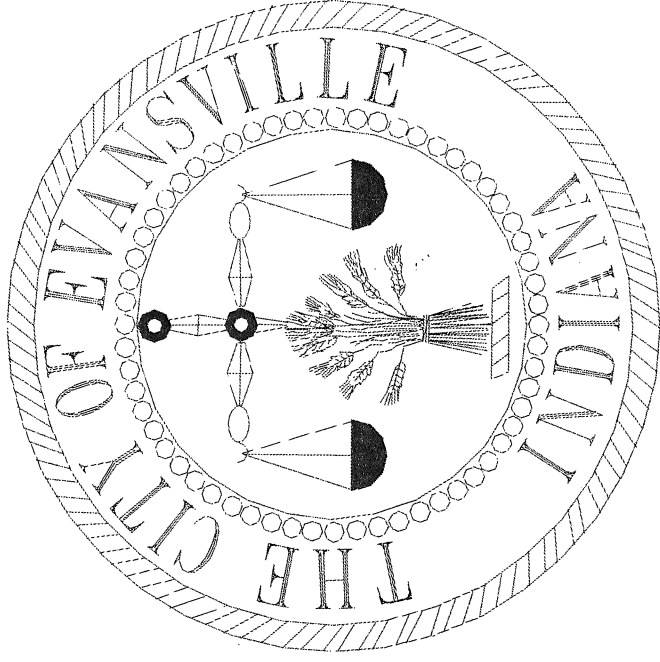


CITY OF EVANSVILLE, INDIANA
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2004



Jonathan Weinzapfel, Mayor

**ANNUAL
FINANCIAL
REPORT**

EVANSVILLE, INDIANA

Year Ended December 31, 2004

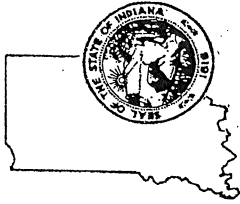
**Prepared By
Finance Department**

**Lisa L. Acobert, City Controller
William H. Anthony, Deputy City Controller**

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	A-B
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	C-D
Management's Discussion and Analysis	1-13
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	14-15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	17-18
Statement of Revenues, Expenditures and Other Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Assets – Proprietary Funds	21-22
Statement of Revenues, Expenses and Other Changes in Fund Net Assets – Proprietary Funds	23-24
Statement of Cash Flows – Proprietary Funds	25-26
Statement of Fiduciary Net Assets – Fiduciary Funds	27
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	28
Notes to Financial Statements	29-66
Required Supplementary Information:	
Schedules of Funding Progress	67-68
Schedules of Contributions From the Employer and Other Contributing Entities	69
Budgetary Comparison Schedules	70
Budget/GAAP Reconciliation	71

Other Supplementary Information:	
Combining Balance Sheet-Non-major Governmental Funds.....	72
Schedule of Expenditures – Budget and Actual – General Fund.....	73-77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Non-major Governmental Funds.....	78
Combining Balance Sheet-Non-major Special Revenue Funds.....	79-84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-Non-major Special Revenue Funds.....	85-88
Budgetary Comparison Schedules-Non-major Budgeted Special Revenue Funds.....	89-94
Combining Balance Sheet-Non-major Debt Service Funds.....	95
Combining Statement of Revenues, Expenditures, and Other Changes in Fund Balances-Non-major Debt Service Funds.....	96
Budgetary Comparison Schedules-Non-major Budgeted Debt Service Funds.....	97
Combining Balance Sheet-Non-major Capital Projects Funds.....	98
Combining Statement of Revenues, Expenditures, and Other Changes in Fund Balances-Non-major Capital Projects Funds.....	99
Budgetary Comparison Schedules-Non-major Budgeted Capital Projects Funds.....	100-103
Combining Statement of Net Assets-Internal Service Funds.....	104
Combining Statement of Revenues, Expenditures, and Other Changes in Fund Net Assets-Internal Service Funds.....	105
Combining Statement of Cash Flows-Internal Service Funds.....	106
Budgetary Comparison Schedules-Budgeted Proprietary Funds.....	107-109
Combining Statement of Fiduciary Net Assets-Pension Trust Funds.....	110
Combining Statement of Changes in Fiduciary Net Assets-Pension Trust Funds.....	111
Budgetary Comparison Schedules-Budgeted Pension Trust Funds.....	112
Combining Statement of Fiduciary Net Assets-Agency Funds.....	113
Schedule of Changes in Assets and Liabilities-Agency Funds.....	114
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	115-116
Schedule of Expenditures of Federal Awards.....	117-120
Notes to Schedule of Expenditures of Federal Awards.....	121
Schedule of Findings and Questioned Costs.....	122-123
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings.....	124
Statistical Information.....	125-145



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CITY OF EVANSVILLE, VANDERBURGH COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Evansville (City), as of and for the year ended December 31, 2004, which collectively comprise the City's primary government basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States.

The Management's Discussion and Analysis, Schedules of Funding Progress, Schedules of Contributions from the Employer and Other Contributing Entities and Budgetary Comparison Schedules as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, statistical tables and the accompanying Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the Schedule of Expenditure of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

December 19, 2005

STATE BOARD OF ACCOUNTS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CITY OF EVANSVILLE, VANDERBURGH COUNTY, INDIANA

We have audited the financial statements of the City of Evansville (City), as of and for the year ended December 31, 2004, and have issued our report thereon dated December 19, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

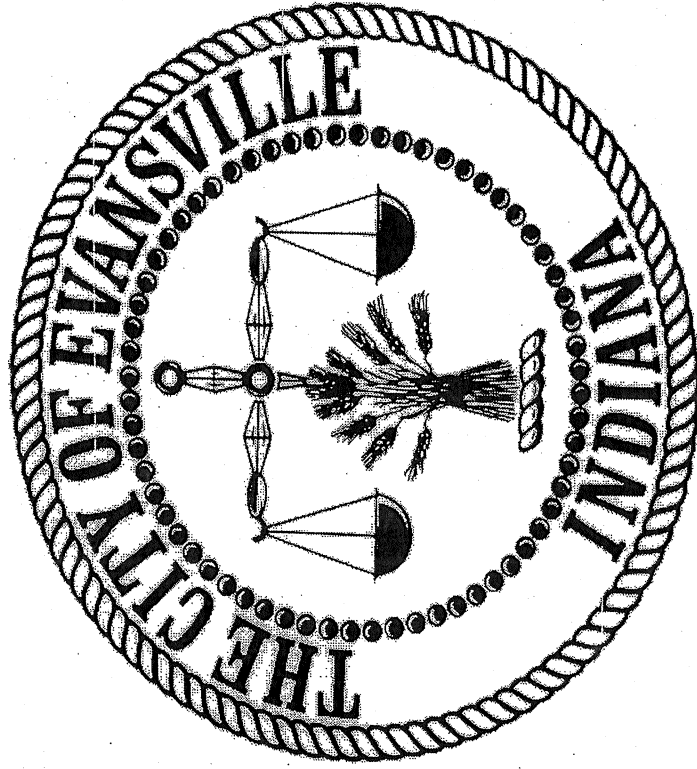
statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 19, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis

As management of the City of Evansville, Indiana ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal years ended December 31, 2003 and December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City exceeded its liabilities (net assets) at the close of 2003 and 2004 by \$244,957 and \$244,609 respectively. Of this amount, \$54,512 represented the unrestricted net deficit at the close of 2003. This deficit was reduced to \$45,771 in 2004.
- The City's total net assets decreased by \$348 compared to 2003.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$72,291 a decrease of \$2,431 in comparison with the prior year. Approximately 81% of this total amount, \$58,489 is available for spending at the government's discretion (unreserved fund balance).
- At the end of 2004, the unreserved fund balance for the general fund was \$1,327 or 2% of total general fund expenditures, excluding transfers out.
- The City's total bond related debt decreased by \$3,065 (8 percent) during the current fiscal year. During the year, the City issued \$4,090 to advance refund \$3,905 of outstanding 1996 Bonds. In addition, the City made principal payments of \$3,250 during the current year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements comprise 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.

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

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

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 the future fiscal periods (e.g., uncollected taxes and earned but unused vacation and leave).

Both of the government-wide financial statements distinguish functions of the City 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 include: general government, public safety, highways, streets and roadways, sanitation, health and welfare, culture and recreation, urban redevelopment and housing and economic development and assistance. The business-type activities of the City include a water and wastewater operation.

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, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City 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 to evaluate a government's near-term financing 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 maintains over 50 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, local income tax and riverboat funds, which are considered to be major funds. Data from the remaining City 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 the report. The City adopts an annual appropriated budget for its general fund, certain special revenue funds, debt service funds, capital projects funds, internal service funds and pension trust funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its printing supplies, hospitalization, unemployment, auto collision insurance, workmen's compensation and liability insurance. Because these services benefit the governmental-type functions, they have been included within the governmental activities on the Statement of Net Assets 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 Water and Wastewater operations, both of which are considered to be major funds of the City. Conversely, the City's internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the basic financial statements included in the audit.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgets for its major funds as well as a reconciliation between the budget schedules and fund financial statements. In addition, the City's progress in funding its obligation to provide pension benefits to certain employees is included as supplementary information.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on budgets.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the City, assets exceeded liabilities by \$244,609 at the close of the most recent fiscal year.

By far the largest portion, \$199,813 (82%), of the City's net assets reflects the investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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.

The following table reflects the condensed statement of City net assets:

City of Evansville, Indiana, Condensed Statement of Net Assets

Description	Governmental Activities		Business Activities		Totals	
	2004	2003	2004	2003	2004	2003
Current and Other Assets	\$ 89,409	\$ 89,135	\$ 50,111	\$ 28,769	\$ 139,520	\$ 117,904
Capital Assets	120,761	120,517	213,022	207,517	333,783	328,034
Total Assets	210,170	209,652	263,133	236,286	473,303	445,938
Long-term liabilities outstanding	120,320	120,582	82,775	60,168	203,095	180,750
Other liabilities	15,330	12,665	10,269	7,565	25,599	20,230
Total Liabilities	135,650	133,247	93,044	67,733	228,694	200,980
Net Assets						
Invested in capital assets, net of related debt	75,972	71,318	127,592	154,530	203,564	225,848
Restricted	66,886	64,276	23,681	9,344	90,567	73,620
Unrestricted	(68,338)	(59,190)	18,816	4,678	(49,522)	(54,512)
Total Net Assets	\$ 74,520	\$ 76,404	\$ 170,089	\$ 168,552	\$ 244,609	\$ 244,956

An additional portion of the City's net assets, \$90,567 (37% percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets normally would be used to meet the government's ongoing obligations to citizens and creditors. However, due to the net deficit, \$(68,338) in the governmental funds, only the business-type activities would have funds, \$18,816 for this purpose.

At the end of the current fiscal year, the City was able to report positive balances in only two categories of net assets, for the government as a whole; however, its separate business-type activities were able to report positive balances in all three categories of net assets.

Governmental Activities

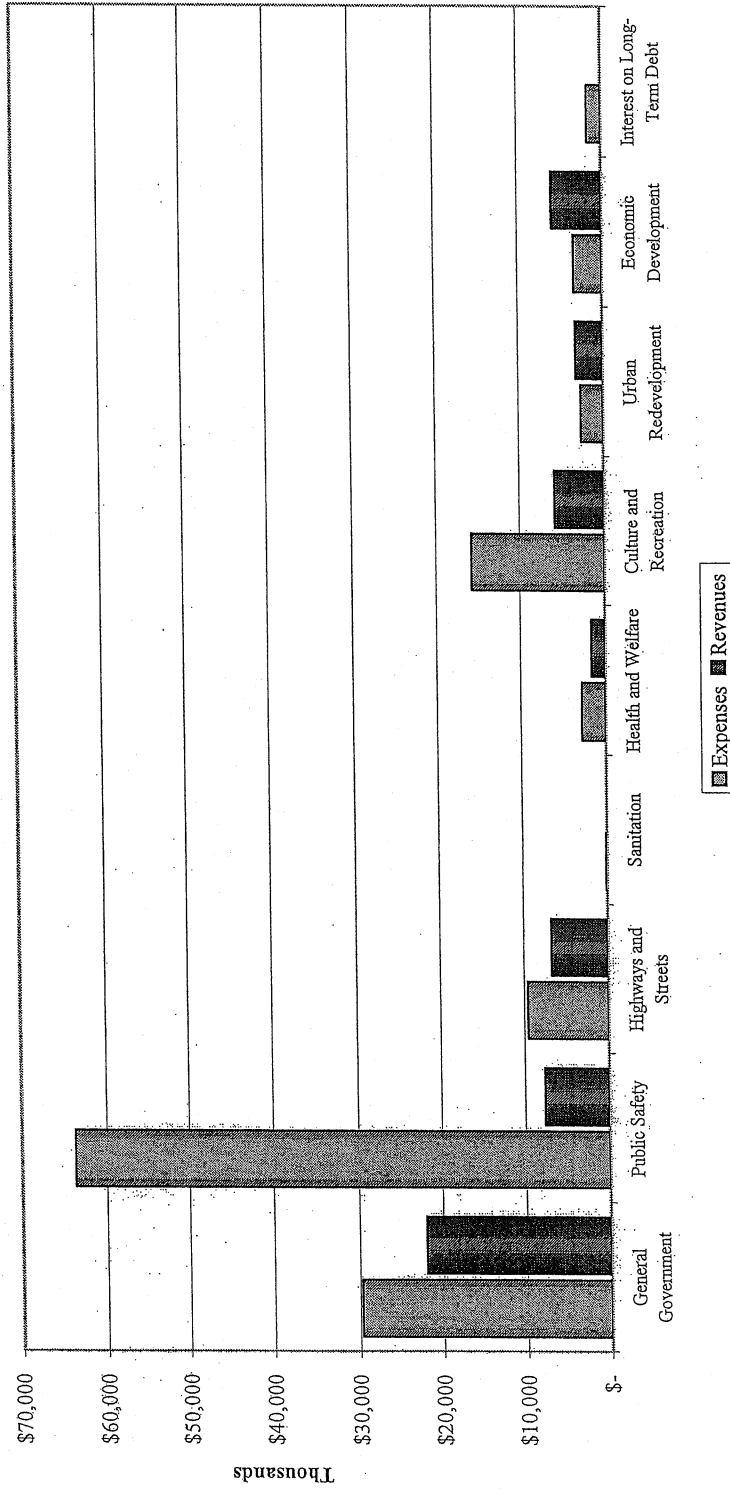
The following table displays the City's changes in net assets during 2004.

Description	City of Evansville - Changes in Net Assets					
	Governmental Activities		Business Activities		Totals	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program Revenues						
Charges for Services	\$ 35,052	\$ 24,984	\$ 41,505	\$ 38,926	\$ 76,557	\$ 63,910
Operating Grants and Contributions	16,246	14,604	-	-	16,246	14,604
Capital Grants and Contributions	2,066	201	1,722	3,461	3,788	3,662
General Revenues						
Property and Other Taxes	40,908	39,964	-	-	40,908	39,964
Intergovernmental Not Restricted to Specific Programs	-	27,881	-	-	-	27,881
Grants and Contributions Not Restricted to Specific Programs	17,786	-	-	-	17,786	-
Other	17,026	9,314	(2,137)	(1,892)	14,889	7,422
Total Revenues	129,084	116,948	41,090	40,495	170,174	157,443
Expenses:						
General	29,735	14,318	-	-	29,735	14,318
Public Safety	63,628	60,904	-	-	63,628	60,904
Highways/Streets	9,618	12,186	-	-	9,618	12,186
Sanitation	127	70	-	-	127	70
Health and Welfare	2,892	3,257	-	-	2,892	3,257
Culture and Recreation	15,690	16,770	-	-	15,690	16,770
Urban Redevelopment and Housing	2,730	2,698	-	-	2,730	2,698
Economic Development and Assistance	3,396	2,141	-	-	3,396	2,141
Interest Expense	1,685	1,435	-	-	1,685	1,435
Water	-	-	14,213	13,918	14,213	13,918
Wastewater	-	-	25,341	23,866	25,341	23,866
Total Expenses	129,501	113,779	39,554	37,784	169,055	151,563
Increase/(Decrease) in Net Assets	(417)	3,169	1,536	2,711	1,119	5,880
Net Assets at January 1, 2003	76,404	68,202	168,553	165,842	244,957	234,044
Prior Period Adjustment for Improvements	(1,467)	1,184	-	-	(1,467)	1,184
Prior Period Adjustment for Accumulated Depreciation	-	3,849	-	-	-	3,849
Net Assets at December 31,	\$ 74,520	\$ 76,404	\$ 170,089	\$ 168,553	\$ 244,609	\$ 244,957

The City's overall cash and cash equivalents plus investments of \$115,079 has positioned the City in a strong financial position especially considering the current economic challenges facing local governments. The City continues to reduce its debt, \$3,250 in the current year. The City completed capital projects that included the completion of the Goebel soccer complex, drainage and road project at the cemetery, eight new School Zone Flashing Light systems, forty new trees at Sunset Park for Arbor Day, Greencove Drainage Improvements and phase 1 of the city sidewalk replacement program. The City's property tax rate changed from \$1.2058 per \$100 of assessed value in 2002 to \$0.8600 in 2003, to \$0.9362 in 2004. Changes from 2002 to 2003 are partly related to the State of Indiana property tax restructuring moving to a market-based system, resulting in an increased assessed valuation. In addition, Senate Enrolled Act 1 has forced the City to raise its maximum property tax levy each year in order to preserve the ability to raise the levy in ensuing years. Historically, the City had not adopted tax rates based on the maximum allowable levy.

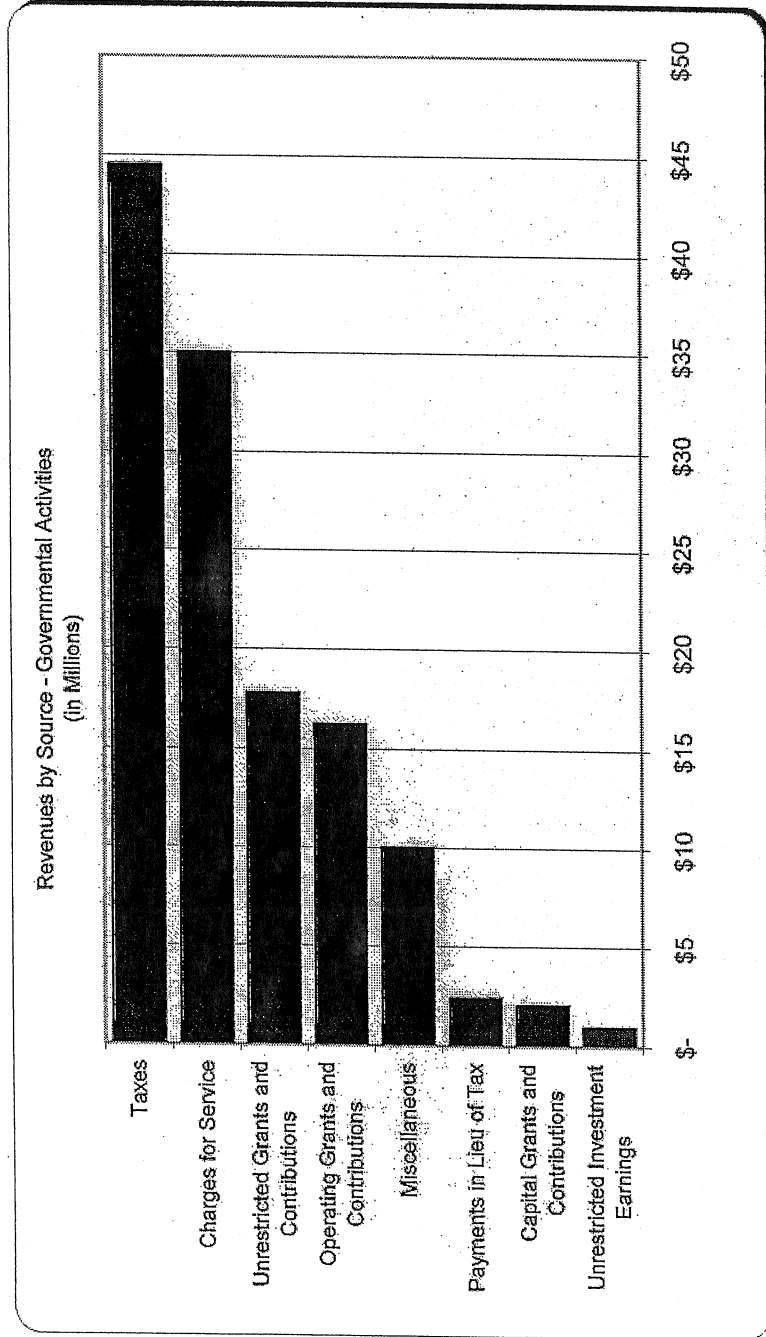
The following displays the Expenses and Program Revenues of the City's governmental activities:

Program Revenues and Expenses - Governmental Activities



Taxes, as in prior years, were the City's major source of revenue supporting its activities, primarily in the area of public safety, culture and recreation as well as economic development and assistance. Other sources of revenue consisted primarily of unrestricted investment earnings and payments in lieu of taxes from the City Utilities.

The following displays the Revenues by Source of the City's governmental activities:

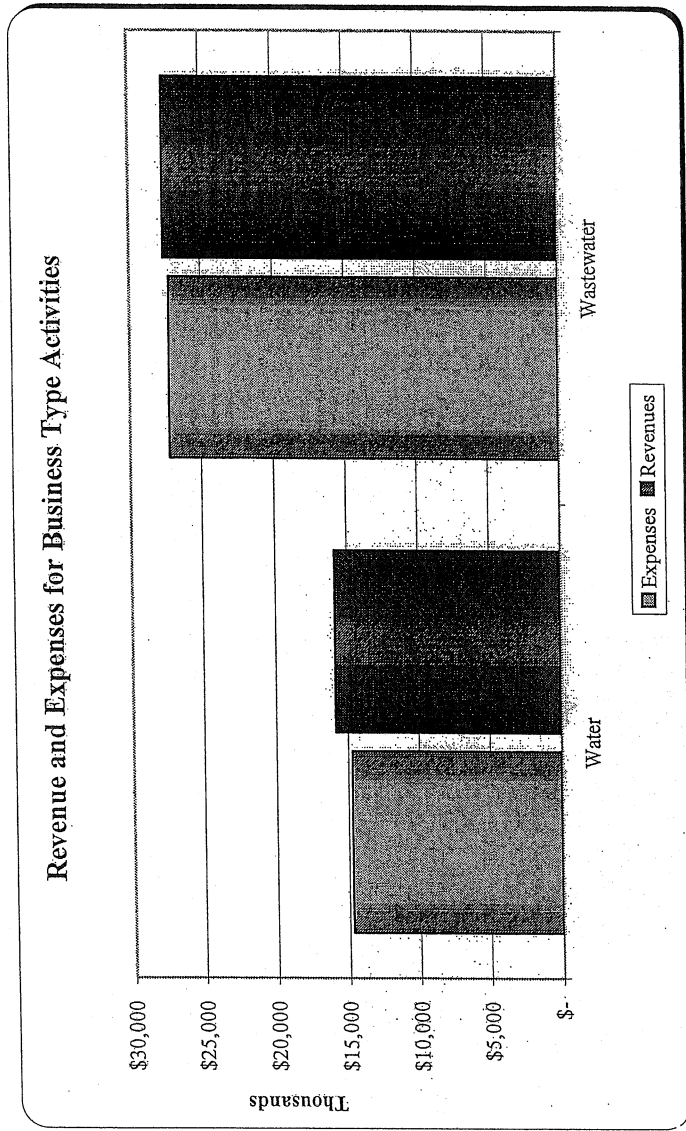


Business-type Activities

Business-type activities increased the City's net assets by \$1,536. Key elements of this increase are as follows:

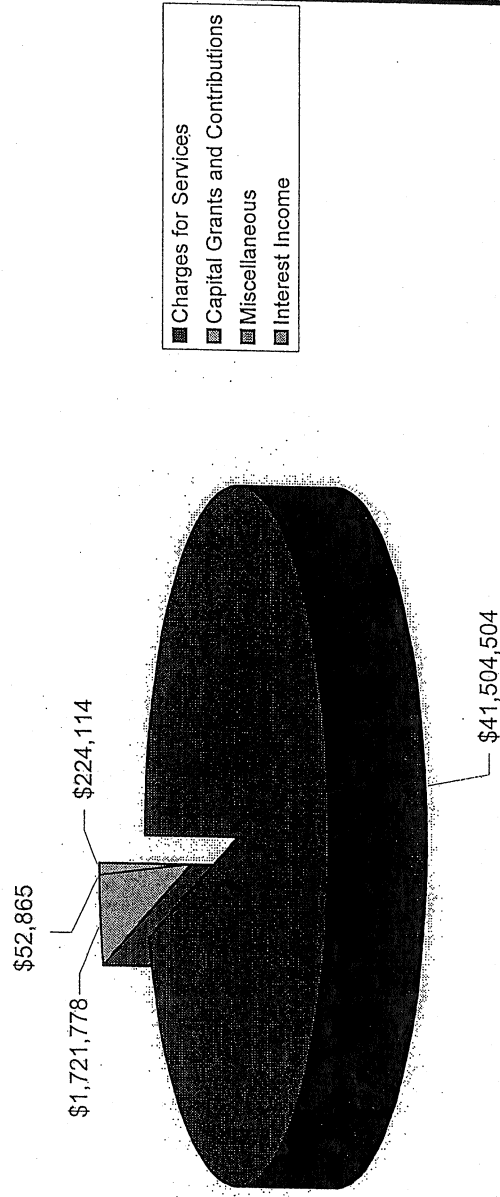
- The wastewater utility's revenue exceeded its expenses by \$2,162.
- The water utility's revenue exceeded its expenses by \$1,510.
- The \$3,672 combined income from the Utilities was reduced by the \$2,413 of payments in lieu of taxes, which were made to the City.

The following displays the Expenses and Program Revenues of the City's business-type activities.



The following displays the Revenues by Source of the City's business-type activities.

Revenues by Source - Business Type Activities (in dollars)



Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful to assess the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$72,291, a decrease of \$2,431 in comparison with the prior year. Approximately, 81% of this total amount \$58,489 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to 1) debt service (\$3,439); 2) loans receivable (\$5,236); 3) perpetual care (\$746) and endowments (\$19). In addition, \$4,363 was reserved for encumbrances.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,327 while total fund balance totaled \$1,986. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total expenditures of \$61,651, excluding transfers. Unreserved fund balance represents 2% of total general fund expenditures, while total fund balance represents 3% of that same amount.

The fund balance of the City's general fund decreased by \$849 during 2004. Key factors contributing to the decrease in fund balance are as follows:

- Expenditures exceeded revenue by \$9,450, excluding other financing sources and uses.
- The majority (82%) of the expenditures related to public safety.
- The annual transfers of County Option Income Tax from the Local Income Tax Fund in the amount of \$7,517 are used to offset the operating deficit in the General Fund.
- Additional net transfers of \$1,204 from other funds partially offset the deficit spending to minimize the decrease in fund balance.

The City also has two other major governmental funds. These are the local income tax and riverboat funds.

The fund balance of the City's local income tax fund decreased by \$4,745 during 2004. Primary reasons for this are as follows:

- Revenues exceeded expenditures by \$4,363, excluding other financing sources and uses.
- Of the \$11,831 total revenues, \$11,336 was derived from intergovernmental revenue.
- Over half (58%) of the expenditures were expended for highways, streets and roadways.
- Net transfers of \$10,908 were made to other funds, causing the overall decrease in fund balance for the current year.

The fund balance of the City riverboat fund increased \$6,160 during the current fiscal year. The reasons for this increase are as follows:

- Revenues exceeded expenditures by \$9,156, excluding other financing sources and uses.
- Of the \$16,902 total revenues, \$6,317 (37%) was derived from gaming revenues and \$10,029 (59%) was derived from park lease payments.
- Net transfers of \$2,996 were made to other funds.

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

Net assets at the end of 2004 totaled \$170,089, \$54,324 for the Water Utility and \$115,765 for the Wastewater Utility. The total growth in net assets was \$1,134 and \$402 respectively. Other factors concerning the finances of these two utilities have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

A difference between the original budget and the final budget was a \$3,637 increase in appropriations and can be briefly summarized as follows:

- \$239 increases in contractual services to support the building inspection department.
- \$382 increases in public safety activities, in all categories primarily personnel services.
- \$130 increases in fire protection services primarily in capital outlays.
- \$1,598 increases in emergency management services, primarily related to Homeland Security and other capital outlays.
- \$834 increases to ambulance and paramedic services, primarily related to the ambulance service contract.

Overall, actual cash disbursements in the General Fund of \$61,707 were \$3,784 lower than the adjusted budget of \$65,491. Of this positive variance, \$1,269 was reserved for encumbrances to be carried forward into 2005.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2004 amounts to \$333,782 (net of accumulated depreciation). This investment in capital assets includes land, building and systems, improvements, machinery and equipment and infrastructure.

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

- The completion of the Goebel soccer complex.
- Improvements to the water and wastewater plant, drainage, collection and distribution systems.
- Sidewalk replacements.

The following table displays the City's capital assets.

City of Evansville, Indiana,
 Capital Assets
 As of December 31, 2004

	Governmental- Type Activities	Business -Type Activities
Land	\$ 14,350	\$ 451
Construction in Progress	311	15,541
Buildings	91,418	140,483
Improvements	25,640	150,040
Infrastructure	8,252	-
Machinery and Equipment	34,048	4,771
Total Assets	174,019	311,286
Accumulated Depreciation	(53,258)	(98,264)
Net Assets	\$ 120,761	\$ 213,022

Additional information on the City's capital assets can be found in Note III-C in the notes to the Financial Statements.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt related liabilities outstanding of \$127,225 related to governmental activities and \$85,734 related to business-type activities. Of this amount \$36,375 comprises bonds backed by the full faith and credit of the government while the remaining amounts are comprised of \$6,770 tax increment financing bonds and \$72,719 in revenue bonds.

The remainder of the City's debt of \$97,095 is comprised of \$72,082 in pension liability, \$15,401 in loans payable, \$6,115 in capital leases and \$3,497 in compensated absences.

The following table reflects the City's long-term liabilities:

City of Evansville, Indiana, Summary of Long-Term Liabilities as of 12/31/2004

Description	Governmental-type Activities	Business-type Activities	Total
General Obligation Debt	\$ 36,375	\$ -	\$ 36,375
Lease Rental Bonds	-	-	-
TIF Debt	6,770	-	6,770
Revenue Bonds (Net)	-	72,719	72,719
Subtotals	43,145	72,719	115,864
Pension Liability	72,082	-	72,082
Compensated Absences	3,403	94	3,497
Capital Leases	6,115	-	6,115
Loans Payable	2,480	12,921	15,401
Subtotals	127,225	85,734	212,959
Less:			
Short-Term Portion	(6,737)	(2,959)	(9,696)
Total Long-Term Debt	\$ 120,488	\$ 82,775	\$ 203,263

The City's total debt for governmental and business-type activities increased by \$36,583 during 2004. The key factor in this increase was the recognition of an additional \$8,753 of pension liability and the issuance of \$25,380 in open market water utility revenue bonds.

The City maintains a "AA-" rating from Standard & Poor's and Fitch Investor Services and a "A1" rating from Moody's Investor Service for general obligation debt. Both ratings indicate high quality and strong capacity to pay the City's bonds.

Additional information of the City's long-term debt can be found in Note III-G in the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The tax rates proposed for 2005 for the City increased from \$0.9362 in 2004 to \$1.0599 in 2005.
- The homestead tax credit will be in excess of 8%, which consists of a 6% state credit and a 2% City credit.
- Phase I of the street and sidewalk improvement program was initiated and completed in 2004.
- The utilities continue improvements through the State Revolving Fund loan program.

All of the above factors were considered in preparing the City's budget for the 2005 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City'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 the City of Evansville, City Controller's Office, One Northwest Martin Luther King Jr. Blvd. Room 300, Civic Center Complex, Evansville, Indiana, 47708

CITY OF EVANSVILLE, INDIANA
STATEMENT OF NET ASSETS
December 31, 2004

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 3,240,149	\$ 5,193,135	\$ 8,433,284
Cash with fiscal agent	-	237,570	237,570
Investments	3,500,000	8,000,000	11,500,000
Receivables (net of allowances for uncollectibles):			
Interest	108,498	35,936	144,434
Taxes	1,580,572	-	1,580,572
Accounts	1,496,770	3,154,480	4,651,250
Intergovernmental	321,608	-	321,608
Other	-	193,009	193,009
Internal Balances	(1,500,000)	1,500,000	-
Advance for bad checks	-	6,570	6,570
Prepaid expense	392,336	139,428	531,764
Deferred debits	795,607	2,241,929	3,037,536
Restricted assets:			
Cash, cash equivalents and investments	-	29,322,088	29,322,088
Cash and cash equivalents	36,800,669	-	36,800,669
Cash with fiscal agent	8,227,760	-	8,227,760
Investments	20,558,000	-	20,558,000
Interest receivable	68,834	55,110	123,944
Taxes receivable	374,556	-	374,556
Accounts receivable	1,782,374	-	1,782,374
Intergovernmental receivable	1,823,943	-	1,823,943
Loans receivable - current	807,347	-	807,347
Loans receivable - long term	5,235,730	-	5,235,730
Other receivables	1,435,500	-	1,435,500
Customer deposits	-	31,586	31,586
Capital assets:			
Land, improvements and construction in progress	14,660,785	15,991,751	30,652,536
Other capital assets, net of depreciation	106,100,220	197,030,618	303,130,838
Net pension asset	858,492	-	858,492
Total assets	208,669,750	263,133,210	471,802,960
<u>Liabilities</u>			
Accounts payable	3,460,502	549,523	4,010,025
Accrued payroll and withholdings payable	496,020	286,418	782,438
Contracts payable	429,535	2,579,202	3,008,737
Retainage payable	-	729,254	729,254
Taxes payable	-	51,469	51,469
Accrued group insurance benefits	948,204	-	948,204
Deferred revenue	975,498	-	975,498
State revolving loan payable	-	801,000	801,000
Intergovernmental payable	-	4,300	4,300

CITY OF EVANSVILLE, INDIANA
STATEMENT OF NET ASSETS
December 31, 2004

	Primary Government	
	Governmental Activities	Business-Type Activities
Deferred tap ins payable	-	9,600
Payable from restricted assets:		
Arbitrage payable	-	379,475
Customer deposits	-	967,678
Accrued bond interest	-	1,731,210
Revenue bonds - due within one year	-	2,135,000
Deposits on new extension estimates	-	21,055
Service charge due petitioners	-	1,500
Noncurrent liabilities:		
Due within one year:		
General obligation bonds payable	2,830,000	-
Compensated absences	2,288,670	22,695
Capital lease obligations	1,175,000	-
Notes and loans payable	443,079	-
Accrued bond interest	782,640	-
Due in more than one year:		
General obligation bonds payable (net of discounts or premium)	33,563,567	-
TIF bonds payable	6,770,000	-
State revolving loan payable	-	12,119,510
Compensated absences	1,114,193	71,238
Revenue bonds payable (net of discounts or premiums)	-	73,227,848
Deferral of loss on refunding	(186,036)	(2,643,643)
Capital lease obligations	4,940,000	-
Notes and loans payable	2,036,485	-
Net pension obligation	72,082,168	-
Total liabilities	134,149,525	93,044,332
Net assets		
Invested in capital assets, net of related debt	75,971,877	127,591,503
Restricted for:		
Public safety	322,875	-
Highways and streets	9,019,725	-
Economic development	3,738,515	-
Culture and recreation	(246,522)	-
Debt service	3,438,989	23,681,182
Capital projects	42,467,833	-
Perpetual care	746,675	-
Other purposes	7,398,540	-
Unrestricted	(68,338,282)	18,816,193
Total net assets	\$ 74,520,225	\$ 170,088,878
		\$ 244,609,103

The notes to the financial statements are an integral part of this statement.

CITY OF EVANSVILLE, INDIANA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2004

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Operating		Governmental Activities	Primary Government	
		Charges for Services	Grants and Contributions		Capital Grants and Contributions	Business-Type Activities
Primary government:						
Governmental activities:						
General government	\$ 29,735,418	\$ 19,456,200	\$ 451,179	\$ (7,750,629)	\$ -	\$ (7,750,629)
Public safety	63,628,278	4,469,681	3,236,912	(55,921,685)	-	(55,921,685)
Highways and streets	9,617,471	213,589	1,456,476	(2,780,504)	-	(2,780,504)
Sanitation	126,716	-	-	(126,716)	-	(126,716)
Health and welfare	2,892,177	-	1,634,144	(1,258,033)	-	(1,258,033)
Culture and recreation	15,689,911	5,037,295	158,006	(9,748,558)	-	(9,748,558)
Urban redevelopment	2,729,959	-	3,277,052	547,093	-	547,093
Economic development	3,396,371	5,875,628	107,737	2,586,994	-	2,586,994
Interest on long-term debt	1,685,262	-	-	(1,685,262)	-	(1,685,262)
Total governmental activities	129,501,563	35,052,393	16,246,209	(76,137,300)	-	(76,137,300)
Business-type activities:						
Water	14,212,379	14,923,946	798,928	-	1,510,495	1,510,495
Wastewater	25,341,209	26,580,558	922,850	-	2,162,199	2,162,199
Total business-type activities	39,553,588	41,504,504	1,721,778	-	3,672,694	3,672,694
Total primary government	\$ 169,055,151	\$ 76,556,897	\$ 16,246,209	\$ (76,137,300)	3,672,694	(72,464,606)
General revenues:						
Property taxes				40,907,833	-	40,907,833
Financial institution tax				451,943	-	451,943
Auto and aircraft tax				3,154,762	-	3,154,762
Payments in lieu of taxes				2,419,705	(2,413,338)	6,367
Miscellaneous				10,032,133	52,865	10,084,998
Grants and contributions not restricted to specific programs				17,786,255	-	17,786,255
Unrestricted investment earnings				967,253	224,114	1,191,367
Total general revenues, special items, and transfers				75,719,884	(2,136,359)	73,583,525
Change in net assets				(417,416)	1,536,335	1,118,919
Net assets - beginning				76,404,239	168,552,543	244,956,782
Less prior period adjustment				(1,466,598)	-	(1,466,598)
Beginning net assets, as adjusted				74,937,641	168,552,543	243,490,184
Net assets - ending				\$ 74,520,225	\$ 170,088,878	\$ 244,609,103

The notes to the financial statements are an integral part of this statement.

CITY OF EVANSVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2004

<u>Assets</u>	General	Local Income Tax	Riverboat	Other Governmental Funds	Totals
Cash and cash equivalents	\$ 1,876,846	\$ 1,313,789	\$ 5,261,563	\$ 29,712,675	\$ 38,164,873
Cash with fiscal agent	-	-	8,227,760	-	8,227,760
Investments	-	3,000,000	13,000,000	7,058,000	23,058,000
Receivables (net of allowances for uncollectibles):					
Interest	87,999	17,001	26,421	39,897	171,318
Taxes	1,580,572	-	-	374,556	1,955,128
Accounts	1,496,770	-	885,438	896,934	3,279,142
Intergovernmental	321,608	-	873,446	950,497	2,145,551
Loans receivable - current	-	-	107,337	700,010	807,347
Loans receivable - long term	-	-	419,884	4,815,846	5,235,730
Total assets	<u>\$ 5,363,795</u>	<u>\$ 4,330,790</u>	<u>\$ 28,801,849</u>	<u>\$ 44,548,415</u>	<u>\$ 83,044,849</u>

Liabilities and fund balances

Liabilities:					
Accounts payable	\$ 740,188	\$ 264,818	\$ 114,174	\$ 2,020,966	\$ 3,140,146
Accrued payroll	257,968	-	-	232,089	490,057
Compensated absences payable	339,196	-	-	42,760	381,956
Contracts payable	63,191	214,659	33,218	118,467	429,535
Interfund loan payable	-	-	-	1,500,000	1,500,000
Deferred revenue	1,977,029	986,331	755,874	1,093,077	4,812,311
Total liabilities	<u>3,377,572</u>	<u>1,465,808</u>	<u>903,266</u>	<u>5,007,359</u>	<u>10,754,005</u>

Fund balances:

Reserved for:					
Encumbrances	659,368	687,702	1,199,489	1,815,094	4,361,653
Noncurrent loans receivable	-	-	419,884	4,815,846	5,235,730
Endowments	-	-	-	18,632	18,632
Perpetual care	-	-	-	745,591	745,591
Debt service	-	-	-	3,438,989	3,438,989
Unreserved:					
Designated for capital replacement	-	-	-	158,243	158,243
Designated for redevelopment purposes	-	-	-	900,621	900,621
Unreserved, reported in:					
General fund	1,326,855	-	-	-	1,326,855
Special revenue funds	-	2,177,280	26,279,210	13,639,303	42,095,793
Capital projects funds	-	-	-	14,008,737	14,008,737
Total fund balances	<u>1,986,223</u>	<u>2,864,982</u>	<u>27,898,583</u>	<u>39,541,056</u>	<u>72,290,844</u>
Total liabilities and fund balances	<u>\$ 5,363,795</u>	<u>\$ 4,330,790</u>	<u>\$ 28,801,849</u>	<u>\$ 44,548,415</u>	<u>\$ 83,044,849</u>

CITY OF EVANSVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2004

Fund balance - governmental funds 72,290,844

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 120,761,005

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 3,836,813

Prepaid expenses are not financial resources therefore, are not reported in the funds. 392,336

Deferred charges are not financial resources therefore, are not reported in the funds. 795,607

Other receivables are not current financial resources therefore, are not reported in the funds. 1,435,500

Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 1,593,922

Accrued absences are not due and payable in the current period and therefore are not reported in the fund: (3,007,391)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. (52,354,735)

Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds. (71,223,676)

Net assets of governmental activities \$ 74,520,225

The notes to the financial statements are an integral part of this statement.

CITY OF EVANSVILLE, INDIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND

For The Year Ended December 31, 2004

	General	Local Income Tax	Riverboat	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 32,808,820	\$ -	\$ -	\$ 8,139,585	\$ 40,948,405
Licenses and permits	448,512	-	-	40,446	488,958
Intergovernmental	7,865,230	11,336,496	-	15,350,615	34,552,341
Charges for services	9,550,570	103,712	149,541	5,703,095	15,506,918
Fines and forfeits	509,096	-	-	-	509,096
Interest	310,975	45,965	160,941	370,827	888,708
Gaming taxes	-	-	6,317,099	-	6,317,099
Park lease payments	-	-	10,028,506	-	10,028,506
Other	708,356	345,074	246,186	2,394,439	3,594,005
Total revenues	52,201,559	11,831,247	16,902,223	31,999,007	112,934,036
Expenditures:					
Current:					
General government	9,595,670	1,043,315	260,025	4,594	10,903,604
Public safety	50,576,634	340,799	395,702	1,304,412	52,617,547
Highways and streets	-	4,354,481	192,085	6,240,202	10,786,768
Sanitation	126,716	-	-	25,778	152,494
Culture and recreation	-	1,953,888	143,963	12,450,714	13,648,565
Health and welfare	758,094	1,395	-	2,003,848	2,763,337
Economic development	-	127,000	2,373,270	682,438	3,182,708
Urban redevelopment and housing	-	-	-	3,468,353	3,468,353
Debt service:					
Principal	-	-	1,297,749	3,250,000	4,547,749
Interest	-	-	503,593	1,451,154	1,954,747
Capital outlay:					
General government	-	184,173	82,795	-	266,968
Public safety	594,050	104,245	1,115,357	183,230	1,996,882
Highways and streets	-	248,245	119,922	-	368,167
Culture and recreation	-	11,146	1,261,140	2,302,189	3,574,475
Total expenditures	61,651,164	7,468,687	7,745,601	33,366,912	110,232,364
Excess (deficiency) of revenues over (under) expenditures	(9,449,605)	4,362,560	9,156,622	(1,367,905)	2,701,672
Other financing sources (uses):					
Transfers in	8,720,640	1,800,000	-	2,393,104	12,913,744
Transfers out	(120,143)	(10,907,667)	(2,996,000)	(955,444)	(14,979,254)
Bond proceeds	-	-	-	14,500	14,500
Payment to refunded bond escrow agent	-	-	-	(1,547,857)	(1,547,857)
Total other financing sources and uses	8,600,497	(9,107,667)	(2,996,000)	(95,697)	(3,598,867)
Net change in fund balances	(849,108)	(4,745,107)	6,160,622	(1,463,602)	(897,195)
Fund balances - beginning	2,835,331	7,610,089	21,737,961	41,004,658	73,188,039
Fund balances - ending	\$ 1,986,223	\$ 2,864,982	\$ 27,898,583	\$ 39,541,056	\$ 72,290,844

The notes to the financial statements are an integral part of this statement.

CITY OF EVANSVILLE
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 For The Year Ended December 31, 2004

<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures and Changes in Fund Balances).</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p> <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p> <p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> <p>Net pension obligation increases are considered long-term obligations of the general government, but are not current expenditures.</p> <p>Prepaid expenses amortized in the statement of activities require the use of current financial resources and, therefore are reported as expenditures in governmental funds when paid.</p> <p>Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore are reported as expenditures in governmental funds.</p> <p>Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.</p> <p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.</p> <p>Change in net assets of governmental activities (statement of activities)</p>	<p>\$ (897,195)</p> <p>55,583</p> <p>368,715</p> <p>6,925,416</p> <p>(7,839,906)</p> <p>75,076</p> <p>122,357</p> <p>329,992</p> <p><u>442,546</u></p> <p><u>\$ (417,416)</u></p>
--	---

The notes to the financial statements are an integral part of this statement.

CITY OF EVANSVILLE, INDIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2003

	Business-Type Activities - Enterprise Funds			
	Water Utility	Wastewater Utility	Total	Internal Service Fund
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 3,385,725	\$ 1,807,410	\$ 5,193,135	\$ 1,875,947
Cash with fiscal agent	116,637	120,933	237,570	-
Investments	-	8,000,000	8,000,000	1,000,000
Interest receivable	1,878	34,058	35,936	6,014
Accounts receivable (net of allowance)	916,523	2,237,957	3,154,480	-
Advance for bad checks	6,570	-	6,570	-
Other receivable	177,489	15,520	193,009	-
Interfund receivables:				
Interfund loans	-	1,500,000	1,500,000	-
Interfund services provided and used	135,772	-	135,772	-
Prepaid items	66,389	73,039	139,428	-
Total current assets	4,806,983	13,788,917	18,595,900	2,881,961
Noncurrent assets:				
Restricted cash, cash equivalents and investments	22,234,232	7,087,856	29,322,088	-
Interest receivable	55,110	-	55,110	-
Customer deposits	31,586	-	31,586	-
Total restricted assets:	22,320,928	7,087,856	29,408,784	-
Deferred charges	1,013,917	1,228,012	2,241,929	-
Capital assets:				
Land, improvements to land and construction in progress	6,366,443	9,625,308	15,991,751	-
Other capital assets (net of accumulated depreciation)	60,089,119	136,941,499	197,030,618	3,588
Total capital assets	66,455,562	146,566,807	213,022,369	3,588
Total noncurrent assets	89,790,407	154,882,675	244,673,082	3,588
Total assets	94,597,390	168,671,592	263,268,982	2,885,549

CITY OF EVANSVILLE, INDIANA
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2003

	Business-Type Activities - Enterprise Funds			Internal Service Fund
	Water Utility	Wastewater Utility	Total	
Liabilities				
Current liabilities:				
Accounts payable	115,036	434,487	549,523	320,347
Accrued wages payable	170,150	116,268	286,418	5,963
Taxes payable	51,469	-	51,469	-
Compensated absences	17,043	5,652	22,695	11,611
Contracts payable	1,782,443	796,759	2,579,202	-
Retainage payable	466,077	263,177	729,254	-
Interfund payables:				
Interfund services provided and used	-	135,772	135,772	-
State revolving loan payable	-	801,000	801,000	-
Intergovernmental payable	-	4,300	4,300	-
Deferred tap ins payable	-	9,600	9,600	-
Accrued group insurance benefits	-	-	-	948,204
Current liabilities payable from restricted assets:				
Arbitrage payable	-	379,475	379,475	-
Customer deposits	967,678	-	967,678	-
Revenue bonds payable	1,080,000	1,055,000	2,135,000	-
Deposits on new extension estimates	21,055	-	21,055	-
Service charge due petitioners	1,500	-	1,500	-
Accrued interest payable	602,489	1,128,721	1,731,210	-
Total current liabilities	5,274,940	5,130,211	10,405,151	1,286,125
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts or premiums)	34,945,126	38,282,722	73,227,848	-
Deferral of gain (loss) on refunding	-	(2,643,643)	(2,643,643)	-
Compensated absences	53,636	17,602	71,238	5,502
State revolving loan payable	-	12,119,510	12,119,510	-
Total noncurrent liabilities	34,998,762	47,776,191	82,774,953	5,502
Total liabilities	40,273,702	52,906,402	93,180,104	1,291,627
Net assets				
Invested in capital assets, net of related debt	25,514,143	102,077,360	127,591,503	3,588
Restricted for debt service	19,298,766	4,382,416	23,681,182	-
Unrestricted	9,510,779	9,305,414	18,816,193	1,590,334
Total net assets	\$ 54,323,688	\$ 115,765,190	\$ 170,088,878	\$ 1,593,922

The notes to the financial statements are an integral part of this statement.

CITY OF EVANSVILLE, INDIANA
 STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 For The Year Ended December 31, 2004

	Enterprise Funds		
	Water Utility	Wastewater Utility	Total
Operating revenues:			
Metered water revenue:	\$ 6,739,907	-	\$ 6,739,907
Residential	4,792,513	-	4,792,513
Commercial and industrial	-	11,770,298	11,770,298
Residential sales	-	8,029,032	8,029,032
Commercial and industrial sales	1,625,100	-	1,625,100
Allocation of joint costs	1,455,260	-	1,455,260
Fire protection revenue	107,598	-	107,598
Delinquent charges	-	3,869,801	3,869,801
Refuse services	-	1,409,399	1,409,399
Tap fees	-	413,229	413,229
Penalties	-	290,000	290,000
Water pretreatment charge	-	332,282	332,282
Industrial surcharges and fines	-	84,981	84,981
Street sweeping fees	-	-	-
Charges for Goods and Services	203,568	381,536	585,104
Employee/Employer Contributions	-	-	189,975
	<u>14,923,946</u>	<u>26,580,558</u>	<u>41,504,504</u>
Total operating revenues			<u>15,303,325</u>

Operating expenses:			
Source of supply and expense/collection system expense - operations and maintenance:			
Salaries and wages	171,001	836,773	1,007,774
Employee pensions and benefits	-	359,072	359,072
Contractual services	-	841,238	841,238
Transmission and distribution/pumping expense - operations and maintenance:			
Salaries and wages	1,120,264	-	1,120,264
Employee pensions and benefits	475,043	-	475,043
Treatment and disposal expense - operations and maintenance:			
Salaries and wages	321,224	1,469,852	1,791,076
Employee pensions and benefits	210,219	627,563	837,782
Contractual services	-	3,725,785	3,725,785
Other	-	9,521	9,521
Customer accounts expense			
Salaries and wages	1,110,139	-	1,110,139
Employee pensions and benefits	480,251	-	480,251
Contractual services	-	1,625,100	1,625,100
Bad debt expense	47,779	84,901	132,680
Administrative and general			

CITY OF EVANSVILLE, INDIANA
 STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 For The Year Ended December 31, 2004

	Enterprise Funds			Internal Service Fund
	Water Utility	Wastewater Utility	Total	
Salaries and wages	504,536	-	504,536	-
Employee pensions and benefits	187,179	-	187,179	-
Materials and supplies	21,607	-	21,607	-
Contractual services	6,484,658	5,065,571	11,550,229	-
Transportation expense	5,154	-	5,154	-
Payment in lieu of taxes	500,000	1,913,338	2,413,338	-
Other	451,928	358,028	809,956	-
Administration and general	-	-	-	1,329,078
Insurance claims and premiums	-	-	-	15,824,736
Depreciation and amortization	2,054,749	7,860,947	9,915,696	2,352
Total operating expenses	14,145,731	24,777,689	38,923,420	17,156,166
Operating income (loss)	778,215	1,802,869	2,581,084	(1,852,841)
Nonoperating revenues (expenses):				
Interest and investment revenue	70,655	153,459	224,114	31,881
Miscellaneous revenue	52,865	-	52,865	197,996
Interest expense	(539,493)	(2,430,171)	(2,969,664)	-
Miscellaneous expense	(27,155)	(46,687)	(73,842)	-
Total nonoperating revenue (expenses)	(443,128)	(2,323,399)	(2,766,527)	229,877
Income (loss) before contributions and transfers	335,087	(520,530)	(185,443)	(1,622,964)
Capital contributions	798,928	922,850	1,721,778	-
Transfers in	-	-	-	2,065,510
Change in net assets	1,134,015	402,320	1,536,335	442,546
Total net assets - beginning	53,189,673	115,362,870	168,552,543	1,151,376
Total net assets - ending	\$ 54,323,688	\$ 115,765,190	\$ 170,088,878	\$ 1,593,922

The notes to the financial statements are an integral part of this statement.

CITY OF EVANSVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2004

	Enterprise Funds		
	Water Utility	Wastewater Utility	Internal Service Fund
	\$ 14,753,169	\$ 25,375,569	\$ 15,572,913
	(8,020,699)	(14,120,152)	(1,117,369)
	(4,531,180)	(3,270,254)	(16,097,570)
	(27,817)	(21,701)	197,996
	<u>2,173,473</u>	<u>7,963,462</u>	<u>(1,444,030)</u>
	-	-	-
	-	-	2,065,510
	-	-	-
	-	-	2,065,510
	<u>25,018,680</u>	<u>49,000</u>	<u>25,067,680</u>
	122,912	-	122,912
	(145,516)	-	(145,516)
	(4,830,218)	(5,641,507)	(10,471,725)
	(560,000)	(1,786,000)	(2,345,000)
	(546,179)	(2,326,452)	(2,872,631)
	<u>19,059,579</u>	<u>(9,703,959)</u>	<u>9,355,620</u>
	-	-	-
	-	-	-
	-	-	-
	<u>128,953,230</u>	<u>28,900,000</u>	<u>6,300,000</u>
	(139,636,230)	(24,900,000)	(6,700,000)
	109,248	134,080	243,328
	<u>(10,573,752)</u>	<u>4,134,080</u>	<u>(372,843)</u>
	10,659,300	2,393,583	248,637
	<u>2,412,927</u>	<u>6,622,616</u>	<u>1,627,310</u>
	-	-	-
	-	-	-
	<u>\$ 13,072,227</u>	<u>\$ 9,016,199</u>	<u>\$ 1,875,947</u>

CITY OF EVANSVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For The Year Ended December 31, 2004

	Enterprise Funds			Internal Service Fund
	Water Utility	Wastewater Utility	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 778,215	\$ 1,802,869	\$ 2,581,084	\$ (1,852,841)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	2,054,749	7,860,947	9,915,696	2,351
Nonoperating revenue (expense)	(27,817)	(21,701)	(49,518)	197,996
(Increase) decrease in assets:				
Accounts receivable - customer	(117,389)	(116,492)	(233,881)	10,793
Accounts receivable - other	(39,325)	406,799	367,474	-
Advance for bad checks	(1,562)	-	(1,562)	-
Intergovernmental receivables	-	(1,500,000)	(1,500,000)	13,687
Interfund services provided and used	(6,314)	-	(6,314)	-
Prepaid items	(9,405)	(10,363)	(19,768)	-
Due from other funds	(6,187)	-	(6,187)	245,109
Customer deposits receivable	-	-	-	-
Increase (decrease) in liabilities:				
Accounts payable	(315,343)	265,465	(49,878)	(1,011,235)
Wages and deductions payable	53,623	29,152	82,775	5,514
Taxes payable	6,160	-	6,160	-
Compensated absence payable	(4,947)	(6,146)	(11,093)	2,738
Due to other funds	-	-	-	(1,798)
Accrued insurance benefits	-	-	-	943,656
Contracts payable	(216,244)	(434,583)	(650,827)	-
Retainage payable	-	(317,189)	(317,189)	-
Interfund services provided and used	-	6,314	6,314	-
Intergovernmental payables	-	(1,610)	(1,610)	-
Customer deposits	25,259	-	25,259	-
Total adjustments	1,395,258	6,160,593	7,555,851	408,811
Net cash provided by operating activities	\$ 2,173,473	\$ 7,963,462	\$ 10,136,935	\$ (1,444,030)
Noncash investing, capital and financing activities:				
Customer accounts written off	\$ 28,779	\$ 64,901		
Contributions of capital assets from developer	676,016	922,850		
Acquisition of capital assets on account	36,305	374,047		
Construction of capital assets on account	1,887,119	421,396		
Deletion of fully depreciated assets	380,540	995,746		
State revolving loan expenses paid directly to vendor	-	1,000		

The notes to the financial statements are an integral part of this statement.

CITY OF EVANSVILLE, INDIANA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2004

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Cash and cash equivalents	\$ 1,415,701	\$ 884,268
Receivables:		
Interest and dividends	8,201	-
Taxes	126,570	-
Intergovernmental	2,345,445	-
Total receivables	<u>2,480,216</u>	<u>-</u>
Investments at fair value:		
U.S. Government securities	2,100,000	-
Total assets	<u>5,995,917</u>	<u>\$ 884,268</u>
<u>Liabilities</u>		
Accounts payable	2,045	-
Accrued payroll and deductions	-	478,436
Other payables	-	405,832
Total liabilities	<u>2,045</u>	<u>\$ 884,268</u>
<u>Net assets</u>		
Held in trust for:		
Employees' pension benefits and other purposes	<u>5,993,872</u>	
Total net assets	<u>\$ 5,993,872</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF EVANSVILLE, INDIANA
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 For The Year Ended December 31, 2004

<u>Additions</u>	Pension Trust Funds
Contributions:	
Employer	8,476,648
Plan members	159,442
Total contributions	8,636,090
Investment income:	
Interest	37,580
Total additions	8,673,670
<u>Deductions</u>	
Benefits	9,904,962
Administrative expense	34,925
Total deductions	9,939,887
Changes in net assets	(1,266,217)
Net assets - beginning	7,260,089
Net assets - ending	5,993,872

The notes to the financial statements are an integral part of this statement.

CITY OF EVANSVILLE
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Evansville (primary government) was established under the laws of the State of Indiana. The primary government operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, and urban redevelopment and housing.

There are no significant component units which require inclusion.

The accompanying financial statements present the activities of the primary government.

Joint Ventures

The primary government is a participant with Vanderburgh County in a joint venture to operate the Evansville-Vanderburgh County Building Authority which was created to construct and maintain the Civic Center Complex. The Evansville-Vanderburgh Building Authority's continued existence depends on continued funding by the primary government. Complete financial statements for the Evansville-Vanderburgh Building Authority can be obtained from the entity's administrative office.

Evansville-Vanderburgh Building Authority
Room 318, Administration Building
Evansville, IN 47708

The primary government is a participant with Vanderburgh County, Town of Newburgh, and Warrick County of the State of Indiana, and the City of Henderson of the Commonwealth of Kentucky in a joint venture to operate the Evansville Urban Transportation Study. It was first established in October 1969, and, as required by the 1962 Federal Aid Highway Act, conducts a continuing comprehensive and cooperative process to meet Federal Aid Highway planning requirements. The Evansville Urban Transportation Study's continued existence depends on continued funding by the primary government. Complete financial statements for the Evansville Urban Transportation Study can be obtained from the entity's administrative office.

Evansville Urban Transportation Study
Room 316, Administration Building
Evansville, IN 47708

Related Organizations

The primary government's officials are also responsible for appointing the members of the boards of other organizations, but the primary government's accountability for these organizations does not extend beyond making the appointments. The primary government appoints the board members of the Evansville Housing Authority and Evansville-Vanderburgh Airport Authority District.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the primary government receives cash.

The primary government reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The local income tax fund is a special revenue fund. It accounts for expenditures related to capital projects or improvements and various local culture and recreation grants and loans. Financing is provided by the County Option Income Tax revenue, grants and transfers.

The riverboat fund is a special revenue fund. It accounts for revenues received from the gaming operations and the related expenditures for projects to be funded from those revenues.

The primary government reports the following major proprietary funds:

The water utility fund accounts for the operation of the primary government's water distribution system.

The wastewater utility fund accounts for the operation of the primary government's wastewater treatment plant, pumping stations and collection systems.

Additionally, the primary government reports the following fund types:

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. In addition to the two major special funds listed above, the government also maintains the following special revenue funds:

Law Enforcement Continuing Education; Learning Center Sinking; Historic Preservation; Coleman Trust; EPA Permit Fund; Law Enforcement Block Grant; Law Enforcement Grant; Motor Vehicle Highway; Law Enforcement 1998 Grant; Rainy Day Fund; Municipal Code Revolving; Parks Department; Golf Course Nonreverting; Emergency Management; Richard T. Legler Trust; Sports Program Nonreverting; Zoo Animal Revolving; Local Road and Street; Rental Rehabilitation Program; EDA Revolving Loan; Home Investment Trust Fund; Community Development Block Grant; Department of Metropolitan Development Miscellaneous; Old Post Office; Economic Development Loan; Downtown Parking Garages; Continuum Care Fund; Police Narcotics Grant; Emergency Shelter Grant; Housing Trust Fund; Fire Department Donations; Building Commission Code Book; Locust Hill Perpetual Care; Bicycle License; TIF Redevelopment and Oak Hill Perpetual Care.

Debt service funds are used to account for the accumulation for, and the payment of, general long-term debt principal and interest. The following debt service funds are maintained:

Park Bond and Interest Retirement; Redevelopment Bond and Interest; Redevelopment TIF Bond Retirement and Redevelopment Debt Service Reserve.

Capital projects funds are used to account for the acquisition or construction of major capital additions. The government maintains the following capital project funds:

General Obligation Loan; Victory Learning Center; Cumulative Capital Improvement; Swonder Ice Arena Bond; Park Bonds of 2003; Greenway Project; Redevelopment Bonds of 1998 and Redevelopment Bonds of 1996.

The internal service fund accounts for the financing of goods and services provided by one department or agency to other departments on a cost-reimbursement basis. The government maintains the following internal service funds:

Printing and Supplies; Hospitalization; Unemployment; Auto Collision; Workmen's Compensation and Liability Insurance.

The pension trust funds account for provision of retirement and disability benefits to police officers and firefighters hired prior to May 1, 1977. The government maintains the following pension trust funds:

Fire Pension, Police Pension.

The permanent fund reports an arrangement under which income is restricted for maintenance and improvement of Bayard Park. Principal cannot be expended. The government maintains the following permanent fund:

Mattie J. Bayard Trust.

Agency funds account for assets held by the primary government as an agent for various individuals, organizations or other funds within the same government unit as follows:

Housing Rehabilitation Services; Cash Bonds; Oak Hill Lease Escrow; Accounts Receivable/Payable Clearing; Payroll Summary and Advanced Sales Escrow.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The primary government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and wastewater function and various other

functions concerned. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Assets; Liabilities and Net Assets or Equity

1. Deposits and Investments

The primary government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statute (IC 5-13-9) authorizes the primary government to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Open-end mutual funds are reported at fair value.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

2. Interfund Transactions and Balances

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "interfund receivables/payables (i.e., the current and non-current portion of interfund loans). All other outstanding balances between funds are reported as "interfund services provided/used."

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statutes (IC 6-1.1-17-16) require the Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected.

4. Local Option Income Tax

Indiana counties have the option of adopting one or more of the following local option income taxes (LOIT): a county adjusted gross income tax (CAGIT) under IC 6-3.5-1.1; a county option income tax (COIT) under IC 6-3.5-6; or a county economic development income tax (CEDIT) under IC 6-3.5-7. Local income taxes are collected on behalf of counties by the State of Indiana. Throughout the year, employers remit to the Department of Revenue (DOR) LOIT amounts withheld from employee paychecks. Also, individual and business taxpayers make quarterly estimated tax payments, to DOR that include LOIT amounts. The City of Evansville receives distributions of COIT from Vanderburgh County.

The DOR cannot compile county-by-county LOIT revenue information until income tax returns are filed by individual and business taxpayers in the following year. DOR provides information to the State Budget Agency (SBA) regarding these total filed (processed) LOIT amounts received by county for each tax year. SBA certifies a distribution amount of the LOIT revenue to be made to each county. Up until December 31, 2003, distributions were based on estimated LOIT collections calculated by SBA. SBA's estimation process produced fairly stable results until the occurrence of market anomalies beginning in 1999. In some counties, significant differences emerged between the collection amounts initially projected for 2000-2003 and processed amounts later confirmed. As of January 1, 2004, certified distributions are no longer based on estimated collections, but on processed LOIT amounts. Each calendar year's certified distributions are now based on LOIT amounts processed in the state fiscal year ending prior to the calendar year of distribution.

The State of Indiana cannot determine exact collection amounts with certainty. It must rely on processed amounts imputed from the prior tax year as an estimate of actual collections. This has created a negative balance, for some counties, that have received an estimated amount in excess of the actual collections. SBA has the discretion, per statute, to adjust distribution amounts as needed to bring a county's tax account into balance over time. For those counties experiencing a negative balance as of December 31, 2004, a timetable for reducing the negative balance through future offsets to certified distributions has not yet been determined. The City of Evansville's negative balance of \$975,498 is included in these financial statements as deferred revenue.

5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide financial statements. Prepaid expenses are reported as expenditures when payment is made in the governmental fund financial statements.

6. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets balance sheet because their use is limited by applicable bond indentures, state or federal law, or governing body action.

7. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), are assets with an individual cost of more than \$5,000 for governmental activities and \$750 for the Water and Wastewater Utilities and an estimated useful life in excess of one year.

Capital assets of the primary government are depreciated using the straight line or composite method over the following estimated useful lives:

	City	Water	Wastewater
Buildings	50	2%	5 to 100
Improvements	Other Than	2%	5 to 100
Buildings	3 to 50	2%	5 to 25
Machinery and Equipment	10 to 50		
Infrastructure			

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the primary government in its business-type activities during the current year was \$236,975. This amount was included as part of the cost of capital assets under construction in connection with construction of water lines.

As permitted the government has delayed retroactive reporting of major general infrastructure for the current year and has included only current year additions in the amount of capital assets reported.

8. Compensated Absences

a. Sick Leave –

Non-Union:

Primary government employees earn sick leave at the rate of two-thirds of a day per month. Unused sick leave may be accumulated to a maximum of sixty days. Accumulated sick leave is paid to employees through cash payments upon retirement up to a maximum of twenty-four days, provided the employee has three years of continuous service.

Union:

Primary government employees earn sick leave at the rate of nine days per year. Unused sick leave may be accumulated indefinitely. Accumulated sick leave is paid to employees through cash payments upon retirement up to a maximum of forty-two days.

b. Vacation Leave – Primary government employees earn vacation leave at rates from ten days to thirty days per year based upon the number of years of service. Employees are expected to use earned vacation time by the end of the next succeeding employment year. Accumulated vacation leave is paid to employees through cash payments upon death, retirement or termination. If an employee is terminated for cause, all accrued benefits are forfeited.

c. Personal Leave – Primary government employees earn personal leave at the rate of three days per year. Personal leave is not paid to employees upon termination and does not accumulate from year to year.

d. Compensatory Leave – Primary government policemen and firemen are not paid for overtime, but earn compensatory leave. Upon death, accumulated compensatory leave is payable to the beneficiary. Upon retirement, the employees can elect to receive a lump sum distribution or use the accumulated time.

Vacation, sick and compensatory leave is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability is reported for these amounts in the governmental funds only if matured within 60 days of year end.

9. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States. All annual appropriations lapse at fiscal year end.

On or before August 31, the City Controller submits to the Common Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Common Council to obtain taxpayer comments. In September of each year, the Common Council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Department of Local Government Finance. The budget becomes legally enacted after the City Controller receives approval of the Department of Local Government Finance.

The primary government's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. The Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

Expenditures did not exceed appropriations for any funds or any departments within the General Fund, which required legally approved budgets.

B. Deficit Fund Equity

At December 31, 2004, the following funds reported deficits in fund equity, which are violations of State Statute:

	Deficit
Special Revenue Funds:	
Parks Department	\$ 829,817
Home Investment Trust Fund	127,949
Emergency Shelter Grant	13,347
Capital Project Fund:	
Greenway Project	33,442
Internal Service Fund:	
Hospitalization	137,273

Fund equity deficits arose primarily from expenditures or expenses exceeding revenues due to the underestimate of current requirements; these deficits will be repaid from future revenues.

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

The primary government's investments are categorized below to give an indication of the level of risk assumed by the primary government at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the primary government or its agent in the primary government's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the primary government's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the primary government's name.

	Category			Reported Amount	Fair Value
	1	2	3		
Repurchase agreements	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 2,000,000
Totals	\$ -	\$ 2,000,000	\$ -	2,000,000	2,000,000
Investments not subject to categorization:					
Mutual Funds				3,000,000	3,000,000
Total investments				\$ 5,000,000	\$ 5,000,000

B. Loans Receivable

The government, through its Department of Metropolitan Development, has made various loans to businesses, qualifying individuals, or organizations. The interest rates on these loans range from zero to ten percent. The loans are financed by federal or state grants and program income derived from them.

C. Capital Assets

Capital asset activity for the year ended December 31, 2004, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
(Excluding Internal Service Funds)				
Capital assets, not being depreciated:				
Land	\$ 12,943,386	\$ 1,443,262	\$ 36,881	\$ 14,349,767
Construction in progress	6,118,067	934,007	6,741,056	311,018
Total capital assets, not being depreciated	<u>19,061,453</u>	<u>2,377,269</u>	<u>6,777,937</u>	<u>14,660,785</u>
Capital assets, being depreciated:				
Buildings	92,712,715	566,075	1,860,937	91,417,853
Improvements other than buildings	17,152,670	8,487,694	-	25,640,364
Machinery and equipment	32,078,565	2,267,338	355,954	33,989,949
Infrastructure	6,223,468	2,031,283	2,610	8,252,141
Totals	<u>148,167,418</u>	<u>13,352,390</u>	<u>2,219,501</u>	<u>159,300,307</u>
Less accumulated depreciation for:				
Buildings	19,241,374	1,828,515		21,069,889
Improvements other than buildings	7,605,117	1,209,705		8,814,822
Machinery and equipment	19,588,447	3,334,709	286,270	22,636,886
Infrastructure	281,950	400,128	-	682,078
Totals	<u>46,716,888</u>	<u>6,773,057</u>	<u>286,270</u>	<u>53,203,675</u>
Total capital assets being depreciated, net	<u>101,450,530</u>	<u>6,579,333</u>	<u>1,933,231</u>	<u>106,096,632</u>
Total governmental activity capital assets, net	<u>\$ 120,511,983</u>	<u>\$ 8,956,602</u>	<u>\$ 8,711,168</u>	<u>\$ 120,757,417</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
(Internal Service Funds)				
Capital assets, being depreciated:				
Equipment	\$ 57,597	\$ -	\$ -	\$ 57,597
Total capital assets, being depreciated	57,597	-	-	57,597
Less accumulated depreciation for:				
Equipment	51,658	2,351	-	54,009
Total accumulated depreciation	51,658	2,351	-	54,009
Total governmental activity capital assets, Internal Service Funds, net	5,939	2,351	-	3,588
Pension Trust Funds				
Total capital assets, being depreciated	\$ 2,346	\$ -	\$ -	\$ 2,346
Less accumulated depreciation	2,346	-	-	2,346
Total pension trust fund capital assets, nets	\$ -	\$ -	\$ -	\$ -

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities (Proprietary Funds)				
Capital assets, not being depreciated:				
Land	\$ 451,137	-	\$ -	\$ 451,137
Construction in progress	6,811,855	11,589,768	2,861,009	15,540,614
Total capital assets, not depreciated	7,262,992	11,589,768	2,861,009	15,991,751
Capital assets, being depreciated:				
Buildings	139,942,971	797,858	257,951	140,482,878
Improvements	145,310,338	5,055,809	326,061	150,040,086
Machinery and equipment	3,589,671	318,159	834,253	3,073,577
Transportation equipment	1,529,274	245,569	76,742	1,698,101
Total capital assets, depreciated	290,372,254	6,417,395	1,495,007	295,294,642
Less accumulated depreciation for:				
Buildings	47,707,253	4,839,249	257,951	52,288,551
Improvements	39,578,689	4,287,869	326,062	43,540,496
Machinery and equipment	2,165,685	358,592	750,098	1,774,179
Transportation equipment	666,878	36,095	42,175	660,798
Total accumulated depreciation	90,118,505	9,521,805	1,376,286	98,264,024
Total capital assets being depreciated, net	200,253,749	(3,104,410)	118,721	197,030,618
Total business-type activity capital assets Proprietary funds	\$ 207,516,741	\$ 8,485,358	\$ 2,979,730	\$ 213,022,369

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 1,602,775
Public safety	1,616,489
Public works, including depreciation of general infrastructure assets	648,672
Health and sanitation	55,705
Cemetery	126,874
Culture and recreation	2,572,062
Community development	150,479
Internal service funds	2,352
	<u> </u>
Total depreciation expense - governmental activities	<u>\$ 6,775,408</u>

Business-type activities:	
Water	\$ 7,488,191
Wastewater	1,868,375
	<u> </u>
Total depreciation expense - business-type activities	<u>\$ 9,356,566</u>

D. Construction Commitments

Construction work in progress for governmental funds is composed of the following:

Project	Total Project Authorized	Expended to December 31, 2004	Committed	Required
				Future Funding
Sidewalk Phase I Project	\$ 161,498	\$ 134,989	\$ 26,509	\$ -
Vann/Pollock Storm Sewer	183,000	176,029	6,971	-
	<u>\$ 344,498</u>	<u>\$ 311,018</u>	<u>\$ 33,480</u>	<u>\$ -</u>
Totals				

Construction work in progress for business-type activities is composed of the following:

Project	Total Project Authorized	Expended to December 31, 2004	Committed	Required Future Funding
Water Lines and Other Improvements	\$ 9,647,539	\$ 5,996,293	\$ 3,651,246	\$ -
Wastewater Modifications and Extensions	9,817,920	9,544,321	273,599	-
Totals	\$ 19,465,459	\$ 15,540,614	\$ 3,924,845	\$ -

E. Interfund Balances and Activity

1. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2004, is as follows:

	Due From	
	Nonmajor Governmental	Proprietary
Proprietary	\$ 1,500,000	\$ 135,772

Interfund balances resulted from the time lag between the dates that (1) Interfund loans are repaid, (2) Interfund goods and services are provided or reimbursable expenditures occur, (3) transactions are recorded in the accounting system and (4) payments between funds are made.

2. Interfund Transfers

Interfund transfers at December 31, 2004, were as follows:

Transfer From	Transfer To				
	General Fund	Local Income Tax	Nonmajor Governmental	Internal Service Fund	Total
General Fund	\$ -	\$ -	\$ 120,143	\$ -	\$ 120,143
Local Income Tax	8,266,927	-	575,230	2,065,510	10,907,667
Riverboat	-	1,800,000	1,196,000	-	2,996,000
Nonmajor Governmental	453,713	-	-	-	453,713
Total	\$ 8,720,640	\$ 1,800,000	\$ 1,891,373	\$ 2,065,510	\$ 14,477,523

The primary government typically uses transfers to fund ongoing operating subsidies.

F. Leases

1. Operating Leases

The primary government has entered into various operating leases having initial or remaining noncancelable terms exceeding one year for office and storage space. Rental expenditures for these leases was \$80,527. The following is a schedule by years of future minimum rental payments as of December 31, 2004:

2005	\$ 126,511
2006	109,594
2007	105,115
2008	53,844
2009	22,944
2010-2014	<u>86,040</u>
Total	<u>\$ 504,048</u>

2. Capital Leases

The primary government has entered into a capital lease. Future minimum lease payments and present values of the net minimum lease payments under the capital lease as of December 31, 2004, are as follows:

2005	\$ 1,310,000
2006	1,306,000
2007	1,307,000
2008	1,305,000
2009	<u>1,310,000</u>
Total minimum lease payments	6,538,000
Less amount representing interest	<u>423,000</u>
Present value of net minimum lease payments	<u>\$ 6,115,000</u>

Assets acquired through capital leases still in effect are as follows:

	<u>Governmental Activities</u>
Building	\$ 16,784,315
Less accumulated depreciation	<u>(2,181,961)</u>
Total, net of depreciation	<u>\$ 14,602,354</u>

G. Long-Term Liabilities

1. General Obligation Bonds

The primary government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the primary government. General obligation bonds currently outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
1996 Park and Recreation General Obligation Bond	4.625%	\$ 1,610,000
1998 Redevelopment General Obligation Bond	4.10% to 4.38%	3,275,000
2001 Park District General Obligation Bond	4.13% to 5.00%	12,400,000
2003 Park District General Obligation Bond	3.70% to 5.00%	15,325,000
2004 Redevelopment Refunding	2.00% to 3.50%	<u>3,765,000</u>
Total		<u>\$ 36,375,000</u>

Unamortized Amounts of Bonds

General obligation bonds at December 31, 2004, include the following amounts of unamortized bond premium:

Purpose	Balance at December 31, 2004	Less: Unamortized Premium	General Obligation Bonds
1996 Park and Recreation General Obligation Bond	\$ 1,610,000	-	\$ 1,610,000
1998 Redevelopment General Obligation Bond	3,275,000	-	3,275,000
2001 Park District General Obligation Bond	12,400,000		12,400,000
2003 Park District General Obligation Bond	15,325,000		15,325,000
2004 Redevelopment Refunding	3,765,000	18,567	3,783,567
Total	\$ 36,375,000	\$ 18,567	\$ 36,393,567

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended December 31, 2004	Governmental Activities	
	General Obligation Bonds Principal	Interest
2005	\$ 2,830,000	\$ 1,496,920
2006	1,750,000	1,411,232
2007	1,825,000	1,349,246
2008	1,850,000	1,282,572
2009	1,870,000	1,211,583
2010-2014	9,115,000	5,010,440
2015-2019	11,070,000	2,865,038
2020-2022	6,065,000	401,563
Total	\$ 36,375,000	\$ 15,028,594

2. Redevelopment District Tax Increment Bonds and Bond Anticipation Notes

The government also issued Redevelopment District Tax Increment Bonds (TIF) of \$5,000,000 and Bond Anticipation Notes (BANS) of \$1,770,000 to provide funds for the purchase of land in the Downtown District for economic development. These bonds and bond anticipation notes will be repaid from amounts levied against the Tax Increment Financing District. In the event that a deficiency exists because of unpaid or delinquent assessments at the time the debt service payment is due, the government is under no obligations to cover the deficiency until other resources are received. The bonds have an interest rate ranging from 2.95% to 5.18% and the bond anticipation notes have an interest rate of 4.326%.

Annual debt service requirements to maturity for tax increment bonds and bond anticipation notes are as follows:

Year Ended December 31, 2004	Governmental Activities		
	General Obligation Bonds Principal	Interest	TIF Redevelopment BANS Principal Interest
2005	\$ -	\$ 231,918	\$ -
2006	95,000	231,918	1,770,000
2007	190,000	227,543	-
2008	200,000	221,017	-
2009	205,000	23,652	-
2010-2014	1,175,000	931,653	-
2015-2019	1,465,000	635,819	-
2020-2022	1,670,000	222,901	-
Total	\$ 5,000,000	\$ 2,726,421	\$ 1,770,000
			\$ 114,855

3. Revenue Bonds

The primary government issues bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Amount
1997 Waterworks Revenue Bonds	4.875% to 5.25%	\$ 10,640,000
2004 Waterworks Revenue Bonds	3% to 4.625%	25,380,000
1997 Series A Wastewater Refunding Bonds	5%	7,640,000
2003 Wastewater Refunding Bonds	2.5% to 5%	<u>31,145,000</u>
Total		<u>\$ 74,805,000</u>

Unamortized Amounts of Bonds

Revenue bonds at December 31, 2004, include the following amounts of unamortized bond premium:

Purpose	Balance at December 31, 2004	Less:	
		Unamortized Premium	Revenue Bonds
1997 Waterworks Revenue Bonds	\$ 10,640,000	\$ 3,025	\$ 10,643,025
2004 Waterworks Revenue Bonds	25,380,000	2,101	25,382,101
1997 Series A Wastewater Refunding Bonds	7,640,000	39,394	7,679,394
2003 Wastewater Refunding Bonds	<u>31,145,000</u>	<u>513,328</u>	<u>31,658,328</u>
Total	<u>\$ 74,805,000</u>	<u>\$ 557,848</u>	<u>\$ 75,362,848</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ended December 31	Business-Type Activities	
	Principal	Interest
2005	\$ 2,135,000	\$ 3,254,854
2006	2,220,000	3,362,491
2007	2,315,000	3,264,585
2008	2,410,000	3,161,444
2009	2,520,000	3,052,863
2010-2014	14,595,000	13,404,208
2015-2019	20,000,000	9,638,244
2020-2024	25,980,000	3,820,665
2025-2029	<u>2,630,000</u>	<u>60,819</u>
Total	<u>\$ 74,805,000</u>	<u>\$ 43,020,173</u>

4. Notes and Loans Payable

Under the terms of the State Revolving Fund, revenue bonds have been purchased by the Indiana Bond Bank, the proceeds of which are set aside to finance the construction of improvements and extensions to the Wastewater Utility. Funds are loaned to the Wastewater Utility as construction costs are accrued to the maximum draw of \$63,100,000. As of December 31, 2004, the loan principal amount drawn was \$50,000. Annual debt service requirements for the 2004 loan will not be determined until planned construction projects are completed.

Under the terms of the State Revolving Fund, revenue bonds have been purchased by the Indiana Bond Bank, the proceeds of which are set aside to finance the construction of various wastewater rehabilitation projects. Funds are loaned to the Wastewater Utility as construction costs are accrued to the maximum allowed. The 1993 and 1998 loans established a maximum draw of \$2,059,074 and \$14,953,510 respectively. At the completion of construction, the outstanding principal balance was amortized over a period of sixteen and nineteen years for the 1993 and 1998 loans respectively.

Annual debt service requirements to maturity for the 1993 and 1998 loans are as follows:

Year Ended December 31	Principal	Interest
2005	\$ 801,000	\$ 385,477
2006	825,000	361,082
2007	850,000	335,947
2008	879,000	310,031
2009	904,000	407,232
2010-2014	4,788,000	985,890
2015-2019	<u>3,823,510</u>	<u>279,243</u>
Totals	\$ <u>12,870,510</u>	\$ <u>3,064,902</u>

The City entered into an Energy Savings Performance agreement for the installation of energy efficient LED lights and related upgrades to traffic signals. All costs associated with the replacement of the LED lights were financed with a loan to be paid in semi-annual payments over a period of ten years at an interest rate of 4.26%.

Annual debt service requirements to maturity for the loan are as follows:

Year Ended December 31	Principal	Interest
2005	\$ 79,979	\$ 35,668
2006	83,422	32,225
2007	87,014	28,633
2008	90,760	24,887
2009	94,668	20,979
2010-2013	<u>421,221</u>	<u>41,366</u>
Totals	\$ <u>857,064</u>	\$ <u>183,758</u>

The City has entered a contract to purchase property to be used as the South Sector Police Substation. The purchase was financed with a loan to be paid in annual payments over a period of seven years at an interest rate of 4%.

Annual debt service requirements to maturity for the loan are as follows:

Year Ended December 31	Principal	Interest
2005	\$ 8,100	\$ 6,900
2006	8,424	6,576
2007	8,761	6,239
2008	9,111	5,889
2009	9,476	5,524
2010-2011	<u>128,628</u>	<u>9,896</u>
Totals	\$ <u>172,500</u>	\$ <u>41,024</u>

The City has issued a note to provide for the cost of the design, engineering and construction of certain sidewalks. The costs associated with the replacement sidewalks were financed with a note to be paid in semi-annual payments over a period of three years at an interest rate of 3.5% to 3.9%.

Annual debt service requirements to maturity for the note are as follows:

Year Ended December 31	Principal	Interest
2005	\$ 355,000	\$ 22,519
2006	725,000	35,232
2007	<u>370,000</u>	<u>7,215</u>
Totals	\$ <u>1,450,000</u>	\$ <u>64,966</u>

5. Advance Refunding

On April 28, 2004 the City of Evansville issued \$4,090,000 in refunding revenue bonds to advance refund \$3,905,000 of outstanding bonds with an average interest rate of 2.75%. The net proceeds of \$4,013,455 and local contributions of \$9,656 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed from the Balance Sheet. The refunding resulted in the accounting loss of \$186,036, which has been recognized on the Balance Sheet as Deferral of Loss on Refunding. This amount will be amortized using the straight line method and charged to interest expense. The City of Evansville in effect decreased its aggregate debt service payment by \$255,703 over the next seven years and realized an economic gain of \$179,403.

6. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2004, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary government					
Governmental activities					
Bonds payable					
General obligation	\$ 39,440,000	\$ 4,090,000	\$ 7,155,000	\$ 36,375,000	\$ 2,830,000
Total bonds payable	39,440,000	4,090,000	7,155,000	36,375,000	2,830,000
Pension liability	63,383,770	8,698,398	-	72,082,168	-
TIF	6,770,000	-	-	6,770,000	-
Loans payable	938,778	1,637,500	96,714	2,479,564	443,079
Capital leases	-	7,300,000	1,185,000	6,115,000	1,175,000
Compensated absences	3,322,983	79,880	-	3,402,863	2,288,670
Total governmental activities	\$ 113,855,531	\$ 21,805,778	\$ 8,436,714	\$ 127,224,595	\$ 6,736,749
Long-term liabilities					
Business-type activities					
Revenue bonds payable					
Water Utility	\$ 11,200,000	\$ 25,380,000	\$ 560,000	\$ 36,020,000	\$ 1,080,000
Wastewater Utility	39,790,000	-	1,005,000	38,785,000	1,055,000
Less unamortized premium	589,125	4,747	36,024	557,848	-
Less deferred amount on refunding	(2,815,450)	-	(171,807)	(2,643,643)	-
Total revenue bonds payable	48,763,675	25,384,747	1,429,217	72,719,205	2,135,000
Loan payable	13,650,510	50,000	780,000	12,920,510	801,000
Compensated absences	105,027	-	11,094	93,933	22,695
Total business-type activities	\$ 62,519,212	\$ 25,434,747	\$ 2,220,311	\$ 85,733,648	\$ 2,958,695
Long-term liabilities					

H. Restricted Assets

The balances of restricted asset accounts in the enterprise funds are as follows:

	<u>Water Utility</u>	<u>Wastewater Utility</u>
Revenue bond covenant accounts	\$ 20,948,700	\$ 6,945,611
Customer deposits	936,092	-
Customer deposits receivable	31,586	-
Other restricted cash	349,440	142,245
Accrued interest	55,110	-
	<u>\$ 22,320,928</u>	<u>\$ 7,087,856</u>

I. Restatements and Reclassifications

For the year ended December 31, 2004, certain changes have been made to the financial statements to more appropriately reflect financial activity of the primary government. The following schedule presents a summary of restated beginning balances by fund type. Prior period adjustments represent the removal of the redevelopment authority as a blended component unit.

Fund Type	Balance	Prior	Balance
	as Reported December 31, 2003	Period Adjustments	as Restated January 1, 2004
Special Revenue	\$ 21,464,733	\$ 1,532,176	\$ 19,932,557
Debt Service	5,728,677	1,912	5,726,765
	<u>\$ 27,193,410</u>	<u>\$ 1,534,088</u>	<u>\$ 25,659,322</u>

The prior period adjustment resulted in a decrease of \$1,466,598 to the primary government's governmental activities net asset beginning balance.

IV. Other Information

A. Risk Management

The primary government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); natural disasters; and unemployment benefits.

The risks of theft of, damage to, and destruction of assets (excluding the risk of loss related to the involvement of the government's vehicles valued at less than \$50,000 in at-fault accident); errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Torts

The primary government has chosen to establish a risk financing fund for risks associated with torts. The risk financing fund is accounted for in the Liability Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$50,000 to \$5,000,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund based on the percentage of each fund's exposure and history of losses. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors.

Changes in the balance of claim liabilities during the past two years are as follows:

	2003	2004
Unpaid claims, beginning of fiscal year	\$ 325,732	\$ 52,718
Incurred claims and changes in estimates	59,240	456,289
Claim payments	<u>332,254</u>	<u>474,166</u>
Unpaid claims, end of fiscal year	<u>\$ 52,718</u>	<u>\$ 34,841</u>

Damage to and Destruction of City Automobiles

The primary government has chosen to establish a risk financing fund for risks associated with damage to and destruction of assets related to the involvement of the government's vehicles valued at less than \$50,000 in an at-fault collision. The risk financing fund is accounted for in the Auto Collision Fund, an internal service fund, where assets are set aside for claim settlements. A premium is charged to each fund based on the estimated claims times the number of vehicles in each fund. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors.

Changes in the balance of claim liabilities during the past two years are as follows:

	2003	2004
Unpaid claims, beginning of fiscal year	\$ 29,278	\$ -
Incurred claims and changes in estimates	43,646	25,864
Claim payments	72,924	25,864
Unpaid claims, end of fiscal year	\$ -	\$ -

Medical Benefits to Employees, Retirees and Dependents

The primary government has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. Coverage is provided for life insurance, dental health care management, vision, prescription, wellness and employee assistance. The government offers one Benefit Structure with two options Plan B and Plan C. The difference to the employees is the Provider Networks. Both plans have a lifetime limit of \$1,000,000. The risk financing fund is accounted for in the Hospitalization Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers aggregate claims in excess of \$12,650,783 per year. Settled claims resulting from this risk did not exceed coverage in the past three years. A premium is charged to each fund based on the estimated claims. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs).

Changes in the balance of claim liabilities during the past two years are as follows:

	2003	2004
Unpaid claims, beginning of fiscal year	\$ 1,680,944	\$ 1,077,888
Incurred claims and changes in estimates	10,830,914	13,208,899
Claim payments	11,433,970	13,431,831
Unpaid claims, end of fiscal year	\$ 1,077,888	\$ 854,956

Job Related Illnesses or Injury to Employees

The primary government has chosen to establish a risk financing fund for risks associated with job related illnesses or injuries to employees. The risk financing fund is accounted for in the Workmen's Compensation Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers claims in excess of \$200,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund based on the estimated claims and employee classifications. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs).

Changes in the balance of claim liabilities during the past two years are as follows:

	2003	2004
Unpaid claims, beginning of fiscal year	\$ 50,370	\$ 133,370
Incurred claims and changes in estimates	673,981	432,035
Claim payments	<u>590,981</u>	<u>511,546</u>
Unpaid claims, end of fiscal year	<u>\$ 133,370</u>	<u>\$ 53,859</u>

Unemployment Benefits

The primary government has chosen to establish a risk financing fund for risks associated with unemployment benefits. The risk financing fund is accounted for in the Unemployment Fund, an internal service fund, where assets are set aside for claim settlements. A premium is charged to each fund based on the estimated claims. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs).

Changes in the balance of claim liabilities during the past two years are as follows:

	2003	2004
Unpaid claims, beginning of fiscal year	\$ 9,452	\$ -
Incurring claims and changes in estimates	5,077	42,514
Claim payments	14,529	37,966
Unpaid claims, end of fiscal year	\$ -	\$ 4,548

B. Contract Operations

Utility Contract Operations

The Evansville Wastewater Utility has contracted with Environmental Management Corporation (EMC) for contract operations of the wastewater treatment plants, pretreatment lab, combined wastewater overflow system, pumping stations and collection system.

EMC's relationship to the government is that of an independent contractor. All tools, materials, spare parts, ground facilities, equipment, machinery, vehicles and mowers now owned by the government or acquired by the government remain the property of the government as well as any equipment or structures added to the facilities or repairs made thereto.

The term of the contract is February 1, 1999 to July 31, 2009.

The Evansville Water Utility contracted with EA2/Systems (EA2) for contract operations of the water filtration plant, water distribution, meter reading and meter maintenance.

EA2's relationship to the government is that of an independent contractor. All tools, materials, spare parts, ground facilities, equipment, machinery, vehicles and mowers now owned by the government or acquired by the government remain the property of the government as well as any equipment or structures added to the facilities or repair made thereto.

The term of the contract is March 3, 1997 to March 2, 2007.

The Water Utility contracted with EMC for contract operations of the water planning and engineering department and the customer service and billing department. The term of this contract is from February 1, 1999, to January 31, 2009.

C. Subsequent Events

On March 20, 2005, the Water Utility refunded the 1997 Waterworks Revenue Bonds and issued Waterworks Refunding Bonds totaling \$9,245,000.

On July 21, 2005, the Board of Public Works awarded a contract to purchase five hybrid electric buses in the amount of \$439,565 per vehicle for a total of \$2,197,825. The local share of the funding will be ten percent with the majority coming from federal grant funds.

D. Conduit Debt Obligation

Since 1972, the primary government has issued financial assistance to private-sector and not-for-profit entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the primary government, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2004, there were twenty-five issues, all or part of which may still have outstanding balances. The aggregate principal amount outstanding for the bonds could not be determined. The aggregate principal of those bond issues is \$69,878,000.

E. Postemployment Benefits

In addition to the pension benefits described below, the primary government provides postemployment health insurance benefits, as authorized by IC 5-10-8, to all employees who retire from the primary government on or after attaining age 52 with at least 20 years of service. Currently, 264 retirees meet these eligibility requirements. Expenditures for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended December 31, 2004, expenditures of \$2,403,614 were recognized for postemployment benefits.

F. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

- a. Public Employees' Retirement Fund (Oak Hill Cemetery PERF, Redevelopment Commission PERF, City and Utilities PERF)

Plan Description

The primary government contributes to three separate pension accounts of the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the primary government authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800

143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the primary government and the Utilities is not available. Therefore, the asset for Net Pension Obligation (NPO) is considered an obligation of the primary government and is presented in the governmental activities of the financial statements and is not presented as an asset of the proprietary funds.

b. 1925 Police Officers' Pension Plan

Plan Description

The primary government contributes to the 1925 Police Officers' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The primary government's annual pension cost and related information as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the primary government results in significant underfunding of the plan. The Net Pension Obligation (NPO) is considered an obligation of the City and is reflected in the statement of net assets.

c. 1937 Firefighters' Pension Plan

Plan Description

The primary government contributes to the 1937 Firefighters' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the primary government results in significant underfunding of the plan. The Net Pension Obligation (NPO) is considered an obligation of the City and is reflected in the statement of net assets.

Actuarial Information for the Above Plans

	Oak Hill Cemetery PERF	Redevelopment Commission PERF	City and Utilities PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 4,734	\$ -	\$ 1,019,477	\$ 11,755,200	\$ 8,824,500
Interest on net pension obligation	88	(512)	(54,065)	2,418,400	1,873,900
Adjustment to annual required contribution	(100)	583	61,611	(4,034,700)	(3,126,300)
Annual pension cost	4,722	71	1,027,023	10,138,900	7,572,100
Contributions made	7,520	-	1,131,220	5,464,941	3,753,264
Increase (decrease) in net pension obligation	(2,798)	71	(104,197)	4,673,959	3,818,836
Net pension obligation, beginning of year	1,213	(7,060)	(745,721)	35,828,268	27,761,105
Net pension obligation, end of year	\$ (1,585)	\$ (6,989)	\$ (849,918)	\$ 40,502,227	\$ 31,579,941

	Oak Hill Cemetery PERF	Redevelopment Commission PERF	City and Utilities PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:					
Government Plan Members	4.50%	0%	5.75%	490%	493%
Actuarial valuation date	3%	3%	3%	6%	6%
Actuarial cost method	07-01-04	07-01-04	07-01-04	01-01-04	01-01-04
Amortization method	Entry age	Entry age	Entry age	Entry age	Entry age
	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage

Amortization period	of projected	of projected	of projected	of projected	of projected
Amortization period	payroll, closed	payroll, closed	payroll, closed	payroll, closed	payroll, closed
(from date)	40 years	40 years	40 years	40 years	40 years
Asset valuation method	07-1-97	07-1-97	12-31-77	12-31-77	12-31-77
	4 year	4 year	4 year	4 year	4 year
	smoothed market	smoothed market	smoothed market	smoothed market	smoothed market

d. Financial Statements of Defined Benefit Plans

Statement of Fiduciary Net Assets:

<u>Assets</u>	1925 Police Officers' Pension	1937 Firefighters' Pension
Cash and cash equivalents	\$ 721,196	\$ 694,505
Investments	1,350,000	750,000
Receivables:		
Interest	4,491	3,710
Taxes	66,714	59,856
Intergovernmental	1,198,184	1,147,261
Total assets	<u>3,340,585</u>	<u>2,655,332</u>
Liabilities		
Accounts payable	1,460	585
Total liabilities	<u>1,460</u>	<u>585</u>
<u>Net Assets</u>		
Held in trust for pension benefit obligations	<u>\$ 3,339,125</u>	<u>\$ 2,654,747</u>

Statement of Changes in Fiduciary Net Assets:

<u>Additions</u>	1925 Police Officers' Pension	1937 Firefighters' Pension
------------------	-------------------------------------	----------------------------------

Contributions:		
Employer	\$ 4,512,590	\$ 3,964,058
Plan members	111,285	48,157
Investment income:		
Interest	23,194	14,386
Total additions	4,647,069	4,026,601

<u>Deductions</u>		
Benefits and refunds paid to plan members and beneficiaries	5,435,230	4,469,732
Administrative expenses	21,133	13,792
Total deductions	5,546,363	4,483,524
Changes in net assets	(809,294)	(456,923)
Net assets – beginning	4,148,419	3,111,670
Net assets – ending	\$ 3,339,125	\$ 2,654,747

Actuarial Assumptions	Oak Hill Cemetery PERF	Redevelopment Commission PERF	City and Utilities PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Investment rate of return	7.25%	7.25	7.25%	7%	7%
Projected future salary increases:					
Total	5%	5%	5%	5%	5%
Attributed to inflation	4%	4%	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%	1%	1%
Cost-of-living adjustments	2%	2%	2%	0%	0%

Three Year Trend Information

Year Ending	Oak Hill Cemetery Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation

06-30-02	\$	7,462	112%	\$	1,515
06-30-03		6,670	105%		1,213
06-30-04		4,722	159%		(1,585)

Redevelopment Commission PERF

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06-30-02	\$ 41	1554%	\$ (7,132)
06-30-03	72	0%	(7,060)
06-30-04	71	0%	(6,989)

City and Utilities PERF

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06-30-02	\$ 855,463	120%	\$ (938,656)
06-30-03	1,217,499	84%	(745,721)
06-30-04	1,027,023	110%	(849,918)

1925 Police Officers' Pension Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-01	\$ 9,850,200	75%	\$ 30,515,119
12-31-02	9,959,700	47%	35,828,268
12-31-03	10,138,900	54%	40,502,227

1937 Firefighters' Pension Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-01	\$ 7,468,700	89%	\$ 24,113,756
12-31-02	8,013,400	54%	27,761,105
12-31-03	7,572,100	50%	31,579,941

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2004, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retires and beneficiaries currently receiving benefits	234	193
Terminated employees entitled to but not yet receiving benefits	0	3
Current active employees	42	15

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The primary government contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age fifty-five with twenty years of service. An employee with twenty years of service may leave service, but will not receive benefits until reaching age fifty-five. The plan also provides for death and disability benefits.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

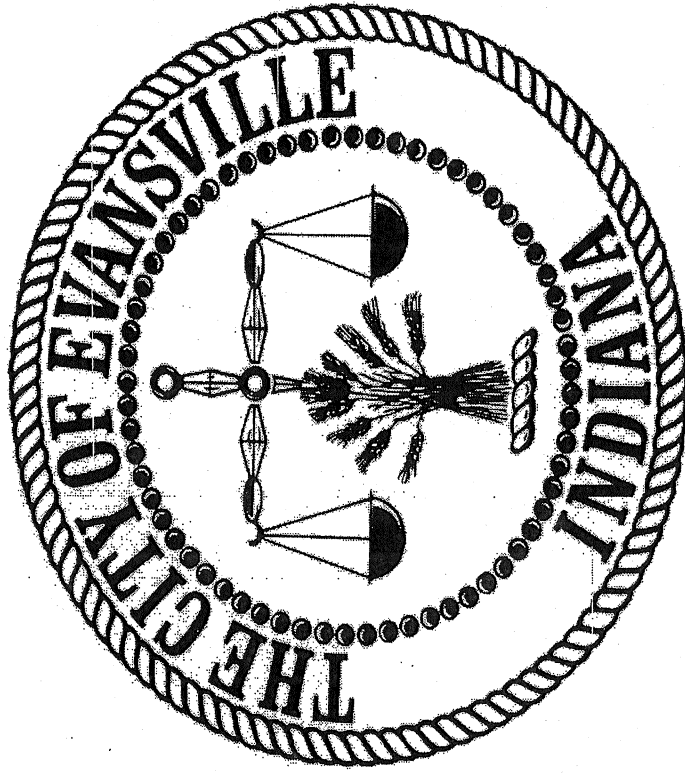
Public Employees' Retirement Fund
 Harrison Building, Room 800
 143 West Market Street
 Indianapolis, IN 46204
 Ph. (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the primary government is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the primary government are established by the Board of Trustees of PERF.

The primary government's contributions to the plan for the years ending December 31, 2004, 2003 and 2002 were \$4,638,365, \$4,338,197 and \$3,975,407, respectively, equal to the required contributions for each year.

THIS PAGE INTENTIONALLY LEFT BLANK



CITY OF EVANSVILLE, INDIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS

City and Utilities Public Employees' Retirement Fund							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)	
7/1/2002	\$ 26,139,401	\$ 28,920,207	\$ (2,780,806)	90%	\$ 19,691,966	(14%)	
7/1/2003	26,157,091	26,798,365	(641,274)	98%	20,817,307	(3%)	
7/1/2004	26,372,983	28,282,016	(1,909,033)	93%	21,306,381	(9%)	

Oak Hill Cemetery Public Employees' Retirement Fund							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)	
7/1/2002	\$ 209,291	\$ 207,185	\$ 2,106	101%	\$ 136,866	2%	
7/1/2003	208,418	191,440	16,978	109%	140,368	12%	
7/1/2004	208,952	349,886	(140,934)	60%	161,952	(87%)	

Redevelopment Commission Public Employees' Retirement Fund							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)	
7/1/2002	\$ 442,754	\$ 115,004	\$ 327,750	385%	\$ 42,843	765%	
7/1/2003	428,764	103,011	325,753	416%	37,169	876%	
7/1/2004	417,457	131,108	286,349	318%	71,442	401%	

CITY OF EVANSVILLE, INDIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
1/1/1999	\$ 1,010,856	\$ 102,020,800	\$ (101,009,944)	1%	\$ 2,939,800	(3436%)
1/1/2000	845,114	101,940,000	(101,094,886)	1%	2,795,100	(3617%)
1/1/2001	886,825	102,142,900	(101,256,075)	1%	2,559,100	(3957%)
1/1/2002	3,759,278	101,686,700	(97,927,422)	4%	2,519,100	(3887%)
1/1/2003	3,647,956	98,306,900	(94,658,944)	4%	3,084,500	(3069%)
1/1/2004	4,148,419	102,479,700	(98,331,281)	4%	2,398,600	(4100%)

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
1/1/1999	\$ 1,025,790	\$ 81,856,600	\$ (80,830,810)	1%	\$ 2,751,400	(2938%)
1/1/2000	442,850	82,099,900	(81,657,050)	1%	2,445,700	(3339%)
1/1/2001	529,533	77,991,200	(77,461,667)	1%	1,999,300	(3874%)
1/1/2002	3,370,069	81,448,400	(78,078,331)	4%	2,100,500	(3717%)
1/1/2003	3,628,789	73,425,100	(69,796,311)	5%	2,630,100	(2654%)
1/1/2004	3,111,670	76,487,800	(73,376,130)	4%	1,791,400	(4096%)

CITY OF EVANSVILLE, INDIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CONTRIBUTIONS FROM THE
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

1925 Police Officers' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12/31/1998	\$ 10,560,400	17%	24%
12/31/1999	10,358,800	18%	20%
12/31/2000	10,588,200	23%	18%
12/31/2001	10,877,200	22%	46%
12/31/2002	11,198,800	16%	25%
12/31/2003	11,755,200	15%	31%

1937 Firefighters' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12/31/1998	\$ 10,026,700	19%	24%
12/31/1999	8,377,900	13%	23%
12/31/2000	8,566,100	27%	20%
12/31/2001	8,320,300	28%	54%
12/31/2002	8,992,600	20%	29%
12/31/2003	8,824,500	14%	29%

CITY OF EVANSVILLE, INDIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
 For The Year Ended December 31, 2004

	General Fund				Local Income Tax Fund				Riverboat Fund			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final			Original	Final		
Revenues:												
Taxes												
Property	\$ 36,051,173	\$ 36,051,173	\$ 32,697,413	\$ (3,353,760)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	653,765	653,765	448,513	(205,252)	-	-	-	-	-	-	-	-
Intergovernmental	6,226,099	8,077,631	7,981,507	(96,124)	10,860,350	10,860,350	11,957,400	1,097,050	8,591,307	8,591,307	6,416,860	(2,174,447)
Charges for services	8,975,002	9,022,172	9,195,675	173,503	117,817	117,817	103,712	(14,105)	3,180,529	3,180,529	4,932,002	1,751,473
Fines and forfeits	231,886	231,886	509,097	277,211	-	-	-	-	-	-	-	-
Interest	400,200	400,200	300,499	(99,701)	120,000	120,000	43,212	(76,788)	290,000	290,000	160,922	(129,078)
Other	371,701	371,701	660,203	288,502	25,000	25,000	345,074	320,074	156,646	156,646	1,238,518	1,081,872
Total revenues	52,909,826	54,808,528	51,792,907	(3,015,621)	11,123,167	11,123,167	12,449,398	1,326,231	12,218,482	12,218,482	12,748,302	529,820
Expenditures:												
Current:												
General government	9,997,346	9,827,121	9,624,804	202,317	2,741,300	2,366,729	1,435,304	931,425	4,009,324	5,672,393	342,029	5,330,364
Public safety	50,802,824	53,329,405	51,080,515	2,248,890	974,683	892,629	445,550	447,079	3,140,977	2,706,487	1,505,066	1,201,421
Highways and streets	-	-	-	-	7,975,393	7,208,762	5,084,772	2,123,990	3,725,560	3,639,651	880,743	2,758,908
Sanitation	123,886	154,961	126,351	28,610	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	1,812,579	1,196,001	1,065,630	130,371	3,962,886	3,751,502	2,311,946	1,439,556
Health and welfare	825,685	769,284	754,721	14,563	11,436	6,184	2,248	3,936	132,323	130,020	-	130,020
Economic development	-	-	-	-	201,440	190,820	123,916	66,904	654,650	654,650	56,513	598,137
Urban redevelopment and housing	-	-	-	-	-	-	-	-	2,274,598	2,043,428	1,389,375	654,053
Total expenditures	61,749,741	64,080,771	61,586,391	2,494,380	13,716,831	11,861,125	8,157,420	3,703,705	17,900,318	18,598,131	6,485,672	12,112,459
Other financing sources (uses):												
Operating transfers in	7,888,161	8,688,161	9,319,358	631,197	1,840,000	2,340,000	1,800,000	(540,000)	-	-	-	-
Operating transfers out	(104,295)	(139,744)	(120,143)	19,601	(7,945,147)	(10,909,467)	(10,907,667)	1,800	(2,036,000)	(2,996,000)	(2,996,000)	-
Total other financing sources	7,783,866	8,548,417	9,199,215	650,798	(6,105,147)	(8,569,467)	(9,107,667)	(538,200)	(2,036,000)	(2,996,000)	(2,996,000)	-
Net change in fund balances	(1,056,049)	(723,826)	(594,269)	129,557	(8,698,811)	(9,307,425)	(4,815,689)	4,491,736	(7,717,896)	(9,375,649)	3,266,630	12,642,279
Fund balances - beginning	2,471,115	2,471,115	2,471,115	-	9,129,478	9,129,478	9,129,478	-	14,994,933	14,994,933	14,994,933	-
Fund balances - ending	\$ 1,415,066	\$ 1,747,289	\$ 1,876,846	\$ 129,557	\$ 430,667	\$ (177,947)	\$ 4,313,789	\$ 4,491,736	\$ 7,277,097	\$ 5,619,284	\$ 18,261,563	\$ 12,642,279

CITY OF EVANSVILLE, INDIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGET/GAAP RECONCILIATION
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2004

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	General	Local Income Tax	Riverboat
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (budgetary basis)	\$ (594,269)	\$ (4,815,689)	\$ 3,266,630
Adjustments:			
To adjust revenues for accruals	(190,068)	(618,148)	4,153,920
To adjust expenditures for accruals	<u>(64,771)</u>	<u>688,730</u>	<u>(1,259,928)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis)	<u>\$ (849,108)</u>	<u>\$ (4,745,107)</u>	<u>\$ 6,160,622</u>

CITY OF EVANSVILLE, INDIANA
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2004

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Non-major Permanent Fund	Totals
<u>Assets</u>					
Cash and cash equivalents	\$ 11,734,212	\$ 3,376,148	\$ 14,596,257	\$ 6,058	\$ 29,712,675
Investments	7,058,000	-	-	-	7,058,000
Receivables (net of allowances for uncollectibles):					
Interest	22,176	-	17,721	-	39,897
Taxes	226,388	148,168	-	-	374,556
Accounts	896,934	-	-	-	896,934
Intergovernmental	874,878	-	75,619	-	950,497
Interfund	11,750	-	-	-	11,750
Loans - current	700,010	-	-	-	700,010
Loans - long term	4,815,846	-	-	-	4,815,846
Total assets	\$ 26,340,194	\$ 3,524,316	\$ 14,689,597	\$ 6,058	\$ 44,560,165

Liabilities and fund balances

<u>Liabilities:</u>					
Accounts payable	\$ 1,984,445	\$ -	\$ 36,521	\$ -	\$ 2,020,966
Contracts payable	-	-	118,467	-	118,467
Wages payable	232,089	-	-	-	232,089
Compensated absences payable	42,760	-	-	-	42,760
Interfund payable	1,511,750	-	-	-	1,511,750
Deferred revenue:					
Unavailable	932,131	85,327	75,619	-	1,093,077
Total liabilities	4,703,175	85,327	230,607	-	5,019,109

Fund balances:

Reserved for:					
Encumbrances	1,364,841	-	450,253	-	1,815,094
Noncurrent loans receivable	4,815,846	-	-	-	4,815,846
Endowments	12,574	-	-	6,058	18,632
Perpetual care	745,591	-	-	-	745,591
Debt service	-	3,438,989	-	-	3,438,989
Unreserved:					
Designated for capital replacement	158,243	-	-	-	158,243
Designated for redevelopment purposes	900,621	-	-	-	900,621
Unreserved, reported in:					
Special revenue funds	13,639,303	-	-	-	13,639,303
Capital projects funds	-	-	14,008,737	-	14,008,737
Total fund balances	21,637,019	3,438,989	14,458,990	6,058	39,541,056
Total liabilities and fund balances	\$ 26,340,194	\$ 3,524,316	\$ 14,689,597	\$ 6,058	\$ 44,560,165

CITY OF EVANSVILLE, INDIANA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND

For The Year Ended December 31, 2004

Function and Department	Original Budget	Final Budget	Actual	Variance- Positive (Negative)
General government:				
<i>Mayor</i>				
Personal services	\$ 268,046	\$ 268,646	\$ 268,383	263
Supplies	3,468	2,974	2,616	358
Other services and charges	76,366	74,372	62,929	11,443
<i>Human Relations</i>				
Personal services	253,378	267,072	266,844	228
Supplies	1,839	972	971	1
Other services and charges	40,252	40,355	37,162	3,193
<i>Purchasing</i>				
Personal services	183,490	164,150	158,342	5,808
Supplies	2,054	1,959	315	1,644
Other services and charges	40,272	21,441	13,233	8,208
<i>City Council</i>				
Personal services	249,946	249,946	249,323	623
Supplies	1,028	825	825	--
Other services and charges	60,844	55,302	54,319	983
<i>City Clerk</i>				
Personal services	167,826	171,326	168,838	2,488
Supplies	1,616	1,202	1,057	145
Other services and charges	20,858	20,272	17,825	2,447
<i>Finance</i>				
Personal services	560,965	570,265	569,127	1,138
Supplies	5,038	3,859	3,626	233
Other services and charges	146,410	150,544	140,673	9,871
Transfer out	3,290	3,290	3,290	-
<i>Law</i>				
Personal services	204,544	220,679	220,035	644
Supplies	2,245	2,245	995	1,250
Other services and charges	332,228	299,794	292,810	6,984
<i>Public Works</i>				
Personal services	441,227	437,935	432,610	5,325

CITY OF EVANSVILLE, INDIANA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND

For The Year Ended December 31, 2004

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Supplies	36,652	29,415	29,193	222
Other services and charges	78,401	68,370	68,334	36
METS				
Personal services	4,080,119	4,090,119	4,064,012	26,107
Supplies	722,741	762,231	759,805	2,426
Other services and charges	440,351	380,229	375,771	4,458
Personnel/Payroll				
Personal services	205,769	205,769	204,736	1,033
Supplies	10,545	6,717	3,570	3,147
Other services and charges	45,393	37,765	37,693	72
Locust Hill Cemetery				
Personal services	88,485	112,688	109,064	3,624
Supplies	13,893	10,083	9,622	461
Other services and charges	116,440	98,321	95,436	2,885
Oakhill Cemetery				
Personal services	261,979	256,084	243,629	12,455
Supplies	18,253	13,718	13,162	556
Other services and charges	225,917	192,893	192,552	341
Miscellaneous				
Other services and charges	588,468	536,584	455,367	81,217
Total General government	10,000,636	9,830,411	9,628,094	202,317
Public safety:				
Central Dispatch				
Personal services	2,412,803	2,436,687	2,370,837	65,850
Supplies	12,964	9,905	9,070	835
Other services and charges	229,707	201,989	196,653	5,336
Building Inspection				
Personal services	632,074	643,644	630,815	12,829
Supplies	18,433	14,115	13,358	757

CITY OF EVANSVILLE, INDIANA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND

For The Year Ended December 31, 2004

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Other services and charges	104,898	90,146	86,316	3,830
Police				
Personal services	22,206,513	22,504,062	21,760,734	743,328
Supplies	495,661	524,959	505,821	19,138
Other services and charges	1,666,482	1,546,988	1,491,847	55,141
Capital outlay	19,400	43,000	35,510	7,490
Transfer out	92,525	92,525	92,525	--
Police Personnel and Training				
Personal services	10,760	10,760	10,760	--
Supplies	31,468	29,028	20,088	8,940
Other services and charges	102,031	82,430	75,875	6,555
Capital outlay	4,765	4,765	4,765	--
Fire				
Personal services	18,105,359	18,075,995	18,049,986	26,009
Supplies	138,944	135,983	135,181	802
Other services and charges	648,025	603,650	593,606	10,044
Capital outlay	--	67,054	36,428	30,626
Environmental Protection Agency				
Personal services	319,495	319,495	296,268	23,227
Supplies	12,050	8,394	7,289	1,105
Other services and charges	38,136	36,948	30,946	6,002
Capital outlay	16,000	14,748	6,667	8,081
Emergency Management Agency				
Personal services	153,289	155,959	155,421	538
Supplies	13,019	10,921	9,250	1,671
Other services and charges	81,887	857,133	124,629	732,504
Capital outlay	--	643,800	403,820	239,980
Fire Merit Commission				
Personal services	11,475	11,475	11,126	349
Supplies	2,370	2,156	1,653	503
Other services and charges	46,232	45,640	43,053	2,587

CITY OF EVANSVILLE, INDIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For The Year Ended December 31, 2004

<u>Function and Department</u>	Original Budget	Final Budget	Actual	Variance- Positive (Negative)
Parking Violation				
Personal services	267,069	266,903	261,960	4,943
Supplies	5,070	4,274	3,636	638
Other services and charges	58,308	53,203	39,558	13,645
Police/Narcotics				
Supplies	447	68,676	8,727	59,949
Other services and charges	2,358	68,354	16,526	51,828
Capital outlay	--	99,020	--	99,020
Transfer out	--	19,601	--	19,601
Ambulance and Paramedics				
Supplies	45	47	44	3
Other services and charges	2,807,288	3,521,712	3,520,880	832
Weights and Measures				
Other services and charges	127,999	115,387	111,412	3,975
Total Public safety	50,895,349	53,441,531	51,173,040	2,268,491
Sanitation:				
Weed Control				
Personal services	24,491	42,011	26,479	15,532
Supplies	2,539	2,812	1,528	1,284
Other services and charges	96,856	110,138	98,344	11,794
Transfer out	8,480	24,328	24,328	--
Total Sanitation	132,366	179,289	150,679	28,610
Health and welfare:				
Animal Control				
Personal services	467,497	444,483	437,281	7,202
Supplies	39,447	34,239	33,237	1,002
Other services and charges	92,157	96,728	94,935	1,793

CITY OF EVANSVILLE, INDIANA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND

For The Year Ended December 31, 2004

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Rabies - Spay/Neuter	36,334	26,899	26,659	240
Other services and charges				
Legal Aid				
Other services and charges	<u>190,250</u>	<u>166,935</u>	<u>162,609</u>	<u>4,326</u>
Total Health and welfare	<u>825,685</u>	<u>769,284</u>	<u>754,721</u>	<u>14,563</u>
Total General Fund	<u>\$ 61,854,036</u>	<u>\$ 64,220,515</u>	<u>\$ 61,706,534</u>	<u>\$ 2,513,981</u>

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2004

	Non-major Special Revenue Funds	Non-major Debt Service Funds	Non-major Capital Projects Funds	Non-major Permanent Fund	Totals
Revenues:					
Taxes	\$ 5,156,810	\$ 2,982,775	\$ -	\$ -	\$ 8,139,585
Licenses and permits	40,446	-	-	-	40,446
Intergovernmental	14,409,222	329,673	611,720	-	15,350,615
Charges for services	5,696,728	6,367	-	-	5,703,095
Interest	169,009	4,972	196,945	-	370,926
Other	2,326,268	-	68,072	-	2,394,340
Total revenues	27,798,483	3,323,787	876,737	-	31,999,007
Expenditures:					
Current:					
General government	4,594	-	-	-	4,594
Public safety	1,304,412	-	-	-	1,304,412
Highways and streets	6,240,202	-	-	-	6,240,202
Sanitation	25,778	-	-	-	25,778
Culture and recreation	12,450,714	-	-	-	12,450,714
Health and welfare	2,003,848	-	-	-	2,003,848
Economic development	682,438	-	-	-	682,438
Urban redevelopment and housing	3,468,353	-	-	-	3,468,353
Debt service:					
Principal	-	3,250,000	-	-	3,250,000
Interest	-	1,323,362	127,792	-	1,451,154
Capital outlay					
Public safety	183,230	-	-	-	183,230
Culture and recreation	161,825	-	2,140,364	-	2,302,189
Total expenditures	26,525,394	4,573,362	2,268,156	-	33,366,912
Excess (deficiency) of revenues over (under) expenditures	1,273,089	(1,249,575)	(1,391,419)	-	(1,367,905)
Other financing sources (uses):					
Transfers in	933,104	500,000	960,000	-	2,393,104
Transfers out	(501,731)	-	(453,713)	-	(955,444)
Bond proceeds	-	-	14,500	-	14,500
Payment to refunding bond escrow agent	-	(1,538,201)	(9,656)	-	(1,547,857)
Total other financing sources	431,373	(1,038,201)	511,131	-	(95,697)
Net change in fund balances	1,704,462	(2,287,776)	(880,288)	-	(1,463,602)
Fund balances - beginning	19,932,557	5,726,765	15,339,278	6,058	41,004,658
Fund balances - ending	\$ 21,637,019	\$ 3,438,989	\$ 14,458,990	\$ 6,058	\$ 39,541,056

CITY OF EVANSVILLE, INDIANA
 COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2004

	Law Enforcement Continuing Education	Learning Center Sinking	Historic Preservation	Coleman Trust	EPA Permit Fund	Law Enforcement Block Grant	Law Enforcement Grant	Motor Vehicle Highway	Law Enforcement 1998 Grant
Assets									
Cash and cash equivalents	\$ 77,733	\$ 158,243	\$ 3,962	\$ 3,612	\$ 33,780	\$ 499	\$ 54,870	\$ 650,461	\$ 153,333
Investments	-	-	-	7,000	-	-	-	350,000	-
Receivables (net of allowances for uncollectibles):									
Interest	-	-	-	21	-	-	-	758	-
Taxes	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	71,657	-
Intergovernmental	-	-	-	-	-	-	-	619,215	-
Interfund	-	-	-	-	-	-	-	-	-
Loans - current	-	-	-	-	-	-	-	-	-
Loans - long term	-	-	-	-	-	-	-	-	-
Total assets	\$ 77,733	\$ 158,243	\$ 3,962	\$ 10,633	\$ 33,780	\$ 499	\$ 54,870	\$ 1,692,091	\$ 153,333

Liabilities and fund balances

Liabilities:

Accounts payable	\$ 6,448	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ 615	\$ 192,844	\$ -
Wages payable	-	-	-	-	-	-	-	54,421	-
Compensated absences payable	-	-	-	-	-	-	-	3,079	-
Interfund payable	-	-	-	-	-	-	-	-	-
Deferred revenue:									
Unavailable	-	-	-	21	-	-	-	71,683	-
Total liabilities	6,448	-	8	21	-	-	615	322,027	-

Fund balances:

Reserved for:									
Encumbrances	11,787	-	399	-	-	67	33	111,903	150,840
Noncurrent loans receivable	-	-	-	-	-	-	-	-	-
Endowments	-	-	-	10,612	-	-	-	-	-
Perpetual care	-	-	-	-	-	-	-	-	-
Unreserved:									
Designated for capital replacements	-	158,243	-	-	-	-	-	-	-
Designated for redevelopment purposes	-	-	-	-	-	-	-	-	-
Reported in special revenue funds	59,498	-	3,555	-	33,780	432	54,222	1,258,161	2,493
Total fund balances	71,285	158,243	3,954	10,612	33,780	499	54,255	1,370,064	153,333
Total liabilities and fund balances	\$ 77,733	\$ 158,243	\$ 3,962	\$ 10,633	\$ 33,780	\$ 499	\$ 54,870	\$ 1,692,091	\$ 153,333

CITY OF EVANSVILLE, INDIANA
 COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2004

	Rainy Day Fund	Municipal Code Revolving	Parks Department
<u>Assets</u>			
Cash and cash equivalents	\$ 49,514	\$ 8,058	\$ 1,637,590
Investments	500,000	-	-
Receivables (net of allowances for uncollectible:			
Interest	3,498	-	-
Taxes	-	-	226,388
Accounts	-	-	825,277
Intergovernmental	-	-	-
Interfund	-	-	-
Loans - current	-	-	-
Loans - long term	-	-	-
Total assets	<u>\$ 553,012</u>	<u>\$ 8,058</u>	<u>\$ 2,689,255</u>

Liabilities and fund balances

<u>Liabilities:</u>			
Accounts payable	\$ -	\$ -	\$ 1,176,621
Wages payable	-	-	107,794
Compensated absences payable	-	-	19,182
Interfund payable	-	-	1,500,000
Deferred revenue:			
Unavailable	-	-	715,475
Total liabilities	<u>-</u>	<u>-</u>	<u>3,519,072</u>
Fund balances:			
Reserved for:			
Encumbrances	-	-	-
Noncurrent loans receivable	-	-	-
Endowments	-	-	-
Perpetual care	-	-	-
Unreserved:			
Designated for capital replacements	-	-	-
Designated for redevelopment purposes	-	-	-
Reported in special revenue funds	553,012	8,058	(829,817)
Total fund balances	<u>553,012</u>	<u>8,058</u>	<u>(829,817)</u>
Total liabilities and fund balances	<u>\$ 553,012</u>	<u>\$ 8,058</u>	<u>\$ 2,689,255</u>

CITY OF EVANSVILLE, INDIANA
 COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2004

	Golf Course Nonreverting	Emergency Management	Richard T. Legler Trust	Sports		Zoo Animal Revolving	Local Road and Street	Rental Rehabilitation Program	EDA Revolving Loan
				Program Nonreverting	Program				
Assets									
Cash and cash equivalents	\$ 521,272	\$ 4,039	\$ 962	\$ 41,786	\$ 84,899	\$ 2,637,141	\$ 290,906	\$ 670,927	
Investments	-	-	1,000	-	-	5,000,000	-	-	-
Receivables (net of allowances for uncollectible):									
Interest	-	-	3	-	-	10,423	359	-	-
Taxes	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	202,757	-	-	-
Interfund	-	-	-	-	-	-	-	-	-
Loans - current	-	-	-	-	-	-	580	103,739	-
Loans - long term	-	-	-	-	-	-	3,288	314,342	-
Total assets	\$ 521,272	\$ 4,039	\$ 1,965	\$ 41,786	\$ 84,899	\$ 7,850,321	\$ 295,133	\$ 1,089,008	

Liabilities and fund balances

Liabilities:									
Accounts payable	\$ 45,070	\$ -	\$ -	\$ 6,496	\$ -	\$ 77,451	\$ -	\$ -	-
Wages payable	8,207	-	-	3,594	-	18,145	-	-	-
Compensated absences payable	-	-	-	1,295	-	5,026	-	-	-
Interfund payable	-	-	-	-	-	-	-	-	-
Deferred revenue:									
Unavailable	-	-	3	-	-	100,038	-	-	-
Total liabilities	53,277		3	11,385		200,660			
Fund balances:									
Reserved for:									
Encumbrances	50,492	107	-	5,523	494	563,333	3,288	314,342	-
Noncurrent loans receivable	-	-	-	-	-	-	-	-	-
Endowments	-	-	1,962	-	-	-	-	-	-
Perpetual care	-	-	-	-	-	-	-	-	-
Unreserved:									
Designated for capital replacements	-	-	-	-	-	-	-	-	-
Designated for redevelopment purposes	-	-	-	-	-	-	-	-	-
Reported in special revenue funds	417,503	3,932	-	24,878	84,405	7,086,328	291,845	774,666	-
Total fund balances	467,995	4,039	1,962	30,401	84,899	7,649,661	295,133	1,089,008	
Total liabilities and fund balances	\$ 521,272	\$ 4,039	\$ 1,965	\$ 41,786	\$ 84,899	\$ 7,850,321	\$ 295,133	\$ 1,089,008	

CITY OF EVANSVILLE, INDIANA
 COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2004

	Home Investment Trust Fund	Community Development Block Grant	Department of			Economic Development Loan	Downtown Parking Garages	Continuum Care Fund	Police Narcotics Grant
			Metropolitan Development Miscellaneous	Old Post Office					
<u>Assets</u>									
Cash and cash equivalents	\$ -	\$ 60,926	\$ 443,553	\$ 32,593	\$ 2,236,425	\$ 780,820	\$ 64,840	\$ 5,008	
Investments	-	-	-	200,000	-	-	-	-	
Receivables (net of allowances for uncollectible):									
Interest	-	-	361	809	2,446	-	-	-	
Taxes	-	-	-	-	-	-	-	-	
Accounts	-	-	-	-	-	-	-	-	
Intergovernmental	-	-	8,804	-	-	-	-	44,102	
Interfund	-	11,750	-	-	-	-	-	-	
Loans - current	-	421,402	171,712	-	-	-	-	-	
Loans - long term	-	2,387,944	1,584,303	-	410,636	-	-	-	
Total assets	\$ -	\$ 2,882,022	\$ 2,208,733	\$ 233,402	\$ 2,649,507	\$ 780,820	\$ 64,840	\$ 49,110	

Liabilities and fund balances

<u>Liabilities:</u>								
Accounts payable	\$ 115,044	\$ 224,995	\$ 40,788	\$ -	\$ -	\$ 10,946	\$ 63,707	\$ 617
Wages payable	1,155	33,606	1,584	-	-	3,583	-	-
Compensated absences payable	-	11,555	1,176	-	-	1,447	-	-
Interfund payable	11,750	-	-	-	-	-	-	-
Deferred revenue:								
Unavailable	-	-	-	809	-	-	-	44,102
Total liabilities	127,949	270,156	43,548	809	-	15,976	63,707	44,719
<u>Fund balances:</u>								
Reserved for:								
Encumbrances	-	223,922	143,076	-	-	22,327	1,133	3,848
Noncurrent loans receivable	-	2,387,944	1,584,303	-	410,636	-	-	-
Endowments	-	-	-	-	-	-	-	-
Perpetual care	-	-	-	-	-	-	-	-
Unreserved:								
Designated for capital replacements	-	-	-	-	-	-	-	-
Designated for redevelopment purposes	-	-	-	-	-	-	-	-
Reported in special revenue funds	(127,949)	-	437,806	232,593	2,238,871	742,517	-	543
Total fund balances	(127,949)	2,611,866	2,165,185	232,593	2,649,507	764,844	1,133	4,391
Total liabilities and fund balances	\$ -	\$ 2,882,022	\$ 2,208,733	\$ 233,402	\$ 2,649,507	\$ 780,820	\$ 64,840	\$ 49,110

CITY OF EVANSVILLE, INDIANA
 COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2004

	Emergency Shelter Grant	Housing Trust Fund	Fire Department Donations	Building Commission Code Book	Oak Hill Perpetual Care	Locust Hill Perpetual Care	Bicycle License	TIF Redevelopment
Assets								
Cash and cash equivalents	\$ 8,981	\$ 286,674	\$ 1,293	\$ 8,708	\$ 136,060	\$ 110,616	\$ 2,132	\$ 471,996
Investments	-	-	-	-	500,000	-	-	500,000
Receivables (net of allowances for uncollectible):								
Interest	-	-	-	-	-	-	-	3,498
Taxes	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	-	-	-	-
Loans - current	-	2,577	-	-	-	-	-	-
Loans - long term	-	115,333	-	-	-	-	-	-
Total assets	\$ 8,981	\$ 404,584	\$ 1,293	\$ 8,708	\$ 636,060	\$ 110,616	\$ 2,132	\$ 975,494

Liabilities and fund balances

Liabilities:	
Accounts payable	\$ 22,328
Wages payable	-
Compensated absences payable	-
Interfund payable	-
Deferred revenue:	
Unavailable	-
Total liabilities	22,328
Fund balances:	
Reserved for:	
Encumbrances	-
Noncurrent loans receivable	115,333
Endowments	-
Perpetual care	-
Unreserved:	
Designated for capital replacements	-
Designated for redevelopment purposes	-
Reported in special revenue funds	(13,347)
Total fund balances	(13,347)
Total liabilities and fund balances	\$ 8,981

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wages payable	-	-	-	-	-	-	-	-
Compensated absences payable	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-	-
Deferred revenue:								
Unavailable	-	-	-	-	-	-	-	-
Total liabilities	22,328							467
Fund balances:								
Reserved for:								
Encumbrances	-	-	-	66	1,085	-	-	74,406
Noncurrent loans receivable	-	115,333	-	-	-	-	-	-
Endowments	-	-	-	-	-	-	-	-
Perpetual care	-	-	-	-	634,975	110,616	-	-
Unreserved:								
Designated for capital replacements	-	-	-	-	-	-	-	900,621
Designated for redevelopment purposes	-	-	-	-	-	-	-	-
Reported in special revenue funds	(13,347)	289,251	1,293	8,642	-	-	2,132	-
Total fund balances	(13,347)	404,584	1,293	8,708	636,060	110,616	2,132	975,027
Total liabilities and fund balances	\$ 8,981	\$ 404,584	\$ 1,293	\$ 8,708	\$ 636,060	\$ 110,616	\$ 2,132	\$ 975,494

CITY OF EVANSVILLE, INDIANA
 COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2004

Assets	Totals
Cash and cash equivalents	\$ 11,734,212
Investments	7,058,000
Receivables (net of allowances for uncollectible:	
Interest	22,176
Taxes	226,388
Accounts	896,934
Intergovernmental	874,878
Interfund	11,750
Loans - current	700,010
Loans - long term	4,815,846
Total assets	\$ 26,340,194

Liabilities and fund balances

Liabilities:	
Accounts payable	\$ 1,984,445
Wages payable	232,089
Compensated absences payable	42,760
Interfund payable	1,511,750
Deferred revenue:	
Unavailable	932,131
Total liabilities	4,703,175
Fund balances:	
Reserved for:	
Encumbrances	1,364,841
Noncurrent loans receivable	4,815,846
Endowments	12,574
Perpetual care	745,591
Unreserved:	
Designated for capital replacements	158,243
Designated for redevelopment purposes	900,621
Reported in special revenue funds	13,639,303
Total fund balances	21,637,019
Total liabilities and fund balances	\$ 26,340,194

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2004

	Law Enforcement Continuing Education	Learning Center Sinking	Historic Preservation	Coleman Trust	EPA Permit Fund	Law Enforcement Block Grant	Law Enforcement Grant	Motor Vehicle Highway	Law Enforcement 1998 Grant	Rainy Day Fund	Municipal Code Revolving	Parks Department
Revenues:												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,466,989
Licenses and permits	6,640	-	-	-	33,780	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	99,767	5,181,127	200,000	547,425	3,749	519,206
Charges for services	24,151	25,000	575	-	-	-	213,589	-	-	-	-	2,888,307
Interest	-	664	-	99	-	316	906	-	1,578	5,587	-	7,833
Other	65	-	-	-	-	-	-	24,278	-	-	-	2,183,764
Total revenues	30,856	25,664	575	99	33,780	316	100,673	5,418,994	201,578	553,012	3,749	10,066,099
Expenditures:												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	94,612	-	191	-	-	32,183	3,115	351,785	3,598	-	3,534	-
Highways and streets	-	-	-	-	-	-	-	4,240,397	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	10,563,521
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	14,951	43,360	-	44,998	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	94,612	-	191	-	-	47,134	46,475	4,592,182	48,596	-	3,534	10,563,521
Excess (deficiency) of revenues over (under) expenditures	(63,756)	25,664	384	99	33,780	(46,818)	54,198	826,812	152,982	553,012	215	(497,422)
Other financing sources (uses):												
Transfers in	92,525	-	-	-	-	-	-	-	-	-	-	517,652
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(200,000)
Total other financing sources (uses)	92,525	-	-	-	-	-	-	-	-	-	-	317,652
Net change in fund balances	28,769	25,664	384	99	33,780	(46,818)	54,198	826,812	152,982	553,012	215	(179,770)
Fund balances - beginning	42,516	132,579	3,570	10,513	-	47,317	57	543,252	351	-	7,843	(650,047)
Fund balances - ending	\$ 71,285	\$ 158,243	\$ 3,954	\$ 10,612	\$ 33,780	\$ 499	\$ 54,255	\$ 1,370,064	\$ 153,333	\$ 553,012	\$ 8,058	\$ (829,817)

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2004

	Golf Course Nonreverting	Emergency Management	Richard T. Legler Trust	Sports Program Nonreverting	Zoo Animal Revolving	Local Road and Street	Rental Rehabilitation Program	EDA Revolving Loan	Home Investment Trust Fund	Department of		
										Community Development Block Grant	Miscellaneous	Metropolitan Development Post Office
Revenues:												
Taxes												
Licenses and permits												
Intergovernmental						1,383,689			2,187,127			403,400
Charges for services	1,407,817			377,767						61,255		
Interest	574		14			69,890	2,775	22,743		8,463		4,283
Other	1,500	2,990		6,572	77,874	487				5,592		12,179
Total revenues	1,409,891	2,990	14	384,339	77,874	1,454,066	2,775	22,743	2,187,127	3,345,084		419,862
Expenditures:												
Current:												
General government												
Public safety		4,243								739,206		
Highways and streets						1,999,688						
Sanitation										25,778		
Culture and recreation	1,483,829			400,286	3,078					1,051,758		438,259
Health and welfare										169,632		200,437
Economic development												
Urban redevelopment and housing								1,800	2,058,785	1,407,362		
Capital Outlay										68,332		
Public safety	161,825											
Culture and recreation												
Total expenditures	1,645,654	4,243		400,286	3,078	1,999,688		1,800	2,058,785	3,462,068		638,696
Excess (deficiency) of revenues over (under) expenditures	(235,763)	(1,253)	14	(15,947)	74,796	(545,622)	2,775	20,943	128,342	(116,984)		(218,834)
Other financing sources (uses):												
Transfers in	236,000									32,339		54,588
Transfers out												
Total other financing sources (uses)	236,000									32,339		54,588
Net change in fund balances	237	(1,253)	14	(15,947)	74,796	(545,622)	2,775	20,943	128,342	(84,645)		(164,246)
Fund balances - beginning	467,758	5,292	1,948	46,348	10,103	8,195,283	292,358	1,068,065	(256,291)	2,696,511	2,329,431	230,150
Fund balances - ending	\$ 467,995	\$ 4,039	\$ 1,962	\$ 30,401	\$ 84,899	\$ 7,649,661	\$ 295,133	\$ 1,089,008	\$ (127,949)	\$ 2,611,866	\$ 2,165,185	\$ 232,593

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2004

	Economic Development Loan	Downtown Parking Garages	Continuum Care Fund	Police Narcotics Grant	Emergency Shelter Grant	Housing Trust Fund	Fire Department Donations	Building Commission Code Book	Oak Hill Perpetual Care	Locust Hill Perpetual Care	Bicycle License
Revenues:											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-	-	26
Intergovernmental	-	-	485,254	44,984	87,469	-	-	6,331	5,056	1,490	-
Charges for services	-	681,641	-	-	-	4,437	-	-	746	-	-
Interest	32,160	-	-	-	-	-	-	-	-	32	-
Other	-	34	-	10,901	-	-	-	-	-	-	-
Total revenues	32,160	681,675	485,254	55,885	87,469	4,437	-	6,331	5,802	1,522	26
Expenditures:											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	69,763	-	-	-	5,907	869	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	117
Sanitation	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	426,269	-	87,562	-	-	-	-	-	-
Economic development	-	294,665	-	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	406	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	11,589	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	294,665	426,269	81,352	87,562	406	-	5,907	869	-	117
Excess (deficiency) of revenues over (under) expenditures	32,160	387,010	58,985	(25,467)	(93)	4,031	-	424	4,933	1,522	(91)
Other financing sources (uses):											
Transfers in	-	(300,000)	(1,731)	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(300,000)	(1,731)	-	-	-	-	-	-	-	-
Net change in fund balances	32,160	87,010	57,254	(25,467)	(93)	4,031	-	424	4,933	1,522	(91)
Fund balances - beginning	2,617,347	677,834	(56,121)	29,858	(13,254)	400,553	1,293	8,284	631,127	109,094	2,223
Fund balances - ending	\$ 2,649,507	\$ 764,844	\$ 1,133	\$ 4,391	\$ (13,347)	\$ 404,584	\$ 1,293	\$ 8,708	\$ 636,060	\$ 110,616	\$ 2,132

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2004

	TIF Redevelopment	Totals
Revenues:		
Taxes	\$ 689,821	\$ 5,156,810
Licenses and permits	-	40,446
Intergovernmental	-	14,409,222
Charges for services	-	5,696,728
Interest	3,498	169,009
Other	-	2,326,268
Total revenues	<u>693,319</u>	<u>27,798,483</u>
Expenditures:		
Current:		
General government	-	4,594
Public safety	-	1,304,412
Highways and streets	-	6,240,202
Sanitation	-	25,778
Culture and recreation	-	12,450,714
Health and welfare	-	2,003,848
Economic development	17,704	682,438
Urban redevelopment and housing	-	3,468,353
Capital Outlay		
Public safety	-	183,230
Culture and recreation	-	161,825
Total expenditures	<u>17,704</u>	<u>26,525,394</u>
Excess (deficiency) of revenues over (under) expenditures	<u>675,615</u>	<u>1,273,089</u>
Other financing sources (uses):		
Transfers in	-	933,104
Transfers out	-	(501,731)
Total other financing sources (uses)	<u>-</u>	<u>431,373</u>
Net change in fund balances	675,615	1,704,462
Fund balances - beginning	299,412	19,332,557
Fund balances - ending	<u>\$ 975,027</u>	<u>\$ 21,637,019</u>

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 NON-MAJOR BUDGET SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005

	Law Enforcement Continuing Education				Motor Vehicle Highway			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	8,500	8,500	6,780	(1,720)	-	-	4,842,020	445,727
Intergovernmental	-	-	-	-	4,396,293	4,396,293	213,588	5,197
Charges for services	22,975	22,975	24,769	1,794	208,391	208,391	7,125	(7,125)
Interest	-	-	-	-	7,125	7,125	50	23,495
Other	-	-	65	65	50	50	-	-
Total revenues	31,475	31,475	31,614	139	4,611,859	4,611,859	5,079,153	467,294
Expenditures:								
Public safety	146,289	126,253	98,370	27,883	360,000	360,000	351,785	8,215
Highways and streets	-	-	-	-	4,538,727	4,294,728	4,157,870	136,858
Culture and recreation	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Total expenditures	146,289	126,253	98,370	27,883	4,898,727	4,654,728	4,509,655	145,073
Other financing sources (uses):								
Transfer in	92,525	92,525	92,525	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Interfund loan	-	-	-	-	-	-	-	-
Total other financing sources	92,525	92,525	92,525	-	-	-	-	-
Net change in fund balances	(22,289)	(2,253)	25,769	28,022	(286,868)	(42,869)	569,498	612,367
Fund balances - beginning	51,964	51,964	51,964	-	430,963	430,963	430,963	-
Fund balances - ending	\$ 29,675	\$ 49,711	\$ 77,733	\$ 28,022	\$ 144,095	\$ 388,094	\$ 1,000,461	\$ 612,367

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 NON-MAJOR BUDGET SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005

	Parks Department				Golf Course Nonreverting				Variance Positive (Negative)
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)	
	Original	Final			Original	Final			
Revenues:									
Taxes									
Property	\$ 5,014,513	\$ 5,014,513	\$ 4,444,267	(570,246)	\$ -	\$ -	\$ -	-	-
Licenses and permits	623,191	623,191	519,206	(103,985)	-	-	-	-	-
Intergovernmental	4,634,530	4,634,530	2,893,416	(1,741,114)	1,934,800	1,934,800	1,407,817	(526,983)	(526,983)
Charges for services	15,000	15,000	7,833	(7,167)	3,000	3,000	574	(2,426)	(2,426)
Interest	1,191,842	1,191,842	2,142,270	950,428	-	-	1,500	1,500	1,500
Other									
Total revenues	<u>11,479,076</u>	<u>11,479,076</u>	<u>10,006,992</u>	<u>(1,472,084)</u>	<u>1,937,800</u>	<u>1,937,800</u>	<u>1,409,891</u>	<u>(527,909)</u>	<u>(527,909)</u>
Expenditures:									
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	11,651,993	10,988,983	10,590,813	398,170	1,935,656	1,786,991	1,615,180	171,811	171,811
Health and welfare	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-	-	-
Total expenditures	<u>11,651,993</u>	<u>10,988,983</u>	<u>10,590,813</u>	<u>398,170</u>	<u>1,935,656</u>	<u>1,786,991</u>	<u>1,615,180</u>	<u>171,811</u>	<u>171,811</u>
Other financing sources (uses):									
Transfer in	-	517,652	517,652	-	236,000	236,000	236,000	-	-
Transfers out	(200,000)	(200,000)	(200,000)	-	-	-	-	-	-
Interfund loan	-	-	1,500,000	1,500,000	-	-	-	-	-
Total other financing sources	<u>(200,000)</u>	<u>317,652</u>	<u>1,817,652</u>	<u>1,500,000</u>	<u>236,000</u>	<u>236,000</u>	<u>236,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(372,917)</u>	<u>807,745</u>	<u>1,233,831</u>	<u>426,086</u>	<u>238,144</u>	<u>386,809</u>	<u>30,711</u>	<u>(356,098)</u>	<u>(356,098)</u>
Fund balances - beginning	<u>403,759</u>	<u>403,759</u>	<u>403,759</u>	<u>-</u>	<u>490,561</u>	<u>490,561</u>	<u>490,561</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 30,842</u>	<u>\$ 1,211,504</u>	<u>\$ 1,637,590</u>	<u>\$ 426,086</u>	<u>\$ 728,705</u>	<u>\$ 877,370</u>	<u>\$ 521,272</u>	<u>\$ (356,098)</u>	<u>\$ (356,098)</u>

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 NON-MAJOR BUDGET SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005

	Sports Program Nonreverting				Local Roads and Streets			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes								
Property								
Licenses and permits								
Intergovernmental								
Charges for services	391,000	391,000	377,766	(13,234)	1,354,001	1,390,164	36,163	
Interest	750	750	-	(750)	550	-	(550)	
Other	9,945	9,945	6,572	(3,373)	28,500	81,477	52,977	
						487	487	
Total revenues	401,695	401,695	384,338	(17,357)	1,383,051	1,472,128	89,077	
Expenditures:								
Public safety								
Highways and streets								
Culture and recreation	434,649	422,503	400,434	22,069	8,543,569	7,909,068	5,939,317	
Health and welfare								
Economic development								
Urban redevelopment and housing								
Total expenditures	434,649	422,503	400,434	22,069	8,543,569	7,909,068	5,939,317	
Other financing sources (uses):								
Transfer in								
Transfers out								
Interfund loan								
Total other financing sources								
Net change in fund balances	(32,954)	(20,808)	(16,096)	4,712	(7,160,518)	(6,526,017)	6,028,394	
Fund balances - beginning	57,882	57,882	57,882	-	8,134,764	8,134,764	-	
Fund balances - ending	\$ 24,928	\$ 37,074	\$ 41,786	\$ 4,712	\$ 974,246	\$ 1,608,747	\$ 6,028,394	

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 NON-MAJOR BUDGET SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005

	Home Investment Trust Fund				Community Development Block Grant			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes								
Property								
Licenses and permits								
Intergovernmental								
Charges for services								
Interest								
Other								
Total revenues	907,641	907,641	2,187,127	1,279,486	3,690,000	3,690,000	3,527,711	(162,289)
Expenditures:								
Public safety								
Highways and streets								
Culture and recreation								
Health and welfare								
Economic development								
Urban redevelopment and housing								
Total expenditures	3,332,320	2,561,190	2,179,107	382,083	5,695,032	4,158,723	3,544,893	613,830
Other financing sources (uses):								
Transfer in								
Transfers out								
Interfund loan								
Total other financing sources								
Net change in fund balances	(2,424,679)	(1,653,549)	8,020	1,661,569	(2,005,032)	(452,875)	15,157	468,032
Fund balances - beginning	(19,770)	(19,770)	(19,770)		57,519	57,519	57,519	
Fund balances - ending	\$ (2,444,449)	\$ (1,673,319)	\$ (11,750)	\$ 1,661,569	\$ (1,947,513)	\$ (395,356)	\$ 72,676	\$ 468,032

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 NON-MAJOR BUDGET SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005

	DMD/Misc Grants				Downtown Parking Garages			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	323,212	323,212	-	-	-	-
Charges for services	-	-	-	-	745,000	745,000	681,736	(63,264)
Interest	2,200	2,200	3,922	1,722	-	-	-	-
Other	207,787	207,787	184,004	(23,783)	-	-	34	34
Total revenues	209,987	209,987	511,138	301,151	745,000	745,000	681,770	(63,230)
Expenditures:								
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Health and welfare	690,220	744,531	490,075	254,456	-	-	-	-
Economic development	294,661	287,942	206,701	81,241	365,401	336,174	295,141	41,033
Urban redevelopment and housing	-	-	-	-	-	-	-	-
Total expenditures	984,881	1,032,473	696,776	335,697	365,401	336,174	295,141	41,033
Other financing sources (uses):								
Transfer in	50,000	50,000	54,588	4,588	-	-	-	-
Transfers out	(5,000)	(5,000)	-	5,000	(300,000)	(300,000)	(300,000)	-
Interfund loan	-	-	-	-	-	-	-	-
Total other financing sources	45,000	45,000	54,588	9,588	(300,000)	(300,000)	(300,000)	-
Net change in fund balances	(729,894)	(777,486)	(131,050)	646,436	79,599	108,826	86,629	(22,197)
Fund balances - beginning	574,603	574,603	574,603	-	694,191	694,191	694,191	-
Fund balances - ending	\$ (155,291)	\$ (202,883)	\$ 443,553	\$ 646,436	\$ 773,790	\$ 803,017	\$ 780,820	\$ (22,197)

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 NON-MAJOR BUDGET SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005

	Emergency Shelter Grant			TIF Redevelopment			Variance Positive (Negative)
	Budgeted Amounts		Actual	Budgeted Amounts		Actual	
	Original	Final		Original	Final		
Revenues:							
Taxes							
Property	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000	\$ 689,821	89,821
Licenses and permits							
Intergovernmental	100,000	100,000	87,469				(12,531)
Charges for services							
Interest							
Other							
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>87,469</u>	<u>600,000</u>	<u>600,000</u>	<u>689,821</u>	<u>89,821</u>
Expenditures:							
Public safety							
Highways and streets							
Culture and recreation							
Health and welfare	143,166	85,498	85,498	7,535	612,241	17,237	595,004
Economic development							
Urban redevelopment and housing							
Total expenditures	<u>143,166</u>	<u>85,498</u>	<u>85,498</u>	<u>7,535</u>	<u>612,241</u>	<u>17,237</u>	<u>595,004</u>
Other financing sources (uses):							
Transfer in							
Transfers out							
Interfund loan							
Total other financing sources							
Net change in fund balances	<u>(43,166)</u>	<u>14,502</u>	<u>1,971</u>	<u>592,465</u>	<u>(12,241)</u>	<u>672,584</u>	<u>684,825</u>
Fund balances - beginning	<u>7,010</u>	<u>7,010</u>	<u>7,010</u>	<u>299,412</u>	<u>299,412</u>	<u>299,412</u>	-
Fund balances - ending	<u>\$ (36,156)</u>	<u>\$ 21,512</u>	<u>\$ 8,981</u>	<u>\$ 891,877</u>	<u>\$ 287,171</u>	<u>\$ 971,996</u>	<u>\$ 684,825</u>

CITY OF EVANSVILLE, INDIANA
 COMBINING BALANCE SHEET - DEBT SERVICE FUNDS
 December 31, 2004

	Park Bond and Interest Retirement	Redevelopment Bond and Interest	Redevelopment TIF Bond Retirement	Redevelopment Debt Service Reserve	Totals
<u>Assets</u>					
Cash and cash equivalents	\$ 1,760,912	\$ 921,131	\$ 694,105	\$ -	\$ 3,376,148
Receivables (net of allowances for uncollectibles):					
Taxes	<u>98,911</u>	<u>49,257</u>	-	-	<u>148,168</u>
Total assets	<u>\$ 1,859,823</u>	<u>\$ 970,388</u>	<u>\$ 694,105</u>	<u>\$ -</u>	<u>\$ 3,524,316</u>
<u>Liabilities and fund balances</u>					
<u>Liabilities:</u>					
Deferred revenue:					
Unavailable	\$ 56,344	\$ 28,983	\$ -	\$ -	\$ 85,327
Total liabilities	<u>56,344</u>	<u>28,983</u>	-	-	<u>85,327</u>
Fund balances:					
Reserved for:					
Debt service	<u>1,803,479</u>	<u>941,405</u>	<u>694,105</u>	-	<u>3,438,989</u>
Total fund balances	<u>1,803,479</u>	<u>941,405</u>	<u>694,105</u>	-	<u>3,438,989</u>
Total liabilities and fund balances	<u>\$ 1,859,823</u>	<u>\$ 970,388</u>	<u>\$ 694,105</u>	<u>\$ -</u>	<u>\$ 3,524,316</u>

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES
 NON-MAJOR DEBT SERVICES FUNDS
 For The Year Ended December 31, 2004

	Park Bond and Interest Retirement	Redevelopment Bond and Interest	Redevelopment TIF Bond Retirement	Redevelopment Debt Service Reserve	Totals
Revenues:					
Taxes	\$ 1,959,568	\$ 1,023,207	\$ -	\$ -	\$ 2,982,775
Intergovernmental	226,846	102,827	-	-	329,673
Charges for services	-	6,367	-	-	6,367
Interest	4,599	2,760	(3,879)	1,492	4,972
Total revenues	2,191,013	1,135,161	(3,879)	1,492	3,323,787
Expenditures:					
Debt service:					
Principal	1,855,000	1,395,000	-	-	3,250,000
Interest	571,103	279,871	466,360	6,028	1,323,362
Total expenditures	2,426,103	1,674,871	466,360	6,028	4,573,362
Deficiency of revenues under expenditures	(235,090)	(539,710)	(470,239)	(4,536)	(1,249,575)
Other financing sources (uses):					
Transfers in	200,000	300,000	-	-	500,000
Payment to refunding bond escrow agent	-	-	-	(1,538,201)	(1,538,201)
Total other financing sources (uses)	200,000	300,000	-	(1,538,201)	(1,038,201)
Net change in fund balances	(35,090)	(239,710)	(470,239)	(1,542,737)	(2,287,776)
Fund balances - beginning	1,838,569	1,181,115	1,164,344	1,542,737	5,726,765
Fund balances - ending	\$ 1,803,479	\$ 941,405	\$ 694,105	\$ -	\$ 3,438,989

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 NON-MAJOR BUDGETED DEBT SERVICE FUNDS
 For The Year Ended December 31, 2004

	Park Bond and Interest Retirement				Redevelopment Bond and Interest			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes								
Property	\$ 2,072,042	\$ 2,072,042	\$ 1,941,738	\$ (130,304)	\$ 1,122,361	\$ 1,122,361	\$ 1,018,972	\$ (103,389)
Intergovernmental	204,839	204,839	226,846	22,007	118,558	118,558	109,194	(9,364)
Interest	5,625	5,625	4,599	(1,026)	4,500	4,500	2,760	(1,740)
Total revenues	<u>2,282,506</u>	<u>2,282,506</u>	<u>2,173,183</u>	<u>(109,323)</u>	<u>1,245,419</u>	<u>1,245,419</u>	<u>1,130,926</u>	<u>(114,493)</u>
Expenditures:								
Debt service:								
Principal	1,855,000	1,855,000	1,855,000	-	1,395,000	1,395,000	1,395,000	-
Interest	515,441	571,441	571,303	138	37,114	281,114	279,871	1,243
Total expenditures	<u>2,370,441</u>	<u>2,426,441</u>	<u>2,426,303</u>	<u>138</u>	<u>1,432,114</u>	<u>1,676,114</u>	<u>1,674,871</u>	<u>1,243</u>
Other financing sources (uses):								
Transfers in	200,000	200,000	200,000	-	300,000	300,000	300,000	-
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balances	112,065	56,065	(53,120)	(109,185)	113,305	(130,695)	(243,945)	(113,250)
Fund balances - beginning	1,814,032	1,814,032	1,814,032	-	1,165,076	1,165,076	1,165,076	-
Fund balances - ending	<u>\$ 1,926,097</u>	<u>\$ 1,870,097</u>	<u>\$ 1,760,912</u>	<u>\$ (109,185)</u>	<u>\$ 1,278,381</u>	<u>\$ 1,034,381</u>	<u>\$ 921,131</u>	<u>\$ (113,250)</u>

CITY OF EVANSVILLE, INDIANA
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 December 31, 2004

	General Obligation Loan	Victory Learning Center	Cumulative Capital Improvement	Swonder Ice Arena Bonds	Park Bonds of 2003	Greenway Project	Redevelopment Bonds of 1998	Redevelopment Bonds of 1996	Totals
Assets									
Cash and cash equivalents	\$ 14,500	\$ 7,038	\$ -	\$ -	\$ 14,545,194	\$ 3,079	\$ 26,446	\$ -	\$ 14,596,257
Receivables (net of allowances for uncollectibles):									
Interest	-	-	-	-	17,721	-	-	-	17,721
Intergovernmental	-	-	75,619	-	-	-	-	-	75,619
Total assets	\$ 14,500	\$ 7,038	\$ 75,619	\$ -	\$ 14,562,915	\$ 3,079	\$ 26,446	\$ -	\$ 14,689,597
Liabilities and fund balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,521	\$ -	\$ -	\$ 36,521
Contracts payable	-	-	-	-	118,467	-	-	-	118,467
Deferred revenue:									
Unavailable	-	-	75,619	-	-	-	-	-	75,619
Total liabilities	-	-	75,619	-	118,467	36,521	-	-	230,607
Fund balances:									
Reserved for:									
Encumbrances	-	-	-	-	450,253	-	-	-	450,253
Unreserved, reported in:									
Capital projects funds	14,500	7,038	-	-	13,994,195	(33,442)	26,446	-	14,008,737
Total fund balances	14,500	7,038	-	-	14,444,448	(33,442)	26,446	-	14,458,990
Total liabilities and fund balances	\$ 14,500	\$ 7,038	\$ 75,619	\$ -	\$ 14,562,915	\$ 3,079	\$ 26,446	\$ -	\$ 14,689,597

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 2004

	General Obligation Loan	Victory Learning Center	Cumulative Capital Improvement	Swonder Ice Arena Bonds	Park Bonds of 2003	Greenway Project	Redevelopment Bonds of 1998	Redevelopment Bonds of 1996	Totals
Revenues:									
Intergovernmental	\$ -	\$ -	\$ 453,713	\$ -	\$ -	\$ 158,007	\$ -	\$ -	\$ 611,720
Interest	-	-	-	-	196,945	-	-	-	196,945
Other	-	-	-	-	68,072	-	-	-	68,072
Total revenues	-	-	453,713	-	265,017	158,007	-	-	876,737
Expenditures:									
Debt service:									
Interest	-	-	-	127,792	-	-	-	-	127,792
Capital outlay	-	-	-	-	650,210	1,490,154	-	-	2,140,364
Total expenditures	-	-	-	127,792	650,210	1,490,154	-	-	2,268,156
Excess (deficiency) of revenues over (under) expenditures	-	-	453,713	(127,792)	(385,193)	(1,332,147)	-	-	(1,391,419)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	960,000	-	-	960,000
Transfers out	-	-	(453,713)	-	-	-	-	-	(453,713)
Bond Proceeds	14,500	-	-	-	-	-	-	-	14,500
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	(9,656)	(9,656)
Total other financing sources (uses)	14,500	-	(453,713)	-	-	960,000	-	(9,656)	511,131
Net change in fund balances	14,500	-	-	(127,792)	(385,193)	(372,147)	-	(9,656)	(880,288)
Fund balances - beginning	-	7,038	-	127,792	14,829,641	338,705	26,446	9,656	15,339,278
Fund balances - ending	\$ 14,500	\$ 7,038	\$ -	\$ -	\$ 14,444,448	\$ (33,442)	\$ 26,446	\$ -	\$ 14,458,990

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 NON-MAJOR BUDGETED CAPITAL IMPROVEMENT FUNDS
 For The Year Ended December 31, 2004

	Greenway Project				Park Bonds of 2003				Variance Positive (Negative)
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)	
	Original	Final			Original	Final			
Revenues:									
Intergovernmental	\$ -	\$ -	\$ 158,007	\$ 158,007	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	7,500	7,500	-	(7,500)	-	-	188,516	188,516	188,516
Other	-	-	-	-	-	-	68,072	68,072	68,072
Total revenues	7,500	7,500	158,007	150,507	-	-	256,588	256,588	256,588
Expenditures:									
Culture and recreation	2,949,574	3,875,089	1,510,283	2,364,806	14,864,919	14,364,271	747,352	13,616,919	13,616,919
Total expenditures	2,949,574	3,875,089	1,510,283	2,364,806	14,864,919	14,364,271	747,352	13,616,919	13,616,919
Other financing sources (uses):									
Transfers in	-	960,000	960,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	153,250	153,250	153,250
Total other financing sources	-	960,000	960,000	-	-	-	153,250	153,250	153,250
Net change in fund balances	(2,942,074)	(2,907,589)	(392,276)	2,515,313	(14,864,919)	(14,364,271)	(337,514)	14,026,757	14,026,757
Fund balances - beginning	395,355	395,355	395,355	-	14,882,708	14,882,708	14,882,708	-	-
Fund balances - ending	\$ (2,546,719)	\$ (2,512,234)	\$ 3,079	\$ 2,515,313	\$ 17,789	\$ 518,437	\$ 14,545,194	\$ 14,026,757	\$ 14,026,757

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 NON-MAJOR BUDGETED CAPITAL IMPROVEMENT FUNDS
 For The Year Ended December 31, 2004

	Greenway Project				Park Bonds of 2003			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ -	\$ -	\$ 158,007	\$ 158,007	\$ -	\$ -	\$ -	\$ -
Interest	7,500	7,500	-	(7,500)	-	-	188,516	188,516
Other	-	-	-	-	-	-	68,072	68,072
Total revenues	7,500	7,500	158,007	150,507	-	-	256,588	256,588
Expenditures:								
Culture and recreation	2,949,574	3,875,089	1,510,283	2,364,806	14,864,919	14,364,271	747,352	13,616,919
Total expenditures	2,949,574	3,875,089	1,510,283	2,364,806	14,864,919	14,364,271	747,352	13,616,919
Other financing sources (uses):								
Transfers in	-	960,000	960,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	153,250	153,250
Total other financing sources	-	960,000	960,000	-	-	-	153,250	153,250
Net change in fund balances	(2,942,074)	(2,907,589)	(392,276)	2,515,313	(14,864,919)	(14,364,271)	(337,514)	14,026,757
Fund balances - beginning	395,355	395,355	395,355	-	14,882,708	14,882,708	14,882,708	-
Fund balances - ending	\$ (2,546,719)	\$ (2,512,234)	\$ 3,079	\$ 2,515,313	\$ 17,789	\$ 518,437	\$ 14,545,194	\$ 14,026,757

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 NON-MAJOR BUDGETED CAPITAL IMPROVEMENT FUNDS
 For The Year Ended December 31, 2004

	Cumulative Capital Improvement				Swonder Ice Arena Bonds			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 463,227	\$ 463,227	\$ 453,712	\$ (9,515)	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	463,227	463,227	453,712	(9,515)	-	-	-	-
Expenditures:								
Culture and recreation	-	-	-	-	127,792	127,792	127,792	127,792
Total expenditures	-	-	-	-	127,792	127,792	127,792	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(980,859)	(980,859)	(946,828)	34,031	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-
Total other financing sources	(980,859)	(980,859)	(946,828)	34,031	-	-	-	-
Net change in fund balances	(517,632)	(517,632)	(493,116)	24,516	(127,792)	(127,792)	(127,792)	-
Fund balances - beginning	493,116	493,116	493,116	-	127,792	127,792	127,792	-
Fund balances - ending	\$ (24,516)	\$ (24,516)	\$ -	\$ 24,516	\$ -	\$ -	\$ -	\$ -

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 NON-MAJOR BUDGETED CAPITAL IMPROVEMENT FUNDS
 For The Year Ended December 31, 2004

	Cumulative Capital Improvement				Swonder Ice Arena Bonds			Variance Positive (Negative)
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 463,227	\$ 463,227	\$ 453,712	\$ (9,515)	-	\$ -	-	\$ -
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	463,227	463,227	453,712	(9,515)	-	-	-	-
Expenditures:								
Culture and recreation	-	-	-	-	127,792	127,792	127,792	-
Total expenditures	-	-	-	-	127,792	127,792	127,792	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(980,859)	(980,859)	(946,828)	34,031	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-
Total other financing sources	(980,859)	(980,859)	(946,828)	34,031	-	-	-	-
Net change in fund balances	(517,632)	(517,632)	(493,116)	24,516	(127,792)	(127,792)	(127,792)	-
Fund balances - beginning	493,116	493,116	493,116	-	127,792	127,792	127,792	-
Fund balances - ending	\$ (24,516)	\$ (24,516)	\$ -	\$ 24,516	\$ -	\$ -	\$ -	\$ -

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 December 31, 2004

Governmental Activities - Internal Service Funds

	Printing and Supplies	Hospitalization	Unemployment	Auto Collision	Workmen's Compensation	Liability Insurance	Totals
Assets							
Current assets:							
Cash and cash equivalents	\$ 141,521	\$ 783,171	\$ 222,368	\$ 111,569	\$ 398,147	\$ 219,171	\$ 1,875,947
Interest receivable	-	-	-	-	-	6,014	6,014
Investments	-	-	-	-	-	1,000,000	1,000,000
Total current assets	141,521	783,171	222,368	111,569	398,147	1,225,185	2,881,961
Noncurrent assets:							
Capital assets:							
Other capital assets (net of accumulated depreciation)	3,588	-	-	-	-	-	3,588
Total noncurrent assets	3,588	-	-	-	-	-	3,588
Total assets	145,109	783,171	222,368	111,569	398,147	1,225,185	2,885,549
Liabilities							
Current liabilities:							
Accounts payable	12,806	44,742	5,551	-	38,472	218,776	320,347
Accrued wages payable	-	4,396	-	-	1,567	-	5,963
Compensated absences - current portion	-	10,848	-	-	763	-	11,611
Accrued group insurance benefits	-	854,956	4,548	-	53,859	34,841	948,204
Total current liabilities	12,806	914,942	10,099	-	94,661	253,617	1,286,125
Noncurrent liabilities:							
Compensated absences payable	-	5,502	-	-	-	-	5,502
Total noncurrent liabilities	-	5,502	-	-	-	-	5,502
Total liabilities	12,806	920,444	10,099	-	94,661	253,617	1,291,627
Net assets							
Invested in capital assets, net of related debt Unrestricted	3,588	-	-	-	-	-	3,588
	128,715	(137,273)	212,269	111,569	303,486	971,568	1,590,334
Total net assets	\$ 132,303	\$ (137,273)	\$ 212,269	\$ 111,569	\$ 303,486	\$ 971,568	\$ 1,593,922

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2004

	Governmental Activities - Internal Service Funds							
	Printing and Supplies	Hospitalization	Unemployment	Auto Collision	Workmen's Compensation	Liability Insurance	Totals	
Operating Revenues:								
Charges for goods and services	\$ 189,975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,975	
City/employee contributions	-	12,733,036	88,847	-	569,785	1,721,682	15,113,350	
Total operating revenues	189,975	12,733,036	88,847	-	569,785	1,721,682	15,303,325	
Operating expenses:								
Administrative services	208,005	1,030,855	-	-	90,218	-	1,329,078	
Insurance claims and premiums	-	13,269,798	48,065	25,864	534,291	1,946,718	15,824,736	
Depreciation	1,794	558	-	-	-	-	2,352	
Total operating expenses	209,799	14,301,211	48,065	25,864	624,509	1,946,718	17,156,166	
Operating income (loss)	(19,824)	(1,568,175)	40,782	(25,864)	(54,724)	(225,036)	(1,852,841)	
Nonoperating revenues (expenses):								
Interest and investment revenue	-	14,453	-	-	4,359	13,069	31,881	
Miscellaneous revenue	5,050	126,982	-	500	32,674	32,790	197,996	
Total nonoperating revenue (expenses)	5,050	141,435	-	500	37,033	45,859	229,877	
Income (loss) before transfers	(14,774)	(1,426,740)	40,782	(25,364)	(17,691)	(179,177)	(1,622,964)	
Transfers in	-	2,065,510	-	-	-	-	2,065,510	
Change in net assets	(14,774)	638,770	40,782	(25,364)	(17,691)	(179,177)	442,546	
Total net assets - beginning	147,077	(776,043)	171,487	136,933	321,177	1,150,745	1,151,376	
Total net assets - ending	\$ 132,303	\$ (137,273)	\$ 212,269	\$ 111,569	\$ 303,486	\$ 971,568	\$ 1,593,922	

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2004

Governmental Activities - Internal Service Funds

	Printing and Supplies	Hospitalization	Unemployment	Auto Collision	Workmen's Compensation	Liability Insurance	Totals
Cash flows from operating activities:							
Receipts from interfund services provided	\$ 236,855	\$ 12,955,744	\$ 88,847	\$ -	\$ 569,785	\$ 1,721,682	\$ 15,572,913
Payments for interfund services used	(205,056)	(13,488,288)	(37,966)	(25,864)	(594,577)	(1,745,819)	(16,097,570)
Payments to employees	-	(1,026,739)	-	-	(90,630)	-	(1,117,369)
Other receipts (payments)	5,050	126,982	-	500	32,674	32,790	197,996
	<u>36,849</u>	<u>(1,432,301)</u>	<u>50,881</u>	<u>(25,364)</u>	<u>(82,748)</u>	<u>8,653</u>	<u>(1,444,030)</u>
Net cash provided (used) by operating activities							
	-	2,065,510	-	-	-	-	2,065,510
Cash flows from noncapital financing activities:							
Advances from other funds							
	-	-	-	-	-	-	-
Cash flows from investing activities:							
Proceeds from sales and maturities of investments	-	3,500,000	-	-	1,150,000	1,650,000	6,300,000
Purchase of investments	-	(3,500,000)	-	-	(700,000)	(2,500,000)	(6,700,000)
Interest received	-	14,453	-	-	5,168	7,536	27,157
	-	<u>14,453</u>	-	-	<u>455,168</u>	<u>(842,464)</u>	<u>(372,843)</u>
Net cash provided by investing activities							
	36,849	647,662	50,881	(25,364)	372,420	(833,811)	248,637
Net increase (decrease) in cash and cash equivalents							
	104,672	135,509	171,487	136,933	25,727	1,052,982	1,627,310
Cash and cash equivalents, January 1							
	\$ 141,521	\$ 783,171	\$ 222,368	\$ 111,569	\$ 398,147	\$ 219,171	\$ 1,875,947
Cash and cash equivalents, December 31							
	\$ (19,824)	\$ (1,568,175)	\$ 40,782	\$ (25,864)	\$ (54,724)	\$ (225,036)	\$ (1,852,841)
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income							
	5,050	126,982	-	500	32,674	32,790	197,996
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Nonoperating revenue	1,794	557	-	-	-	-	2,351
Depreciation expense	-	-	-	-	-	-	-
(increase) decrease in assets:							
Accounts receivable	-	10,793	-	-	-	-	10,793
Intergovernmental receivable	13,687	-	-	-	-	-	13,687
Due from other funds	33,193	211,916	-	-	-	-	245,109
Increase (decrease) in liabilities:							
Accounts payable	2,949	(1,071,683)	5,551	-	(114,110)	166,058	(1,011,235)
Wages payable	-	976	4,548	-	(10)	-	5,514
Compensated absences payable	-	3,140	-	-	(402)	-	2,738
Due to other funds	-	(1,763)	-	-	(35)	-	(1,798)
Accrued insurance benefits	-	854,956	-	-	53,859	34,841	943,656
	<u>56,673</u>	<u>135,874</u>	<u>10,099</u>	<u>500</u>	<u>(28,024)</u>	<u>233,689</u>	<u>408,811</u>
Total adjustments							
	\$ 36,849	\$ (1,432,301)	\$ 50,881	\$ (25,364)	\$ (82,748)	\$ 8,653	\$ (1,444,030)
Net cash provided (used) by operating activities							

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 BUDGETED INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2004

	Printing and Supplies				Hospitalization				Variance Positive (Negative)
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)	
	Original	Final			Original	Final			
Revenues:									
Charges for services	\$ 225,000	\$ 225,000	\$ 236,856	\$ 11,856	\$ -	\$ -	\$ -	\$ -	\$ -
Employee/Employer contributions					12,097,030	12,635,480	12,955,745	320,265	
Interest					50,000	50,000	14,453	(35,547)	
Other	-	-	5,050	5,050	41,200	41,200	126,982	85,782	
Total revenues	225,000	225,000	241,906	16,906	12,188,230	12,726,680	13,097,180	370,500	
Expenditures:									
General and administrative	259,109	219,959	205,057	14,902	12,945,545	14,539,493	14,515,028	24,465	
Total expenditures	259,109	219,959	205,057	14,902	12,945,545	14,539,493	14,515,028	24,465	
Other financing sources (uses):									
Transfers in	-	-	-	-	-	1,565,510	2,065,510	500,000	
Total other financing sources	-	-	-	-	-	1,565,510	2,065,510	500,000	
Net change in fund balances	(34,109)	5,041	36,849	31,808	(757,315)	(247,303)	647,662	894,965	
Fund balances - beginning	104,672	104,672	104,672	-	135,509	135,509	135,509	-	
Fund balances - ending	\$ 70,563	\$ 109,713	\$ 141,521	\$ 31,808	\$ (621,806)	\$ (111,794)	\$ 783,171	\$ 894,965	

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 BUDGETED INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2004

	Unemployment			Auto Collision Insurance			Variance Positive (Negative)
	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Actual	
Revenues:							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee/Employer contributions	64,955	64,955	88,847	-	-	-	23,892
Interest	1,000	1,000	-	1,000	1,000	-	(1,000)
Other	-	-	-	-	-	500	500
Total revenues	<u>65,955</u>	<u>65,955</u>	<u>88,847</u>	<u>1,000</u>	<u>1,000</u>	<u>500</u>	<u>(500)</u>
Expenditures:							
General and administrative	90,137	37,966	37,966	65,000	65,500	25,864	39,636
Total expenditures	<u>90,137</u>	<u>37,966</u>	<u>37,966</u>	<u>65,000</u>	<u>65,500</u>	<u>25,864</u>	<u>39,636</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(24,182)</u>	<u>27,989</u>	<u>50,881</u>	<u>(64,000)</u>	<u>(64,500)</u>	<u>(25,364)</u>	<u>39,136</u>
Fund balances - beginning	<u>171,487</u>	<u>171,487</u>	<u>171,487</u>	<u>136,933</u>	<u>136,933</u>	<u>136,933</u>	<u>-</u>
Fund balances - ending	<u>\$ 147,305</u>	<u>\$ 199,476</u>	<u>\$ 222,368</u>	<u>\$ 72,933</u>	<u>\$ 72,433</u>	<u>\$ 111,569</u>	<u>\$ 39,136</u>

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 BUDGETED INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2004

	Workmen's Compensation				Liability Insurance			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		(Negative)	Original	Final		(Negative)
Revenues:								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee/Employer contributions	590,000	590,000	569,787	(20,213)	1,721,548	1,721,548	1,721,682	134
Interest	1,500	1,500	5,168	3,668	15,000	15,000	7,536	(7,464)
Other	-	-	32,674	32,674	-	-	32,790	32,790
Total revenues	591,500	591,500	607,629	16,129	1,736,548	1,736,548	1,762,008	25,460
Expenditures:								
General and administrative	688,101	732,705	685,209	47,496	2,179,008	1,746,896	1,745,819	1,077
Total expenditures	688,101	732,705	685,209	47,496	2,179,008	1,746,896	1,745,819	1,077
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balances	(96,601)	(141,205)	(77,580)	63,625	(442,460)	(10,348)	16,189	26,537
Fund balances - beginning	475,727	475,727	475,727	-	1,202,982	1,202,982	1,202,982	-
Fund balances - ending	\$ 379,126	\$ 334,522	\$ 398,147	\$ 63,625	\$ 760,522	\$ 1,192,634	\$ 1,219,171	\$ 26,537

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF FUDICIARY NET ASSETS
 PENSION TRUST FUNDS
 December 31, 2004

	Pension Trust Funds		
	Fire Pension	Police Pension	Totals
<u>Assets</u>			
Cash and cash equivalents	\$ 694,505	\$ 721,196	\$ 1,415,701
Investments	750,000	1,350,000	2,100,000
Receivables:			
Interest	3,710	4,491	8,201
Taxes	59,856	66,714	126,570
Intergovernmental	1,147,261	1,198,184	2,345,445
	2,655,332	3,340,585	5,995,917
<u>Liabilities</u>			
Accounts payable	585	1,460	2,045
	585	1,460	2,045
<u>Net assets</u> Held in trust for:			
Employees' pension benefits	\$ 2,654,747	\$ 3,339,125	\$ 5,993,872

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2004

<u>Additions</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Totals</u>
Contributions:			
Employer	\$ 3,964,058	\$ 4,512,590	\$ 8,476,648
Plan members	48,157	111,285	159,442
Investment income:			
Interest	14,386	23,194	37,580
Total additions	<u>4,026,601</u>	<u>4,647,069</u>	<u>8,673,670</u>
<u>Deductions</u>			
Benefits and refunds paid to plan members and beneficiaries	4,469,732	5,435,230	9,904,962
Administrative expenses	13,792	21,133	34,925
Total deductions	<u>4,483,524</u>	<u>5,456,363</u>	<u>9,939,887</u>
Changes in net assets	(456,923)	(809,294)	(1,266,217)
Net assets - beginning	<u>3,111,670</u>	<u>4,148,419</u>	<u>7,260,089</u>
Net assets - ending	<u>\$ 2,654,747</u>	<u>\$ 3,339,125</u>	<u>\$ 5,993,872</u>

CITY OF EVANSVILLE, INDIANA
 BUDGETARY COMPARISON SCHEDULES
 BUDGETED PENSION TRUST FUNDS
 For The Year Ended December 31, 2004

	Fire Pension				Police Pension				Variance Positive (Negative)
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)	
	Original	Final			Original	Final			
Revenues:									
Taxes									
Property	\$ 1,366,112	\$ 1,366,112	\$ 1,238,246	\$ (127,866)	\$ 1,521,681	\$ 1,521,681	\$ 1,380,129	\$ (141,552)	
Intergovernmental	2,447,373	2,447,373	2,661,224	213,851	2,875,191	2,875,191	3,089,302	214,111	
Employee contributions	124,000	124,000	48,157	(75,843)	125,000	125,000	111,285	(13,715)	
Interest	4,500	4,500	12,531	8,031	4,500	4,500	21,206	16,706	
Total revenues	3,941,985	3,941,985	3,960,158	18,173	4,526,372	4,526,372	4,601,922	75,550	
Expenditures:									
General and administrative	4,549,680	4,546,693	4,482,940	63,753	5,630,178	5,627,539	5,455,508	172,031	
Total expenditures	4,549,680	4,546,693	4,482,940	63,753	5,630,178	5,627,539	5,455,508	172,031	
Net change in fund balances	(607,695)	(604,708)	(522,782)	81,926	(1,103,806)	(1,101,167)	(853,586)	247,581	
Fund balances - beginning	1,967,287	1,967,287	1,967,287	-	2,924,782	2,924,782	2,924,782	-	
Fund balances - ending	\$ 1,359,592	\$ 1,362,579	\$ 1,444,505	\$ 81,926	\$ 1,820,976	\$ 1,823,615	\$ 2,071,196	\$ 247,581	

CITY OF EVANSVILLE, INDIANA
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 December 31, 2004

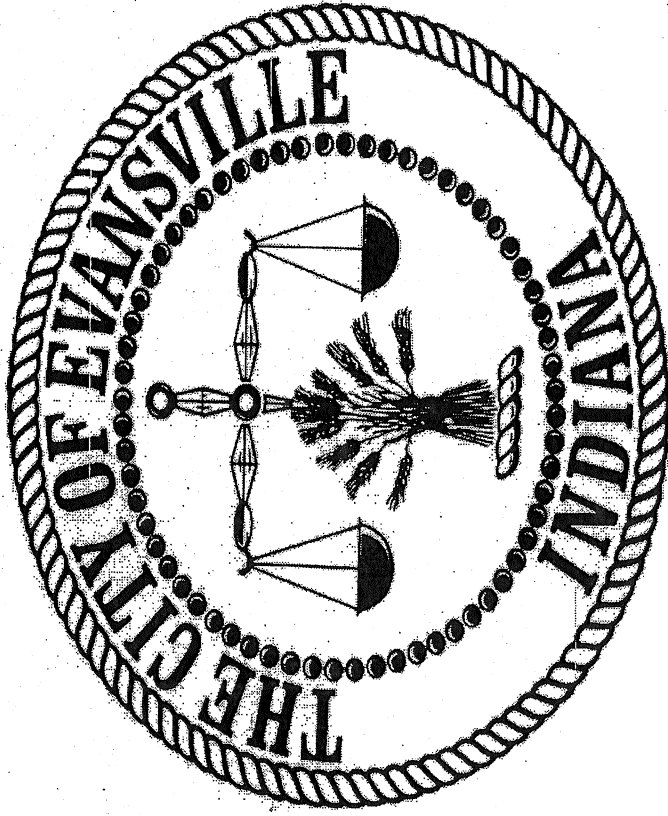
		Agency Funds						
		Accounts						
<u>Assets</u>	Housing Rehabilitation Services	Cash Bonds	Oak Hill Lease Escrow	Receivable/ Payable Clearing	Payroll Summary	Advance Sales Escrow	Totals	
Cash and cash equivalents	14	\$ 1,000	\$ 5,377	\$ (342,086)	\$ 478,436	\$ 741,527	\$ 884,268	
Total assets	14	\$ 1,000	\$ 5,377	\$ (342,086)	\$ 478,436	\$ 741,527	\$ 884,268	
<u>Liabilities</u>								
Accrued payroll and deductions	-	\$ -	\$ -	\$ -	\$ 478,436	\$ -	\$ 478,436	
Other payable	14	1,000	5,377	(342,086)	-	741,527	405,832	
Total liabilities	14	\$ 1,000	\$ 5,377	\$ (342,086)	\$ 478,436	\$ 741,527	\$ 884,268	

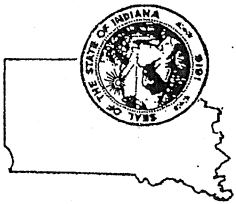
CITY OF EVANSVILLE, INDIANA
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 For The Year Ended December 31, 2004

	Housing Rehabilitation Services	Cash Bonds	Oak Hill Lease Escrow	Accounts Receivable/ Payable Clearing	Payroll Summary	Advance Sales Escrow	Totals
Assets:							
Cash and cash equivalents - beginning	\$ 14	\$ 1,000	\$ 5,377	\$ (10,706)	\$ 451,281	\$ 1,096,396	\$ 1,543,362
Additions	-	-	-	876,637	57,194,569	9,504,914	67,576,120
Deductions	-	-	-	(1,208,017)	(57,167,414)	(9,859,783)	(68,235,214)
Cash and cash equivalents - ending	14	1,000	5,377	(342,086)	478,436	741,527	884,268
Total assets - ending	14	1,000	5,377	(342,086)	478,436	741,527	884,268
Liabilities:							
Payroll withholdings payables - beginning	\$ -	\$ -	\$ -	\$ -	\$ 451,281	\$ -	\$ 451,281
Additions	-	-	-	-	57,194,569	-	57,194,569
Deductions	-	-	-	-	(57,167,414)	-	(57,167,414)
Payroll withholdings payable - ending	-	-	-	-	478,436	-	478,436
Other payable - beginning	14	1,000	5,377	(10,706)	-	1,096,396	1,092,081
Additions	-	-	-	876,637	-	9,504,914	10,381,551
Deductions	-	-	-	(1,208,017)	-	(9,859,783)	(11,067,800)
Other payable - ending	14	1,000	5,377	(342,086)	-	741,527	405,832
Total liabilities - ending	14	1,000	5,377	(342,086)	478,436	741,527	884,268

SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS





STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF EVANSVILLE, VANDERBURGH COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Evansville (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2004. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2004.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

December 19, 2005

STATE BOARD OF ACCOUNTS

CITY OF EVANSVILLE, INDIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended December 31, 2004

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct Award			
Cooperative Forestry Assistance	10.664		\$ 8,751
Total for Federal Grantor Agency			<u>8,751</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Award			
Community Development Block Grants/Entitlement Grants	14.218	B-03-MC-18-0002 B-04-MC-18-0002	3,097,063 407,774
Total for Program			<u>3,504,837</u>
Emergency Shelter Grants Program(ESG)	14.231	S-03-MC-18-0002 S-04-MC-18-0002	44,967 42,503
Total for Program			<u>87,470</u>
Supportive Housing Program	14.235	IN36B10-2001 IN36B10-2002 IN36B10-2003 IN36B10-2004 IN36B20-2002 IN36B20-2003 IN36B30-1001 IN36B30-1003 IN36B90-2003 IN36B90-2004	56,933 179,106 76,596 7,256 23,347 1,519 45,094 22 34,869 21,017
Total for Program			<u>445,759</u>
HOME Investment Partnerships Program	14.239		2,179,107
Total for Federal Grantor Agency			<u>6,217,173</u>

CITY OF EVANSVILLE, INDIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended December 31, 2004

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Award			
Local Law Enforcement Block Grants Program	16.592	2002LBBX1653 2003LBBX2585	41,339 <u>90,257</u>
Total for Program			<u>131,596</u>
Pass-Through Indiana Criminal Justice Institute Juvenile Accountability Incentive Block Grants	16.523	02-JB-009	<u>79,689</u>
Juvenile Justice and Delinquency Prevention- Allocation To States JUMP JUMP JUMP	16.540	02-JF-020 02-JF-022 02-JF-030	2,254 16,752 <u>4,638</u>
Total for Program			<u>23,644</u>
Crime Victim Assistance	16.575	02-VA-155 03-VA-151 03-VA-152 03-VA-153 04-VA-148 04-VA-149 04-VA-165	67 105,645 58,059 22,080 34,764 23,575 <u>8,368</u>
Total for Program			<u>252,558</u>
Byrne Formula Grant Program	16.579	02-DB-006 03-DB-037	15,666 <u>39,777</u>
Total for Program			<u>55,443</u>

CITY OF EVANSVILLE, INDIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended December 31, 2004

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
Violence Against Women Formula Grants	16.588	03-ST-067 04-ST-058	20,054 6,461
Total for Program			<u>26,515</u>
Total for Federal Grantor Agency			<u>569,445</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Federal Transit-Formula Grants	20.507	IN-90-0254	719,665
Total for Federal Grantor Agency			<u>719,665</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Department of Environmental Management Capitalization Grants for State Revolving Funds Wastewater Utility Improvements	66.458		50,000
Total for Federal Grantor Agency			<u>50,000</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security State Domestic Preparedness Equipment Support Program	97.004	12-24-2003-9017 12-29-2003-9019	376,435 74,830
Total for Program			<u>451,265</u>
Hazard Mitigation Grant	97.039		<u>45,000</u>
Cooperating Technical Partners	97.045		<u>83,198</u>
Citizens Corps	97.053		<u>4,628</u>

CITY OF EVANSVILLE, INDIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended December 31, 2004

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
Total for Federal Grantor Agency			584,091
Total Federal Awards Expended			\$ 8,149,125

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF EVANSVILLE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Evansville (primary government) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the primary government provided federal awards to subrecipients as follows for the year ended December 31, 2004:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/Entitlement Grants	14.218	\$ 1,319,077
Emergency Shelter Grants Program(ESG)	14.231	85,587
Supportive Housing Program	14.235	417,321
HOME Investment Partnerships Program	14.239	2,124,556
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	10,152
Crime Victim Assistance	16.575	222,112
Violence Against Women Formula Grants	16.588	56,964

CITY OF EVANSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? no

Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified? no

Reportable conditions identified that are not considered to be material weaknesses? none reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
 Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

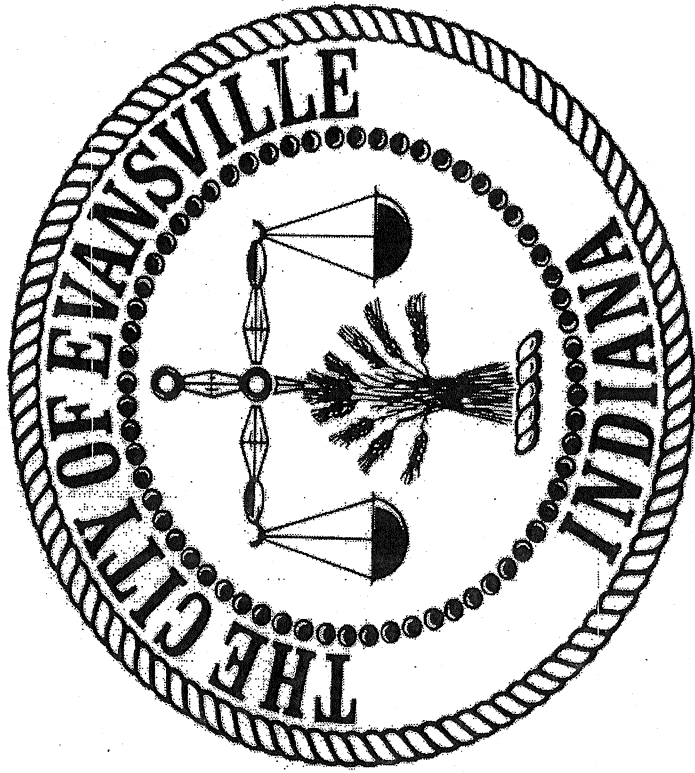
Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

**CITY OF EVANSVILLE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

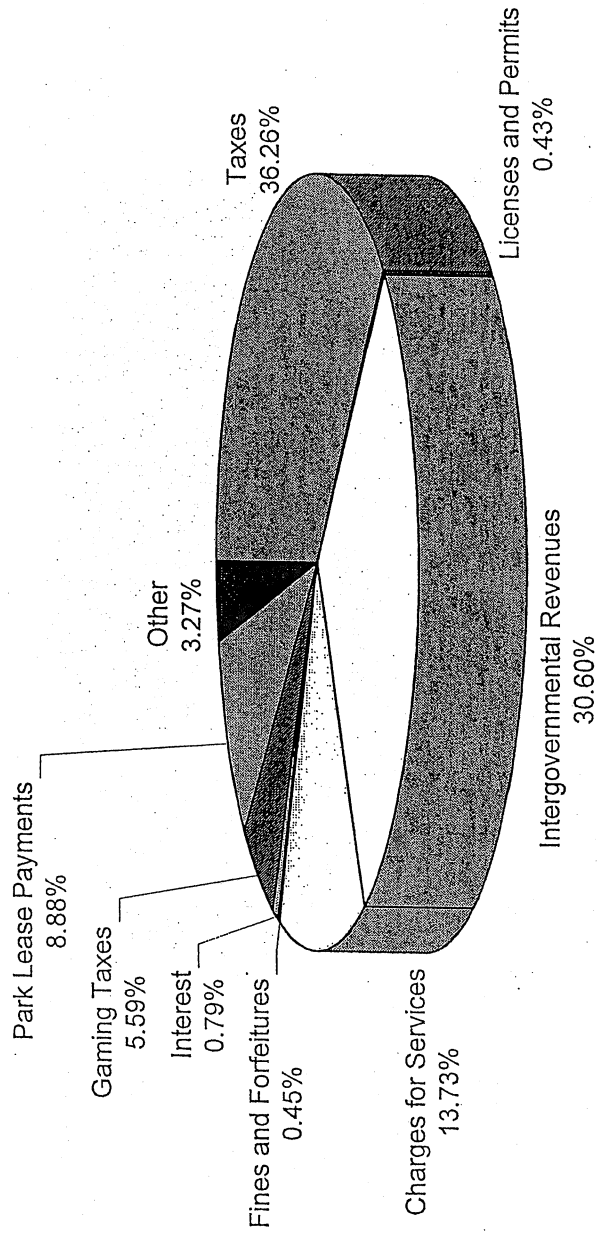
No matters are reportable.

THIS PAGE INTENTIONALLY LEFT BLANK

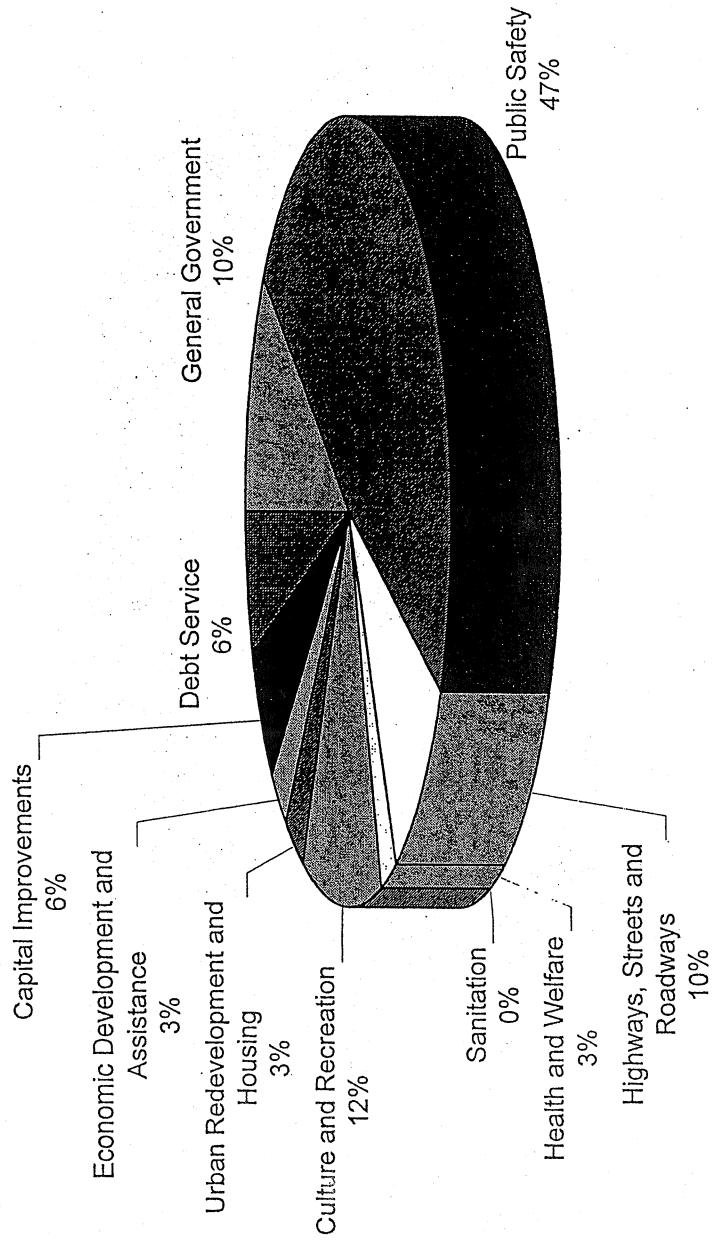


CITY OF EVANSVILLE

2004 General Government Revenues



CITY OF EVANSVILLE
2004 General Government Expenditures



CITY OF EVANSVILLE
GENERAL GOVERNMENT REVENUES AND EXPENDABLE TRUSTS BY SOURCE (A)
LAST TEN FISCAL YEARS

	2004		2003		2002		2001		2000	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Taxes	\$ 40,948,405	36.26%	\$ 39,919,271	35.72%	\$ 40,384,772	40.01%	\$ 52,120,735	52.91%	\$ 49,647,756	51.32%
Licenses and Permits	488,958	0.43%	453,918	0.41%	476,299	0.47%	753,765	0.77%	805,030	0.83%
Intergovernmental Revenues	34,552,341	30.60%	41,698,937	37.31%	37,763,828	37.42%	19,124,877	19.41%	17,308,947	17.89%
Charges for Services	15,506,918	13.73%	16,080,676	14.39%	12,435,642	12.32%	9,830,921	9.98%	9,253,999	9.57%
Fines and Forfeitures	509,096	0.45%	512,887	0.46%	400,645	0.40%	558,752	0.57%	463,635	0.48%
Interest (B)	888,708	0.79%	853,449	0.76%	1,513,573	1.50%	3,587,144	3.64%	4,047,646	4.18%
Gaming Taxes (C) (D)	6,317,099	5.59%	-	0.00%	-	0.00%	6,746,913	6.85%	6,943,418	7.18%
Park Lease Payments (C)	10,028,506	8.88%	8,307,034	7.43%	4,970,679	4.93%	2,204,529	2.24%	2,520,712	2.61%
Miscellaneous Revenues	3,694,005	3.27%	3,931,922	3.52%	2,980,083	2.95%	3,588,627	3.64%	5,750,190	5.94%
Total	\$ 112,934,036	100.00%	\$ 111,758,093	100%	\$ 100,925,520	100%	\$ 99,516,063	100%	\$ 96,741,333	100%

	1999		1998		1997		1996		1995	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Taxes	\$ 48,678,760	49.63%	\$ 45,853,543	50.13%	\$ 43,770,837	47.48%	\$ 43,701,375	50.36%	\$ 46,970,211	63.05%
Licenses and Permits	858,918	0.88%	784,334	0.86%	513,935	0.56%	559,204	0.64%	483,395	0.65%
Intergovernmental Revenues	18,742,391	19.11%	16,548,183	18.09%	17,377,385	18.85%	16,795,514	19.36%	14,858,635	19.94%
Charges for Services	8,595,226	8.76%	8,740,244	9.56%	8,347,515	9.06%	7,267,258	8.37%	6,972,739	9.36%
Fines and Forfeitures	361,730	0.37%	356,500	0.39%	272,624	0.30%	372,075	0.43%	218,572	0.29%
Interest (B)	3,311,745	3.38%	3,268,813	3.57%	2,547,133	2.76%	1,912,339	2.20%	1,649,621	2.21%
Gaming Taxes (C)	6,705,886	6.84%	7,824,739	8.55%	7,303,650	7.92%	6,557,213	7.56%	472,530	0.63%
Park Lease Payments (C)	2,214,175	2.26%	2,747,204	3.00%	2,671,809	2.90%	1,337,812	1.54%	83,333	0.11%
Miscellaneous Revenues	8,613,214	8.78%	5,348,689	5.85%	9,378,529	10.17%	8,271,230	9.53%	2,807,742	3.77%
Total	\$ 98,082,045	100%	\$ 91,472,249	100%	\$ 92,183,417	100%	\$ 86,774,020	100%	\$ 74,516,778	100%

(A) Includes General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds.

(B) Interest not separately reported prior to 1993.

(C) New for 1995 from gaming operations.

(D) Change in accounting treatment in 2002. Reported as Intergovernmental Revenue.

CITY OF EVANSVILLE
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(per \$100 of Assessed Valuation)

Fiscal Year	City Operating Rate	City Debt Service Rate	Total City Rate	Vanderburgh County Rate	School District Rate	Townships Rate (A)	Miscellaneous Rate (B)	Totals
2004	0.8848	0.0514	0.9362	0.5748	1.2282	0.0262	0.1967	2.0259
2003	0.8193	0.0407	0.8600	0.5399	1.0486	0.0883	0.1577	1.8345
2002 (C)	1.1394	0.0664	1.2058	0.7465	1.6346	0.1069	0.3463	2.8343
2001	3.4406	0.2087	3.6493	2.0995	4.8371	0.4159	0.9938	8.3463
2000	3.5353	0.1983	3.7336	2.1818	4.9039	0.1065	0.6234	7.8156
1999	3.4748	0.1740	3.6488	2.1818	4.9039	0.1065	0.6234	7.8156
1998	3.4000	0.1700	3.5700	2.3252	4.8530	0.2962	0.5588	8.0332
1997	3.2700	0.3200	3.5900	2.4846	5.0407	0.1077	0.5296	8.1626
1996	3.5900	0.3430	3.9330	2.5517	5.1516	0.1038	0.5442	8.3513
1995	3.5904	0.3455	3.9359	2.4370	5.4768	0.1093	0.5680	8.5911

(A) The rates for townships are averages for Center, Knight, Perry, and Pigeon
(B) Miscellaneous includes the Museum, Health Department, Evansville Vanderburgh County Library,
Evansville Regional Airport and Levee Authority District.
(C) Assessed valuation taken as 1/3 true tax in 1993-2001. True Tax value in 2002.

Source: Vanderburgh County Auditor's Office

CITY OF EVANSVILLE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Assessment Year	Local Portion	State Portion	Homestead Credit	Total Collections	Total Amount Assessed	Percentage Collected
2004	\$ 137,547	\$ 48,304	\$ 10,504	\$ 196,355	\$ 195,475	100.5%
2003	124,971	45,159	9,316	179,446	179,087	100.2%
2002	127,352	28,885	8,611	164,848	162,562	101.4%
2001	118,222	29,659	8,187	156,068	155,348	100.5%
2000	116,624	29,304	8,080	154,008	155,415	99.1%
1999	114,301	24,834	7,889	147,024	146,072	100.7%
1998	117,765	22,301	7,922	147,988	146,114	101.3%
1997	114,527	23,103	6,118	143,748	143,503	100.2%
1996	109,784	22,141	6,716	138,641	138,154	100.4%
1995	105,236	20,823	4,620	130,679	129,052	101.3%

Source: Vanderburgh County Auditor's Office

CITY OF EVANSVILLE
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

Year	Real (A)	Utilities	Personal	Subtotal (B)	Adjustments (C)	Total	% Increase	True Value
2004	\$ 3,485,356	\$ 123,423	\$ 1,022,367	\$ 4,631,146	\$ 176,357	\$ 4,454,789	-3.21%	\$ 4,454,789
2003	3,663,276	118,374	1,002,914	4,784,564	200,517	4,584,047	-4.16%	4,584,047
2002	3,694,012	98,332	1,200,129	4,992,473	252,265	4,740,208	65.95%	4,740,208
2001 (D)	2,062,057	95,575	850,862	3,008,494	8,202	3,000,292	0.66%	3,000,292
2000	682,996	28,169	285,137	996,302	11,040	985,262	1.81%	2,988,906
1999	670,037	26,504	282,032	978,573	14,236	964,337	3.11%	2,935,719
1998	661,497	25,708	261,818	949,023	4,811	944,212	1.48%	2,847,069
1997	652,394	23,862	258,933	935,189	311	934,878	3.75%	2,805,567
1996	637,583	21,187	242,637	901,407	11,811	889,596	2.95%	2,704,221
1995	629,283	18,387	227,909	875,579	20,381	855,198	12.80%	2,626,737

(A) Net after deduction of permitted mortgage indebtedness exemption, equal to the amount of any mortgage indebtedness on property up to \$1,000, but not more than one-half of the assessed valuation of the real estate.

(B) Estimated, based on abstract figures.

(C) Adjustment to assessment as certified to State.

(D) Assessed valuation taken as 1/3 true tax value in 1993-2000. True tax value taken in 2001 and 2002.

Source: Vanderburgh County Auditor's Office

CITY OF EVANSVILLE
 PRINCIPAL TAXPAYERS
 DECEMBER 31, 2004

		2004 Net (A)	
Name of Employer		Nature of Business	Valuation
			% of Total
1	Vectren	Gas & Electric Utility	\$ 131,794,750
2	Bristol-Myers Squibb	Pharmaceuticals/Nutrionals	81,399,300
3	Whirlpool Corporation	Refrigeration	72,158,540
4	Aztar Gaming Corporation	Riverboat Casino	68,768,710
5	SBC/Ameritech	Telephone Utility	63,148,050
6	SDG Macerich Properties	Eastland Square Mall	52,859,700
7	Fifth Third Bank	Financial Institution	41,144,270
8	SIGECOM, LLC	Cable Company	33,467,830
9	T.J. Maxx	Distribution Center	28,279,560
10	American General Finance	Finance Company	24,147,510
TOTAL			\$ 597,168,220
			100%

* All 10 taxpayers are located within Evansville City limits, previous years totals included Vanderburgh County taxpayers.

Source: Vanderburgh County Auditor's Office

ECONOMIC DEMOGRAPHIC INFORMATION
 PERTAINING TO THE
 CITY OF EVANSVILLE AND VANDERBURGH COUNTY
 (continued)

2004 PERCENTAGE OF HOUSEHOLDS BY EFFECTIVE BUYING INCOME
 IN CITY, MSA, STATE, AND NATION

	City of Evansville	Evansville MSA (A)	State of Indiana	United States
Under \$19,999	31.0%	24.2%	21.5%	Not Available
\$20,000 - \$34,999	29.5%	25.4%	24.9%	Not Available
\$35,000 - \$49,000	19.3%	19.4%	20.3%	Not Available
\$50,000 and Over	20.2%	31.0%	33.3%	Not Available
Median Household EBI	\$ 29,380	\$ 35,394	\$ 37,917	\$ 38,201

(A) Evansville's MSA is comprised of Posey, Vanderburgh, and Warrick Counties in Indiana and Henderson County, Kentucky.

Source: Sales and Marketing Management magazine, "Survey of Buying Power", September 2004

Vanderburgh County is the major retail center for the Evansville MSA. The Evansville MSA is considered one of the top 127 markets in total retail sales according to "Sales and Marketing Management" September, 2004 publication. Facilities for area buyers include a downtown transit mall and over 40 malls and shopping centers.

ECONOMIC DEMOGRAPHIC INFORMATION
 PERTAINING TO THE
 CITY OF EVANSVILLE AND VANDERBURGH COUNTY
 (continued)

CITY OF EVANSVILLE
 RETAIL SALES BY STORE

(amounts rounded to nearest thousand)

	2004	2003	2002	2001	1999	1998
SELECTED GROUPS						
Food	\$ 296,442	\$ 267,461	\$ 280,312	\$ 285,039	\$ 256,751	\$ 212,506
Eating & Drinking	\$ 308,711	\$ 377,365	\$ 292,781	\$ 290,422	\$ 225,256	\$ 199,590
General Merchandise	\$ 439,214	\$ 414,271	\$ 387,904	\$ 421,066	\$ 407,986	\$ 323,849
Furniture - Appliances	\$ 264,536	\$ 245,937	\$ 245,641	\$ 299,200	\$ 232,026	\$ 151,392
Automotive	\$ 965,014	\$ 900,871	\$ 1,056,362	\$ 1,110,179	\$ 755,566	\$ 548,419
TOTAL RETAIL SALES	\$ 3,533,175	\$ 3,391,096	\$ 3,571,028	\$ 3,642,259	\$ 2,670,210	\$ 1,929,347

* Could not obtain 2000 figures.

Source: Sales and Marketing Management magazine, "Survey of Buying Power", September 2004.

ECONOMIC DEMOGRAPHIC INFORMATION
 PERTAINING TO THE
 CITY OF EVANSVILLE AND VANDERBURGH COUNTY
 (continued)

UNEMPLOYMENT RATE TRENDS

Year	Vanderburgh County	Evansville MSA (A)	State of Indiana	United States
2004	4.8%	4.6%	5.2%	5.5%
2003	4.2%	4.3%	5.1%	6.0%
2002	4.1%	4.2%	5.1%	5.8%
2001	3.9%	3.9%	4.9%	5.4%
2000	3.3%	3.4%	3.2%	4.0%
1999	3.1%	3.2%	3.0%	4.2%
1998	3.3%	3.7%	3.1%	4.5%
1997	4.2%	4.3%	3.5%	4.9%
1996	3.3%	3.8%	3.6%	5.3%
1995	5.3%	5.2%	4.7%	5.6%

(A) Evansville's MSA is comprised of: Posey, Vanderburgh, and Warrick Counties in Indiana and Henderson County, Kentucky

Source: Indiana Department of Workforce Development

**ECONOMIC DEMOGRAPHIC INFORMATION
PERTAINING TO THE
CITY OF EVANSVILLE AND VANDERBURGH COUNTY
(continued)**

**MSA NONAGRICULTURAL WAGE AND SALARIED EMPLOYMENT (A)
(Round to Nearest Thousand)**

	2004	2003	2002	2001	2000	1999 (B)
Manufacturing						
Durable Goods	20.3	13.8	14.9	15.2	15.8	15.5
Non-durable Goods	15.3	14.8	14.7	16.3	16.2	16.1
Non-manufacturing						
Mining (C)	-	0.9	0.8	0.9	0.8	1.1
Contract Construction	12.5	10.7	10.8	11.1	10.9	10.9
Transportation, Communications, and Utilities	9.4	7.6	7.6	8.0	7.7	7.6
Trade						
Wholesale	7.4	7.0	7.1	8.0	8.6	8.3
Retail	20.1	18.6	18.9	31.2	31.5	30.6
Finance, Insurance, and Real Estate	6.4	7.8	7.5	8.5	8.1	7.8
Service and Miscellaneous	36.5	46.1	46.0	45.1	45.7	45.3
Government	18.0	15.7	15.7	15.6	15.8	15.6

(A) Evansville's MSA is comprised of: Posey, Vanderburgh, and Warrick Counties in Indiana and Henderson County, Kentucky.
(B) Updated Figures.

(C) Mining is combined with Contract Construction as of year 2004.

Source: Indiana Department of Workforce Development

ECONOMIC DEMOGRAPHIC INFORMATION
 PERTAINING TO THE
 CITY OF EVANSVILLE AND VANDERBURGH COUNTY
 (continued)

HOUSING AND CONSTRUCTION
 HOUSING UNITS
 VANDERBURGH COUNTY

Year	Total Units	Owner Units	Renter Units	Vacancies Number	Vacancies Rate
2000	76,300	47,184	23,439	5,677	2.1%
1990	72,637	43,287	23,493	5,857	2.3%
1980	67,502	42,196	21,834	3,472	3.7%
1970	58,011	37,620	17,151	3,057	5.3%

Source: U.S. Bureau of the Census, 1970, 1980, 1990, 2000

CITY OF EVANSVILLE
 CONSTRUCTION PERMITS AND VALUE
 TEN YEAR HISTORY

Year	RESIDENTIAL		COMMERCIAL AND INDUSTRIAL		ALL OTHER PERMITS		TOTAL	
	Number	Value	Number	Value	Number	Value	Number	Value
2004	2,349	\$ 103,314,973	718	\$ 72,660,418	6,131	\$ 51,420,926	10,700	\$ 228,299,614
2003	2,638	111,154,057	744	103,367,373	8,369	44,798,319	11,751	262,687,122
2002	2,576	85,282,211	508	45,070,140	8,198	41,338,852	11,045	237,028,205
2001	2,578	71,823,623	592	55,762,068	8,003	39,191,818	11,146	166,777,509
2000	2,216	90,977,792	545	187,749,667	7,407	60,640,836	11,840	339,368,295
1999	2,313	80,619,821	406	189,369,000	7,473	60,588,862	11,593	335,022,336
1998	1,829	79,223,929	253	59,066,158	8,681	119,441,747	10,763	257,731,834
1997	1,790	68,057,875	243	46,341,783	8,269	63,236,889	10,302	177,636,547
1996	1,785	57,233,758	304	74,104,613	8,354	90,366,153	10,443	221,704,524
1995	1,474	53,084,474	216	31,475,178	7,804	65,786,564	9,494	150,346,216

Source: Evansville-Vanderburgh County Building Commission

ECONOMIC DEMOGRAPHIC INFORMATION
 PERTAINING TO THE
 CITY OF EVANSVILLE AND VANDERBURGH COUNTY
 (continued)

CITY OF EVANSVILLE
 MAJOR EMPLOYERS
 DECEMBER 31, 2004

	Name of Employer	Nature of Business	Employees
1	Toyota Motor Manufacturing Indiana, Inc.	Pick-up Trucks, SUV's	5,000
2	Deaconess Hospital	Medical Services	3,000
3	St. Mary's Medical Center	Medical Services	2,600
4	ALCOA Warrick Operations	Aluminum Sheet and Ingot	2,450
5	Bristol-Myers Squibb	Nutrionals/Pharmaceuticals	2,300
6	Whirlpool Corporation	Refrigerators	2,200
7	Koch Enterprises, Inc.	Industrial & Autoparts Mfgr.	2,200
8	T. J. Maxx	Distribution Center	1,700
9	American General Finance	Financial Services	1,400
10	GE Plastics	Plastics-Lexan, Valox, Ultem	1,300
11	Vectren	Utility - Gas and Electric	1,300
	TOTAL		25,450

Source: The Evansville Regional Economic Development Corporation

ECONOMIC DEMOGRAPHIC INFORMATION
 PERTAINING TO THE
 CITY OF EVANSVILLE AND VANDERBURGH COUNTY
 (continued)

LARGEST INDUSTRIAL AND COMMERCIAL WATER USERS

Customer	2004 Gallonage Consumption
Bristol Myers	356,599,000
Ameriqua	200,050,000
Guardian Automotive (Windsor)	101,466,000
Deaconess Hospital	92,670,000
Whirlpool	89,656,000
St. Mary's Hospital	87,854,000
U.S.I.	86,172,000
Miller Electroplating	80,850,000
Azteca	78,035,000
PPG Ind.	72,565,000
DSM Engineering Plastics	54,775,000
University of Evansville	46,446,000
Modern Maid Food	43,118,000
Royal Crown Bottling	39,045,000
Indiana Tube	37,315,000
Wholesale/Retail	
Gibson Water Company	335,091,000
German Township Water	238,096,000
Indiana Cities Water	67,393,000
Elberfeld Water Company	39,549,000

Source: Evansville Water and Wastewater Utility

ECONOMIC DEMOGRAPHIC INFORMATION
 PERTAINING TO THE
 CITY OF EVANSVILLE AND VANDERBURGH COUNTY
 (continued)

WATER VOLUME RATED

1981 - Present
 Effective Dates

Gallons per Month	January 1, 1981	May 1, 1987	February 11, 1994	May 1, 1997	October 16, 1997	November 24, 2004
First 20,000	\$ 1.45		\$ 1.30	\$ 1.39	\$ 1.38	\$ 1.56
Next 280,000	\$ 1.12		\$ 0.99	\$ 1.08	\$ 1.07	\$ 1.21
Next 700,000	\$ 0.81		\$ 0.73	\$ 0.98	\$ 0.97	\$ 1.10
Next 2,000,000	\$ 0.64			\$ 0.86	\$ 0.85	\$ 0.97
Over 3,000,000	\$ 0.39					\$ 0.73
First 5,000	\$ 1.67					
Next 20,000	\$ 1.29					
Next 75,000	\$ 0.93					
Next 300,000	\$ 0.74					
Next 400,000	\$ 0.45					
Next 1,000,000	\$ 0.38		\$ 0.52	\$ 0.65	\$ 0.65	
Next 3,000,000						

Billings

Water use revenues were paid by these user classes in the following proportion in Fiscal Years 1998 through 2004.

	2004	2003	2002	2001	2000	1999	1998
Residential Customers	58.44%	58.61%	58.18%	58.77%	57.82%	58.20%	58.63%
Industrial Customers	41.56%	41.39%	41.82%	41.23%	42.18%	41.80%	41.37%

Source: Evansville Water and Wastewater Utility

ECONOMIC DEMOGRAPHIC INFORMATION
 PERTAINING TO THE
 CITY OF EVANSVILLE AND VANDERBURGH COUNTY
 (continued)

SCHEDULE OF OPERATING REVENUES
 CITY OF EVANSVILLE WATER UTILITY

	2004	2003	2002	2001	2000	1999
Water Sales						
Residential	\$ 6,739,907	\$ 5,924,471	\$ 5,966,151	\$ 5,935,645	\$ 5,928,091	\$ 6,148,869
Industrial & Commercial	\$ 4,792,513	\$ 4,183,205	\$ 4,287,809	\$ 4,163,558	\$ 4,325,123	\$ 4,422,998
Public Fire Protection	\$ 1,273,112	\$ 1,112,389	\$ 1,089,719	\$ 1,070,922	\$ 1,051,603	\$ 1,027,873
Private Fire Protection	\$ 164,698	\$ 136,391	\$ 134,764	\$ 132,582	\$ 125,055	\$ 123,766
Total	\$ 12,970,230	\$ 11,356,456	\$ 11,478,443	\$ 11,302,707	\$ 11,429,872	\$ 11,723,506

Source: Evansville Water and Wastewater Utility

CITY OF EVANSVILLE
LIABILITY AND PROPERTY INSURANCE IN FORCE
2004

TYPE OF COVERAGE	CARRIER	LIMIT	DEDUCTIBLE	ANNUAL PREMIUM
Property Coverage	Princeton E & S	\$ 250,000	\$ 100,000	Included
Property, Inland Marine and Automobile Physical Damage				
General Liability	Princeton E & S	\$ 1,000,000	\$ 100,000	Included
Each Occurrence		\$ 1,000,000	\$ 100,000	
Products/Completed Operations Aggregate		\$ 1,000,000	\$ 100,000	
Law Enforcement Annual Aggregate		\$ 1,000,000	\$ 100,000	
General Annual Aggregate		\$ 1,000,000	\$ 100,000	
Automobile Liability	Princeton E & S	\$ 1,000,000	\$ 100,000	Included
Bodily Injury/Property Damage		\$ 1,000,000	\$ 100,000	
Medical Payments - Each Person		\$ 5,000		
Medical Payments - Each Occurrence		\$ 50,000		
Public Official Liability	Princeton E & S	\$ 1,000,000	\$ 100,000	Included
Each Wrongful Act Limit		\$ 1,000,000	\$ 100,000	
Workers Compensation & Employer Liability	Princeton E & S	\$ 300,000	\$ 150,000	Included
Workers Compensation - Each Accident		\$ 300,000	\$ 150,000	
Employers Liability - Each Accident		\$ 300,000	\$ 150,000	
Excess Aggregate Insurance	Princeton E & S	\$ 1,000,000		\$ 637,299
Excess Aggregate Insurance				

CITY OF EVANSVILLE
LIABILITY AND PROPERTY INSURANCE IN FORCE
2004

Excess Property Coverage				
Property				
Earthquake		\$ 250,000	\$	202,921
Flood (Zones A, B, V)		\$ 25,000,000	\$	
		\$ 25,000,000	\$	
Boiler and Machinery				
Total Limit Per Breakdown				
		\$ 50,000,000	\$	27,870
Difference In Conditions				
Flood and Earthquake				
(Excess of \$25,000,000 Travelers Policy)		\$ 25,000,000	\$	30,000
				(XS of \$25,000,000)
Commercial Excess Follow Form				
Each Occurrence		\$ 5,000,000	\$	299,854

CITY OF EVANSVILLE
Governmental Statistical Data

Date of Founding	1819
Date of Incorporation	January 27, 1847
Form of Government	Mayor and Common Council (9 Members)
Population	121,864 (2000 Census)
Area	40.678 Square Miles
Sewers	500 Miles
Streets	518.53 Miles
Street Lights in Use	15,347
City Employees	1,146 Full-Time 302 Part-Time
Police Protection	285 Sworn Police Officers 288 Vehicular Units
Fire Protection	272 Sworn Fire Firefighters 14 Fire Stations

CITY OF EVANSVILLE
 Governmental Statistical Data
 (continued)

PUBLIC-OWNED RECREATION

2,300	Acres of Park Land	Mesker Park Zoo
65	Park Locations	Roberts Stadium
2	18-Hole Golf Courses	Swonder Ice Rink
1	9-Hole Golf Course	Carver-Ridley Rollerdrome
1	Lighted Par-3 Golf Course	Mesker Outdoor Amphitheater
9	Swimming Pools	Wesselman Park Nature Preserve
7	Park Rental Shelters	C.K. Newsome Community Center
33	Tennis Courts	Vandeveer Victory Theatre
24	Basketball Courts	
69	Acres Goebel Soccer Complex	

PUBLIC TRANSPORTATION - METS

26	Buses	17 Routes
4	Trolleys	1,368,510 Route Miles
15	Mini-Buses	1,530,964 Annual Rides
8	Mini-Vans	1,485,992 Miles/Annual

WATER UTILITY

Capacity of 60,000,000 Gallons per day
 Average 2004 Daily Usage: 21,700,000
 Average 2003 Daily Usage: 24,200,000
 Average 2002 Daily Usage: 19,700,000
 Average 2001 Daily Usage: 21,800,000

Annual Usage by Customer Type in 2004:
 Residential 3,425,000,000
 Commercial 4,489,000,000

Total Gallons 7,914,000,000

The water utility serves 56,607 households and 2,144 commercial/industrial firms.

AVERAGE ANNUAL TEMPERATURE

56.6 Degrees F

TOTAL ANNUAL PRECIPITATION

43.50 Inches

AIRPORT PASSENGERS BOARDED

230,690

THIS PAGE INTENTIONALLY LEFT BLANK

