, 2022, the City recognized OPEB benefit of \$1,254,233. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between actual and expected experience	\$ 1,359,692	\$ (3,128,239)
Changes of assumptions or other inputs	677,058	(300,103)
	<u>\$ 2,036,750</u>	<u>\$ (3,428,342)</u>

Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

Years ending June 30:	
2023	\$ (69,095)
2024	(69,095)
2025	(69,095)
2026	(69,095)
2027	(32,231)
Thereafter	(1,082,981)
	<u>\$ (1,391,592)</u>

**City of Waterloo, Iowa**

**Notes to Basic Financial Statements**

---

**Note 13. Employee Health Care Plan**

The City provides health care, including dental, vision and prescription coverages, to its employees and certain former employees through a self-funded health insurance plan. Administration is provided by contracted providers. The City accounts for the plan in the General Fund, City Clerk and Finance Department, Health/Life Insurance Activity. Other funds, departments and activities are assessed for costs based on current and former employees within the activity. General Fund costs of these activities are funded by an employee benefits levy in the Trust and Agency Fund. The City is allowed to levy amounts needed to provide benefits.

The City purchases stop-loss insurance, \$100,000 specific and 125% aggregate of expected claims.

The City's estimated unpaid claims as of June 30 and its needed reserves for claim fluctuation were determined by an actuarial study performed as of June 30. All outstanding claims are considered matured and expected to be paid in fiscal year 2021, with current available financial resources, and accordingly, a liability payable from restricted resources is reported within the General Fund. Changes and balances are as follows:

	2022	2021
Estimated unpaid claims, beginning of year	\$ 835,947	\$ 929,908
Estimated claims incurred	10,335,897	11,607,771
Claims payments	(10,326,504)	(11,701,732)
Estimated unpaid claims, end of year	<u>\$ 845,340</u>	<u>\$ 835,947</u>

**Note 14. Worker's Compensation Plan**

The City provides worker's compensation benefits through a self-funded plan. Administration is provided by a contracted provider. The City accounts for the plan in the General Fund, City Clerk and Finance Department, Self-Funded Worker's Compensation Activity. Costs are funded by an employee benefits levy in the Trust and Agency Fund. The City is allowed to levy amounts needed to provide benefits.

The City's estimated unpaid claims as of June 30 are based on projected costs of future payments for injuries incurred prior to June 30, 2022 and is recorded as a liability in the government-wide statement of net position. \$52,142 is considered matured and is recorded in the General Fund and governmental activities with accrued liabilities. Changes and balances are as follows:

	2022	2021
Estimated unpaid claims, beginning of year	\$ 712,521	\$ 585,665
Estimated claims incurred	1,364,904	1,504,831
Claims payments	(1,460,733)	(1,377,975)
Estimated unpaid claims, end of year	<u>\$ 616,692</u>	<u>\$ 712,521</u>

## City of Waterloo, Iowa

### Notes to Basic Financial Statements

---

#### **Note 15. Joint Ventures and Jointly Governed Organizations**

The City is a participating member of several organizations including the Black Hawk County Criminal Justice Information System (CJIS), the Consolidated Dispatch Center (Center), the Black Hawk County Solid Waste Management Commission (SWMC) and the Metropolitan Transit Authority (MET). In addition, the City pays its share of costs for CJIS, including debt service, pays its share of costs of the Center, pays landfill fees to SWMC and levies and collects property taxes from Black Hawk County and remits them to MET (\$2,183,071 during the year ended June 30, 2022). Also, during the year ended June 30, 2022, the Sanitation Fund received an operating grant of \$273,624 from SWMC. This grant was used to offset recycling costs.

The Center's financial information is reported within the Black Hawk County annual financial report. CJIS, SWMC and MET issue their own annual reports. Reports are available on the Iowa Auditor of State's website <http://auditor.iowa.gov/reports>.

The City has no equity position in any of the organizations.

#### **Note 16. Industrial Development Revenue Bonds – Conduit Debt**

The City has issued a total of \$160,401,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa. The amount outstanding as of June 30, 2022 is not reported to the City by either the debtors or creditors. Therefore, outstanding balances are unknown. The bonds and related interest are payable solely from revenue of applicable projects. Bond principal and interest do not constitute liabilities of the City.

#### **Note 17. Risk Management**

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance and self-funded worker's compensation. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City assumes the risks of loss of both mobile vehicles and equipment, except for certain pieces of equipment, such as fire and forestry equipment, with large per-unit costs which are insured against loss subject to deductibles.

As of June 30, 2022, the City has assigned \$1,254,257 of its General Fund, fund balance for insurable risks retained.

#### **Note 18. Tax Abatements**

GASB Statement No. 77 defines tax abatements as 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 that has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

## City of Waterloo, Iowa

### Notes to Basic Financial Statements

#### Note 18. Tax Abatements (Continued)

**City tax abatements:** The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2022, the City abated \$3,542,072 of property tax under the urban renewal and economic development projects.

#### Note 19. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The details for the City's fund balances are as follows:

Fund balances:	General	Trust and Agency	Tax Increment Financing	Road Use Tax	Local Option Sales Tax	Nonmajor Governmental	Total
<b>Nonspendable:</b>							
Inventories	\$ 986,121	\$ -	\$ -	\$ 513,929	\$ -	\$ -	\$ 1,500,050
Prepays	76,544	-	-	-	-	30,859	107,403
Total nonspendable	1,062,665	-	-	513,929	-	30,859	1,607,453
<b>Restricted:</b>							
Debt service	-	-	4,917,682	-	-	-	4,917,682
Self-funded health insurance	3,806,282	1,844,107	-	-	-	-	5,650,389
Tourism promotion	2,445,442	-	-	-	-	-	2,445,442
Public access television	223,671	-	-	-	-	-	223,671
Housing	65,948	-	-	-	-	5,472,632	5,538,580
Donor specified	1,083,235	-	-	-	-	-	1,083,235
Employee benefits	-	951,861	-	-	-	-	951,861
Library	-	-	-	-	-	523,128	523,128
Street and right-of-way maintenance	-	-	-	10,943,143	-	-	10,943,143
Improvements	-	-	-	-	15,933,732	22,240,294	38,174,026
Total restricted	7,624,578	2,795,968	4,917,682	10,943,143	15,933,732	28,236,054	70,451,157
<b>Assigned:</b>							
Insurance	1,254,257	-	-	-	-	-	1,254,257
Other postemployment benefits	1,040,792	-	-	-	-	-	1,040,792
Improvements	-	-	-	-	2,199,976	1,694	2,201,670
Other	299,987	-	684,313	-	-	94,700	1,079,000
Use of fund balance for future budget	3,367,235	-	-	-	-	-	3,367,235
Total assigned	5,962,271	-	684,313	-	2,199,976	96,394	8,942,954
Unassigned	12,347,431	-	-	-	-	(4,979,536)	7,367,895
Total fund balances	\$ 26,996,945	\$ 2,795,968	\$ 5,601,995	\$ 11,457,072	\$ 18,133,708	\$ 23,383,771	\$ 88,369,459

**Notes to Basic Financial Statements**

---

**Note 20. New GASB Statements and Pending Pronouncements**

As of June 30, 2022, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This Statement changed the City's reporting of its leasing activities. Leases in which the City is a lessee are now reported as a liability at the net present value of the future payment stream. The offset is to a leased asset which is amortized over the life of the lease. Leases in which the City is a lessor are now reported as a receivable at the net present value of the future payment stream. The offset is deferred inflows – leases, which is amortized over the life of the lease.

The GASB has issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible assets – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implantation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. This Statement will be effective for the City with its year ending June 30, 2023.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*, issued in June 2022, will be effective beginning with fiscal year June 30, 2024. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.
- GASB Statement No. 101, *Compensated Absences*, issued in June 2022, will be effective beginning with fiscal year June 30, 2025. This Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

The City's management has not yet determined the effect these Statements will have on the City's financial statements, which may have a material effect on the financial statements.



**City of Waterloo, Iowa**

**Required Supplementary Information  
 Schedule of Changes in the City's Total OPEB Liability and Related Ratios  
 Last 10 Fiscal Years  
 (Dollar amounts in thousands)**

	<b>2022</b>	2021
<b>Total OPEB liability</b>		
Service cost	\$ 862,931	\$ 735,571
Interest	460,398	479,230
Changes of assumptions or other inputs	(3,623,662)	183,252
Benefit payments	(1,625,503)	(2,165,102)
<b>Net change in total OPEB liability</b>	<b>(3,925,836)</b>	<b>(767,049)</b>
Total OPEB liability—beginning	21,264,550	22,031,599
Total OPEB liability—ending	<b>\$ 17,338,714</b>	<b>\$ 21,264,550</b>
Covered-employee payroll	\$ 34,584,581	\$ 34,676,000
Total OPEB liability as a percentage of covered-employee payroll	<b>50%</b>	61%

*Changes of assumptions:* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<b>2022</b>	3.54% per annum
2021	2.16% per annum
2020	2.21% per annum
2019	3.50% per annum
2018	3.87% per annum
2017	3.58% per annum

In 2018, amounts reflect a 0.5-percentage-point decrease in the health care cost trend rates from the prior year and adjustments to assumptions regarding spousal coverage to better reflect actual plan experience.

In 2019, there was no changes to the benefit terms.

Note: GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52,101 to pay related benefits for the pension/OBEB plan.

2020	2019	2018
\$ 719,666	\$ 697,815	\$ 671,816
698,071	774,392	804,928
2,428,145	474,740	(379,447)
<u>(2,079,011)</u>	<u>(1,989,054)</u>	<u>(1,835,828)</u>
1,766,871	(42,107)	(738,531)
20,264,728	20,306,835	21,045,366
<u>\$ 22,031,599</u>	<u>\$ 20,264,728</u>	<u>\$ 20,306,835</u>
\$ 33,584,175	\$ 32,673,000	\$ 31,567,648
66%	62%	64%

**City of Waterloo, Iowa**

**Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Iowa Public Employees' Retirement System**

	<b>2022</b>	2021
Measurement date	<b>June 30, 2021</b>	June 30, 2020
City's proportion of the net pension liability	<b>0.2338930%</b>	0.2383780%
City's proportionate share of the net pension liability	<b>\$ 327,898</b>	\$ 16,628,664
City's covered payroll	<b>\$ 18,983,244</b>	\$ 18,786,254
City's proportionate share of the net pension liability as a percentage of its covered payroll	<b>1.73%</b>	88.52%
Plan fiduciary net position as a percentage of the total pension liability	<b>100.81%</b>	82.90%

**Note:** GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available. The amounts presented each year are as of the City's measurement date.

See notes to required supplementary information.

2020	2019	2018	2017	2016	2015
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.2446470%	0.2406008%	0.2379165%	0.2438592%	0.2452672%	0.2415504%
\$ 14,261,854	\$ 15,225,810	\$ 15,848,247	\$ 15,346,827	\$ 12,117,384	\$ 9,579,663
\$ 18,743,655	\$ 18,074,184	\$ 17,759,314	\$ 17,523,333	\$ 16,800,363	18816626
76.09%	84.24%	89.24%	87.58%	72.13%	50.91%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

**City of Waterloo, Iowa**

**Required Supplementary Information  
Schedule of City Contributions  
Iowa Public Employees' Retirement System**

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
Fiscal year ending:					
<b>2022</b>	<b>\$ 1,866,325</b>	<b>\$ 1,866,325</b>	-	<b>\$ 19,770,397</b>	<b>9.44%</b>
2021	1,792,019	1,792,019	-	18,983,244	9.44
2020	1,773,422	1,773,422	-	18,786,254	9.44
2019	1,769,401	1,769,401	-	18,743,655	9.44
2018	1,614,023	1,614,023	-	18,074,184	8.93
2017	1,585,908	1,585,908	-	17,759,314	8.93
2016	1,564,955	1,564,955	-	17,523,333	8.93
2015	1,500,510	1,500,510	-	16,800,363	8.93
2014	1,420,507	1,420,507	-	15,816,626	8.98
2013	1,358,920	1,358,920	-	N/A	N/A

N/A - information was not available

**Note:** The amounts reported in this schedule are as of the City's fiscal year-end.

See notes to required supplementary information.

**City of Waterloo, Iowa**

**Notes to Required Supplementary Information—IPERS Pension Liability  
Year Ended June 30, 2022**

---

**Note 1. Changes of benefit terms**

There are no significant changes in benefit terms.

**Note 2. Changes of assumptions**

The 2018 valuation implemented the following refinements as a result of an experience study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

**City of Waterloo, Iowa**

**Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Municipal Fire and Police Retirement System of Iowa**

	<b>2022</b>	2021
Measurement date	<b>June 30, 2020</b>	June 30, 2020
City's proportion of the net pension liability	<b>5.471285%</b>	5.471285%
City's proportionate share of the net pension liability	<b>\$ 12,364,223</b>	\$ 43,638,986
City's covered payroll	<b>\$ 17,890,764</b>	\$ 17,382,462
City's proportionate share of the net pension liability as a percentage of its covered payroll	<b>69.11%</b>	251.05%
Plan fiduciary net position as a percentage of the total pension liability	<b>93.62%</b>	76.47%

**Note:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available. The amounts presented each year are as of the City's measurement date.

See notes to required supplementary information.

2020	2019	2018	2017	2016	2015
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
5.582145%	5.600213%	5.703286%	5.688362%	5.724535%	5.720520%
\$ 36,614,772	\$ 33,343,863	\$ 33,448,350	\$ 46,723,287	\$ 36,408,843	\$ 26,777,406
\$ 16,897,902	\$ 16,277,606	\$ 16,060,279	\$ 15,365,321	\$ 15,012,366	\$ 14,608,497
216.68%	204.85%	208.27%	304.08%	242.53%	183.30%
79.94%	81.07%	80.60%	78.20%	83.04%	86.27%



**City of Waterloo, Iowa**

**Required Supplementary Information  
 Schedule of City Contributions  
 Municipal Fire and Police Retirement System of Iowa**

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
Fiscal year ending:					
<b>2022</b>	<b>\$ 4,847,245</b>	<b>\$ 4,847,245</b>	-	<b>\$ 18,515,069</b>	<b>26.18%</b>
2021	4,528,153	4,528,153	-	17,890,764	25.31
2020	4,243,059	4,243,059	-	17,382,462	24.41
2019	4,396,834	4,396,834	-	16,897,902	26.02
2018	4,180,091	4,180,091	-	16,277,606	25.68
2017	4,186,850	4,186,850	-	16,060,279	26.07
2016	4,280,766	4,280,766	-	15,365,321	27.86
2015	4,565,261	4,565,261	-	15,012,366	30.41
2014	4,418,650	4,418,650	-	14,608,497	30.25
2013	3,844,363	3,844,363	-	N/A	N/A

N/A - information was not available

**Note:** The amounts reported in this schedule are as of the City's fiscal year-end.

See notes to required supplementary information.

**City of Waterloo, Iowa**

**Notes to Required Supplementary Information—MFPRSI Pension Liability  
Year Ended June 30, 2022**

---

**Note 1. Changes of Benefit Terms**

There were no significant changes of benefit terms.

**Note 2. Changes of Assumptions**

The 2018 valuation changed postretirement mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Table with males set forward zero years, females set forward two years and disabled individuals set forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The 2017 valuation added five years projection to future mortality improvement scale BB.

The 2016 valuation changed postretirement mortality rates to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set-back two years, females set-forward one year and disabled individuals set-forward one year (male only rates), with no projection of future mortality improvement.

The 2015 valuation phased in the 1994 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 1/12 of the 1971 Group Annuity Mortality Table and 11/12 of the 1994 Group Annuity Mortality Table.

The 2014 valuation phased in the 1994 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

City of Waterloo, Iowa

**Budgetary Comparison Schedule  
Budget and Actual (Modified Cash Basis)—All Governmental Funds and Proprietary Funds  
Required Supplementary Information  
Year Ended June 30, 2022**

	Budgeted Amounts	
	Original	Final
Receipts and other financing sources:		
Receipts:		
Property taxes	\$ 43,275,701	\$ 43,275,701
Tax increment financing	10,699,761	10,699,761
Other City taxes	18,797,843	18,833,611
Licenses and permits	1,429,835	1,429,835
Use of money and property	1,413,850	1,413,850
Intergovernmental	39,170,268	45,164,675
Charges for services	34,732,156	35,480,907
Special assessments	198,000	198,000
Miscellaneous	9,304,280	10,589,029
<b>Total receipts</b>	<b>159,021,694</b>	<b>167,085,369</b>
Other financing sources:		
Transfer from other funds	19,518,178	24,158,608
Issuance of long-term debt	28,101,000	42,103,281
Proceeds from sale of capital assets	-	261,660
<b>Total other financing sources</b>	<b>47,619,178</b>	<b>66,523,549</b>
<b>Total receipts and other financing sources</b>	<b>206,640,872</b>	<b>233,608,918</b>
Disbursements and other financing uses:		
Governmental-type activities:		
Public safety	38,919,401	40,023,043
Public works	31,586,894	36,271,779
Health and social services	339,554	339,554
Culture and recreation	12,256,947	12,479,907
Community and economic development	18,326,800	20,430,986
General government	10,308,803	11,102,803
Debt service	13,403,500	13,609,825
Capital projects	36,140,150	57,565,479
Business-type activities	39,105,736	39,503,194
<b>Total disbursements</b>	<b>200,387,785</b>	<b>231,326,570</b>
Other financing uses, transfers to other funds	19,518,178	24,158,608
<b>Total disbursements and other financing uses</b>	<b>219,905,963</b>	<b>255,485,178</b>
<b>Receipts and other financing sources over (under)       disbursements and other financing uses</b>	<b>(13,265,091)</b>	<b>(21,876,260)</b>
Balances, beginning of year	88,091,629	88,091,629
Balances, end of year	\$ 74,826,538	\$ 66,215,369

See note to required supplementary information.

Actual Amounts Budgetary Basis	Variance With Final Budget
\$ 43,221,083	\$ (54,618)
10,644,212	(55,549)
23,818,946	4,985,335
1,367,363	(62,472)
1,661,375	247,525
45,189,879	25,204
37,117,179	1,636,272
285,283	87,283
10,642,484	53,455
<u>173,947,804</u>	<u>6,862,435</u>
23,354,654	(803,954)
39,332,450	(2,770,831)
408,602	146,942
<u>63,095,706</u>	<u>(3,427,843)</u>
<u>237,043,510</u>	<u>3,434,592</u>
38,425,054	1,597,989
32,274,890	3,996,889
288,003	51,551
11,152,919	1,326,988
15,524,582	4,906,404
7,926,757	3,176,046
13,463,364	146,461
39,336,880	18,228,599
31,518,786	7,984,408
<u>189,911,235</u>	<u>41,415,335</u>
<u>23,354,654</u>	<u>803,954</u>
<u>213,265,889</u>	<u>42,219,289</u>
23,777,621	45,653,881
<u>120,504,935</u>	<u>88,091,629</u>
<u>\$ 144,282,556</u>	<u>\$ 133,745,510</u>

**City of Waterloo, Iowa**

**Note to Required Supplementary Information—Budgetary Reporting  
Year Ended June 30, 2022**

---

In accordance with the Code of Iowa, the City Council annually adopts a budget on a modified cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon 10 major classes of disbursements known as functions, not by fund or fund type. These 10 functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type and nonprogram. Although the budget document presents function disbursements by fund type, the legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, one budget amendment was adopted which increased budgeted expenditures by \$30,938,785 and revenue by \$22,327,616. The budget amendments are reflected in the final budgeted amount.

The City uses the same modified cash basis of accounting for budgetary reporting as is used for its internal financial records. Under this basis, cash transactions are modified by certain receivables and payables and by certain noncash revenue and expenditures. In addition, many transactions which could be recorded in and reported by the Sanitary Sewer Enterprise Fund are recorded in and reported by governmental funds.

City of Waterloo, Iowa

**Schedule of Comparison  
Funds Statements (GAAP Basis) to Budgetary (Modified Cash) Basis  
Required Supplementary Information  
Year Ended June 30, 2022**

	Governmental Fund Types GAAP Basis Actual Amounts	Enterprise Fund Types GAAP Basis Actual Amounts	Total Funds
<b>Revenue/Receipts:</b>			
Property taxes and TIF revenue	\$ 53,591,030	\$ -	\$ 53,591,030
Other taxes	24,018,215	-	24,018,215
Licenses and permits	1,345,096	-	1,345,096
Use of money and property	1,673,357	18,508	1,691,865
Intergovernmental	26,244,859	273,624	26,518,483
Charges for fees and service	13,279,053	24,216,336	37,495,389
Interfund charges for services	2,426,381	-	2,426,381
Special assessments	248,787	-	248,787
Miscellaneous	4,314,772	2,067,194	6,381,966
<b>Total revenue/receipts</b>	<b>127,141,550</b>	<b>26,575,662</b>	<b>153,717,212</b>
<b>Expenditures and expenses/disbursements:</b>			
Public safety	37,912,338	-	37,912,338
Public works	25,770,839	-	25,770,839
Health and social services	293,448	-	293,448
Culture and recreation	11,460,361	-	11,460,361
Community and economic development	17,600,621	-	17,600,621
General government	8,012,627	-	8,012,627
Debt service	14,013,872	-	14,013,872
Capital projects	34,607,629	-	34,607,629
Business-type activities	-	19,207,110	19,207,110
<b>Total expenditures and expenses/ disbursements</b>	<b>149,671,735</b>	<b>19,207,110</b>	<b>168,878,845</b>
<b>Net</b>	<b>(22,530,185)</b>	<b>7,368,552</b>	<b>(15,161,633)</b>
<b>Other financing sources (uses):</b>			
Transfers in	20,459,510	-	20,459,510
Transfers out	(20,459,510)	-	(20,459,510)
Bond premium	235,494	-	235,494
Proceeds from sale of capital assets	1,549,907	-	1,549,907
Proceeds from insurance	1,562,760	-	1,562,760
Issuance of long-term debt	24,075,000	-	24,075,000
<b>Total other financing sources (uses)</b>	<b>27,423,161</b>	<b>-</b>	<b>27,423,161</b>
<b>Change in fund balance/net position</b>	<b>4,892,976</b>	<b>7,368,552</b>	<b>12,261,528</b>
Balance, beginning of year	83,476,483	107,196,706	190,673,189
Balance, end of year	<u>\$ 88,369,459</u>	<u>\$ 114,565,258</u>	<u>\$ 202,934,717</u>

Budgetary Basis Exceptions	Property Tax Collected for and Remitted to MET, Grout and Water Works	Other GAAP Conversion Adjustments	Budgetary Basis
\$ -	\$ 2,183,071	\$ (1,908,806)	\$ 53,865,295
-	-	(199,269)	23,818,946
-	-	22,267	1,367,363
-	-	(30,490)	1,661,375
-	-	18,671,396	45,189,879
-	-	(378,210)	37,117,179
-	-	(2,426,381)	-
-	-	36,496	285,283
-	-	4,260,518	10,642,484
-	2,183,071	18,047,521	173,947,804
-	-	512,716	38,425,054
-	2,183,071	4,320,980	32,274,890
-	-	(5,445)	288,003
-	-	(307,442)	11,152,919
-	-	(2,076,039)	15,524,582
-	-	(85,870)	7,926,757
-	-	(550,508)	13,463,364
-	-	4,729,251	39,336,880
-	-	12,311,676	31,518,786
-	2,183,071	18,849,319	189,911,235
-	-	(801,798)	(15,963,431)
-	-	2,895,144	23,354,654
-	-	(2,895,144)	(23,354,654)
-	-	(235,494)	-
-	-	(1,141,305)	408,602
-	-	(1,562,760)	-
-	-	15,257,450	39,332,450
-	-	12,317,891	39,741,052
-	-	11,516,093	23,777,621
-	-	(70,168,254)	120,504,935
\$ -	\$ -	\$ (58,652,161)	\$ 144,282,556

City of Waterloo, Iowa

Required Supplementary Information  
Schedule of Employer Contributions for Waterloo Water Works Pension Plan  
Last Ten Fiscal Years

	2021	2020	2019	2018
Actuarially determined contribution	\$ 587,599	\$ 587,599	\$ 563,701	\$ 529,242
Contributions in relation to actuarially determined contribution	639,602	639,602	615,910	577,408
Contribution deficiency (excess)	(52,003)	(52,003)	(52,209)	(48,166)
Covered payroll	\$ 810,194	\$ 810,194	\$ 979,376	\$ 943,430
Contributions as a percentage of covered payroll	78.9%	78.9%	62.9%	61.2%



2017	2016	2015	2014	2013	2012
\$ 505,125	\$ 489,448	\$ 475,911	\$ 481,861	\$ 480,199	\$ 423,689
565,374	550,161	540,043	570,419	538,658	473,114
(60,249)	(60,713)	(64,132)	(88,558)	(58,459)	(49,425)
\$ 1,047,371	\$ 1,004,723	\$ 1,045,603	\$ 1,064,651	\$ 1,100,185	\$ 1,105,893
54.0%	54.8%	51.6%	53.6%	49.0%	42.8%

**City of Waterloo, Iowa**

**Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios for Waterloo Water Works  
Pension Plan**

	2022	2021	2020
<b>Total pension liability</b>			
Service cost	\$ 55,720	\$ 55,720	\$ 42,951
Interest	645,354	645,354	672,982
Difference between expected and actual experience	(194,832)	(194,832)	(36,258)
Changes in assumptions	315,233	315,233	325,945
Benefit payments including refunds	(677,004)	(677,004)	(675,155)
Change in total pension liability	144,471	144,471	330,465
Total pension liability, beginning of year	9,037,366	9,037,366	8,706,901
Total pension liability, end of year	9,181,837	9,181,837	9,037,366
<b>Plan fiduciary net position</b>			
Contributions, employer	591,000	591,000	563,701
Contributions, member	48,602	48,602	52,209
Net investment income	1,221,397	1,221,397	1,594,221
Benefit payments including refunds	(677,004)	(677,004)	(675,155)
Change in plan fiduciary net position	1,183,995	1,183,995	1,534,976
Plan fiduciary net position, beginning of year	7,319,079	7,319,079	5,784,103
Plan fiduciary net position, end of year	8,503,074	8,503,074	7,319,079
Net pension liability, end of year	\$ 678,763	\$ 678,763	\$ 1,718,287
Plan fiduciary net position as a % of total pension liability	92.6%	92.6%	81.0%
Covered payroll	\$ 744,456	\$ 744,456	\$ 810,194
Net pension liability as a % of covered payroll	91.2%	91.2%	212.1%

Additional years will be added going forward as information becomes available.

2019	2018	2017	2016
\$ 46,090	\$ 45,849	\$ 53,886	\$ 53,008
665,421	640,457	616,847	607,558
76,594	(45,362)	164,103	(28,037)
(72,427)	225,356	13,141	12,600
(560,887)	(548,118)	(541,494)	(518,306)
154,791	318,182	306,483	126,823
8,552,110	8,233,928	7,927,445	7,800,622
8,706,901	8,552,110	8,233,928	7,927,445
529,242	507,287	489,448	481,000
48,166	58,087	60,713	59,043
(466,923)	821,539	281,674	(157,690)
(560,887)	(548,118)	(541,494)	(518,306)
(450,402)	838,795	290,341	(135,953)
6,234,505	5,395,710	5,105,369	5,241,322
5,784,103	6,234,505	5,395,710	5,105,369
\$ 2,922,798	\$ 2,317,605	\$ 2,838,218	\$ 2,822,076

66.4%                      72.9%                      65.5%                      64.4%

\$ 979,376    \$ 943,430    \$ 1,047,371    \$ 1,004,723

298.4%                      245.7%                      271.0%                      280.9%

**City of Waterloo, Iowa**

**Notes to Required Supplementary Information for Waterloo Water Works Pension Plan  
For the Year Ended December 31, 2021**

---

**Note 1:** Valuation Date: Actuarially determined contributions rates are calculated as of December 31 of the current fiscal year.

**Note 2:** Methods and assumptions used to determine contribution rates.

Actuarial cost method	Entry age cost method
Amortization method	Level dollar
Remaining amortization period	20 years
Asset valuation method	Market value of assets
Inflation	2.50%
Annual pay increases	3.00%
Investment rate of return	7.0%
Retirement age	100% at age 62
Mortality rates	2020 Dataset mortality

**City of Waterloo, Iowa**

**Required Supplementary Information**

**IPERS Schedule of the Waterloo Water Works' Proportionate Share of the Net Pension Liability**

Measurement Date June 30,	<b>2021</b>	2020
Water Work's proportion of the net pension liability	<b>0.017377%</b>	0.017377%
Water Work's total proportionate share of the net pension liability	<b>\$ 1,220,674</b>	\$ 1,220,674
Water Work's covered payroll	<b>\$ 1,267,605</b>	\$ 1,267,605
Water Work's proportionate share of the net pension liability as a percentage of its covered payroll	<b>96%</b>	96%
IPERS' net position as a percentage of the total pension liability	<b>81.87%</b>	81.87%

Additional years will be added going forward as information becomes available.

2019	2018	2017	2016	2015	2014
0.016437%	0.016820%	0.015549%	0.014805%	0.014220%	0.012797%
\$ 951,791	\$ 1,064,406	\$ 1,035,776	\$ 923,262	\$ 706,956	\$ 524,011
\$ 1,270,103	\$ 1,251,971	\$ 1,079,261	\$ 1,018,040	\$ 885,398	\$ 791,254
75%	85%	96%	91%	80%	61%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

**City of Waterloo, Iowa**

**Required Supplementary Information  
IPERS Schedule of Waterloo Water Works Contributions**

	<b>2021</b>	2020	2019	2018
Statutorily required contribution	\$ <b>153,186</b>	\$ 153,186	\$ 119,662	\$ 116,656
Contributions in relation to the Statutorily required contribution	<b>(153,186)</b>	(153,186)	(119,662)	(116,656)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	\$ -	\$ -	\$ -
Water Work's covered payroll	\$ <b>1,622,730</b>	\$ 1,622,730	\$ 1,267,605	\$ 1,270,103
Contributions as a percentage of covered payroll	<b>9.44%</b>	9.44%	9.44%	9.18%

2017	2016	2015	2014	2013	2012
\$ 111,801	\$ 96,378	\$ 90,911	\$ 79,066	\$ 70,659	\$ 56,189
(111,801)	(96,378)	(90,911)	(79,066)	(70,659)	(56,189)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,251,971	\$ 1,079,261	\$ 1,018,040	\$ 885,398	\$ 791,254	\$ 648,085
8.93%	8.93%	8.93%	8.93%	8.93%	8.67%



City of Waterloo, Iowa

Schedule of Expenditures by Function and Department  
 General Fund  
 Year Ended June 30, 2022

Public safety function	
Mayor	
Blackhawk emergency management agency	
Contractual services	\$ 96,039
<b>Total activity and department</b>	<u>96,039</u>
Police department	
Police operations	
Compensation and benefits	13,192,989
Contractual services	1,186,596
Commodities	318,977
Debt service	407,766
<b>Total activity</b>	<u>15,106,328</u>
Police computer services	
Contractual services	108,877
Commodities	174,736
<b>Total activity</b>	<u>283,613</u>
Police grants	
Compensation and benefits	640,737
Contractual services	7,478
Commodities	41,881
<b>Total activity</b>	<u>690,096</u>
Law enforcement programs	
Compensation and benefits	64,370
Contractual services	598,993
Commodities	224,850
<b>Total activity</b>	<u>888,213</u>
Police tobacco enforcement	
Compensation and benefits	4,666
<b>Total activity</b>	<u>4,666</u>
Public safety administration	
Compensation and benefits	73
Contractual services	5,000
<b>Total activity</b>	<u>5,073</u>
<b>Total Department</b>	<u>16,977,989</u>

City of Waterloo, Iowa

Schedule of Expenditures by Function and Department (Continued)  
 General Fund  
 Year Ended June 30, 2022

Fire Department	
Fire protection	
Compensation and benefits	9,675,924
Contractual services	496,316
Commodities	108,731
<b>Total activity</b>	<u>10,280,971</u>
Fire ambulance	
Compensation and benefits	2,077,014
Contractual services	1,254,830
Commodities	245,576
Capital outlay	157,207
<b>Total activity</b>	<u>3,734,627</u>
Fire restricted programs	
Compensation and benefits	3,561
Contractual services	3,095
Commodities	854
Capital outlay	11,350
<b>Total activity</b>	<u>18,860</u>
Hazmat regional training center	
Compensation and benefits	147,889
Contractual services	32,031
Commodities	108
<b>Total activity</b>	<u>180,028</u>
Fire federal CDC grant	
Compensation and benefits	282,329
Contractual services	52,735
<b>Total activity</b>	<u>335,064</u>
<b>Total Department</b>	<u>14,549,550</u>
Building inspection department	
Building & housing safety	
Compensation and benefits	1,137,096
Contractual services	146,813
Commodities	48,935
<b>Total activity and department</b>	<u>1,332,844</u>

City of Waterloo, Iowa

Schedule of Expenditures by Function and Department (Continued)  
 General Fund  
 Year Ended June 30, 2022

Central Garage	
Fire - garage parts & service	
Compensation and benefits	101,320
Contractual services	2,926
Commodities	107,308
<b>Total activity</b>	<u>211,554</u>
Ambulance - Garage Parts & Services	
Commodities	22,526
<b>Total activity</b>	<u>22,526</u>
<b>Total Department</b>	<u>234,080</u>
Public safety function totals	
Compensation and benefits	27,327,968
Contractual services	3,991,729
Commodities	1,294,482
Capital Outlay	168,557
Debt service	407,766
<b>Function total</b>	<u>\$ 33,190,502</u>
Public works function	
City engineer	
Sidewalk repair/construction	
Capital outlay	\$ 309,521
<b>Total activity and department</b>	<u>309,521</u>
Traffic Operations	
Parking Maintenance	
Compensation and benefits	4,650
<b>Total activity and department</b>	<u>4,650</u>
Central Garage	
Central Garage	
Compensation and benefits	864,937
Contractual services	22,991
Commodities	119,498
<b>Total activity</b>	<u>1,007,426</u>
Garage-motor pool service	
Contractual services	100
Commodities	1,014,538
<b>Total activity</b>	<u>1,014,638</u>
<b>Total Department</b>	<u>2,022,064</u>

City of Waterloo, Iowa

Schedule of Expenditures by Function and Department (Continued)  
 General Fund  
 Year Ended June 30, 2022

Airport Commission		
Airport Administration		
Compensation and benefits		705,033
Contractual services		353,106
Commodities		81,496
<b>Total activity</b>		<u>1,139,635</u>
<b>Total Department</b>		<u>1,139,635</u>
Building Inspection		
Parking Operations		
Contractual services		308,838
Commodities		28,525
<b>Total activity and department</b>		<u>337,363</u>
Public works function totals		
Compensation and benefits		1,574,620
Contractual services		685,035
Commodities		1,244,057
Capital Outlay		309,521
<b>Function Total</b>		<u>\$ 3,813,233</u>
Health and social services function		
Human rights commission		
Human rights		
Compensation and benefits		248,926
Contractual services		11,213
Commodities		1,470
<b>Total activity</b>		<u>261,609</u>
EEOC Contract		
Compensation and benefits		10,000
Contractual services		20,635
Commodities		1,204
<b>Total activity</b>		<u>31,839</u>
<b>Total Department</b>		<u>293,448</u>
Health and social services function totals		
Compensation and benefits		258,926
Contractual services		31,848
Commodities		2,674
<b>Function Total</b>		<u>\$ 293,448</u>

City of Waterloo, Iowa

Schedule of Expenditures by Function and Department (Continued)  
 General Fund  
 Year Ended June 30, 2022

Culture and recreation function		
Mayor		
Fairview cemetery association		
Contractual services		\$ 60,000
<b>Total activity and department</b>		<u>60,000</u>
Cultural/Arts Commission		
Youth Pavilion		
Compensation and benefits		299,634
Contractual services		44,601
Commodities		12,831
<b>Total activity</b>		<u>357,066</u>
Center for the arts		
Compensation and benefits		585,587
Contractual services		83,496
Commodities		32,597
<b>Total activity</b>		<u>701,680</u>
River Loop event facilities		
Compensation and benefits		3,164
Contractual services		11,164
Commodities		1,380
<b>Total activity</b>		<u>15,708</u>
Cultural/arts grants & projects		
Compensation and benefits		2,871
Contractual services		18,676
<b>Total activity</b>		<u>21,547</u>
<b>Total department</b>		<u>1,096,001</u>
Library		
Library services		
Compensation and benefits		1,373,888
Contractual services		182,830
Commodities		260,170
<b>Total activity</b>		<u>1,816,888</u>
Library Enrich		
Compensation and benefits		7,584
Commodities		4,006
<b>Total activity</b>		<u>11,590</u>

City of Waterloo, Iowa

Schedule of Expenditures by Function and Department (Continued)  
 General Fund  
 Year Ended June 30, 2022

Library Access Plus	
Commodities	4,005
<b>Total activity</b>	<u>4,005</u>
Library grants & projects	
Contractual services	18,650
Commodities	29,969
<b>Total activity</b>	<u>48,619</u>
Library gift & memorial	
Contractual services	18,221
Commodities	16,874
<b>Total activity</b>	<u>35,095</u>
Iowa library services	
Commodities	2,313
<b>Total activity</b>	<u>2,313</u>
County library system	
Compensation and benefits	66,361
Commodities	3,493
<b>Total activity</b>	<u>69,854</u>
County open access	
Contractual services	3,328
Commodities	1,921
<b>Total activity</b>	<u>5,249</u>
<b>Total department</b>	<u>1,993,613</u>
Leisure services	
Leisure services - parks	
Compensation and benefits	1,961,694
Contractual services	265,034
Commodities	249,100
<b>Total activity</b>	<u>2,475,828</u>
Leisure services projects	
Compensation and benefits	8,585
Contractual services	51,230
Commodities	55,938
Capital outlay	73,533
<b>Total activity</b>	<u>189,286</u>
Downtown area maintenance	
Compensation and benefits	336,270
Contractual services	41,650
Commodities	35,216
<b>Total activity</b>	<u>413,136</u>

City of Waterloo, Iowa

Schedule of Expenditures by Function and Department (Continued)  
 General Fund  
 Year Ended June 30, 2022

Golf courses	
Compensation and benefits	996,803
Contractual services	120,474
Commodities	154,043
<b>Total activity</b>	<u>1,271,320</u>
Golf course improvements	
Contractual services	8,117
Commodities	4,453
<b>Total activity</b>	<u>12,570</u>
SportsPlex	
Compensation and benefits	916,997
Contractual services	401,895
Commodities	165,524
<b>Total activity</b>	<u>1,484,416</u>
Sports & youth services	
Compensation and benefits	554,090
Contractual services	33,951
Commodities	110,307
<b>Total activity</b>	<u>698,348</u>
Young arena	
Compensation and benefits	517,720
Contractual services	235,914
Commodities	148,779
<b>Total activity</b>	<u>902,413</u>
<b>Total department</b>	<u>7,447,317</u>
Culture and recreation function totals	
Compensation and benefits	7,631,248
Contractual services	1,599,231
Commodities	1,292,919
Capital Outlay	73,533
<b>Function total</b>	<u>\$ 10,596,931</u>

**City of Waterloo, Iowa**

**Schedule of Expenditures by Function and Department (Continued)**  
**General Fund**  
**Year Ended June 30, 2022**

Community and economic development function		
Mayor		
Iowa Northland Council of Governments		
Contractual services	\$	35,571
<b>Total activity</b>		<u>35,571</u>
Tourism promotion		
Contractual services		123,836
<b>Total activity</b>		<u>123,836</u>
Tourism promotion - discretionary		
Contractual services		25,000
<b>Total activity</b>		<u>25,000</u>
Waterloo Convention Center - operations		
Contractual services		1,423,616
Commodities		121,389
<b>Total activity</b>		<u>1,545,005</u>
Waterloo Convention & Visitors Bureau		
Contractual services		725,349
<b>Total activity</b>		<u>725,349</u>
<b>Total department</b>		<u>2,454,761</u>
Planning & zoning		
Planning & zoning		
Compensation and benefits		645,194
Contractual services		19,076
Commodities		6,906
Capital outlay		32
<b>Total activity</b>		<u>671,208</u>
City property management		
Contractual services		127,485
<b>Total activity</b>		<u>127,485</u>
Economic development		
Compensation and benefits		141,216
<b>Total activity</b>		<u>141,216</u>
<b>Total department</b>		<u>939,909</u>



City of Waterloo, Iowa

Schedule of Expenditures by Function and Department (Continued)  
 General Fund  
 Year Ended June 30, 2022

Community and economic development totals	
Compensation and benefits	786,410
Contractual services	2,479,933
Commodities	128,295
Capital Outlay	32
<b>Function total</b>	<u><u>\$ 3,394,670</u></u>
General Government function	
Mayor	
Mayor's office	
Compensation and benefits	\$ 317,197
Contractual services	44,964
Commodities	885
<b>Total activity</b>	<u>363,046</u>
Mayor Restricted Projects.	
Contractual services	9,788
<b>Total activity</b>	<u>9,788</u>
Administrative SVCS/MIS	
Compensation and benefits	349,337
Contractual services	126,136
Commodities	45,199
<b>Total activity</b>	<u>520,672</u>
Communications	
Contractual services	3,674
Commodities	975
<b>Total activity</b>	<u>4,649</u>
<b>Total department</b>	<u>898,155</u>
City Council	
City Council	
Compensation and benefits	74,665
Contractual services	3,092
<b>Total activity and department</b>	<u>77,757</u>

City of Waterloo, Iowa

Schedule of Expenditures by Function and Department (Continued)  
 General Fund  
 Year Ended June 30, 2022

City Clerk and Finance	
Electronic media	
Compensation and benefits	164,694
Contractual services	1,072
Commodities	4,243
<b>Total activity</b>	<u>170,009</u>
City Clerk & Finance	
Compensation and benefits	955,981
Contractual services	159,454
Commodities	187,489
<b>Total activity</b>	<u>1,302,924</u>
Liability insurance	
Compensation and benefits	107,496
Contractual services	1,959,004
<b>Total activity</b>	<u>2,066,500</u>
Life/disability insurance	
Compensation and benefits	(16,784)
<b>Total activity</b>	<u>(16,784)</u>
Self-funded health insurance	
Contractual services	544,569
Commodities	-
<b>Total activity</b>	<u>544,569</u>
Self funded workers	
Contractual services	1,443,054
<b>Total activity</b>	<u>1,443,054</u>
Printing	
Contractual services	22,273
<b>Total activity</b>	<u>22,273</u>
<b>Total department</b>	
	<u>5,532,545</u>
City Attorney	
City Attorney	
Compensation and benefits	196,300
Contractual services	41,682
Commodities	6,906
<b>Total activity and department</b>	<u>244,888</u>

City of Waterloo, Iowa

Schedule of Expenditures by Function and Department (Continued)  
 General Fund  
 Year Ended June 30, 2022

Human resources		
Employee assistance program		
Contractual services		13,250
<b>Total activity</b>		<u>13,250</u>
Human resources		
Compensation and benefits		399,187
Contractual services		47,567
Commodities		5,690
<b>Total activity</b>		<u>452,444</u>
Safety and wellness		
Contractual services		3,618
Commodities		2,914
<b>Total activity</b>		<u>6,532</u>
<b>Total department</b>		<u>472,226</u>
Building inspection		
Facilities maintenance		
Compensation and benefits		414,218
Contractual services		215,724
Commodities		75,176
<b>Total activity</b>		<u>705,118</u>
Facilities restricted project		
Contractual services		546
Commodities		1,402
<b>Total activity</b>		<u>1,948</u>
Veterans Memorial Hall		
Contractual services		10,379
<b>Total activity</b>		<u>10,379</u>
<b>Total department</b>		<u>717,445</u>
General government totals		
Compensation and benefits		2,962,291
Contractual services		4,649,846
Commodities		330,879
<b>Function total</b>		<u>\$ 7,943,016</u>

City of Waterloo, Iowa

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022

	Special Revenue	Capital Projects	General Obligation Debt Service	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 3,270,724	\$ 23,452,422	\$ 619,863	\$ 27,343,009
Receivables:				
Customer accounts	10,759	-	-	10,759
Property taxes:				
Delinquent	4,135	-	60,461	64,596
Succeeding year	623,413	-	7,626,397	8,249,810
Accrued interest	6,938	-	2	6,940
Due from other governments:				
Federal	1,593,174	-	-	1,593,174
Iowa	2,358,863	-	-	2,358,863
Other	7,111	47,440	85,014	139,565
Inventories and prepaids	30,859	-	-	30,859
Restricted assets, cash and cash equivalents	3,439,260	-	304,090	3,743,350
Advances to other funds	7,825	-	-	7,825
<b>Total assets</b>	<b>\$ 11,353,061</b>	<b>\$ 23,499,862</b>	<b>\$ 8,695,827</b>	<b>\$ 43,548,750</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 307,884	\$ 1,079,181	\$ 600	\$ 1,387,665
Retainages payable	298,066	1,980,208	-	2,278,274
Accrued liabilities	89,329	-	-	89,329
Due to other funds	2,522,273	2,560,747	-	5,083,020
Compensated absences	9,910	-	-	9,910
Payable from restricted assets	48,070	-	-	48,070
Unearned revenue	85,711	-	-	85,711
<b>Total liabilities</b>	<b>3,361,243</b>	<b>5,620,136</b>	<b>600</b>	<b>8,981,979</b>
Deferred inflows of resources:				
Unavailable revenue—property taxes	627,548	-	7,686,858	8,314,406
Unavailable revenue—intergovernmental and other	2,821,154	47,440	-	2,868,594
<b>Total deferred inflows of resources</b>	<b>3,448,702</b>	<b>47,440</b>	<b>7,686,858</b>	<b>11,183,000</b>
Fund Balances:				
Nonspendable	30,859	-	-	30,859
Restricted	6,462,607	20,765,078	1,008,369	28,236,054
Assigned	96,394	-	-	96,394
Unassigned	(2,046,744)	(2,932,792)	-	(4,979,536)
<b>Total fund balances</b>	<b>4,543,116</b>	<b>17,832,286</b>	<b>1,008,369</b>	<b>23,383,771</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,353,061</b>	<b>\$ 23,499,862</b>	<b>\$ 8,695,827</b>	<b>\$ 43,548,750</b>

City of Waterloo, Iowa

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2022**

	Special Revenue	Capital Projects	Debt Service	Total
<b>Revenues:</b>				
Property taxes	\$ 636,768	\$ -	\$ 7,635,237	\$ 8,272,005
Other taxes	21,206	-	224,270	245,476
Investment income	5,500	40,579	5,196	51,275
Rent	202,428	-	48,000	250,428
Intergovernmental	15,855,047	-	-	15,855,047
Charges for services	181,593	-	-	181,593
Miscellaneous	2,495	1,569,837	-	1,572,332
<b>Total revenues</b>	<b>16,905,037</b>	<b>1,610,416</b>	<b>7,912,703</b>	<b>26,428,156</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public works	6,862,031	-	-	6,862,031
Culture and recreation	863,430	-	-	863,430
Community and economic development	10,902,451	806,245	-	11,708,696
General government	22,417	31,128	-	53,545
<b>Debt service:</b>				
Principal	-	1,651,018	8,960,000	10,611,018
Interest expense	-	525,722	2,229,366	2,755,088
Capital outlay	621,260	30,584,647	-	31,205,907
<b>Total expenditures</b>	<b>19,271,589</b>	<b>33,598,760</b>	<b>11,189,366</b>	<b>64,059,715</b>
<b>Revenues over (under) expenditures</b>	<b>(2,366,552)</b>	<b>(31,988,344)</b>	<b>(3,276,663)</b>	<b>(37,631,559)</b>
<b>Other financing sources (uses):</b>				
Transfers in	2,139,509	5,625,487	3,280,539	11,045,535
Transfers out	(130,000)	-	-	(130,000)
Bond premium	-	235,494	-	235,494
Issuance of long-term debt	-	24,075,000	-	24,075,000
<b>Total other financing sources (uses)</b>	<b>2,009,509</b>	<b>29,935,981</b>	<b>3,280,539</b>	<b>35,226,029</b>
<b>Net change in fund balance</b>	<b>(357,043)</b>	<b>(2,052,363)</b>	<b>3,876</b>	<b>(2,405,530)</b>
Fund balance, beginning of year	4,900,159	19,884,649	1,004,493	25,789,301
Fund balance, end of year	\$ 4,543,116	\$ 17,832,286	\$ 1,008,369	\$ 23,383,771

## City of Waterloo, Iowa

### Nonmajor Special Revenue Funds

June 30, 2022

---

Special Revenue Funds account for the proceeds of specific revenue sources that are legally or contractually restricted for particular purposes. The proceeds are segregated into individual funds to ensure that expenditures are made exclusively for qualified purposes, as follows:

**Library Tax Levy Fund:** This fund is used to account for property taxes levied, as passed by local referendum, to be used to increase the hours of operation of the Waterloo Public Library.

**Community Development Block Grant Fund:** This fund accounts for revenue received under the Community Development Block Grant federal entitlement.

**Housing Programs Fund:** This fund is used to account for resources received to provide housing assistance, primarily Federal Section 8 and Ridgeway Towers.

**Grants Fund:** This fund is used to account for resources received for various federal and Iowa funded projects which are not accounted for elsewhere and are restricted to specific programs.

**Federal Aviation Agency Projects Fund:** This fund is used to account for resources from the Federal Aviation Agency and Passenger Facility Charges restricted for airport development.

**Iowa Reinvestment District Fund:** This fund is used to account for resources received from the State of Iowa to reinvest sales tax monies to improve the quality of life for the City of Waterloo's citizens and substantially benefit the community, region and state.

City of Waterloo, Iowa

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2022

	Library Tax Levy	Community Development Block Grant	Housing Programs
<b>Assets</b>			
Cash and cash equivalents	\$ 635,038	\$ 700	\$ 2,579,385
Receivables:			
Customer accounts	-	-	10,759
Property taxes:			
Delinquent	4,135	-	-
Succeeding year	623,413	-	-
Accrued interest	2	5,426	1,510
Due from other governments:			
Federal	-	615,138	-
Iowa	-	-	-
Other	7,111	-	-
Inventories and prepaids	-	-	30,859
Restricted cash and cash equivalents	-	-	2,984,537
Advances to other funds	7,825	-	-
<b>Total assets</b>	<b>\$ 1,277,524</b>	<b>\$ 621,264</b>	<b>\$ 5,607,050</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>			
Liabilities:			
Accounts payable	\$ -	\$ 71,270	\$ 30,578
Retainages payable	-	3,750	-
Accrued liabilities	30,189	25,952	33,188
Due to other funds	-	480,714	-
Compensated absences	1,959	4,007	3,944
Payable from restricted assets	-	-	48,070
Unearned revenue	-	-	43,054
<b>Total liabilities</b>	<b>32,148</b>	<b>585,693</b>	<b>158,834</b>
Deferred inflows of resources:			
Unavailable revenue - property taxes	627,548	-	-
Unavailable revenue - intergovernmental	-	15,741	-
<b>Total deferred inflows of resources</b>	<b>627,548</b>	<b>15,741</b>	<b>-</b>
Fund balances (deficit):			
Nonspendable	-	-	30,859
Restricted	523,128	19,830	5,417,357
Assigned	94,700	-	-
Unassigned	-	-	-
<b>Total fund balances (deficit)</b>	<b>617,828</b>	<b>19,830</b>	<b>5,448,216</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficit)</b>	<b>\$ 1,277,524</b>	<b>\$ 621,264</b>	<b>\$ 5,607,050</b>

Special Revenue				
Grants	Federal Aviation Agency Projects	Iowa Reinvestment District	Total	
\$ -	\$ -	\$ 55,601	\$ 3,270,724	
-	-	-	10,759	
-	-	-	4,135	
-	-	-	623,413	
-	-	-	6,938	
916,262	61,774	-	1,593,174	
2,225,057	55,654	78,152	2,358,863	
-	-	-	7,111	
-	-	-	30,859	
55,275	399,448	-	3,439,260	
-	-	-	7,825	
<u>\$ 3,196,594</u>	<u>\$ 516,876</u>	<u>\$ 133,753</u>	<u>\$ 11,353,061</u>	
\$ 192,404	\$ 13,632	\$ -	\$ 307,884	
203,487	90,829	-	298,066	
-	-	-	89,329	
1,999,961	41,598	-	2,522,273	
-	-	-	9,910	
-	-	-	48,070	
42,657	-	-	85,711	
<u>2,438,509</u>	<u>146,059</u>	<u>-</u>	<u>3,361,243</u>	
-	-	-	627,548	
<u>2,680,733</u>	<u>40,190</u>	<u>84,490</u>	<u>2,821,154</u>	
<u>2,680,733</u>	<u>40,190</u>	<u>84,490</u>	<u>3,448,702</u>	
-	-	-	30,859	
55,275	399,448	47,569	6,462,607	
-	-	1,694	96,394	
<u>(1,977,923)</u>	<u>(68,821)</u>	<u>-</u>	<u>(2,046,744)</u>	
<u>(1,922,648)</u>	<u>330,627</u>	<u>49,263</u>	<u>4,543,116</u>	
<u>\$ 3,196,594</u>	<u>\$ 516,876</u>	<u>\$ 133,753</u>	<u>\$ 11,353,061</u>	



City of Waterloo, Iowa

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)  
 Nonmajor Special Revenue Funds  
 Year Ended June 30, 2022

	Library Tax Levy	Community Development Block Grant	Housing Programs
<b>Revenues:</b>			
Property taxes	\$ 636,768	\$ -	\$ -
Other taxes	21,206	-	-
Investment income	1,038	-	3,434
Rent	-	-	202,428
Intergovernmental	-	2,274,911	6,415,767
Charges for services	-	63,013	45,039
Miscellaneous	-	237	2,258
<b>Total revenues</b>	<b>659,012</b>	<b>2,338,161</b>	<b>6,668,926</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Public works	-	-	-
Culture and recreation	617,184	-	-
Community and economic development	-	2,483,294	6,131,441
General government	-	-	-
Capital outlay	-	23,800	127,324
<b>Total expenditures</b>	<b>617,184</b>	<b>2,507,094</b>	<b>6,258,765</b>
<b>Excess of revenues over expenditures</b>	<b>41,828</b>	<b>(168,933)</b>	<b>410,161</b>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in fund balances (deficit)</b>	<b>41,828</b>	<b>(168,933)</b>	<b>410,161</b>
Fund balances (deficit), beginning of year	576,000	188,763	5,038,055
Fund balances (deficit), end of year	<b>\$ 617,828</b>	<b>\$ 19,830</b>	<b>\$ 5,448,216</b>

	Grants	Federal Aviation Agency Projects	Iowa Reinvestment District	Total
\$	-	\$ -	\$ -	\$ 636,768
	-	-	-	21,206
	-	891	137	5,500
	-	-	-	202,428
	4,181,015	2,858,986	124,368	15,855,047
	-	73,541	-	181,593
	-	-	-	2,495
	<u>4,181,015</u>	<u>2,933,418</u>	<u>124,505</u>	<u>16,905,037</u>
	3,885,206	2,976,825	-	6,862,031
	246,246	-	-	863,430
	2,287,716	-	-	10,902,451
	-	22,298	119	22,417
	470,136	-	-	621,260
	<u>6,889,304</u>	<u>2,999,123</u>	<u>119</u>	<u>19,271,589</u>
	(2,708,289)	(65,705)	124,386	(2,366,552)
	2,139,509	-	-	2,139,509
	-	-	(130,000)	(130,000)
	<u>2,139,509</u>	<u>-</u>	<u>(130,000)</u>	<u>2,009,509</u>
	(568,780)	(65,705)	(5,614)	(357,043)
	<u>(1,353,868)</u>	<u>396,332</u>	<u>54,877</u>	<u>4,900,159</u>
\$	<u>(1,922,648)</u>	<u>\$ 330,627</u>	<u>\$ 49,263</u>	<u>\$ 4,543,116</u>

## City of Waterloo, Iowa

### Capital Projects Funds

June 30, 2022

---

Capital Projects Funds account for the City's financial resources used for the acquisition or construction of major nonproprietary capital facilities. The City of Waterloo has capital projects funds as follows:

**June 2017 GO Bonds Fund:** This fund is used to account for proceeds from the 2017 general obligation bond sale until expended for the restricted purposes.

**June 2018 GO Bonds Fund:** This fund is used to account for proceeds from the 2018 general obligation bond sale until expended for the restricted purposes.

**June 2019 GO Bonds Fund:** This fund is used to account for proceeds from the 2019 general obligation bond sale until expended for the restricted purposes.

**June 2020 GO Bonds Fund:** This fund is used to account for proceeds from the 2020 general obligation bond sale until expended for the restricted purposes.

**June 2021 GO Bonds Fund:** This fund is used to account for proceeds from the 2021 general obligation bond sale until expended for the restricted purposes.

**June 2022 GO Bonds Fund:** This fund is used to account for proceeds from the 2022 general obligation bond sale until expended for the restricted purposes.

**Capital Improvements Funds:** This fund is used to account for the use of resources on governmental capital projects not accounted for in other capital projects funds and are restricted for specific projects.

**City of Waterloo, Iowa**

**Combining Balance Sheet  
Capital Projects Funds  
June 30, 2022**

	June 2017 GO Bonds	June 2018 GO Bonds	June 2019 GO Bonds
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 545,912	\$ 793,547
Receivables, other	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 545,912</b>	<b>\$ 793,547</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>			
Liabilities:			
Accounts payable	\$ -	\$ 162,831	\$ 13,315
Retainages payable	-	20,029	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>182,860</b>	<b>13,315</b>
Deferred inflows of resources, unavailable revenue—other	-	-	-
Fund balances (deficit):			
Restricted	-	363,052	780,232
Unassigned	-	-	-
<b>Total fund balances (deficit)</b>	<b>-</b>	<b>363,052</b>	<b>780,232</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficit)</b>	<b>\$ -</b>	<b>\$ 545,912</b>	<b>\$ 793,547</b>

June 2020 GO Bonds	June 2021 GO Bonds	June 2022 GO Bonds	Capital Improvements	Total
\$ 3,456,899	\$ 8,948,403	\$ 9,630,577	\$ 77,084	\$ 23,452,422
-	-	-	47,440	47,440
<u>\$ 3,456,899</u>	<u>\$ 8,948,403</u>	<u>\$ 9,630,577</u>	<u>\$ 124,524</u>	<u>\$ 23,499,862</u>
\$ 366,055	\$ 167,271	\$ 70,718	\$ 298,991	\$ 1,079,181
1,450,664	36,943	399,518	73,054	1,980,208
-	-	-	2,560,747	2,560,747
<u>1,816,719</u>	<u>204,214</u>	<u>470,236</u>	<u>2,932,792</u>	<u>5,620,136</u>
-	-	-	47,440	47,440
1,640,180	8,744,189	9,160,341	77,084	20,765,078
-	-	-	(2,932,792)	(2,932,792)
<u>1,640,180</u>	<u>8,744,189</u>	<u>9,160,341</u>	<u>(2,855,708)</u>	<u>17,832,286</u>
<u>\$ 3,456,899</u>	<u>\$ 8,948,403</u>	<u>\$ 9,630,577</u>	<u>\$ 124,524</u>	<u>\$ 23,499,862</u>

**City of Waterloo, Iowa**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)  
Capital Projects Funds  
Year Ended June 30, 2022**

	June 2017 GO Bonds	June 2018 GO Bonds	June 2019 GO Bonds
<b>Revenues:</b>			
Investment income	\$ 513	\$ 1,980	\$ 4,843
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>513</b>	<b>1,980</b>	<b>4,843</b>
<b>Expenditures:</b>			
Community and economic development	-	-	-
General government	-	15	43
<b>Debt service:</b>			
Principal	-	-	8,067
Interest expense	3,500	-	-
Capital outlay	547,735	940,222	3,976,396
<b>Total expenditures</b>	<b>551,235</b>	<b>940,237</b>	<b>3,984,506</b>
<b>Revenues under expenditures</b>	<b>(550,722)</b>	<b>(938,257)</b>	<b>(3,979,663)</b>
<b>Other financing sources:</b>			
Transfers in	-	-	-
Bond premium	-	-	-
Issuance of long-term debt	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances (deficit)</b>	<b>(550,722)</b>	<b>(938,257)</b>	<b>(3,979,663)</b>
Fund balances (deficit), beginning of year	550,722	1,301,309	4,759,895
Fund balances (deficit), end of year	\$ -	\$ 363,052	\$ 780,232

	June 2020 GO Bonds	June 2021 GO Bonds	June 2022 GO Bonds	Capital Improvements	Total
\$	9,152	\$ 20,063	\$ 4,028	\$ -	\$ 40,579
	-	-	-	1,569,837	1,569,837
	9,152	20,063	4,028	1,569,837	1,610,416
	806,245	-	-	-	806,245
	54	206	113	30,697	31,128
	-	600,000	-	1,042,951	1,651,018
	-	-	452,880	69,342	525,722
	3,683,552	3,308,380	14,701,188	3,427,174	30,584,647
	4,489,851	3,908,586	15,154,181	4,570,164	33,598,760
	(4,480,699)	(3,888,523)	(15,150,153)	(3,000,327)	(31,988,344)
	-	-	-	5,625,487	5,625,487
	-	-	235,494	-	235,494
	-	-	24,075,000	-	24,075,000
	-	-	24,310,494	5,625,487	29,935,981
	(4,480,699)	(3,888,523)	9,160,341	2,625,160	(2,052,363)
	6,120,879	12,632,712	-	(5,480,868)	19,884,649
\$	1,640,180	\$ 8,744,189	\$ 9,160,341	\$ (2,855,708)	\$ 17,832,286

**City of Waterloo, Iowa  
Statistical Section**

This part of the City of Waterloo's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	132
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	137
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	141
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	146
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	148

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.



**City of Waterloo, Iowa  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 264,695,106	\$ 273,871,470	\$ 307,415,275	\$ 316,701,068	\$ 306,360,558	\$ 313,405,227	\$ 320,748,412	\$ 338,162,674	\$ 357,396,168	\$ 349,086,033
Restricted	30,823,956	30,579,471	30,438,501	20,032,995	55,182,022	52,436,491	53,863,633	44,923,907	39,925,625	49,258,884
Unrestricted	7,214,587	8,998,045	(31,681,588)	(23,683,497)	(31,089,693)	(40,527,523)	(43,479,555)	(45,440,432)	(46,515,207)	(38,466,577)
<b>Total governmental activities net position</b>	<b>\$ 302,733,649</b>	<b>\$ 313,448,986</b>	<b>\$ 306,172,188</b>	<b>\$ 313,050,566</b>	<b>\$ 330,452,887</b>	<b>\$ 325,314,195</b>	<b>\$ 331,132,490</b>	<b>\$ 337,646,149</b>	<b>\$ 350,806,586</b>	<b>\$ 359,878,340</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 74,508,694	\$ 79,920,865	\$ 78,270,214	\$ 79,522,665	\$ 79,180,253	\$ 82,504,631	\$ 81,369,121	\$ 87,857,186	\$ 92,076,757	\$ 91,180,224
Restricted	1,383,659	1,310,099	727,235	672,515	672,515	672,515	47,826	19,491	138,467	201,439
Unrestricted	14,202,857	11,445,832	11,638,646	12,025,408	14,478,547	9,375,653	14,702,034	13,571,612	14,981,482	23,183,595
<b>Total business-type activities net position</b>	<b>\$ 90,095,210</b>	<b>\$ 92,676,796</b>	<b>\$ 90,636,095</b>	<b>\$ 92,220,588</b>	<b>\$ 94,331,315</b>	<b>\$ 92,552,799</b>	<b>\$ 96,118,981</b>	<b>\$ 101,448,289</b>	<b>\$ 107,196,706</b>	<b>\$ 114,565,258</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 339,203,800	\$ 353,792,335	\$ 385,685,489	\$ 396,223,733	\$ 385,540,811	\$ 395,909,858	\$ 402,117,533	\$ 426,019,860	\$ 449,472,925	\$ 440,266,257
Restricted	32,207,615	31,889,570	31,165,736	20,705,510	55,854,537	53,109,006	53,911,459	44,943,398	40,064,092	49,460,323
Unrestricted	21,417,444	20,443,877	(20,042,942)	(11,658,089)	(16,611,146)	(31,151,870)	(28,777,521)	(31,868,820)	(31,533,725)	(15,282,982)
<b>Total primary government net position</b>	<b>\$ 392,828,859</b>	<b>\$ 406,125,782</b>	<b>\$ 396,808,283</b>	<b>\$ 405,271,154</b>	<b>\$ 424,784,202</b>	<b>\$ 417,866,994</b>	<b>\$ 427,251,471</b>	<b>\$ 439,094,438</b>	<b>\$ 458,003,292</b>	<b>\$ 474,443,598</b>

**City of Waterloo, Iowa**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Page 1 of 2)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities:										
Public safety	\$ 31,913,280	\$ 31,773,269	\$ 25,988,767	\$ 34,120,160	\$ 33,735,948	\$ 20,828,929	\$ 33,071,755	\$ 38,539,492	\$ 39,844,040	\$ 35,225,720
Public works	24,938,888	28,911,525	29,570,277	29,670,192	35,579,527	34,150,050	27,415,746	27,453,883	31,393,797	40,090,235
Health and social services	299,282	368,173	325,607	295,088	381,203	369,832	279,470	265,757	281,594	270,849
Culture and recreation	10,491,266	11,315,704	11,676,287	11,950,688	15,012,599	12,667,184	12,573,777	11,297,723	11,878,940	12,776,096
Community and economic development	14,129,616	12,910,299	13,190,672	13,753,669	12,860,289	17,417,572	11,593,102	11,778,352	12,518,489	17,995,941
General government	3,714,993	2,749,672	4,869,696	5,247,593	10,421,434	10,174,531	9,049,085	9,792,001	10,644,609	8,221,016
Interest on long-term debt	2,680,614	2,349,054	2,208,744	2,048,517	2,175,284	2,385,499	2,452,792	2,413,402	2,212,316	2,432,132
Total governmental activities expenses	<u>88,167,939</u>	<u>90,377,696</u>	<u>87,830,050</u>	<u>97,085,907</u>	<u>110,166,284</u>	<u>97,993,597</u>	<u>96,435,727</u>	<u>101,540,610</u>	<u>108,773,785</u>	<u>117,011,989</u>
Business-type activities:										
Sanitary sewer	10,033,041	9,811,929	12,518,569	14,018,836	13,635,403	13,107,645	12,254,389	12,287,197	12,110,438	13,240,601
Sanitation	3,640,314	3,215,663	3,612,307	3,921,263	4,050,778	4,166,465	4,196,226	4,963,445	5,272,312	5,945,909
Total business-type activities expenses	<u>13,673,355</u>	<u>13,027,592</u>	<u>16,130,876</u>	<u>17,940,099</u>	<u>17,686,181</u>	<u>17,274,110</u>	<u>16,450,615</u>	<u>17,250,642</u>	<u>17,382,750</u>	<u>19,186,510</u>
Total primary government expenses	<u>\$ 101,841,294</u>	<u>\$ 103,405,288</u>	<u>\$ 103,960,926</u>	<u>\$ 115,026,006</u>	<u>\$ 127,852,465</u>	<u>\$ 115,267,707</u>	<u>\$ 112,886,342</u>	<u>\$ 118,791,252</u>	<u>\$ 126,156,535</u>	<u>\$ 136,198,499</u>
<b>Program Revenue</b>										
Governmental activities:										
Charges for services:										
Public safety	\$ 3,683,489	\$ 3,800,273	\$ 4,018,731	\$ 4,325,957	\$ 4,231,224	\$ 4,410,854	\$ 4,460,965	\$ 7,036,405	\$ 6,120,115	\$ 8,221,744
Public works	2,192,414	2,802,925	2,498,057	1,284,289	2,474,497	3,641,744	2,451,369	2,337,247	2,448,785	2,804,930
Culture and recreation	2,492,426	3,010,899	3,361,891	3,645,647	3,538,243	3,503,643	3,370,198	3,213,303	3,897,666	4,571,018
Other activities	1,489,631	1,531,761	1,667,019	769,733	1,574,497	1,284,986	1,438,591	1,351,116	2,684,498	2,911,060
Operating grants and contributions	14,967,188	11,938,221	11,335,064	18,581,010	13,138,910	11,617,786	12,380,601	12,158,925	16,409,982	13,687,016
Capital grants and contributions	9,364,734	12,668,122	39,116,737	9,065,137	35,704,168	12,757,084	8,651,622	7,151,415	10,923,191	12,557,843
Total governmental activities program revenue	<u>34,189,882</u>	<u>35,752,201</u>	<u>61,997,499</u>	<u>37,671,773</u>	<u>60,661,539</u>	<u>37,216,097</u>	<u>32,753,346</u>	<u>33,248,411</u>	<u>42,484,237</u>	<u>44,753,611</u>
Business-type activities:										
Charges for services:										
Sanitary sewer	12,285,502	12,845,301	12,661,602	14,277,752	15,235,503	13,208,176	14,802,101	16,657,811	16,797,429	18,163,310
Sanitation	3,615,787	3,609,500	3,585,270	3,650,271	3,820,281	3,738,070	3,747,590	5,044,236	5,835,299	6,074,694
Operating grants and contributions:										
Sanitary sewer	-	-	24,236	1,892	206,145	37,055	-	2,005	1,001	-
Sanitation	273,869	272,755	274,324	273,624	290,513	273,624	273,624	273,857	273,550	273,624
Capital grants and contributions:										
Sanitary sewer	-	-	-	1,271,776	192,977	145,656	310,250	356,837	204,889	1,996,216
Sanitation	13,585	-	-	-	-	-	-	-	-	-
Total business-type activities program revenue	<u>16,188,743</u>	<u>16,727,556</u>	<u>16,545,432</u>	<u>19,475,315</u>	<u>19,745,419</u>	<u>17,402,581</u>	<u>19,133,565</u>	<u>22,334,746</u>	<u>23,112,168</u>	<u>26,507,844</u>
Total primary government program revenue	<u>\$ 50,378,625</u>	<u>\$ 52,479,757</u>	<u>\$ 78,542,931</u>	<u>\$ 57,147,088</u>	<u>\$ 80,406,958</u>	<u>\$ 54,618,678</u>	<u>\$ 51,886,911</u>	<u>\$ 55,583,157</u>	<u>\$ 65,596,405</u>	<u>\$ 71,261,455</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (53,978,057)	\$ (54,625,495)	\$ (25,832,551)	\$ (59,414,134)	\$ (49,504,745)	\$ (60,777,500)	\$ (63,682,381)	\$ (68,292,199)	\$ (66,289,548)	\$ (72,258,378)
Business-type activities	2,515,388	3,699,964	414,556	1,535,216	2,059,238	128,471	2,682,950	5,084,104	5,729,418	7,321,334
Total primary government net expense	<u>\$ (51,462,669)</u>	<u>\$ (50,925,531)</u>	<u>\$ (25,417,995)</u>	<u>\$ (57,878,918)</u>	<u>\$ (47,445,507)</u>	<u>\$ (60,649,029)</u>	<u>\$ (60,999,431)</u>	<u>\$ (63,208,095)</u>	<u>\$ (60,560,130)</u>	<u>\$ (64,937,044)</u>

**City of Waterloo, Iowa**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Page 2 of 2)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenue and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 45,536,650	\$ 44,585,915	\$ 45,514,979	\$ 46,327,997	\$ 46,530,686	\$ 47,404,667	\$ 47,722,089	\$ 49,332,480	\$ 52,877,346	\$ 53,380,778
Other taxes	15,142,297	16,745,434	17,471,721	17,554,079	17,260,380	17,239,619	18,757,207	19,039,780	20,577,471	22,207,901
Investment earnings	45,578	117,515	180,123	187,046	339,895	842,018	1,468,222	978,205	124,727	215,140
Miscellaneous	3,925,918	2,748,468	1,108,633	2,034,957	2,741,240	4,592,600	2,186,481	5,455,393	5,870,441	3,996,316
Gain on sale of assets	-	-	-	188,433	34,865	-	-	-	-	1,529,997
Transfers	(4,740)	-	(2,035)	-	-	-	(633,323)	-	-	-
Total governmental activities	<u>64,645,703</u>	<u>64,197,332</u>	<u>64,273,421</u>	<u>66,292,512</u>	<u>66,907,066</u>	<u>70,078,904</u>	<u>69,500,676</u>	<u>74,805,858</u>	<u>79,449,985</u>	<u>81,330,132</u>
Business-type activities:										
Investment earnings	16,555	25,122	39,714	49,277	51,489	104,439	246,059	205,504	10,999	18,508
Gain (loss) on sale of assets	-	-	1,711	-	-	46,298	3,850	39,700	8,000	28,710
Transfers	4,740	-	2,035	-	-	-	633,323	-	-	-
Total business-type activities	<u>21,295</u>	<u>25,122</u>	<u>43,460</u>	<u>49,277</u>	<u>51,489</u>	<u>150,737</u>	<u>883,232</u>	<u>245,204</u>	<u>18,999</u>	<u>47,218</u>
Total primary government	<u>\$ 64,666,998</u>	<u>\$ 64,222,454</u>	<u>\$ 64,316,881</u>	<u>\$ 66,341,789</u>	<u>\$ 66,958,555</u>	<u>\$ 70,229,641</u>	<u>\$ 70,383,908</u>	<u>\$ 75,051,062</u>	<u>\$ 79,468,984</u>	<u>\$ 81,377,350</u>
<b>Changes in Net Position</b>										
Governmental activities	\$ 10,667,646	\$ 10,715,337	\$ 38,440,870	\$ 6,878,378	\$ 17,402,321	\$ 9,301,404	\$ 5,818,295	\$ 6,513,659	\$ 13,160,437	\$ 9,071,754
Business-type activities	2,536,683	2,581,586	458,016	1,584,493	2,110,727	279,208	3,566,182	5,329,308	5,748,417	7,368,552
Total primary government	<u>\$ 13,204,329</u>	<u>\$ 13,296,923</u>	<u>\$ 38,898,886</u>	<u>\$ 8,462,871</u>	<u>\$ 19,513,048</u>	<u>\$ 9,580,612</u>	<u>\$ 9,384,477</u>	<u>\$ 11,842,967</u>	<u>\$ 18,908,854</u>	<u>\$ 16,440,306</u>

**City of Waterloo, Iowa**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 322,077	\$ 392,741	\$ 323,781	\$ 267,413	\$ 197,324	\$ 528,775	\$ 392,145	\$ 584,290	\$ 898,156	\$ 1,062,665
Restricted	5,497,065	8,667,499	9,109,347	10,390,434	8,565,653	7,839,825	6,384,873	5,888,663	5,027,951	7,624,578
Committed	-	36,595	-	-	-	33,004	154,511	229,791	-	-
Assigned	5,318,721	4,430,460	4,848,307	5,007,033	5,410,593	5,902,856	5,465,413	5,633,149	7,871,374	5,962,271
Unassigned	8,907,668	10,184,876	10,224,959	9,836,132	9,546,862	9,479,091	10,277,115	11,188,047	12,736,746	12,347,431
<b>Total general fund</b>	<b>\$ 20,045,531</b>	<b>\$ 23,712,171</b>	<b>\$ 24,506,394</b>	<b>\$ 25,501,012</b>	<b>\$ 23,720,432</b>	<b>\$ 23,783,551</b>	<b>\$ 22,674,057</b>	<b>\$ 23,523,940</b>	<b>\$ 26,534,227</b>	<b>\$ 26,996,945</b>
All Other Governmental Funds										
Nonspendable	\$ 233,192	\$ 466,165	\$ 298,880	\$ 290,117	\$ 261,770	\$ 131,211	\$ 219,283	\$ 140,959	\$ 313,422	\$ 544,788
Restricted	42,907,706	28,709,385	38,887,421	47,673,892	75,498,203	66,401,834	73,478,029	66,733,675	60,645,760	62,826,579
Assigned	2,370,221	80,148	2,396,279	2,424,601	2,458,279	2,549,694	2,763,872	2,910,389	2,939,425	2,980,683
Unassigned	(4,608,778)	(1,929,863)	(5,711,850)	(4,495,025)	(3,347,626)	(3,091,717)	(3,681,465)	(3,674,580)	(6,956,351)	(4,979,536)
<b>Total all other governmental funds</b>	<b>\$ 40,902,341</b>	<b>\$ 27,325,835</b>	<b>\$ 35,870,730</b>	<b>\$ 45,893,585</b>	<b>\$ 74,870,626</b>	<b>\$ 65,991,022</b>	<b>\$ 72,779,719</b>	<b>\$ 66,110,443</b>	<b>\$ 56,942,256</b>	<b>\$ 61,372,514</b>

**City of Waterloo, Iowa**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenue</b>										
Property taxes	\$ 45,485,229	\$ 44,623,905	\$ 45,440,607	\$ 46,259,411	\$ 46,530,686	\$ 47,404,667	\$ 47,720,396	\$ 48,086,079	\$ 52,877,346	\$53,591,030
Other taxes	14,683,459	16,946,689	17,599,304	17,309,079	17,541,380	17,239,619	18,764,207	18,227,575	20,765,591	24,018,215
Licenses and permits	1,128,513	1,350,599	1,413,739	1,491,131	1,543,716	1,364,662	1,454,547	1,466,645	1,392,173	1,345,096
Investment income	45,578	117,515	183,938	187,047	339,895	842,018	1,468,222	978,205	124,727	215,140
Rent*	1,191,376	1,263,682	1,293,559	1,235,525	1,257,433	1,219,786	1,273,336	1,350,265	1,268,940	1,458,217
Intergovernmental	27,797,797	23,425,271	28,647,425	26,670,622	43,647,665	20,141,757	24,374,718	19,595,972	25,735,011	26,244,859
Charges for services*	6,512,462	6,894,308	7,371,370	8,142,707	8,025,850	8,088,333	7,923,398	10,018,667	10,073,458	13,279,053
Interfund charges for service	1,935,000	1,935,000	1,935,000	1,935,000	2,185,000	2,255,000	2,180,000	2,180,000	2,416,493	2,426,381
Special assessments	124,467	139,408	127,266	138,434	133,943	176,382	201,637	126,258	169,139	248,787
Miscellaneous	4,503,173	3,425,567	2,760,949	2,032,729	1,765,900	3,249,040	2,776,159	3,689,350	3,940,108	4,314,772
Total revenue	<u>103,407,054</u>	<u>100,121,944</u>	<u>106,773,157</u>	<u>105,401,685</u>	<u>122,971,468</u>	<u>101,981,264</u>	<u>108,136,620</u>	<u>105,719,016</u>	<u>118,762,986</u>	<u>127,141,550</u>
<b>Expenditures</b>										
Current:										
Public safety	30,517,147	30,865,364	30,588,630	31,380,988	30,518,380	30,733,487	32,108,023	34,004,492	35,398,811	37,912,338
Public works	26,286,055	29,009,814	34,515,685	26,664,570	19,526,031	22,895,182	14,212,521	22,136,849	28,042,204	25,770,839
Health and social services	370,275	365,847	407,060	375,769	379,958	365,193	276,922	270,460	286,771	293,448
Culture and recreation	9,134,554	9,835,758	10,633,238	10,837,983	10,616,332	10,580,629	10,353,767	9,906,832	10,310,829	11,460,361
Community and economic development	13,555,391	12,966,402	11,783,311	13,483,447	12,265,460	10,508,576	11,442,804	12,583,363	14,554,888	17,600,621
General government	3,980,405	2,468,932	5,459,817	5,671,640	10,042,300	8,894,390	8,483,284	9,627,947	10,540,061	8,012,627
Debt service										
Principal	8,708,554	8,886,944	9,659,890	11,314,503	9,698,561	11,336,261	10,379,792	14,523,780	9,879,128	11,205,600
Interest and fees	2,377,108	2,300,105	2,023,366	2,169,997	2,268,663	2,514,761	2,502,968	2,661,551	2,633,620	2,808,272
Capital outlay	9,646,195	14,033,868	11,855,746	12,835,209	19,625,850	23,921,255	23,189,451	25,658,879	34,953,743	34,607,629
Total expenditures	<u>104,575,684</u>	<u>110,733,034</u>	<u>116,926,743</u>	<u>114,734,106</u>	<u>114,941,535</u>	<u>121,749,734</u>	<u>112,949,532</u>	<u>131,374,153</u>	<u>146,600,055</u>	<u>149,671,735</u>
Revenue over (under) expenditures	<u>(1,168,630)</u>	<u>(10,611,090)</u>	<u>(10,153,586)</u>	<u>(9,332,421)</u>	<u>8,029,933</u>	<u>(19,768,470)</u>	<u>(4,812,912)</u>	<u>(25,655,137)</u>	<u>(27,837,069)</u>	<u>(22,530,185)</u>
<b>Other financing sources (uses)</b>										
Transfers in	12,765,878	11,006,208	10,276,970	14,882,427	11,857,853	13,154,342	11,910,365	14,897,791	13,925,382	20,459,510
Transfers out	(12,765,878)	(11,006,208)	(10,276,970)	(14,882,427)	(11,857,853)	(13,154,342)	(11,910,365)	(14,897,791)	(13,925,382)	(20,459,510)
Insurance proceeds	173,397	356,454	1,400	766,470	1,624,380	1,112,624	-	1,659,358	1,986,893	1,562,760
Proceeds from sale of assets	71,014	47,937	(6,168)	335,618	95,564	206,006	171,426	56,088	336,362	1,549,907
Refunding bonds issued	2,630,000	8,670,000	-	-	-	1,425,000	-	-	6,472,000	-
Payment to refunded bond escrow agent	(6,744,723)	(8,806,014)	-	-	(2,040,000)	-	-	-	(6,472,000)	-
Proceeds from debt issued	9,900,348	11,595,000	8,000,000	19,140,000	19,210,000	8,090,000	10,000,000	17,675,000	18,798,418	24,075,000
Bond discounts and premiums	118,687	205,713	129,606	107,806	276,585	118,355	320,689	445,298	557,496	235,494
Total other financing sources (uses)	<u>6,148,723</u>	<u>12,069,090</u>	<u>8,124,838</u>	<u>20,349,894</u>	<u>19,166,529</u>	<u>10,951,985</u>	<u>10,492,115</u>	<u>19,835,744</u>	<u>21,679,169</u>	<u>27,423,161</u>
Net change in fund balances	<u>\$ 4,980,093</u>	<u>\$ 1,458,000</u>	<u>\$ (2,028,748)</u>	<u>\$ 11,017,473</u>	<u>\$ 27,196,462</u>	<u>\$ (8,816,485)</u>	<u>\$ 5,679,203</u>	<u>\$ (5,819,393)</u>	<u>\$ (6,157,900)</u>	<u>\$ 4,892,976</u>
Debt service as a percentage of noncapital expenditures	<u>13.2%</u>	<u>12.3%</u>	<u>13.2%</u>	<u>13.2%</u>	<u>12.6%</u>	<u>14.2%</u>	<u>14.4%</u>	<u>16.3%</u>	<u>12.4%</u>	<u>11.8%</u>

**City of Waterloo, Iowa  
Assessed and Taxable Value of Property  
Last Ten Fiscal Years**

Assessment Date January 1,	For Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	TIF Property	Other Property	Less: Military Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Assessed Value	Total Taxable Value as a Percentage of Assessed Value
2011	2013	1,251,445,651	813,065,056	121,443,090	179,551,015	111,367,841	6,985,742	2,469,886,911	18.20505	3,738,165,467	66.07%
2012	2014	1,316,533,993	800,057,810	122,324,860	183,333,664	111,068,231	6,742,623	2,526,575,935	17.49319	3,762,106,346	67.16%
2013	2015	1,303,730,888	717,175,119	112,118,499	207,637,570	112,027,732	6,558,362	2,446,131,446	17.95159	3,629,362,635	67.40%
2014	2016	1,347,497,993	662,021,833	105,004,150	214,993,747	110,527,435	6,267,608	2,433,777,550	17.76370	3,656,417,436	66.56%
2015	2017	1,383,126,415	620,075,361	104,318,361	229,899,157	151,573,034	6,008,327	2,482,984,001	17.60522	3,770,142,165	65.86%
2016	2018	1,426,734,942	626,685,915	102,735,087	230,753,488	141,987,418	5,774,986	2,523,121,864	17.60000	3,797,591,542	66.44%
2017	2019	1,400,102,962	614,016,517	101,985,208	263,287,703	158,466,327	5,436,059	2,532,422,658	17.45595	3,858,553,457	65.63%
2018	2020	1,447,591,365	654,112,386	102,437,652	267,969,299	153,414,284	4,932,861	2,620,592,125	17.54799	3,945,324,830	66.42%
2019	2021	1,439,257,464	648,885,677	105,155,528	284,405,439	145,359,250	4,675,374	2,618,387,984	18.44026	4,043,161,870	64.76%
2020	2022	1,483,925,163	627,365,261	108,502,358	317,411,512	131,834,643	4,790,799	2,664,248,138	18.63188	4,071,605,128	65.43%

Source: Black Hawk County Auditor.

- Notes:
- (1) Does not include tax-exempt property. Tax rates are per \$1,000 of assessed value.
  - (2) Property tax on machinery and equipment was phased out during the period FYE2001 through FYE2003.
  - (3) A new category for multi-residential property was created by the state beginning in FYE2017. These values are included in the "Other Property" category
  - (4) A rollback from assessed to taxable valuation was implemented for commercial and industrial property beginning in FYE2017. The factor was 5% for FYE2017 and

**City of Waterloo, Iowa  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

Fiscal Year	Overlapping Rates										
	City of Waterloo			Black Hawk County			Schools			Other	Total Direct & Overlapping Rates
	Operating Millage	Debt Service	Total City Millage	Operating Millage	Debt Service	Total County Millage	Operating Millage	Debt Service	Total School Millage		
2013	15.03346	3.17159	18.20505	5.59849	0.64144	6.23993	14.80265	1.00000	15.80265	1.33770	41.58533
2014	14.39276	3.10043	17.49319	5.39234	0.62882	6.02116	13.12135	2.60683	15.72818	1.36950	40.61203
2015	14.74920	3.20239	17.95159	5.52447	0.59472	6.11919	13.28631	2.68895	15.97526	1.35851	41.40455
2016	14.50433	3.25937	17.76370	5.43985	1.30832	6.74817	12.92607	2.69825	15.62432	1.34988	41.48607
2017	14.44418	3.16104	17.60522	5.48507	0.96070	6.44577	12.72660	2.67340	15.40000	1.33315	40.78414
2018	14.48927	3.11073	17.60000	5.60805	0.80702	6.41507	12.33034	2.65121	14.98155	1.33495	40.33157
2019	14.46767	2.98828	17.45595	5.96158	0.73145	6.69303	11.96864	2.60324	14.57188	1.36344	40.08430
2020	14.79204	2.75595	17.54799	5.72918	0.57445	6.30363	11.63832	2.56862	14.20694	1.43491	39.49347
2021	15.68435	2.75591	18.44026	5.94328	0.39297	6.33625	11.63405	2.57289	14.20694	1.47747	40.46092
2022	15.77636	2.85552	18.63188	6.17391	0.41338	6.17391	11.30186	2.54583	13.84769	1.49875	40.15223

Source: Black Hawk County Auditor.

**City of Waterloo, Iowa  
Principal Taxpayers  
Current Year and Nine Years Ago**

Employer	2022			2013		
	Assessed Value 1/1/2020	Rank	Percentage of Total Assessed Value	Assessed Value 1/1/2011	Rank	Percentage of Total Assessed Value
MidAmerican Energy	\$ 73,161,213	1	1.80%	\$ 133,305,953	1	3.57%
Deere and Company	50,768,365	2	1.25%	52,071,200	3	1.39%
IOC Black Hawk County, Inc.	48,954,195	3	1.20%	64,833,320	2	1.73%
Con Agra k/n/a Hunt Wesson, Inc.	31,500,000	4	0.77%	25,000,000	5	0.67%
Tyson Fresh Meats (formerly IBP, Inc.)	22,227,386	5	0.55%	17,330,150	8	0.46%
Ferguson Enterprises, Inc.	18,636,903	6	0.46%	20,707,670	6	0.55%
FDP WTC LLC	16,711,938	7	0.41%			
VGM Management, Inc.	16,594,905	8	0.41%			
Bertch Cabinet Manufacturing, Inc.	14,318,676	9	0.35%	18,397,840	7	0.49%
Menards	10,845,090	10	0.27%	15,485,960	10	0.41%
Crossroads Realty LLC			--	37,125,830	4	0.99%
Howard Allen Investments			--	16,117,540	9	0.43%
<b>Total</b>	<b>\$ 303,718,671</b>		<b>7.46%</b>	<b>\$ 400,375,463</b>		<b>10.71%</b>

Source: Official Bond Statements prepared by Speer Financial, Inc.



**City of Waterloo, Iowa  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Assessment Date January 1,	Fiscal Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
2011	2013	40,620,062	40,275,404	99.15%	18,966	40,294,370	99.20%
2011	2013	40,620,062	40,275,404	99.15%	18,966	40,294,370	99.20%
2013	2015	39,200,603	38,901,557	99.24%	(362,370) *	38,539,187	98.31%
2014	2016	38,480,720	38,405,051	99.80%	(176,170) *	38,228,881	99.35%
2014	2016	38,480,720	38,405,051	99.80%	(176,170) *	38,228,881	99.35%
2016	2018	39,613,829	39,602,704	99.97%	8,658	39,611,362	99.99%
2017	2019	38,984,631	38,980,335	99.99%	21,994	39,002,329	100.05%
2018	2020	40,639,192	40,122,621	98.73%	34,427	40,157,048	98.81%
2019	2021	42,422,199	42,700,728	100.66%	290,135	42,990,863 ^	101.34%
2020	2022	43,275,387	43,147,053	99.70%	74,029	43,221,082 ^	99.87%

Source: Black Hawk County Auditor's office.

Current year tax collections can exceed the total tax levy in certain instances, such as when property valuation adjustments are made after the tax levy certifications are completed. Information regarding changes to levies and the years that delinquent payments are attributable is not available to the City.

^ Due to the COVID-19 pandemic, the Governor of Iowa extended the due date for tax collections for the year ended June 30, 2020 to July 2020, resulting in higher delinquent tax collections for the year ended June 30, 2021.

\* A number of property valuation appeals for the valuation at the January 1, 2011 assessment date were settled during the fiscal years ended June 30, 2014, 2015 and 2016 which resulted in refunds owed for prior taxes paid on those properties. Black Hawk County netted those refunds from delinquent taxes paid to the City, resulting in negative delinquent tax collections.

**City of Waterloo, Iowa**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	General Obligation Capital Loan Notes	Financed Purchases	Other Debt	General Obligation Bonds	Revenue Bonds	Capital Leases	Other Debt			
2013	65,966,220	--	--	2,524,312	24,400,407	3,119,608	--	--	96,010,547	3.58%	1,404
2014	69,226,920	--	--	2,281,997	22,253,712	1,914,460	--	--	95,677,089	3.38%	1,399
2015	67,833,111	--	--	2,061,307	25,804,346	719,286	--	--	96,418,050	3.37%	1,409
2016	75,897,719	--	--	1,934,063	23,198,824	142,604	--	--	101,173,210	3.59%	1,479
2017	83,682,844	--	--	1,788,702	21,692,273	-	--	--	107,163,819	3.78%	1,566
2018	81,969,301	--	--	8,019,724	19,136,397	1,534,000	--	--	110,659,422	3.81%	1,598
2019	82,879,508	--	--	6,905,931	16,583,131	2,091,522	--	--	108,460,092	3.65%	1,586
2020	87,276,792	--	--	5,862,152	14,541,676	2,030,495	--	--	109,711,115	3.40%	1,604
2021	92,697,175	--	3,762,929	5,913,513	12,512,539	17,403,732	--	--	132,289,888	3.92%	1,934
2022	107,680,250	--	3,361,714	6,969,126	10,506,367	31,422,503	--	--	159,939,960	4.46%	2,338

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

\* Personal income and population data can be found in the Schedule of Demographic and Economic Statistics. These ratios are calculated using personal income and population for the prior calendar year.

**City of Waterloo, Iowa**  
**Ratios of General Bonded Debt Outstanding**

**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Total Assessed Value of Property	Percentage of Assessed Value of Property	Per Capita*
2013	90,366,627	3,738,165,467	2.42%	1,321
2014	91,480,632	3,762,106,346	2.43%	1,337
2015	93,637,457	3,629,362,635	2.58%	1,369
2016	99,096,543	3,656,417,436	2.71%	1,449
2017	105,375,117	3,770,142,165	2.79%	1,540
2018	101,105,698	3,797,591,542	2.66%	1,478
2019	99,462,639	3,858,553,457	2.58%	1,454
2020	101,818,468	3,945,324,830	2.58%	1,488
2021	105,209,714	4,043,161,870	2.60%	1,538
2022	118,186,617	4,071,605,128	2.90%	1,728

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

\* Population data can be found in the Schedule of Demographic and Economic Statistics.

**City of Waterloo, Iowa**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2022**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable To City*	Estimated Share of Overlapping Debt
City of Waterloo direct debt	\$ 118,193,495	100.00%	\$ 118,193,495
Overlapping:			
Black Hawk County	\$ 16,690,000	42.16%	7,036,504
Hawkeye Community College	6,780,000	23.90%	1,620,420
Subtotal, overlapping debt	\$ 23,470,000		\$ 8,656,924
Total direct and overlapping debt	\$ 141,663,495		\$ 126,850,419

Source: Black Hawk County Auditor

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Waterloo. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

\*The percentage of overlapping debt applicable is estimated using net taxable property values. Applicable percentages were estimated by determining the portion of the County's net value that is within the government's boundaries and dividing it by the County's total value.

Source: Black Hawk County Auditor

**City of Waterloo  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 186,908,273	\$ 188,105,317	\$ 181,167,349	\$ 182,820,872	\$ 188,507,108	\$ 189,879,577	\$ 192,927,673	\$ 197,266,242	\$ 202,158,094	\$ 203,580,256
Total net debt applicable to limit	92,890,939	93,762,629	95,698,764	101,030,606	107,163,819	109,125,422	106,368,570	107,680,620	114,700,920	128,517,458
Legal debt margin	\$ 94,017,334	\$ 94,342,688	\$ 85,468,585	\$ 81,790,266	\$ 81,343,289	\$ 80,754,155	\$ 86,559,103	\$ 89,585,622	\$ 87,457,174	\$ 75,062,798
Total net debt applicable to the limit as a percentage of debt limit	49.70%	49.02%	49.44%	49.44%	56.85%	55.26%	55.13%	54.59%	56.74%	63.13%

**Legal Debt Margin Calculation for Fiscal Year 2022:**

Estimated actual valuation (assessed) as of January 1, 2020	\$ 4,071,605,128
Debt limit (5% of total estimated actual valuation)	203,580,256
Debt applicable to debt limit:	
General obligation bonds	118,186,617
Financed purchase	3,361,714
General obligation capital loan notes	6,969,127
Total net debt applicable to limit	<u>128,517,458</u>
Legal debt margin	<u>\$ 75,062,798</u>

Note: Under the State of Iowa Constitution, the city's outstanding general obligation debt should not exceed 5% of total assessed property value.

**City of Waterloo, Iowa  
Sewer Revenue Bond Coverage  
Last Ten Fiscal Years**

Fiscal Year	Gross Revenue	Less: Applicable Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements	Coverage
2013	12,312,670	6,803,784	5,508,886	1,659,883	3.3188
2014	12,863,347	8,069,660	4,793,687	1,259,403	3.8063
2015	12,716,670	9,894,071	2,822,599	1,233,703	2.2879
2016	14,261,375	11,319,925	2,941,450	592,413	4.9652
2017	15,229,015	11,307,231	3,921,784	144,200	29.2810
2018	13,362,514	9,263,755	4,098,759	66,469	61.6642
2019	15,003,350	8,433,566	6,569,784	193,738	33.9107
2020	16,835,257	8,462,090	8,373,167	230,600	36.3104
2021	16,811,009	8,563,164	8,247,845	505,522	16.3155
2022	18,201,120	9,325,365	8,875,755	1,534,803	5.7830

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Gross revenue includes both operating and non-operating revenue. Operating expenses do not include interest, depreciation or amortization of bond issue costs.

**City of Waterloo, Iowa  
Demographic and Economic Statistics  
Last Ten Calendar Years**

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>Personal Income</u>	<u>Per Capita Personal Income<sup>2</sup></u>	<u>Median Age<sup>1</sup></u>	<u>Unemployment Rate<sup>3</sup></u>	<u>School Enrollment<sup>4</sup></u>
2012	68,406	2,681,173,170	39,195	35.9	6.5%	10,239
2013	68,406	2,827,835,634	41,339	35.7	5.6%	10,483
2014	68,406	2,857,250,214	41,769	35.5	6.5%	10,611
2015	68,406	2,817,779,952	41,192	35.8	5.4%	10,445
2016	68,406	2,837,344,068	41,478	36.2	4.8%	10,357
2017	68,406	2,871,842,930	42,186	36.5	4.7%	10,401
2018	68,406	2,967,454,000	43,452	36.6	2.6%	10,297
2019	68,406	3,226,287,180	47,623	37.0	3.7%	10,380
2020	67,314	3,374,759,000	50,126	36.8	6.6%	10,196
2021	67,314	3,596,449,000	53,584	36.4	3.2%	10,609

N/A = Not available.

Sources:

<sup>1</sup> 2000 and 2010 U.S. Census

<sup>2</sup> U.S. Department of Commerce, Bureau of Economic Analysis

<sup>3</sup> Iowa Workforce Development

<sup>4</sup> Waterloo Community Schools

**City of Waterloo, Iowa  
Principal Area Employers  
Current Year and Nine Years Ago**

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Deere & Company	5,600	1	17.18%	6,000	1	16.85%
Tyson Fresh Meats	2,950	2	9.05%	2,600	3	7.30%
Mercy One (formerly Wheaton Franciscan)	2,655	3	8.14%	2,691	2	7.56%
Waterloo Community Schools	1,730	4	5.31%	1,786	6	5.02%
University of Northern Iowa	1,650	5	5.06%	1,811	5	5.09%
Unity Point Health (formerly Allen Hospital)	1,500	6	4.60%	1,908	4	5.36%
Hy-Vee	1,200	7	3.68%	1,071	8	3.01%
Target Regional Distribution	1,070	8	3.28%	--	--	--
VGM Group	1,055	9	3.24%	--	--	--
Western Home Communities	960	10	2.94%	--	--	--
Area Education Agency 267	--	--	--	1,137	7	3.19%
Omega	--	--	--	1,000	9	2.81%
GMAC Mortgage Corp.	--	--	--	875	10	2.46%
Total	<u>20,370</u>		<u>62.48%</u>	<u>20,879</u>		<u>58.65%</u>

Source: Official Bond Statements from Speer Financial, Inc.



**City of Waterloo, Iowa**  
**Full-Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021
<b>Public Safety</b>										
Police	131.0	130.0	130.0	130.0	130.0	129.0	129.0	129.0	127.0	126.0
Fire	109.5	108.5	106.5	109.5	107.5	104.5	108.5	106.5	106.0	109.0
Building Inspection	12.5	12.5	13.5	13.5	13.0	11.0	12.0	17.0	17.0	13.0
<b>Public Works</b>										
City Engineer	20.0	20.0	20.0	20.0	20.0	21.0	21.0	18.0	19.0	19.0
Traffic	15.0	16.0	16.0	14.0	15.0	14.0	15.0	15.5	15.5	16.8
Central Garage	9.0	10.0	10.0	9.0	9.0	9.0	7.0	8.0	9.0	9.0
Street	36.0	34.0	37.0	35.0	36.0	35.0	38.0	38.0	36.0	36.0
Airport	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.8
<b>Health &amp; Social Services</b>										
Human Rights	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Culture &amp; Recreation</b>										
Cultural & Arts	13.0	11.0	13.0	12.0	13.0	10.0	10.0	12.0	12.0	9.0
Library	25.0	25.0	24.5	24.0	23.5	22.5	22.0	22.0	21.0	24.1
Leisure Services	36.0	40.0	43.0	42.0	41.0	43.0	42.0	40.0	38.0	38.0
<b>Community &amp; Economic Development</b>										
Community Planning & Development	22.0	23.0	23.0	22.0	21.0	22.0	22.0	19.0	18.0	22.0
<b>General Government</b>										
Mayor's Office	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.8
Info Tech	1.0	1.0	1.0	2.0	4.0	5.0	4.0	5.0	5.0	5.0
City Clerk & Finance	14.0	14.0	12.0	12.0	9.0	10.0	10.0	10.0	10.0	10.0
City Attorney/Code Enforcement	1.5	1.5	1.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Human Resources	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Facilities Maintenance	3.0	4.0	4.0	4.0	4.0	5.0	4.0	4.0	4.0	4.0
<b>Waste Management Services</b>										
Sewer	33.9	41.0	39.0	40.0	39.0	36.0	38.0	38.0	38.0	38.0
Sanitation	17.1	13.0	17.0	13.0	13.0	13.0	11.0	13.0	14.0	14.0
<b>Total</b>	<u>511.5</u>	<u>517.5</u>	<u>524.0</u>	<u>521.0</u>	<u>518.0</u>	<u>510.0</u>	<u>513.5</u>	<u>515.0</u>	<u>509.5</u>	<u>514.5</u>

Source: City Human Resources Department records.

**City of Waterloo, Iowa**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**  
**(Page 1 of 2)**

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Public Safety</b>									
Police *									
Traffic accidents	1,839	1,726	1,607	1,633	1,441	1,527	1,235	1,184	1,249
Cases	11,298	11,111	10,110	9,683	8,930	9,103	8,028	7,298	8,197
Citations	6,989	5,060	4,917	3,947	3,748	4,195	3,681	2,424	2,050
Calls for service	77,161	67,717	61,944	60,652	50,773	50,986	47,979	37,752	45,195
Total arrests	4,931	4,728	4,004	3,874	3,444	3,496	2,777	2,351	2,567
Fire									
Fire responses	5,011	5,129	5,232	5,638	5,542	5,623	5,233	5,301	5,599
Ambulance responses	6,729	6,830	6,650	7,036	8,720	9,180	8,956	9,833	10,651
Building Inspection									
Construction permits issued	9,969	10,327	10,620	9,704	8,483	7,124	7,011	7,062	7,084
Construction value of permits	\$ 101,677,108	\$ 100,224,478	\$ 127,513,038	\$ 108,699,337	\$ 104,700,306	\$ 142,264,758	\$ 161,102,459	\$ 140,629,305	\$ 113,662,019
<b>Public Works</b>									
Engineering									
Street reconstruction (miles)	3.15	1.59	2.61	3.35	3.08	3.30	2.81	2.50	2.34
Street resurfacing (miles)	12.21	18.63	12.53	0.64	1.66	2.60	3.34	2.10	3.00
Street Department									
Tons of salt used for streets	5,162.00	4,217.00	3,024.00	3,307.00	5,699.72	4,000.00	2,500.00	2,273.00	1,760.00
Man hours for road maintenance	66,650	67,320	79,357	66,924	68,644	38,485	47,104	30,452	25,452
Airport									
Commercial Enplanements	21,573	26,170	27,325	25,534	22,836	23,446	15,055	7,859	17,854
Aircraft take-offs and landings	19,109	19,550	21,037	18,585	18,943	20,072	19,006	19,946	24,098
Based aircraft	104	74	75	75	75	81	70	70	70
<b>Health &amp; Social Services</b>									
Human Rights									
Civil Rights complaints									
New cases opened	64	66	50	57	49	58	41	31	60
Cases closed	43	100	50	69	72	85	68	47	42
Active cases at year-end	177	143	142	129	105	83	52	40	57
Culture & Recreation									
Leisure Services									
SportsPlex Members	2,594	4,450	4,965	5,095	5,243	6,167	5,456	5,751	4,712
Young Arena facility usage									
Event Visitors	119,903	100,064	100,913	103,547	105,938	104,635	81,507	38,606	86,527
Recreational Visitors	186,384	189,121	189,586	183,749	180,545	167,900	124,700	40,099	69,000
Sports - youth programs	5,571	5,623	5,689	5,573	5,434	5,413	4,238	4,374	4,458
Sports - adult programs	1,598	1,617	1,543	1,497	1,412	1,384	954	1,112	988
Pool attendance @	37,603	33,866	34,733	28,861	22,065	9,980	15,734	24,113	19,517
<b>Golf rounds</b>	75,737	74,891	76,137	69,989	60,640	52,076	56,192	74,449	71,418
Annual flowers grown for parks	-	-	-	-	-	-	-	-	-
Public Library									
Total Circulation	422,204	470,786	446,467	365,656	299,035	295,877	500,974	146,010	260,517
Total Library Visits #	271,603.00	278,431.00	253,929.00	262,073.00	250,804.00	181,867.00	92,342.00	37,579.00	85,906.00
Waterloo Center for the Arts									
In House Visitors	118,970.00	128,140.00	122,334.00	157,628.00	189,153.00	191,675.00	120,000.00	48,500.00	123,054.00
Events, meetings, and programs	1,074.00	1,103.00	1,003.00	1,261.00	1,513.00	1,757.00	1,100.00	633.00	1,128.00

**City of Waterloo, Iowa**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**  
**(Page 2 of 2)**

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Community &amp; Economic Development</b>									
Planning and Zoning									
Planning commission agenda items	91	100	86	63	70	59	47	73	59
CURA applications received **	30	41	31	35	25	28	22	13	7
CURA improvements value	\$ 11,368,905	\$ 7,856,518	\$ 13,451,612	\$ 13,439,875	\$ 3,793,731	\$ 3,037,684	\$ 5,367,551	\$ 8,610,759	\$ 5,086,119
CLURA applications received***	58	69	41	74	46	39	46	45	52
CLURA improvements value	\$ 14,418,617	\$ 15,057,131	\$ 8,849,239	\$ 17,426,350	\$ 11,090,817	\$ 11,533,082	\$ 13,682,420	\$ 14,222,172	\$ 12,373,899
Community Development									
Down payment assistance	3	4	8	7	-	-	-	3	6
Home buyer education	-	-	-	-	-	-	-	-	-
Owner-occupied homes rehabilitated	42	26	24	24	25	33	31	35	31
Emergency repairs (including roofs)	37	33	34	32	21	25	30	39	51
Demolitions (residential & commercial)	21	-	13	-	1	2	-	-	2
Housing									
Vouchers used	931	937	975	1,017	1,010	1,020	1,061	1,042	1,020
Public housing units	50	50	50	50	50	50	50	49	48
Family self sufficiency participants	36	31	34	28	26	23	20	21	18
<b>Sewer</b>									
Sewer system customers	26,102	25,584	26,498	26,522	25,235	26,732	26,790	26,501	27,369

Source: Various city departments

\* Statistics for Police Department are for the calendar year ending within the fiscal year shown.

\*\* Consolidated Urban Revitalization Area.

\*\*\* City Limits Urban Revitalization Area Started FY12

# Door counter was broken for several months, so not all visitors could be counted.

@ One pool could not be opened in the spring of 2019 due to needed repairs

**City of Waterloo, Iowa  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Public Safety</b>									
Police									
Stations	1	1	1	1	1	1	1	1	1
Fire*									
Stations	7	7	7	7	7	7	7	7	7
Trucks and special vehicles	29	29	30	33 **	35	31	31	31	31
<b>Public Works</b>									
Miles of streets - paved	364	364	360	360	361	362	363	363	364
Miles of streets - unpaved	72	72	68	68	68	68	73	73	73
Street lights	1,807	1,807	1,807	1,807	1,847	1,847	2,582	2,503	2,503
Traffic Signals	197	198	198	199	200	202	200	206	206
Airport runway lengths:									
Runway 12/30	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400
Runway 18/36	6,002	6,002	6,002	6,002	6,002	6,002	6,002	6,002	6,002
Runway 6/24	5,403	5,403	5,403	5,403	5,403	5,403	CLOSED	CLOSED	CLOSED
<b>Culture &amp; Recreation</b>									
City recreation areas	3	3	3	3	3	3	3	3	3
City parks	48	48	48	48	48	48	48	48	48
Golf courses	3	3	3	3	3	3	3	3	3
Swimming pools	2	2	2	2	2	2	2	2	2
Softball diamonds	23	23	23	20	20	20	20	20	20
Baseball diamonds	6	6	6	6	6	6	6	6	6
Baseball stadium	1	1	1	1	1	1	1	1	1
Softball complexes	2	2	2	2	2	2	2	2	2
Tennis courts	27	27	27	27	27	27	27	27	27
Ice arena	1	1	1	1	1	1	1	1	1
Soccer complex	1	1	1	1	1	1	1	1	1
Exposition plaza	1	1	1	1	1	1	1	1	1
Skatepark	1	1	1	1	1	1	1	1	1
Dog park	1	1	1	1	1	1	1	1	1
Amphitheater	1	1	1	1	1	1	1	1	1
Splash Park	1	1	1	1	1	1	1	1	1
SPORTSPLEX	0	1	1	1	1	1	1	1	1
Center for the Arts collection size	4,682	5,102	5,498	5,647	6,001	6,475	6,738	7,122	7,366
Library collection size **	164,486	138,540	138,305	124,649	112,777	112,777	107,583	112,620	112,794
<b>Sewer</b>									
Miles of sanitary sewer	357	358	368	372	373	374	376	378	379

Source: Various city departments

\* Added boats

\*\* Collection size increased due to providing additional electronic service