

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENTS AUDIT REPORT

CITY OF EVANSVILLE

VANDERBURGH COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**  
12/30/2020



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Russell G. Lloyd Jr., CPA	01-01-19 to 12-31-20
Mayor	Lloyd Winnecke	01-01-19 to 12-31-20
President of the Board of Public Works	Marty Amsler	01-01-19 to 12-31-20
President of the Common Council	Jim Brinkmeyer Alex Burton	01-01-19 to 12-31-19 01-01-20 to 12-31-20
Director of Utilities	Allen Mounts (Vacant) Lane Young	01-01-19 to 08-14-20 08-15-20 to 08-23-20 08-24-20 to 12-31-20
Chief Financial Officer of Utilities	Jenny Collins	01-01-19 to 12-31-20
President of the Department of Water Works Board	Robert Dillow	01-01-19 to 12-31-20



## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Evansville (City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Evansville Land Bank nor the Evansville Bond Bank, which represent 51 percent, 100 percent, 52 percent, and 24 percent of the total assets, deferred inflows of resources, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Evansville Land Bank and Evansville Bond Bank, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement. The financial statements of the Evansville Land Bank was audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the City's Proportionate Share of the Net Pension Liability Public Employees' Retirement Fund, Schedule of the City's Contributions Public Employees' Retirement Fund, Schedule of the Utility's Proportionate Share of the Net Pension Liability Public Employees' Retirement Fund, Schedule of the Utility's Contributions Public Employees' Retirement Fund, Schedule of the City's Proportionate Share of the Net Pension Liability Police Officers' 1977 Fund, Schedule of the City Contributions Police Officers' 1977 Fund, Schedule of the City's Proportionate share of the Net Pension Liability Firefighters' 1977 Fund, Schedule of City Contributions Firefighters 1977 Fund, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of Contributions, Schedule of Investment Returns, Schedule of Changes in the City's Total OPEB Liability and Related Ratios, Budgetary Comparison Schedule General Fund, Budgetary Comparison Schedule Local Income Tax, Budgetary Comparison Schedule Casino, Budget/GAAP Reconciliation General Fund and Major Special Revenue Funds, and Notes to Required Supplementary Information, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. Although our opinion on the basic financial statements is not affected, condensed financial information from the prior year's government-wide financial statements is not presented in the Management's Discussion and Analysis which is a material departure from the prescribed guidelines. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

*Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Combining Balance Sheet Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds, Combining Balance Sheet Nonmajor Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds, Combining Balance Sheet Nonmajor Debt Service Funds, Combining Statements of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Debt Service Funds, Combining Balance Sheet Nonmajor Capital Projects Funds, Combining Statements of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Capital Projects Funds, Combining Balance Sheet Nonmajor Permanent Funds, Combining Statements of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Permanent Funds, Combining Statement of Net Position Nonmajor Component Units, Combining Statement of Activities Nonmajor Component Units, Combining Balance Sheet Internal Service Funds, Combining Statements of Revenues, Expenditures, and Changes in Fund Balances Internal Service Funds, Statement of Fiduciary Net Position Pension Trust, and Statement of Changes in Fiduciary Net Position Pension Trust are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Balance Sheet Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds, Combining Balance Sheet Nonmajor Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds, Combining Balance Sheet Nonmajor Debt Service Funds, Combining Statements of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Debt Service Funds, Combining Balance Sheet Nonmajor Capital Projects Funds, Combining Statements of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Capital Projects Funds, Combining Balance Sheet Nonmajor Permanent Funds, Combining Statements of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Permanent Funds, Combining Statement of Net Position Nonmajor Component Units, Combining Statement of Activities Nonmajor Component Units, Combining Balance Sheet Internal Service Funds, Combining Statements of Revenues, Expenditures, and Changes in Fund Balances Internal Service Funds, Statement of Fiduciary Net Position Pension Trust, and Statement of Changes in Fiduciary Net Position Pension Trust are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

December 17, 2020

CITY OF EVANSVILLE, IN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of 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 year ended December 31, 2019. 2019 is the first year the City is presenting a Management Discussion and Analysis. As such, comparisons to prior year data are not available. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$165,178 (net position).
- The City's total net position increased by \$11,127 as compared to the 2018 total net position.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$216,172 an increase of \$3,139 in comparison with the prior year. Approximately 2.7% of the total amount in the combined ending fund balances, \$5,934 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the general fund was \$7,648 which represented 8.4% of total general fund expenditures, excluding transfers out.
- The City's Governmental activities total bond related debt decreased by \$11,663 (3.5%) during the current fiscal year. The net change was the result of principal payments on existing debt. While the City's business-type activities bond related debt increased by \$57,675 (21.7%) during the current fiscal year. The net change was a result of Water and Sewer bonds issued during 2019.

**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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

The government-wide financial statements can be found on pages 20-23 of this report.

CITY OF EVANSVILLE, IN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**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, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All 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 in evaluating 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 several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Casino Fund, Local Income Tax fund and Evansville Redevelopment Authority which are considered to be major funds. Data for the remaining City governmental funds are combined into a single, aggregated presentation. Individual fund data for non-major 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 and certain capital projects funds. Budgetary comparison schedules have been provided for the general fund and major special revenues funds in the required supplementary information.

The governmental fund financial statements can be found on pages 24-27 of this report.

**Proprietary funds.** The City maintains two 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 water and wastewater operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses the internal service fund to account for health insurance/flexible spending. Because these services benefit the governmental-type functions, they have been included within the governmental activities on the Statement of Net Position in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 28-31 of 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.

The basic fiduciary fund financial statements can be found on pages 32-33 of this report.

**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 on pages 34-103 of this report.

CITY OF EVANSVILLE, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS

**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 funding progress for its obligation to provide pension and other post-employment benefits to certain employees is included as supplementary information. Required supplementary information can be found on pages 104-127 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found pages on 128-167 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City, assets exceeded liabilities by \$165,178 at the close of the most recent fiscal year.

The largest portion, \$365,157 (221.1%) of the City's net position reflects the investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding, with \$243,373 (147.3%) reflecting restricted net position. 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 position:

**Evansville City, Indiana, Net Position**

	<u>Governmental</u> <u>Activities</u> <u>2019</u>	<u>Business-Type</u> <u>Activities</u> <u>2019</u>	<u>Total</u> <u>2019</u>
Current and other assets	\$ 222,664	\$ 461,424	\$ 684,088
Non current assets	-	1,492	1,492
Capital assets	<u>446,915</u>	<u>647,286</u>	<u>1,094,201</u>
Total assets	669,579	1,110,202	1,779,781
Deferred outflow of resources	<u>61,995</u>	<u>9,434</u>	<u>71,429</u>
Long-term liabilities	841,402	767,568	1,608,970
Other liabilities	<u>36,542</u>	<u>16,527</u>	<u>53,069</u>
Total liabilities	<u>877,944</u>	<u>784,095</u>	<u>1,662,039</u>
Deferred inflow of resources	<u>22,751</u>	<u>1,243</u>	<u>23,994</u>
Net investment in capital assets	118,394	246,763	365,157
Restricted net position	210,239	38,334	248,573
Unrestricted net position	<u>(497,754)</u>	<u>49,201</u>	<u>(448,553)</u>
Total net position	<u>\$ (169,121)</u>	<u>\$ 334,298</u>	<u>\$ 165,177</u>

CITY OF EVANSVILLE, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS

The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. A negative balance for unrestricted net position is more common for units of government like the City that utilize pay as you go policies for long-term debt, pensions and other post-employment benefits rather than accumulating assets in advance.

**Governmental Activities**

The following table provides a comparative summary of changes in net position for the City.

	Governmental Activities 2019	Business-Type Activities 2019	Total 2019
Revenues:			
Program revenues:			
Charges for services	\$ 15,270	\$ 130,982	\$ 146,252
Operating grants and contributions	21,060	-	21,060
General revenues:			
Property taxes	73,272	-	73,272
Income taxes	28,392	-	28,392
Other taxes	22,061	-	22,061
Contributions	-	2,177	2,177
Other	31,566	9,847	41,413
<b>Total revenues</b>	<b>191,621</b>	<b>143,006</b>	<b>334,627</b>
Expenses:			
General government	36,132	-	36,132
Public safety	84,878	-	84,878
Highways and streets	39,304	-	39,304
Urban redevelopment	13,229	-	13,229
Wastewater	-	66,456	66,456
Water	-	44,630	44,630
Culture and recreation	18,613	-	18,613
Interest expense	20,257	-	20,257
<b>Total expenses</b>	<b>212,413</b>	<b>111,086</b>	<b>323,499</b>
Change in net position	(20,792)	31,920	11,128
Net position-beginning	(148,329)	302,379	154,050
<b>Net position at December 31</b>	<b>\$ (169,121)</b>	<b>\$ 334,299</b>	<b>\$ 165,178</b>

The City's net position from governmental activities decreased by \$20,792 or 14.0% in 2019, over the net position of 2018. The City's net position from Business-type activities increased by \$31,919 or 10.6% in 2019, over the net position of 2018. Notable revenues and expenses in 2019 include the following:

- Operating grants and contributions of \$11,351 and \$9,709 for general government and highways and streets respectively.
- Property tax revenue and income tax revenue and other taxes of \$73,272, 28,392 and 22,061 respectively.

CITY OF EVANSVILLE, IN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

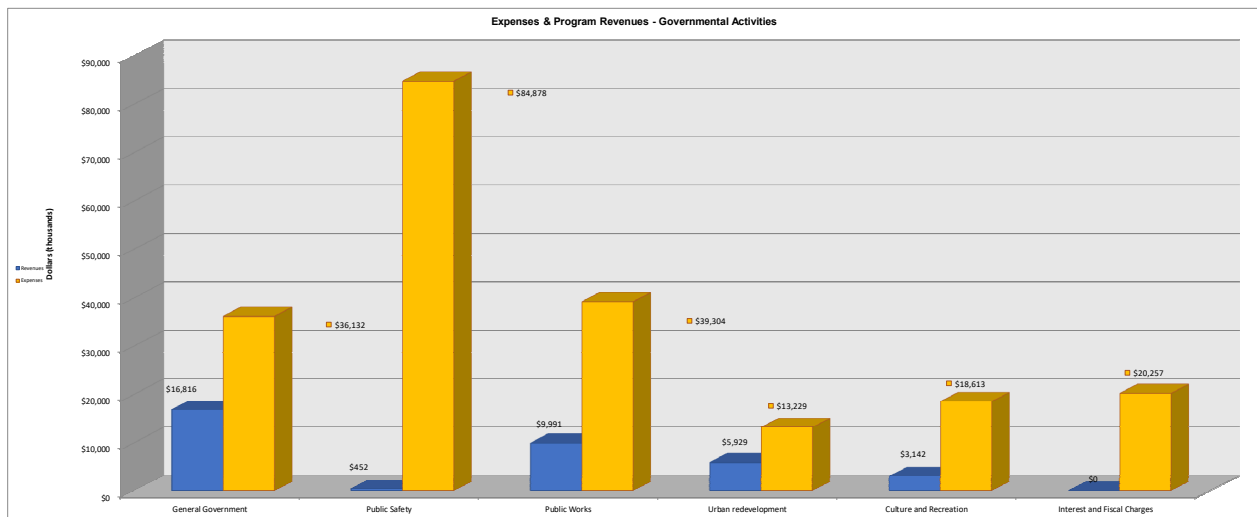
- Auto and aircraft excise taxes; wheel tax, financial institutions tax and gaming taxes were \$4,872, \$1,996, \$499 and \$6,617 respectively.
- General government expenses were \$36,132.
- Public safety expenses were \$84,878 in 2019.
- Highways and streets expenses were \$39,304 .
- Culture and recreation expenses were \$18,613.
- Interest expense decreased was 20,257 in 2019.

The City's overall cash and cash equivalents position \$381,832, remained strong in the current economic environment, which posed many challenges in the local government arena. The City's property tax rate for 2019 increased to \$1.6144 from \$1.5805 for 2018, per \$100 of assessed value for Evansville City and.

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

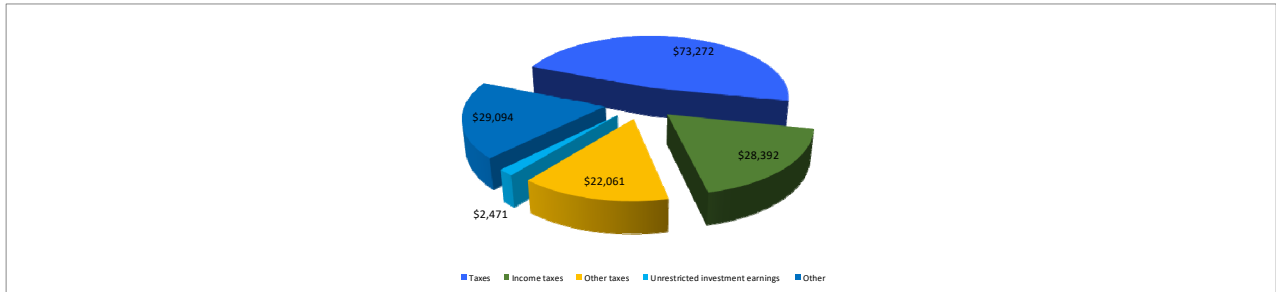
**Program Revenue and Expenses – Governmental Activities**

Taxes, as in prior years, were the City's major source of revenue supporting its activities, primarily in the area of public safety, health and welfare and general government. Other sources of revenue consisted primarily of unrestricted investment earnings and miscellaneous revenue. The following table displays program revenues as compared to program expenses. Deficits in programs are made up by general revenues.



The following displays the General Revenues by source for the City's governmental activities. General revenues are used to help offset funding shortfalls related to governmental functions detailed in the preceding graph:

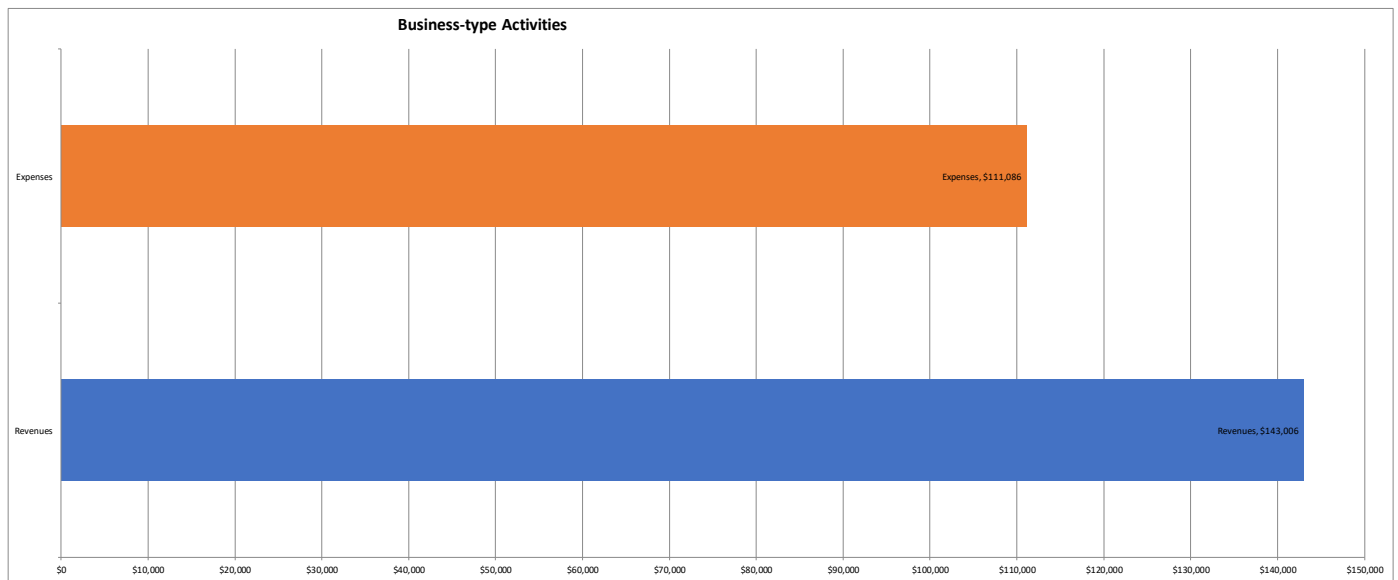
CITY OF EVANSVILLE, IN  
MANAGEMENT'S DISCUSSION AND ANALYSIS



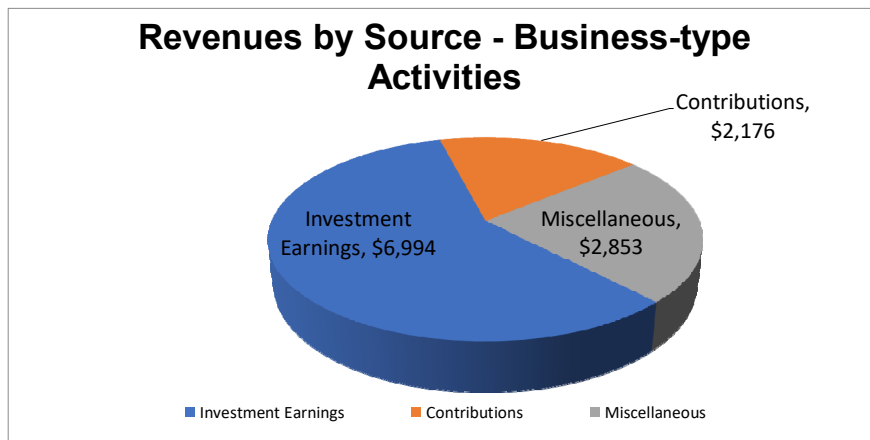
**Business-type Activities**

Business-type activities resulted in an increased net position of \$31,919 in 2019.

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



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



MANAGEMENT'S DISCUSSION AND ANALYSIS

**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. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$216,172 an increase of \$3,139 in comparison with the prior year.

Fund balances are the differences between assets and liabilities in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund and deficit fund balances in any other governmental fund.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$216,172 an increase of \$3,139 in comparison with the prior year. The fund balance has restricted fund balance of \$207,633, committed fund balance of \$2,606, unassigned fund balance of \$5,934 See page 24.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,648 while the total fund balance totaled \$7,648. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures of \$90,308 excluding transfers. Unassigned fund balance represents 8.5% of total general fund expenditures, while total fund balance represents 8.5% of that same amount.

The fund balance of the City general fund had a decrease of \$1,472 during the current fiscal year. Key factors in this decrease are as follows:

- Expenditures exceeded revenues by \$16,065 excluding other financing sources and uses. Fund balance was increased 14,633 due to transfers from other funds.
- Major revenues include property taxes of \$56,112, other taxes of \$4,680, Intergovernmental revenues of \$6,172, charges for services of \$1,820 and fines and forfeits of \$1,547.
- Major expenditure changes include general government of \$20,968, public safety of \$67,819 and urban redevelopment of \$1,315 in 2019.

**General Fund Budgetary Highlights**

The City submits annual budgets to align planned spending with available revenues to ensure operational accountability over City resources. This process correlates with longer term fiscal planning to help ensure that the City can continue to provide services in all economic conditions. Assumptions used at the time of budget adoption are adjusted during the ensuing year through additional appropriations or budget reductions as circumstances dictate.

CITY OF EVANSVILLE, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS

Differences between the original budget and the final budget included a \$555,624 increase in appropriations that are briefly summarized below:

- The final budget for the general fund was unchanged from the original budget passed by the City council.
- During the year on a budgetary basis, expenditures exceeded revenues, excluding other financing sources (uses) for the general fund in the amount of \$14,593.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental activities and business-type activities as of December 31, 2019 amounts to \$446,916 and \$647,286 respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

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

- Construction in progress expenditures totaling \$13,450 during 2019 related to projects for various road projects, the aquatic center, drainage projects and a penguin exhibit.
- Construction in progress for the Water Utility of \$15,172 and the Wastewater Utility of \$68,820 are for plant maintenance and equipment.
- Completed projects include various road projects.

The following table displays the City's capital assets.

CITY OF EVANSVILLE, IN

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Evansville City, Indiana, Capital Assets**

	Governmental Activities	Business-Type Activities	Total
Land	\$ 22,695	\$ 4,945	\$ 27,640
Construction in progress	12,972	145,624	158,596
Buildings	180,752	204,132	384,884
Improvements	57,302	8,345	65,647
Machinery and equipment	59,804	91,972	151,776
Infrastructure	<u>572,551</u>	<u>533,568</u>	<u>1,106,119</u>
Total capital assets	906,076	988,586	1,894,662
Accumulated depreciation	<u>(459,161)</u>	<u>(341,300)</u>	<u>(800,461)</u>
Net capital assets	<u>\$ 446,915</u>	<u>\$ 647,286</u>	<u>\$ 1,094,201</u>

**Long-term obligations.** At the end of the current fiscal year, the City had outstanding total long-term debt related liabilities (net of unamortized premiums and discounts) of \$821,284 related to governmental activities and \$724,611 related to business-type activities. Of this amount, \$16,380 relates to TIF bonds, \$243,802 comprises lease rental bonds and \$78,034 of revenue bonds for governmental activities, and \$329,450 relates to revenue bond debt for the business-type activities.

The remainder of the City's long-term obligations consist of \$767 and \$2,089 related to a capital lease for the governmental activities and business-type activities respectively, \$606 related to loans payable for governmental activities; \$331,348 of other postemployment benefits for governmental activities and \$164,774 and 7,377 of net pension liability for governmental activities and business-type activities respectively. The following table reflects the City's long-term obligations:

	Governmental Activities	Business-type Activities	Total
TIF bonds	\$ 16,380	\$ -	\$ 16,380
Lease rental bonds	243,802	-	243,802
Revenue bonds	<u>78,034</u>	<u>329,450</u>	<u>407,484</u>
Sub-total	<u>338,216</u>	<u>329,450</u>	<u>667,666</u>
Compensated absences	5,690	1,231	6,921
Capital leases	767	2,089	2,856
Loans payable	606	406,046	406,652
Other postemployment benefits	331,348	-	331,348
Payments in lieu of tax	-	703	703
Net pension liability	<u>164,774</u>	<u>7,377</u>	<u>172,151</u>
Sub-total	<u>503,185</u>	<u>417,446</u>	<u>920,631</u>
Less current portion	<u>(20,117)</u>	<u>(22,285)</u>	<u>(42,402)</u>
Total long-term obligations	<u>\$ 821,284</u>	<u>\$ 724,611</u>	<u>\$ 1,545,895</u>

The City maintains long-term ratings on its outstanding parks district and redevelopment district bonds (which are rated as a general obligation security pledge) of "AA-", a long-term rating of "A" on its outstanding COIT/local income tax revenue bonds, and long-term ratings of "A+" on its outstanding waterworks and sewage works bonds assigned by S&P Global Ratings. Moody's Investor Service has assigned an "Aa3" long-term rating to the City's outstanding COIT/local income tax revenue bonds and an "A1" long-term bond rating to the City's outstanding sewage works revenue bonds.

CITY OF EVANSVILLE, IN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Additional information of the City's long-term debt can be found on pages 58-67 in Notes to the Financial Statements of this report.

**Economic Factors and Next Year's Budget and Rates**

- The 2020 tax rates for the City of Evansville increased from \$1.6144 in 2019 to a rate of \$1.6637 per \$100 in assessed value. Overall the City's assessed value increased by approximately 4.4% from 2019 to 2020.
- The City is continuing to see an increase in new building and development activity, an indicator that the current economic climate is good. As a result, prior estimates of growth in tax base and related property tax revenues were showing improvement when the 2020 budget was adopted.
- Property tax is the City's largest source of revenue. Local Income Tax (LIT) is the second largest source of the City's current governmental revenues. These funds can be used for capital projects as well as ongoing operating expenses. The recent improvement in employment has had a positive impact on LIT paid by City residents.
- State-wide property tax caps (based upon a percent of gross AV by property class) became effective in 2009. For the 2019 budget year, the loss to the City due to the caps is \$14,120. Expenditure restraints and revenue diversification have been used to offset this loss.

All the above factors were considered in preparing the City's budget for the 2020 calendar year.

After the budget was adopted, the likely economic impacts from the Corona Virus are requiring further budget adjustments. These impacts will affect, at a minimum the following areas:

- Investment valuations and likely decreases to investment income
- Declines in revenues such as room tax, sales tax, income tax, state aids, fines or tickets etc.
- Decline in demand for services such as utilities, transit, recreational enterprise activities or permits and licenses, airport traffic
- Increase in delinquencies or uncollectible accounts receivable or loans receivable
- Timing or ability to issue bonds as planned or obtain financing (as the market has been disrupted)
- Increase in demand for services as a result of increased unemployment
- Increased costs related to pensions, OPEB, insurance, labor (sick time or overtime), etc.

**Request 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, 1 NW Martin Luther King Boulevard, Evansville, IN 47708.

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## BASIC FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were prepared by management of the City. The financial statements and notes are presented as intended by the City.

CITY OF EVANSVILLE, INDIANA  
STATEMENT OF NET POSITION  
December 31, 2019

Assets	Primary Government			Component Units
	Governmental Activities	Business- type Activities	Totals	
Cash and cash equivalents	\$ 41,468,945	\$ 40,255,272	\$ 81,724,217	\$ 4,464,024
Investments	51,795,916	-	51,795,916	10,891,165
Receivables				
Interest	1,232	-	1,232	13,169
Taxes	12,466,102	-	12,466,102	-
Accounts (net of allowance)	815,837	8,984,573	9,800,410	-
Contracts	-	-	-	595,508
Intergovernmental	5,876,758	-	5,876,758	-
Lease	-	-	-	196,811
Note	-	-	-	3,857,358
Other	-	167,316	167,316	-
Inventories	750,603	1,509,939	2,260,542	126,193
Prepays	707,360	5,192,480	5,899,840	-
Due from other fund	-	858,522	858,522	83,333
Restricted cash and cash equivalents	-	300,107,782	300,107,782	-
Assets limited as to use:				
Investments	-	-	-	-
Other assets	-	-	-	-
Restricted investments	108,781,305	104,347,552	213,128,857	-
Noncurrent assets				
Restricted cash and cash equivalents	-	-	-	-
Interest receivable	-	1,440,065	1,440,065	-
Other receivable	-	52,190	52,190	-
Capital assets:				
Land and construction in progress	35,666,657	150,569,310	186,235,967	2,530,673
Other capital assets, net of depreciation	411,248,739	496,717,109	907,965,848	3,351,545
<b>Total assets</b>	<b>669,579,454</b>	<b>1,110,202,110</b>	<b>1,779,781,564</b>	<b>26,109,779</b>
Deferred outflows of resources:				
Deferred charge on refunding	10,462,207	2,505,105	12,967,312	-
Regulatory asset	-	5,844,135	5,844,135	-
Pension Related	11,570,984	1,084,894	12,655,878	-
OPEB Related	39,961,953	-	39,961,953	-
<b>Total deferred outflow of resources</b>	<b>61,995,144</b>	<b>9,434,134</b>	<b>71,429,278</b>	<b>-</b>

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

Continued on next page

CITY OF EVANSVILLE, INDIANA  
STATEMENT OF NET POSITION  
December 31, 2019  
(Continued)

Liabilities	Primary Government			Component Units
	Governmental Activities	Business- type Activities	Totals	
Accounts payable	\$ 6,074,520	\$ 4,461,040	\$ 10,535,560	\$ 641,703
Accrued payroll and withholdings payable	879,344	387,165	1,266,509	26,195
Accrued interest payable	3,458,271	10,699,119	14,157,390	-
Taxes payable	-	150,992	150,992	-
Claims payable	242,490	-	242,490	-
Interfund services provided and used	-	828,912	828,912	-
Blight Elimination mortgage program	-	-	-	46,522
Assets held for others	25,885,126	-	25,885,126	-
DMD seed money	2,500	-	2,500	-
Noncurrent liabilities:				
Due within one year:				
TIF Bonds	733,003	-	733,003	-
Loans	107,572	-	107,572	-
Revenue bonds	8,104,224	13,155,000	21,259,224	-
Lease rental bonds	5,095,000	-	5,095,000	-
Leases payable	387,031	450,771	837,802	-
Compensated absences	5,690,564	1,230,809	6,921,373	-
Contracts payable	-	14,944,916	14,944,916	-
Retainage payable	-	4,086,685	4,086,685	-
Customer deposits	-	1,635,371	1,635,371	-
Assistance program	-	4,381	4,381	-
State revolving fund loan - current	-	7,448,000	7,448,000	-
Due in more than one year:				
TIF bonds (net of discounts, premiums)	15,646,789	-	15,646,789	-
Loans	498,678	-	498,678	-
Revenue bonds (net of discounts, premiums)	69,929,691	316,294,711	386,224,402	118,989
Bonds payable escrow	-	-	-	7,143
Lease rental bonds	238,707,336	-	238,707,336	-
Leases payable	379,786	1,638,228	2,018,014	-
State revolving fund loan payable	-	398,598,436	398,598,436	-
Payments in lieu of tax	-	702,956	702,956	-
Net pension liability	164,773,713	7,377,233	172,150,946	-
Total OPEB obligation payable	331,348,355	-	331,348,355	-
<b>Total liabilities</b>	<b>877,943,993</b>	<b>784,094,725</b>	<b>1,662,038,718</b>	<b>840,552</b>
Deferred inflows of resources:				
Pension related	13,200,971	1,242,821	14,443,792	-
OPEB related	9,550,646	-	9,550,646	-
Deferred revenue	-	-	-	13,169
<b>Total deferred inflow of resources</b>	<b>22,751,617</b>	<b>1,242,821</b>	<b>23,994,438</b>	<b>13,169</b>
<b>Net Position</b>				
Net investment in capital assets	118,394,743	246,762,583	365,157,326	-
Net position - restricted for:				
General Government	10,893,505	-	10,893,505	-
Public Safety	4,408,621	-	4,408,621	-
Highways and streets	8,326,676	-	8,326,676	-
Urban redevelopment	150,933,489	-	150,933,489	-
Culture and recreation	1,057,928	-	1,057,928	-
Capital Projects	-	38,334,268	38,334,268	-
Debt service	34,618,205	-	34,618,205	-
Net position - unrestricted	(497,754,179)	49,201,847	(448,552,332)	25,256,058
<b>Total net position</b>	<b>\$ (169,121,012)</b>	<b>\$ 334,298,698</b>	<b>\$ 165,177,686</b>	<b>\$ 25,256,058</b>

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

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**CITY OF EVANSVILLE, INDIANA**  
STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2019

Functions/Programs	Net (Expenses) Revenues and						Component Units
	Expenses	Program Revenues		Changes in Net Position		Totals	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Primary Government	
<b>Governmental Activities</b>							
General government	\$ 36,132,206	\$ 5,465,587	\$ 11,350,862	\$ (19,315,757)	\$ -	\$ (19,315,757)	\$ -
Public safety	84,877,571	451,734	-	(84,425,837)	-	(84,425,837)	-
Highways and streets	39,303,848	281,639	9,709,110	(29,313,099)	-	(29,313,099)	-
Urban redevelopment	13,228,715	5,928,927	-	(7,299,788)	-	(7,299,788)	-
Culture and recreation	18,612,616	3,141,976	-	(15,470,640)	-	(15,470,640)	-
Interest and fiscal charges	20,257,456	-	-	(20,257,456)	-	(20,257,456)	-
<b>Total Governmental Activities</b>	<b>212,412,412</b>	<b>15,269,863</b>	<b>21,059,972</b>	<b>(176,082,577)</b>	<b>-</b>	<b>(176,082,577)</b>	<b>-</b>
<b>Business-type Activities</b>							
Water utility	44,629,945	48,088,829	-	-	3,458,884	3,458,884	-
Wastewater Utility	66,456,167	82,893,411	-	-	16,437,244	16,437,244	-
<b>Total Business-type Activities</b>	<b>111,086,112</b>	<b>130,982,240</b>	<b>-</b>	<b>-</b>	<b>19,896,128</b>	<b>19,896,128</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 323,498,524</b>	<b>\$ 146,252,103</b>	<b>\$ 21,059,972</b>	<b>(176,082,577)</b>	<b>19,896,128</b>	<b>(156,186,449)</b>	<b>-</b>
<b>Component Units</b>	<b>\$ 5,497,355</b>	<b>\$ 5,610,279</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,924</b>
<b>General Revenues</b>							
Property taxes				73,271,582	-	73,271,582	-
Income taxes				28,391,576	-	28,391,576	-
Other taxes				22,061,422	-	22,061,422	-
Shared revenues				413,710	-	413,710	-
Contributions				-	2,176,492	2,176,492	-
Investment income				2,470,988	6,993,601	9,464,589	-
Miscellaneous				28,680,983	2,853,173	31,534,156	-
<b>Total General Revenues and Transfers</b>				<b>155,290,261</b>	<b>12,023,266</b>	<b>167,313,527</b>	<b>-</b>
<b>Change in Net Position</b>				<b>(20,792,316)</b>	<b>31,919,394</b>	<b>11,127,078</b>	<b>112,924</b>
<b>NET POSITION - Beginning of Year</b>				<b>(148,328,696)</b>	<b>302,379,304</b>	<b>154,050,608</b>	<b>25,143,134</b>
<b>NET POSITION - END OF YEAR</b>				<b>\$ (169,121,012)</b>	<b>\$ 334,298,698</b>	<b>\$ 165,177,686</b>	<b>\$ 25,256,058</b>

CITY OF EVANSVILLE, INDIANA  
BALANCE SHEET -  
GOVERNMENTAL FUNDS  
December 31, 2019

	General Fund	Local Income Tax	Casino Fund	Evansville Redevelopment Authority	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 2,222,346	\$ 1,276,813	\$ 5,713,118	\$ -	\$ 34,320,035	\$ 43,532,312
Investments	800,951	3,145,656	15,525,009	103,526,788	37,578,818	160,577,222
Inventories	-	-	-	-	456,799	456,799
Other assets	-	-	-	-	558	558
Receivables:						
Taxes	4,289,198	5,396,639	984,983	-	1,795,282	12,466,102
Interest	-	-	1,232	-	-	1,232
Accounts	564,649	-	7,305	-	104,696	676,650
Intergovernmental	666,400	1,000,000	1,643,135	-	2,567,223	5,876,758
<b>Total assets</b>	<b>8,543,544</b>	<b>10,819,108</b>	<b>23,874,782</b>	<b>103,526,788</b>	<b>76,823,411</b>	<b>223,587,633</b>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	301,714	432,215	1,471,618	-	1,503,124	3,708,671
DMD seed money	-	-	-	-	2,500	2,500
Accrued payroll and withholdings payable	593,545	-	-	-	274,160	867,705
<b>Total liabilities</b>	<b>895,259</b>	<b>432,215</b>	<b>1,471,618</b>	<b>-</b>	<b>1,779,784</b>	<b>4,578,876</b>
Deferred Inflows of Resources:						
Unavailable revenue	-	2,251,854	-	-	584,475	2,836,329
Fund balances:						
Reserved for:						
Restricted	-	8,135,039	22,403,164	103,526,788	73,567,763	207,632,754
Committed	-	-	-	-	2,605,670	2,605,670
Unassigned	7,648,285	-	-	-	(1,714,281)	5,934,004
<b>Total fund balances</b>	<b>7,648,285</b>	<b>8,135,039</b>	<b>22,403,164</b>	<b>103,526,788</b>	<b>74,459,152</b>	<b>216,172,428</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 8,543,544</b>	<b>\$ 10,819,108</b>	<b>\$ 23,874,782</b>	<b>\$ 103,526,788</b>	<b>\$ 76,823,411</b>	<b>\$ 223,587,633</b>

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

CITY OF EVANSVILLE, INDIANA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
December 31, 2019

Fund balance - governmental funds		\$ 216,172,428
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Land and construction in progress	\$ 35,666,657	
Other capital assets, net of depreciation	<u>411,248,739</u>	446,915,396
Prepays are not current financial resources and, therefore, are not reported in the funds.		707,360
Inventories reported in the Net Position but not in the fund financial statements		293,804
Other assets are not available to pay current liabilities and therefore, are not reported as assets in the Statement of net position.		(558)
Pension liability is not paid from current financial resources and, therefore, is not shown in the funds.		(164,773,713)
Deferred outflows of resources on the loss on refunding of debt are not recognized in the governmental funds, but are recorded in the statement of net position		10,462,207
Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		11,570,984
Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		(13,200,971)
Unavailable revenues are not available to pay current liabilities and, therefore, are not reported as liabilities in the Statement of Net Position.		2,836,329
Internal service funds are used by management to charge the costs of insurance to General and Highway Funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		(4,544,158)
Total OPEB liability is not paid from current financial resources and, therefore, is not shown in the funds.		(331,348,355)
Deferred outflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position		39,961,953
Deferred inflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position		(9,550,646)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(5,690,564)
Assets held for others are not due and payable in the current period and, therefore, are not reported in the funds		(25,885,126)
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.		(3,458,271)
Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported in the funds:		(606,250)
Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the funds:		(766,817)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Lease rental bonds	\$ (243,802,337)	
Tax increment financing bonds	(16,379,792)	
Revenue bonds	<u>(78,033,915)</u>	(338,216,044)
Net position of governmental activities		<u>\$ (169,121,012)</u>

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 FUNDS  
For The Year Ended December 31, 2019

	General Fund	Local Income Tax	Casino Fund	Evansville Redevelopment Authority	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes:						
Property	\$ 56,111,824	\$ -	\$ -	\$ -	\$ 17,159,758	\$ 73,271,582
Income	-	21,528,226	-	-	6,863,350	28,391,576
Other	4,680,155	-	6,616,943	-	7,927,995	19,225,093
Licenses and permits	1,322,229	-	-	-	40,151	1,362,380
Intergovernmental	6,172,200	1,000,000	1,331,505	-	12,902,115	21,405,820
Charges for services	1,819,709	-	-	-	2,418,626	4,238,335
Fines and forfeits	1,546,525	-	-	-	173,918	1,720,443
Investment Income	235,360	81,044	450,760	935,571	754,159	2,456,894
Other	2,355,161	2,036,529	4,859,149	10,998,212	16,620,641	36,869,692
<b>Total revenues</b>	<b>74,243,163</b>	<b>24,645,799</b>	<b>13,258,357</b>	<b>11,933,783</b>	<b>64,860,713</b>	<b>188,941,815</b>
<b>Expenditures:</b>						
Current:						
General government	20,968,368	6,890,390	-	12,955,271	1,362,836	42,176,865
Public safety	67,819,405	-	-	-	121,421	67,940,826
Highways and Streets	-	-	-	-	8,005,194	8,005,194
Urban redevelopment	1,315,004	-	5,676,789	-	6,571,611	13,563,404
Culture and recreation	-	-	-	-	14,064,493	14,064,493
Debt service:						
Principal	162,586	-	1,767,342	3,295,000	6,964,440	12,189,368
Interest	42,946	-	160,146	4,825,411	12,374,902	17,403,405
Capital outlay	-	118,697	4,781,646	-	29,218	4,929,561
General government	-	-	-	-	2,684,337	2,684,337
Highways and streets	-	-	-	-	2,269,539	2,269,539
<b>Total expenditures</b>	<b>90,308,309</b>	<b>7,009,087</b>	<b>12,385,923</b>	<b>21,075,682</b>	<b>54,447,991</b>	<b>185,226,992</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(16,065,146)</b>	<b>17,636,712</b>	<b>872,434</b>	<b>(9,141,899)</b>	<b>10,412,722</b>	<b>3,714,823</b>
<b>Other financing sources (uses):</b>						
Transfers in	14,633,356	-	110,180	8,120,411	8,609,303	31,473,250
Transfers out	(40,215)	(12,611,924)	(2,719,310)	-	(16,677,238)	(32,048,687)
<b>Total other financing sources and uses</b>	<b>14,593,141</b>	<b>(12,611,924)</b>	<b>(2,609,130)</b>	<b>8,120,411</b>	<b>(8,067,935)</b>	<b>(575,437)</b>
<b>Net change in fund balances</b>	<b>(1,472,005)</b>	<b>5,024,788</b>	<b>(1,736,696)</b>	<b>(1,021,488)</b>	<b>2,344,787</b>	<b>3,139,386</b>
Fund balances - beginning	9,120,290	3,110,251	24,139,860	104,548,276	72,114,365	213,033,042
<b>Fund balances - ending</b>	<b>\$ 7,648,285</b>	<b>\$ 8,135,039</b>	<b>\$ 22,403,164</b>	<b>\$ 103,526,788</b>	<b>\$ 74,459,152</b>	<b>\$ 216,172,428</b>

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

CITY OF EVANSVILLE, INDIANA  
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, 2019

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$	3,139,386	
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:			
Capital outlays	\$	33,623,413	
Asset disposal		(321,901)	
Depreciation expense		<u>(33,165,102)</u>	136,410
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 position. 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 Net Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:			
Principal payments	\$	13,547,182	
Amortization of bond discount/premium and loss on refunding		<u>(774,144)</u>	12,773,038
Expenses in the Statement of Activities that do not use current financial resources are not reported as expenses in the funds:			
Deferred outflow of resources: Pension related	\$	(2,424,008)	
Deferred outflow of resources: OPEB related		39,961,953	
Inventories		<u>293,804</u>	37,831,749
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:			
Deferred inflows of resources: Pension related	\$	508,144	
Deferred inflows of resources: OPEB related		(9,550,646)	
Deferred inflows of resources: Unavailable revenue		<u>2,836,329</u>	(6,206,173)
Compensated absences reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds.			(5,690,564)
Prepays amortized in the Statement of Activities require the use of current financial resources and, therefore, are reported as expenditures in governmental funds when paid.			707,360
Accrued interest reported in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			(3,458,271)
Pension obligations are considered expenses of the general government and, therefore, are not reported as current expenditures in the funds.			(12,528,799)
OPEB obligation reported in the Statement of Activities does not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.			(47,424,926)
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.			<u>(71,526)</u>
Change in net position of governmental activities (Statement of Activities)	\$		<u>(20,792,316)</u>

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

CITY OF EVANSVILLE, INDIANA  
STATEMENT OF NET POSITION -  
PROPRIETARY FUND  
December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Utility	Wastewater Utility	Totals	Internal Service Funds
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 7,466,218	\$ 32,789,054	\$ 40,255,272	\$ (2,264,996)
Investments				201,629
<b>Receivables:</b>				
Accounts (net of allowances)	2,615,755	6,368,818	8,984,573	139,187
Miscellaneous	167,316	-	167,316	-
Inventory	1,121,023	388,916	1,509,939	-
Due from other fund	854,112	4,410	858,522	-
Prepays	139,270	5,053,210	5,192,480	-
<b>Restricted cash and cash equivalents:</b>				
Bond and interest	10,333,532	16,831,693	27,165,225	-
Debt service reserve	12,798,454	7,048,878	19,847,332	-
Improvement fund	500,000	-	500,000	-
Periodic maintenance fund	2,251,972	-	2,251,972	-
WWTP replacement fund	-	3,000,000	3,000,000	-
Construction fund	71,491,676	172,110,277	243,601,953	-
Consumer meter deposit	1,603,574	-	1,603,574	-
Excess pension - state regulation	401,482	-	401,482	-
Cash with fiscal agent	417,127	1,314,736	1,731,863	-
Assistance program	4,381	-	4,381	-
Total current assets	<u>112,165,892</u>	<u>244,909,992</u>	<u>357,075,884</u>	<u>(1,924,180)</u>
<b>Noncurrent assets:</b>				
<b>Restricted assets:</b>				
Debt service reserve investments	4,169,617	15,067,818	19,237,435	-
Construction fund investments	45,807,763	39,302,354	85,110,117	-
Other receivable	52,190	-	52,190	-
Interest receivable	767,295	672,770	1,440,065	-
Total restricted assets	<u>50,796,865</u>	<u>55,042,942</u>	<u>105,839,807</u>	<u>-</u>
<b>Capital assets</b>				
Depreciable capital assets	313,544,403	520,632,688	834,177,091	-
Lease buildings	883,092	883,092	1,766,184	-
Leased vehicles	765,939	256,316	1,022,255	-
Leased IT equipment	262,700	788,100	1,050,800	-
Less accumulated depreciation	(118,252,843)	(221,940,713)	(340,193,556)	-
Less accumulated depreciation for leased assets	(387,881)	(717,784)	(1,105,665)	-
Sub-total	196,815,410	299,901,699	496,717,109	-
Land and improvements	432,435	4,512,993	4,945,428	-
Construction work in progress	28,595,563	117,028,319	145,623,882	-
Net capital assets	<u>225,843,408</u>	<u>421,443,011</u>	<u>647,286,419</u>	<u>-</u>
Total noncurrent assets	<u>276,640,273</u>	<u>476,485,953</u>	<u>753,126,226</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 388,806,165</u>	<u>\$ 721,395,945</u>	<u>\$ 1,110,202,110</u>	<u>\$ (1,924,180)</u>
<b>Deferred outflows of resources</b>				
Regulatory assets	\$ 3,039,418	\$ 2,804,717	\$ 5,844,135	\$ -
Deferred amount on refunding	1,997,588	507,517	2,505,105	-
Deferred amount on pensions	686,521	398,373	1,084,894	-
Total deferred outflows of resources	<u>\$ 5,723,527</u>	<u>\$ 3,710,607</u>	<u>\$ 9,434,134</u>	<u>\$ -</u>

CITY OF EVANSVILLE, INDIANA  
STATEMENT OF NET POSITION -  
PROPRIETARY FUND  
December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Utility	Wastewater Utility	Totals	Internal Service Funds
Liabilities				
Current liabilities:				
Accounts payable	\$ 2,136,188	\$ 2,324,852	\$ 4,461,040	\$ 2,365,849
Leases payable	230,714	220,057	450,771	242,490
Taxes payable	150,992	-	150,992	-
Accrued wages	250,639	136,526	387,165	11,639
Due to other	-	-	-	-
Net pension liability	4,668,313	2,708,920	7,377,233	-
Interfund services provided and used	-	828,912	828,912	-
Compensated absences	730,050	500,759	1,230,809	-
Payable from restricted assets				
Contracts payable	1,631,405	13,313,511	14,944,916	-
Accrued interest	4,363,722	6,335,397	10,699,119	-
Retainage payable	837,903	3,248,782	4,086,685	-
Bonds payable - current	5,755,000	7,400,000	13,155,000	-
Customer deposits	1,635,371	-	1,635,371	-
Assistance program	4,381	-	4,381	-
State revolving fund loan - current	-	7,448,000	7,448,000	-
Total current liabilities	<u>22,394,678</u>	<u>44,465,716</u>	<u>66,860,394</u>	<u>2,619,978</u>
Noncurrent liabilities				
Revenue bonds payable	157,940,000	152,850,000	310,790,000	-
Leases payable	970,848	667,380	1,638,228	-
State Revolving Fund loan payable	77,220,000	321,378,436	398,598,436	-
Unamortized bond premium and discount, net	2,864,444	2,640,267	5,504,711	-
Payments in lieu of tax	702,956	-	702,956	-
Total noncurrent liabilities	<u>239,698,248</u>	<u>477,536,083</u>	<u>717,234,331</u>	<u>-</u>
Total liabilities	<u>262,092,926</u>	<u>522,001,799</u>	<u>784,094,725</u>	<u>2,619,978</u>
Deferred inflows of resources				
Pension related	<u>786,457</u>	<u>456,364</u>	<u>1,242,821</u>	<u>-</u>
Net Position				
Invested in capital assets, net of related debt	103,198,847	143,563,736	246,762,583	
Restricted	20,062,974	18,271,294	38,334,268	480,105
Unrestricted	<u>8,388,488</u>	<u>40,813,359</u>	<u>49,201,847</u>	<u>(5,024,263)</u>
Total net position	<u>\$ 131,650,309</u>	<u>\$ 202,648,389</u>	<u>\$ 334,298,698</u>	<u>\$ (4,544,158)</u>

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

CITY OF EVANSVILLE, INDIANA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION -  
PROPRIETARY FUND  
For The Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Utility	Wastewater Utility	Totals	Internal Service Funds
Operating revenues:				
Residential	\$ 17,590,377	\$ 35,623,905	\$ 53,214,282	\$ -
Industrial	5,380,561	10,882,560	16,263,121	-
Commercial	8,047,046	24,127,766	32,174,812	-
Public authority	1,245,380	3,075,887	4,321,267	-
Refuse services	-	4,965,682	4,965,682	-
Delinquent charges	-	1,005,583	1,005,583	-
Commercial fees	-	901,905	901,905	-
Pretreatment charges	-	554,800	554,800	-
Industrial surcharges and fines	-	1,072,776	1,072,776	-
Charges for services	-	-	-	30,064,055
Fire protection	5,482,235	-	5,482,235	-
Forfeited discounts	168,044	-	168,044	-
Sewer utility portion of general expenses	9,735,550	-	9,735,550	-
Miscellaneous	439,636	682,547	1,122,183	8,097
<b>Total operating revenues</b>	<b>48,088,829</b>	<b>82,893,411</b>	<b>130,982,240</b>	<b>30,072,152</b>
Operating expenses:				
General government	-	-	-	30,719,114
Collection system	-	6,742,697	6,742,697	-
Treatment and disposal	3,338,570	9,121,329	12,459,899	-
Customer service	3,592,514	10,177,771	13,770,285	-
Administrative and general	14,543,097	7,561,155	22,104,252	-
Source of supply	1,684,737	-	1,684,737	-
Transmission and distribution	4,706,466	-	4,706,466	-
Depreciation expenses	5,863,681	15,384,257	21,247,938	-
Lease amortization	182,759	104,965	287,724	-
<b>Total operating expenses</b>	<b>33,911,824</b>	<b>49,092,174</b>	<b>83,003,998</b>	<b>30,719,114</b>
<b>Operating income (loss)</b>	<b>14,177,005</b>	<b>33,801,237</b>	<b>47,978,242</b>	<b>(646,962)</b>
Nonoperating revenues				
Interest income	3,073,676	3,919,925	6,993,601	-
Other	830,890	1,588,850	2,419,740	-
BAB subsidy income	-	433,433	433,433	-
<b>Total nonoperating revenues</b>	<b>3,904,566</b>	<b>5,942,208</b>	<b>9,846,774</b>	<b>-</b>
Nonoperating expenses				
Interest expense	8,359,571	12,742,733	21,102,304	-
Interest expense - amortization	475,250	211,657	686,907	-
Miscellaneous	1,000	-	1,000	-
Transfers in	-	-	-	575,436
Gain on disposal of assets	-	13,303	13,303	-
<b>Total nonoperating revenues (expenses)</b>	<b>8,835,821</b>	<b>12,967,693</b>	<b>21,803,514</b>	<b>575,436</b>
<b>Income (loss) before transfers and contributions</b>	<b>9,245,750</b>	<b>26,775,752</b>	<b>36,021,502</b>	<b>(71,526)</b>
Capital contributions and transfers				
Contributed capital	1,278,663	897,829	2,176,492	-
Payment in lieu of property taxes	(1,882,300)	(4,396,300)	(6,278,600)	-
<b>Change in Net Position</b>	<b>8,642,113</b>	<b>23,277,281</b>	<b>31,919,394</b>	<b>(71,526)</b>
<b>Total net position - beginning</b>	<b>123,008,196</b>	<b>179,371,108</b>	<b>302,379,304</b>	<b>(4,472,632)</b>
<b>Total net position - ending</b>	<b>\$ 131,650,309</b>	<b>\$ 202,648,389</b>	<b>\$ 334,298,698</b>	<b>\$ (4,544,158)</b>

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

CITY OF EVANSVILLE, INDIANA  
STATEMENT OF CASH FLOWS -  
PROPRIETARY FUND  
For The Year Ended December 31, 2019

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Internal Service Fund</u>
Cash flows from operating activities:			
Cash received from customers	\$ 47,916,173	\$ 82,021,928	\$ 29,963,790
Cash paid to suppliers, employees	(24,561,432)	(33,060,393)	-
Payments for interfund services used	-	-	(30,694,986)
Net cash used by operating activities	<u>23,354,741</u>	<u>48,961,535</u>	<u>(731,196)</u>
Cash flows from noncapital financing activities:			
Transfer in	-	-	575,436
Payment in lieu of taxes	(1,882,300)	(4,396,300)	-
Total increase (decrease from noncapital financing activities)	<u>(1,882,300)</u>	<u>(4,396,300)</u>	<u>575,436</u>
Cash flows from capital and related financing activities:			
Additions to capital assets	(18,606,405)	(73,240,106)	-
Principal paid on revenue bonds	(4,870,000)	(7,220,000)	-
Principal paid on SRF bonds	-	(7,254,000)	-
Bond proceeds	39,765,000	30,000,000	-
BAN redemption	(500,000)	-	-
SRF loan proceeds	-	75,000,000	-
SRF loan drawdowns	-	31,729,978	-
Other receivable	-	3,703	-
Contracts payable	-	9,766,832	-
Retainage	(211,410)	2,013,586	-
Contributed capital	1,278,663	897,829	-
Interest paid	(6,679,714)	(10,279,786)	-
Nonoperating revenues	830,890	1,588,850	-
Nonoperating expenses	(1,000)	(13,303)	-
BAB subsidy income	-	433,433	-
Contracts paid	451,826	-	-
Deferred debits	-	(275,021)	-
Net cash from capital and related financing activities	<u>11,457,850</u>	<u>53,151,995</u>	<u>-</u>
Cash flows from investing activities:			
Proceeds (Cost) of sale of investments	(28,031,832)	37,378,531	48,371
Interest received	2,623,049	3,530,276	-
Net cash provided by investing activities	<u>(25,408,783)</u>	<u>40,908,807</u>	<u>48,371</u>
Net increase in cash and cash equivalents	7,521,508	138,626,037	(107,389)
Cash and cash equivalents, January 1	<u>99,746,908</u>	<u>94,468,601</u>	<u>(2,157,607)</u>
Cash and cash equivalents, December 31	<u>\$ 107,268,416</u>	<u>\$ 233,094,638</u>	<u>\$ (2,264,996)</u>
Reconciliation of operating income to net cash used by operating activities:			
Operating income	<u>\$ 14,177,005</u>	<u>\$ 33,801,237</u>	<u>\$ (646,962)</u>
Depreciation expense	5,863,681	15,384,257	-
Lease amortization	182,759	104,965	-
Adjustments to reconcile operating income to net cash provided by operating activities:			
Decrease (increase) in:			
Accounts receivable - customer	(612,051)	(871,483)	(108,362)
Accounts receivable - miscellaneous	439,395	-	-
Inventory	(107,883)	-	-
Interfund services provided	(56,788)	-	-
Prepaid expense	1,869,195	(569,388)	-
Customer deposits receivable	(29,478)	-	-
Due from other	-	(4,410)	-
Materials and supplies inventory	-	(8,739)	-
Increase (decrease) in:			
Accounts payable	950,704	938,604	(27,266)
Lease payable	621,974	308,277	54,193
Taxes payable	(6,440)	-	-
Accrued payroll and withholdings payable	43,791	17,412	(2,799)
Net pension liability	(51,231)	(210,811)	-
Customer deposits	48,268	-	-
Assistance program	(222)	-	-
Interfund services used	-	31,588	-
Intergovernmental payable	-	-	-
Compensated absences	22,062	40,026	-
Total adjustments	<u>9,177,736</u>	<u>15,160,298</u>	<u>(84,234)</u>
Net cash used by operating activities	<u>\$ 23,354,741</u>	<u>\$ 48,961,535</u>	<u>\$ (731,196)</u>

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

CITY OF EVANSVILLE, INDIANA  
STATEMENT OF FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS  
December 31, 2019

<u>Assets</u>	<u>Pension Trust Funds</u>
Cash and cash equivalents	\$ 793,849
Investments at fair value:	
Fixed income securities	<u>8,028,489</u>
Total assets	<u>\$ 8,822,338</u>
<u>Liabilities</u>	
Accounts payable	<u>\$ 57</u>
Total liabilities	<u>\$ 57</u>
Net position restricted for pensions	<u>\$ 8,822,281</u>

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

CITY OF EVANSVILLE, INDIANA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2019

<u>Additions</u>	<u>Pension Trust Funds</u>
Contributions:	
Employer contributions	\$ 9,000
Employee contributions	<u>10,903,379</u>
Total contributions	<u>10,912,379</u>
Investment income:	
Interest	<u>163,693</u>
Total additions	<u>11,076,072</u>
<u>Deductions</u>	
Benefit payments (including refunds of employee contributions)	10,981,058
Administrative expenses	<u>42,901</u>
Total deductions	<u>11,023,959</u>
Change in fiduciary net position	52,113
Net position, beginning	<u>8,770,168</u>
Net position, ending	<u>\$ 8,822,281</u>

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

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The City of Evansville (primary government) was established under the laws of the State of Indiana. The primary government operates under a council-commissioner 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, and general administrative services.

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

#### **A. REPORTING ENTITY**

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

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

# CITY OF EVANSVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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### **A. REPORTING ENTITY (cont.)**

#### ***Blended Component Unit***

The Evansville Brownfields Corporation (EBC) is a significant blended component unit of the primary government. The EBC is a City of Evansville sponsored 501(c) (6) not for profit business development organization. EBC is governed by a five member board, three members appointed by the Mayor and two members appointed by the City Council. Members must be residents of the City. The EBC is fiscally dependent on the City. It would be misleading to exclude the EBC from the primary government's financial statements because of its relationship with the primary government.

The Evansville Redevelopment Authority (ERA) is a significant blended component unit of the primary government. The ERA was founded in 1994 pursuant to the Indiana Code Section 36-7-14.5 and is governed by a three-member board appointed by the Mayor. Members must be residents of Vanderburgh County. The primary government is able to impose its will, and a financial benefit/burden relationship exists between the primary government and the ERA. The ERA is fiscally dependent on the primary government. It would be misleading to exclude the ERA from the primary government's financial statements because of its relationship with the primary government. The ERA was created to provide the City with capital and financing opportunities and/or provide economic development services.

#### ***Discretely Presented Component Units***

The Evansville Local Public Improvement Bond Bank (Evansville Bond Bank) is a significant discretely presented component unit of the primary government. The Evansville Bond Bank was founded in 2006 pursuant to the Indiana Code Section 5-1.4 and is governed by a five-member board appointed by the Mayor. Members must be residents of Vanderburgh County. The primary government is able to impose its will, and a financial benefit/burden relationship exists between the primary government and the Evansville Bond Bank. The Evansville Bond Bank is fiscally dependent on the primary government. It would be misleading to exclude the Evansville Bond Bank from the primary government's financial statements because of its relationship with the primary government. The Evansville Bond Bank was created to provide the City, City agencies and the redevelopment district with capital and financing opportunities and/or provide economic development services. Complete financial statements of the Evansville Local Public Improvement Bond Bank can be obtained from the administrative office. The administrative office is located at 1 NW Martin Luther King Jr. Blvd, Evansville, IN 47708.

The Evansville Port Authority is a significant discretely presented component unit of the primary government. The Evansville Port Authority is governed by a seven member board appointed by the Mayor. Members must be residents of Vanderburgh County. The primary government is able to impose its will, and a financial benefit/burden relationship exists between the primary government and the Evansville Port Authority. The Evansville Port Authority is fiscally dependent on the primary government. It would be misleading to exclude the Evansville Port Authority from the primary government's financial statements because of its relationship with the primary government. The Evansville Port Authority was created to provide the City with economic development services coordinating with the United States government utilizing the Ohio River. Complete financial statements of the Evansville Port Authority can be obtained from the administrative office. The administrative office is located at 1 NW Martin Luther King Jr. Blvd, Evansville, IN 47708.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### **A. REPORTING ENTITY (cont.)**

##### ***Discretely Presented Component Units (cont.)***

In July 2016 the City of Evansville formed the Evansville Land Bank Corporation (Land Bank), a 501 (c)(3) nonprofit corporation allowed under Indiana Code 36-7-38 that is used to acquire, manage, maintain, protect, rent, lease, repair, alter, sell, trade, exchange or otherwise dispose of distressed real property located within the City of Evansville acquired through tax foreclosure or other methods. The City of Evansville initiated a contractual agreement between the Evansville Brownfields Corporation and the Land Bank whereby the Evansville Brownfields Corporation transferred all property obtained with Land Bank funding and \$ 296,783 in cash to the Land Bank. The Evansville Land Bank Corp. receives financial support from the City of Evansville to conduct its' mission of acquiring and disposing of dilapidated real property under a contractual agreement. It is intended that the Land Bank is the successor to the Evansville Brownfield Corporation for the above described mission. Complete financial statements of the Evansville Land Bank Corporation can be obtained from the administrative office. The administrative office is located at 1 NW Martin Luther King Jr. Blvd, Evansville, IN 47708.

The Evansville Vanderburgh Levee Authority District (Levee Authority) is a significant discretely presented component unit of the primary government. The Levee Authority was founded in 1940 pursuant to the Indiana Code Section 36-7-14.5 and is governed by a three-member board, two members appointed by the Mayor and one member appointed by the Vanderburgh County Commission. Members must be residents of Vanderburgh County. The primary government is able to impose its will, and a financial benefit/burden relationship exists between the primary government and the Levee Authority. The Levee Authority has separate taxing authority under the Indiana code but is fiscally dependent on the primary government. It would be misleading to exclude the Levee Authority from the primary government's financial statements because of its relationship with the primary government. The Levee Authority was created to provide the City and Vanderburgh County with levee and flood control management to protect citizens and property from flooding by the Ohio River and its tributaries. The Levee Authority maintains relationships with the United States government agencies responsible in these matters. Complete financial statements of the Evansville Vanderburgh Levee Authority District can be obtained from the administrative office. The administrative office is located at 1 NW Martin Luther King Jr. Blvd, Evansville, IN 47708.

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented January 1, 2019.

In November 2016, the GASB issued statement No. 83 - *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for legally enforceable asset retirement obligations (AROs) and requires that recognition occur when the liability is both incurred and reasonably estimable. This standard was implemented January 1, 2019.

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

In June 2018, the GASB issued statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard was implemented January 1, 2019.

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are 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 included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

#### **Fund Financial Statements**

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

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

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

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

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

The city reports the following major governmental funds:

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

Evansville Redevelopment Authority - used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the redevelopment program.

Local Income Tax - accounts for the financial resources and expenses of projects, equipment purchases, and special operating expenditures related to Local Income Tax revenues.

Casino Fund - accounts for financial resources from wagering and admissions and expenses of projects, equipment purchases, and special operating expenditures for the City. The City has assigned the major fund designation to this fund.

The city reports the following major enterprise funds:

Water Utility - accounts for operations of the water system

Wastewater Utility - accounts for operations of the wastewater system

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

The city reports the following nonmajor governmental funds:

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

Debt Service Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

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

Permanent Funds - used to account for resources that are restricted to the extent that only earnings, and not principal, may be used to support the government's programs.

In addition, the city reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the city, or to other governmental units, on a cost-reimbursement basis.

Pension Trust Funds - used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other employee benefit plans.

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

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

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

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***Government-Wide Financial Statements (cont.)***

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

##### ***Fund Financial Statements***

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

Property taxes are recognized as revenues in the year when services financed by the levy are being provided.

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

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Self Insurance Fund are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***All Financial Statements***

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

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY***

##### ***1. Deposits and Investments***

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

The City'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.

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.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

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

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of or interest in an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed fifty percent (50%) of the funds held by the County and available for investment.

# CITY OF EVANSVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***1. Deposits and Investments (cont.)***

The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the City's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current fair value.

No policy exists for the following risks:

- Credit risk
- Concentration of credit risk
- Investments highly sensitive to interest rate changes
- Foreign currency risk

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

See Note III. A. for further information.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **2. Receivables**

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statute (IC 61.11716) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the County is issuing debt after December 1 or intends to file a shortfall appeal. Due to a shortfall appeal, the 2020 taxes for the County were not levied until January 2020. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1st. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana 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. Delinquent property taxes outstanding at year end for governmental proprietary funds are recorded as a receivable with an offset to deferred inflows of resources – unavailable revenue since the amounts are not considered available.

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

##### **3. Inventories and Prepaid Items**

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on FIFO and charged to construction and/or operation and maintenance expense when used.

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

##### **4. Restricted Assets**

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

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **5. Capital Assets**

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

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
City:			
Buildings	\$ 5,000	Straight-line	50 Years
Improvements other than buildings	5,000	Straight-line	20 Years
Machinery and Equipment	5,000	Straight-line	3 to 20 Years
Vehicles	5,000	Straight-line	5 Years
Infrastructure	5,000	Straight-line	5 to 100 Years
Water Utility:			
Infrastructure	750	Composite	2%
Buildings	750	Composite	2%
Improvements other than buildings	750	Composite	2%
Machinery and equipment	750	Composite	2%
Transportation equipment	750	Composite	2%
Wastewater Utility:			
Infrastructure	5,000	Straight-line	5 to 100 Years
Buildings	5,000	Straight-line	5 to 100 Years
Improvements other than buildings	5,000	Straight-line	5 to 100 Years
Machinery and equipment	5,000	Straight-line	5 to 25 Years

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.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **5. Capital Assets (cont.)**

###### ***Fund Financial Statements***

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

##### **6. Deferred Outflows of Resources**

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

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

##### **7. Compensated Absences**

- a. Sick Leave – Full-time Non-Union Utility and City employees are awarded eight sick days per year. Unused sick leave may be accumulated to a maximum of 60 days. Accumulated sick leave is paid to employees through cash payments upon retirement to a maximum of 30 days, provided the employee has five years of continuous service. Union Utility and City 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 42 days.
- b. Vacation Leave - Utility and City employees earn vacation leave at rates from 10 days to 30 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. Non-union employees can carry over 50 percent of their annual vacation entitlement for use in the following 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. Compensatory time is available to employees for hours they work beyond 40 hours in a week with approval of the employee's supervisor.
- d. Personal Leave – Utility and City employees earn personal leave at the rate of 3 days per year. Personal leave is not paid to employees upon termination and does not accumulate from year to year.

Vacation and sick leave are accrued when incurred.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***7. Compensated Absences (cont.)***

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

##### ***8. Long-Term Obligations***

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

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

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

##### ***9. Deferred Inflows of Resources***

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

##### ***10. Equity Classifications***

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

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted"

# CITY OF EVANSVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### **10. Equity Classifications (cont.)** or "net investment in capital assets."

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

#### ***Fund Statements***

Governmental fund balances are displayed as follows:

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

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

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

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***10. Equity Classifications (cont.)***

###### ***Fund Statements (cont.)***

See Note III. H. for further information.

Fiduciary fund net position is classified as restricted for pool participants, individuals, organizations, and other governments on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the city believes it is in compliance with all significant restrictions.

##### ***11. Postemployment Benefits Other Than Pensions (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City OPEB Plan and additions to/deductions from the City OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the City OPEB Plan. For this purpose, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

##### ***12. Basis for Existing Rates***

###### ***Water Utility***

The rate structure in effect in 2018 was approved by the IURC on February 13, 2013, pursuant to IURC Order in Cause No. 44760. During March 2016 the Water Utility filed a rate petition with the IURC which was subsequently approved. The Utility has approximately 62,800 customers.

The two-phase across-the-board rate increase was approved by the IURC on October 5, 2016, pursuant to IURC Order in Cause No. 44760. Subsequent to the issuance of the 2016A Bonds, the Water Utility filed a True-up report with the IURC that was approved on December 27, 2016. The Phase I increase was a 29.37% increase over the present rates effective on December 27, 2016 and Phase II of the increase was a 14.03% increase over the Phase I rates effective January 1, 2018.

A three-phase across-the-board rate increase was approved by the IURC on December 5, 2018, pursuant to Order in Cause No. 45073. Phase I of the increase is a 16.70% increase over the present rates effective January 1, 2019, Phase II of the increase is a 12.36% increase over the Phase I rates effective January 1, 2020, and Phase III of the increase is a 6.00% increase over the Phase II rates effective January 1, 2021.

# CITY OF EVANSVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### **12. Basis for Existing Rates (cont.)**

##### ***Wastewater Utility (cont.)***

The Wastewater Utility had a Cost of Service Study conducted during 2016. On October 24, 2016, the Common Council approved a four-phase increase with Phase I assumed effective January 1, 2017, and Phases II, III and IV effective each January 1st thereafter. The Utility has approximately 53,200 customers.

The Wastewater Utility entered into a revised contract with BFI Waste Services of Indiana LP for refuse collection and recycling services on September 11, 2012. The agreement became effective January 1, 2013 and covers a term of ten years. Pursuant to this contract the Common Council approved a revised refuse monthly fee effective January 1, 2013.

#### **13. Pension Plans**

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions expense, information about the fiduciary net position of the 1925 Police Officers, 1937 Firefighters', 1977 Police and Firefighters' and Indiana Public Employees' Retirement Fund (the Plans), and additions to and deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with benefit terms. Pension investments are reported at fair value.

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## **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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### **A. BUDGETARY INFORMATION**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C., except for the actual (non-GAAP) revenues presented reflect actual (GAAP) revenues adjusted for the payment in lieu of taxes for the Water Utility reported as a transfer under GAAP.

The budgeted amounts presented include any amendments made. The city may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by council and in specific circumstances by the Indiana Department of Local Government Finance.

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

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

#### **B. BUDGETARY INFORMATION**

A budget has been adopted for the General Fund, Highway, Local Road & Street, Casino Fund, Rainy Day Fund, Fire Pension, Police Pension, Hospitalization Insurance, Park and Recreation, Park Bond, Sewer, Parking Meter, Building Demolition, Planning, Cumulative Capital Improvement, Sewer Bond, Water, Arena Bond, Local Income Tax Public Safety, Local Law Enforcement Continuing Education, Golf Course Non-Reverting, Greenway Project, ERC Capital Non Reverting, Printing and Supply, TIF Development Projects, Equal Emp Opportunity, Water B&I Periodic Maintenance, Food and Beverage Tax, CDBG Revolving Loan, Downtown Parking Garage, Unemployment Insurance, Jacobsville TIF, Workers Compensation, Liability Insurance, HUD Fair Housing, Barrett Law Sidewalk, Master TIF Projects, Evansville Redevelopment TIF Projects, Landlord Registry, Housing Trust Fund, IDHS Hazard Mitigation, Arts District, Water Utility Bond and Interest, Water Improvement, Water Consumer Meter, Water Utility Construction, Sewer Improvement Fund, Sewer Bond Construction, Waterworks, Sewer Payroll, Water Reserve, Sewer Reserve Fund, Accounts Payable Clearing, Oak Hill Perpetual Care and Locust Hill Perpetual Care.

#### **C. DEFICIT BALANCES**

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

As of December 31, 2019, the following individual funds held a deficit fund balance:

Fund	Amount	Reason
Golf Course Nonreverting	\$ 1,355,545	Revenue shortfalls from downturn in business. The City has shut down part of the golf course in an attempt to reduce costs.
Community Development Block Grant	281,366	Pending reimbursement of federal grant
Emergency Solutions Grant	77,370	Pending reimbursement of federal grant
Hospitalization Insurance	5,024,263	Revenue shortfalls, restructuring has occurred to eliminate the deficit by 2023

### **NOTE III - DETAILED NOTES ON ALL FUNDS**

#### **A. DEPOSITS AND INVESTMENTS**

The city maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. The deposits and investments of the pension trust funds are held separately from those of other funds.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

#### **A. DEPOSITS AND INVESTMENTS (cont.)**

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$382,424,219	\$385,708,019	Custodial risk
Certificates of deposit	41,179,212	41,179,212	Custodial risk
Money market	138,350,041	138,350,041	Custodial risk
Trust	13,086	13,086	Custodial risk
Securities	<u>93,612,552</u>	<u>93,612,552</u>	Custodial risk
 Total Deposits and Investments	 <u>\$655,579,110</u>	 <u>\$658,862,910</u>	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$133,520,134		
Restricted cash and investments	513,236,639		
Per statement of net position - fiduciary funds			
Pension trust funds	<u>8,822,337</u>		
 Total Deposits and Investments	 <u>\$655,579,110</u>		

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

The city categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

#### **A. DEPOSITS AND INVESTMENTS (cont.)**

The valuation methods for recurring fair value measurements are as follows:

- Money market mutual funds are valued using quoted market prices in active markets (Level 1).
- Government securities are valued using quoted market prices in markets that are not active (Level 2).
- US Treasury Notes/Bonds are valued using quoted market prices in markets that are not active (Level 2).
- Commercial Paper is valued using quoted market prices in markets that are not active (Level 2).

Investment Type	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Certificate	\$ 41,179,212	\$ -	\$ -	\$ 41,179,212
Money Market	138,350,041	-	-	138,350,041
Trust	13,086	-	-	13,086
Securities	93,612,552	-	-	93,612,552
Total	\$273,154,891	\$ -	\$ -	\$273,154,891

#### **Custodial Credit Risk**

##### **Deposits**

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

The city does not have any deposits exposed to custodial credit risk.

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

#### **B. RECEIVABLES**

All of the receivables on the balance sheet are expected to be collected within one year.

Revenues of the Water Utility and Wastewater Utility are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to Water Utility	\$ 86,150
Uncollectibles related to Wastewater Utility	287,330
Total Uncollectibles of the Current Fiscal Year	\$ 373,480

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### **B. RECEIVABLES** (cont.)

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Delinquent property taxes outstanding at year end for governmental proprietary funds are recorded as a receivable with an offset to deferred inflows of resources – unavailable revenue since the amounts are not considered available. At the end of the current fiscal year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Property taxes receivable for subsequent year	<u>\$ 2,836,329</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 2,836,329</u>

#### **C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

##### ***Long-Term Debt Accounts***

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Depreciation - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.
- Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**C. RESTRICTED ASSETS (cont.)**

Following is a list of restricted assets at December 31, 2019:

	Water Utility Restricted Assets	Wastewater Utility Restricted Assets
Bond and interest	\$ 10,333,532	\$ 16,831,693
Debt service reserve	12,798,454	7,048,878
Improvement fund	500,000	-
Periodic maintenance fund	2,251,972	-
WWTP replacement fund	-	3,000,000
Construction fund	71,491,676	172,110,277
Consumer meter fund	1,603,574	-
Cash with fiscal agent	417,127	1,314,736
Assistance program	4,381	-
Excess pension - state regulation	401,482	-
Debt service reserve investments	4,169,617	15,067,818
Construction fund investments	45,807,763	39,302,354
Receivables	<u>819,485</u>	<u>672,770</u>
 Total	 <u>\$ 150,599,063</u>	 <u>\$ 255,348,526</u>

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 22,921,190	\$ 288,716	\$ 515,458	\$ 22,694,448
Construction in progress	<u>7,567,106</u>	<u>13,450,734</u>	<u>8,045,631</u>	<u>12,972,209</u>
Total Capital Assets Not Being Depreciated	<u>30,488,296</u>	<u>13,739,450</u>	<u>8,561,089</u>	<u>35,666,657</u>
Capital assets being depreciated				
Buildings	179,001,867	2,087,522	336,956	180,752,433
Improvements other than buildings	67,895,330	2,312,500	12,905,364	57,302,466
Machinery, equipment and vehicles	57,924,836	8,236,489	6,357,536	59,803,789
Infrastructure	<u>563,327,840</u>	<u>16,829,162</u>	<u>7,606,524</u>	<u>572,550,478</u>
Total Capital Assets Being Depreciated	<u>868,149,873</u>	<u>29,465,673</u>	<u>27,206,380</u>	<u>870,409,166</u>
Total Capital Assets	<u>898,638,169</u>	<u>43,205,123</u>	<u>35,767,469</u>	<u>906,075,823</u>

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities (cont.)</b>				
Less: Accumulated depreciation for				
Buildings	\$ (57,512,707)	\$ (3,891,494)	\$ (1,825)	\$ (61,402,376)
Improvements other than buildings	(24,141,217)	(1,111,696)	(190,542)	(25,062,371)
Machinery, equipment and vehicles	(39,468,509)	(4,364,524)	(495,096)	(43,337,937)
Infrastructure	<u>(304,894,161)</u>	<u>(25,527,789)</u>	<u>(1,064,207)</u>	<u>(329,357,743)</u>
Total Accumulated Depreciation	<u>(426,016,594)</u>	<u>(34,895,503)</u>	<u>(1,751,670)</u>	<u>(459,160,427)</u>
Net Capital Assets Being Depreciated	<u>442,133,279</u>	<u>(5,429,830)</u>	<u>25,454,710</u>	<u>411,248,739</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 472,621,575</u>	<u>\$ 8,309,620</u>	<u>\$ 34,015,799</u>	<u>\$ 446,915,396</u>

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 4,010,255
Public safety	1,503,251
Highways and streets	28,051,752
Culture and recreation	<u>1,330,245</u>
 Total Governmental Activities Depreciation/Amortization Expense	 <u>\$ 34,895,503</u>

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities:</b>				
<b>Water Utility</b>				
Capital assets not being depreciation				
Land	\$ 432,435	\$ -	\$ -	\$ 432,435
Construction in progress	<u>21,482,137</u>	<u>15,172,022</u>	<u>8,058,596</u>	<u>28,595,563</u>
Total Capital Assets Not Being Depreciation	<u>21,914,572</u>	<u>15,172,022</u>	<u>8,058,596</u>	<u>29,027,998</u>
Capital assets being depreciated/amortized				
Infrastructure	225,709,757	10,743,581	899,906	235,553,432
Buildings	39,748,551	25,282	-	39,773,833
Improvements other than buildings	2,647,753	-	-	2,647,753
Machinery and equipment	34,916,849	1,258,429	605,893	35,569,385
Leased equipment and fixtures	<u>938,922</u>	<u>972,808</u>	<u>-</u>	<u>1,911,730</u>
Total Capital Assets Being Depreciated/Amortized	<u>303,961,832</u>	<u>13,000,100</u>	<u>1,505,799</u>	<u>315,456,133</u>
Total Capital Assets	<u>325,876,404</u>	<u>28,172,122</u>	<u>9,564,395</u>	<u>344,484,131</u>

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities (cont.)</b>				
Less: Accumulated depreciation/amortization for				
Infrastructure	\$ (86,256,981)	\$ (4,329,870)	\$ -	\$ (90,586,851)
Buildings	(18,835,438)	(718,167)	-	(19,553,605)
Improvements other than buildings	(140,102)	(52,943)	-	(193,045)
Machinery and equipment	(7,359,202)	(560,139)	-	(7,919,341)
Leased equipment and fixtures	(1,237)	(386,644)	-	(387,881)
Total Accumulated Depreciation/Amortization	(112,592,960)	(6,047,763)	-	(118,640,723)
Net Capital Assets Being Depreciated/Amortized	191,368,872	6,952,337	1,505,799	196,815,410
Business-type Capital Assets, Net of Accumulated Depreciation/Amortization	\$ 213,283,444	\$ 22,124,359	\$ 9,564,395	\$ 225,843,408
<b>Business-type Activities:</b>				
<b>Wastewater Utility</b>				
Capital assets not being depreciation				
Land	\$ 4,029,669	\$ 483,324	\$ -	\$ 4,512,993
Construction in progress	48,967,930	68,819,822	759,432	117,028,320
Total Capital Assets Not Being Depreciation	52,997,599	69,303,146	759,432	121,541,313
Capital assets being depreciated/amortized				
Infrastructure	295,943,515	2,071,074	-	298,014,589
Buildings	164,206,862	205,507	54,631	164,357,738
Improvements other than buildings	5,723,988	21,563	48,466	5,697,085
Machinery and equipment	50,643,186	2,079,109	159,020	52,563,275
Leased equipment and fixtures	938,420	989,087	-	1,927,507
Total Capital Assets Being Depreciated/Amortized	517,455,971	5,366,340	262,117	522,560,194
Total Capital Assets	570,453,570	74,669,486	1,021,549	644,101,507
Less: Accumulated depreciation for				
Infrastructure	(85,579,729)	(7,555,180)	-	(93,134,909)
Buildings	(106,304,505)	(2,984,428)	-	(109,288,933)
Improvements other than buildings	(1,883,328)	(257,832)	-	(2,141,160)
Machinery and equipment	(12,992,719)	(4,382,991)	-	(17,375,710)
Leased equipment and fixtures	(1,162)	(716,622)	-	(717,784)
Total Accumulated Depreciation	(206,761,443)	(15,897,053)	-	(222,658,496)
Net Capital Assets Being Depreciated/Amortized	310,694,528	(10,530,713)	262,117	299,901,698
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 363,692,127	\$ 58,772,433	\$ 1,021,549	\$ 421,443,011

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Water	\$ 5,863,681
Wastewater	<u>15,384,257</u>
 Total Business-type Activities Depreciation/Amortization Expense	 <u>\$ 21,247,938</u>

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS**

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Local Income Tax	\$ 11,986,487	Operational support
Nonmajor fund	General fund	40,215	Operational support
General fund	Nonmajor fund	2,646,870	Operational support
Nonmajor fund	Nonmajor fund	5,224,340	Operational support
Evansville Redevelopment Authority	Nonmajor fund	8,120,411	Debt service
Nonmajor Fund	Local Income Tax	625,437	Operational support
Casino Fund	Nonmajor	110,180	Operational support
Nonmajor Fund	Casino Fund	2,719,310	Operational support
Internal Service Fund	Nonmajor Funds	<u>575,437</u>	Operational support
 Total - Fund Financial Statements		 32,048,687	
Less: Government-wide eliminations		<u>(32,048,687)</u>	
 Total Transfers - Government-Wide Statement of Activities		 <u>\$ -</u>	

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

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
Revenue bonds	\$ 80,182,795	\$ 20,554	\$ 6,239,125	\$ 73,964,224	\$ 8,104,224
Tax increment financing bonds	16,168,003	-	510,000	15,658,003	733,003
Lease rental bonds	239,310,000	-	4,935,000	234,375,000	5,095,000
Loans payable	712,227	-	105,977	606,250	107,572
(Discounts)/Premiums	<u>15,545,409</u>	<u>-</u>	<u>1,326,593</u>	<u>14,218,816</u>	<u>-</u>
Sub-totals	<u>351,918,434</u>	<u>20,554</u>	<u>13,116,695</u>	<u>338,822,293</u>	<u>14,039,799</u>
Other Liabilities					
Compensated absences	4,757,471	5,690,564	4,757,471	5,690,564	5,690,564
Capital leases	1,217,857	-	451,040	766,817	387,031
Total OPEB Liabilities	279,930,830	51,417,525	-	331,348,355	-
Net pension obligation	<u>155,733,673</u>	<u>9,353,855</u>	<u>313,815</u>	<u>164,773,713</u>	<u>-</u>
Total Other Liabilities	<u>441,639,831</u>	<u>66,461,944</u>	<u>5,522,326</u>	<u>502,579,449</u>	<u>6,077,595</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 793,558,265</u>	<u>\$ 66,482,498</u>	<u>\$ 18,639,021</u>	<u>\$ 841,401,742</u>	<u>\$ 20,117,394</u>
<b>Business-type Activities</b>					
Bonds and Notes Payable					
Revenue bonds	\$ 266,270,000	\$ 69,765,000	\$ 12,090,000	\$ 323,945,000	\$ 13,155,000
Bond anticipation notes	500,000	-	500,000	-	-
Deferred amount on bonds	<u>5,096,401</u>	<u>906,642</u>	<u>498,332</u>	<u>5,504,711</u>	<u>-</u>
Sub-totals	<u>271,866,401</u>	<u>70,671,642</u>	<u>13,088,332</u>	<u>329,449,711</u>	<u>13,155,000</u>
Other Liabilities					
Vested compensated absences	1,168,720	62,089	-	1,230,809	1,230,809
Capital leases	1,158,748	1,146,354	216,103	2,088,999	450,771
Net pension obligation	7,639,275	-	262,042	7,377,233	-
State revolving loan	306,570,458	106,729,978	7,254,000	406,046,436	7,748,000
Payment in lieu of tax	<u>702,956</u>	<u>-</u>	<u>-</u>	<u>702,956</u>	<u>-</u>
Total Other Liabilities	<u>317,240,157</u>	<u>107,938,421</u>	<u>7,732,145</u>	<u>417,446,433</u>	<u>9,429,580</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 589,106,558</u>	<u>\$ 178,610,063</u>	<u>\$ 20,820,477</u>	<u>\$ 746,896,144</u>	<u>\$ 22,584,580</u>

#### Revenue Debt

Governmental activities revenue bonds are payable from revenues derived from property tax levies, income tax or tax increment allocations. Business-type activities revenue bonds are payable only from revenues derived from the operation of the water utility or wastewater utility.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### *F. LONG-TERM OBLIGATIONS* (cont.)

##### *Revenue Debt* (cont.)

The City has pledged future property tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2010. Proceeds from the bonds provided financing for the refund of Park District Bonds of 2010. The bonds are payable solely from property tax revenues and are payable through 2021. Annual principal and interest payments on the bonds are expected to require 100.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,660,469. Principal and interest paid for the current year and total customer net revenues were \$1,102,450 and \$1,122,822, respectively.

The City has pledged future property tax revenues, TIF property tax revenues and other riverboat gaming tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2018. Proceeds from the bonds provided financing for the construction of an aquatics center and related improvements. The bonds are payable solely from property tax revenues, TIF property tax revenues, and other riverboat gaming tax revenues and are payable through 2038. Annual principal and interest payments on the bonds are expected to require 100% of net revenues. The total principal and interest remaining to be paid on the bonds is \$28,565,950. Principal and interest paid for the current year and total customer net revenues were \$621,831 and \$305,196, respectively.

The City has pledged future TIF property tax revenues and COIT revenues, net of specified operating expenses, to repay revenue bonds issued in 2012. Proceeds from the bonds provided financing for the advance refund of the Park District Bonds of 2003. The bonds are payable solely from TIF property tax revenues, and secondarily from COIT revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 12.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,978,025. Principal and interest paid for the current year and total customer net revenues were \$1,571,400 and \$13,031,848, respectively.

The City has pledged future TIF property tax revenues and COIT revenues, net of specified operating expenses, to repay revenue bonds issued in 2016. Proceeds from the bonds provided financing for construction of an academic, health science, and research center. The bonds are payable primarily from TIF property tax revenues, and secondarily from COIT revenues, and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 5% of net revenues. The total principal and interest remaining to be paid on the bonds is \$24,748,281. Principal and interest paid for the current year and total customer net revenues were \$1,244,413 and \$7,723,176, respectively.

The City has pledged future TIF property tax revenues and COIT revenues, net of specified operating expenses, to repay revenue bonds issued in 2015. Proceeds from the bonds provided financing for the construction of downtown convention hotel and ancillary projects. The bonds are payable primarily from TIF property tax revenues, and secondarily from COIT revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 50% of net revenues. The total principal and interest remaining to be paid on the bonds is \$14,738,025. Principal and interest paid for the current year and total customer net revenues were \$742,250 and \$1,589,808, respectively.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

#### **F. LONG-TERM OBLIGATIONS (cont.)**

##### **Revenue Debt (cont.)**

The City has pledged future TIF property tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2011. Proceeds from the bonds provided financing for installation of thermoforming line for plastics manufacturing and customer service center. The bonds are payable solely from TIF property tax revenues and are payable through 2034. Annual principal and interest payments on the bonds are expected to require 67% of net revenues. The total principal and interest remaining to be paid on the bonds is \$16,240,000. Principal and interest paid for the current year and total customer net revenues were \$1,115,000 and \$1,659,811, respectively.

The City has pledged future TIF property tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2015. Proceeds from the bonds provided financing for the debt refunding of Redevelopment District Tax Increment Revenue Bonds, Series 2010 (American General Project), Taxable Economic Development Revenue Bonds, Series 2008 (Berry Plastic Project), and Tax Increment Revenue Bonds of 2002. The bonds are payable solely from TIF property tax revenues and are payable through 2024. Annual principal and interest payments on the bonds are expected to require 18% of net revenues. The total principal and interest remaining to be paid on the bonds is \$6,801,735. Principal and interest paid for the current year and total customer net revenues were \$1,368,078 and \$7,723,176, respectively.

Revenue debt payable at December 31, 2019, consists of the following:

##### **Governmental Activities Revenue Debt**

Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Park District Refunding Revenue Bonds of 2010	05/04/10	01/01/21	2.375% to 3.75%	\$ 9,390,000	\$ 1,600,000
Park District Bonds, Series 2018	11/15/18	08/15/38	4% to 5%	18,150,000	18,150,000
Park District Refunding Bonds, Series 2012	06/15/12	01/15/22	2% to 3%	13,850,000	3,805,000
ED Rev Bonds, Series 2016A	04/28/16	02/15/39	2% to 5%	18,000,000	16,610,000
ED Rev Bonds, Series 2015A	09/01/15	02/01/39	3% to 5%	10,235,000	9,425,000
ED Taxable Rev Bonds, Series 2011	12/29/11	02/01/34	0%	22,435,000	16,240,000
ED Rev Refunding Bonds, Series 2015	07/09/15	02/01/24	2.69%	10,990,000	5,725,000
ERC TIF Taxable Note, Series 2018	01/25/18	01/25/20	1.5%	1,390,804	1,390,804
ERC TIF Taxable Note, Series 2018B	05/01/18	05/01/20	1.5%	1,732,545	<u>1,018,420</u>
Total Governmental Activities - Revenue Debt					<u>\$ 73,964,224</u>

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

**Business-type Activities Revenue Debt**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>
<u>Water Utility</u>					
2013A Rev Bonds	10/16/13	01/01/35	3%-5%	\$ 29,060,000	\$ 28,835,000
2013C Rev Bonds	11/26/13	01/01/36	2%-5.5%	15,500,000	14,735,000
2014B Ref Rev Bonds	07/21/14	01/01/25	4%-5%	20,320,000	13,180,000
2016A Rev Bonds	12/15/16	01/01/38	4%	39,640,000	38,055,000
2016B Ref Rev Bonds	11/30/16	01/01/30	2%-4%	31,370,000	29,125,000
2019 Ref Rev Bonds	05/02/19	01/01/40	2% to 3.25%	39,765,000	<u>39,765,000</u>
				Total Water Utility	<u>163,695,000</u>
<u>Wastewater Utility</u>					
2010 Rev Bonds, Ser. B1	12/1/10	07/01/31	3.75%-6.5%	27,450,000	22,065,000
2013A Ref Rev Bonds	05/02/13	07/01/23	1.5%	32,440,000	13,340,000
2013B Rev Bonds	11/26/13	07/01/36	3%-6.5%	29,255,000	27,910,000
2014C Rev Bonds	08/21/14	07/01/35	2%-3.5%	25,255,000	21,290,000
2016A Rev Bonds	07/28/16	07/01/37	2%-3%	25,855,000	24,590,000
2017A Rev Bonds	05/11/17	07/01/38	3%-3.375%	21,850,000	21,055,000
2019A Rev Bonds	04/09/19	07/01/40	2% -3.25%	30,000,000	<u>30,000,000</u>
				Total Wastewater Utility	<u>160,250,000</u>
Total Business-type Activities - Revenue Debt					<u>\$323,945,000</u>

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Governmental Activities Revenue Debt		Business-type Activities Revenue Debt	
	Principal	Interest	Principal	Interest
2020	\$ 8,104,224	\$ 2,452,496	\$ 13,155,000	\$ 11,884,788
2021	5,965,000	2,193,536	13,555,000	11,467,050
2022	4,775,000	2,032,575	14,790,000	11,010,463
2023	4,100,000	1,910,432	15,285,000	10,527,303
2024	3,525,000	1,799,632	14,665,000	10,030,764
2025-2029	15,560,000	7,658,613	82,085,000	41,583,690
2030-2034	17,610,000	4,923,359	97,295,000	24,034,569
2035-2039	14,325,000	1,614,247	69,405,000	5,948,288
2040-2044	-	-	3,710,000	79,281
Totals	<u>\$ 73,964,224</u>	<u>\$ 24,584,890</u>	<u>\$ 323,945,000</u>	<u>\$ 126,566,196</u>

**State Revolving Loans Payable**

Under the terms of the State Revolving Loan Fund, revenue bonds have been purchased by the Indiana Bond Bank, the proceeds of which are set aside to finance the construction of various water and wastewater rehabilitation projects. Funds are loaned to the Water and Wastewater Utilities as construction costs are accrued to the maximum allowed. The 2014D, 2016B, 2016C and 2018A wastewater loans established a maximum draw of \$35,415,000, \$12,715,000, \$8,835,000 and \$16,960,000, respectively. As of December 31, 2019, the loan principal amount drawn for the 2014D, 2016B, 2016C and 2018A wastewater loans were \$35,327,115, \$11,698,075, \$7,344,030 and \$16,118,216, respectively. Annual debt service requirements for the 2014D, 2016B, 2016C and 2018A wastewater loans will not be determined until planned construction projects are completed.

In addition to entering into the 2018A wastewater loans, the Utility also entered into four fully funded state revolving loans. The 2018A1 water loan for \$5,308,000 funded the debt service reserve account. The 2018A2 water loan for \$71,912,000 funded the construction account. Both of these transactions occurred on December 14, 2018. The 2018B1 and 2018B-2 wastewater loans funded construction accounts of \$35,020,000 and \$72,335,000, respectively. These loans closed on November 15, 2018. The 2019B wastewater loan funded a construction account of \$75,000,000 and closed on December 27, 2019.

The State placed the proceeds of the 2014A, 2014B, 2018B1, 2018B2 and 2019B into a trust account in the Wastewater Utility's name. Cash drawdowns are made from this account after approval is given by the State. The cash balance not yet drawn down, reported as part of the Construction Fund Cash and Cash Equivalents is \$95,650, \$55,012, \$35,493,395, \$46,654,665 and \$74,852,970 for the 2014A, 2014B, 2018B1, 2018B2 and 2019B loans, respectively.

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**State Revolving Loans Payable (cont.)**

The State placed the proceeds of the 2018A2 into a trust account in the Water Utility's name. Cash drawdowns are made from this account after approval is given by the State. The cash balance not yet drawn down, reported as part of the Construction Fund Cash and Cash Equivalents is \$68,121,444 for the 2018A1 loan.

Under the terms of the State Revolving Loan 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 were loaned to the Wastewater Utility as construction costs accrued to the maximum allowed. The 2007A, 2007B, 2008B, 2009(2018 Reissued), 2010A (2018 Reissued), 2011C, 2011D, 2012E (2018 Reissued), 2014A, and 2014B loans established a maximum draw of \$7,130,000, \$37,518,000, \$18,452,000, \$27,723,000, \$7,113,000, \$3,800,000, \$1,215,000, \$5,969,000, \$7,510,000, and \$5,760,000, respectively. At the completion of construction, the outstanding principal balance was amortized over a twenty-year period (2007A, 2007B, 2008B, 2011C, 2011D, 2014A and 2014B) and thirty-five year period (2009, 2010A and 2012E).

Annual debt service requirements to maturity for the loans, including interest of \$30,193,971 and \$156,301,729 for the Water Utility and Wastewater Utility, respectively, are as follows:

	Business-type Activities Revenue Debt from Direct Borrowings and Direct Placements		Totals
	Water	Wastewater	
2020	\$ 2,509,650	\$ 16,309,106	\$ 18,818,756
2021	5,262,481	16,285,982	21,548,463
2022	5,261,002	16,314,830	21,575,832
2023	5,259,476	16,313,511	21,572,987
2024	5,257,901	16,437,419	21,695,320
2025-2029	26,264,022	79,129,320	105,393,342
2030-2034	26,216,204	76,314,087	102,530,291
2035-2039	28,829,235	105,052,487	133,881,722
2040-2044	2,554,000	84,633,579	87,187,579
2045-2049	-	35,773,264	35,773,264
2050-2053	-	26,002,144	26,002,144
Totals	107,413,971	488,565,729	595,979,700
Less SRF not drawn down	-	(3,437,564)	(3,437,564)
Ending Balance	<u>\$ 107,413,971</u>	<u>\$ 485,128,165</u>	<u>\$ 592,542,136</u>

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Tax Increment Financing Bonds**

Tax increment financing bonds are payable from incremental taxes derived from a separately created tax increment financing district.

The City has pledged future TIF property tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2014. Proceeds from the bonds provided financing for the partial cost, construction, renovation, and improvement of product tech center for appliance manufacturer. The bonds are payable solely from TIF property tax revenues and are payable through 2040. Annual principal and interest payments on the bonds are expected to require 63.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,184,863. Principal and interest paid for the current year and total customer net revenues were \$106,363 and \$166,758, respectively.

The City has pledged future TIF property tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2016. Proceeds from the bonds provided financing for the Jacobsville Redevelopment Area North Main Street construction project. The bonds are payable solely from TIF property tax revenues and are payable through 2040. Annual principal and interest payments on the bonds are expected to require 45.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$20,436,079. Principal and interest paid for the current year and total customer net revenues were \$993,351 and \$2,176,646, respectively.

Tax Increment Financing Bonds at December 31, 2019, consists of the following:

**Governmental Activities**

Tax Increment Financing Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Red Dist TIF Rev Bonds, Series 2016	12/12/14	02/01/40	2%-5%	\$ 15,740,000	\$ 14,045,000
ED TIF Rev Bonds, Series 2014	04/05/16	02/01/40	2%-5.75%	1,500,000	1,415,000
Mead Johnson TIF	10/22/13	10/22/28	0%	229,910	<u>198,003</u>
Total Governmental Activities Tax Increment Financing Bonds					<u>\$ 15,658,003</u>

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Tax Increment Financing Bonds (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Tax Increment Financing Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 733,003	\$ 574,188
2021	545,000	561,738
2022	555,000	545,288
2023	575,000	528,457
2024	590,000	509,707
2025-2029	3,325,000	2,185,991
2030-2034	4,020,000	1,510,910
2035-2039	4,780,000	731,287
2040	<u>535,000</u>	<u>13,375</u>
Totals	<u>\$ 15,658,003</u>	<u>\$ 7,160,941</u>

**Other Bonds or Notes or Loans Payable**

The City has pledged future TIF property tax revenues, other food and beverage tax revenues and COIT revenues, net of specified operating expenses, to repay lease rental revenue bonds issued in 2016. Proceeds from the bonds provided financing for design, construction, and equipment for hotel project. The bonds are payable from TIF property tax revenues, other food and beverage tax revenues and secondarily COIT revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 50% of net revenues. The total principal and interest remaining to be paid on the bonds is \$10,043,113. Principal and interest paid for the current year and total customer net revenues were \$513,975 and \$1,589,808, respectively.

The City has pledged future TIF property tax revenues and COIT revenues, net of specified operating expenses, to repay lease rental revenue bonds issued in 2016. Proceeds from the bonds provided financing for land for the health sciences medical school project. The bonds are payable from TIF property tax revenues and secondarily COIT revenues and are payable through 2031. Annual principal and interest payments on the bonds are expected to require 14% of net revenues. The total principal and interest remaining to be paid on the bonds is \$12,068,035. Principal and interest paid for the current year and total customer net revenues were \$1,051,968 and \$7,723,176, respectively.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

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#### ***F. LONG-TERM OBLIGATIONS (cont.)***

##### ***Other Bonds or Notes or Loans Payable (cont.)***

The City has pledged future TIF property tax revenues, other food and beverage tax revenues and COIT revenues, net of specified operating expenses, to repay lease rental revenue bonds issued in 2015. Proceeds from the bonds provided financing for acquisition and construction of site improvements for medical school and ancillary projects. The bonds are payable from TIF property tax revenues, other food and beverage tax revenues, and secondarily COIT revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 8% of net revenues. The total principal and interest remaining to be paid on the bonds is \$12,512,707. Principal and interest paid for the current year and total customer net revenues were \$641,000 and \$7,723,176, respectively.

The City has pledged future TIF property tax revenues, other food and beverage tax revenues and COIT revenues, net of specified operating expenses, to repay lease rental revenue bonds issued in 2015. Proceeds from the bonds provided financing for construction of public parking structure with 568 spaces and bike storage. The bonds are payable from TIF property tax revenues, other food and beverage tax revenues and secondarily COIT revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 12% of net revenues. The total principal and interest remaining to be paid on the bonds is \$17,786,444. Principal and interest paid for the current year and total customer net revenues were \$907,000 and \$7,723,176, respectively.

The City has pledged future TIF property tax revenues, food and beverage tax revenues, other riverboat gaming tax revenues and COIT revenues, net of specified operating expenses, to repay lease rental revenue bonds issued in 2010. Proceeds from the bonds provided financing for purchase property and construct new municipal arena, road and street easements, and refund BANS. The bonds are payable from TIF property tax revenues, food and beverage tax revenues, other riverboat gaming tax revenues and COIT revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 28% of net revenues. The total principal and interest remaining to be paid on the bonds is \$188,118,314. Principal and interest paid for the current year and total customer net revenues were \$10,523,569 and \$37,326,857, respectively.

The City has pledged future TIF property tax revenues, food and beverage tax revenues, riverboat gaming tax revenues and COIT revenues, net of specified operating expenses, to repay lease rental revenue bonds issued in 2016. Proceeds from the bonds provided financing for payment of interest on 2016 bonds, principal on Series 2010B beginning 8/1/2020. The bonds are payable from TIF property tax revenues, food and beverage tax revenues, riverboat gaming tax revenues and COIT revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 10% of net revenues. The total principal and interest remaining to be paid on the bonds is \$136,357,125. Principal and interest paid for the current year and total customer net revenues were \$3,867,450 and \$37,326,857, respectively.

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Other Bonds or Notes or Loans Payable (cont.)**

Other Bonds or Notes or Loans Payable at December 31, 2019 consist of the following:

**Governmental Activities**

Other Bonds or Notes or Loans Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
ED LR Rev Bonds, Series 2016A	04/28/16	02/15/39	3%-5%	\$ 7,500,000	\$ 7,060,000
ED LR Rev Bonds, Series 2016B	04/07/16	02/01/31	2.9%	12,345,000	10,200,000
ED LR Rev Bonds, Series 2015C	12/29/15	02/15/39	3%-5%	9,225,000	8,945,000
ED LR Rev Bonds, Series 2015D	12/29*15	02/15/39	2.1%-4.87%	12,080,000	11,685,000
RDA LR Rev Bonds, Series 2010B	04/28/10	02/01/39	2.5%-7.21%	116,620,000	104,060,000
LR Rev Ref Bonds, Series 2016	07/13/16	02/01/39	3.99%-5%	92,425,000	<u>92,425,000</u>
Total Governmental Activities Other Bonds or Notes or Loans Payable					<u>\$234,375,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Other Bonds or Notes or Loans Payable	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 5,095,000	\$ 12,303,863
2021	8,490,000	11,962,881
2022	8,850,000	11,522,752
2023	9,220,000	11,058,987
2024	9,620,000	10,572,960
1905-2029	54,485,000	44,913,006
2030-2034	62,945,000	29,425,696
2035-2039	<u>75,670,000</u>	<u>10,750,592</u>
Totals	<u>\$ 234,375,000</u>	<u>\$ 142,510,737</u>

**Capital Leases**

Refer to Note III. G.

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**G. LEASE DISCLOSURES**

**Lessee - Capital Leases**

The City has acquired capital assets through multiple lease/purchase agreements. The gross amount of these assets under capital leases is \$1,217,857, which are included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2019, are as follows:

Years	Governmental Activities			Business-type Activities		
	Principal	Interest	Totals	Principal	Interest	Totals
2020	\$ 387,031	\$ 6,168	\$ 393,199	\$ 426,561	\$ 61,977	\$ 488,538
2021	131,962	1,483	133,445	328,832	50,243	379,075
2022	92,630	295	92,925	319,888	38,288	358,176
2023	52,089	-	52,089	323,092	25,853	348,945
2024	52,089	-	52,089	174,420	15,533	189,953
2025-2029	<u>52,089</u>	<u>-</u>	<u>52,089</u>	<u>480,894</u>	<u>27,690</u>	<u>508,584</u>
Totals	<u>\$ 767,890</u>	<u>\$ 7,946</u>	<u>\$ 775,836</u>	<u>\$ 2,053,687</u>	<u>\$ 219,584</u>	<u>\$ 2,273,271</u>

**H. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

**Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 22,694,448
Construction in progress	12,972,209
Other capital assets, net of accumulated depreciation	411,248,739
Less: Long-term debt outstanding	(338,982,860)
Add: Deferred amount on refunding	<u>10,462,207</u>
Total Net Investment in Capital Assets	<u>\$ 118,394,743</u>

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### H. NET POSITION/FUND BALANCES (cont.)

##### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General Fund	Local Income Tax	Casino Fund	Evansville Redevelopment Authority	Nonmajor Funds	Totals
<b>Fund Balances</b>						
<b>Restricted for:</b>						
Highways & Streets	\$ -	\$ -	\$ -	\$ -	\$ 8,326,676	\$ 8,326,676
Public Safety	-	-	-	-	4,408,621	4,408,621
General						
Government	-	8,135,039	-	-	1,211,598	9,346,637
Urban						
Redevelopment	-	-	22,403,164	103,526,788	25,002,663	150,932,615
Debt Service	-	-	-	-	34,618,205	34,618,205
Sub-total	-	8,135,039	22,403,164	103,526,788	73,567,763	207,632,754
<b>Committed to:</b>						
Parks and Recreation	-	-	-	-	1,057,928	1,057,928
General						
Government	-	-	-	-	1,546,868	1,546,868
Urban						
Redevelopment	-	-	-	-	874	874
Sub-total	-	-	-	-	2,605,670	2,605,670
<b>Unassigned (deficit):</b>	7,648,285	-	-	-	(1,714,281)	5,934,004
<b>Total Fund Balances</b>	\$ 7,648,285	\$ 8,135,039	\$ 22,403,164	\$ 103,526,788	\$ 74,459,152	\$ 216,172,428

##### Business-type Activities

#### Net Investment in Capital Assets

Land	\$ 4,945,428
Construction in progress	145,623,882
Regulatory assets	5,844,135
Other capital assets, net of accumulated depreciation/amortization	496,717,109
Less: Long-term debt outstanding	(732,080,435)
Plus: Unspent capital related debt proceeds	328,712,070
Plus: Unamortized amount on refunding	2,505,105
	(5,504,711)

Total Net Investment in Capital Assets \$ 246,762,583

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION

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#### **A. EMPLOYEES' RETIREMENT SYSTEM**

##### ***Public Employees' Retirement Fund***

**Plan description.** The City, Water Utility, and Wastewater Utility participate in the Public Employees' Retirement Fund, a cost-sharing multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. Details of the PERF Hybrid Plan are described below.

**PERF Hybrid Plan Description.** The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees' Hybrid Members Defined Contribution Account (DC Account), formerly known as the Annuity Savings Account (ASA), which that supplements the defined benefit at retirement.

**Contributions.** Members are required to contribute 3% of their annual covered salary to their defined contribution account. The primary government is required to contribute at an actuarially determined rate; the current rate for calendar year 2019 is 11.20% percent of annual covered payroll. The rate for 2020 is also 11.20%. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the City were \$2,150,045 for the calendar year ended December 31, 2019. Contributions to the PERF plan from the Water Utility were \$824,295 for the calendar year ended December 31, 2019. Contributions to the PERF plan from the Wastewater Utility were \$478,321 for the calendar year ended December 31, 2019.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplemental information for the plan as a whole and for its participants. The report is available on-line at <http://www.inprs.in.gov/> or may be obtained by contacting:

*Indiana Public Retirement System  
1 N Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687*

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Public Employees' Retirement Fund* (cont.)

**Retirement Benefits.** The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's a DC Account. Pension benefits vest after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their DC account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the DC Account. A non-vested member who terminates employment prior to retirement may withdraw his/her DC Account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. For PERF members who serve as an elected official, the highest one (1) year (total of four (4) consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE IV - OTHER INFORMATION (cont.)**

#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

##### **Public Employees' Retirement Fund (cont.)**

**Disability and Survivor Benefits.** The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

**Rate of Return.** The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 7.32 percent.

##### **Net Pension Liability**

At December 31, 2019, the city, Water Utility, and Wastewater Utility reported a liability of \$12,374,489, \$4,668,313 and \$2,708,920 respectively for their proportionate shares of the net pension liability. The proportion of the total was measured on the ratio of the wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. The plan does not have a special funding situation, as there is not a non-employer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At December 31, 2018, the city's, Water Utility's, and Wastewater Utility's proportion was .37351%, .14230% and .08250%. At December 31, 2019, the city's, Water Utility's, and Wastewater Utility's proportion was 0.37441%, 0.14125% and 0.08195%. The net pension liability for fiscal year 2019 is calculated as set forth in the following table:

	City	Water Utility	Wastewater Utility
Net pension liability - beginning December 31, 2018	\$ 12,688,304	\$ 4,834,133	\$ 2,805,142
Total pension expense	1,724,141	700,114	406,261
Change in deferred outflows of resources	(216,545)	(91,805)	(53,272)
Change in deferred inflows of resources	328,634	50,166	29,110
Defined benefit plan Employer Contributions	(2,150,045)	(824,295)	(478,321)
Net Pension Liability - December 31, 2019	\$ 12,374,489	\$ 4,668,313	\$ 2,708,920

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Net Pension Liability (cont.)**

**Deferred Outflows of Resources and Deferred Inflows of Resources.** At December 31, 2019, the city, Water Utility, and Wastewater Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>City</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 327,672	\$ -
Changes in assumptions	2,755	1,345,198
Net differences between projected and actual earnings on pension plan investments	-	584,911
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,843	345,092
Employer contributions subsequent to the measurement date	<u>1,212,114</u>	<u>-</u>
Totals	<u>\$ 1,568,384</u>	<u>\$ 2,275,201</u>

\$1,212,114 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>City</b>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
<u>Year Ended December 31:</u>	
2020	\$ (644,570)
2021	(1,045,174)
2022	(183,772)
2023	(45,415)
Thereafter	-

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Net Pension Liability (cont.)**

<b>Water Utility</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 123,616	\$ -
Changes in assumptions	1,039	507,480
Net differences between projected and actual earnings on pension plan investments	-	220,659
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,484	58,317
Employer contributions subsequent to the measurement date	557,382	-
Totals	\$ 686,521	\$ 786,456

\$557,382 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Water Utility</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</b>
Year Ended December 31:	
2020	\$ (203,302)
2021	(358,702)
2022	(78,181)
2023	(17,133)
Thereafter	-

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Net Pension Liability (cont.)**

<b>Wastewater Utility</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,731	\$ -
Changes in assumptions	603	294,480
Net differences between projected and actual earnings on pension plan investments	-	128,044
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,602	33,840
Employer contributions subsequent to the measurement date	323,437	-
Totals	\$ 398,373	\$ 456,364

\$323,437 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Wastewater Utility</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</b>
Year Ended December 31:	
2020	\$ (117,972)
2021	(208,147)
2022	(45,366)
2023	(9,942)
Thereafter	-

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE IV - OTHER INFORMATION** (cont.)

#### **A. EMPLOYEES' RETIREMENT SYSTEM** (cont.)

##### **Net Pension Liability** (cont.)

**Pension Expense.** The city recognized pension expense for the following proportionate share of pension expense:

Pension Expense	City	Water Utility	Wastewater Utility
Proportionate share of plan pension expense	\$ 1,958,496	\$ 738,848	\$ 428,738
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	(234,355)	(38,734)	(22,477)
Total	\$ 1,724,141	\$ 700,114	\$ 406,261

**Key Methods and Assumptions.** Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Valuation Date:	
Assets:	June 30, 2019
Liabilities:	June 30, 2018 - Member census data as of June 30, 2018 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date.
Actuarial Cost Method:	Entry Age Normal (Level percent of payroll)
Experience Study Date	Period of 4 years ended June 30, 2014
Investment Rate of Return	6.75%, net of investment expense, including inflation
Cost of Living Increases	2020-2021 - 13th check
	2022-2033 - 0.40%
	2034-2038 - 0.50%
	2039 and on - 0.60%
Salary increases, including inflation:	2.50% - 4.25%
Inflation	2.25%

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE IV - OTHER INFORMATION** (cont.)

#### **A. EMPLOYEES' RETIREMENT SYSTEM** (cont.)

##### **Net Pension Liability** (cont.)

##### **Key Methods and Assumptions.** (cont.)

Mortality:	
Health:	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006
Disability:	RP-2014 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2006
Funding Policy Location	<a href="http://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf">www.in.gov/inprs/files/INPRS_Funding_Policy.pdf</a>

**Change in Assumptions.** There were no changes in assumptions for the June 30, 2018 actuarial valuation. An assumption study was performed in April 2015 for the June 30, 2015 actuarial valuation with changes amortized over the average expected remaining service lives of the plan for the following assumptions:

The long-term return expectation has been determined by using a building-block approach and assumes a time horizon, as defined by INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established and the long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

	Target Asset Allocation %	Long-Term Expected Real Rate of Return % (Geometric Basis)
Public Equity	22%	4.9%
Private Equity	14	7
Fixed Income - Ex Inflation-Linked	20	2.5
Fixed Income - Inflation-Linked	7	1.3
Commodities	8	2.0
Real Estate	7	6.7
Absolute Return	10	2.9
Risk Parity	12	5.3

**Discount rate.** The discount rate used to measure the total pension liability was 6.75% as of June 30, 2018 and is equal to the long-term expected return on plan investments.

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Net Pension Liability (cont.)**

**Sensitivity of the city's proportionate share of the net pension liability to changes in the discount rate.** The following presents the city's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
City's proportionate share of the net pension liability	\$19,873,593	\$12,374,489	\$6,119,663
Water Utility's proportionate share of the net pension liability	\$7,497,372	\$4,668,313	\$2,308,661
Wastewater Utility's proportionate share of the net pension liability	\$4,350,561	\$2,708,920	\$1,339,665

**1925 Police Officers' Pension Plan**

**Plan description.** The City 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 pension board consists of nine members. Three are members by virtue of office: the Mayor, the City Controller, and the Police Chief. Five members are elected representatives of the active membership of the police department, and one additional member, a retired officer, is elected. The plan provides retirement, disability, and death benefits to plan members and beneficiaries.

The financial statements of the plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

The plan was established and may be amended 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.

**Plan Membership**

At December 31, 2019, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	195
Total	195

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Plan Membership* (cont.)

**Benefits Provided.** The plan provides retirement, disability, and death benefits. The benefit provisions of the plan for non-converted members are set forth in Indiana Code 36-8-6. The benefit provisions for the converted members are set forth in Indiana Code 36-8-8. Unless specifically denoted, provisions for converted and non-converted members are the same. All full-time, fully paid police officers who were hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants. The pension plan is closed to new entrants.

Eligibility for annuity benefits is as follows. Non-converted members of any age with twenty or more years of creditable service and converted plan members who are age fifty-two with twenty or more years of creditable service are eligible for normal benefits. Normal retirement benefits are calculated at 50% of the base salary of a first-class patrolman, plus an additional 1% for each completed six months of service over twenty years up to a maximum of 74% with 32 years of service.

Non-converted plan members of any age with twenty or more years of creditable service and converted plan members age fifty with twenty years or more of creditable service are eligible to receive early retirement benefits. Early retirement benefits are unreduced for non-converted plan members. Early retirement benefits are reduced by 7% per year for converted plan members between ages fifty and fifty-two. Late retirement benefits are calculated in the same manner as normal retirement benefits.

Disability retirement benefits are equal to a sum determined by a disability medical panel, but not exceeding 55% of the monthly salary (with longevity pay) of a first-class patrolman. If a member has more than twenty years of service, the disability benefit, if greater, will be equal to the pension the member would have received if the member had retired on the date of disability. For converted plan members, the disability benefit is equal to the benefit the member would have received if the member had retired.

If a converted member does not have twenty years of service or is not at least age fifty-two on the date of disability, the benefit is computed as if the member does have twenty years of service and is age fifty-two at the date of disability.

Pre-retirement death benefits vary for converted and non-converted plan members and depending upon whether the death is considered in the line of duty or not in the line of duty. Such benefits range from 20-50% of a first-class patrolman salary, with longevity, or from 55-100% of the monthly benefit the member was receiving, or was entitled to receive, on the date of death. Pre-retirement death benefits are payable to the surviving spouse, children and dependent parents of plan members provided they meet eligibility guidelines. A one-time funeral death benefit is paid to the heirs or estate upon a member's death from any cause and is equal to at least \$12,000. An additional benefit of \$150,000 is paid from the Pension Relief Fund to a surviving spouse, children, or parent(s) if death occurs in the line of duty.

Non-converted members are entitled to the normal retirement benefit described above if termination occurs after earning twenty years of service. If termination occurs before completing twenty years of service, no benefits are payable. Converted members are entitled to the accrued retirement benefit determined as of the termination date and payable commencing on the normal retirement date. If termination occurs before completing twenty years of service, the member shall be entitled to the member's contributions plus accumulated interest.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Plan Membership* (cont.)

Benefits for non-converted retired members are increased annually based on increases in the first-class salary as approved by the employer. Converted retired member benefits are increased annually based on increases in the CPI-U index. The increase is subject to a 3% maximum and 0% minimum.

**Contributions.** Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to six percent (6%) of the salary of a first-class patrolman until they have completed thirty-two years of service.

Actuarial valuations are performed annually for the 1925 Police Officers' Pension Plan. The assumptions used in the valuation are selected and approved by the Indiana Public Retirement System (INPRS) Board of Trustees.

Benefits to members of the plan are funded on a pay-as-you-go basis by certain revenues and appropriations of the State of Indiana to the Pension Relief Fund. On-behalf contributions from the State of Indiana as shown in the financial statements of \$6,418,561 approximate an equal amount paid out for benefits. The primary government has recognized these on-behalf payments as intergovernmental revenue and public safety expenditures in the General Fund. The Pension Relief Fund has been created within the INPRS and is administered by INPRS and is used as a temporary holding account for collecting State revenues and appropriations before funds are distributed to employers. Amounts required to pay benefits are distributed from the fund to the City.

**Pension Plan Investments - Policy and Rate of Return.** The pension plan investment policy is consistent with the overall policy of the City as described in Note III.A. The plan held no investments during the reporting period.

**Deferred Retirement Option Plan.** The Deferred Retirement Option Plan (DROP) is an optional form of benefit, which allows members who are eligible for an unreduced retirement benefit to continue to work and earn a salary while accumulating a DROP benefit. A member who elects to enter the DROP shall execute an irrevocable election to retire on the DROP retirement date. The member shall select a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. While in the DROP, the member shall continue to make applicable fund contributions. When a member enters the DROP, a "DROP frozen benefit" will be calculated. Members of the DROP are eligible to receive a lump sum equal to the amount of the DROP frozen benefit multiplied by the number of months in the DROP. A member may elect to receive this amount in three annual installments instead of a single lump sum. In addition, the member will receive a monthly retirement benefit equal to the DROP frozen benefit. Forms of payment include a single life annuity or a joint annuity with 60% survivor benefits. A member, upon retirement, may elect to forgo DROP benefits and instead receive monthly retirement benefits calculated as if the member never elected to participate in the DROP. There is no balance of amounts held by the pension plan pursuant to the DROP.

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

***Net Pension Liability***

The components of the net pension liability of the 1925 Police Officers' Pension Plan at December 31, 2019 were as follows:

	1925 Police Officers' Pension
Actuarial net pension liability	\$ 93,554,337
Plan fiduciary net position	(4,696,828)
Net pension liability	\$ 88,857,509
Plan fiduciary net position as a percentage of total pension liability	5.02%

Change in net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	1925 Police Officers' Pension		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2018	\$ 87,650,527	\$ (4,522,824)	\$ 83,127,703
Plan amendments	626,518	-	626,518
Interest cost	2,639,764	-	2,639,764
Differences between expected and actual experience (gain)/loss	604,043	-	604,043
Changes in assumptions (gain)/loss	8,235,296	-	8,235,296
Non-employer contributing entity contributions	-	(6,418,561)	(6,418,561)
Net investment income	-	(85,171)	(85,171)
Administrative expense	-	21,740	21,740
Benefit payments, including refunds	(6,201,811)	6,307,988	106,177
Balance at December 31, 2019	\$ 93,554,337	\$ (4,696,828)	\$ 88,857,509

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

---

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Net Pension Liability* (cont.)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended December 31, 2019, the City recognized pension expense of \$12,050,304. At December 31, 2019, the City reported no deferred outflows of resources and \$38,251 of deferred inflows of resources (investment experience) related to the 1925 Police Officers' Pension Plan.

**Actuarial Assumptions.** The actuarial assumptions used in the valuation were selected and approved by the INPRS Board of Trustees.

The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25% per annum
Salary increases	2.50% per annum
Long-term rate of return	1.00%, net of pension plan investment expenses, including inflation
Cost of Living Increases for Certain Retirees	2.50% per annum

Mortality rates are based on RP-2014 Blue Collar and Disabled mortality tables with MP-2014 improvement removed, and with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

The actuarial assumptions used in the valuation are based on the results of the actuarial experience study completed for the 1977 Police Officers' and Firefighters' Pension and Disability Fund in April 2015, which covered the period beginning July 1, 2010 and ending June 30, 2014.

**Discount Rate.** The discount rate is set equal to the Barclay's 20-year Municipal Bond Index rate of 2.13 percent as of December 31, 2019. The discount rate decreased from the 3.10 percent used for the December 31, 2018 calculation of the net pension liability. The projection of cash flows used to determine the discount rate considered the fact that on-behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

**Projected Cash Flows.** Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 2.13 percent. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2019. The municipal bond rate was applied to all remaining periods.

The pension plan currently has no investments.

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Net Pension Liability (cont.)**

**Sensitivity of the city's proportionate share of the net pension liability to changes in the discount rate.** The following presents the net pension liability of the plan, calculated using the discount rate of 2.13 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.13 percent) or 1-percentage-point higher (3.13 percent) than the current rate:

	1% Decrease to Discount Rate (1.13%)	Current Discount Rate (2.13%)	1% Increase to Discount Rate (3.13%)
Net Pension Liability	\$ 99,085,154	\$ 88,857,509	\$ 80,218,503

**Pension Cost.** The pension plan does not issue a separate financial report.

**Funding Status and Funding Progress.** As of the January 1, 2019 actuarial valuation date, the plan was not funded and is on a pay-as-you-go-basis. The actuarial accrued liability for benefits was \$93,554,337, and the actuarial value of assets was \$4,696,828, resulting in an unfunded actuarial accrued liability of \$88,857,509. The covered payroll (annual payroll to active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

**Pension Plan Fiduciary Net Position.** Detailed information about the plan's fiduciary net position is not available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

**1937 Firefighters' Officers' Pension Plan**

**Plan description.** The City 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 pension board consists of seven members, which include the Mayor, the Fire Chief, the Pension Secretary, three trustees elected from active members, and one trustee elected from retired members.

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established and can be amended by the plan administrator, as provided by state statute.

CITY OF EVANSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

1937 Firefighters' Officers' Pension Plan (cont.)

The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Plan Membership

At December 31, 2019, Plan membership consisted of the following:

Table with 2 columns: Description and Amount. Rows include 'Retirees and beneficiaries currently receiving benefits' (141) and 'Total' (141).

Benefits Provided. The plan provides retirement, disability, and death benefits. The benefit provisions of the 1937 Firefighters' Pension Plan for non-converted members are set forth in Indiana Code 36-8-7. The benefit provisions for converted members are set forth in Indiana Code 36-8-8.

Unless specifically denoted, provisions for converted and non-converted members are the same. All full-time, fully paid firefighters who were hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants. The pension plan is closed to new entrants.

Eligibility for annuity benefits is as follows. Non-converted members of any age with twenty or more years of creditable service and converted plan members who are age fifty-two with twenty or more years of creditable service are eligible for normal benefits. Normal retirement benefits are calculated at 50% of the base salary of a First-Class Firefighter, plus an additional 1% for each completed six months of service over twenty years up to a maximum of 74% with 32 years of service.

Non-converted plan members of any age with twenty or more years of creditable service and converted plan members age fifty with twenty years or more of creditable service are eligible to receive early retirement benefits. Early retirement benefits are unreduced for unconverted plan members. Early retirement benefits are reduced by 7% per year for converted plan members between ages fifty and fifty-two. Late retirement benefits are calculated in the same manner as normal retirement benefits.

Disability retirement benefits are equal to a sum determined by a disability medical panel, but not exceeding 55% of the monthly salary (with longevity pay) of a First-Class Firefighter. If a member has more than twenty years of service, the disability benefit, if greater, will be equal to the pension the member would have received if the member had retired on the date of disability. For converted plan members, the disability benefit is equal to the benefit the member would have received if the member had retired. If a converted member does not have twenty years of service or is not at least age fifty-two on the date of disability, the benefit is computed as if the member does have twenty years of service and is age fifty-two at the date of disability.

Pre-retirement death benefits vary for converted and non-converted plan members and depending upon whether the death is considered in the line of duty or not in the line of duty. Such benefits range from 20-50% of a First-Class Firefighter's salary, with longevity, or from 55-100% of the monthly benefit the member was receiving, or was entitled to receive, on the date of death.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE IV - OTHER INFORMATION** (cont.)

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#### **A. EMPLOYEES' RETIREMENT SYSTEM** (cont.)

##### **Plan Membership** (cont.)

Pre-retirement death benefits are payable to the surviving spouse, children and dependent parents of plan members provided they meet eligibility guidelines. A one-time funeral death benefit is paid to the heirs or estate upon a member's death from any cause and is equal to at least \$12,000. An additional benefit of \$150,000 is paid from the Pension Relief Fund to a surviving spouse, children, or parent(s) if death occurs in the line of duty.

Non-converted members are entitled to the normal retirement benefit described above if termination occurs after earning twenty years of service. If termination occurs before completing twenty years of service, no benefits are payable. Converted members are entitled to the accrued retirement benefit determined as of the termination date and payable commencing on the normal retirement date.

If termination occurs before completing twenty years of service, the member shall be entitled to the member's contributions plus accumulated interest.

Benefits for non-converted retired members are increased annually based on increases in the First-Class Firefighter's salary as approved by the employer.

Converted retired member benefits are increased annually based on increases in the CPI-U index. The increase is subject to a 3% maximum and 0% minimum.

**Contributions.** Plan members are required by state statute (IC 36-8-7-8) to contribute an amount equal to six percent (6%) of the salary of a First-Class Firefighter until they have completed thirty-two years of service.

Actuarial valuations are performed annually for the 1937 Firefighters' Pension Plan. Benefits to members of the Plan are funded on a pay-as-you-go basis by certain revenues and appropriations from the State of Indiana to the Pension Relief Fund. On-behalf contributions from the State of Indiana as shown in the financial statements of \$4,484,818 approximate an equal amount paid out for benefits. The primary government has recognized these on-behalf payments as intergovernmental revenue and public safety expenditures in the General Fund. The Pension Relief Fund has been created within the Indiana Public Retirement System (INPRS) and is administered by INPRS and is used as a temporary holding account for collecting State revenues and appropriations before funds are distributed to employers. Amounts required to pay benefits are distributed from the fund to the City.

**Pension Plan Investments - Policy and Rate of Return.** The pension plan investment policy is consistent with the overall policy of the City as described in Note III.A. The plan held no investments during the reporting period.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Plan Membership* (cont.)

**Deferred Retirement Option Plan.** The Deferred Retirement Option Plan (DROP) is an optional form of benefit, which allows members who are eligible for an unreduced retirement benefit to continue to work and earn a salary while accumulating a DROP benefit. A member who elects to enter the DROP shall execute an irrevocable election to retire on the DROP retirement date. The member shall select a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. While in the DROP, the member shall continue to make applicable fund contributions.

When a member enters the DROP, a "DROP frozen benefit" will be calculated. Members of the DROP are eligible to receive a lump sum equal to the amount of the DROP frozen benefit multiplied by the number of months in the DROP. A member may elect to receive this amount in three annual installments instead of a single lump sum. In addition, the member will receive a monthly retirement benefit equal to the DROP frozen benefit. Forms of payment include a single life annuity or a joint annuity with 60% survivor benefits. A member, upon retirement, may elect to forgo DROP benefits and instead receive monthly retirement benefits calculated as if the member never elected to participate in the DROP. There is no balance of amounts held by the pension plan pursuant to the DROP.

##### *Net Pension Liability*

The components of the net pension liability of the 1937 Firefighters' Pension Plan at December 31, 2019 were as follows:

	1937 Firefighters' Pension
Actuarial net pension liability	\$ 67,311,092
Plan fiduciary net position	<u>(4,125,509)</u>
Net pension liability	<u>\$ 63,185,583</u>
Plan fiduciary net position as a percentage of total pension liability	<u>6.13%</u>

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Net Pension Liability (cont.)**

Change in net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	1937 Firefighters' Pension		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2018	\$ 64,165,011	\$ (4,247,344)	\$ 59,917,667
Plan amendments	725,875	-	725,875
Interest cost	1,893,301	-	1,893,301
Differences between expected and actual experience (gain)/loss	(850,021)	-	(850,021)
Changes in assumptions (gain)/loss	5,858,426	-	5,858,426
Employer contributions	-	(9,000)	(9,000)
Non-employer contributing entity contributions	-	(4,484,818)	(4,484,818)
Net investment income	-	(78,522)	(78,522)
Administrative expense	-	21,161	21,161
Benefit payments, including refunds	(4,481,500)	4,673,014	191,514
Balance at December 31, 2019	\$ 67,311,092	\$ (4,125,509)	\$ 63,185,583

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended December 31, 2019, the City recognized pension expense of \$7,576,389. At December 31, 2019, the City reported no deferred outflows of resources and \$33,365 of deferred inflows of resources (investment experience) related to the 1937 Firefighters' Pension Plan.

**Actuarial Assumptions.** The actuarial assumptions used in the valuation were selected and approved by the INPRS Board of Trustees.

The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25% per annum
Salary increases	2.50% per annum
Investment Rate of Return	1.00%, net of pension plan investment expenses, including inflation
Cost of Living Increases:	
Non-converted	2.50% per year in retirement
Converted	1.60% July 1, 2019; Thereafter 2.00%

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Net Pension Liability (cont.)**

Mortality rates were based on the RP 2014 Blue Collar and Disabled mortality tables with MP-2014 improvement removed, and with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 report.

The actuarial assumptions used in the valuation are based on the results of the actuarial experience study completed for the 1977 Police Officers' and Firefighters' Pension and Disability Fund in April 2015, which covered the period beginning July 1, 2010 and ending June 30, 2014.

**Discount Rate.** The discount rate is set equal to the Barclay's 20-year Municipal Bond Index rate of 2.13 percent as of December 31, 2019. The discount rate decreased from the 3.10 percent used for the December 31, 2018 calculation of the net pension liability. The projection of cash flows used to determine the discount rate considered the fact that on-behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

**Projected Cash Flows.** Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 2.13 percent. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2019. The municipal bond rate was applied to all remaining periods.

The pension plan currently has no investments.

**Sensitivity of the city's proportionate share of the net pension liability to changes in the discount rate.** The following presents the net pension liability of the plan, calculated using the discount rate of 2.13 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.13 percent) or 1-percentage-point higher (3.13 percent) than the current rate:

	1% Decrease to Discount Rate (1.13%)	Current Discount Rate (2.13%)	1% Increase to Discount Rate (3.13%)
Net Pension Liability	\$ 70,537,926	\$ 63,185,583	\$ 56,961,332

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Net Pension Liability* (cont.)

**Pension Cost.** The pension plan does not issue a separate financial report.

**Funding Status and Funding Progress.** As of the January 1, 2018 actuarial valuation date, the plan was not funded and is on a pay as you go basis. The actuarial accrued liability for benefits was \$67,311,092, and the actuarial value of assets was \$4,125,509, resulting in an unfunded actuarial accrued liability of \$63,185,583. The covered payroll (annual payroll to active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

**Pension Plan Fiduciary Net Position.** Detailed information about the plan's fiduciary net position is not available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

#### **1977 Police Officers' and Firefighters' Pension and Disability Fund**

**Plan Description.** The 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) provides pensions for all police officers and firefighters hired after April 30, 1977. The plan is a cost-sharing, multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (INPRS). The pension system issues a publicly available financial report that can be obtained at <http://www.inprs.in.gov>.

For purposes of employer allocations, the Police Officers and Firefighters are considered separate submission units and their respective pension items are reported herein.

**Retirement Benefits.** The plan provides retirement, disability, and death benefits. Benefit terms are established and amended by State legislative action.

Annual retirement benefits for employees are calculated equal to 50 percent of the salary of a first class officer for 20 years of service. Normal retirement age is 52 with early retirement at 50. Employees are eligible for non-duty disability benefits after five years of services and for duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date.

The annual adjustments are determined by statute equal to the change in the Consumer Price Index but not in excess of a 3 percent increase.

# CITY OF EVANSVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## NOTE IV - OTHER INFORMATION (cont.)

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### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### **1977 Police Officers' and Firefighters' Pension and Disability Fund (cont.)**

**Retirement Benefits - Disability and Survivor Benefits.** The 1977 Fund also provides disability and survivor benefits. An active member may file an application for disability benefits. A determination is then made by the local pension board, and reviewed by the INPRS Board of Trustees, as to whether the member has a covered impairment and whether the impairment was incurred in the line of duty or not.

The calculation for disability benefits is based on when the member was first hired, the type of impairment and other factors. In addition, the heirs or estate of a fund member may be entitled to receive \$12,000 upon the member's death.

If a member dies while receiving retirement or disability benefits, there are provisions for the surviving spouse and child(ren) to receive a portion of the benefits. The member's surviving spouse is entitled to a monthly benefit equal to 60 percent of the member's monthly benefit during the spouse's lifetime. Each of the member's surviving child(ren) is entitled to a monthly benefit equal to 20 percent of the member's monthly benefit until the age of 18, or age 23, if a full-time student. If there is no eligible surviving spouse or child(ren), a dependent parent(s) may receive 50 percent of the member's monthly benefit during their lifetime.

**Retirement Benefits - Deferred Retirement Option Plan.** The Deferred Retirement Option Plan (DROP) for the 1977 Fund was established by the Indiana Legislature in 2002 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 36-8-8.5. Members of the 1977 Fund that are eligible to retire may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remains in active service contributing to the fund until that date. The DROP retirement date must be not less than twelve (12) months and not more than thirty-six (36) months after their DROP entry date, and not after the date they reach any mandatory retirement age that may apply.

The member may make an election to enter the DROP only once in their lifetime. The DROP and future retirement monthly benefit is calculated as of the member's DROP entry date. At the time of retirement, the member must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2019 the plan held zero dollars pursuant to the DROP.

**Contributions.** The funding policy for the 1977 Fund requires remittances of member and employer contributions based on percentages of the salary of a first class officer or firefighter rather than actual payroll. The employer contribution rate is actuarially determined. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 36-8-8-6. As the 1977 Fund is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. During calendar year 2019, all participating employers were required to contribute 17.5 percent of the salary of a first-class officer or firefighter. City contributions for the year ended December 31, 2019 were \$3,033,737 and \$2,943,183 for the Police Officers and Firefighters Funds, respectively.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### 1977 Police Officers' and Firefighters' Pension and Disability Fund (cont.)

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana Public Retirement System (INPRS) and additions to/deductions from INPRS's fiduciary net position have been determined on the same basis as they are reported by INPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of December 31, 2019, the City reported a pension asset of \$180,786 for the Police and a pension asset of \$175,346 Firefighter proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2019 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's reported wages as a proportion of total collective reported wages for all employers. At June 30, 2019, the City's proportion of the Police Officers' fund was 1.96166 percent. At June 30, 2019, the City's proportion of the Firefighters' fund was 1.90263 percent.

For the year ended December 31, 2019, the City recognized pension expense of \$6,197,558 for the Police Officers and \$6,031,150 for the Firefighters' fund. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	Police	Fire	Total
Differences between expected and actual experience	\$ 3,285,492	\$ 3,186,625	\$ 6,472,117
Changes in proportion and differences between employer contributions and proportionate share of contributions	91,407	151,574	242,981
Employer contributions subsequent to the measurement date	1,636,776	1,650,727	3,287,503
Totals	\$ 5,013,675	\$ 4,988,926	\$ 10,002,601
	Deferred Inflows of Resources		
	Police	Fire	Total
Differences between expected and actual experience	\$ 641,438	\$ 622,136	\$ 1,263,574
Changes in assumptions	3,116,484	3,022,703	6,139,187
Net differences between projected and actual earnings on pension plan investments	1,641,231	1,591,843	3,233,074
Changes in proportion and differences between employer contributions and proportionate share of contributions	117,362	100,957	218,319
Totals	\$ 5,516,515	\$ 5,337,639	\$ 10,854,154

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE IV - OTHER INFORMATION (cont.)**

#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

##### **1977 Police Officers' and Firefighters' Pension and Disability Fund (cont.)**

\$1,636,776 reported for the Police Officers' and \$1,650,727 reported for the Firefighters' funds as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Police	Fire	Total
2020	\$ (236,555)	\$ (209,348)	\$ (445,903)
2021	(1,286,457)	(1,227,657)	(2,514,114)
2022	(1,042,132)	(990,684)	(2,032,816)
2023	(475,899)	(448,537)	(924,436)
2024	213,471	210,810	424,281
Thereafter	687,956	665,976	1,353,932

**Actuarial Assumptions.** The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.50%
Mortality rates	RP-2014 Blue Collar Mortality Table, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.
Investment rate of return (COLA) or "Ad Hoc" (COLA) or "Ad Hoc"	6.75% net of investment expense, including inflation
	2.00%

The actuarial assumptions used in the June 30, 2019 valuation of the Public Employees' Retirement Fund were adopted by the INPRS Board in April 2019. The majority of the actuarial and methods are based on plan experience from July 1, 2010 through June 30, 2014 and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2017. The funding policy is available online at: [www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](http://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### 1977 Police Officers' and Firefighters' Pension and Disability Fund (cont.)

The target allocation and best estimates of arithmetic real rates of return as of June 30, 2019 for each major asset class are summarized in the following table:

	Target Asset Allocation %	Long-Term Expected Real Rate of Return %
Public Equity	22%	4.9%
Private Equity	14	7.0
Fixed Income - Ex Inflation-Linked	20	2.5
Fixed Income - Inflation-Linked	7	1.3
Commodities	8	2.0
Real Estate	7	6.7
Absolute Return	10	2.9
Risk Parity	12	5.3

**Discount rate.** The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from units will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the city's proportionate share of the net pension liability to changes in the discount rate.** The following presents the city's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
City's proportionate share of the net pension liability - Police Officers'	\$20,004,625	\$180,786	\$(15,829,580)
City's proportionate share of the net pension liability - Firefighters'	19,402,649	175,346	(15,353,238)

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Comprehensive Annual Financial Report (CAFR) and Actuarial Valuations. These reports can be found at:

[https://www.in.gov/inprs/files/2019\\_INPRSCAFRBook.pdf](https://www.in.gov/inprs/files/2019_INPRSCAFRBook.pdf)

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE IV - OTHER INFORMATION (cont.)**

#### ***B. RISK MANAGEMENT***

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

#### ***Self-Insurance***

For claims, the uninsured risk of loss is \$100,000 per incident and \$1,000,000 in the aggregate for a policy year. The city has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the city participate in the risk management program. Amounts payable to the Hospitalization Fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$0 was assigned for that reserve at year end, and is included in unrestricted net position of the internal service fund.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The city does not allocate overhead costs or other non-incremental costs to the claims liability. Prior year information is not available.

#### ***Claims Liability***

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 1,401,302	\$ 2,564,563
Current year claims and changes in estimates	22,978,412	18,353,616
Claim payments	(21,815,151)	(19,409,934)
 Unpaid Claims - End of Year	 \$ 2,564,563	 \$ 1,508,245

#### ***C. COMMITMENTS AND CONTINGENCIES***

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

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

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### C. COMMITMENTS AND CONTINGENCIES (cont.)

The city has active construction projects as of December 31, 2019. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

The city has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor:

General Fund	\$ 676,027
Local Income Tax	2,052,064
Casino	6,866,074
Nonmajor funds	<u>34,388,095</u>
Totals	<u>\$ 43,982,260</u>

#### D. OTHER POSTEMPLOYMENT BENEFITS

##### *General Information about the OPEB Plan*

**Plan description.** The city's single-employer defined benefit healthcare plan provides comprehensive medical benefits to eligible retirees and their dependents. To be eligible, participants must be, at a minimum, age 52 with 15 years of service with an Indiana public employer (10 years must be completed immediately prior to his or her retirement date. The employer provides access to an on-site medical clinic until the participant reaches his or her 65th birthday. Spouse coverage continues until the spouse becomes Medicare eligible.

The City administers the plan and issues a report that includes financial information and required supplementary information of the plan as a whole. The report may be obtained by contacting the City at 1 NW Martin L King Jr Bl #314, Evansville, IN 47708. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Employees covered by benefit terms.** At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	708
Active plan members	<u>1,703</u>
	<u>2,411</u>

##### **Total OPEB Liability**

The city's total OPEB liability of \$331,348,355 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **D. OTHER POSTEMPLOYMENT BENEFITS** (cont.)

**Actuarial assumptions and other inputs.** The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	For fiscal year ending December 31, 2019, a December 31, 2019 measurement date was used.
Actuarial valuation date	January 1, 2019 projected to the December 31, 2019 measurement date on a "no loss / no gain" basis. Liabilities as of January 1, 2019 are based on an actuarial valuation date of January 1, 2019 with no adjustments.
Discount rate	3.26% as of December 31, 2019 and 4.11% as of January 1, 2019 for accounting disclosure purposes.
Payroll Growth	2.25% inflation plus the salary merit increase based on the Public Employees' Retirement Fund (PERF) June 30, 2018 actuarial valuations. Increases ranging from 0.25% to 2.00% based on age.
Inflation	2.25% year
Cost method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.
Healthcare cost trend rates	7.5% for 2020 declining to 4.5% for 2026 and after
Retirees' share of benefit-related costs	Retiree contributions are assumed to increase according to health care trend rates

The discount rate of 3.26% was based on the yield for 20-year-Standard & Poors municipal high-grade bonds as of December 31, 2019 (measurement date).

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

### **NOTE IV - OTHER INFORMATION (cont.)**

#### ***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

Mortality based on RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH-2018 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2018 using MP-2018 improvement).

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2018 to December 31, 2018.

#### ***Changes in the Total OPEB Liability***

	Total OPEB Liability
Balances at December 31, 2018	\$279,930,830
Changes for the year:	
Service cost	9,380,377
Interest	11,764,145
Differences between expected and actual experience	(11,460,775)
Changes in assumptions or other inputs	47,954,344
Benefit payments	(6,220,566)
Net changes	51,417,525
Balances at December 31, 2019	\$331,348,355

Changes of assumptions and other inputs reflect a change in the discount rate from 4.11 percent in 2018 to 3.26 percent in 2019

***Sensitivity of the total OPEB liability to changes in the discount rate.*** The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current discount rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Net OPEB liability	\$ 404,430,963	\$ 331,348,355	\$ 276,007,580

**CITY OF EVANSVILLE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**D. OTHER POSTEMPLOYMENT BENEFITS (cont.)**

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.** The following presents the net OPEB liability of the city, as well as what the city's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower ( 6.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease (6.5% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
Net OPEB liability	\$269,298,605	\$ 331,348,355	\$415,012,254

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB**

For the year ended December 31, 2019, the city recognized OPEB expense of \$27,226,784. At December 31, 2019, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 9,550,646
Changes of assumptions or other inputs	<u>39,961,953</u>	<u>-</u>
Total	<u>\$ 39,961,953</u>	<u>\$ 9,550,646</u>

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

Year Ended December 31:

2020	\$ 6,082,262
2021	6,082,262
2022	6,082,262
2023	6,082,262
2024	6,082,259
Thereafter	-

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### ***E. SUBSEQUENT EVENTS***

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the County. As of the date above, the County's evaluation of the effects of these events is ongoing; however, we anticipate this situation could impact several areas as listed below.

The extent of the impact of COVID-19 on the County's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

Potential impacts include but are not limited to:

- (a) Investment valuations and decreased investment income
- (b) Declines in revenues such as room tax, sales tax, income tax, state aids, fines, or tickets etc.
- (c) Decline in demand for services such as utilities, transit, recreational enterprise activities or permits & licenses, airport traffic
- (d) Increase in delinquencies or uncollectible accounts receivable or loans receivable
- (e) Timing or ability to issue bonds as planned or obtain financing (as the market has been disrupted)
- (f) Increase in demand for services as a result of increased unemployment
- (g) Increased costs related to pensions, OPEB, insurance, labor (sick time or overtime), etc.

#### ***Supplemental Income Tax ("LIT")***

Indiana Code Citation IC 6-3.609-15 requires the State Budget Agency to provide the amount of supplemental distributions for qualifying counties to the Department of Local Government Finance before May 2nd. The supplemental distribution is disbursed to counties that have a balance in the county trust account exceeding fifteen percent (15%) of the certified distribution to be made to the county in the year of determination. The City received a supplemental distribution of Local Income Tax and Public Safety Local Income Tax of \$1,367,627 and \$355,120, respectively, on May 20, 2020. This was due to a recalculation of excess prior year income tax funds held by the state that are to be distributed by law.

#### ***Sewage Works Refunding Revenue Bonds, Series 2020***

The City of Evansville Municipal Sewage Works issued \$ 21,980,000 in refunding revenue bonds on July 30, 2020. These bonds retired previously issued debt of \$ 13,671,000 of the currently outstanding Sewage Works Revenue Bonds of 2007, Series A, dated April 10, 2007 and \$ 2,647,000 of the currently outstanding Sewage Works Revenue Bonds of 2007, Series B (reissued) dated April 26, 2007 and \$ 8,847,000 of the currently outstanding Sewage Works Revenue Bonds of 2008, Series B, dated October 3, 2008, to fund a reserve account and pay issuance costs. The Refunded Bonds were originally issued to finance the cost of certain improvements and extensions of the City sewage works.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE IV - OTHER INFORMATION (cont.)**

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#### ***E. SUBSEQUENT EVENTS (cont.)***

On November 26, 2019, the Water Utility Board approved the issuance of the aggregate principal amount not to exceed \$34,100,000 in Waterworks Refunding Revenue Bonds, Series 2020. On January 30, 2020, the bonds were issued in the principal amount of \$30,670,000 to advance refund \$28,775,000 of the outstanding Waterworks District Revenue Bonds, Series 2013A (2013A Bonds). Bond proceeds together with funds on hand were used to purchase U.S. government securities and placed in an irrevocable escrow account to refund the 2013A Bonds.

As a result, the 2013A Bonds are considered to be defeased and the liabilities removed from the Statement of Net Position. The reacquisition price exceeded the net carrying value of the prior bonds by \$1,786,991. This amount is being charged to interest expense over the remaining life of the new bond as a deferred outflow.

The Water Utility in effect lowered its aggregate debt service payment by \$5,149,930 over the next 15 years and realized an economic gain (difference between the present values of the old and new debt service payments) of \$4,227,447.

Due to circumstances surrounding the current pandemic, the funding from the City of Evansville to the Evansville Land Bank has been reduced from \$1,000,000 for 2019 to \$250,000 for 2020.

#### ***F. RELATED ORGANIZATIONS***

##### ***Evansville Vanderburgh Airport Authority District (EVAAD)***

The City of Evansville appoints the majority of the board of directors for the Evansville-Vanderburgh Airport Authority District (EVAAD). The airport offers competitive-priced connectivity to hundreds of domestic and international destinations with frequent daily flights to five top-rated, major hub cities - Atlanta, Dallas, Detroit, Charlotte, and Chicago, as well as non-stop, low-cost flights to Destin and Orlando. Its governing board consists of five members, three appointed by the mayor of the city of Evansville and two appointed by the Vanderburgh County Commissioners. However, the city does not appoint the authority's management. The board members may not be removed except for cause. The Airport develops its budget, issues bonded debt, levies taxes, and sets its rates with the approval of the County Council. EVAAD does not provide a financial benefit, nor does it impose a financial burden on the city. Because the city is unable to impose its will on the authority and there is no financial burden or benefit relationship between the city and the authority, the authority is not a component unit of the city. However, because the city appoints the voting majority of the authority's board, the authority is disclosed as a related organization.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE IV - OTHER INFORMATION (cont.)**

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#### **G. TAX ABATEMENT**

Under the state statute, IC 6-1.1-12.1 the City provides tax abatements for rehabilitation or redevelopment of real property in economic revitalization areas. Economic revitalization area (ERA) means an area which is within the corporate limits of a city, town or county which has become undesirable for, or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The tax abatements under this statute are for real property tax and personal property tax.

#### ***Real Property Tax Abatements***

The abatements are obtained through application by the property owner, approval by the City Council, and a signed agreement between the parties. The agreement is usually for a ten-year period in which the City is willing to forgo tax revenues (real property tax) and the property owner promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The City must also agree that the commitments have been met. The City then allows the percentage of reduction to be applied to the eligible assessed value.

#### ***Tax Abatements – Personal Property Tax***

The City Council approves the tax abatements for personal property tax. Once approval is granted the taxpayer must file forms with the County Assessor each year of the abatement. The forms used, depending on the type of property, are 103-ERA, State form 52503; CF-1/PP, State form 51765; SB-1/PP, State form 51764; and form 103-EL, State form 52515 that accompanies the ERA. After the forms are filed, the County Assessor calculated the minimum value ratio (MVR) which is the Total True Tax Value, from Schedule A divided by 30% of Adjusted Cost, from Schedule A. The adjusted cost is multiplied by the True Tax Value percentage for the property pool by year of purchase of the asset, then times the MVR. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The County must also agree that the commitments have been met. The County then allows the reduction in personal property tax to be applied.

# CITY OF EVANSVILLE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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### **NOTE IV - OTHER INFORMATION (cont.)**

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#### **G. TAX ABATEMENT (cont.)**

##### **Vacant Building Abatement (I.C. 6-1.1-12.1-4.8)**

Up to a two-year real property tax abatement is available to a company, according to local qualifications, based on occupying a building that has been vacant for more than a year. The building must be used for commercial or industrial purposes and be located in a designated Economic Revitalization Area, as designated by the Council. Prior approval of the Council must occur before occupying the facility and the Council determines the time period for the abatement. All of these programs are designed to spur job creation and retention, grow the income and property tax base, support the redevelopment of areas experiencing a cessation of growth, attract and retain businesses in targeted industries, and assist distressed businesses, among other objectives. Minimum eligibility criteria for such abatements vary by program, as noted above, but generally require that an investment in real or personal property be projected to increase assessed value, create or retain jobs and/or promote economic revitalization. In return for such abatements, the City generally commits to permit, zoning, and training assistance. Included in each abatement agreement are provisions specifying certain damages, among which may include a clawback of some or all of the taxes previously abated. If a company cease operations or announces the cessation of operations at the facility for which the abatement was granted, termination of the abatement agreement is warranted and 100% clawback is required. Other clawbacks are calculated based on the highest level of non-compliance among the measured categories for that project.

##### **Impact of Abatements on Revenues**

Indiana property tax laws complicate the calculation of the exact impact of property tax abatements on the tax revenues of a given unit of local government. Constraints on the growth of the annual tax levy and constitutional limitations on taxes (also known as property tax caps) are the chief complicating factors. The increase in the annual tax levy is limited to the growth in the 6-year moving average of nonfarm personal income growth, which is known as the Assessed Value Growth Quotient (AVGQ). Statutory property tax caps for homesteads, agricultural and other residential and commercial are equal to 1%, 2% and 3%, respectively, of associated assessed valuations.

The tax rate, which is established for each taxing unit by the Department of Local Government Finance, is based on the tax levy requested by the taxing unit (as limited by the AVGQ) divided by the net assessed value of the property in a physical taxing district. The theory behind the AVGQ is that the costs of government should not be increasing at a greater rate than taxpayer incomes.

Tax abatements are granted on the assessed value of the property abated. The taxpayer's taxes are then calculated based on this reduced assessment, thus resulting in a lower tax liability. But because a given district's tax rate is calculated based on the total net assessed value in the district (net of abatements and other adjustments), the certified levy of each unit in the district is the same as if the abatements had not been granted.

Additionally, to the extent that parcels have reached the constitutional limit of tax liability as a percentage of gross assessed value, the property tax rate caps (circuit breaker credits) reduce the property tax collections of the affected taxing units. The degree to which property tax abatements exacerbate circuit breaker losses differs by parcel and is dependent on the proportion of abated assessed value to total gross assessed value, as well as prevailing property tax rates.

# CITY OF EVANSVILLE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

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## NOTE IV - OTHER INFORMATION (cont.)

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### G. TAX ABATEMENT (cont.)

#### Impact of Abatements on Revenues (cont.)

The estimated gross amount, on a cash basis by which the City of Evansville's property tax revenues (payable 2019 taxes) were reduced as a result of the aforementioned City abatement programs, totaled \$268,899. The abatements for the City of Evansville included abatements for the following programs:

Real Estate Abatement	<u>\$268,899</u>
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While the City of Evansville has calculated the potential impact of existing tax abatements on its property tax revenues for 2019 to approximate \$268,899 the actual extent of lost revenues is something less than this amount and cannot be reasonably determined due to the application of circuit breaker credits.

### H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- > *Statement No. 87*, Leases
- > *Statement No. 91*, Conduit Debt Obligations
- > *Statement No. 92*, Omnibus
- > *Statement No. 93*, Replacement of Interbank Offered Rates
- > *Statement No. 94*, Public-Private and Public-Public Partnerships and Availability Payment Options

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance, with the exception of Statement No. 87 which was postponed by one and a half years.

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

CITY OF EVANSVILLE, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Public Employees' Retirement Fund  
 Available Data: Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability	0.37441%	0.37351%	0.39069%	0.39458%	0.39697%	0.38052%
City's proportionate share of the net pension liability	\$ 12,374,489	\$ 12,688,304	\$ 17,430,804	\$ 17,907,794	\$ 16,168,199	\$ 9,999,819
City's covered payroll	\$ 19,506,867	\$ 19,058,704	\$ 19,382,997	\$ 18,910,842	\$ 19,013,888	\$ 18,577,987
City's proportionate share of the net pension liability as a percentage of its covered payroll	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of total pension liability *	80.1%	78.9%	72.7%	71.2%	73.3%	81.1%

Notes:

The plan fiduciary net position as a percentage of total pension liability comes from the INPRS annual report.

The City's covered payroll comes from the City specific report for INPRS.

The amounts presented for each fiscal year were determined as of June 30 (measurement date).

Benefit changes: Pursuant to HEA 109 survivor benefits now require 10 years of creditable service rather than 15 years.

Changes in actuarial methods: None

Changes in assumptions: None

Information is not available prior to 2014.

Additional years will be added until 10 years of historical data is shown.

\* Effective January 1, 2018 funds previously known as annuity savings accounts (which had been reported within defined benefit (DB) funds) were recategorized as defined contribution (DC) funds based on Internal Revenue Service Private Letter Rulings PLR-193-2016 and PLR-110249-18. DC member balances previously reported within PERF DB fund total were transferred to the appropriate DC fund as of January 1, 2018.

CITY OF EVANSVILLE, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CITY CONTRIBUTIONS  
 Public Employees' Retirement Fund  
 Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>
Contractually required contributions City	\$ 2,287,137	\$ 2,139,426
Contributions in relation to the contractually required contributions City	<u>(2,287,137)</u>	<u>(2,139,426)</u>
Contribution deficiency City	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 20,420,866	\$ 19,102,018
Contributions as a percentage of covered payroll*	11.20%	11.20%

Notes:

The amounts presented for each fiscal year were determined as of December 31.

Information is not available prior to 2018.

Additional years will be added until 10 years of historical data is shown.

CITY OF EVANSVILLE, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE UTILITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Public Employees' Retirement Fund  
 Available Data: Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014
Utility portion of the net pension liability	0.22321%	2.24880%	0.22719%	0.22858%	0.22721%	0.20815%
Utility's proportionate share of the net pension liability	\$ 7,377,233	\$ 7,639,275	\$ 10,136,181	\$ 10,373,977	\$ 9,254,041	\$ 5,470,047
Utility's covered payroll	\$ 11,629,391	\$ 11,474,444	\$ 11,271,318	\$ 10,954,725	\$ 10,882,763	\$ 10,162,470
Utility's proportionate share of the net pension liability as a percentage of its covered payroll	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of total pension liability *		78.9%	76.6%	75.3%	77.3%	84.3%

Notes:

The plan fiduciary net position as a percentage of total pension liability comes from the INPRS annual report.

The City's covered payroll comes from the City specific report for INPRS.

The amounts presented for each fiscal year were determined as of June 30 (measurement date).

Benefit changes: Pursuant to HEA 109 survivor benefits now require 10 years of creditable service rather than 15 years.

Changes in actuarial methods: None

Changes in assumptions: None

Information is not available prior to 2014.

Additional years will be added until 10 years of historical data is shown.

\* Effective January 1, 2018 funds previously known as annuity savings accounts (which had been reported within defined benefit (DB) funds) were recategorized as defined contribution (DC) funds based on Internal Revenue Service Private Letter Rulings PLR-193-2016 and PLR-110249-18. DC member balances previously reported within PERF DB fund total were transferred to the appropriate DC fund as of January 1, 2018.

CITY OF EVANSVILLE, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CITY CONTRIBUTIONS  
 Public Employees' Retirement Fund  
 Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>
Contractually required contributions		
Utility	\$ 1,761,641	\$ 1,629,406
Contributions in relation to the contractually required contributions		
Utility	<u>(1,761,641)</u>	<u>(1,629,406)</u>
Contribution deficiency		
Utility	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 15,728,938	\$ 14,548,268
Contributions as a percentage of covered payroll*	11.20%	11.20%

Notes:

The amounts presented for each fiscal year were determined as of December 31.

Information is not available prior to 2018.

Additional years will be added until 10 years of historical data is shown.

CITY OF EVANSVILLE, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Police Officers' 1977 Fund  
 Available Data: Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	1.96166%	2.01795%	2.08782%	2.12119%	2.29450%	2.24385%
City's proportionate share of the net pension liability (asset)	\$ 180,786	\$ (1,774,003)	\$ (322,055)	\$ 1,884,400	\$ (3,389,438)	\$ (1,143,922)
City's covered payroll	\$ 17,339,832	\$ 16,994,906	\$ 16,926,164	\$ 16,394,425	\$ 17,110,076	\$ 15,928,726
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	1.0%	-10.4%	-1.9%	11.5%	-19.8%	-7.2%
Plan fiduciary net position as a percentage of total pension liability	99.9%	101.5%	100.3%	98.2%	103.2%	101.1%

Notes:

The plan fiduciary net position as a percentage of total pension liability comes from the INPRS annual report.

The City's covered payroll comes from the City specific report for INPRS.

The amounts presented for each fiscal year were determined as of June 30 (measurement date).

There were no changes to plan provisions, actuarial methods and assumptions or funding polices during 2019.

Changes in plan provisions:

SEA 85 increased the pension benefit from 50 to 52 percent for first class salary and the maximum benefit from 74 to 76 percent.

Surviving spouses benefit increased from 60 to 70 percent.

Information is not available prior to 2014.

Additional years will be added until 10 years of historical data is shown.

CITY OF EVANSVILLE, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CITY CONTRIBUTIONS  
 Police Officers' 1977 Fund  
 Available Data: Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 3,153,644	\$ 2,565,461
Contributions in relation to the contractually required contributions	<u>(3,153,644)</u>	<u>(2,565,461)</u>
Contribution (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 18,020,824	\$ 14,659,777
Contributions as a percentage of covered payroll	17.50%	17.50%

Notes:

The amounts presented for each fiscal year were determined as of December 31.  
 Information is not available prior to 2018.  
 Additional years will be added until 10 years of historical data is shown.

CITY OF EVANSVILLE, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Firefighters' 1977 Fund  
 Available Data: Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	1.90263%	1.95055%	1.99793%	2.02746%	2.29450%	2.24385%
City's proportionate share of the net pension liability (asset)	\$ 175,346	\$ (1,714,751)	\$ (308,189)	\$ 1,801,133	\$ (3,199,470)	\$ (1,053,182)
City's covered payroll	\$ 16,818,067	\$ 16,427,203	\$ 16,197,445	\$ 15,670,028	\$ 17,110,076	\$ 15,928,726
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	1.0%	-10.4%	-1.9%	11.5%	-18.7%	-6.6%
Plan fiduciary net position as a percentage of total pension liability (asset)	99.9%	101.5%	100.3%	98.2%	103.2%	101.1%

Notes:

The plan fiduciary net position as a percentage of total pension liability comes from the INPRS annual report.

The City's covered payroll comes from the City specific report for INPRS.

The amounts presented for each fiscal year were determined as of June 30 (measurement date).

There were no changes to plan provisions, actuarial methods and assumptions or funding polices during 2019.

Changes in plan provisions:

SEA 85 increased the pension benefit from 50 to 52 percent for first class salary and the maximum benefit from 74 to 76 percent.

Surviving spouses benefit increased from 60 to 70 percent.

Information is not available prior to 2014.

Additional years will be added until 10 years of historical data is shown.

CITY OF EVANSVILLE, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CITY CONTRIBUTIONS  
 Firefighters' 1977 Fund  
 Available Data: Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 3,122,319	\$ 2,908,989
Contributions in relation to the contractually required contributions	<u>(3,122,319)</u>	<u>(2,908,989)</u>
Contribution (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 17,841,823	\$ 16,622,794
Contributions as a percentage of covered payroll	17.50%	17.50%

Notes:

The amounts presented for each fiscal year were determined as of December 31.  
 Information is not available prior to 2018.  
 Additional years will be added until 10 years of historical data is shown.

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CITY OF EVANSVILLE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 Available Data: Last 10 Fiscal Years\*

<b><u>1925 Police Officers' Pension</u></b>	2019	2018
Total Pension Liability:		
Total pension liability - beginning of year	\$ 87,650,527	\$ 95,701,570
Service cost	-	38,208
Interest cost	2,639,764	2,507,927
Experience (gains) losses	604,043	(1,457,235)
Assumption changes	8,235,296	(2,969,549)
Plan amendments	626,518	-
Projected benefit payments	(6,201,811)	(6,170,394)
Total pension liability - end of year	\$ 93,554,337	\$ 87,650,527
Plan Fiduciary Net Position:		
Plan fiduciary net position - beginning of year	\$ 4,522,824	\$ 4,746,074
Administrative	(21,740)	(10,740)
Net investment income	85,171	57,958
Non-employer contributing entity contributions	6,418,561	6,116,676
Actual benefit payments	(6,307,988)	(6,387,144)
Plan fiduciary net position - end of year	\$ 4,696,828	\$ 4,522,824
Net Pension Liability	\$ 88,857,509	\$ 83,127,703
<b><u>1937 Firefighters' Pension</u></b>		
	2019	2018
Total Pension Liability:		
Total pension liability - beginning of year	\$ 64,165,011	\$ 70,001,149
Interest cost	1,893,301	1,837,091
Experience (gains) losses	(850,021)	(888,092)
Assumption changes	5,858,426	(2,165,637)
Plan amendments	725,875	-
Projected benefit payments	(4,481,500)	(4,619,500)
Total pension liability - end of year	\$ 67,311,092	\$ 64,165,011
Plan Fiduciary Net Position:		
Plan fiduciary net position - beginning of year	\$ 4,247,344	\$ 4,267,762
Administrative	(21,161)	(15,446)
Net investment income	78,522	50,222
Employer contributions	9,000	-
Non-employer contributing entity contributions	4,484,818	4,618,351
Actual benefit payments	(4,673,014)	(4,673,544)
Plan fiduciary net position - end of year	\$ 4,125,509	\$ 4,247,345
Net Pension Liability	\$ 63,185,583	\$ 59,917,666

Notes:

\* Information presented for the years information is available

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CITY OF EVANSVILLE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS  
 Available Data: Last 10 Fiscal Years\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>1925 Police Officers' Pension</u></b>			
Total pension liability	\$ 93,554,337	\$ 87,650,527	\$ 95,701,570
Less plan fiduciary net position	<u>4,696,828</u>	<u>4,522,824</u>	<u>4,746,074</u>
Net pension liability	88,857,509	83,127,703	90,955,496
Plan fiduciary net position as a percentage of the total pension liability	5.02%	5.16%	4.96%
Covered payroll	\$ -	**	**
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A
<b><u>1937 Firefighters' Pension</u></b>			
Total pension liability	\$ 67,311,092	\$ 64,165,011	\$ 70,001,149
Less plan fiduciary net position	<u>4,125,509</u>	<u>4,247,345</u>	<u>4,267,762</u>
Net pension liability	63,185,583	59,917,666	65,733,387
Plan fiduciary net position as a percentage of the total pension liability	6.13%	6.62%	6.10%
Covered payroll	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A

## Notes:

\* Information presented for the years information is available

\*\* Not available

CITY OF EVANSVILLE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 Available Data: Last 10 Fiscal Years\*

<b><u>1925 Police Officers' Pension</u></b>	2019	2018
Statutorily Required Contribution	\$ 6,307,988	\$ 6,387,144
Less contributions in relation to the statutorily required contributions	6,307,988	6,387,144
Contribution deficiency (excess)	-	-
 Covered employee payroll	\$ -	**
 Contributions as a percentage of covered employee payroll	N/A	N/A
 <b><u>1937 Firefighters' Pension</u></b>	<b>2019</b>	<b>2018</b>
Statutorily Required Contribution	\$ 4,673,014	\$ 4,673,544
Less contributions in relation to the statutorily required contributions	4,673,014	4,673,544
Contribution deficiency (excess)	-	-
 Covered employee payroll	\$ -	\$ -
 Contributions as a percentage of covered employee payroll	N/A	N/A

Notes:

\* Information presented for the years information is available

\*\* Not available

CITY OF EVANSVILLE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF INVESTMENT RETURNS  
 Available Data: Last 10 Fiscal Years\*

<b><u>1925 Police Officers' Pension</u></b>	2019	2018
Annual money-weighted rate of return net of investment expense	N/A **	N/A **
<b><u>1937 Firefighters' Pension</u></b>	2019	2018
Annual money-weighted rate of return net of investment expense	N/A **	N/A **

Notes:

\* Information presented for the years information is available

\*\* The City pension funds do not have investments and, therefore, no returns on investments to report

CITY OF EVANSVILLE, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
 Available Data: Last 10 Fiscal Years\*

	2019
<b>TOTAL OPEB LIABILITY</b>	
Service Cost	\$ 9,380,377
Interest	11,764,145
Changes of assumptions	47,954,344
Differences between expected and actual experience	(11,460,775)
Benefit payments	(6,220,566)
Net change in total OPEB liability	51,417,525
Total OPEB liability - beginning of year	279,930,830
Total OPEB liability - end of year	\$ 331,348,355
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions	\$ 6,220,566
Benefit payments	(6,220,566)
Net change in fiduciary net position	-
Fiduciary net position - beginning of year	-
Fiduciary net position - end of year	\$ -
Net OPEB liability	\$ 331,348,355
Covered - payroll	N/A
Total OPEB liability as a percentage of covered payroll	N/A

Notes to schedule:

\* Additional years will be added until 10 years of historical data is shown.

CITY OF EVANSVILLE (INDIANA)  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes:				
Property	\$ 53,130,495	\$ 53,130,495	\$ 50,529,741	\$ (2,600,754)
Other	1,125	1,125	900	(225)
Intergovernmental	15,545,672	14,990,048	15,375,144	385,096
Licenses and Permits	2,589,840	2,589,840	1,322,329	(1,267,511)
Charges for Services	2,990,384	2,990,384	1,759,058	(1,231,326)
Fines, Forfeitures and Fees	220,065	220,065	1,536,384	1,316,319
Interest	92,000	92,000	235,360	143,360
Refunds and Reimbursements	403,430	403,430	516,373	112,943
Miscellaneous	2,104,796	2,104,796	1,535,997	(568,799)
<b>Total Revenues</b>	<b>77,077,807</b>	<b>76,522,183</b>	<b>72,811,286</b>	<b>(3,710,897)</b>
Expenditures:				
General Government:				
Controller				
Personal Services	903,347	903,347	758,857	144,490
Supplies	5,127	5,127	4,721	406
Other Services and Charges	176,465	176,465	160,778	15,687
Clerk				
Personal Services	243,496	243,496	220,950	22,546
Supplies	1,473	1,473	1,025	448
Other Services and Charges	30,852	30,852	27,618	3,234
Mayor				
Personal Services	391,687	391,687	365,040	26,647
Supplies	941	941	1,118	(177)
Other Services and Charges	72,638	72,638	74,568	(1,930)
City Council				
Personal Services	403,724	403,724	381,382	22,342
Supplies	274	274	264	10
Other Services and Charges	69,582	69,582	57,610	11,972
Purchasing				
Personal Services	166,735	166,735	156,312	10,423
Supplies	199	199	57	142
Other Services and Charges	25,064	25,064	24,156	908
Personnel				
Personal Services	320,604	320,604	255,696	64,908
Supplies	2,489	2,489	872	1,617
Other Services and Charges	43,208	43,208	35,227	7,981
Law Department				
Other Services and Charges	599,919	599,919	610,286	(10,367)
Human Relations/Resources				
Personal Services	380,763	380,763	358,559	22,204
Supplies	498	498	434	64
Other Services and Charges	32,195	32,195	32,397	(202)
Building Department				
Personal Services	786,095	786,095	732,429	53,666
Supplies	12,943	12,943	12,862	81
Other Services and Charges	123,748	123,748	128,415	(4,667)
Cemetery				
Personal Services	156,664	156,664	153,273	3,391
Supplies	11,748	11,748	11,220	528
Other Services and Charges	137,803	137,803	135,864	1,939
Other Financing Uses	299	299	138	161

CITY OF EVANSVILLE (INDIANA)  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Cemetery #2				
Personal Services	\$ 390,027	\$ 390,027	\$ 390,292	\$ (265)
Supplies	14,859	14,859	14,774	85
Other Services and Charges	264,789	264,789	262,287	2,502
Other Financing Uses	821	821	783	38
Miscellaneous				
Other Services and Charges	149,340	149,340	53,698	95,642
Other Financing Uses	653,563	653,563	599,793	53,770
Miscellaneous 2				
Other Services and Charges	-	-	182	(182)
Capital Outlay	-	-	48,850	(48,850)
Minority/WBE				
Supplies	319	319	94	225
Other Services and Charges	548	548	-	548
METS				
Personal Services	6,898,399	6,898,399	6,398,509	499,890
Supplies	1,049,015	1,049,011	1,065,167	(16,156)
Other Services and Charges	768,793	768,793	584,399	184,394
Spay/Neuter				
Supplies	6,969	6,969	7,511	(542)
Other Services and Charges	22,003	22,003	11,949	10,054
Legal Aid				
Other Services and Charges	233,626	233,626	240,173	(6,547)
Unbudgeted	-	-	3,797,464	(3,797,464)
<b>Total General Government</b>	<b>15,553,647</b>	<b>15,553,643</b>	<b>18,178,053</b>	<b>(2,624,411)</b>
Culture, Recreation and Education				
Dept. of Metro/City				
Personal Services	1,279,443	1,279,442	1,149,013	130,429
Supplies	5,914	5,914	3,406	2,508
Other Services and Charges	176,958	176,958	161,709	15,249
<b>Total Culture, Recreation and Education</b>	<b>1,462,315</b>	<b>1,462,314</b>	<b>1,314,128</b>	<b>148,186</b>
Health and Human Services:				
Environmental Protection				
Personal Services	87,242	87,242	68,807	18,435
Supplies	1,822	1,822	1,773	49
Other Services and Charges	8,675	8,675	7,908	767
<b>Total Health and Human Services</b>	<b>97,739</b>	<b>97,739</b>	<b>78,488</b>	<b>19,251</b>
Highways and Streets:				
Board of Public Works				
Personal Services	542,428	542,428	467,756	74,672
Supplies	30,042	30,042	34,122	(4,080)
Other Services and Charges	187,517	187,517	191,203	(3,686)
<b>Total Highways and Streets</b>	<b>759,987</b>	<b>759,987</b>	<b>693,081</b>	<b>66,906</b>
Public Safety:				
Emergency Ambulance				
Other Services and Charges	3,509	3,509	592	2,917
Weights and Measures				
Other Services and Charges	168,525	168,525	186,279	(17,754)

CITY OF EVANSVILLE (INDIANA)  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Code Enforcement				
Personal Services	\$ 957,455	\$ 957,455	\$ 785,296	\$ 172,159
Supplies	10,952	10,952	10,760	192
Other Services and Charges	331,661	331,661	288,139	43,522
Fire Department				
Personal Services	26,763,306	26,763,306	28,024,454	(1,261,148)
Supplies	421,635	421,635	418,179	3,456
Other Services and Charges	1,481,979	1,481,979	1,143,120	338,859
Police Department				
Personal Services	31,004,147	31,004,147	31,873,155	(869,008)
Supplies	672,028	672,028	773,555	(101,527)
Other Services and Charges	1,950,969	1,950,969	1,858,132	92,837
Animal Control				
Personal Services	784,812	784,812	731,884	52,928
Supplies	44,254	44,254	48,081	(3,827)
Other Services and Charges	103,411	103,411	100,306	3,105
Central Dispatch				
Personal Services	3,640,860	3,640,860	3,311,802	329,058
Supplies	2,670	2,670	2,651	19
Other Services and Charges	172,642	172,642	166,054	6,588
Police Merit				
Personal Services	6,856	6,856	6,886	(30)
Supplies	3,783	3,783	2,661	1,122
Other Services and Charges	82,518	82,518	73,167	9,351
Emergency Management				
Personal Services	236,813	236,813	203,504	33,309
Supplies	9,209	9,209	7,645	1,564
Other Services and Charges	96,152	96,152	91,242	4,910
Fire Merit				
Personal Services	11,425	11,425	11,476	(51)
Supplies	2,066	2,066	1,998	68
Other Services and Charges	37,236	37,236	31,531	5,705
Total Public Safety	<u>69,000,874</u>	<u>69,000,874</u>	<u>70,152,549</u>	<u>(1,151,675)</u>
Total Expenditures	<u>86,874,557</u>	<u>86,874,556</u>	<u>90,416,299</u>	<u>(3,541,743)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,796,750)</u>	<u>(10,352,373)</u>	<u>(17,605,013)</u>	<u>(7,252,640)</u>
Other Financing Sources (Uses):				
Transfers In	10,970,350	10,970,350	14,633,356	3,663,006
Transfers Out	<u>(40,038)</u>	<u>(40,038)</u>	<u>(40,215)</u>	<u>(177)</u>
Total Other Financing Sources (Uses):	<u>10,930,312</u>	<u>10,930,312</u>	<u>14,593,141</u>	<u>3,662,829</u>
Net Change in Fund Balances	1,133,562	577,939	(3,011,872)	(3,589,811)
Fund Balance - Beginning	<u>2,388,973</u>	<u>2,388,973</u>	<u>2,388,973</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,522,535</u>	<u>\$ 2,966,912</u>	<u>\$ (622,899)</u>	<u>\$ (3,589,811)</u>

CITY OF EVANSVILLE (INDIANA)  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 LOCAL INCOME TAX  
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes:				
Other	\$ 18,067,268	\$ 18,067,268	\$ 18,383,441	\$ 316,173
Intergovernmental	14,633	14,633	-	(14,633)
Interest	45,000	45,000	81,044	36,044
Refunds and Reimbursements	1,387,706	1,387,706	1,955,411	567,705
Miscellaneous	-	-	113,253	113,253
Total Revenues	<u>19,514,607</u>	<u>19,514,607</u>	<u>20,533,149</u>	<u>1,018,542</u>
Expenditures:				
General Government:				
Personal Services	237,653	249,077	108,462	140,615
Supplies	179,260	187,877	8,285	179,592
Other Services and Charges	9,322,026	9,770,147	6,808,971	2,961,176
Capital Outlay	328,335	344,118	120,197	223,921
Total Expenditures	<u>10,067,274</u>	<u>10,551,220</u>	<u>7,045,915</u>	<u>3,505,305</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,447,333</u>	<u>8,963,387</u>	<u>13,487,234</u>	<u>4,523,847</u>
Other Financing Sources (Uses):				
Transfers Out	<u>(9,438,074)</u>	<u>(9,891,775)</u>	<u>(12,611,924)</u>	<u>(2,720,149)</u>
Total Other Financing Sources (Uses):	<u>(9,438,074)</u>	<u>(9,891,775)</u>	<u>(12,611,924)</u>	<u>(2,720,149)</u>
Net Change in Fund Balances	9,259	(928,388)	875,310	1,803,698
Fund Balance - Beginning	<u>3,547,157</u>	<u>3,547,157</u>	<u>3,547,157</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,556,416</u>	<u>\$ 2,618,769</u>	<u>\$ 4,422,467</u>	<u>\$ 1,803,698</u>

CITY OF EVANSVILLE (INDIANA)  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 CASINO  
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes:				
Other	\$ -	\$ -	\$ 6,599,560	6,599,560
Intergovernmental	8,379,707	8,379,707	1,015,626	(7,364,081)
Interest	251,201	251,201	450,760	199,559
Refunds and Reimbursements	-	-	22,168	22,168
Sale and Use of Property	5,075,900	5,075,900	4,679,104	(396,796)
Miscellaneous	40,625	40,625	154,450	113,825
Total Revenues	<u>13,747,433</u>	<u>13,747,433</u>	<u>12,921,668</u>	<u>(825,765)</u>
Expenditures:				
General Government:				
Supplies	695,103	882,555	702,554	180,001
Other Services and Charges	5,362,021	6,808,026	6,952,399	(144,373)
Capital Outlay	3,680,123	4,672,562	3,694,483	978,079
Debt Service	1,581,550	2,008,055	-	2,008,055
Total Expenditures	<u>11,318,797</u>	<u>14,371,199</u>	<u>11,349,436</u>	<u>3,021,763</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,428,636</u>	<u>(623,766)</u>	<u>1,572,232</u>	<u>2,195,998</u>
Other Financing Sources (Uses):				
Transfers In	-	-	110,180	110,180
Transfers Out	(2,380,000)	(3,021,828)	(2,719,310)	302,518
Total Other Financing Sources (Uses):	<u>(2,380,000)</u>	<u>(3,021,828)</u>	<u>(2,609,130)</u>	<u>412,698</u>
Net Change in Fund Balances	48,636	(3,645,594)	(1,036,898)	2,608,696
Fund Balance - Beginning	<u>22,269,696</u>	<u>22,269,696</u>	<u>22,269,696</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 22,318,332</u>	<u>\$ 18,624,102</u>	<u>\$ 21,232,798</u>	<u>\$ 2,608,696</u>

CITY OF EVANSVILLE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET/GAAP RECONCILIATION  
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019

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:

	<u>General</u>	<u>Local Income Tax</u>	<u>Riverboat</u>
Net changes in fun balances (budgetary basis)	\$ (3,011,872)	\$ 875,310	\$ (1,036,898)
Adjustments			
To adjust revenues for accruals	1,471,705	4,112,649	359,272
To adjust expenditures for accruals	<u>68,162</u>	<u>36,829</u>	<u>(1,059,070)</u>
Net change in fund balance (GAAP basis)	<u>\$ (1,472,005)</u>	<u>\$ 5,024,788</u>	<u>\$ (1,736,696)</u>

CITY OF EVANSVILLE, INDIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2019

I. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The Controller submits to the Common Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The City advertises the budget prior to adoption and the Common Council holds public hearings to obtain taxpayer comments.
3. The budget is approved in September of each year by the Common Council through passage of an ordinance.
4. Copies of the budget ordinance and advertisements are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the Controller receives approval from the Indiana Department of Local Government Finance. The budget ordinance as approved by the Indiana Department of Local Government Finance becomes the City's expenditures budget. The City's maximum tax levy is restricted by Indiana Law, with certain adjustments and exceptions. If the advertised budget exceeds the spending and tax limits of the state control laws, an excess levy can be granted by the Indiana Department of Local Government Finance, upon appeal by the City.
5. The legal level of budgetary control (the level at which expenditures may not exceed appropriations without the governing body's approval) is by object classification for all funds except for the General Fund, which is by object classification within each department. The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. Any revisions that alter the total appropriations for any fund or any department of the General fund must be approved by the Common Council and in some instances, by the Indiana Department of Local Government Finance.
6. Formal budgetary integration is required by State Statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

Major fund:

General, Local Income Tax, Casino

Nonmajor funds:

Special revenue funds:

Highway, Local Road & Street, Parks and Recreation, Rainy Day Fund, Local Income Tax Public Safety

Debt service funds:

Arena Bond and Park Bond Refunding

Capital projects funds:

Cumulative Capital Improvement, TIF Funds, Greenway Project

CITY OF EVANSVILLE, INDIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December, 2019

II. Financial Reporting – Pension Plans

A. Plan Amendments

- B. In 2019, there were no changes to the Plan that impacted the pension benefits during the fiscal year.

In 2019 pursuant to HEA 109 the years of service required to receive survivor benefits was reduced from 15 years to 10 years.

PERF Plan:

- a) The actuarial assumptions and methods used in the June 30, 2019 valuation of the Public Employees' Defined Benefit Account were adopted by the INPRS Board in May 2019. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2010 through June 30, 2014, and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

1977 Police Officers' and Firefighters' Pension and Disability Fund:

- b) The actuarial assumptions and methods used in the June 30, 2019 valuation of the 1977 Police Officers' and Firefighters' Retirement Fund were adopted by the INPRS board in May 2019. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2010 through June 30, 2014, and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. In 2019, SEA 85 modified the '77 Fund by increasing the basic pension benefit from 50 to 52 percent of a monthly first class salary and the maximum benefit from 74 to 76 percent. Additionally, a surviving spouse in a non-line of duty death now received 70 percent of the member's monthly benefit, increased from 60 percent.
- c) Method and assumptions used in the calculations of actuarially determined contributions.

1925 Police Officers' and 1937 Firefighters' Pension Plans

Actuarial cost method	Entry Age Normal – Level Percent of Payroll
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Inflation	2.25%
Salary increases	2.50%
Cost-of-living increases	Non-converted 2.50% per year in retirement
Converted	1.60% July 1, 2019; thereafter 2.00%
Discount rate	2.13% (Based on Barclay's 20-year Municipal Bond index rate)
Mortality assumption	RP-2014 Blue Collar mortality table, with MP-2014 removed, projected from 2006 based on the SSA improvement scale for Health and RP-2014 Disabled mortality table, with MP-2014 removed, projected from 2006 based on the SSA improvement scale.

CITY OF EVANSVILLE, INDIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December, 2019

III. OPEB Plan

Measurement date	December 31, 2019
Assumptions	January 1, 2019 projected to the December 31, 2109 measurement date on a "no loss/gain" basis.
Cost Method	Entry Age Normal Level% of Salary
Amortization	Not Applicable
Discount rate	3.26%
Discount rate basis	S&P municipal bond 20 year high grade rate index
Inflation rate	2.25% per annum
Investment rate of return	Not applicable since the plan is not currently prefunded
Disability	None assumed

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS  
 December 31, 2019

<u>Assets</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Funds</u>	<u>Totals</u>
Cash and cash equivalents	\$ 11,304,740	\$ 15,829,667	\$ 7,185,129	\$ 499	\$ 34,320,035
Investments	13,057,805	18,759,459	5,674,841	86,713	37,578,818
Inventories	456,799				456,799
Other Assets	558				558
Receivables:					
Taxes	1,751,763	43,519	-	-	1,795,282
Accounts	104,696	-	-	-	104,696
Intergovernmental	<u>2,456,385</u>	<u>-</u>	<u>110,838</u>	<u>-</u>	<u>2,567,223</u>
 Total assets	 <u>\$ 29,132,746</u>	 <u>\$ 34,632,645</u>	 <u>\$ 12,970,808</u>	 <u>\$ 87,212</u>	 <u>\$ 76,823,411</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 1,486,641	\$ 14,440	\$ 2,043	\$ -	\$ 1,503,124
DMD seed money	2,500	-	-	-	2,500
Accrued payroll and withholdings payable	<u>274,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,160</u>
 Total liabilities	 <u>1,763,301</u>	 <u>14,440</u>	 <u>2,043</u>	 <u>-</u>	 <u>1,779,784</u>
Deferred inflows of resources:					
Unavailable revenue	<u>584,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>584,475</u>
Fund balances:					
Restricted	25,893,581	34,618,205	12,968,765	87,212	73,567,763
Committed	2,605,670	-	-	-	2,605,670
Unassigned	<u>(1,714,281)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,714,281)</u>
 Total fund balances	 <u>26,784,970</u>	 <u>34,618,205</u>	 <u>12,968,765</u>	 <u>87,212</u>	 <u>74,459,152</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 29,132,746</u>	 <u>\$ 34,632,645</u>	 <u>\$ 12,970,808</u>	 <u>\$ 87,212</u>	 <u>\$ 76,823,411</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 NONMAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2019

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Totals
Revenues:					
Taxes:					
Property	\$ 7,301,531	\$ 1,930,463	\$ 7,927,764	\$ -	\$ 17,159,758
Income	5,501,277	-	1,362,073	-	6,863,350
Other	2,702,295	84,917	5,140,783	-	7,927,995
Licenses and permits	40,151	-	-	-	40,151
Intergovernmental	12,636,891	-	265,224	-	12,902,115
Charges for services	2,418,626	-	-	-	2,418,626
Fines and forfeits	173,918	-	-	-	173,918
Investment income	282,569	348,315	122,647	628	754,159
Other	5,493,077	10,236,501	891,063	-	16,620,641
<b>Total revenues</b>	<b>36,550,335</b>	<b>12,600,196</b>	<b>15,709,554</b>	<b>628</b>	<b>64,860,713</b>
Expenditures:					
Current:					
General government	868,347	4,171	490,318	-	1,362,836
Public safety	121,421	-	-	-	121,421
Highways and streets	8,004,894	-	300	-	8,005,194
Health and welfare	3,641,712	1,773,030	1,156,869	-	6,571,611
Culture and recreation	11,335,511	2,728,982	-	-	14,064,493
Debt service:					
Principal	714,440	1,520,000	4,730,000	-	6,964,440
Interest	55,629	9,595,422	2,723,851	-	12,374,902
Capital outlay					
General government	29,218	-	-	-	29,218
Highways and streets	2,164,649	-	519,688	-	2,684,337
	2,269,539	-	-	-	2,269,539
<b>Total expenditures</b>	<b>29,205,360</b>	<b>15,621,605</b>	<b>9,621,026</b>	<b>-</b>	<b>54,447,991</b>
Excess (deficiency) of revenues over (under) expenditures	<u>7,344,975</u>	<u>(3,021,409)</u>	<u>6,088,528</u>	<u>628</u>	<u>10,412,722</u>
Other financing sources (uses):					
Transfers in	653,228	7,956,075	-	-	8,609,303
Transfers out	<u>(3,312,284)</u>	<u>(8,120,412)</u>	<u>(5,244,542)</u>	<u>-</u>	<u>(16,677,238)</u>
<b>Total other financing sources and uses</b>	<b>(2,659,056)</b>	<b>(164,337)</b>	<b>(5,244,542)</b>	<b>-</b>	<b>(8,067,935)</b>
Net change in fund balances	4,685,919	(3,185,746)	843,986	628	2,344,787
Fund balances - beginning	<u>22,099,051</u>	<u>37,803,951</u>	<u>12,124,779</u>	<u>86,584</u>	<u>72,114,365</u>
Fund balances - ending	<u>\$ 26,784,970</u>	<u>\$ 34,618,205</u>	<u>\$ 12,968,765</u>	<u>\$ 87,212</u>	<u>\$ 74,459,152</u>

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CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2019

Assets	Highway	Local Road & Street	Parks and Recreation	Parking Meter	Golf Course Nonreverting	Donation
Cash and cash equivalents	\$ 732,256	\$ 1,354,882	\$ 454,512	\$ 76,425	\$ (1,258,088)	\$ 104,735
Investments	1,054,701	3,336,755	801,079	-	-	-
Inventories	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Receivables:						
Taxes	-	-	351,051	-	-	-
Accounts	88,899	-	9,797	-	-	-
Intergovernmental	-	2,105,994	-	-	-	-
<b>Total assets</b>	<b><u>1,875,856</u></b>	<b><u>6,797,631</u></b>	<b><u>1,616,439</u></b>	<b><u>76,425</u></b>	<b><u>(1,258,088)</u></b>	<b><u>104,735</u></b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	50,844	456,726	414,943	512	82,778	1,083
DMD seed money	-	-	-	-	-	-
Accrued payroll and withholdings payable	84,686	24,950	143,568	6,277	14,679	-
<b>Total liabilities</b>	<b><u>135,530</u></b>	<b><u>481,676</u></b>	<b><u>558,511</u></b>	<b><u>6,789</u></b>	<b><u>97,457</u></b>	<b><u>1,083</u></b>
<b>Deferred inflow of resources:</b>						
Unavailable revenue	-	-	-	-	-	-
<b>Fund balances:</b>						
Restricted	1,740,326	6,315,955	-	-	-	103,652
Committed	-	-	1,057,928	69,636	-	-
Assigned	-	-	-	-	(1,355,545)	-
<b>Total fund balances</b>	<b><u>1,740,326</u></b>	<b><u>6,315,955</u></b>	<b><u>1,057,928</u></b>	<b><u>69,636</u></b>	<b><u>(1,355,545)</u></b>	<b><u>103,652</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 1,875,856</u></b>	<b><u>\$ 6,797,631</u></b>	<b><u>\$ 1,616,439</u></b>	<b><u>\$ 76,425</u></b>	<b><u>\$ (1,258,088)</u></b>	<b><u>\$ 104,735</u></b>

CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2019

Assets	Economic Development	Plan Commission	Downtown Parking Garage	Federal Grants	Community Development Block Grant	Local Law Enforcement Continuing Education
Cash and cash equivalents	\$ 121,276	\$ 943,159	\$ 26,261	\$ 131,136	\$ (94,523)	\$ 380,456
Investments	800,000	-	-	-	-	-
Inventories	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	6,000
Intergovernmental	-	-	-	51,129	-	-
Total assets	<u>921,276</u>	<u>943,159</u>	<u>26,261</u>	<u>182,265</u>	<u>(94,523)</u>	<u>386,456</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	373	13,700	-	12,783	186,843	791
DMD seed money	-	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-
Total liabilities	<u>373</u>	<u>13,700</u>	<u>-</u>	<u>12,783</u>	<u>186,843</u>	<u>791</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Restricted	920,903	-	26,261	169,482	-	385,665
Committed	-	929,459	-	-	-	-
Assigned	-	-	-	-	(281,366)	-
Total fund balances	<u>920,903</u>	<u>929,459</u>	<u>26,261</u>	<u>169,482</u>	<u>(281,366)</u>	<u>385,665</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 921,276</u>	<u>\$ 943,159</u>	<u>\$ 26,261</u>	<u>\$ 182,265</u>	<u>\$ (94,523)</u>	<u>\$ 386,456</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2019

Assets	Unsafe Building	Rainy Day Fund	Local Income Tax Public Safety	Rental Rehab Program	Neighborhood Stabilization	Old Post Office
Cash and cash equivalents	\$ 69,863	\$ 652,512	\$ 979,367	\$ 73,223	\$ 489,186	\$ 82,227
Investments	-	2,428,909	2,619,273	-	1,150,000	-
Inventories	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Receivables:						
Taxes	-	-	1,400,712	-	-	-
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Total assets	<u>69,863</u>	<u>3,081,421</u>	<u>4,999,352</u>	<u>73,223</u>	<u>1,639,186</u>	<u>82,227</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	-	6,256	-	252,023	-
DMD seed money	-	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>6,256</u>	<u>-</u>	<u>252,023</u>	<u>-</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	584,475	-	-	-
Fund balances:						
Restricted	-	3,081,421	4,408,621	73,223	1,387,163	82,227
Committed	69,863	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>69,863</u>	<u>3,081,421</u>	<u>4,408,621</u>	<u>73,223</u>	<u>1,387,163</u>	<u>82,227</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 69,863</u>	<u>\$ 3,081,421</u>	<u>\$ 4,999,352</u>	<u>\$ 73,223</u>	<u>\$ 1,639,186</u>	<u>\$ 82,227</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2019

Assets	LOIT Special Distribution	Landlord Registry	HUD Fair Housing	Equal Emp Opportunity	Historic Preservation	Zoo Animal Revolving
Cash and cash equivalents	\$ 761,441	\$ 9,743	\$ 234,359	\$ 188,168	\$ 5,118	\$ 874
Investments	504,193	-	-	-	-	-
Inventories	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Total assets	<u>1,265,634</u>	<u>9,743</u>	<u>234,359</u>	<u>188,168</u>	<u>5,118</u>	<u>874</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	2,069	-	-	8	-
DMD seed money	-	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>2,069</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Restricted	1,265,634	-	234,359	188,168	5,110	-
Committed	-	7,674	-	-	-	874
Assigned	-	-	-	-	-	-
Total fund balances	<u>1,265,634</u>	<u>7,674</u>	<u>234,359</u>	<u>188,168</u>	<u>5,110</u>	<u>874</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,265,634</u>	<u>\$ 9,743</u>	<u>\$ 234,359</u>	<u>\$ 188,168</u>	<u>\$ 5,118</u>	<u>\$ 874</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2019

Assets	Bicycle License	Emergency Solutions Grant	Housing Trust Fund Grant	EDA Revolving Loan	DMD Home Administration	IDHS Hazard Mitigation Grant
Cash and cash equivalents	\$ 3,761	\$ (74,966)	\$ 615,058	\$ 539,693	\$ 100,300	\$ 3,599
Investments	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Total assets	<u>3,761</u>	<u>(74,966)</u>	<u>615,058</u>	<u>539,693</u>	<u>100,300</u>	<u>3,599</u>
 Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	2,404	-	-	350	-
DMD seed money	-	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>2,404</u>	<u>-</u>	<u>-</u>	<u>350</u>	<u>-</u>
 Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
 Fund balances:						
Restricted	-	-	615,058	539,693	99,950	3,599
Committed	3,761	-	-	-	-	-
Assigned	-	(77,370)	-	-	-	-
Total fund balances	<u>3,761</u>	<u>(77,370)</u>	<u>615,058</u>	<u>539,693</u>	<u>99,950</u>	<u>3,599</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 3,761</u>	 <u>\$ (74,966)</u>	 <u>\$ 615,058</u>	 <u>\$ 539,693</u>	 <u>\$ 100,300</u>	 <u>\$ 3,599</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2019

Assets	IHCDA Blight Elimination Program	Jacobsville Redevelopment Area	Downtown Streetscape Redevelopment	Oak Hill Perpetual Care	Locust Hill Perpetual Care	Evansville Brownfield Corporation
Cash and cash equivalents	\$ (40,582)	\$ 1,009,893	\$ 2,370,935	\$ 69,623	\$ 34,707	\$ 154,151
Investments	-	-	-	332,895	30,000	-
Inventories	-	-	-	-	-	456,799
Other assets	-	-	-	-	-	558
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Intergovernmental	299,262	-	-	-	-	-
Total assets	<u>258,680</u>	<u>1,009,893</u>	<u>2,370,935</u>	<u>402,518</u>	<u>64,707</u>	<u>611,508</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	701	504	-	750	200
DMD seed money	-	-	-	-	-	2,500
Accrued payroll and withholdings payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>701</u>	<u>504</u>	<u>-</u>	<u>750</u>	<u>2,700</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Restricted	258,680	1,009,192	2,370,431	-	-	608,808
Committed	-	-	-	402,518	63,957	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>258,680</u>	<u>1,009,192</u>	<u>2,370,431</u>	<u>402,518</u>	<u>63,957</u>	<u>608,808</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 258,680</u>	<u>\$ 1,009,893</u>	<u>\$ 2,370,935</u>	<u>\$ 402,518</u>	<u>\$ 64,707</u>	<u>\$ 611,508</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2019

Assets	<u>Totals</u>
Cash and cash equivalents	\$ 11,304,740
Investments	13,057,805
Inventories	456,799
Other assets	558
Receivables:	
Taxes	1,751,763
Accounts	104,696
Intergovernmental	<u>2,456,385</u>
Total assets	<u><u>29,132,746</u></u>
 Liabilities and Fund Balances	
Liabilities:	
Accounts payable	1,486,641
DMD seed money	2,500
Accrued payroll and withholdings payable	<u>274,160</u>
Total liabilities	<u>1,763,301</u>
Deferred inflow of resources:	
Unavailable revenue	<u>584,475</u>
Fund balances:	
Restricted	25,893,581
Committed	2,605,670
Assigned	<u>(1,714,281)</u>
Total fund balances	<u>26,784,970</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,132,746</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019

	Highway	Local Road & Street	Parks and Recreation	Parking Meter
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ 7,301,531	\$ -
Income	-	-	-	-
Other	1,995,727	-	706,568	-
Licenses and permits	-	-	-	-
Intergovernmental	5,200,576	3,681,951	-	-
Charges for services	6,569	-	1,156,891	640
Fines and forfeits	-	-	-	173,918
Investment income	26,989	58,221	6,934	-
Other	149,021	2,528,781	1,058,364	11,734
	<u>7,378,882</u>	<u>6,268,953</u>	<u>10,230,288</u>	<u>186,292</u>
Total revenues				
Expenditures:				
Current:				
General government	-	-	-	282,650
Public safety	-	-	-	-
Highways and streets	6,755,318	1,249,576	-	-
Urban development	-	-	-	-
Culture and recreation	-	-	9,744,300	-
Debt service payments				
Principal	-	-	315	-
Interest	6,623	-	41,864	-
Capital outlay				
General government	29,218	-	-	-
Highways and streets	-	2,120,208	-	-
	<u>6,791,159</u>	<u>3,369,784</u>	<u>9,786,479</u>	<u>282,650</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>587,723</u>	<u>2,899,169</u>	<u>443,809</u>	<u>(96,358)</u>
Other financing sources (uses):				
Transfers in	7,406	-	12,470	50,000
Transfers out	-	-	-	-
	<u>7,406</u>	<u>-</u>	<u>12,470</u>	<u>50,000</u>
Total other financing sources/(uses)				
Net change in fund balances	595,129	2,899,169	456,279	(46,358)
Fund balances - beginning	<u>1,145,197</u>	<u>3,416,786</u>	<u>601,649</u>	<u>115,994</u>
Fund balances - ending	<u>\$ 1,740,326</u>	<u>\$ 6,315,955</u>	<u>\$ 1,057,928</u>	<u>\$ 69,636</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019

	Golf Course Nonreverting	Donation	Economic Development	Plan Commission
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-
Other	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,206,051	485	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	20,158	-
Other	<u>200,663</u>	<u>56,625</u>	<u>71,293</u>	<u>394,020</u>
<b>Total revenues</b>	<u><b>1,406,714</b></u>	<u><b>57,110</b></u>	<u><b>91,451</b></u>	<u><b>394,020</b></u>
Expenditures:				
Current:				
General government	-	43,518	-	197,110
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban development	-	-	76,465	-
Culture and recreation	1,591,211	-	-	-
Debt service payments				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
General government	-	-	-	-
Highways and streets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u><b>1,591,211</b></u>	<u><b>43,518</b></u>	<u><b>76,465</b></u>	<u><b>197,110</b></u>
Excess (deficiency) of revenues over (under) expenditures	<u>(184,497)</u>	<u>13,592</u>	<u>14,986</u>	<u>196,910</u>
Other financing sources (uses):				
Transfers in	48,262	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources/(uses)</b>	<u><b>48,262</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
Net change in fund balances	(136,235)	13,592	14,986	196,910
Fund balances - beginning	<u>(1,219,310)</u>	<u>90,060</u>	<u>905,917</u>	<u>732,549</u>
Fund balances - ending	<u><b>\$ (1,355,545)</b></u>	<u><b>\$ 103,652</b></u>	<u><b>\$ 920,903</b></u>	<u><b>\$ 929,459</b></u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019

	Downtown Parking Garage	Federal Grants	Community Development Block Grant	Local Law Enforcement Continuing Education
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-
Other	-	-	-	-
Licenses and permits	-	-	-	40,151
Intergovernmental	-	210,755	2,325,332	-
Charges for services	-	-	-	2,776
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Other	72,000	-	55,284	178,619
	<u>72,000</u>	<u>-</u>	<u>55,284</u>	<u>178,619</u>
<b>Total revenues</b>	<u>72,000</u>	<u>210,755</u>	<u>2,380,616</u>	<u>221,546</u>
Expenditures:				
Current:				
General government	101,079	-	-	130,840
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban development	-	89,828	1,789,910	-
Culture and recreation	-	-	-	-
Debt service payments				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
General government	-	27,820	(1,352)	-
Highways and streets	-	-	-	-
	<u>101,079</u>	<u>117,648</u>	<u>1,788,558</u>	<u>130,840</u>
<b>Total expenditures</b>	<u>101,079</u>	<u>117,648</u>	<u>1,788,558</u>	<u>130,840</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,079)</u>	<u>93,107</u>	<u>592,058</u>	<u>90,706</u>
Other financing sources (uses):				
Transfers in	70,000	-	5,564	40,215
Transfers out	-	-	(396,892)	-
	<u>70,000</u>	<u>-</u>	<u>(391,328)</u>	<u>40,215</u>
<b>Total other financing sources/(uses)</b>	<u>70,000</u>	<u>-</u>	<u>(391,328)</u>	<u>40,215</u>
Net change in fund balances	40,921	93,107	200,730	130,921
Fund balances - beginning	<u>(14,660)</u>	<u>76,375</u>	<u>(482,096)</u>	<u>254,744</u>
Fund balances - ending	<u>\$ 26,261</u>	<u>\$ 169,482</u>	<u>\$ (281,366)</u>	<u>\$ 385,665</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019

	<u>Unsafe Building</u>	<u>Rainy Day Fund</u>	<u>Local Income Tax Public Safety</u>	<u>Rental Rehab Program</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Income	-	-	5,501,277	-
Other	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	57,824	69,036	-
Other	7,429	-	-	-
	<u>7,429</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenues	 <u>7,429</u>	 <u>57,824</u>	 <u>5,570,313</u>	 <u>-</u>
Expenditures:				
Current:				
General government	1,930	-	-	-
Public safety	-	-	121,421	-
Highways and streets	-	-	-	-
Urban development	-	-	-	-
Culture and recreation	-	-	-	-
Debt service payments				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
General government	-	-	2,114,149	-
Highways and streets	-	-	-	-
	<u>1,930</u>	<u>-</u>	<u>2,235,570</u>	<u>-</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>5,499</u>	 <u>57,824</u>	 <u>3,334,743</u>	 <u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(2,851,779)	-
	<u>-</u>	<u>-</u>	<u>(2,851,779)</u>	<u>-</u>
 Total other financing sources/(uses)	 <u>-</u>	 <u>-</u>	 <u>(2,851,779)</u>	 <u>-</u>
 Net change in fund balances	 5,499	 57,824	 482,964	 -
 Fund balances - beginning	 <u>64,364</u>	 <u>3,023,597</u>	 <u>3,925,657</u>	 <u>73,223</u>
 Fund balances - ending	 <u>\$ 69,863</u>	 <u>\$ 3,081,421</u>	 <u>\$ 4,408,621</u>	 <u>\$ 73,223</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019

	Neighborhood Stabilization	Old Post Office	LOIT Special Distribution	Landlord Registry
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-
Other	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	826,582	-
Charges for services	10,400	-	-	26,310
Fines and forfeits	-	-	-	-
Investment income	33,026	-	4,193	-
Other	2,370	-	-	1,213
	<u>45,796</u>	<u>-</u>	<u>830,775</u>	<u>27,523</u>
Total revenues				
Expenditures:				
Current:				
General government	-	-	-	52,677
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban development	683,952	-	-	-
Culture and recreation	-	-	-	-
Debt service payments				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
General government	-	-	-	-
Highways and streets	-	-	149,331	-
	<u>683,952</u>	<u>-</u>	<u>149,331</u>	<u>52,677</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(638,156)</u>	<u>-</u>	<u>681,444</u>	<u>(25,154)</u>
Other financing sources (uses):				
Transfers in	-	-	-	30,001
Transfers out	(30,181)	-	-	-
	<u>(30,181)</u>	<u>-</u>	<u>-</u>	<u>30,001</u>
Total other financing sources/(uses)				
Net change in fund balances	(668,337)	-	681,444	4,847
Fund balances - beginning	<u>2,055,500</u>	<u>82,227</u>	<u>584,190</u>	<u>2,827</u>
Fund balances - ending	<u>\$ 1,387,163</u>	<u>\$ 82,227</u>	<u>\$ 1,265,634</u>	<u>\$ 7,674</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019

	HUD Fair Housing	Equal Emp Opportunity	Historic Preservation	Zoo Animal Revolving
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-
Other	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	50,700	53,280	-	-
Charges for services	-	-	220	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Other	4,950	-	-	-
	<u>55,650</u>	<u>53,280</u>	<u>220</u>	<u>-</u>
<b>Total revenues</b>	<b><u>55,650</u></b>	<b><u>53,280</u></b>	<b><u>220</u></b>	<b><u>-</u></b>
Expenditures:				
Current:				
General government	-	23,500	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban development	9,576	-	755	-
Culture and recreation	-	-	-	-
Debt service payments				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
General government	-	-	-	-
Highways and streets	-	-	-	-
	<u>9,576</u>	<u>23,500</u>	<u>755</u>	<u>-</u>
<b>Total expenditures</b>	<b><u>9,576</u></b>	<b><u>23,500</u></b>	<b><u>755</u></b>	<b><u>-</u></b>
Excess (deficiency) of revenues over (under) expenditures	<u>46,074</u>	<u>29,780</u>	<u>(535)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(16,716)	(16,716)	-	-
	<u>(16,716)</u>	<u>(16,716)</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources/(uses)</b>	<b><u>(16,716)</u></b>	<b><u>(16,716)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Net change in fund balances	29,358	13,064	(535)	-
Fund balances - beginning	<u>205,001</u>	<u>175,104</u>	<u>5,645</u>	<u>874</u>
Fund balances - ending	<u>\$ 234,359</u>	<u>\$ 188,168</u>	<u>\$ 5,110</u>	<u>\$ 874</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019

	<u>Bicycle License</u>	<u>Emergency Solutions Grant</u>	<u>Housing Trust Fund Grant</u>	<u>EDA Revolving Loan</u>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-
Other	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	153,691	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	6,188
Other	-	-	-	24,459
	<u>-</u>	<u>153,691</u>	<u>-</u>	<u>30,647</u>
<b>Total revenues</b>	<u>-</u>	<u>153,691</u>	<u>-</u>	<u>30,647</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban development	-	121,039	178	1,093
Culture and recreation	-	-	-	-
Debt service payments				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
General government	-	-	-	-
Highways and streets	-	-	-	-
	<u>-</u>	<u>121,039</u>	<u>178</u>	<u>1,093</u>
<b>Total expenditures</b>	<u>-</u>	<u>121,039</u>	<u>178</u>	<u>1,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>32,652</u>	<u>(178)</u>	<u>29,554</u>
Other financing sources (uses):				
Transfers in	-	-	389,310	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>389,310</u>	<u>-</u>
<b>Total other financing sources/(uses)</b>	<u>-</u>	<u>-</u>	<u>389,310</u>	<u>-</u>
Net change in fund balances	-	32,652	389,132	29,554
Fund balances - beginning	<u>3,761</u>	<u>(110,022)</u>	<u>225,926</u>	<u>510,139</u>
Fund balances - ending	<u>\$ 3,761</u>	<u>\$ (77,370)</u>	<u>\$ 615,058</u>	<u>\$ 539,693</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019

	DMD Home Administration	IDHS Hazard Mitigation Grant	IHCDA Blight Elimination Program	Jacobsville Redevelopment Area
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-
Other	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	134,024	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Other	4,597	-	-	52,688
	<u>138,621</u>	<u>-</u>	<u>-</u>	<u>52,688</u>
Total revenues	<u>138,621</u>	<u>-</u>	<u>-</u>	<u>52,688</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban development	525,761	-	174,866	67,380
Culture and recreation	-	-	-	-
Debt service payments				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
General government	-	-	-	-
Highways and streets	-	-	-	-
	<u>525,761</u>	<u>-</u>	<u>174,866</u>	<u>67,380</u>
Total expenditures	<u>525,761</u>	<u>-</u>	<u>174,866</u>	<u>67,380</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(387,140)</u>	<u>-</u>	<u>(174,866)</u>	<u>(14,692)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(387,140)	-	(174,866)	(14,692)
Fund balances - beginning	<u>487,090</u>	<u>3,599</u>	<u>433,546</u>	<u>1,023,884</u>
Fund balances - ending	<u>\$ 99,950</u>	<u>\$ 3,599</u>	<u>\$ 258,680</u>	<u>\$ 1,009,192</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019

	Downtown Streetscape Redevelopment	Oak Hill Perpetual Care	Locust Hill Perpetual Care	Evansville Brownfield Corporation
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-
Other	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	6,304	1,980	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Other	<u>601,756</u>	<u>3,292</u>	<u>159</u>	<u>13,760</u>
 Total revenues	 <u>601,756</u>	 <u>9,596</u>	 <u>2,139</u>	 <u>13,760</u>
Expenditures:				
Current:				
General government	-	6,861	750	27,432
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban development	23,412	-	-	77,497
Culture and recreation	-	-	-	-
Debt service payments				
Principal	714,125	-	-	-
Interest	7,142	-	-	-
Capital outlay	-	-	-	-
General government	-	14,000	10,032	-
Highways and streets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenditures	 <u>744,679</u>	 <u>20,861</u>	 <u>10,782</u>	 <u>104,929</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(142,923)</u>	<u>(11,265)</u>	<u>(8,643)</u>	<u>(91,169)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total other financing sources/(uses)	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Net change in fund balances	(142,923)	(11,265)	(8,643)	(91,169)
Fund balances - beginning	<u>2,513,354</u>	<u>413,783</u>	<u>72,600</u>	<u>699,977</u>
Fund balances - ending	<u>\$ 2,370,431</u>	<u>\$ 402,518</u>	<u>\$ 63,957</u>	<u>\$ 608,808</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2019

	Totals
Revenues:	
Taxes:	
Property	\$ 7,301,531
Income	5,501,277
Other	2,702,295
Licenses and permits	40,151
Intergovernmental	12,636,891
Charges for services	2,418,626
Fines and forfeits	173,918
Investment income	282,569
Other	5,493,077
Total revenues	36,550,335
Expenditures:	
Current:	
General government	868,347
Public safety	121,421
Highways and streets	8,004,894
Urban development	3,641,712
Culture and recreation	11,335,511
Debt service payments	
Principal	714,440
Interest	55,629
Capital outlay	29,218
General government	2,164,649
Highways and streets	2,269,539
Total expenditures	29,205,360
Excess (deficiency) of revenues over (under) expenditures	7,344,975
Other financing sources (uses):	
Transfers in	653,228
Transfers out	(3,312,284)
Total other financing sources/(uses)	(2,659,056)
Net change in fund balances	4,685,919
Fund balances - beginning	22,099,051
Fund balances - ending	\$ 26,784,970

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CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 December 31, 2019

Assets	Arena Bond	Evansville Econ Sinking 15A	2016 Jacobsville Project	General Obligation Loan	Park Bond Refunding 2010	Evansville Redevelopment Convention - Hotel	2011 Berry Plastics Economic Series
Cash and cash equivalents	\$ 5,765,415	\$ -	\$ -	\$ 12,316	\$ 532,086	\$ 556,623	\$ -
Investments	-	186	316	-	-	-	290
Receivables:							
Taxes	-	-	-	-	43,519	-	-
<b>Total assets</b>	<u>\$ 5,765,415</u>	<u>\$ 186</u>	<u>\$ 316</u>	<u>\$ 12,316</u>	<u>\$ 575,605</u>	<u>\$ 556,623</u>	<u>\$ 290</u>
<b>Liabilities:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>							
Restricted for:							
Debt service	<u>5,765,415</u>	<u>186</u>	<u>316</u>	<u>12,316</u>	<u>575,605</u>	<u>556,623</u>	<u>290</u>
<b>Total liabilities and fund balances</b>	<u>\$ 5,765,415</u>	<u>\$ 186</u>	<u>\$ 316</u>	<u>12,316</u>	<u>575,605</u>	<u>556,623</u>	<u>290</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 December 31, 2019

Assets	Evansville Park Refunding 2010	Evansville Park 12 Sinking Fund	Downtown Hotel/Convention	Evansville Economic Development 14 Construction	City Red 02 08 10 Escrow	2015A Downtown Hotel	2016A Downtown Hotel
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	550,465	610	-	195,509	1,950,973	-	574,557
Receivables:							
Taxes	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 550,465</u>	<u>\$ 610</u>	<u>\$ -</u>	<u>\$ 195,509</u>	<u>\$ 1,950,973</u>	<u>\$ -</u>	<u>\$ 574,557</u>
<b>Liabilities:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>							
Restricted for:							
Debt service	<u>550,465</u>	<u>610</u>	<u>-</u>	<u>195,509</u>	<u>1,950,973</u>	<u>-</u>	<u>574,557</u>
<b>Total liabilities and fund balances</b>	<u>550,465</u>	<u>610</u>	<u>-</u>	<u>195,509</u>	<u>1,950,973</u>	<u>-</u>	<u>574,557</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 December 31, 2019

Assets	2016B IU Medical School	2015C IU Medical School	2015D IU Medical School	2016A IU Medical School	Parks Special District B	Parks Special District	Totals
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,963,227	\$ 15,829,667
Investments	9,465	817,682	1,152,880	1,506	80	13,504,940	18,759,459
Receivables:							
Taxes	-	-	-	-	-	-	43,519
<b>Total assets</b>	<u>\$ 9,465</u>	<u>\$ 817,682</u>	<u>\$ 1,152,880</u>	<u>\$ 1,506</u>	<u>\$ 80</u>	<u>\$ 22,468,167</u>	<u>\$ 34,632,645</u>
<b>Liabilities:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,440	\$ 14,440
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,440</u>	<u>14,440</u>
<b>Fund balances:</b>							
Restricted for:							
Debt service	<u>9,465</u>	<u>817,682</u>	<u>1,152,880</u>	<u>1,506</u>	<u>80</u>	<u>22,453,727</u>	<u>34,618,205</u>
<b>Total liabilities and fund balances</b>	<u>9,465</u>	<u>817,682</u>	<u>1,152,880</u>	<u>1,506</u>	<u>80</u>	<u>22,468,167</u>	<u>34,632,645</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 NONMAJOR DEBT SERVICE FUNDS  
 For the Year Ended December 31, 2019

	Arena Bond	Evansville Econ Sinking 15A	2016 Jacobsville Project	General Obligation Loan	Park Bond Refunding 2010	Evansville Redevelopment Convention - Hotel	2011 Berry Plastics Economic Series
<b>Revenues:</b>							
<b>Taxes:</b>							
Property	\$ -	\$ -	\$ -	\$ -	\$ 1,050,655	\$ 879,808	\$ -
Other	-	-	-	-	84,917	-	-
Investment income	-	86	115	-	-	-	128
Other	-	742,250	993,350	-	-	-	1,115,000
<b>Total revenues</b>	<b>-</b>	<b>742,336</b>	<b>993,465</b>	<b>-</b>	<b>1,135,572</b>	<b>879,808</b>	<b>1,115,128</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	-	-	-	4,171	-	-	-
Health and welfare	-	1	2	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	1,015,000	505,000	-
Interest	-	742,250	993,350	-	88,450	752,735	1,115,000
<b>Total expenditures</b>	<b>-</b>	<b>742,251</b>	<b>993,352</b>	<b>4,171</b>	<b>1,103,450</b>	<b>1,257,735</b>	<b>1,115,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>85</b>	<b>113</b>	<b>(4,171)</b>	<b>32,122</b>	<b>(377,927)</b>	<b>128</b>
<b>Other financing sources (uses):</b>							
Transfers in	7,246,075	-	-	-	-	710,000	-
Transfers out	(8,120,412)	-	-	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>(874,337)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>710,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(874,337)</b>	<b>85</b>	<b>113</b>	<b>(4,171)</b>	<b>32,122</b>	<b>332,073</b>	<b>128</b>
<b>Fund balances - beginning</b>	<b>6,639,752</b>	<b>101</b>	<b>203</b>	<b>16,487</b>	<b>543,483</b>	<b>224,550</b>	<b>162</b>
<b>Fund balances - ending</b>	<b>\$ 5,765,415</b>	<b>\$ 186</b>	<b>\$ 316</b>	<b>\$ 12,316</b>	<b>\$ 575,605</b>	<b>\$ 556,623</b>	<b>\$ 290</b>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 NONMAJOR DEBT SERVICE FUNDS  
 For the Year Ended December 31, 2019

	Evansville Park Refunding 2010	Evansville Park 12 Sinking Fund	Downtown Hotel/Convention	Evansville Economic Development 14 Construction	City Red 02 08 10 Escrow	2015A Downtown Hotel	2016A Downtown Hotel
Revenues:							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-
Investment income	258	310	-	3,659	-	-	10,753
Other	<u>1,099,180</u>	<u>1,571,400</u>	<u>11</u>	<u>106,363</u>	<u>59,989</u>	<u>-</u>	<u>513,975</u>
Total revenues	<u>1,099,438</u>	<u>1,571,710</u>	<u>11</u>	<u>110,022</u>	<u>59,989</u>	<u>-</u>	<u>524,728</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Health and welfare	-	-	11	50,831	243,155	-	371,739
Culture and recreation	549,180	2	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	<u>553,270</u>	<u>1,571,400</u>	<u>-</u>	<u>55,532</u>	<u>242,450</u>	<u>-</u>	<u>142,237</u>
Total expenditures	<u>1,102,450</u>	<u>1,571,402</u>	<u>11</u>	<u>106,363</u>	<u>485,605</u>	<u>-</u>	<u>513,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,012)</u>	<u>308</u>	<u>-</u>	<u>3,659</u>	<u>(425,616)</u>	<u>-</u>	<u>10,752</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,012)	308	-	3,659	(425,616)	-	10,752
Fund balances - beginning	<u>553,477</u>	<u>302</u>	<u>-</u>	<u>191,850</u>	<u>2,376,589</u>	<u>-</u>	<u>563,805</u>
Fund balances - ending	<u>\$ 550,465</u>	<u>\$ 610</u>	<u>\$ -</u>	<u>\$ 195,509</u>	<u>\$ 1,950,973</u>	<u>\$ -</u>	<u>\$ 574,557</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 NONMAJOR DEBT SERVICE FUNDS  
 For the Year Ended December 31, 2019

	2016B IU Medical School	2015C IU Medical School	2015D IU Medical School	2016A IU Medical School	Parks Special District B	Parks Special District	Totals
<b>Revenues:</b>							
<b>Taxes:</b>							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,930,463
Other	-	-	-	-	-	-	84,917
Investment income	305	11,571	15,714	166	54	305,196	348,315
Other	<u>1,051,968</u>	<u>643,217</u>	<u>910,779</u>	<u>1,244,413</u>	<u>184,606</u>	<u>-</u>	<u>10,236,501</u>
<b>Total revenues</b>	<u>1,052,273</u>	<u>654,788</u>	<u>926,493</u>	<u>1,244,579</u>	<u>184,660</u>	<u>305,196</u>	<u>12,600,196</u>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	-	-	-	-	-	-	4,171
Health and welfare	1,000	458,539	647,751	1	-	-	1,773,030
Culture and recreation	-	-	-	-	184,606	1,995,194	2,728,982
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	1,520,000
Interest	<u>1,051,967</u>	<u>171,536</u>	<u>248,602</u>	<u>1,244,413</u>	<u>-</u>	<u>622,230</u>	<u>9,595,422</u>
<b>Total expenditures</b>	<u>1,052,967</u>	<u>630,075</u>	<u>896,353</u>	<u>1,244,414</u>	<u>184,606</u>	<u>2,617,424</u>	<u>15,621,605</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(694)</u>	<u>24,713</u>	<u>30,140</u>	<u>165</u>	<u>54</u>	<u>(2,312,228)</u>	<u>(3,021,409)</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	7,956,075
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,120,412)</u>
<b>Total other financing sources/(uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(164,337)</u>
<b>Net change in fund balances</b>	<u>(694)</u>	<u>24,713</u>	<u>30,140</u>	<u>165</u>	<u>54</u>	<u>(2,312,228)</u>	<u>(3,185,746)</u>
<b>Fund balances - beginning</b>	<u>10,159</u>	<u>792,969</u>	<u>1,122,740</u>	<u>1,341</u>	<u>26</u>	<u>24,765,955</u>	<u>37,803,951</u>
<b>Fund balances - ending</b>	<u>\$ 9,465</u>	<u>\$ 817,682</u>	<u>\$ 1,152,880</u>	<u>\$ 1,506</u>	<u>\$ 80</u>	<u>\$ 22,453,727</u>	<u>\$ 34,618,205</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET -  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 December 31, 2019

Assets	Greenway Project	Jacobsville TIF	Master TIF Projects	Cumulative Capital Improvement	Barrett Law Sidewalk	ERC Capital Nonreverting	Food and Beverage Tax	Arts District
Cash and cash equivalents	\$ 477,914	\$ 2,163,160	\$ 2,058,014	\$ -	\$ 51,832	\$ 7,519	\$ 2,417,109	\$ 9,581
Investments		4,065,434	1,100,252			509,155		
Receivables:								
Intergovernmental	<u>110,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 588,752</u></b>	<b><u>\$ 6,228,594</u></b>	<b><u>\$ 3,158,266</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 51,832</u></b>	<b><u>\$ 516,674</u></b>	<b><u>\$ 2,417,109</u></b>	<b><u>\$ 9,581</u></b>
<b><u>Liabilities and Fund Balances</u></b>								
Liabilities:								
Accounts payable	\$ -	\$ 1,397	\$ 98	\$ -	\$ 50	\$ 23	\$ -	\$ 475
<b>Total liabilities</b>	<u>-</u>	<u>1,397</u>	<u>98</u>	<u>-</u>	<u>50</u>	<u>23</u>	<u>-</u>	<u>475</u>
Fund balances:								
Restricted for:								
Capital projects	<u>588,752</u>	<u>6,227,197</u>	<u>3,158,168</u>	<u>-</u>	<u>51,782</u>	<u>516,651</u>	<u>2,417,109</u>	<u>9,106</u>
<b>Total fund balances</b>	<u>588,752</u>	<u>6,227,197</u>	<u>3,158,168</u>	<u>-</u>	<u>51,782</u>	<u>516,651</u>	<u>2,417,109</u>	<u>9,106</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 588,752</u></b>	<b><u>\$ 6,228,594</u></b>	<b><u>\$ 3,158,266</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 51,832</u></b>	<b><u>\$ 516,674</u></b>	<b><u>\$ 2,417,109</u></b>	<b><u>\$ 9,581</u></b>

CITY OF EVANSVILLE, INDIANA  
COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS  
December 31, 2019

Assets	<u>Totals</u>
Cash and cash equivalents	\$ 7,185,129
Investments	5,674,841
Receivables:	
Intergovernmental	<u>110,838</u>
Total assets	<u>\$ 12,970,808</u>
 <u>Liabilities and Fund Balances</u>	
Liabilities:	
Accounts payable	<u>\$ 2,043</u>
Total liabilities	<u>2,043</u>
Fund balances:	
Restricted for:	
Capital projects	<u>12,968,765</u>
Total fund balances	<u>12,968,765</u>
Total liabilities and fund balances	<u>\$ 12,970,808</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 For the Year Ended December 31, 2019

	Greenway Project	Jacobsville TIF	Master TIF Projects	Cumulative Capital Improvement	Barrett Law Sidewalk	ERC Capital Nonreverting	Food and Beverage Tax	Arts District	Totals
<b>Revenues:</b>									
Taxes:									
Property	\$ -	\$ 2,074,024	\$ 5,812,589	\$ -	\$ 41,151	\$ -	\$ -	\$ -	\$ 7,927,764
Income	-	-	1,362,073	-	-	-	-	-	1,362,073
Other	-	-	-	268,287	-	-	4,872,496	-	5,140,783
Intergovernmental	265,224	-	-	-	-	-	-	-	265,224
Investment income	-	102,623	7,580	-	-	12,444	-	-	122,647
Other	59,085	-	540,934	-	191,044	100,000	-	-	891,063
<b>Total revenues</b>	<b>324,309</b>	<b>2,176,647</b>	<b>7,723,176</b>	<b>268,287</b>	<b>232,195</b>	<b>112,444</b>	<b>4,872,496</b>	<b>-</b>	<b>15,709,554</b>
<b>Expenditures:</b>									
Current:									
General government	-	-	-	-	490,318	-	-	-	490,318
Highways and Streets	-	-	-	-	300	-	-	-	300
Health and welfare	-	602,532	354,941	-	-	129,328	7	70,061	1,156,869
Capital outlay									
General government	102,858	416,830	-	-	-	-	-	-	519,688
Debt service:									
Principal	-	510,000	4,220,000	-	-	-	-	-	4,730,000
Interest	-	591,643	2,132,208	-	-	-	-	-	2,723,851
<b>Total expenditures</b>	<b>102,858</b>	<b>2,121,005</b>	<b>6,707,149</b>	<b>-</b>	<b>490,618</b>	<b>129,328</b>	<b>7</b>	<b>70,061</b>	<b>9,621,026</b>
Excess (deficiency) of revenues over (under) expenditures	221,451	55,642	1,016,027	268,287	(258,423)	(16,884)	4,872,489	(70,061)	6,088,528
Other financing sources (uses):									
Transfers out	(110,180)	-	-	(268,287)	-	-	(4,866,075)	-	(5,244,542)
<b>Net change in fund balances</b>	<b>111,271</b>	<b>55,642</b>	<b>1,016,027</b>	<b>-</b>	<b>(258,423)</b>	<b>(16,884)</b>	<b>6,414</b>	<b>(70,061)</b>	<b>843,986</b>
Fund balances - beginning	477,481	6,171,555	2,142,141	-	310,205	533,535	2,410,695	79,167	12,124,779
<b>Fund balances - ending</b>	<b>\$ 588,752</b>	<b>\$ 6,227,197</b>	<b>\$ 3,158,168</b>	<b>\$ -</b>	<b>\$ 51,782</b>	<b>\$ 516,651</b>	<b>\$ 2,417,109</b>	<b>\$ 9,106</b>	<b>\$ 12,968,765</b>

CITY OF EVANSVILLE, INDIANA  
 COMBINING BALANCE SHEET  
 NONMAJOR PERMANENT FUNDS  
 December 31, 2019

Assets	Coleman Trust	Mattie J Bayard Trust	RT Legler Trust	Oak Hill Lease Escrow	Melzer Trust	Evansville Community Trust	Totals
Cash and cash equivalents	\$ 278	\$ 151	\$ 70	\$ -	\$ -	\$ -	\$ 499
Investments	<u>12,394</u>	<u>6,287</u>	<u>2,382</u>	<u>-</u>	<u>52,564</u>	<u>13,086</u>	<u>86,713</u>
<b>Total assets</b>	<b><u>\$ 12,672</u></b>	<b><u>\$ 6,438</u></b>	<b><u>\$ 2,452</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 52,564</u></b>	<b><u>\$ 13,086</u></b>	<b><u>\$ 87,212</u></b>
<b>Fund Balances:</b>							
Restricted for:							
General government	<u>\$ 12,672</u>	<u>\$ 6,438</u>	<u>\$ 2,452</u>	<u>\$ -</u>	<u>\$ 52,564</u>	<u>\$ 13,086</u>	<u>\$ 87,212</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 NONMAJOR PERMANENT FUNDS  
 For the Year Ended December 31, 2019

	Coleman Trust	Mattie J Bayard Trust	RT Legler Trust	Oak Hill Lease Escrow	Melzer Trust	Evansville Community Trust	Totals
Revenues:							
Investment income	\$ 278	\$ 151	\$ 70	\$ -	\$ -	\$ 129	\$ 628
Total revenues	<u>278</u>	<u>151</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>129</u>	<u>628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>278</u>	<u>151</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>129</u>	<u>628</u>
Net change in fund balances	278	151	70	-	-	129	628
Fund balances - beginning	<u>12,394</u>	<u>6,287</u>	<u>2,382</u>	<u>-</u>	<u>52,564</u>	<u>12,957</u>	<u>86,584</u>
Fund balances - ending	<u>\$ 12,672</u>	<u>\$ 6,438</u>	<u>\$ 2,452</u>	<u>\$ -</u>	<u>\$ 52,564</u>	<u>\$ 13,086</u>	<u>\$ 87,212</u>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF NET POSITION  
 COMPONENT UNITS  
 December 31, 2019

	Port Authority	Evansville Bond Bank	Levee Authority	Land Bank	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 563,393	\$ 1,278,819	\$ 1,912,455	\$ 709,357	\$ 4,464,024
Investments	1,704,493	6,367,849	2,818,823	-	10,891,165
Receivables:					
Accounts	-	-	-	-	-
Interest	-	13,169	-	-	13,169
Contracts receivable	-	595,508	-	-	595,508
Lease	-	196,811	-	-	196,811
Notes	-	3,857,358	-	-	3,857,358
Due from City	-	-	-	83,333	83,333
Inventory	-	-	-	126,193	126,193
Restricted Assets:					
Investments	-	-	-	-	-
Capital Assets:					
Land and construction in progress	2,409,934	-	1,750	118,989	2,530,673
Other capital assets net of depreciation	<u>2,174,170</u>	<u>-</u>	<u>1,170,232</u>	<u>7,143</u>	<u>3,351,545</u>
<b>Total assets</b>	<b><u>\$ 6,851,990</u></b>	<b><u>\$ 12,309,514</u></b>	<b><u>\$ 5,903,260</u></b>	<b><u>\$ 1,045,015</u></b>	<b><u>\$ 26,109,779</u></b>
<b>Liabilities and Fund Balances:</b>					
Liabilities:					
Accounts payable	\$ 488,157	\$ -	\$ 153,546	\$ -	\$ 641,703
Accrued wages	-	-	26,195	-	26,195
Blight Elimination Program Mortgages	-	-	-	46,522	46,522
Due within one year:					
Bonds payable - due in less than 1 year	-	-	-	-	-
Due in more than one year:					
Bonds payable - due in more than 1 year	-	-	-	118,989	118,989
Bonds Payable - Long term Escrow	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,143</u>	<u>7,143</u>
<b>Total liabilities</b>	<b><u>488,157</u></b>	<b><u>-</u></b>	<b><u>179,741</u></b>	<b><u>172,654</u></b>	<b><u>840,552</u></b>
Deferred Inflow of Resources:					
Deferred revenues	<u>-</u>	<u>13,169</u>	<u>-</u>	<u>-</u>	<u>13,169</u>
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>13,169</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>13,169</u></b>
Net Position:					
Unrestricted	<u>6,363,833</u>	<u>12,296,345</u>	<u>5,723,519</u>	<u>872,361</u>	<u>25,256,058</u>
<b>Total net position</b>	<b><u>6,363,833</u></b>	<b><u>12,296,345</u></b>	<b><u>5,723,519</u></b>	<b><u>872,361</u></b>	<b><u>25,256,058</u></b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b><u>\$ 6,851,990</u></b>	<b><u>\$ 12,309,514</u></b>	<b><u>\$ 5,903,260</u></b>	<b><u>\$ 1,045,015</u></b>	<b><u>\$ 26,109,779</u></b>

**CITY OF EVANSVILLE, INDIANA**  
 COMBINING STATEMENT OF ACTIVITIES - NONMAJOR COMPONENT UNITS  
 For The Year Ended December 31, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Port Authority	Evansville Bond Bank	Levee Authority	Land Bank	
Component Units								
Port Authority	\$ 109,681	\$ -	\$ -	\$ (109,681)	\$ -	\$ -	\$ -	\$ (109,681)
Evansville Bond Bank	355,937	-	-	-	(355,937)	-	-	(355,937)
Levee Authority	4,335,139	1,000	222,872	-	-	(4,111,267)	-	(4,111,267)
Land Bank	696,598	-	1,000,000	-	-	-	303,402	303,402
<b>Total Component Units</b>	<b>\$ 5,497,355</b>	<b>\$ 1,000</b>	<b>\$ 1,222,872</b>	<b>(109,681)</b>	<b>(355,937)</b>	<b>(4,111,267)</b>	<b>303,402</b>	<b>(4,273,483)</b>
General Revenues:								
Taxes:								
Property taxes				-	-	1,593,480	-	1,593,480
Other taxes				-	-	545,502	-	545,502
Investment income				73,154	125,783	105,590	4,824	309,351
Donations				-	-	-	57,109	57,109
Miscellaneous				1,028,243	10,512	673,534	168,676	1,880,965
<b>Total General Revenues and Transfers</b>				<b>1,101,397</b>	<b>136,295</b>	<b>2,918,106</b>	<b>230,609</b>	<b>4,386,407</b>
<b>Change in Net Position</b>				<b>991,716</b>	<b>(219,642)</b>	<b>(1,193,161)</b>	<b>534,011</b>	<b>112,924</b>
NET POSITION - Beginning of Year				<u>5,372,117</u>	<u>12,515,987</u>	<u>6,916,880</u>	<u>338,350</u>	<u>25,143,334</u>
<b>NET POSITION - END OF YEAR</b>				<b>\$ 6,363,833</b>	<b>\$ 12,296,345</b>	<b>\$ 5,723,719</b>	<b>\$ 872,361</b>	<b>\$ 25,256,258</b>

CITY OF EVANSVILLE, INDIANA  
COMBINING BALANCE SHEET  
INTERNAL SERVICE FUNDS  
December 31, 2019

Assets	Printing & Supply	Hospitalization Insurance	Unemployment Insurance	Workers Compensation	Liability Insurance	Accounts Payable Clearing	Totals
Cash and cash equivalents	\$ 69,649	\$ (2,470,785)	\$ 47,569	\$ (14,080)	\$ 142,550	\$ (39,899)	\$ (2,264,996)
Investments			50,718	150,911			201,629
Receivables:							
Accounts	13,172	-	-	-	-	126,015	139,187
<b>Total assets</b>	<b>\$ 82,821</b>	<b>\$ (2,470,785)</b>	<b>\$ 98,287</b>	<b>\$ 136,831</b>	<b>\$ 142,550</b>	<b>\$ 86,116</b>	<b>\$ (1,924,180)</b>
<b>Liabilities and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 6,672	\$ 2,308,336	\$ 2,191	\$ 628	\$ 45,975	\$ 2,047	\$ 2,365,849
Claims payable	-	242,490	-	-	-	-	242,490
Accrued wages	-	2,652	4,120	4,867	-	-	11,639
<b>Total liabilities</b>	<b>6,672</b>	<b>2,553,478</b>	<b>6,311</b>	<b>5,495</b>	<b>45,975</b>	<b>2,047</b>	<b>2,619,978</b>
<b>Fund balances:</b>							
Restricted for:							
General government	76,149	-	91,976	131,336	96,575	84,069	480,105
Unrestricted	-	(5,024,263)	-	-	-	-	(5,024,263)
<b>Total fund balances</b>	<b>76,149</b>	<b>(5,024,263)</b>	<b>91,976</b>	<b>131,336</b>	<b>96,575</b>	<b>84,069</b>	<b>(4,544,158)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 82,821</b>	<b>\$ (2,470,785)</b>	<b>\$ 98,287</b>	<b>\$ 136,831</b>	<b>\$ 142,550</b>	<b>\$ 86,116</b>	<b>\$ (1,924,180)</b>

CITY OF EVANSVILLE, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 INTERNAL SERVICE FUNDS  
 For the Year Ended December 31, 2019

	Printing & Supply	Hospitalization Insurance	Unemployment Insurance	Workers Compensation	Liability Insurance	Accounts Payable Clearing	Totals
Revenues:							
Investment income	\$ -	\$ -	\$ 718	\$ 7,379	\$ -	\$ -	\$ 8,097
Charges for services	<u>238,558</u>	<u>24,559,072</u>	<u>64,197</u>	<u>812,721</u>	<u>4,022,410</u>	<u>367,097</u>	<u>30,064,055</u>
Total revenues	<u>238,558</u>	<u>24,559,072</u>	<u>64,915</u>	<u>820,100</u>	<u>4,022,410</u>	<u>367,097</u>	<u>30,072,152</u>
Expenditures:							
Current:							
General government	<u>255,373</u>	<u>24,889,777</u>	<u>121,947</u>	<u>831,335</u>	<u>4,338,572</u>	<u>282,110</u>	<u>30,719,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,815)</u>	<u>(330,705)</u>	<u>(57,032)</u>	<u>(11,235)</u>	<u>(316,162)</u>	<u>84,987</u>	<u>(646,962)</u>
Other financing sources (uses):							
Transfers in	<u>73,000</u>	<u>502,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>575,436</u>
Net change in fund balances	56,185	171,731	(57,032)	(11,235)	(316,162)	84,987	(71,526)
Fund balances - beginning	<u>19,964</u>	<u>(5,195,994)</u>	<u>149,008</u>	<u>142,571</u>	<u>412,737</u>	<u>(918)</u>	<u>(4,472,632)</u>
Fund balances - ending	<u>\$ 76,149</u>	<u>\$ (5,024,263)</u>	<u>\$ 91,976</u>	<u>\$ 131,336</u>	<u>\$ 96,575</u>	<u>\$ 84,069</u>	<u>\$ (4,544,158)</u>

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CITY OF EVANSVILLE, INDIANA  
STATEMENT OF FIDUCIARY NET POSITION -  
PENSION TRUST  
December 31, 2019

<u>Assets</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total Pension Trust Funds</u>
Cash and cash equivalents	\$ 413,598	\$ 380,251	\$ 793,849
Investments at fair value:			
Fixed income securities	<u>3,711,911</u>	<u>4,316,578</u>	<u>8,028,489</u>
Total assets	<u>\$ 4,125,509</u>	<u>\$ 4,696,829</u>	<u>\$ 8,822,338</u>
<u>Liabilities</u>			
Accounts payable	<u>\$ 56</u>	<u>\$ 1</u>	<u>\$ 57</u>
Total liabilities	<u>\$ 56</u>	<u>\$ 1</u>	<u>\$ 57</u>
Net position restricted for pensions	<u>\$ 4,125,453</u>	<u>\$ 4,696,828</u>	<u>\$ 8,822,281</u>

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CITY OF EVANSVILLE, INDIANA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
PENSION TRUST  
For The Year Ended December 31, 2019

<u>Additions</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total Pension Trust Funds</u>
Contributions:			
Employer contributions	\$ 9,000	\$ -	\$ 9,000
Contributions from nonemployer contributing entities	<u>4,484,818</u>	<u>6,418,561</u>	<u>10,903,379</u>
Total contributions	<u>4,493,818</u>	<u>6,418,561</u>	<u>10,912,379</u>
Investment income:			
Interest	<u>\$ 78,522</u>	<u>\$ 85,171</u>	<u>\$ 163,693</u>
Total investment income	<u>78,522</u>	<u>85,171</u>	<u>163,693</u>
Total additions	<u>4,572,340</u>	<u>6,503,732</u>	<u>11,076,072</u>
<u>Deductions</u>			
Benefit payments (including refunds of employee contributions)	4,673,070	6,307,988	10,981,058
Administrative expense	<u>21,161</u>	<u>21,740</u>	<u>42,901</u>
Total deductions	<u>4,694,231</u>	<u>6,329,728</u>	<u>11,023,959</u>
Change in fiduciary net position	(121,891)	174,004	52,113
Net position, beginning	<u>4,247,344</u>	<u>4,522,824</u>	<u>8,770,168</u>
Net position, ending	<u>\$ 4,125,453</u>	<u>\$ 4,696,828</u>	<u>\$ 8,822,281</u>

## OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.