



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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August 18, 2022

To: The Officials of the City of Evansville  
City of Evansville  
314 Civic Center  
1 NW Martin Luther King Jr Blvd  
Evansville, IN 47708

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the City of Evansville. We have reviewed the audit report opined upon by Crowe, LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report*, the financial statements present fairly the financial condition of the City of Evansville, as of December 31, 2020, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe, LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the finding in the report. The finding appears on pages 11-12 of the Single Audit Report, which is included after the Financial Report. Please refer to the Schedule of Findings and Questioned Costs for further detail. Management's Corrective Action Plan appears at the end of the reports.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

# **CITY OF EVANSVILLE, INDIANA**

ANNUAL FINANCIAL REPORT

December 31, 2020

# CITY OF EVANSVILLE, INDIANA

FOR THE YEAR ENDED DECEMBER 31, 2020

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FOR THE YEAR ENDED DECEMBER 31, 2020

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**CITY OF EVANSVILLE, INDIANA  
SCHEDULE OF OFFICIALS**

<b>Office</b>	<b>Official</b>	<b>Term</b>
Controller	Russel 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
Preseident of the Common Council	Alex Burton	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

Those Charged with Governance  
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 (the "City"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Evansville Land Bank nor the Evansville Bond Bank, which represent 54 percent, 54 percent, and 62 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Evansville Land Bank and the Evansville Bond Bank, is based solely on the reports 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.

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

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

### ***Basis for Qualified Opinion on Aggregate Discretely Presented Component Units***

The methods used to value purchased and donated property inventory by management of the Evansville Land Bank, a discretely presented component unit, are not in accordance with accounting principles generally accepted in the United States of America. Accounting principles require property inventory to be carried at the lower of cost or net realizable value and that costs include all direct and indirect costs to bring inventories their existing condition and location. The Evansville Land Bank records purchased properties at acquisition cost. Donated properties are carried at no cost value. Costs to demolish purchased and donated properties are capitalized as incurred. A determination of net realizable value of property inventory is not performed. The amount by which this departure would affect the assets, net position, and revenues of the aggregate discretely presented component units has not been determined.

### ***Qualified Opinion on Aggregate Discretely Presented Component Units***

In our opinion, based on our audit and the reports of other auditors, except for the effects of the matter described in the "Basis for Qualified Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the City, as of December 31, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter - Restatement***

As discussed in Note III to the financial statements, errors in the prior year were discovered by management of the City during the current year. Adjustments have been made to governmental activities, the aggregate discretely presented component units, the General fund, and aggregate remaining fund information net position and fund balances as of January 1, 2020 to correct those errors. Our opinions are not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Pension Schedules, and OPEB Schedules, as listed in the Table of Contents, on pages 97-120 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Officials and Combining Financial Statements as listed in the Table of Contents, on pages 121-150 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Financial Statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, except for the effect on the accompanying information of the qualified opinion on the aggregate discretely presented component units as described above, the Combining Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying Schedule of Officials has not been subjected the auditing procedures applied in the audit of the financial statements, and accordingly, we do express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2022 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 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.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
August 1, 2022

# CITY OF EVANSVILLE, INDIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2020. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### Financial Highlights

- The liabilities of the City's governmental activities exceeded its assets at the close of the most recent fiscal year by \$157,052 (net position).
- The City's total governmental activities net position decreased by \$50,767 as compared to the 2019 total net position.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$87,404 a decrease of \$128,721 in comparison with the prior year. Approximately 5 percent of the total amount in the combined ending fund balances, \$4,338 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 \$9,920 which represented 10 percent of total general fund expenditures, excluding transfers out.
- The City's Governmental activities total bond related debt decreased by \$112,554 during the current fiscal year. The net change was the result of principal payments on existing debt of \$115,324 and new bonds issued totaling \$2,770.
- The City Parks District is constructing a new \$28,000 Olympic size municipal aquatics center with construction expenditures of \$ 14,852 in 2020.
- The Evansville Water and Sewer Utility used existing bonds and state revolving loan funds to finance \$ 19,820 rehabilitation and installation of wastewater lift stations while the water utility paid \$ 22,563 for water main replacements and new construction. The wastewater utility continued the multi-year combined sewer overflow mitigation program under the U.S. EPA jurisdiction.

### 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).

# CITY OF EVANSVILLE, INDIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 1 – 3 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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, 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 4 – 7 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 8 – 12 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 13 – 14 of this report.

# CITY OF EVANSVILLE, INDIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**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 15 – 96 of this report.

**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 97 – 119 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 120 – 149 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, liabilities exceeded assets by \$157,052 at the close of the most recent fiscal year.

The largest portion, \$254,135 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. 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. Another \$79,335 of net position reflects restricted net position. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

#### Evansville City, Indiana, Net Position

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 159,991	\$ 161,636	\$ 321,627	\$ 222,664	\$ 461,424	\$ 684,088
Non current assets	-	223,972	223,972	-	1,492	1,492
Capital assets	471,169	735,694	1,206,863	483,866	647,286	1,131,152
<b>Total assets</b>	<b>631,160</b>	<b>1,121,302</b>	<b>1,752,462</b>	<b>706,530</b>	<b>1,110,202</b>	<b>1,816,732</b>
Deferred outflow of resources	145,505	11,273	156,778	61,995	9,434	71,429
Long-term liabilities	823,683	728,152	1,551,835	841,402	767,568	1,608,970
Other liabilities	15,889	31,083	46,972	10,657	16,527	27,184
<b>Total liabilities</b>	<b>839,572</b>	<b>759,235</b>	<b>1,598,807</b>	<b>852,059</b>	<b>784,095</b>	<b>1,636,154</b>
Deferred inflow of resources	91,144	1,617	92,761	22,751	1,243	23,994
Net investment in capital assets	254,135	257,803	511,938	181,230	246,763	427,993
Restricted net position	79,335	53,506	132,841	210,239	38,334	248,573
Unrestricted net position	(490,522)	60,414	(430,108)	(497,754)	49,201	(448,553)
<b>Total net position</b>	<b>\$ (157,052)</b>	<b>\$ 371,723</b>	<b>\$ 214,671</b>	<b>\$ (106,285)</b>	<b>\$ 334,298</b>	<b>\$ 228,013</b>

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

# CITY OF EVANSVILLE, INDIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

	2020			2019		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 6,600	\$ 142,110	\$ 148,710	\$ 15,270	\$ 130,982	\$ 146,252
Operating grants and contribution	20,738	-	20,738	21,060	-	21,060
General Revenues:						
Property taxes	70,235	-	70,235	73,272	-	73,272
Income taxes	30,209	-	30,209	28,392	-	28,392
Other taxes	1,322	-	1,322	22,061	-	22,061
Contributions	222	1,767	1,989	-	2,177	2,177
Other	39,098	5,580	44,678	31,566	9,847	41,413
<b>Total revenues</b>	<b>168,424</b>	<b>149,457</b>	<b>317,881</b>	<b>191,621</b>	<b>143,006</b>	<b>334,627</b>
<b>Expenses:</b>						
General Government	63,723	-	63,723	36,132	-	36,132
Public Safety	63,123	-	63,123	84,878	-	84,878
Highways and streets	25,391	-	25,391	39,304	-	39,304
Urban redevelopment	16,889	-	16,889	13,229	-	13,229
Wastewater	-	67,707	67,707	-	66,456	66,456
Water	-	44,326	44,326	-	44,630	44,630
Culture and recreation	28,505	-	28,505	18,613	-	18,613
Interest expense	21,560	-	21,560	20,257	-	20,257
<b>Total expenses</b>	<b>219,191</b>	<b>112,033</b>	<b>331,224</b>	<b>212,413</b>	<b>111,086</b>	<b>323,499</b>
Change in net position	(50,767)	37,424	(13,343)	(20,792)	31,920	11,128
Net position - prior period adjustment	62,836	-	62,836	62,836	-	62,836
Net position - beginning, as adjusted	(169,121)	334,299	165,178	(148,329)	302,379	154,050
<b>Net position at December 31</b>	<b>\$ (157,052)</b>	<b>\$ 371,723</b>	<b>\$ 214,671</b>	<b>\$ (106,285)</b>	<b>\$ 334,299</b>	<b>\$ 228,014</b>

The City's net position from governmental activities decreased by \$50,767 in 2020, over the net position of 2019. The City's net position from Business-type activities increased by \$37,424 in 2020, over the net position of 2019. Notable revenues and expenses in 2020 include the following:

- Charges for services totaled \$6,600 from the following functions: General Government of \$4,532; Public Safety of \$194; Highway and streets of \$2; Urban redevelopment of \$13; and Culture and recreation of \$1,858.
- Operating grants and contributions totaled \$20,738 from the following functions: General Government of \$9,005; Public Safety of \$5,092; Highway and streets of \$1,983; Urban redevelopment of \$4,310; and Culture and recreation of \$348.
- Property tax revenue, income tax revenue and other taxes of \$70,235, \$30,209 and \$1,322 respectively.
- General government expenses were \$63,723.
- Public safety expenses were \$63,122.
- Highways and streets expenses were \$25,391.

# CITY OF EVANSVILLE, INDIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

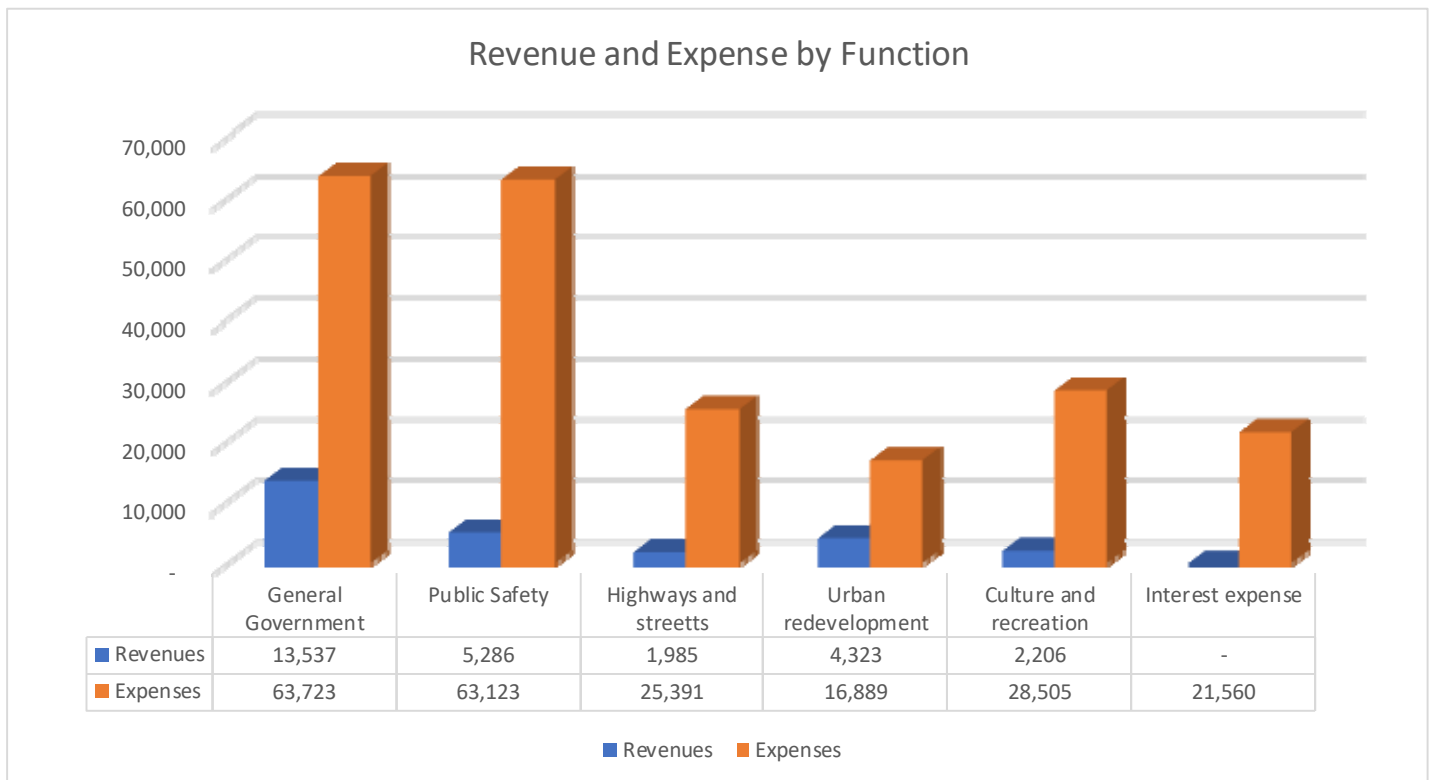
- Culture and recreation expenses were \$28,505.
- Interest expense was \$21,560.

The City's unrestricted cash and investments fell to \$85,652 from \$133,520 at December 31, 2020. The City's property tax rate for 2020 increased to \$1.6637 from \$1.6144 in 2019, per \$100 of assessed value for the Evansville Civil City.

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

### Program Revenue and Expenses – Governmental Activities

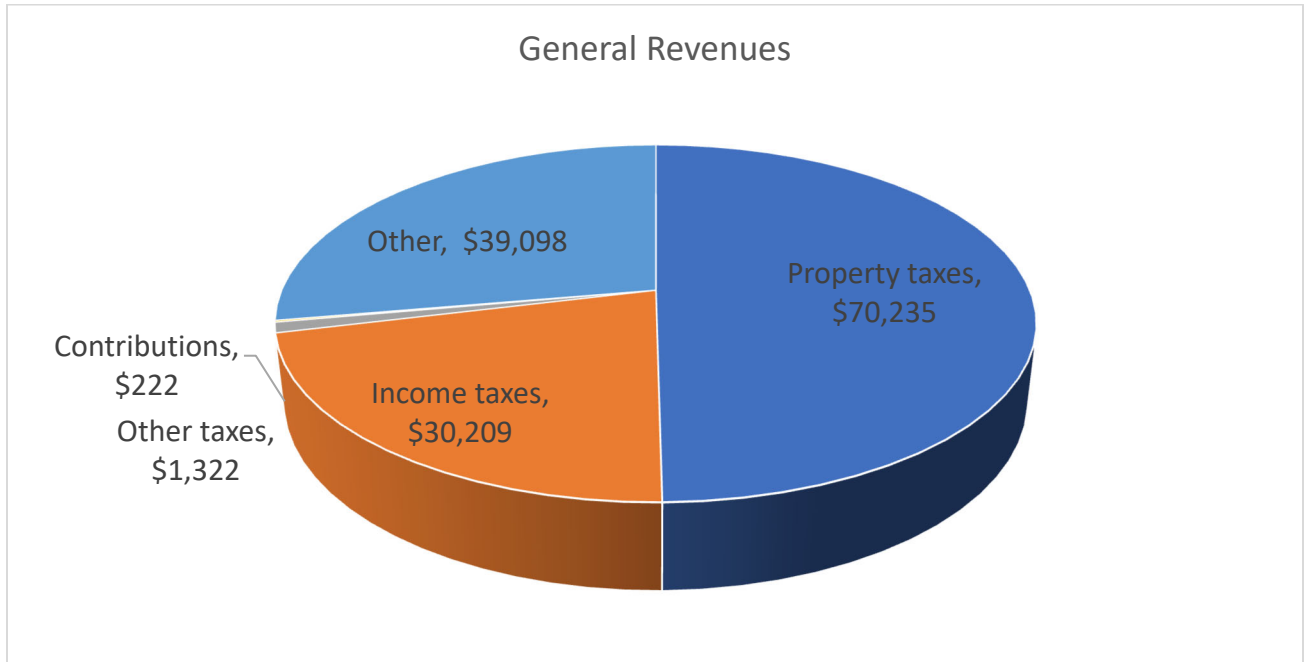
Taxes, as in prior years, were the City's major source of revenue supporting its activities, primarily in the area of public safety, health and welfare and general government. Other sources of revenue consisted primarily of unrestricted investment earnings and miscellaneous revenue. The following table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



# CITY OF EVANSVILLE, INDIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

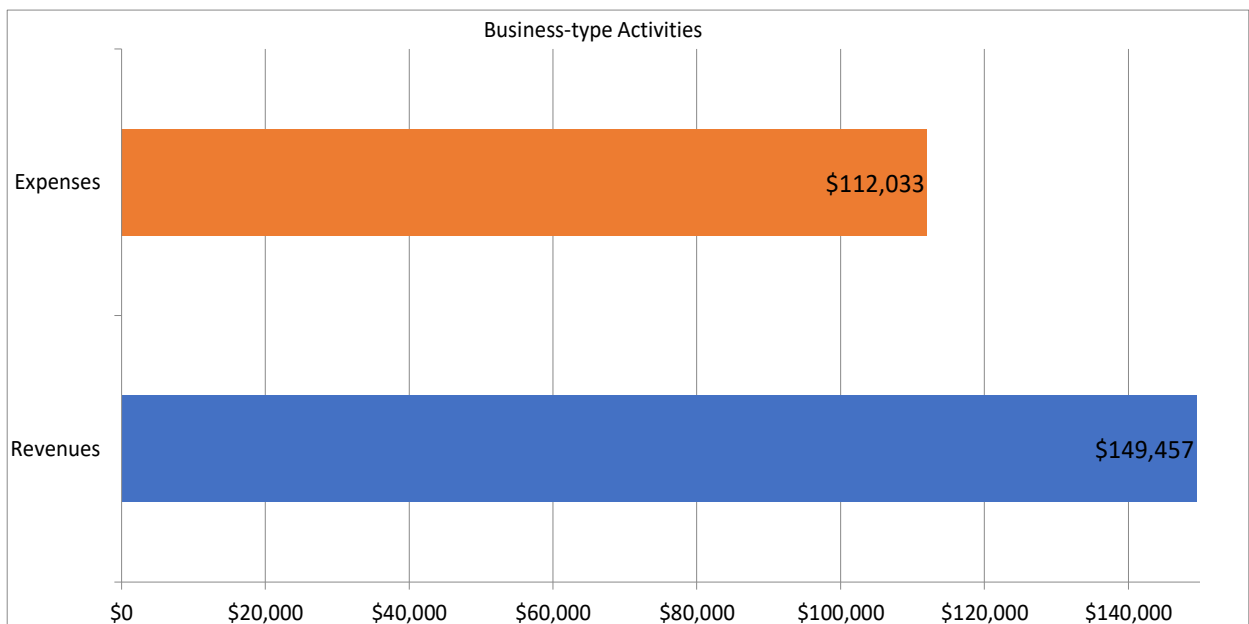
The following displays the General Revenues by source for the City's governmental activities. General revenues are used to help offset funding shortfalls related to governmental functions detailed in the preceding graph:



### Business-type Activities

Business-type activities resulted in an increase to net position of \$37,425 in 2020.

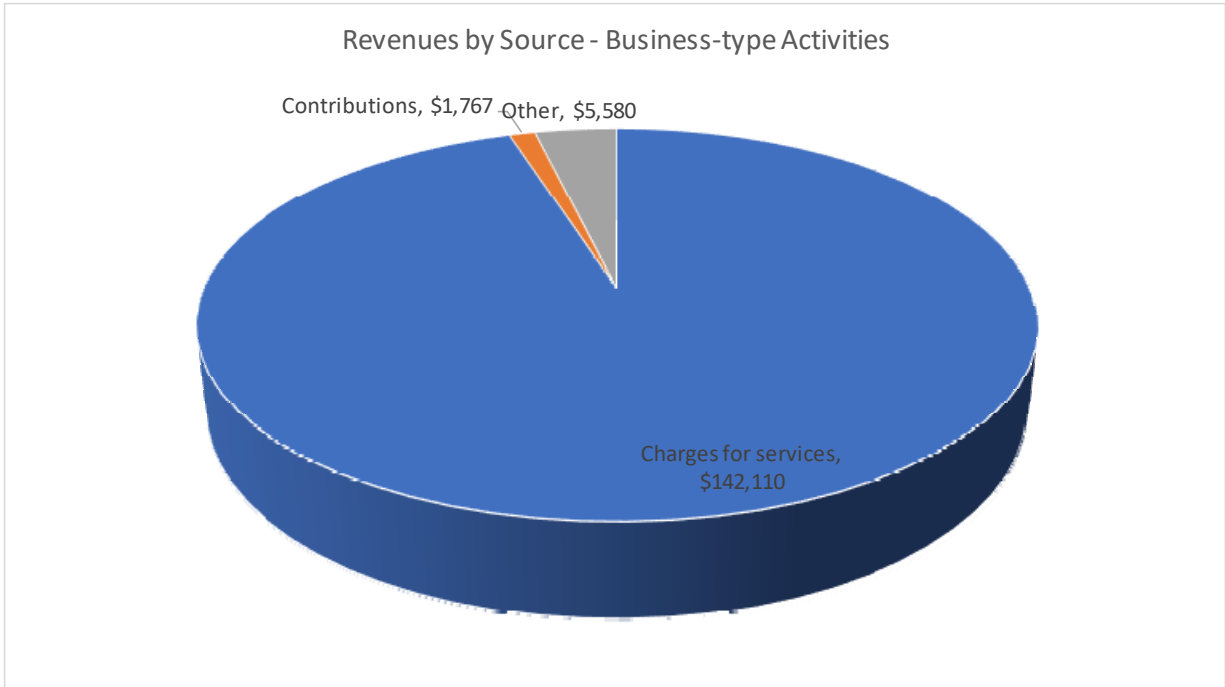
The following displays the Expenses and Revenues of the City's business-type activities, in thousands.



# CITY OF EVANSVILLE, INDIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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



### 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.

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 \$87,404 a decrease of \$128,721 in comparison with the prior year. The fund balance has restricted fund balance of \$77,777, committed fund balance of \$4,638, assigned fund balance of \$650, unassigned fund balance of \$4,338.

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 \$6,189 while the total fund balance totaled \$9,920. 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 \$99,637 excluding transfers. Unassigned fund balance represents 6.2 percent of total general fund expenditures, while total fund balance represents 10 percent of that same amount.

# CITY OF EVANSVILLE, INDIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The fund balance of the City general fund had a decrease of \$809 during the current fiscal year. Key factors in this decrease are as follows:

- Expenditures exceeded revenues by \$33,125 excluding other financing sources and uses. Fund balance was increased 32,316 due to transfers from other funds and bond proceeds.
- Major revenues include property taxes of \$50,474, other taxes of \$1,272, Intergovernmental revenues of \$9,637, charges for services of \$1,509 and fines and forfeits of \$1,669.
- Major expenditure changes include general government of \$14,837, public safety of \$65,793, debt service \$15,000 and urban redevelopment of \$1,301 in 2020.

### 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.

Differences between the original budget and the final budget reflected revenue decreases of \$5,903, expenditure decreases of \$5,396 and reduction of other financing sources of \$449. The final budget projected a decrease in fund balance for the general fund of \$781, a reduction of \$954 from the original budget. Final budget amounts are summarized below:

- The final budget revenues for 2020 was \$70,948.
- The final budget expenditures for 2020 was \$86,734.
- The final budget other financing sources for 2020 was \$15,005.

Additional information is shown in the required supplementary information section of the financial statements.

### 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, 2020 amounts to \$471,169 and \$735,693 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 \$17,567 during 2020 related to projects for various road projects, the aquatic center, drainage projects and a penguin exhibit.
- Construction in progress for the Water Utility of \$22,566 and the Wastewater Utility of \$81,135 are for plant additions, maintenance and equipment.
- Completed projects include various road projects.

# CITY OF EVANSVILLE, INDIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table displays the City's capital assets.

### Evansville City, Indiana, Capital Assets

	Governmental Activities	Business- Type Activities	Total
Land	\$ 34,236	\$ 4,945	\$ 39,181
Construction in Progress	34,150	223,805	257,955
Buildings	223,626	208,865	432,491
Improvements	32,266	8,740	41,006
Infrastructure	572,748	555,291	1,128,039
Machinery and Equipment	66,688	92,615	159,303
Leased equipment	-	4,331	4,331
<b>Total capital assets</b>	<b>963,714</b>	<b>1,098,592</b>	<b>2,062,306</b>
<b>Accumulated depreciation</b>	<b>(492,545)</b>	<b>(362,899)</b>	<b>(855,444)</b>
<b>Net capital assets</b>	<b>\$ 471,169</b>	<b>\$ 735,693</b>	<b>\$ 1,206,862</b>

See Note III.D Capital Assets for further information

**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 \$808,146 related to governmental activities and \$702,502 related to business-type activities. Of this amount, \$17,615 relates to TIF bonds, \$137,194 comprises lease rental bonds and \$69,555 of revenue bonds for governmental activities and \$342,009 relates to revenue bond debt for the business-type activities.

The remainder of the City's long-term obligations consist of \$2,357 and \$2,073 related to a capital lease for the governmental activities and business-type activities respectively, \$1,698 related to loans payable for governmental activities; \$427,066 of other postemployment benefits for governmental activities and \$166,663 and 7,058 of net pension liability for governmental activities and business-type activities respectively. The following table reflects the City's long-term obligations:

# CITY OF EVANSVILLE, INDIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities	Business-Type Activities	Total
TIF Bonds	\$ 17,615	\$ -	\$ 17,615
Lease rental bonds	137,194	-	137,194
Revenue bond	<u>69,555</u>	<u>342,009</u>	<u>411,564</u>
Sub-total	<u>224,364</u>	<u>342,009</u>	<u>566,373</u>
Compensated absences	1,535	1,740	3,275
Capital leases	2,357	2,073	4,430
Loans payable	1,698	374,568	376,266
Other postemployment benefits	427,066	-	427,066
Payments in lieu of tax	-	703	703
Net pension liability	<u>166,663</u>	<u>7,058</u>	<u>173,721</u>
Sub-total	<u>599,319</u>	<u>386,142</u>	<u>985,461</u>
Total	823,683	728,151	1,551,834
Less current portion	<u>(15,537)</u>	<u>(41,186)</u>	<u>(56,723)</u>
Total long-term obligations	<u><u>808,146</u></u>	<u><u>686,965</u></u>	<u><u>1,495,111</u></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 redevelopment district 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 redevelopment district local income tax revenue bonds and an "A1" long-term bond rating to the City's outstanding sewage works revenue bonds.

Additional information of the City's long-term debt can be found on pages 43 – 56 in Notes to the Financial Statements of this report. See Note III F. Long Term Obligations and note III G. Lease Disclosures.

### 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 0.4 percent 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 are mainly used for operating expenses but can also be used for capital projects. 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 2020 budget year, the loss to the City due to the caps is \$15,937 (up from \$14,120 for 2019). Expenditure restraints and revenue diversification have been used to offset this loss. The City

# CITY OF EVANSVILLE, INDIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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also works closely with overlapping governments to help grow the overall assessed value. As assessed value rises, the resulting tax rate will decrease easing the effects of the circuit breaker losses.

- The City has been awarded and will receive approximately \$32 million dollars in 2021 and 2022 from the American Rescue Plan Fiscal Recovery Fund. The City will use these funds in accordance with the legislation. Specific programs and spending have not been identified as of the date of this report.

All the above factors were considered in preparing the City's budget for the 2021 calendar year.

### **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.

**CITY OF EVANSVILLE, INDIANA**

STATEMENT OF NET POSITION  
December 31, 2020

Assets	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
Cash and cash equivalents	\$ 34,015,731	\$ 55,721,223	\$ 89,736,954	\$ 5,579,538
Investments	51,635,950	-	51,635,950	7,986,798
Receivables:				
Interest	1,347	-	1,347	49,157
Taxes	68,673,194	-	68,673,194	-
Accounts (net of allowance)	1,039,548	7,953,409	8,992,957	504,182
Contracts	-	-	-	595,508
Intergovernmental	3,534,153	-	3,534,153	-
Lease	-	-	-	196,811
Note	-	-	-	3,857,358
Other	-	90,201	90,201	-
Inventories	385,242	2,783,123	3,168,365	-
Prepays	706,478	351,271	1,057,749	9,715
Due from other fund	-	1,055,067	1,055,067	-
Restricted cash and cash equivalents	-	45,086,743	45,086,743	-
Restricted investments	-	48,594,910	48,594,910	-
Noncurrent assets:				
Restricted cash and cash equivalents	-	222,521,202	222,521,202	-
Interest receivable	-	865,810	865,810	-
Other receivable	-	585,309	585,309	-
Capital assets:				
Land and construction in progress	68,386,341	228,750,735	297,137,076	1,144,624
Other capital assets, net of depreciation	402,782,272	506,942,708	909,724,980	8,010,122
<b>Total assets</b>	<b>631,160,256</b>	<b>1,121,301,711</b>	<b>1,752,461,967</b>	<b>27,933,813</b>
Deferred outflows of resources:				
Deferred charge on refunding	9,688,063	3,877,512	13,565,575	-
Regulatory asset	-	5,444,917	5,444,917	-
Pension related	16,456,159	1,950,791	18,406,950	-
OPEB related	119,360,508	-	119,360,508	-
<b>Total deferred outflow of resources</b>	<b>145,504,730</b>	<b>11,273,220</b>	<b>156,777,950</b>	<b>-</b>

(Continued on next page)

**CITY OF EVANSVILLE, INDIANA**

STATEMENT OF NET POSITION  
December 31, 2020

Liabilities	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
Accounts payable	\$ 4,731,208	\$ 3,342,359	\$ 8,073,567	\$ 173,703
Contracts payable	2,482,066	-	2,482,066	-
Accrued payroll and withholdings payable	2,062,455	556,363	2,618,818	27,195
Accrued interest payable	3,436,988	11,064,333	14,501,321	-
Taxes payable	-	169,046	169,046	-
Claims payable	3,174,194	-	3,174,194	-
Contracts payable	-	6,482,109	6,482,109	-
Retainage payable	-	6,850,445	6,850,445	-
Customer deposits	-	1,589,209	1,589,209	-
Assistance program	-	3,768	3,768	-
Interfund services provided and used	-	1,025,457	1,025,457	-
DMD seed money	2,500	-	2,500	-
Noncurrent liabilities:				
Due within one year:				
TIF Bonds	2,400,957	-	2,400,957	-
Loans	109,192	-	109,192	-
Revenue bonds	5,965,000	16,540,000	22,505,000	-
Lease rental bonds	4,950,000	-	4,950,000	-
Leases payable	577,027	420,932	997,959	-
Compensated absences	1,534,783	1,739,927	3,274,710	-
State revolving fund loan - current	-	6,948,303	6,948,303	-
Due in more than one year:				
TIF bonds (net of discounts, premiums)	15,214,476	-	15,214,476	-
Loans	1,588,580	-	1,588,580	-
Revenue bonds (net of discounts, premiums)	63,589,940	325,468,802	389,058,742	-
Lease rental bonds	132,243,543	-	132,243,543	-
Leases payable	1,780,516	1,652,440	3,432,956	-
State revolving fund loan payable	-	367,619,999	367,619,999	-
Payments in lieu of tax	-	702,956	702,956	-
Net pension liability	166,662,989	7,058,359	173,721,348	-
Total OPEB liability	427,066,128	-	427,066,128	-
<b>Total liabilities</b>	<b>839,572,542</b>	<b>759,234,807</b>	<b>1,598,807,349</b>	<b>200,898</b>
Deferred inflows of resources:				
Pension related	8,879,685	1,616,849	10,496,534	-
OPEB related	28,959,905	-	28,959,905	-
Unavailable revenues	56,304,676	-	56,304,676	-
<b>Total deferred inflow of resources</b>	<b>94,144,266</b>	<b>1,616,849</b>	<b>95,761,115</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	252,437,445	257,802,650	510,240,095	-
Net position - restricted for:				
General government	11,484,636	-	11,484,636	-
Public safety	6,679,406	-	6,679,406	-
Highways and streets	8,086,404	-	8,086,404	-
Urban redevelopment	6,898,815	-	6,898,815	-
Culture and recreation	18,485,492	-	18,485,492	-
Capital projects	11,177,817	53,506,207	64,684,024	-
Debt service	16,431,383	-	16,431,383	-
Donor restricted	90,583	-	90,583	-
Net position (deficit) - unrestricted	(488,823,803)	60,414,418	(428,409,385)	27,732,915
<b>Total net position (deficit)</b>	<b>\$ (157,051,822)</b>	<b>\$ 371,723,275</b>	<b>\$ 214,671,453</b>	<b>\$ 27,732,915</b>

See notes to financial statements

**CITY OF EVANSVILLE, INDIANA**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2020

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position						
	Expenses	Program Revenues		Primary Government			
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Totals Primary Government	Component Units
<b>Governmental Activities</b>							
General government	\$ 63,722,715	\$ 4,532,017	\$ 9,004,782	\$ (50,185,916)	\$ -	\$ (50,185,916)	\$ -
Public safety	63,122,786	194,003	5,092,086	(57,836,697)	-	(57,836,697)	-
Highways and streets	25,391,180	1,918	1,982,950	(23,406,312)	-	(23,406,312)	-
Urban redevelopment	16,888,702	13,625	4,309,568	(12,565,509)	-	(12,565,509)	-
Culture and recreation	28,504,976	1,857,989	348,311	(26,298,676)	-	(26,298,676)	-
Interest and fiscal charges	21,560,214	-	-	(21,560,214)	-	(21,560,214)	-
<b>Total governmental activities</b>	<b>219,190,573</b>	<b>6,599,552</b>	<b>20,737,697</b>	<b>(191,853,324)</b>	<b>-</b>	<b>(191,853,324)</b>	<b>-</b>
<b>Business-Type Activities</b>							
Water utility	44,326,213	54,775,647	-	-	10,449,434	10,449,434	-
Wastewater utility	67,706,671	87,334,678	-	-	19,628,007	19,628,007	-
<b>Total business-type activities</b>	<b>112,032,884</b>	<b>142,110,325</b>	<b>-</b>	<b>-</b>	<b>30,077,441</b>	<b>30,077,441</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 331,223,457</b>	<b>\$ 148,709,877</b>	<b>\$ 20,737,697</b>	<b>(191,853,324)</b>	<b>30,077,441</b>	<b>(161,775,883)</b>	<b>-</b>
<b>Component Units</b>	<b>\$ 6,202,052</b>	<b>\$ 201,000</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,001,052)</b>
<b>General Revenues</b>							
Property taxes				70,235,384	-	70,235,384	1,581,346
Income taxes				30,209,038	-	30,209,038	-
Other taxes				1,321,869	-	1,321,869	-
Shared revenues				14,110,327	-	14,110,327	140,259
Contributions				221,600	1,766,677	1,988,277	-
Investment income				1,558,779	3,209,195	4,767,974	174,886
Miscellaneous				23,429,385	2,371,264	25,800,649	4,174,119
<b>Total general revenues and transfers</b>				<b>141,086,382</b>	<b>7,347,136</b>	<b>148,433,518</b>	<b>6,070,610</b>
<b>Change in Net Position</b>				<b>(50,766,942)</b>	<b>37,424,577</b>	<b>(13,342,365)</b>	<b>69,558</b>
Net position (deficit) - beginning of year				(169,121,012)	334,298,698	165,177,686	25,256,058
Prior period adjustment - accounts payable				-	-	-	(111,505)
Prior period adjustment - debt				25,885,126	-	25,885,126	-
Prior period adjustment - capital assets				36,951,006	-	36,951,006	2,518,804
Net position (deficit) - beginning of year as restated				<b>(106,284,880)</b>	<b>334,298,698</b>	<b>228,013,818</b>	<b>27,663,357</b>
<b>Net position (deficit) - end of year</b>				<b>\$ (157,051,822)</b>	<b>\$ 371,723,275</b>	<b>\$ 214,671,453</b>	<b>\$ 27,732,915</b>

See notes to financial statements

**CITY OF EVANSVILLE, INDIANA**

BALANCE SHEET -  
GOVERNMENTAL FUNDS  
December 31, 2020

	General Fund	Local Income Tax	Evansville Redevelopment Authority	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 896,119	\$ 795,099	\$ -	\$ 31,753,841	\$ 33,445,059
Investments	6,965,732	4,369,889	1,408,083	38,291,726	51,035,430
Inventories	-	-	-	385,242	385,242
Other assets	-	-	-	558	558
Receivables:					
Taxes	51,605,178	6,348,622	-	10,719,394	68,673,194
Interest	-	-	-	1,347	1,347
Accounts	600,601	-	-	381,802	982,403
Intergovernmental	95,200	76,002	-	3,362,951	3,534,153
Interfund receivable:					
Interfund receivables	2,885,706	984,273	-	-	3,869,979
<b>Total assets</b>	<b>\$ 63,048,536</b>	<b>\$ 12,573,885</b>	<b>\$ 1,408,083</b>	<b>\$ 84,896,861</b>	<b>\$ 161,927,365</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 363,960	\$ 274,484	\$ -	\$ 3,152,080	\$ 3,790,524
Contracts payable	-	-	-	2,482,066	2,482,066
DMD seed money	-	-	-	2,500	2,500
Accrued payroll and withholdings payable	1,796,006	-	-	258,648	2,054,654
Interfund payable	-	-	-	1,869,150	1,869,150
<b>Total liabilities</b>	<b>2,159,966</b>	<b>274,484</b>	<b>-</b>	<b>7,764,444</b>	<b>10,198,894</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	50,968,254	3,002,306	-	10,353,628	64,324,188
<b>Fund balances:</b>					
Restricted	-	9,297,095	1,408,083	67,072,248	77,777,426
Committed	3,081,421	-	-	1,557,110	4,638,531
Assigned	650,185	-	-	-	650,185
Unassigned	6,188,710	-	-	(1,850,569)	4,338,141
<b>Total fund balances</b>	<b>9,920,316</b>	<b>9,297,095</b>	<b>1,408,083</b>	<b>66,778,789</b>	<b>87,404,283</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 63,048,536</b>	<b>\$ 12,573,885</b>	<b>\$ 1,408,083</b>	<b>\$ 84,896,861</b>	<b>\$ 161,927,365</b>

See notes to financial statements

**CITY OF EVANSVILLE, INDIANA**

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
December 31, 2020

<b>Fund Balance - Governmental Funds</b>		\$ 87,404,283
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	\$ 68,386,341	
Other capital assets, net of depreciation	<u>402,782,272</u>	471,168,613
Prepays are not current financial resources and, therefore, are not reported in the funds.		706,478
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.		(166,662,989)
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.		9,688,063
Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position.		16,456,159
Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position.		(8,879,685)
Unavailable revenues are not available to pay current liabilities and, therefore, are not reported as liabilities in the Statement of Net Position.		8,019,512
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.		(4,895,171)
Total OPEB liability is not paid from current financial resources and, therefore, is not shown in the funds.		(427,066,128)
Deferred outflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position.		119,360,508
Deferred inflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position.		(28,959,905)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(1,534,783)
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.		(3,436,988)
Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(1,697,772)
Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the funds:		(2,357,543)
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	\$ (137,193,543)	
Tax increment financing bonds	(17,615,433)	
Revenue bonds	<u>(69,554,940)</u>	<u>(224,363,916)</u>
<b>Net Position of Governmental Activities</b>		<u>\$ (157,051,822)</u>

*See notes to financial statements*

**CITY OF EVANSVILLE, INDIANA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2020

	General Fund	Local Income Tax	Evansville Redevelopment Authority	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
<b>Taxes:</b>					
Property	\$ 50,473,534	\$ -	\$ -	\$ 17,088,444	\$ 67,561,978
Income	-	20,437,870	-	5,989,217	26,427,087
Other	-	-	-	4,450,986	4,450,986
Licenses and permits	1,272,373	-	-	77,325	1,349,698
Intergovernmental	9,637,312	265,080	-	23,381,477	33,283,869
Charges for services	1,509,162	-	-	1,960,510	3,469,672
Fines and forfeits	1,669,477	-	-	110,705	1,780,182
Investment Income	128,336	85,478	606,579	735,716	1,556,109
Other	1,821,500	100,000	7,059,274	15,656,779	24,637,553
<b>Total revenues</b>	<b>66,511,694</b>	<b>20,888,428</b>	<b>7,665,853</b>	<b>69,451,159</b>	<b>164,517,134</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	14,836,553	7,605,351	5,332,854	2,490,714	30,265,472
Public safety	65,792,516	-	-	2,953,618	68,746,134
Highways and streets	-	-	-	6,942,583	6,942,583
Urban redevelopment	1,300,520	-	-	12,243,912	13,544,432
Culture and recreation	-	-	-	16,416,220	16,416,220
<b>Debt service:</b>					
Principal on bonds	-	-	104,060,000	9,605,934	113,665,934
Principal on capital leases	58,271	-	-	716,217	774,488
Principal on loans	15,168,526	-	35,118	922,135	16,125,779
Bond issuance costs	-	-	-	177,205	177,205
Interest	65,674	-	10,906,546	11,133,194	22,105,414
Capital outlay	2,415,091	-	-	21,880,423	24,295,514
<b>Total expenditures</b>	<b>99,637,151</b>	<b>7,605,351</b>	<b>120,334,518</b>	<b>85,482,155</b>	<b>313,059,175</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(33,125,457)</b>	<b>13,283,077</b>	<b>(112,668,665)</b>	<b>(16,030,996)</b>	<b>(148,542,041)</b>
<b>Other financing sources (uses):</b>					
BAN proceeds	-	-	-	1,111,868	1,111,868
Loan proceeds	15,139,000	-	-	2,078,300	17,217,300
Capital leases	2,365,214	-	-	-	2,365,214
Transfers in	14,811,853	-	10,549,960	14,476,607	39,838,420
Transfers out	-	(12,121,021)	-	(28,590,519)	(40,711,540)
<b>Total other financing sources and uses</b>	<b>32,316,067</b>	<b>(12,121,021)</b>	<b>10,549,960</b>	<b>(10,923,744)</b>	<b>19,821,262</b>
<b>Net change in fund balances</b>	<b>(809,390)</b>	<b>1,162,056</b>	<b>(102,118,705)</b>	<b>(26,954,740)</b>	<b>(128,720,779)</b>
Fund balances - beginning	7,648,285	8,135,039	103,526,788	96,862,316	216,172,428
Prior period adjustment - fund reclassification	3,081,421	-	-	(3,081,421)	-
Prior period adjustment - overstated inventory	-	-	-	(47,366)	(47,366)
<b>Fund balance - beginning as restated</b>	<b>10,729,706</b>	<b>8,135,039</b>	<b>103,526,788</b>	<b>93,733,529</b>	<b>216,125,062</b>
<b>Fund balances - ending</b>	<b>\$ 9,920,316</b>	<b>\$ 9,297,095</b>	<b>\$ 1,408,083</b>	<b>\$ 66,778,789</b>	<b>\$ 87,404,283</b>

See notes to financial statements

**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, 2020

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)	\$	(128,720,779)
--	----	---------------

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	\$	24,295,514	
Contributed assets		221,600	
Asset disposal		(1,262,853)	
Depreciation expense		<u>(35,208,484)</u>	(11,954,223)

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 paid on bonds	\$	113,665,934	
Principal paid on loans		16,125,779	
Principal payments on capital leases		774,488	
Loan proceeds		(17,217,300)	
Bond proceeds		(1,111,868)	
Capital lease proceeds		(2,365,214)	
Amortization of bond discount/premium and loss on refunding		<u>774,144</u>	110,645,963

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	\$	4,885,175	
Deferred outflow of resources: OPEB related		79,398,555	
Inventories		<u>(293,804)</u>	83,989,926

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	\$	4,321,286	
Deferred inflows of resources: OPEB related		(19,409,259)	
Deferred inflows of resources: Unavailable revenue		<u>4,890,394</u>	(10,197,579)

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.	4,042,919
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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.	(882)
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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.	(752,861)
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Pension obligations are considered expenses of the general government and, therefore, are not reported as current expenditures in the funds.	(1,889,276)
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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.	(95,717,773)
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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>(212,377)</u>
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<b>Change in Net Position of Governmental Activities (Statement of Activities)</b>	\$	<u>(50,766,942)</u>
--	----	---------------------

**CITY OF EVANSVILLE, INDIANA**

STATEMENT OF NET POSITION -  
 PROPRIETARY FUNDS  
 December 31, 2020

	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	\$ 9,535,878	\$ 46,185,345	\$ 55,721,223	\$ 570,672
Investments		-	-	600,520
Receivables:				
Accounts (net of allowances)	2,604,792	5,348,617	7,953,409	57,145
Miscellaneous	90,201	-	90,201	-
Inventory	1,382,278	1,400,845	2,783,123	-
Due from other fund	1,050,657	4,410	1,055,067	-
Prepays	278,809	72,462	351,271	-
Restricted cash and cash equivalents:				
Bond and interest	12,930,781	17,188,165	30,118,946	-
Construction fund	1,421,231	8,398,398	9,819,629	-
Consumer meter deposit	1,631,475	-	1,631,475	-
Cash with fiscal agent	392,989	3,119,936	3,512,925	-
Assistance program	3,768	-	3,768	-
<b>Total current assets</b>	<b>31,322,859</b>	<b>81,718,178</b>	<b>113,041,037</b>	<b>1,228,337</b>
<b>Noncurrent assets:</b>				
Restricted assets:				
Cash and cash equivalents	108,795,867	113,725,335	222,521,202	-
Debt service reserve investments	55,599	-	55,599	-
Construction fund investments	10,533,263	38,006,048	48,539,311	-
Other receivable	585,309	-	585,309	-
Interest receivable	51,473	814,337	865,810	-
<b>Total restricted assets</b>	<b>120,021,511</b>	<b>152,545,720</b>	<b>272,567,231</b>	<b>-</b>
<b>Capital assets</b>				
Depreciable capital assets	325,498,844	540,012,413	865,511,257	-
Lease buildings	883,092	883,092	1,766,184	-
Leased vehicles	1,043,189	465,255	1,508,444	-
Leased IT equipment	264,093	792,279	1,056,372	-
Less accumulated depreciation	(124,233,223)	(236,981,654)	(361,214,877)	-
Less accumulated depreciation for leased assets	(684,167)	(1,000,505)	(1,684,672)	-
Sub-total	202,771,828	304,170,880	506,942,708	-
Land and improvements	432,435	4,512,993	4,945,428	-
Construction work in progress	40,512,787	183,292,520	223,805,307	-
<b>Net capital assets</b>	<b>243,717,050</b>	<b>491,976,393</b>	<b>735,693,443</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>254,942,694</b>	<b>530,796,778</b>	<b>785,739,472</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 395,061,420</b>	<b>\$ 726,240,291</b>	<b>\$ 1,121,301,711</b>	<b>\$ 1,228,337</b>
<b>Deferred outflows of resources</b>				
Regulatory assets	\$ 2,642,059	\$ 2,802,858	\$ 5,444,917	\$ -
Deferred amount on refunding	3,427,814	449,698	3,877,512	-
Deferred amount on pensions	1,279,279	671,512	1,950,791	-
<b>Total deferred outflows of resources</b>	<b>\$ 7,349,152</b>	<b>\$ 3,924,068</b>	<b>\$ 11,273,220</b>	<b>\$ -</b>

(Continued on next page)

See notes to financial statements

**CITY OF EVANSVILLE, INDIANA**

STATEMENT OF NET POSITION -  
 PROPRIETARY FUNDS  
 December 31, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Utility	Wastewater Utility	Totals	Internal Service Funds
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 1,720,267	\$ 1,622,092	\$ 3,342,359	\$ 940,684
Claims payable	-	-	-	3,174,194
Taxes payable	169,046	-	169,046	-
Accrued wages	369,388	186,975	556,363	7,801
Interfund services provided and used	-	1,025,457	1,025,457	2,000,829
Compensated absences	1,138,884	601,043	1,739,927	-
Payable from restricted assets:				
Contracts payable	606,814	5,875,295	6,482,109	-
Accrued interest	3,987,478	7,076,855	11,064,333	-
Retainage payable	1,207,406	5,643,039	6,850,445	-
Bonds payable - current	6,145,000	10,395,000	16,540,000	-
Customer deposits	1,589,209	-	1,589,209	-
Lease payable - current	257,777	163,155	420,932	-
Assistance program	3,768	-	3,768	-
State revolving fund loan - current	2,798,303	4,150,000	6,948,303	-
<b>Total current liabilities</b>	<b>19,993,340</b>	<b>36,738,911</b>	<b>56,732,251</b>	<b>6,123,508</b>
Noncurrent liabilities:				
Revenue bonds payable	153,690,000	164,435,000	318,125,000	-
Leases payable	961,952.00	690,488	1,652,440	-
State Revolving Fund loan payable	74,421,697	293,198,302	367,619,999	-
Unamortized bond premium and discount, net	2,151,454	5,192,348	7,343,802	-
Net pension liability	4,584,404	2,473,955	7,058,359	-
Payments in lieu of tax	702,956	-	702,956	-
<b>Total noncurrent liabilities</b>	<b>236,512,463</b>	<b>465,990,093</b>	<b>702,502,556</b>	<b>-</b>
<b>Total liabilities</b>	<b>256,505,803</b>	<b>502,729,004</b>	<b>759,234,807</b>	<b>6,123,508</b>
Deferred inflows of resources:				
Pension related	1,050,143	566,706	1,616,849	-
Net position:				
Invested in capital assets, net of related debt	108,148,959	149,653,691	257,802,650	-
Restricted	25,867,361	27,638,846	53,506,207	972,547
Unrestricted	10,838,306	49,576,112	60,414,418	(5,867,718)
<b>Total net position</b>	<b>\$ 144,854,626</b>	<b>\$ 226,868,649</b>	<b>\$ 371,723,275</b>	<b>\$ (4,895,171)</b>

See notes to financial statements

**CITY OF EVANSVILLE, INDIANA**

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION -  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Utility	Wastewater Utility	Totals	Internal Service Funds
Operating revenues:				
Residential	\$ 20,482,513	\$ 38,964,255	\$ 59,446,768	\$ -
Industrial	5,838,116	11,192,226	17,030,342	-
Commercial	8,370,016	23,815,970	32,185,986	-
Public authority	1,242,144	2,875,888	4,118,032	-
Refuse services	-	5,908,029	5,908,029	-
Delinquent charges	-	523,667	523,667	-
Connection fees	-	1,087,135	1,087,135	-
Pretreatment charges	-	554,883	554,883	-
Industrial surcharges and fines	-	1,939,850	1,939,850	-
Charges for services	-	-	-	30,016,047
Fire protection	6,233,995	-	6,233,995	-
Forfeited discounts	91,731	-	91,731	-
Sewer utility portion of general expenses	12,305,481	-	12,305,481	-
Miscellaneous	211,651	472,775	684,426	2,670
<b>Total operating revenues</b>	<b>54,775,647</b>	<b>87,334,678</b>	<b>142,110,325</b>	<b>30,018,717</b>
Operating expenses:				
General government	-	-	-	31,104,214
Collection system	-	5,665,948	5,665,948	-
Treatment and disposal	3,615,893	9,173,729	12,789,622	-
Customer service	3,588,671	11,341,393	14,930,064	-
Administrative and general	13,706,463	6,396,583	20,103,046	-
Source of supply	1,633,325	-	1,633,325	-
Transmission and distribution	4,592,074	-	4,592,074	-
Depreciation expense	5,983,474	15,410,631	21,394,105	-
Lease amortization	250,593	145,468	396,061	-
<b>Total operating expenses</b>	<b>33,370,493</b>	<b>48,133,752</b>	<b>81,504,245</b>	<b>31,104,214</b>
<b>Operating income (loss)</b>	<b>21,405,154</b>	<b>39,200,926</b>	<b>60,606,080</b>	<b>(1,085,497)</b>
Nonoperating revenues				
Interest income	1,049,729	2,159,466	3,209,195	-
Other	1,139,904	1,017,045	2,156,949	-
BAB subsidy income	-	214,315	214,315	-
<b>Total nonoperating revenues</b>	<b>2,189,633</b>	<b>3,390,826</b>	<b>5,580,459</b>	<b>-</b>
Nonoperating expenses				
Interest expense	8,064,932	14,307,447	22,372,379	-
Interest expense - amortization	381,688	231,872	613,560	-
Transfers in	-	-	-	873,120
<b>Total nonoperating revenues (expenses)</b>	<b>8,446,620</b>	<b>14,539,319</b>	<b>22,985,939</b>	<b>873,120</b>
<b>Income (loss) before transfers and contributions</b>	<b>15,148,167</b>	<b>28,052,433</b>	<b>43,200,600</b>	<b>(212,377)</b>
Capital contributions and transfers				
Contributed capital	565,250	1,201,427	1,766,677	-
Payment in lieu of property taxes	(2,509,100)	(5,033,600)	(7,542,700)	-
<b>Change in Net Position</b>	<b>13,204,317</b>	<b>24,220,260</b>	<b>37,424,577</b>	<b>(212,377)</b>
<b>Total net position - beginning</b>	<b>131,650,309</b>	<b>202,648,389</b>	<b>334,298,698</b>	<b>(4,682,794)</b>
<b>Total net position - ending</b>	<b>\$ 144,854,626</b>	<b>\$ 226,868,649</b>	<b>\$ 371,723,275</b>	<b>\$ (4,895,171)</b>

See notes to financial statements

## CITY OF EVANSVILLE, INDIANA

### STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS For the Year Ended December 31, 2020

	Water Utility	Wastewater Utility	Internal Service Funds
Cash flows from operating activities:			
Cash received from customers	\$ 54,863,725	\$ 88,354,879	\$ -
Cash paid to suppliers, employees	(27,715,849)	(29,233,075)	-
Receipts for interfund services used			29,961,572
Payments for interfund services used	-	-	(27,600,133)
	<u>27,147,876</u>	<u>59,121,804</u>	<u>2,361,439</u>
Net cash used by operating activities			
Cash flows from noncapital financing activities:			
Transfer in	-	-	873,120
Payment in lieu of taxes	(2,509,100)	(5,033,600)	-
	<u>(2,509,100)</u>	<u>(5,033,600)</u>	<u>873,120</u>
Total cash increase (decrease) from noncapital financing activities			
Cash flows from capital and related financing activities:			
Additions to capital assets	(24,107,709)	(86,089,481)	-
Principal paid on revenue bonds	(5,755,000)	(7,400,000)	-
Principal paid on SRF bonds	-	(7,448,000)	-
SRF loan drawdowns	-	1,134,866	-
Redemption of revenue bonds	(28,775,000)	(25,165,000)	-
Proceeds from refunding revenue bonds	30,670,000	21,980,000	-
Contracts payable	-	(7,438,216)	-
Retainage	369,503	2,394,257	-
Contributed capital	565,250	1,201,427	-
Interest paid	(8,394,535)	(13,553,524)	-
Nonoperating revenues	1,139,904	1,017,045	-
BAB subsidy income	-	214,315	-
Contracts paid	(3,527,849)	-	-
Deferred debits	-	2,204,625	-
	<u>(37,815,436)</u>	<u>(116,947,686)</u>	<u>-</u>
Net cash from capital and related financing activities			
Cash flows from investing activities:			
Proceeds (cost) of sale of investments	39,388,518	16,364,124	(398,891)
Interest received	1,231,715	2,017,899	-
	<u>40,620,233</u>	<u>18,382,023</u>	<u>(398,891)</u>
Net cash provided by investing activities			
Net increase in cash and cash equivalents			
	27,443,573	(44,477,459)	2,835,668
Cash and cash equivalents, January 1			
	<u>107,268,416</u>	<u>233,094,638</u>	<u>(2,264,996)</u>
Cash and cash equivalents, December 31			
	<u>\$ 134,711,989</u>	<u>\$ 188,617,179</u>	<u>\$ 570,672</u>

(Continued on next page)

## CITY OF EVANSVILLE, INDIANA

### STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS For the Year Ended December 31, 2020

	Water Utility	Wastewater Utility	Internal Service Funds
Reconciliation of operating income to net cash used by operating activities:			
Operating income	\$ 21,405,154	\$ 39,200,926	\$ (1,085,497)
Depreciation expense	5,983,474	15,410,631	-
Lease amortization	250,593	145,468	-
Adjustments to reconcile operating income to net cash provided by operating activities:			
Decrease (increase) in:			
Accounts receivable - customer	10,963	1,020,201	(57,145)
Accounts receivable - miscellaneous	77,115	-	-
Inventory	(261,255)	-	-
Interfund services provided	(196,545)	-	-
Prepaid expense	(139,539)	4,980,748	-
Customer deposits receivable	717	-	-
Materials and supplies inventory	-	(1,011,929)	-
Increase (decrease) in:			
Accounts payable	(415,921)	(702,760)	(1,425,165)
Lease payable	18,167	(33,794)	2,931,708
Taxes payable	18,054	-	-
Accrued payroll and withholdings payable	118,749	50,449	(3,291)
Net pension liability	(83,909)	(234,965)	-
Customer deposits	(46,162)	-	-
Assistance program	(613)	-	-
Interfund services used	-	196,545	2,000,829
Compensated absences	408,834	100,284	-
 Total adjustments	 <u>5,742,722</u>	 <u>19,920,878</u>	 <u>3,446,936</u>
 Net cash used by operating activities	 <u>\$ 27,147,876</u>	 <u>\$ 59,121,804</u>	 <u>\$ 2,361,439</u>

#### Noncash Activities:

The water utility had \$606,814 of contracts payable and \$1,207,408 of retainage payable that were part of capital assets at December 31, 2020.

The wastewater utility had \$5,875,295 of contracts payable and \$5,643,039 of retainage payable that were part of capital assets at December 31, 2020.

**CITY OF EVANSVILLE, INDIANA**

STATEMENT OF FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS  
December 31, 2020

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Levee Payroll Custodial Fund</u>
Cash and cash equivalents	\$ 2,382,068	\$ -
Investments at fair value:		
Fixed income securities	6,558,410	-
Total investments	6,558,410	-
Total assets	8,940,478	-
Deferred outflows of resources		
Deferred outflows - pensions	18,000	-
 <u>Liabilities, deferred inflows of resources and fund net position</u>		
Liabilities		
Accounts payable	256	-
Total liabilities	256	-
Deferred inflows of resources		
Deferred inflows - pensions	28,048	-
Net position restricted for pensions	<u>\$ 8,930,174</u>	<u>\$ -</u>

*See notes to financial statements*

**CITY OF EVANSVILLE, INDIANA**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS

For The Year Ended December 31, 2020

	Pension Trust Funds	Levee Payroll Custodial Fund
<u>Additions</u>		
Contributions:		
Non-employer contributing entity	\$ 11,051,802	\$ -
Other	<u>-</u>	<u>1,516</u>
Total contributions	<u>11,051,802</u>	<u>1,516</u>
Investment income:		
Interest	<u>110,402</u>	<u>-</u>
Total additions	<u>11,162,204</u>	<u>1,516</u>
<u>Deductions</u>		
Benefit payments (including refunds of employee contributions)	11,026,915	-
Administrative expenses	<u>27,194</u>	<u>-</u>
Total deductions	<u>11,054,109</u>	<u>-</u>
Change in fiduciary net position	108,095	1,516
Net position, beginning	<u>8,822,079</u>	<u>(1,516)</u>
Net position, ending	<u>\$ 8,930,174</u>	<u>\$ -</u>

*See notes to financial statements*

# CITY OF EVANSVILLE, INDIANA

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2020

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

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The City of Evansville, INDIANA (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, 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.

#### ***Blended Component Units***

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.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

#### ***Blended Component Unit (cont.)***

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. 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 audited 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. Internal 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, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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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 audited 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. Internal 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 August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. This statement establishes criteria for reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. This standard was implemented January 1, 2020.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

#### ***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.

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.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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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 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. The General fund also contains activity related to the City's Rainy Day Fund.

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

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

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

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.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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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.)***

Fiduciary Funds - these include the following:

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.

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

#### ***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.

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.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

---

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

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

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 internal customers services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

### ***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.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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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.)*

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, unless approved by the fiscal body which can be up to five 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.

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.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

---

## 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.)***

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

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.

#### ***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 61.1-17-16) 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. 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.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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## 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.)***

#### ***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 their intended external purpose. The remainder is shown as restricted net position.

#### ***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.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**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 (cont.)**

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

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.

***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.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

---

### 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.)***

##### **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. Other deferred outflows of resources result from the recognition of regulatory assets for utilities, as well as pension and OPEB timing differences from actuarial valuations.

##### **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.

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

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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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.)***

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

All long-term obligations to be repaid from governmental and business-type activities 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. Deferred inflows of resources result from pension and OPEB timing differences, and tax revenue recognition timing.

#### **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" 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.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

---

## 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.)*

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

##### ***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.

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.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

---

## 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.)*

#### **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, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

#### **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.

##### ***Wastewater Utility***

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. In addition, the recycling service agreement was revised in 2019 with Tri-State Resource Recovery. Pursuant to this contract the Common Council approved a revised refuse monthly fee phased-in over three years with Phase I effective January 1, 2020 and Phases II and III effective each January thereafter.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

---

## 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.)*

#### **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. LEGAL BUDGET ADOPTION**

Check if the municipality issues a non-GAAP budget statement.

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.

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 \$650,185. Budgets are adopted at the department level of expenditure.

### **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.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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#### C. DEFICIT BALANCES

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

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

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
CARES Act HUD	\$ 600	Pending reimbursement.
Golf Course Nonreverting	1,263,875	Revenue shortfalls from downturn in business. The City has shut down one golf course in an attempt to reduce costs. 2019 deficit was \$1,355,545.
Golf Course	15,033	Revenue shortfalls from downturn in business. The City has shut down one golf course in an attempt to reduce costs.
Hospitalization Insurance	5,837,543	Revenue shortfalls. The 2019 deficit was \$5,027,719
Accounts Payable Clearing	30,175	Revenue shortfalls.
CARES Act Gen	4,530	Pending reimbursement
Cares Act CDBG	156,542	Pending reimbursement
Cares Act ESG	95,973	Pending reimbursement
Community Development Block Grant	282,828	Pending reimbursement
DMD Home Administration	31,188	Interfund payable

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### NOTE III - DETAILED NOTES ON ALL FUNDS

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#### 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, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

### 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	\$365,306,505	\$366,795,505	Custodial risk
Certificates of deposit	31,227,147	31,227,147	Custodial risk
US Agencies	9,432,052	9,432,052	Custodial, credit, concentration of credit, interest rate risks
US Treasuries	37,445,134	37,445,134	Custodial risk, interest rate
Money market accounts	35,596,735	35,596,735	Custodial risk
State and local bonds	1,075,000	1,075,000	Custodial, credit, concentration of credit, interest rate risks
Total Deposits and Investments	\$480,082,573	\$481,571,573	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$141,372,904		
Restricted cash and investments	316,202,855		
Per statement of net position - fiduciary funds			
Pension trust funds	8,940,478		
Component unit cash and investments	13,566,336		
Total Deposits and Investments	\$480,082,573		

The cash and investment balances documented in the table above is for both governmental activities and business type activities.

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, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**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).
- State and local bonds are valued using quoted market prices in markets that are not active (Level 2)

Investment Type	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Money market	\$ 35,596,735	\$ -	\$ -	\$ 35,596,735
US Agencies	-	9,432,052	-	9,432,052
US Treasuries	37,445,134	-	-	37,445,134
State and Local Bonds	-	1,075,000	-	1,075,000
Total	\$ 73,041,869	\$ 10,507,052	\$ -	\$ 83,548,921

***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.

***Credit Risk***

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

As of December 31, 2020, the City's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investors Services
State and local bonds	Unrated, AA+	Unrated
US agencies	Unrated, AA+	Unrated, Aaa

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2020, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 to 5	Over 5
Certificates of deposit	\$ 31,227,147	\$ 29,520,257	\$ 1,706,890	\$ -
State and local bonds	1,075,000	1,075,000	-	-
US agencies	9,432,052	9,432,052	-	-
US treasuries	<u>37,445,134</u>	<u>37,445,134</u>	-	-
Totals	<u>\$ 79,179,333</u>	<u>\$ 77,472,443</u>	<u>\$ 1,706,890</u>	<u>\$ -</u>

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	\$ 98,819
Uncollectibles related to Wastewater Utility	<u>907,579</u>
Total Uncollectibles of the Current Fiscal Year	<u>\$ 1,006,398</u>

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

**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 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 on the government wide and governmental funds statement were as follows:

	Government Wide	Government Funds
Property taxes receivable for subsequent year	\$ 56,304,676	\$ 62,760,033
Intergovernmental Receivables	-	1,564,155
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 56,304,676	 \$ 64,324,188

**C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets related to business-type activities:

***Long-Term Debt and Capital Asset 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, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

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

	<u>Water Utility Restricted Assets</u>	<u>Wastewater Utility Restricted Assets</u>
Revenue bond covenant accounts	\$ 108,795,867	\$ 113,725,335
Bond and Interest	12,930,781	17,188,165
Construction fund	1,421,231	8,398,398
Consumer meter deposit	1,631,475	-
Cash with fiscal agent	392,989	3,119,936
Assistance program	3,768	-
Debt service reserve investments	55,599	-
Construction fund investments	10,533,263	38,006,048
Receivables	<u>636,782</u>	<u>814,337</u>
 Total	 <u>\$ 136,401,755</u>	 <u>\$ 181,252,219</u>

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

#### D. CAPITAL ASSETS

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

	Prior Beginning Balance	Adjustments*	Beginning Balance, as restated	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>						
Capital assets not being depreciated						
Land	\$ 22,694,448	\$ 11,568,418	\$ 34,262,866	\$ 166,658	\$ 193,618	\$ 34,235,906
Construction in progress	12,972,209	1,082,924	14,055,133	20,428,507	333,205	34,150,435
Total Capital Assets Not Being Depreciated	<u>35,666,657</u>	<u>12,651,342</u>	<u>48,317,999</u>	<u>20,595,165</u>	<u>526,823</u>	<u>68,386,341</u>
Capital assets being depreciated						
Buildings	180,752,433	44,540,188	225,292,621	191,199	1,858,000	223,625,820
Improvements other than buildings	57,302,466	(25,156,900)	32,145,566	174,830	54,214	32,266,182
Machinery, equipment and vehicles	59,803,789	5,974,013	65,777,802	3,470,125	2,560,282	66,687,645
Infrastructure	572,550,478	-	572,550,478	197,400	-	572,747,878
Total Capital Assets Being Depreciated	<u>870,409,166</u>	<u>25,357,301</u>	<u>895,766,467</u>	<u>4,033,554</u>	<u>4,472,496</u>	<u>895,327,525</u>
Total Capital Assets	<u>906,075,823</u>	<u>38,008,643</u>	<u>944,084,466</u>	<u>24,628,719</u>	<u>4,999,319</u>	<u>963,713,866</u>
Less: Accumulated depreciation for						
Buildings	(61,402,376)	(4,372,094)	(65,774,470)	(4,643,144)	(978,674)	(69,438,940)
Improvements other than buildings	(25,062,371)	1,648,124	(23,414,247)	(978,258)	(39,508)	(24,352,997)
Machinery, equipment and vehicles	(43,337,937)	1,666,333	(41,671,604)	(3,857,092)	(1,863,113)	(43,665,583)
Infrastructure	(329,357,743)	-	(329,357,743)	(25,729,990)	-	(355,087,733)
Total Accumulated Depreciation	<u>(459,160,427)</u>	<u>(1,057,637)</u>	<u>(460,218,064)</u>	<u>(35,208,484)</u>	<u>(2,881,295)</u>	<u>(492,545,253)</u>
Net Capital Assets Being Depreciated	<u>411,248,739</u>	<u>24,299,664</u>	<u>435,548,403</u>	<u>(31,174,930)</u>	<u>1,591,201</u>	<u>402,782,272</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 446,915,396</u>	<u>\$ 36,951,006</u>	<u>\$ 483,866,402</u>	<u>\$ (10,579,765)</u>	<u>\$ 2,118,024</u>	<u>\$ 471,168,613</u>

\* Capital assets have been adjusted to correct improper recording of additions in the year the asset is added to the capital asset system versus in the year actually purchased. Additionally, corrections were made to depreciation for improper calculation made in prior years. The adjustments column represents prior period adjustments included in Note III.I on pages 59-60.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

Depreciation/amortization expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 3,811,104
Public safety	1,428,599
Highways and streets	28,704,597
Culture and recreation	<u>1,264,184</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 35,208,484</u></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>28,595,563</u>	<u>22,565,867</u>	<u>10,648,643</u>	<u>40,512,787</u>
Total Capital Assets Not Being Depreciation	<u>29,027,998</u>	<u>22,565,867</u>	<u>10,648,643</u>	<u>40,945,222</u>
Capital assets being depreciated				
Infrastructure	235,553,432	10,909,521	151,147	246,311,806
Buildings	39,773,833	7,642	-	39,781,475
Improvements other than buildings	2,647,753	228,577	-	2,876,330
Machinery and equipment	35,569,385	1,037,203	77,355	36,529,233
Leased equipment and fixtures	<u>1,911,730</u>	<u>282,534</u>	<u>3,890</u>	<u>2,190,374</u>
Total Capital Assets Being Depreciated	<u>315,456,133</u>	<u>12,465,477</u>	<u>232,392</u>	<u>327,689,218</u>
Total Capital Assets	<u>344,484,131</u>	<u>35,031,344</u>	<u>10,881,035</u>	<u>368,634,440</u>
Less: Accumulated depreciation/amortization for				
Infrastructure	(90,586,851)	(4,256,669)	295,384	(95,138,904)
Buildings	(19,553,605)	(689,716)	-	(20,243,321)
Improvements other than buildings	(193,045)	(53,324)	-	(246,369)
Machinery and equipment	(7,919,341)	(687,479)	2,191	(8,604,629)
Leased equipment and fixtures	<u>(387,881)</u>	<u>(296,286)</u>	<u>-</u>	<u>(684,167)</u>
Total Accumulated Depreciation/Amortization	<u>(118,640,723)</u>	<u>(5,983,474)</u>	<u>297,575</u>	<u>(124,917,390)</u>
Net Capital Assets Being Depreciated	<u>196,815,410</u>	<u>6,482,003</u>	<u>(65,183)</u>	<u>202,771,828</u>
Business-Type Capital Assets, Net of Accumulated Depreciation/Amortization	<u><u>\$ 225,843,408</u></u>	<u><u>\$ 29,047,870</u></u>	<u><u>\$ 10,583,460</u></u>	<u><u>\$ 243,717,050</u></u>

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
<b>Wastewater Utility</b>				
Capital assets not being depreciation				
Land	\$ 4,512,993	\$ -	\$ -	\$ 4,512,993
Construction in progress	<u>117,028,320</u>	<u>81,134,779</u>	<u>14,870,579</u>	<u>183,292,520</u>
Total Capital Assets Not Being Depreciation	<u>121,541,313</u>	<u>81,134,779</u>	<u>14,870,579</u>	<u>187,805,513</u>
Capital assets being depreciated				
Infrastructure	298,014,590	10,964,265	-	308,978,855
Buildings	164,357,738	4,748,354	21,976	169,084,116
Improvements other than buildings	5,697,084	167,026	-	5,864,110
Machinery and equipment	52,563,275	3,890,030	367,973	56,085,332
Leased equipment and fixtures	<u>1,927,507</u>	<u>213,119</u>	<u>-</u>	<u>2,140,626</u>
Total Capital Assets Being Depreciated	<u>522,560,194</u>	<u>19,982,794</u>	<u>389,949</u>	<u>542,153,039</u>
Total Capital Assets	<u>644,101,507</u>	<u>101,117,573</u>	<u>15,260,528</u>	<u>729,958,552</u>
Less: Accumulated depreciation for				
Infrastructure	(93,134,909)	(7,287,463)	279,839	(100,702,211)
Buildings	(109,288,933)	(2,878,683)	21,976	(112,145,640)
Improvements other than buildings	(2,141,160)	(288,326)	-	(2,429,486)
Machinery and equipment	(17,375,710)	(4,673,438)	344,831	(21,704,317)
Leased equipment and fixtures	<u>(717,784)</u>	<u>(282,721)</u>	<u>-</u>	<u>(1,000,505)</u>
Total Accumulated Depreciation	<u>(222,658,496)</u>	<u>(15,410,631)</u>	<u>646,646</u>	<u>(237,982,159)</u>
Net Capital Assets Being Depreciated	<u>299,901,698</u>	<u>4,572,163</u>	<u>(256,697)</u>	<u>304,170,880</u>
Business-Type Capital Assets, Net of Accumulated Depreciation	<u>\$ 421,443,011</u>	<u>\$ 85,706,942</u>	<u>\$ 14,613,882</u>	<u>\$ 491,976,393</u>

Depreciation/amortization expense was charged to functions as follows:

**Business-Type Activities**

Water	\$ 5,983,474
Wastewater	<u>15,410,631</u>
 Total Business-Type Activities Depreciation Expense	 <u>\$ 21,394,105</u>

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

***E. INTERFUND ADVANCES AND TRANSFERS***

***Advances***

The general and local income tax funds are advancing funds to the Hospitalization Fund, which is an internal service fund. The amount advanced is determined by the deficiency of cash balance in the Hospitalization Fund. No repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	CARES Act Law Enf	\$ 38,488	\$ 38,488
General Fund	CARES Act CDBG	53,252	53,252
General Fund	CARES Act HUD	600	600
General Fund	Golf Course Non Reverting Community Development Block Grant	1,263,875	1,263,875
General Fund	Neighborhood Stabilization	412,195	412,195
General Fund	Emergency Solutions Grant	471	471
General Fund	DMD Home Administration	60,378	60,378
General Fund	Accounts Payable Clearing - ISF	39,891	38,891
General Fund	Hospitalization - ISF	32,284	32,284
Local Income Tax Fund	Hospitalization - ISF	984,273	984,273
General Fund	Hospitalization - ISF	984,272	984,272
Total - Fund Financial Statements		3,869,979	
Less: Fund eliminations		(3,869,979)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ -	

There is an amount reported as due from another fund (Wastewater Utility) payable to the Water Utility on the proprietary balance sheet in the amount of \$1,055,067. This is due to an interim invoice for the 2019B SRF bonds that closed on December 17th, 2019. The Utility paid for the invoice in advance of the bond closing. The invoice should have been presented at pre-closing as a reimbursement from the construction funds as costs of issuance. It was not presented, so a due from another fund is being reported. As of December 31, 2020, the Utility had not requested reimbursement. This was resolved on January 26th, 2021.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

***E. INTERFUND ADVANCES AND TRANSFERS (cont.)***

***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	\$ 12,121,021	Operational support
General fund	Nonmajor fund	2,690,832	Operational support
Internal service funds	Nonmajor funds	873,120	Operational support
Redevelopment Authority	Nonmajor funds	10,549,960	Debt service
Nonmajor funds	Nonmajor funds	<u>14,476,607</u>	Operational support and debt service
Total - Fund Financial Statements		40,711,540	
Less: Government-wide eliminations		<u>(40,711,540)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ -</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, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

**F. LONG-TERM OBLIGATIONS**

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
Revenue bonds	\$ 73,964,224	\$ 939,664	\$ 9,043,888	\$ 65,860,000	\$ 5,965,000
Tax increment financing bonds	15,658,003	1,830,159	535,000	16,953,162	2,400,957
Lease rental bonds	234,375,000	-	105,745,000	128,630,000	4,950,000
Loans payable	606,250	17,217,301	16,125,779	1,697,772	109,192
(Discounts)/Premiums - Revenue Bonds	14,218,816	-	1,298,062	12,920,754	-
Sub-totals	<u>338,822,293</u>	<u>19,987,124</u>	<u>132,747,729</u>	<u>226,061,688</u>	<u>13,425,149</u>
Other Liabilities					
Compensated absences	5,690,564	1,534,783	5,690,564	1,534,783	1,534,783
Capital leases	766,817	2,365,214	774,488	2,357,543	577,027
Total OPEB Liability	331,348,355	128,146,329	32,428,556	427,066,128	-
Net pension liability	164,773,713	32,062,967	30,173,691	166,662,989	-
Total Other Liabilities	<u>502,579,449</u>	<u>164,109,293</u>	<u>69,067,299</u>	<u>597,621,443</u>	<u>2,111,810</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 841,401,742</u>	<u>\$ 184,096,417</u>	<u>\$ 201,815,028</u>	<u>\$ 823,683,131</u>	<u>\$ 15,536,959</u>
<b>Business-Type Activities</b>					
Bonds and Notes Payable					
Revenue bonds	\$ 323,945,000	\$ 52,650,000	\$ 41,930,000	\$ 334,665,000	\$ 16,540,000
(Discounts)/Premiums	5,504,711	2,858,255	1,019,164	7,343,802	-
Sub-totals	<u>329,449,711</u>	<u>55,508,255</u>	<u>42,949,164</u>	<u>342,008,802</u>	<u>16,540,000</u>
Other Liabilities					
Compensated absences	1,230,809	509,118	-	1,739,927	1,739,927
Capital leases	2,088,999	486,189	501,816	2,073,372	420,932
Net pension liability	7,377,233	1,928,795	2,247,669	7,058,359	-
State revolving fund loan	406,046,436	1,134,866	32,613,000	374,568,302	6,948,303
Payment in lieu of tax	702,956	-	-	702,956	-
Total Other Liabilities	<u>417,446,433</u>	<u>4,058,968</u>	<u>35,362,485</u>	<u>386,142,916</u>	<u>9,109,162</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 746,896,144</u>	<u>\$ 59,567,223</u>	<u>\$ 78,311,649</u>	<u>\$ 728,151,718</u>	<u>\$ 25,649,162</u>

**REVENUE BONDS**

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, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

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

#### **GOVERNMENTAL ACTIVITY/REVENUE DEBT**

**Park District Refunding Revenue Bonds of 2010.** 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.

**Park District Bonds, Series 2018.** 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 38.4% 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 \$1,610,367, respectively.

**Park District Refunding Bonds, Series 2012.** The City has pledged future TIF property tax revenues and local income tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2012, the Mesker Zoo project. Proceeds from the bonds provided financing for the advance refund of the Park District Bonds of 2003. The bonds are payable solely from property tax revenues, and secondarily from riverboat casino revenues and are payable through 2022. Annual principal and interest payments on the bonds are expected to require 22.80% 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 \$6,868,840, respectively.

**ED Rev Bonds, Series 2016A.** The City has pledged future TIF property tax revenues and local income tax 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 64.7% of net revenues. The total principal and interest remaining to be paid on the bonds is \$62,831,716. Principal and interest paid for the current year and total customer net revenues were \$3,817,381 and \$5,892,726, respectively.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

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

***ED Rev Bonds, Series 2015A.*** The City has pledged future TIF property tax revenues and local income tax 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 local income tax revenues and are payable through 2039. 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 \$23,510,938. Principal and interest paid for the current year and total customer net revenues were \$1,251,600 and \$1,251,600, respectively.

***ED Taxable Rev Bonds, Series 2011.*** 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 \$15,120,000. Principal and interest paid for the current year and total customer net revenues were \$1,120,000 and \$1,650,897, respectively.

***ED Rev Refunding Bonds, Series 2015.*** 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 23% of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,510,000. Principal and interest paid for the current year and total customer net revenues were \$1,360,932 and \$5,892,726, respectively.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

**Revenue Debt (cont.)**

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

**Governmental Activities Revenue Debt Summary**

Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
Park District Refunding Revenue Bonds of 2010	05/04/10	01/01/21	2.375% to 3.75%	\$ 9,390,000	\$ 545,000
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	2,320,000
ED Rev Bonds, Series 2016A	04/28/16	02/15/39	2% to 5%	18,000,000	16,085,000
ED Rev Bonds, Series 2015A	09/01/15	02/01/39	3% to 5%	10,235,000	9,130,000
ED Taxable Rev Bonds, Series 2011	12/29/11	02/01/34	0%	22,435,000	15,120,000
ED Rev Refunding Bonds, Series 2015	07/09/15	02/01/24	2.69%	10,990,000	<u>4,510,000</u>
Total Governmental Activities - Revenue Debt					<u>\$ 65,860,000</u>

**Business-type Activities Revenue Debt**

Water Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
2013C Rev Bonds	11/26/13	01/01/36	2%-5.5%	\$ 15,500,000	\$ 14,385,000
2014B Ref Rev Bonds	07/21/14	01/01/25	4%-5%	20,320,000	11,260,000
2016A Rev Bonds	12/15/16	01/01/38	4%	39,640,000	36,485,000
2016B Ref Rev Bonds	11/30/16	01/01/30	2%-4%	31,370,000	27,960,000
2019 Ref Rev Bonds	05/02/19	01/01/40	2% - 3.25%	39,765,000	39,075,000
2020 Taxable Ref Rev Bonds	02/13/20	01/01/35	1.565% - 2.658%	30,670,000	<u>30,670,000</u>
Total Water Utility					<u>159,835,000</u>

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

**Revenue Debt (cont.)**

**Business-type Activities Revenue Debt (cont.)**

Wastewater Utility

2010 Rev Bonds, Ser. B1	12/1/10	07/01/31	3.75%-6.5%	\$ 27,450,000	\$ 21,095,000
2013A Ref Rev Bonds	05/02/13	07/01/23	1.5%	32,440,000	10,080,000
2013B Rev Bonds	11/26/13	07/01/36	3%-6.5%	29,255,000	27,250,000
2014C Rev Bonds	08/21/14	07/01/35	2%-3.5%	25,255,000	20,245,000
2016A Rev Bonds	07/28/16	07/01/37	2%-3%	25,855,000	23,945,000
2017A Rev Bonds	05/11/17	07/01/38	3%-3.375%	21,850,000	20,235,000
2019A Rev Bonds	04/09/19	07/01/40	2% -3.25%	30,000,000	30,000,000
2020 Refunding Revenue Bonds	07/30/20	07/01/2028	4.00%	21,980,000	<u>21,980,000</u>
				Total Wastewater Utility	<u>174,830,000</u>
				Total Business-type Activities - Revenue Debt	<u>\$334,665,000</u>

Debt service requirements to maturity for revenue debt are as follows:

Years	Governmental Activities Revenue Debt		Business-type Activities Revenue Debt	
	Principal	Interest	Principal	Interest
2021	\$ 4,845,000	\$ 2,183,736	\$ 16,540,000	\$ 11,737,120
2022	3,655,000	2,032,575	18,135,000	11,237,317
2023	2,980,000	1,910,432	18,760,000	10,625,489
2024	2,405,000	1,799,632	18,275,000	9,995,075
2025	1,815,000	1,713,938	18,980,000	9,316,815
2026-2030	10,430,000	7,169,588	91,885,000	36,012,606
2031-2035	13,170,000	4,310,031	100,660,000	18,531,757
2036-2040	<u>11,440,000</u>	<u>1,002,663</u>	<u>51,430,000</u>	<u>3,603,909</u>
Totals	<u>\$ 50,740,000</u>	<u>\$ 22,122,595</u>	<u>\$ 334,665,000</u>	<u>\$ 111,060,088</u>

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

<u>Years</u>	Governmental Activities	
	Direct Placement Revenue Debt	
	Principal	Interest
2021	\$ 1,120,000	\$ -
2022	1,120,000	-
2023	1,120,000	-
2024	1,120,000	-
2025	1,120,000	-
2026-2030	5,600,000	-
2031-2035	3,920,000	-
Totals	\$ 15,120,000	\$ -

***The direct placement revenue debt is the Economic Development Taxable REvenue Bonds, Series 2011 issued in December 2011.***

***Tax Increment Financing Bonds***

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

***Red Dist TIF Rev Bonds, Series 2016.*** 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 North Main Lofts. 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.

***ED TIF Rev Bonds, Series 2014.*** Tax Increment Financing Bonds at December 31, 2020, consists of the following: 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.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

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

<b>Governmental Activities</b>					Balance
<u>Tax Increment Financing Bonds</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2020</u>
Red Dist TIF Rev Bonds, Series 2016	12/12/14	02/01/40	2%-5%	\$ 15,740,000	\$ 13,560,000
ED TIF Rev Bonds, Series 2014	04/05/16	02/01/40	2%-5.75%	1,500,000	1,365,000
Mead Johnson TIF	10/22/13	10/22/28	0%	229,910	198,003
ERC TIF Taxable Note 2020	05/20/20	05/20/23	1.50%	1,657,954	1,657,954
ERC TIF BAN Series 2020					
North Main Lofts	12/30/20	12/30/22	1.50%	2,250,000	134,116
ERC TIF Revenue Note, Series 2020 Fifth and Main	12/30/20	12/30/22	1.50%	2,500,000	<u>38,089</u>
					<u><u>16,953,162</u></u>

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>
2021	\$ 545,000	\$ 561,738
2022	555,000	545,288
2023	575,000	528,457
2024	590,000	509,707
2025	610,000	488,938
2026-2030	3,470,000	2,053,148
2031-2035	4,150,000	1,368,590
2036-2040	<u>4,430,000</u>	<u>530,888</u>
Totals	<u>\$ 14,925,000</u>	<u>\$ 6,586,754</u>

	<u>Governmental Activities TIF Debt from Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,855,957	\$ 70,104
2022	<u>172,205</u>	<u>121,447</u>
Totals	<u>\$ 2,028,162</u>	<u>\$ 191,551</u>

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

##### ***Lease Rental Bonds***

***ED LR Rev Bonds, Series 2016A.*** 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.

***ED LR Rev Bonds, Series 2016B.*** 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.

***ED LR Rev Bonds, Series 2015C.*** 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.

***ED LR Rev Bonds, Series 2015D.*** 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.

***LR Rev Ref Bonds, Series, 2016.*** 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, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

**Lease Rental Bonds (cont.)**

Lease Rental Revenue Bonds at December 31, 2020 consist of the following:

<b>Governmental Activities</b>	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
Lease Rental Bonds					
ED LR Rev Bonds, Series 2016A	04/28/16	02/15/39	3%-5%	\$ 7,500,000	\$ 6,830,000
ED LR Rev Bonds, Series 2016B	04/07/16	02/01/31	2.9%	12,345,000	9,440,000
ED LR Rev Bonds, Series 2015C	12/29/15	02/15/39	3%-5%	9,225,000	8,655,000
ED LR Rev Bonds, Series 2015D	12/29/15	02/15/39	2.1%-4.87%	12,080,000	11,280,000
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 Lease Rental Bonds					<u>\$128,630,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities Lease Rental Bonds	
	Principal	Interest
2021	\$ 4,950,000	\$ 5,125,369
2022	5,175,000	4,898,116
2023	5,405,000	8,480,684
2024	5,655,000	4,410,386
2025	5,910,000	4,151,553
2026-2030	33,270,000	17,045,142
2031-2035	35,115,000	10,186,736
2036-2039	<u>33,150,000</u>	<u>2,711,267</u>
Totals	<u>\$ 128,630,000</u>	<u>\$ 57,009,253</u>

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

***Loans Payable***

Loans Payable as of December 31, 2021 consist of the following:

<b>Governmental Activities</b>	Balance
Loans Payable From Direct Borrowings	December 31, 2020
Energy Savings Contract for Animal Control	\$ 43,529
Energy Savings Contract for Fire Department	137,167
Energy Savings Contract for Central Dispatch	43,901
Energy Savings Contract for Parks Department	239,354
Energy Savings Contract for Parking Garages	33,820
Bond Bank Note for Fire Equipment	<u>1,200,000</u>
 Total Governmental Activities Other Long-Term Liabilities - Loans Payable	 <u><u>\$ 1,697,771</u></u>

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

**Other Long-Term Liabilities (cont.)**

**State Revolving Loans Payable From Direct Borrowings**

<u>State Revolving Loans</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Balance December 31, 2020</u>
2018-1 Waterworks revenue bonds	01/01/22	3.25%	\$ 5,308,000
2018A-2 Waterworks revenue bonds	01/01/40	3.25%	71,912,000
2009 Wastewater revenue bonds	07/01/44	2.3%	27,721,000
2010A Wastewater revenue bonds	07/01/45	2.3%	7,111,000
2011C Wastewater revenue bonds	07/01/31	3.37%	2,406,000
2011D Wastewater revenue bonds	07/01/31	3.25%	1,207,000
2012E Wastewater revenue bonds	07/01/47	2.3%	5,967,000
2014A Wastewater revenue bonds	07/01/31	2.44%	5,466,000
2014B Wastewater revenue bonds	07/01/34	2.10%	4,280,000
2014D Wastewater revenue bonds	07/01/35	2%	27,828,999
2016B Wastewater revenue bonds	07/01/37	2%	10,706,313
2016C Wastewater revenue bonds	07/01/38	2%	7,150,253
2018A Wastewater revenue bonds	07/01/40	2%	15,149,737
2018B-1 Wastewater revenue bonds	07/01/40	2.9%	35,020,000
2018B-2 Wastewater revenue bonds	07/01/53	3.32%	72,335,000
2019B Wastewater revenue bonds	07/01/41	2.48%	<u>75,000,000</u>
		Total	<u>\$374,568,302</u>

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, 2020, the loan principal amount drawn for the 2014D, 2016B, 2016C and 2018A wastewater loans were \$35,414,999, \$11,831,313, \$7,816,253 and \$16,559,737, 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.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

**Other Long-Term Liabilities (cont.)**

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

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 \$15,041, \$4,987, \$36,061,622, \$906,900 and \$58,297,568 for the 2014A, 2014B 2018B1, 2018B2 and 2019B loans, respectively.

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 \$55,041,856 for the 2018A1 loan.

Annual debt service requirements for direct borrowings and placements for governmental activities is summarized below, and annual debt service requirements to maturity for the loans, including interest of \$27,684,321 and \$144,175,818 for the Water Utility and Wastewater Utility, respectively, are reported in the table below:

	Business-type Activities		
	State Revolving Loan Debt from Direct Borrowings and Direct Placements		
	Water	Wastewater	Totals
2021	\$ 5,262,481	\$ 11,971,751	\$ 17,234,232
2022	5,261,002	12,001,722	17,262,724
2023	5,259,476	12,000,218	17,259,694
2024	5,257,901	12,123,800	17,381,701
2025	5,256,275	12,122,366	17,378,641
2026-2030	26,255,060	70,961,234	97,216,294
2031-2035	26,205,688	61,184,255	87,389,943
2036-2040	26,146,438	105,052,485	131,198,923
2041-2045	-	84,633,579	84,633,579
2046-2050	-	35,773,264	35,773,264
2051-2053	-	26,002,144	26,002,144
	104,904,321	443,826,818	548,731,139
Totals	104,904,321	443,826,818	548,731,139
Less SRF not drawn down	-	(2,302,698)	(2,302,698)
Less Interest	(27,684,321)	(144,175,818)	(171,860,139)
Ending Balance	\$ 77,220,000	\$ 297,348,302	\$ 374,568,302

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

#### **Short Term Borrowings**

*In 2020 the City received \$15,139,000 and \$878,350 in Property Tax Anticipation borrowings for the General Fund and Park and Recreation Fund, respectively. These amounts were repaid prior to year end.*

*The City also received \$1,111,868 in Bon Anticipation Proceeds for the Streetscape project that were repaid prior to the end of 2020.*

#### **Advance Refunding**

On January 30, 2020, the water utility issued \$30,670,000 in revenue bonds with an average coupon rate of 2.517% to advance refund \$28,775,000 of outstanding Waterworks District Revenue bonds, Series 2013A with an average coupon rate of 4.559%. The net proceeds along with existing funds of the water utility were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The escrow matured on December 31, 2021 and a final payment was made on January 1, 2022.

The cash flow requirements on the refunded debt prior to the advance refunding was \$46,421,494 from 2020 through 2035. The cash flow requirements on the 2020 refunding bonds are \$4,187,842 from 2020 through 2035. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,933,652.

#### **Current Refunding**

On July 30, 2020, the wastewater utility issued \$21,980,000 in revenue bonds with an average coupon rate of 4.00% to refund \$13,671,000 of outstanding Sewage Works Revenue Bonds of 2007, Series A with an average coupon rate of 3.26%. and \$2,647,000 of Sewage Works Revenue Bonds of 2007, Series B with an average coupon rate of 3.33% and \$8,847,000 of Sewage Works Revenue Bonds of 2008, Series B with an average coupon rate of 3.26%. The net proceeds along with existing funds of the wastewater utility were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$25,424,576 from 2020 through 2026. The cash flow requirements on the refunding bonds are \$28,429,804 from 2021 through 2028. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,205,726.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**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 \$3,583,071, which are included in capital assets in the governmental activities. The net book value of capital assets under capital lease reported for business type activities is \$2,646,320. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2020, are as follows:

Years	Governmental Activities			Business-Type Activities		
	Principal	Interest	Totals	Principal	Interest	Totals
2021	\$ 708,071	\$ 2,399	\$ 710,470	\$ 420,352	\$ 68,306	\$ 488,658
2022	559,202	722	559,924	416,152	52,185	468,337
2023	519,090	-	519,090	423,712	35,391	459,103
2024	519,090	-	519,090	278,210	20,512	298,722
2025	52,090	-	52,090	164,782	12,463	177,245
2026-2030	-	-	-	370,164	15,984	386,148
Totals	<u>\$ 2,357,543</u>	<u>\$ 3,121</u>	<u>\$ 2,360,664</u>	<u>\$ 2,073,372</u>	<u>\$ 204,841</u>	<u>\$ 2,278,213</u>

**H. NET POSITION/FUND BALANCES**

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

**Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 68,386,341
Construction in progress	402,782,272
Less: Long-term debt outstanding	(226,061,688)
Add: Deferred amount on refunding	9,688,063
Less: Capital leases	<u>(2,357,543)</u>
Total Net Investment in Capital Assets	<u>\$ 252,437,445</u>

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**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, 2020, include the following:

	<u>General Fund</u>	<u>Local Income Tax</u>	<u>Evansville Redevelopment Authority</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
<b>Fund Balances</b>					
<b>Restricted for:</b>					
Highways & Streets	\$ -	\$ -	\$ -	\$ 8,079,608	\$ 8,079,608
Public Safety	-	-	-	6,529,252	6,529,252
General Government	-	9,297,095	-	1,072,410	10,369,505
Urban Redevelopment	-	-	1,408,083	23,691,195	25,099,278
Debt Service	-	-	-	16,431,383	16,431,383
Capital outlays	-	-	-	11,177,817	11,177,817
Donor restricted	-	-	-	90,583	90,583
Sub-total	<u>-</u>	<u>9,297,095</u>	<u>1,408,083</u>	<u>67,072,248</u>	<u>77,777,426</u>
<b>Committed to:</b>					
Parks and Recreation	-	-	-	285,029	285,029
General Government	3,081,421	-	-	1,115,131	4,196,552
Public safety	-	-	-	150,154	150,154
Highways and streets	-	-	-	6,796	6,796
Sub-total	<u>3,081,421</u>	<u>-</u>	<u>-</u>	<u>1,557,110</u>	<u>4,638,531</u>
<b>Assigned to:</b>					
General Government	<u>650,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>650,185</u>
Sub-total	<u>650,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>650,185</u>
<b>Unassigned (deficit):</b>	<u>6,188,710</u>	<u>-</u>	<u>-</u>	<u>(1,850,569)</u>	<u>4,338,141</u>
<b>Total Fund Balances</b>	<u><u>\$ 9,920,316</u></u>	<u><u>\$ 9,297,095</u></u>	<u><u>\$ 1,408,083</u></u>	<u><u>\$ 66,778,789</u></u>	<u><u>\$ 87,404,283</u></u>

**Business-Type Activities**

Net Investment in Capital Assets	
Land	\$ 4,945,428
Construction in progress	223,805,307
Regulatory assets	5,444,917
Other capital assets, net of accumulated depreciation/amortization	506,942,708
Less: Long-term debt outstanding	(716,577,104)
Plus: Unspent capital related debt proceeds	231,437,254
Plus: Unamortized amount on refunding	3,877,512
Less: Leases payable	<u>(2,073,372)</u>
<b>Total Net Investment in Capital Assets</b>	<u><u>\$ 257,802,650</u></u>

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

#### ***I. RESTATEMENT OF FUND BALANCES/NET POSITION***

Fund balance has been restated to correct an error in the Rainy Day fund balance. A prior period adjustment was made to change the reporting presentation of the Rainy Day Fund, which was historically reported as a Special Revenue Fund. The adjustment was due to the Rainy Day Fund not having specific restricted or committed revenue sources, but whose main funding source are transfers in from other funds, thereby not qualifying as a Special Revenue Fund under GASB 54 *Fund Balance and Reporting and Governmental Fund Type Definitions*. The Rainy Day Fund balance of \$3,081,421 at December 31, 2019 is now reported as part of the General Fund. For the period ended December 31, 2019, the only significant activity of the Rainy Day Fund was interest income totaling approximately \$58,000.

The Evansville Browfield Corporation Fund has been adjusted for restated inventory. The adjustment in the aggregate remaining fund information opinion unit was not considered material the financial statements.

#### **General Fund**

General Fund balance - January 1, 2020 (as reported)	\$ 7,648,285
Add: Rainy Day fund balance	<u>3,081,421</u>
Fund Balance - January 1, 2020 (as restated)	<u>\$ 10,729,706</u>

#### **Nonmajor Governmental Funds**

Nonmajor Governmental Funds balance - January 1, 2020 (as reported)	\$ 96,862,316
Less: Rainy Day fund balance Special Revenue Fund	(3,081,421)
Overstated Inventory - Evansville Brownsfield Corporation	<u>(47,366)</u>
Fund Balance - January 1, 2020 (as restated)	<u>\$ 93,733,529</u>

Net position, of the governmental activities, has been restated to correct an errors in reporting of capital assets and accumulated depreciation, and to remove a liability related to a lease transaction as follows:

Net Position (Deficit) - January 1, 2020 (as reported)	\$ (169,121,012)
Add: Adjustment for capital asset corrections	36,951,006
Adjustment to remove asset held for resale liability	<u>25,885,126</u>
Net Position (Deficit) - January 1, 2020 (as restated)	<u>\$ (106,284,880)</u>

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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*I. RESTATEMENT OF FUND BALANCES/NET POSITION (cont.)*

*I. RESTATEMENT OF FUND BALANCES/NET POSITION (cont.)*

As of January 1, 2020, land and construction in progress was increased from \$35,666,657 to \$48,317,999. As of January 1, 2020, other capital assets, net of depreciation, was increased from \$411,248,739 to \$435,548,403. The impact on 2019 depreciation expense was immaterial to the financial statements. The adjustment to remove the assets held for resale liability would not have an impact on the 2019 Statement of Activities.

Net position, of the component unit activities, has been restated to correct an error in accumulated depreciation, capital assets, and liabilities, as follows:

Component Units Net Position - January 1, 2020 (as reported)	\$ 25,256,058
Add: Adjustment for capital asset and accumulated depreciation corrections	2,518,804
Less: Unrecorded accounts payable	<u>(111,505)</u>
Net Position - January 1, 2020 (as restated)	<u>\$ 27,663,357</u>

As of January 1, 2020, land and construction in progress was increased from \$2,530,673 to \$4,833,843. As of January 1, 2020, other capital assets, net of depreciation was increased from \$3,351,545 to \$3,567,179. The \$2,518,864 adjustment was allocated to increases in the Port Authority (\$1,692,850), Land Bank (\$845,750), and a reduction to the Levee Authority (\$19,802). The unrecorded accounts payable would have resulted in additional expense of \$111,505 for the Land Bank.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**NOTE IV - OTHER INFORMATION**

**A. EMPLOYEES' RETIREMENT SYSTEM**

**Public Employees' Retirement Fund**

**Administration of System and Plans**

The City participates in the Public Employees' Retirement Fund (PERF) and the 1977 Police Officers' and Firefighters' Pension and Disability Fund of the Indiana Public Retirement System (INPRS). Information for each plan follows the aggregate summary of pension items amounts for both plans:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
<i>PERF</i>				
Governmental activities	\$ 10,508,463	\$ 2,260,045	\$ 2,948,633	\$ (726,006)
Business-type activities				
Water	4,584,404	1,279,279	1,050,143	191,389
Wastewater	2,473,955	671,512	566,706	(86,218)
Total business-type activities	<u>7,058,359</u>	<u>1,950,791</u>	<u>1,616,849</u>	<u>105,171</u>
 Total PERF	 <u>17,566,822</u>	 <u>4,210,836</u>	 <u>4,565,482</u>	 <u>(620,835)</u>
<i>Police and Fire Pensions</i>				
Governmental Activities				
1977 Police Officers'	4,740,287	7,201,019	2,986,387	3,097,587
1977 Firefighters'	<u>4,531,691</u>	<u>6,995,095</u>	<u>2,874,114</u>	<u>2,691,277</u>
 Total 1977 Plan	 <u>9,271,978</u>	 <u>14,196,114</u>	 <u>5,860,501</u>	 <u>\$ 5,788,864</u>
 1925 Police Officers	 85,478,654	 -	 35,605	 \$ 2,861,432
1937 Police Officers	<u>61,403,894</u>	<u>-</u>	<u>34,946</u>	<u>2,780,570</u>
 Total Governmental Activities	 <u>\$166,662,989</u>	 <u>\$ 16,456,159</u>	 <u>\$ 8,879,685</u>	 <u>10,704,860</u>
 Total Business-type Activities	 <u>\$ 7,058,359</u>	 <u>\$ 1,950,791</u>	 <u>\$ 1,616,849</u>	 <u>\$ 105,171</u>

**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.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

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

**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 \$2,370,363 for the calendar year ended December 31, 2020. Contributions to the PERF plan from the Water Utility were \$1,204,598 for the calendar year ended December 31, 2020. Contributions to the PERF plan from the Wastewater Utility were \$627,589 for the calendar year ended December 31, 2020.

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*

**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.

## CITY OF EVANSVILLE, INDIANA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

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

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.

**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.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

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

**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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 2.58 percent.

##### *Net Pension Liability*

At December 31, 2020, the City, Water Utility, and Wastewater Utility reported a liability (asset) of \$10,508,464, \$4,584,404 and \$2,473,955 respectively for their proportionate shares of the net pension liability (asset). 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, 2019, the city's, Water Utility's, and Wastewater Utility's proportion was .37351%, .14230% and .08250%. At December 31, 2020, 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 2020 is calculated as set forth in the following table:

	City	Water Utility	Wastewater Utility
Net pension liability - beginning	\$ 12,374,489	\$ 4,668,431	\$ 2,708,802
Total pension expense	(726,006)	191,389	(86,218)
Change in deferred outflows of resources	691,662	(242,931)	(131,098)
Change in deferred inflows of resources	(673,432)	562,400	303,497
Defined benefit plan Employer Contributions	(1,158,249)	(594,885)	(321,028)
Net Pension Liability - December 31, 2020	\$ 10,508,464	\$ 4,584,404	\$ 2,473,955

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**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, 2020, 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	\$ 186,179	\$ 141,090
Changes in assumptions	-	2,189,525
Net differences between projected and actual earnings on pension plan investments	899,354	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,263	618,018
Employer contributions subsequent to the measurement date	<u>1,158,249</u>	<u>-</u>
Totals	<u>\$ 2,260,045</u>	<u>\$ 2,948,633</u>

\$1,158,249 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>City</b>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
<u>Year Ended December 31:</u>	
2021	\$ (1,364,958)
2022	(557,704)
2023	(306,197)
2024	382,024
Thereafter	-

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**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	\$ 81,223	\$ 61,552
Changes in assumptions	-	955,198
Net differences between projected and actual earnings on pension plan investments	392,351	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	198,580	33,393
Employer contributions subsequent to the measurement date	607,125	-
Totals	\$ 1,279,279	\$ 1,050,143

\$607,125 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>Water Utility</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
<u>Year Ended December 31:</u>	
2021	\$ (414,286)
2022	(113,516)
2023	(16,850)
2024	166,662
Thereafter	-

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**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	\$ 43,831	\$ -
Changes in assumptions	-	548,685
Net differences between projected and actual earnings on pension plan investments	211,731	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	107,163	18,021
Employer contributions subsequent to the measurement date	308,787	-
Totals	\$ 671,512	\$ 566,706

\$308,787 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>Wastewater Utility</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
<u>Year Ended December 31:</u>	<u></u>
2021	\$ (223,567)
2022	(61,258)
2023	24,122
2024	89,938
Thereafter	-

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**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	\$ 869,630	\$ 369,203	\$ 199,239
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	(334,305)	44,275	23,893
Total	\$ 535,325	\$ 413,478	\$ 223,132

**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, 2020
Liabilities:	June 30, 2019 - Member census data as of June 30, 2019 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 measurement date.

Actuarial Cost Method:	Entry Age Normal (Level percent of payroll)
Experience Study Date	Period of 5 years ended June 30, 2019
Investment Rate of Return	6.75%, net of investment expense, including inflation
Cost of Living Increases	2020-2021 - 13th check
	Beginning January 1, 2022- 0.40%
	Beginning January 1, 2034 - 0.50%
	Beginning January 1, 2039 - 0.60%
Salary increases, including inflation:	2.50% - 4.25% based on age
Inflation	2.25%

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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## NOTE IV - OTHER INFORMATION (cont.)

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

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

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

Mortality:

Health: Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Disability: Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Funding Policy Location [www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](http://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf)

**Change in Assumptions.** The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience. The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

**Plan Amendments.** There were no changes in the plan provisions during the fiscal year.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

## NOTE IV - OTHER INFORMATION (cont.)

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

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

**Long Term Return Expectation.** 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	22.0%	4.4%
Private Equity	14.0	7.6
Fixed Income - Ex Inflation-Linked	20.0	1.9
Fixed Income - Inflation-Linked	7.0	0.5
Commodities	8.0	1.6
Real Estate	7.0	5.8
Absolute Return	10.0	2.9
Risk Parity	12.0	5.5

**Discount rate.** The discount rate used to measure the total pension liability was 6.75% as of June 30, 2020 and is equal to the long-term expected return on plan investments.

**Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (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 (asset)	\$17,132,370	\$10,508,464	\$4,960,403
Water Utility's proportionate share of the net pension liability (asset)	\$7,497,372	\$4,584,404	\$2,164,017
Wastewater Utility's proportionate share of the net pension liability (asset)	\$4,033,388	\$2,473,955	\$1,167,803

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

##### **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, 2020, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	190
Total	<u>190</u>

**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 52 with 20 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 50 and 52. Late retirement benefits are calculated in the same manner as normal retirement benefits.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

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

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 52 on the date of disability, the benefit is computed as if the member does have twenty years of service and is age 52 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 20 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 20 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 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 32 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.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

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

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 \$6,331,600 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.

***Net Pension Liability (Asset)***

The components of the net pension liability of the 1925 Police Officers' Pension Plan at December 31, 2020 were as follows:

	1925 Police Officers' Pension
Actuarial net pension liability	\$ 90,245,203
Plan fiduciary net position	(4,766,549)
Net pension liability	\$ 85,478,654
Plan fiduciary net position as a percentage of total pension liability	5.28%

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**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	1925 Police Officers' Pension		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 93,554,337	\$ (4,696,828)	\$ 88,857,509
Interest cost	1,964,315	-	1,964,315
Differences between expected and actual experience (gain)/loss	1,781,789	-	1,781,789
Changes in assumptions (gain)/loss	(825,754)	-	(825,754)
Non-employer contributing entity contributions	-	(6,331,600)	(6,331,600)
Net investment income	-	(56,272)	(56,272)
Administrative expense	-	14,183	14,183
Benefit payments, including refunds	(6,229,484)	6,303,968	74,484
Balance at December 31, 2020	\$ 90,245,203	\$ (4,766,549)	\$ 85,478,654

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended December 31, 2020, the City recognized pension expense of \$2,861,432. At December 31, 2020, the City reported no deferred outflows of resources and \$35,605 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, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25% per annum
Salary increases	2.75% per annum
Long-term rate of return	1.00%, net of pension plan investment expenses, including inflation
Cost of Living Increases for Certain Retirees	2.75% for Non-converted 2.10% for Converted

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

**Net Pension Liability (cont.)**

Mortality rates are based on Publication-2010 family of mortality tables (amount weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

The actuarial assumptions used in the valuation are based on the results of the actuarial experience study, which covered the period beginning July 1, 2015 and ending June 30, 2019.

**Discount Rate.** The discount rate used to measure the total pension liability as of December 31, 2020 was 1.49%, a decrease from the 2.13% as of December 31, 2019. The plan has assets that are less than one year's benefit payments; therefore, the fiduciary net position is projected to be depleted immediately and the discount rate is set equal to the Municipal Bond Index. At the direction of the INPRS, the Barclays 20-year Municipal Bond Index is used as this index.

**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 1.49 percent. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2020. The municipal bond rate was applied to all remaining periods.

The pension plan currently has no investments, only cash and certificates of deposit.

**Sensitivity of the City's proportionate share of the net pension liability (asset) 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 (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (0.49 percent) or 1-percentage-point higher (2.49 percent) than the current rate:

	1% Decrease to Discount Rate (0.49%)	Current Discount Rate (1.49%)	1% Increase to Discount Rate (2.49%)
Net Pension Liability	\$ 95,093,732	\$ 85,478,654	\$ 77,344,871

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

**Funding Status and Funding Progress.** As of the January 1, 2020 actuarial valuation date, the plan was not funded and is on a pay-as-you-go-basis. The actuarial accrued liability for benefits was \$90,245,203, and the actuarial value of assets was \$4,766,549, resulting in an unfunded actuarial accrued liability of \$85,478,654. 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.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

**Net Pension Liability (cont.)**

**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.

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, 2020, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	<u>139</u>
Total	<u><u>139</u></u>

**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.

## CITY OF EVANSVILLE, INDIANA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

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

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 52 with 20 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 20 or more years of creditable service and converted plan members age 50 with 20 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 50 and 52. 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 20 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 52 on the date of disability, the benefit is computed as if the member does have twenty years of service and is age 52 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.

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.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

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

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 \$4,720,202 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.

**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, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

**Net Pension Liability (Asset)**

The components of the net pension liability of the 1937 Firefighters' Pension Plan at December 31, 2020 were as follows:

	1937 Firefighters' Pension
Actuarial net pension liability	\$ 65,567,776
Plan fiduciary net position	(4,163,883)
Net pension liability	\$ 61,403,893
Plan fiduciary net position as a percentage of total pension liability	6.35%

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

	1937 Firefighters' Pension		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 67,311,092	\$ (4,125,509)	\$ 63,185,583
Interest cost	1,422,040	-	1,422,040
Differences between expected and actual experience (gain)/loss	1,739,564	-	1,739,564
Changes in assumptions (gain)/loss	(328,485)	-	(328,485)
Non-employer contributing entity contributions	-	(4,720,202)	(4,720,202)
Net investment income	-	(54,130)	(54,130)
Administrative expense	-	13,011	13,011
Benefit payments, including refunds	(4,576,435)	4,722,947	146,512
Balance at December 31, 2020	\$ 65,567,776	\$ (4,163,883)	\$ 61,403,893

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended December 31, 2020, the City recognized pension expense of \$2,780,570. At December 31, 2020, the City reported no deferred outflows of resources and \$34,946 of deferred inflows of resources (investment experience) related to the 1937 Firefighters' Pension Plan.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

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

**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	2.75% per annum
Investment Rate of Return	1.00%, net of pension plan investment expenses, including inflation
Cost of Living Increases:	
Non-converted	2.75% per year in retirement
Converted	2.10% July 1, 2019; Thereafter 2.10%

Mortality rates were based on the Pub-2010 public retirement mortality tables (amount-weighted) with a fully generational projection of mortality improvements using SOA scale MP-2019.

The actuarial assumptions used in the valuation are based on the results of the actuarial experience study adopted by the Board in June 2020 for the 1977 Police Officers' and Firefighters' Pension and Disability Fund, which covered the period beginning July 1, 2015 and ending June 30, 2019.

**Discount Rate.** The discount rate used to measure the total pension liability as of December 31, 2020 was 1.49%, a decrease from the 2.13% as of December 31, 2019. The plan has assets that are less than one year's benefit payments; therefore, the fiduciary net position is projected to be depleted immediately and the discount rate is set equal to the Municipal Bond Index. At the direction of the INPRS, the Barclays 20-year Municipal Bond Index is used as this index.

**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 1.49 percent. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2020. The municipal bond rate was applied to all remaining periods.

The pension plan currently has no investments, only cash and certificates of deposits.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**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 (asset) to changes in the discount rate.** The following presents the net pension liability of the plan, calculated using the discount rate of 1.49 percent, as well as what the plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (0.49 percent) or 1-percentage-point higher (2.49 percent) than the current rate:

	1% Decrease to Discount Rate (0.49%)	Current Discount Rate (1.49%)	1% Increase to Discount Rate (2.49%)
Net Pension Liability	\$ 68,385,835	\$ 61,403,893	\$ 55,483,199

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

**Funding Status and Funding Progress.** As of the January 1, 2020 actuarial valuation date, the plan was not funded and is on a pay as you go basis. The actuarial accrued liability for benefits was \$65,567,776, and the actuarial value of assets was \$(4,163,883), resulting in an unfunded actuarial accrued liability of \$61,403,893. 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 report 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.

Statement of Fiduciary Net Position

	Fire Pension	Police Pension
<b>Assets and Deferred Outflows of Resources</b>		
Cash and cash equivalents	\$ 1,142,908	\$ 1,239,160
Investments at fair value:		
Fixed income securities	3,025,421	3,532,989
Total assets	4,168,329	4,772,149
Deferred outflows-pensions	10,503	7,497
<b>Liabilities and Deferred Inflows of Resources</b>		
Accounts payable	116	140
Deferred inflows-pensions	14,947	13,101
Net position restricted for pensions	\$ 4,163,769	\$ 4,766,405

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

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

Statement of Changes in Fiduciary Net Position

<u>Additions</u>	<u>Fire Pension</u>	<u>Police Pension</u>
Contributions:		
Contributions from nonemployer contributing entities	\$ 4,720,202	\$ 6,331,600
Investment income:		
Interest	54,130	56,272
Total additions	<u>4,774,332</u>	<u>6,387,872</u>
<u>Deductions</u>		
Benefit payments (including refunds of employee contributions)	4,722,947	6,303,968
Administrative expense	13,011	14,183
Total deductions	<u>4,735,958</u>	<u>6,318,151</u>
Change in fiduciary net position	38,374	69,721
Net position, beginning	<u>4,125,395</u>	<u>4,696,684</u>
Net position, ending	<u>\$ 4,163,769</u>	<u>\$ 4,766,405</u>

Statement of Changes in Fiduciary Net Pension Liabilities (Assets)

	<u>Fire Pension</u>	<u>Police Pension</u>
Interest	1,964,315	1,422,040
Difference between expected and actual experience	1,781,789	1,739,564
Change in assumptions	(825,754)	(328,485)
Projected benefit payments	<u>(6,229,484)</u>	<u>(4,576,435)</u>
Net change in total pension liability	(3,309,134)	(1,743,316)
Total pension liability - beginning	<u>93,554,337</u>	<u>67,311,092</u>
Total pension liability - ending	90,245,203	65,567,776
Plan fiduciary net position - end of year	<u>4,766,549</u>	<u>4,163,883</u>
Net pension liability (asset) - ending	<u>\$ 85,478,654</u>	<u>\$ 61,403,893</u>

**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.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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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.** 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.

**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.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

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

**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 \$3,167,797 and \$3,028,667 for the Police Officers and Firefighters Funds, respectively.

**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, 2020, the City reported a pension liability of \$4,740,288 for the Police and a pension liability of \$4,531,692 for the Firefighter proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability 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 Police Officer's fund was 1.96166 percent. At June 30, 2020, the City's proportion of the Police Officers' fund was 1.95228 percent. At June 30, 2019, The City's proportion of the Firefighters' fund was 1.90263 percent. At June 30, 2020, the City's proportion of the Firefighters' fund was 1.86637 percent.

For the year ended December 31, 2020, the City recognized pension expense of \$3,088,515 for the Police Officers and \$2,968,676 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	\$ 2,959,217	\$ 2,828,997	\$ 5,788,214
Changes in assumptions	38,992	37,276	76,268
Net differences between projected and actual earnings on pension plan investments	2,409,411	2,303,385	4,712,796
Changes in proportion and differences between employer contributions and proportionate share of contributions	77,935	121,353	199,288
Employer contributions subsequent to the measurement date	<u>1,715,464</u>	<u>1,704,084</u>	<u>3,419,548</u>
Totals	<u>\$ 7,201,019</u>	<u>\$ 6,995,095</u>	<u>\$ 14,196,114</u>

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

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

	Deferred Inflows of Resources		
	Police	Fire	Total
Differences between expected and actual experience	\$ 484,411	\$ 463,094	\$ 947,505
Changes in assumptions	2,400,203	2,294,582	4,694,785
Changes in proportion and differences between employer contributions and proportionate share of contributions	101,773	116,438	218,211
Totals	\$ 2,986,387	\$ 2,874,114	\$ 5,860,501

\$1,715,464 reported for the Police Officers' and \$1,704,084 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, 2021. 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
2021	\$ (207,525)	\$ (182,586)	\$ (390,111)
2022	35,632	50,134	85,766
2023	599,160	581,826	1,180,986
2024	1,285,245	1,228,477	2,513,722
2025	405,866	383,447	789,313
Thereafter	380,790	355,335	736,125

**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	Mortality rates were based on Pub-2010 Public Retirement Plans mortality tables (amount-weighted), with a fully generational projection of mortality improvements using SOA MP-2019.
Investment rate of return (COLA) or "Ad Hoc" (COLA) or "Ad Hoc"	6.75% net of investment expense, including inflation 2.10%

The actuarial assumptions used in the June 30, 2020 valuation of the Public Employees' Retirement Fund were adopted by the INPRS Board in June 2020. The majority of the actuarial and methods are based June 2020, which covered the period beginning July 1, 2015 and ending June 30, 2019. 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, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**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, 2020 for each major asset class are summarized in the following table:

	Target Asset Allocation %	Long-Term Expected Real Rate of Return % (Geometric Basis)
Public Equity	22.0%	4.4%
Private Equity	14.0	7.6
Fixed Income - Ex Inflation-Linked	20.0	1.9
Fixed Income - Inflation-Linked	7.0	0.5
Commodities	8.0	1.6
Real Estate	7.0	5.8
Absolute Return	10.0	2.9
Risk Parity	12.0	5.5

**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 (asset) to changes in the discount rate.** The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (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 (asset) - Police Officers'	\$25,246,242	\$4,740,288	\$(11,873,800)
City's proportionate share of the net pension liability (asset) - Firefighters'	\$24,135,283	\$4,531,692	\$(11,351,294)

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

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

**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 (ACFR) 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)

**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.

**Claims Liability**

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 2,564,563	\$ 1,508,245
Current year claims and changes in estimates	18,353,616	32,770,163
Claim payments	(19,409,934)	(31,104,214)
 Unpaid Claims - End of Year	 \$ 1,508,245	 \$ 3,174,194

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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#### **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.

The City has active construction projects as of December 31, 2020. Work that has been completed on these projects but not yet paid for (including contract retainage) is reflected as accounts payable and expenditures. The City has remaining commitments in the amount of \$24,472,169.

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

General Fund	\$ 650,185
Local Income Tax	2,491,832
Nonmajor funds	<u>33,459,821</u>
Totals	<u>\$ 36,601,838</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 Luther King Jr Blvd #314, Evansville, IN 47708. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

**Employees covered by benefit terms.** At December 31, 2020, the following employees were covered by the benefit terms:

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

#### **Total OPEB Liability**

The City's total OPEB liability of \$427,066,128 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

**Actuarial assumptions and other inputs.** The total OPEB liability in the December 31, 2020 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, 2020, a December 31, 2020 measurement date was used
Actuarial valuation date	December 31, 2020 with no adjustments to the December 31, 2020 measurement date. Liabilities as of January 1, 2020 are based on an actuarial valuation date of January 1, 2019 with results projected to January 1, 2020 on a "no loss/no gain" basis.
Discount rate	3.26% as of January 1, 2020 and 2.12% as of December 31, 2020, based on the highest rate of three indices for 20 year municipal bond rates.
Payroll Growth	General wage inflation of 2.75% plus merit productivity increases based on INPRS actuarial valuation as of June 30, 2020
Inflation	2.25% year

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

***Total OPEB Liability (cont.)***

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	8.00% trending down to 4.5% for Medical. 4.5% trending down to 3.5% for dental. 3.5% trending down to 2.5% for Vision
Retirees' share of benefit-related costs	Retiree contributions are assumed to increase 3% annually.

The discount rate of 2.12% was selected from a range of indices.

Mortality based on SOA Pub - 2010 weighted mortality table fully generational using Scale MP - 2020.

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

	<u>Total OPEB Liability</u>
Balances at December 31, 2019	<u>\$331,348,355</u>
Changes for the year:	
Service cost	12,188,574
Interest	11,088,620
Differences between expected and actual experience	(25,583,266)
Changes in assumptions or other inputs	104,869,135
Benefit payments	<u>(6,845,290)</u>
Net changes	<u>95,717,773</u>
Balances at December 31, 2020	<u><u>\$427,066,128</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent in 2019 to 2.12 percent in 2020.

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

***Changes in the Total OPEB Liability (cont.)***

***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 (1.12 percent) or 1-percentage-point higher (3.12 percent) than the current discount rate:

	<u>1% Decrease (1.12%)</u>	<u>Discount Rate (2.12%)</u>	<u>1% Increase (3.12%)</u>
Total OPEB liability	\$ 527,805,295	\$ 427,066,128	\$ 351,460,798

***Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.*** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (9.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	<u>1% Decrease (7.0% Decreasing to 3.5%)</u>	<u>Healthcare Cost Trend Rates (8.0% Decreasing to 4.5%)</u>	<u>1% Increase (9.0% Decreasing to 5.5%)</u>
Net OPEB liability	\$345,655,290	\$ 427,066,128	\$537,440,752

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$4,257,376. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 28,959,905
Changes of assumptions or other inputs	<u>119,360,508</u>	<u>-</u>
Total	<u>\$ 119,360,508</u>	<u>\$ 28,959,905</u>

**CITY OF EVANSVILLE, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

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:

2021	\$ 19,296,573
2022	19,296,573
2023	19,296,573
2024	19,296,573
2025	13,214,314
Thereafter	-

***E. SUBSEQUENT EVENTS***

***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 \$1,682,201 and \$436,213, respectively in May, 2021. The Evansville Levee Authority received a supplemental distribution of Local Income Tax of \$37,886 in May, 2021.

***American Rescue Plan***

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The County's estimated award is \$67,492,995 which will be used to combat the negative effects of the public health emergency in the local economy. The County will receive 50% of the funds in 2021, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024.

***Taxable Waterworks Refunding Revenue Bonds, Series 2021***

The City of Evansville Waterworks District issued \$24,650,000 in refunding revenue bonds on February 25, 2021. These bonds retired previously issued debt of \$14,010,000 of the currently outstanding Waterworks District Revenue Bonds, Series 2013C, dated November 26, 2013 and \$9,240,000 of the currently outstanding Waterworks District Revenue Refunding Bonds, Series 2014B dated July 2, 2014, 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 waterworks.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

On January 12, 2021, the Water Utility Board approved the issuance of the aggregate principal amount not to exceed \$28,000,000 in Taxable Waterworks District Refunding Revenue Bonds, Series 2021. On February 25, 2021 the bonds were issued in the principal amount of \$24,650,000 to advance refund \$23,250,000 of the Refunded 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 Refunded Bonds. As a result, the Refunded 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 \$1,721,905. This amount will be 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 \$2,433,937 over the next 15 years and realized an economic gain (difference between the present values of the old and new debt service payments) of \$2,176,241.

#### **Taxable Sewage Works Refunding Revenue Bonds, Series 2021**

The City of Evansville Municipal Sewage Works issued \$ 52,190,000 in refunding revenue bonds on July 29, 2021. These bonds retired previously issued debt of \$ 2,222,000 of the currently outstanding Sewage Works Revenue Bonds, Series 2011C, dated June 9, 2011, \$ 1,206,000 of the currently outstanding Sewage Works Revenue Bonds, Series 2011D dated October 26, 2011, \$26,400,000 of the currently outstanding Sewage Works Revenue Bonds, Series 2013B dated November 26, 2013 and \$19,170,000 of the currently outstanding Sewage Works Revenue Bonds, Series 2014C dated August 21, 2014, 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.

On July 12, 2021, the Common Council approved the issuance of the aggregate principal amount not to exceed \$58,300,000 in Taxable Sewage Works Refunding Revenue Bonds, Series 2021. On July 29, 2021 the bonds were issued in the principal amount of \$52,190,000 to advance refund \$48,998,000 of the Refunded 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 Refunded Bonds.

As a result, the Refunded 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 \$2,519,365. This amount is being charged to interest expense over the remaining life of the new bond as a deferred outflow.

The Sewage Works in effect lowered its aggregate debt service payment by \$6,301,150 over the next 15 years and realized an economic gain (difference between the present values of the old and new debt service payments) of \$5,492,588.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

##### ***Water Utility - Rate Increase***

During May 2021 the Water Utility filed a rate petition with the IURC. As of the date of this report those proceedings are still pending. The proposed five-phase across-the-board rate increase is being considered by the IURC as of the date of this report. In the Water Utility's Case-in-Chief the proposed increases would be as follows: Phase I of the increase is an assumed 7.50% increase over the present rates effective upon an approved order by the Commission; Phase II of the increase is an assumed 7.03% increase over the Phase I rates assumed effective April 1, 2023; Phase III of the increase is an assumed 6.53% increase over the Phase II rates assumed effective April 1, 2024; Phase IV of the increase is an assumed 6.21% increase over the Phase III rates assumed effective April 1, 2025; and Phase V of the increase is an assumed 4.31% increase over the Phase IV rates assumed effective April 1, 2026.

#### *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.

#### *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.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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## NOTE IV - OTHER INFORMATION (cont.)

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### G. TAX ABATEMENT (cont.)

#### ***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.

#### ***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 ceases 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.

# CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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

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

##### 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.

The estimated gross amount, on a cash basis by which the City of Evansville's property tax revenues (payable 2020 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	\$370,511
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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.

# CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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

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

The Governmental Accounting Standards Board (GASB) has approved the following for implementation in subsequent years:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Management has not evaluated the full impact of the standards on the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF EVANSVILLE (INDIANA)**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes:				
Property	\$ 59,711,295	\$ 54,159,500	\$ 54,159,500	\$ -
Intergovernmental	10,522,146	10,035,023	10,240,382	205,359
Licenses and permits	1,266,301	1,272,373	1,272,373	-
charges for services	1,788,679	1,545,062	1,563,186	18,124
Fines, forfeitures and fees	1,543,200	1,672,886	1,498,730	(174,156)
Interest	195,000	89,738	89,738	-
Refunds and reimbursements	235,000	434,333	295,751	(138,582)
Miscellaneous	1,589,920	1,739,271	1,540,955	(198,316)
Total revenues	<u>76,851,541</u>	<u>70,948,186</u>	<u>70,660,616</u>	<u>(287,570)</u>
Expenditures:				
General government:				
Controller:				
Personal services	828,778	828,778	768,394	60,384
Supplies	4,250	6,059	4,830	1,229
Other services and charges	199,543	211,990	202,415	9,575
Clerk:				
Personal services	259,566	259,566	218,070	41,496
Supplies	1,380	1,430	1,028	402
Other services and charges	28,990	31,317	24,328	6,989
Mayor:				
Personal services	399,774	399,774	387,646	12,128
Supplies	1,100	1,438	733	705
Other services and charges	73,383	73,667	69,854	3,813
City council:				
Personal services	421,110	421,110	334,047	87,063
Supplies	275	275	168	107
Other services and charges	69,332	80,328	71,940	8,388
Purchasing:				
Personal services	178,644	177,644	110,120	67,524
Supplies	200	1,200	877	323
Other services and charges	25,703	25,721	24,335	1,386
Personnel:				
Personal services	314,612	318,417	316,688	1,729
Supplies	2,650	4,250	2,295	1,955
Other services and charges	43,996	42,610	33,934	8,676
Law department:				
Other services and charges	567,678	635,728	594,356	41,372
Human relations/resources:				
Personal services	381,316	381,316	354,898	26,418
Supplies	325	325	125	200
Other services and charges	33,413	33,671	31,517	2,154
Building department:				
Personal services	869,691	869,691	766,076	103,615
Supplies	12,500	12,516	11,234	1,281
Other services and charges	129,363	317,195	302,548	14,647

**CITY OF EVANSVILLE (INDIANA)**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures: (cont.)				
General government: (cont.)				
Cemetery:				
Personal services	\$ 137,285	\$ 169,610	\$ 162,227	\$ 7,383
Supplies	11,400	11,844	10,593	1,252
Other services and charges	138,333	138,850	134,544	4,306
Other financing uses	-	-	-	-
Cemetery #2:				
Personal services	399,278	399,376	387,181	12,195
Supplies	14,925	16,752	14,678	2,074
Other services and charges	267,166	266,861	263,118	3,743
Miscellaneous 2:				
Other services and charges	736,141	868,351	811,099	57,251
Minority/WBE:				
Supplies	270	270	64	206
Other services and charges	550	561	35	526
METS:				
Personal services	6,625,855	4,012,499	3,142,541	869,958
Supplies	1,024,450	1,125,853	1,039,901	85,951
Other services and charges	836,560	875,349	741,681	133,668
Spay/neuter:				
Supplies	8,500	9,011	7,378	1,633
Other services and charges	20,000	20,955	8,965	11,990
Legal aid:				
Other services and charges	250,705	236,116	222,010	14,105
Total general government	<u>15,318,990</u>	<u>13,288,272</u>	<u>11,578,469</u>	<u>1,709,803</u>
Culture, recreation and education				
Dept. of metro/city:				
Personal services	1,216,639	1,216,639	1,139,492	77,147
Supplies	4,540	4,827	3,257	1,571
Other services and charges	176,814	194,052	162,205	31,848
Total culture, recreation and education	<u>1,397,993</u>	<u>1,415,519</u>	<u>1,304,953</u>	<u>110,565</u>
Health and human services				
Environmental protection:				
Personal services	74,038	86,328	78,843	7,485
Supplies	1,000	1,055	133	922
Other services and charges	9,115	9,176	8,865	311
Total health and human services	<u>84,153</u>	<u>96,559</u>	<u>87,841</u>	<u>8,718</u>
Highways and streets:				
Board of public works:				
Personal services	525,335	525,098	493,369	31,728
Supplies	26,200	26,831	23,347	3,484
Other services and charges	190,022	185,991	173,843	12,148
Total highways and streets	<u>741,557</u>	<u>737,920</u>	<u>690,560</u>	<u>47,360</u>

**CITY OF EVANSVILLE (INDIANA)**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures: (cont.)				
Public safety:				
Emergency ambulance:				
Other services and charges	\$ 3,525	\$ 3,633	\$ 711	\$ 2,922
Weights and measures:				
Other services and charges	180,678	187,330	174,980	12,351
Code enforcement:				
Personal services	767,039	767,039	611,486	155,553
Supplies	11,600	12,732	10,478	2,254
Other services and charges	329,446	203,031	166,696	36,335
Fire department:				
Personal services	29,466,369	29,757,804	28,331,256	1,426,548
Supplies	411,200	416,685	247,638	169,047
Other services and charges	1,541,900	1,569,358	1,439,565	129,793
Capital outlay	-	145,000	-	145,000
Police department:				
Personal services	34,004,283	30,073,133	28,288,511	1,784,622
Supplies	692,500	811,784	728,339	83,445
Other services and charges	2,041,411	2,065,723	1,965,314	100,409
Capital outlay	-	35,000	-	35,000
Animal control:				
Personal services	785,346	785,574	766,282	19,291
Supplies	41,850	42,874	38,086	4,788
Other services and charges	104,714	109,113	101,549	7,564
Central dispatch:				
Personal services	3,547,442	3,548,417	3,250,946	297,471
Supplies	2,720	4,239	4,163	76
Other services and charges	191,856	191,516	165,096	26,420
Police merit:				
Personal services	6,886	6,886	6,886	0
Supplies	3,800	3,800	1,890	1,910
Other services and charges	83,714	84,867	78,631	6,236
Emergency management:				
Personal services	212,401	212,401	205,517	6,884
Supplies	9,050	7,495	7,297	198
Other services and charges	93,790	95,619	94,108	1,511
Fire merit:				
Personal services	11,476	11,486	11,476	10
Supplies	1,550	1,540	1,123	417
Other services and charges	41,709	41,717	28,098	13,618
Total public safety	<u>74,588,255</u>	<u>71,195,796</u>	<u>66,726,123</u>	<u>4,469,673</u>
Total expenditures	<u>92,130,944</u>	<u>86,734,065</u>	<u>80,387,945</u>	<u>6,346,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,279,403)</u>	<u>(15,785,879)</u>	<u>(9,727,329)</u>	<u>6,058,550</u>

**CITY OF EVANSVILLE (INDIANA)**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers in	\$ 15,453,723	\$ 15,011,853	\$ 14,811,853	\$ (200,000)
Loans	-	15,139,000	15,139,000	-
Loans repaid	-	(15,139,000)	(15,139,000)	-
Transfers out	-	(6,945)	-	6,945
Total other financing sources (uses)	<u>15,453,723</u>	<u>15,004,908</u>	<u>14,811,853</u>	<u>(193,055)</u>
Net Change in Fund Balances	174,320	(780,971)	5,084,523	5,865,494
Fund Balance - Beginning	<u>2,517,534</u>	<u>2,517,534</u>	<u>2,517,534</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,691,854</u>	<u>\$ 1,736,563</u>	<u>\$ 7,602,057</u>	<u>\$ 5,865,494</u>

**CITY OF EVANSVILLE (INDIANA)**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 LOCAL INCOME TAX  
 For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes:				
Other	\$ 18,868,712	\$ 20,236,339	\$ 20,236,339	\$ -
Intergovernmental	-	1,000,000	189,077	(810,923)
Interest	75,000	50,341	50,341	-
Refunds and reimbursements	860,000	100,000	100,000	-
Miscellaneous	-	(120,000)	(120,000)	-
Total revenues	<u>19,803,712</u>	<u>21,266,680</u>	<u>20,455,757</u>	<u>(810,923)</u>
Expenditures:				
General government:				
Supplies	396,610	396,610	336,709	59,901
Other services and charges	6,919,311	9,047,167	6,306,305	2,740,862
Capital outlay	-	19,955	66	19,889
Total expenditures	<u>7,315,921</u>	<u>9,463,732</u>	<u>6,643,080</u>	<u>2,820,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,487,791</u>	<u>11,802,948</u>	<u>13,812,677</u>	<u>2,009,729</u>
Other financing sources (uses):				
Transfers out	<u>(12,015,000)</u>	<u>(13,006,462)</u>	<u>(12,121,021)</u>	<u>885,441</u>
Total other financing sources (uses):	<u>(12,015,000)</u>	<u>(13,006,462)</u>	<u>(12,121,021)</u>	<u>885,441</u>
Net Change in Fund Balances	472,791	(1,203,514)	1,691,656	2,895,170
Fund Balance - Beginning	<u>4,422,469</u>	<u>4,422,469</u>	<u>4,422,469</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,895,260</u>	<u>\$ 3,218,955</u>	<u>\$ 6,114,125</u>	<u>\$ 2,895,170</u>

**CITY OF EVANSVILLE**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET/GAAP RECONCILIATION  
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended December 31, 2020

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

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

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

	General	Local Income Tax
Net changes in fund balances (budgetary basis)	\$ 5,084,523	\$ 1,691,656
Adjustments		
To adjust revenues for accruals	(4,187,522)	(687,331)
To adjust for effect of Rainy Day Fund and payroll funds	(441,685)	-
To adjust expenditures for accruals	(1,264,707)	157,731
Net change in fund balance (GAAP basis)	\$ (809,390)	\$ 1,162,056

**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

	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability	0.35735%	0.37441%	0.37351%	0.39069%	0.39458%	0.39697%	0.38052%
City's proportionate share of the net pension liability	\$ 10,508,463	\$ 12,374,489	\$ 12,688,304	\$ 17,430,804	\$ 17,907,794	\$ 16,168,199	\$ 9,999,819
City's covered payroll	\$ 19,300,415	\$ 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	54.4%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of total pension liability *	81.4%	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.

*See notes to the required supplementary information*

**CITY OF EVANSVILLE, INDIANA**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions City	\$ 2,270,363	\$ 2,287,137	\$ 2,139,426	\$ 1,480,160	\$ 1,366,520	\$ 1,102,488
Contributions in relation to the contractually required contributions City	<u>(2,270,363)</u>	<u>(2,287,137)</u>	<u>(2,139,426)</u>	<u>(1,480,160)</u>	<u>(1,366,520)</u>	<u>(1,102,488)</u>
Contribution deficiency City	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 20,271,098	\$ 20,420,866	\$ 19,102,018	\$ 13,215,714	\$ 12,201,071	\$ 9,843,643
Contributions as a percentage of covered payroll	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%

Notes:

The amounts presented for each fiscal year were determined as of December 31  
 Information is not available prior to 2015.  
 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

	2020	2019	2018	2017	2016	2015	2014
Utility portion of the net pension liability	0.23369%	0.22321%	2.24880%	0.22719%	0.22858%	0.22721%	0.20815%
Utility's proportionate share of the net pension liability	\$ 7,058,359	\$ 7,377,233	\$ 7,639,275	\$ 10,136,181	\$ 10,373,977	\$ 9,254,041	\$ 5,470,047
Utility's covered payroll	\$ 12,615,933	\$ 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	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of total pension liability *	81.4%	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 utility'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 withir 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 UTILITY'S CONTRIBUTIONS

Public Employees' Retirement Fund

Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions						
Utility	\$ 1,412,259	\$ 1,761,641	\$ 1,629,406	\$ 1,591,676	\$ 1,578,540	\$ 1,565,162
Contributions in relation to the contractually required contributions						
Utility	<u>(1,412,259)</u>	<u>(1,761,641)</u>	<u>(1,629,406)</u>	<u>(1,591,676)</u>	<u>(1,578,540)</u>	<u>(1,565,162)</u>
Contribution deficiency						
Utility	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 12,615,933	\$ 15,728,938	\$ 14,548,268	\$ 13,215,714	\$ 12,201,071	\$ 9,843,643
Contributions as a percentage of covered payroll*	11.19%	11.20%	11.20%	12.04%	12.94%	15.90%

Notes:

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

Information is not available prior to 2015.

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

*See notes to the required supplementary information*

**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

	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	1.95228%	1.96166%	2.01795%	2.08782%	2.12119%	2.29450%	2.24385%
City's proportionate share of the net pension liability (asset)	\$ 4,740,288	\$ 180,786	\$ (1,774,003)	\$ (322,055)	\$ 1,884,400	\$ (3,389,438)	\$ (1,143,922)
City's covered payroll	\$ 18,103,288	\$ 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	26.2%	1.0%	-10.4%	-1.9%	11.5%	-19.8%	-7.2%
Plan fiduciary net position as a percentage of total pension liability	96.4%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 3,412,556	\$ 3,153,644	\$ 2,565,461	\$ 1,375,943	\$ 1,238,936	\$ 1,188,221
Contributions in relation to the contractually required contributions	<u>(3,412,556)</u>	<u>(3,153,644)</u>	<u>(2,565,461)</u>	<u>(1,375,943)</u>	<u>(1,238,936)</u>	<u>(1,188,221)</u>
Contribution (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 19,500,320	\$ 18,020,824	\$ 14,659,777	\$ 7,862,531	\$ 6,289,015	\$ 6,031,579
Contributions as a percentage of covered payroll	17.50%	17.50%	17.50%	17.50%	19.70%	19.70%

Notes:

The amounts presented for each fiscal year were determined as of December 31.  
 Information is not available prior to 2015.  
 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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	1.86637%	1.90263%	1.95055%	1.99793%	2.02746%	2.29450%	2.24385%
City's proportionate share of the net pension liability (asset)	\$ 4,531,691	\$ 175,346	\$ (1,714,751)	\$ (308,189)	\$ 1,801,133	\$ (3,199,470)	\$ (1,053,182)
City's covered payroll	\$ 17,306,625	\$ 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	26.2%	1.0%	-10.4%	-1.9%	11.5%	-18.7%	-6.6%
Plan fiduciary net position as a percentage of total pension liability (asset)	96.4%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 3,386,414	\$ 3,122,319	\$ 2,908,989	\$ 1,650,402	\$ 1,599,769	\$ 1,532,847
Contributions in relation to the contractually required contributions	<u>(3,386,414)</u>	<u>(3,122,319)</u>	<u>(2,908,989)</u>	<u>(1,650,402)</u>	<u>(1,599,769)</u>	<u>(1,532,847)</u>
Contribution (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 19,350,937	\$ 17,841,823	\$ 16,622,794	\$ 9,430,869	\$ 8,120,655	\$ 7,780,949
Contributions as a percentage of covered payroll	17.50%	17.50%	17.50%	17.50%	19.70%	19.70%

Notes:

The amounts presented for each fiscal year were determined as of December 31.  
 Information is not available prior to 2015.  
 Additional years will be added until 10 years of historical data is shown.

## CITY OF EVANSVILLE

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 1925 Police Officers' Pension and 1937 Firefighters' Pension Funds  
 Available Data: Last 10 Fiscal Years\*

<b><u>1925 Police Officers' Pension</u></b>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total Pension Liability:</b>			
Total pension liability - beginning of year	\$ 93,554,337	\$ 87,650,527	\$ 95,701,570
Service cost	-	-	38,208
Interest cost	1,964,315	2,639,764	2,507,927
Experience (gains) losses	1,781,789	604,043	(1,457,235)
Assumption changes	(825,754)	8,235,296	(2,969,549)
Plan amendments	-	626,518	-
Projected benefit payments	(6,229,484)	(6,201,811)	(6,170,394)
Total pension liability - end of year	<u>\$ 90,245,203</u>	<u>\$ 93,554,337</u>	<u>\$ 87,650,527</u>
<b>Plan Fiduciary Net Position:</b>			
Plan fiduciary net position - beginning of year	\$ 4,696,828	\$ 4,522,824	\$ 4,746,074
Administrative	(14,183)	(21,740)	(10,740)
Net investment income	56,272	85,171	57,958
Non-employer contributing entity contributions	6,331,600	6,418,561	6,116,676
Actual benefit payments	(6,303,968)	(6,307,988)	(6,387,144)
Plan fiduciary net position - end of year	<u>\$ 4,766,549</u>	<u>\$ 4,696,828</u>	<u>\$ 4,522,824</u>
<b>Net Pension Liability</b>	<u><b>\$ 85,478,654</b></u>	<u><b>\$ 88,857,509</b></u>	<u><b>\$ 83,127,703</b></u>
<b><u>1937 Firefighters' Pension</u></b>			
<b>Total Pension Liability:</b>			
Total pension liability - beginning of year	\$ 67,311,092	\$ 64,165,011	\$ 70,001,149
Interest cost	1,422,040	1,893,301	1,837,091
Experience (gains) losses	1,739,564	(850,021)	(888,092)
Assumption changes	(328,485)	5,858,426	(2,165,637)
Plan amendments	-	725,875	-
Projected benefit payments	(4,576,435)	(4,481,500)	(4,619,500)
Total pension liability - end of year	<u>\$ 65,567,776</u>	<u>\$ 67,311,092</u>	<u>\$ 64,165,011</u>
<b>Plan Fiduciary Net Position:</b>			
Plan fiduciary net position - beginning of year	\$ 4,125,509	\$ 4,247,344	\$ 4,267,762
Administrative	(13,011)	(21,161)	(15,446)
Net investment income	54,130	78,522	50,222
Employer contributions	-	9,000	-
Non-employer contributing entity contributions	4,720,202	4,484,818	4,618,351
Actual benefit payments	(4,722,947)	(4,673,014)	(4,673,544)
Plan fiduciary net position - end of year	<u>\$ 4,163,883</u>	<u>\$ 4,125,509</u>	<u>\$ 4,247,345</u>
<b>Net pension liability</b>	<u><b>\$ 61,403,893</b></u>	<u><b>\$ 63,185,583</b></u>	<u><b>\$ 59,917,666</b></u>

Notes:

\* Information presented for the years information is available

*See notes to the required supplementary information*

# CITY OF EVANSVILLE

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS  
 1925 Police Officers' Pension Plan and 1937 Firefighters' Pension Funds  
 Available Data: Last 10 Fiscal Years\*

<b><u>1925 Police Officers' Pension</u></b>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 90,245,203	\$ 93,554,337	\$ 87,650,527	\$ 95,701,570
Less plan fiduciary net position	4,766,549	4,696,828	4,522,824	4,746,074
Net pension liability	<u>\$ 85,478,654</u>	<u>\$ 88,857,509</u>	<u>\$ 83,127,703</u>	<u>\$ 90,955,496</u>
Plan fiduciary net position as a percentage of the total pension liability	5.28%	5.02%	5.16%	4.96%
Covered payroll	\$ -	\$ -	**	**
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A
 <b><u>1937 Firefighters' Pension</u></b>	 <u>2020</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>
Total pension liability	\$ 65,567,776	\$ 67,311,092	\$ 64,165,011	\$ 70,001,149
Less plan fiduciary net position	4,163,883	4,125,509	4,247,345	4,267,762
Net pension liability	<u>\$ 61,403,893</u>	<u>\$ 63,185,583</u>	<u>\$ 59,917,666</u>	<u>\$ 65,733,387</u>
Plan fiduciary net position as a percentage of the total pension liability	6.35%	6.13%	6.62%	6.10%
Covered payroll	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

Notes:

\* Information presented for the years information is available

\*\* Not available

*See notes to the required supplementary information*

## CITY OF EVANSVILLE

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS

1925 Police Officers' Pension Plan and 1937 Firefighters' Pension Funds  
Available Data: Last 10 Fiscal Years\*

<b><u>1925 Police Officers' Pension</u></b>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily Required Contribution	\$ 6,303,968	\$ 6,307,988	\$ 6,387,144
Less contributions in relation to the statutorily required contributions	<u>6,303,968</u>	<u>6,307,988</u>	<u>6,387,144</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered employee payroll	 \$ -	 \$ -	 **
 Contributions as a percentage of covered employee payroll	 N/A	 N/A	 N/A
<b><u>1937 Firefighters' Pension</u></b>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily Required Contribution	\$ 4,722,947	\$ 4,673,014	\$ 4,673,544
Less contributions in relation to the statutorily required contributions	<u>4,722,947</u>	<u>4,673,014</u>	<u>4,673,544</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered employee payroll	 \$ -	 \$ -	 \$ -
 Contributions as a percentage of covered employee payroll	 N/A	 N/A	 N/A

Notes:

\* Information presented for the years information is available

\*\* Not available

*See notes to the required supplementary information*

# CITY OF EVANSVILLE

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENT RETURNS

1925 Police Officers' Pension Plan and 1937 Firefighters' Pension Funds

Available Data: Last 10 Fiscal Years\*

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	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>1925 Police Officers' Pension</u></b>			
Annual money-weighted rate of return net of investment expense	N/A **	N/A **	N/A **
<b><u>1937 Firefighters' Pension</u></b>			
Annual money-weighted rate of return net of investment expense	N/A **	N/A **	N/A **

Notes:

\* Information presented for the years information is available

\*\* The City pension funds have less than 1% investment return; therefore, no investment return is reported.  
Investments are held in cash and certificates of deposit.

\*\*\* The actuarial valuation includes a long-term rate of return, net of investment expenses including price inflation of 10% for each of the plans.

## 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\*

	2020	2019
<b>TOTAL OPEB LIABILITY</b>		
Service Cost	\$ 12,188,574	\$ 9,380,377
Interest	11,088,620	11,764,145
Changes of assumptions	104,869,135	47,954,344
Differences between expected and actual experience	(25,583,266)	(11,460,775)
Benefit payments	(6,845,290)	(6,220,566)
Net change in total OPEB liability	95,717,773	51,417,525
Total OPEB liability - beginning of year	331,348,355	279,930,830
Total OPEB liability - end of year	\$ 427,066,128	\$ 331,348,355
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions	\$ 6,845,290	\$ 6,220,566
Benefit payments	(6,845,290)	(6,220,566)
Net change in fiduciary net position	-	-
Fiduciary net position - beginning of year	-	-
Fiduciary net position - end of year	\$ -	\$ -
Net OPEB liability	\$ 427,066,128	\$ 331,348,355
Covered - payroll	N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	N/A

Notes to schedule:

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

**CITY OF EVANSVILLE, INDIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
December 31, 2020

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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

Nonmajor funds:

Special revenue funds:

Casino, 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 31, 2020

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II. Financial Reporting – Pension Plans

A. Plan Amendments

- B. In 2020 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, 2020 valuation of the Public Employees' Defined Benefit Account were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019 and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

b) Changes in Actuarial Assumptions

The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

**CITY OF EVANSVILLE, INDIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
December 31, 2020

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The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.  
1977 Police Officers' and Firefighters' Pension and Disability Fund:

- c) The actuarial assumptions and methods used in the June 30, 2020 valuation of the 1977 Police Officers' and Firefighters' Retirement Fund were adopted by the INPRS board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019 and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

- d) Changes in Actuarial Assumptions

The future salary increase assumption changed from a table ranging from 2.50 percent to 12.50 percent to a table ranging from 2.75 percent to 12.00 percent.

The mortality assumption changed from the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age-based table split by regular retirement, rule of 85 retirement, and early retirement to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit.

Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously, all active retirements were assumed to commence benefits immediately.

The termination assumption was updated based on recent experience. The age-based table and service-based tables which were used previously were replaced by one service-based table.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience. 80 percent of male members and 75 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 100 percent of members were assumed to be married or to have a dependent beneficiary. Additionally, for female members, the assumption for their spouse's age changed from 2 years older to 3 years older.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

**CITY OF EVANSVILLE, INDIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
December 31, 2020

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III. OPEB Plan

Measurement date	December 31, 2020
Assumptions	December 31, 2020 measurement date was used.
Cost Method	Entry Age Normal Level% of Salary
Amortization	Not Applicable
Discount rate	2.12%
Discount rate basis	20-year tax-exempt general obligation municipal bonds
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.

## **SUPPLEMENTARY INFORMATION**

**CITY OF EVANSVILLE, INDIANA  
SUPPLEMENTARY INFORMATION**

COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2020

<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	\$ 15,749,687	\$ 8,727,688	\$ 7,275,722	\$ 744	\$ 31,753,841
Investments	23,544,566	10,994,760	3,662,561	89,839	38,291,726
Inventories	385,242	-	-	-	385,242
Other assets	558	-	-	-	558
Receivables:					
Taxes	10,412,458	306,936	-	-	10,719,394
Accounts	137,275	-	244,527	-	381,802
Intergovernmental	3,362,951	-	-	-	3,362,951
 Total assets	 <u>\$ 53,594,084</u>	 <u>\$ 20,029,384</u>	 <u>\$ 11,182,810</u>	 <u>\$ 90,583</u>	 <u>\$ 84,896,861</u>
 <u>Liabilities and fund balances</u>					
Liabilities:					
Accounts payable	\$ 2,333,570	\$ 813,517	\$ 4,993	\$ -	\$ 3,152,080
Contracts payable	-	2,482,066	-	-	2,482,066
DMD seed money	2,500	-	-	-	2,500
Accrued payroll and withholdings payable	258,648	-	-	-	258,648
Interfund payable:					
Interfund payable	1,869,150	-	-	-	1,869,150
 Total liabilities	 <u>4,463,868</u>	 <u>3,295,583</u>	 <u>4,993</u>	 <u>-</u>	 <u>7,764,444</u>
Deferred inflows of resources:					
Unavailable revenue	10,051,210	302,418	-	-	10,353,628
Fund balances:					
Restricted	39,372,465	16,431,383	11,177,817	90,583	67,072,248
Committed	1,557,110	-	-	-	1,557,110
Unassigned	(1,850,569)	-	-	-	(1,850,569)
 Total fund balances	 <u>39,079,006</u>	 <u>16,431,383</u>	 <u>11,177,817</u>	 <u>90,583</u>	 <u>66,778,789</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 53,594,084</u>	 <u>\$ 20,029,384</u>	 <u>\$ 11,182,810</u>	 <u>\$ 90,583</u>	 <u>\$ 84,896,861</u>

**CITY OF EVANSVILLE, INDIANA  
SUPPLEMENTARY INFORMATION**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2020

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Totals
Revenues:					
Taxes:					
Property	\$ 6,569,268	\$ 1,673,378	\$ 8,845,798	\$ -	\$ 17,088,444
Income	5,305,285	-	683,932	-	5,989,217
Other	-	-	4,450,986	-	4,450,986
Licenses and permits	77,325	-	-	-	77,325
Intergovernmental	23,063,941	62,920	254,616	-	23,381,477
Charges for services	1,960,510	-	-	-	1,960,510
Fines and forfeits	110,705	-	-	-	110,705
Investment income	474,527	147,426	110,392	3,371	735,716
Other	4,307,623	10,649,105	700,051	-	15,656,779
<b>Total revenues</b>	<b>41,869,184</b>	<b>12,532,829</b>	<b>15,045,775</b>	<b>3,371</b>	<b>69,451,159</b>
Expenditures:					
Current:					
General government	1,929,456	560,000	1,258	-	2,490,714
Public safety	2,953,618	-	-	-	2,953,618
Highways and streets	6,942,583	-	-	-	6,942,583
Health and welfare	10,414,971	1,457,660	371,281	-	12,243,912
Culture and recreation	10,386,022	5,497,670	532,528	-	16,416,220
Debt service:					
Principal on bonds	3,175,934	2,275,000	4,155,000	-	9,605,934
Principal on capital leases	716,217	-	-	-	716,217
Principal on loans	922,135	-	-	-	922,135
Interest	130,584	9,554,196	1,448,414	-	11,133,194
Bond issuance costs	177,205	-	-	-	177,205
Capital outlay	9,009,452	12,870,971	-	-	21,880,423
<b>Total expenditures</b>	<b>46,758,177</b>	<b>32,215,497</b>	<b>6,508,481</b>	<b>-</b>	<b>85,482,155</b>
Excess (deficiency) of revenues over (under) expenditures	(4,888,993)	(19,682,668)	8,537,294	3,371	(16,030,996)
Other financing sources (uses):					
BAN proceeds	1,111,868	-	-	-	1,111,868
Loan proceeds	2,078,300	-	-	-	2,078,300
Transfers in	1,202,680	12,673,927	600,000	-	14,476,607
Transfers out	(6,484,196)	(11,178,081)	(10,928,242)	-	(28,590,519)
<b>Total other financing sources and uses</b>	<b>(2,091,348)</b>	<b>1,495,846</b>	<b>(10,328,242)</b>	<b>-</b>	<b>(10,923,744)</b>
<b>Net change in fund balances</b>	<b>(6,980,341)</b>	<b>(18,186,822)</b>	<b>(1,790,948)</b>	<b>3,371</b>	<b>(26,954,740)</b>
Fund balances - beginning	49,188,134	34,618,205	12,968,765	87,212	96,862,316
Prior period adjustment - fund reclassification	(3,081,421)	-	-	-	(3,081,421)
Prior period adjustment - overstated inventory	(47,366)	-	-	-	(47,366)
<b>Fund balance - beginning as restated</b>	<b>46,059,347</b>	<b>34,618,205</b>	<b>12,968,765</b>	<b>87,212</b>	<b>93,733,529</b>
<b>Fund balances - ending</b>	<b>\$ 39,079,006</b>	<b>\$ 16,431,383</b>	<b>\$ 11,177,817</b>	<b>\$ 90,583</b>	<b>\$ 66,778,789</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**December 31, 2020**

Assets	Highway	CARES ACT GEN	CARES ACT LAW ENF	CARES ACT CDBG	CARES ACT ESG	CARES ACT	CARES ACT HUD	CARES ACT CASINO
Cash and cash equivalents	\$ 1,618,700	\$ -	\$ 79,330	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1,564,050	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Accounts	103,524	-	-	-	-	-	-	-
Intergovernmental	8,960	1,166,180	-	94,476	55,956	-	-	42,500
Total assets	<u>\$ 3,295,234</u>	<u>\$ 1,166,180</u>	<u>\$ 79,330</u>	<u>\$ 94,476</u>	<u>\$ 55,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,500</u>
Liabilities, deferred inflows of resources, and fund balances								
Liabilities:								
Accounts payable	\$ 159,229	\$ 4,530	\$ 889	\$ 156,542	\$ 95,973	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-
Accrued payroll and withholdings payable	79,383	-	-	-	-	-	-	-
Interfund payable	-	-	-	38,488	53,252	-	600	-
Total liabilities	<u>238,612</u>	<u>4,530</u>	<u>889</u>	<u>195,030</u>	<u>149,225</u>	<u>-</u>	<u>600</u>	<u>-</u>
Deferred inflows of resources:								
Unavailable revenue	-	1,166,180	-	55,988	2,704	-	-	42,500
Fund balances:								
Restricted	3,056,622	-	-	-	-	-	-	-
Committed	-	-	78,441	-	-	-	-	-
Unassigned	-	(4,530)	-	(156,542)	(95,973)	-	(600)	-
Total fund balances (deficit)	<u>3,056,622</u>	<u>(4,530)</u>	<u>78,441</u>	<u>(156,542)</u>	<u>(95,973)</u>	<u>-</u>	<u>(600)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,295,234</u>	<u>\$ 1,166,180</u>	<u>\$ 79,330</u>	<u>\$ 94,476</u>	<u>\$ 55,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,500</u>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**December 31, 2020**

Assets	Local Road & Street	Parks and Recreation	Parking Meter	Golf Course Nonreverting	Donation	Economic Development	Plan Commission	Downtown Parking Garage
Cash and cash equivalents	\$ 1,760,645	\$ 262,216	\$ 12,434	\$ -	\$ 111,253	\$ 107,044	\$ 1,123,400	\$ 242,492
Investments	3,092,990	300,007	-	-	-	800,297	-	-
Inventories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	7,755,620	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Accounts	-	30,773	-	-	-	-	-	-
Intergovernmental	305,827	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,159,462</b>	<b>\$ 8,348,616</b>	<b>\$ 12,434</b>	<b>\$ -</b>	<b>\$ 111,253</b>	<b>\$ 907,341</b>	<b>\$ 1,123,400</b>	<b>\$ 242,492</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>								
Liabilities:								
Accounts payable	\$ 399,709	\$ 217,603	\$ 446	\$ -	\$ 4,783	\$ 72	\$ 14,074	\$ -
Contracts payable	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-
Accrued payroll and withholdings payable	19,414	139,397	5,192	-	-	-	-	-
Interfund payable	-	-	-	1,263,875	-	-	-	-
<b>Total liabilities</b>	<b>419,123</b>	<b>357,000</b>	<b>5,638</b>	<b>1,263,875</b>	<b>4,783</b>	<b>72</b>	<b>14,074</b>	<b>-</b>
Deferred inflows of resources:								
Unavailable revenue	159,255	7,707,410	-	-	-	-	-	-
Fund balances:								
Restricted	4,581,084	-	-	-	106,470	907,269	-	242,492
Committed	-	284,206	6,796	-	-	-	1,109,326	-
Unassigned	-	-	-	(1,263,875)	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>4,581,084</b>	<b>284,206</b>	<b>6,796</b>	<b>(1,263,875)</b>	<b>106,470</b>	<b>907,269</b>	<b>1,109,326</b>	<b>242,492</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,159,462</b>	<b>\$ 8,348,616</b>	<b>\$ 12,434</b>	<b>\$ -</b>	<b>\$ 111,253</b>	<b>\$ 907,341</b>	<b>\$ 1,123,400</b>	<b>\$ 242,492</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**December 31, 2020**

Assets	Federal Grants	Community Development Block Grant	Local Law Enforcement Continuing Education	Unsafe Building	Rainy Day Fund	Local Income Tax Public Safety	Rental Rehab Program	Neighborhood Stabilization
Cash and cash equivalents	\$ 140,437	\$ -	\$ 496,964	\$ 71,713	\$ -	\$ 1,621,558	\$ -	\$ -
Investments	-	-	-	-	-	3,279,587	-	1,110,555
Inventories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	1,648,623	-	-
Interest	-	-	-	-	-	-	-	-
Accounts	-	-	2,978	-	-	-	-	-
Intergovernmental	71,444	540,972	-	-	-	-	-	16,160
<b>Total assets</b>	<b>\$ 211,881</b>	<b>\$ 540,972</b>	<b>\$ 499,942</b>	<b>\$ 71,713</b>	<b>\$ -</b>	<b>\$ 6,549,768</b>	<b>\$ -</b>	<b>\$ 1,126,715</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>								
Liabilities:								
Accounts payable	\$ 4,608	\$ 274,256	\$ 10,850	\$ -	\$ -	\$ 13,703	\$ -	\$ 16,511
Contracts payable	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-
Interfund payable	-	412,195	-	-	-	-	-	471
<b>Total liabilities</b>	<b>4,608</b>	<b>686,451</b>	<b>10,850</b>	<b>-</b>	<b>-</b>	<b>13,703</b>	<b>-</b>	<b>16,982</b>
Deferred inflows of resources:								
Unavailable revenue	-	137,349	-	-	-	779,645	-	-
Fund balances:								
Restricted	207,273	-	489,092	-	-	5,756,420	-	1,109,733
Committed	-	-	-	71,713	-	-	-	-
Unassigned	-	(282,828)	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>207,273</b>	<b>(282,828)</b>	<b>489,092</b>	<b>71,713</b>	<b>-</b>	<b>5,756,420</b>	<b>-</b>	<b>1,109,733</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 211,881</b>	<b>\$ 540,972</b>	<b>\$ 499,942</b>	<b>\$ 71,713</b>	<b>\$ -</b>	<b>\$ 6,549,768</b>	<b>\$ -</b>	<b>\$ 1,126,715</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**December 31, 2020**

Assets	Old Post Office	LOIT Special Distribution	Landlord Registry	HUD Fair Housing	Equal Emp Opportunity	Historic Preservation	Zoo Animal Revolving	Bicycle License
Cash and cash equivalents	\$ 82,227	\$ 234,960	\$ 8,135	\$ 260,091	\$ 220,600	\$ 1,170	\$ 823	\$ -
Investments	-	206,942	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 82,227</b>	<b>\$ 441,902</b>	<b>\$ 8,135</b>	<b>\$ 260,091</b>	<b>\$ 220,600</b>	<b>\$ 1,170</b>	<b>\$ 823</b>	<b>\$ -</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 2,330	\$ 2,057	\$ 20,000	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>2,330</b>	<b>2,057</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred inflows of resources:								
Unavailable revenue	-	-	-	-	-	-	-	-
Fund balances:								
Restricted	82,227	441,902	-	258,034	200,600	1,170	-	-
Committed	-	-	5,805	-	-	-	823	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>82,227</b>	<b>441,902</b>	<b>5,805</b>	<b>258,034</b>	<b>200,600</b>	<b>1,170</b>	<b>823</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 82,227</b>	<b>\$ 441,902</b>	<b>\$ 8,135</b>	<b>\$ 260,091</b>	<b>\$ 220,600</b>	<b>\$ 1,170</b>	<b>\$ 823</b>	<b>\$ -</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**December 31, 2020**

Assets	Emergency Solutions Grant	Housing Trust Fund Grant	EDA Revolving Loan	DMD Home Administration	IDHS Hazard Mitigation Grant	IHCD A Blight Elimination Program	Jacobsville Redevelopment Area	Downtown Streetscape Redevelopment
Cash and cash equivalents	\$ -	\$ 658,341	\$ 42,557	\$ -	\$ 3,599	\$ 35,136	\$ 126,662	\$ 655,743
Investments	-	-	-	-	-	-	860,811	-
Inventories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	335,018	-	102,584	140,387	-	-	-	-
<b>Total assets</b>	<b>\$ 335,018</b>	<b>\$ 658,341</b>	<b>\$ 145,141</b>	<b>\$ 140,387</b>	<b>\$ 3,599</b>	<b>\$ 35,136</b>	<b>\$ 987,473</b>	<b>\$ 655,743</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>								
Liabilities:								
Accounts payable	\$ -	\$ 8,100	\$ -	\$ 131,505	\$ -	\$ -	\$ 86	\$ 149
Contracts payable	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-
Interfund payable	60,378	-	-	39,891	-	-	-	-
<b>Total liabilities</b>	<b>60,378</b>	<b>8,100</b>	<b>-</b>	<b>171,396</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>149</b>
Deferred inflows of resources:								
Unavailable revenue	-	-	-	179	-	-	-	-
Fund balances:								
Restricted	274,640	650,241	145,141	-	3,599	35,136	987,387	655,594
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(31,188)	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>274,640</b>	<b>650,241</b>	<b>145,141</b>	<b>(31,188)</b>	<b>3,599</b>	<b>35,136</b>	<b>987,387</b>	<b>655,594</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 335,018</b>	<b>\$ 658,341</b>	<b>\$ 145,141</b>	<b>\$ 140,387</b>	<b>\$ 3,599</b>	<b>\$ 35,136</b>	<b>\$ 987,473</b>	<b>\$ 655,743</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**December 31, 2020**

Assets	Golf Course	Casino Fund	Animal Control Donation Restricted	Oak Hill Perpetual Care	Locust Hill Perpetual Care	Evansville Brownfield Corporation	Totals
Cash and cash equivalents	\$ 40,807	\$ 5,497,591	\$ 9,100	\$ 41,787	\$ 35,117	\$ 147,055	\$ 15,749,687
Investments	-	11,965,610	-	333,714	30,003	-	23,544,566
Inventories	-	-	-	-	-	385,242	385,242
Other assets	-	-	-	-	-	558	558
Receivables:							
Taxes	-	1,008,215	-	-	-	-	10,412,458
Interest	-	1,347	-	-	-	-	1,347
Accounts	-	-	-	-	-	-	137,275
Intergovernmental	-	482,487	-	-	-	-	3,362,951
<b>Total assets</b>	<b>\$ 40,807</b>	<b>\$ 18,955,250</b>	<b>\$ 9,100</b>	<b>\$ 375,501</b>	<b>\$ 65,120</b>	<b>\$ 532,855</b>	<b>\$ 53,594,084</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>							
Liabilities:							
Accounts payable	\$ 40,578	\$ 754,787	\$ -	\$ -	\$ -	\$ 200	\$ 2,333,570
Contracts payable	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	2,500	2,500
Accrued payroll and withholdings payable	15,262	-	-	-	-	-	258,648
Interfund payable	-	-	-	-	-	-	1,869,150
<b>Total liabilities</b>	<b>55,840</b>	<b>754,787</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,700</b>	<b>4,463,868</b>
Deferred inflows of resources:							
Unavailable revenue	-	-	-	-	-	-	10,051,210
Fund balances:							
Restricted	-	18,200,463	9,100	375,501	65,120	530,155	39,372,465
Committed	-	-	-	-	-	-	1,557,110
Unassigned	(15,033)	-	-	-	-	-	(1,850,569)
<b>Total fund balances (deficit)</b>	<b>(15,033)</b>	<b>18,200,463</b>	<b>9,100</b>	<b>375,501</b>	<b>65,120</b>	<b>530,155</b>	<b>39,079,006</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 40,807</b>	<b>\$ 18,955,250</b>	<b>\$ 9,100</b>	<b>\$ 375,501</b>	<b>\$ 65,120</b>	<b>\$ 532,855</b>	<b>\$ 53,594,084</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended December 31, 2020**

	Highway	CARES ACT GEN	CARES ACT LAW ENF	CARES ACT CDBG	CARES ACT ESG	CARES ACT	CARES ACT HUD	CARES ACT CASINO
<b>Revenues:</b>								
<b>Taxes:</b>								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	6,796,531	2,608,882	109,483	343,272	182,116	-	8,635	305,811
Charges for services	1,917	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	11,537	-	-	-	-	-	-	-
Other	73,243	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>6,883,228</b>	<b>2,608,882</b>	<b>109,483</b>	<b>343,272</b>	<b>182,116</b>	<b>-</b>	<b>8,635</b>	<b>305,811</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	2,613,412	31,042	-	278,089	-	-	-
Highways and streets	5,540,663	-	-	-	-	-	-	-
Urban development	-	-	-	499,814	-	-	9,235	-
Culture and recreation	-	-	-	-	-	-	-	-
<b>Debt service payments:</b>								
Principal on bonds	-	-	-	-	-	-	-	-
Principal on capital leases	-	-	-	-	-	-	-	-
Principal on loans	5,988	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-
Interest	635	-	-	-	-	-	-	-
Capital outlay	19,646	-	-	-	-	-	-	305,811
<b>Total expenditures</b>	<b>5,566,932</b>	<b>2,613,412</b>	<b>31,042</b>	<b>499,814</b>	<b>278,089</b>	<b>-</b>	<b>9,235</b>	<b>305,811</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,316,296</b>	<b>(4,530)</b>	<b>78,441</b>	<b>(156,542)</b>	<b>(95,973)</b>	<b>-</b>	<b>(600)</b>	<b>-</b>
<b>Other financing sources (uses):</b>								
Loan proceeds	-	-	-	-	-	-	-	-
BAN proceeds	-	-	-	-	-	-	-	-
Transfers in	4,115	-	-	-	-	-	-	-
Transfers out	(4,115)	-	-	-	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,316,296</b>	<b>(4,530)</b>	<b>78,441</b>	<b>(156,542)</b>	<b>(95,973)</b>	<b>-</b>	<b>(600)</b>	<b>-</b>
Fund balances (deficit) - beginning	1,740,326	-	-	-	-	-	-	-
Prior period adjustment - fund reclassification	-	-	-	-	-	-	-	-
Prior period adjustment - overstated inventory	-	-	-	-	-	-	-	-
<b>Fund balance (deficit) - beginning as restated</b>	<b>1,740,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficit) - ending</b>	<b>\$ 3,056,622</b>	<b>\$ (4,530)</b>	<b>\$ 78,441</b>	<b>\$ (156,542)</b>	<b>\$ (95,973)</b>	<b>\$ -</b>	<b>\$ (600)</b>	<b>\$ -</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended December 31, 2020**

	Local Road & Street	Parks and Recreation	Parking Meter	Golf Course Nonreverting	Donation	Economic Development	Plan Commission	Downtown Parking Garage
<b>Revenues:</b>								
<b>Taxes:</b>								
Property	\$ -	\$ 6,569,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,964,240	699,949	-	-	-	-	-	-
Charges for services	-	557,585	640	353,279	190	-	-	-
Fines and forfeits	-	-	110,705	-	-	-	-	-
Investment income	45,237	2,055	-	-	-	9,150	-	-
Other	326,156	497,603	5,525	103,429	64,787	65,403	359,736	321,412
<b>Total revenues</b>	<b>2,335,633</b>	<b>8,326,460</b>	<b>116,870</b>	<b>456,708</b>	<b>64,977</b>	<b>74,553</b>	<b>359,736</b>	<b>321,412</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	-	-	1	-	42,332	-	179,869	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	1,017,030	-	279,709	-	-	-	-	105,181
Urban development	-	-	-	-	-	88,187	-	-
Culture and recreation	-	8,830,318	-	665,038	-	-	-	-
<b>Debt service payments:</b>								
Principal on bonds	-	-	-	-	-	-	-	-
Principal on capital leases	-	-	-	-	-	-	-	-
Principal on loans	-	916,147	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-
Interest	-	4,017	-	-	-	-	-	-
Capital outlay	3,203,474	-	-	-	19,827	-	-	-
<b>Total expenditures</b>	<b>4,220,504</b>	<b>9,750,482</b>	<b>279,710</b>	<b>665,038</b>	<b>62,159</b>	<b>88,187</b>	<b>179,869</b>	<b>105,181</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,884,871)</b>	<b>(1,424,022)</b>	<b>(162,840)</b>	<b>(208,330)</b>	<b>2,818</b>	<b>(13,634)</b>	<b>179,867</b>	<b>216,231</b>
<b>Other financing sources (uses):</b>								
Loan proceeds	-	878,300	-	-	-	-	-	-
BAN proceeds	-	-	-	-	-	-	-	-
Transfers in	150,000	-	100,000	300,000	-	-	-	-
Transfers out	-	(228,000)	-	-	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>150,000</b>	<b>650,300</b>	<b>100,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,734,871)</b>	<b>(773,722)</b>	<b>(62,840)</b>	<b>91,670</b>	<b>2,818</b>	<b>(13,634)</b>	<b>179,867</b>	<b>216,231</b>
Fund balances (deficit) - beginning	6,315,955	1,057,928	69,636	(1,355,545)	103,652	920,903	929,459	26,261
Prior period adjustment - fund reclassification	-	-	-	-	-	-	-	-
Prior period adjustment - overstated inventory	-	-	-	-	-	-	-	-
<b>Fund balance (deficit) - beginning as restated</b>	<b>6,315,955</b>	<b>1,057,928</b>	<b>69,636</b>	<b>(1,355,545)</b>	<b>103,652</b>	<b>920,903</b>	<b>929,459</b>	<b>26,261</b>
<b>Fund balances (deficit) - ending</b>	<b>\$ 4,581,084</b>	<b>\$ 284,206</b>	<b>\$ 6,796</b>	<b>\$ (1,263,875)</b>	<b>\$ 106,470</b>	<b>\$ 907,269</b>	<b>\$ 1,109,326</b>	<b>\$ 242,492</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended December 31, 2020**

	Federal Grants	Community Development Block Grant	Local Law Enforcement Continuing Education	Unsafe Building	Rainy Day Fund	Local Income Tax Public Safety	Rental Rehab Program	Neighborhood Stabilization
<b>Revenues:</b>								
<b>Taxes:</b>								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	5,305,285	-	-
Licenses and permits	-	-	77,325	-	-	-	-	-
Intergovernmental	110,963	2,441,366	-	-	-	-	-	404,600
Charges for services	-	-	53,911	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	41,451	-	39,039
Other	-	59,828	59,770	1,850	-	-	-	233,670
<b>Total revenues</b>	<b>110,963</b>	<b>2,501,194</b>	<b>191,006</b>	<b>1,850</b>	<b>-</b>	<b>5,346,736</b>	<b>-</b>	<b>677,309</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	-	-	87,579	-	-	-	-	653,025
Public safety	-	-	-	-	-	31,075	-	-
Highways and streets	-	-	-	-	-	-	-	-
Urban development	67,694	2,252,656	-	-	-	-	-	224,938
Culture and recreation	-	-	-	-	-	-	-	-
<b>Debt service payments:</b>								
Principal on bonds	-	-	-	-	-	-	-	-
Principal on capital leases	-	-	-	-	-	-	-	-
Principal on loans	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay	5,478	-	-	-	-	722,495	-	-
<b>Total expenditures</b>	<b>73,172</b>	<b>2,252,656</b>	<b>87,579</b>	<b>-</b>	<b>-</b>	<b>753,570</b>	<b>-</b>	<b>877,963</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>37,791</b>	<b>248,538</b>	<b>103,427</b>	<b>1,850</b>	<b>-</b>	<b>4,593,166</b>	<b>-</b>	<b>(200,654)</b>
<b>Other financing sources (uses):</b>								
Loan proceeds	-	-	-	-	-	-	-	-
BAN proceeds	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	73,224
Transfers out	-	(250,000)	-	-	-	(3,245,367)	(73,224)	(150,000)
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>(250,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,245,367)</b>	<b>(73,224)</b>	<b>(76,776)</b>
<b>Net change in fund balances</b>	<b>37,791</b>	<b>(1,462)</b>	<b>103,427</b>	<b>1,850</b>	<b>-</b>	<b>1,347,799</b>	<b>(73,224)</b>	<b>(277,430)</b>
Fund balances (deficit) - beginning	169,482	(281,366)	385,665	69,863	3,081,421	4,408,621	73,224	1,387,163
Prior period adjustment - fund reclassification	-	-	-	-	(3,081,421)	-	-	-
Prior period adjustment - overstated inventory	-	-	-	-	-	-	-	-
<b>Fund balance (deficit) - beginning as restated</b>	<b>169,482</b>	<b>(281,366)</b>	<b>385,665</b>	<b>69,863</b>	<b>-</b>	<b>4,408,621</b>	<b>73,224</b>	<b>1,387,163</b>
<b>Fund balances (deficit) - ending</b>	<b>\$ 207,273</b>	<b>\$ (282,828)</b>	<b>\$ 489,092</b>	<b>\$ 71,713</b>	<b>\$ -</b>	<b>\$ 5,756,420</b>	<b>\$ -</b>	<b>\$ 1,109,733</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended December 31, 2020**

	Old Post Office	LOIT Special Distribution	Landlord Registry	HUD Fair Housing	Equal Emp Opportunity	Historic Preservation	Zoo Animal Revolving	Bicycle License
<b>Revenues:</b>								
<b>Taxes:</b>								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	57,400	74,320	-	-	-
Charges for services	-	-	20,523	-	-	375	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	2,850	-	-	-	-	-	-
Other	-	-	1,150	6,000	8	5,000	-	-
<b>Total revenues</b>	<b>-</b>	<b>2,850</b>	<b>21,673</b>	<b>63,400</b>	<b>74,328</b>	<b>5,375</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	-	826,582	24,538	-	45,721	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Urban development	-	-	27,765	14,850	-	9,315	-	-
Culture and recreation	-	-	-	-	-	-	51	-
<b>Debt service payments:</b>								
Principal on bonds	-	-	-	-	-	-	-	-
Principal on capital leases	-	-	-	-	-	-	-	-
Principal on loans	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>826,582</b>	<b>52,303</b>	<b>14,850</b>	<b>45,721</b>	<b>9,315</b>	<b>51</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	-	(823,732)	(30,630)	48,550	28,607	(3,940)	(51)	-
<b>Other financing sources (uses):</b>								
Loan proceeds	-	-	-	-	-	-	-	-
BAN proceeds	-	-	-	-	-	-	-	-
Transfers in	-	-	28,761	-	4,350	-	-	-
Transfers out	-	-	-	(24,875)	(20,525)	-	-	(3,761)
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>28,761</b>	<b>(24,875)</b>	<b>(16,175)</b>	<b>-</b>	<b>-</b>	<b>(3,761)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(823,732)</b>	<b>(1,869)</b>	<b>23,675</b>	<b>12,432</b>	<b>(3,940)</b>	<b>(51)</b>	<b>(3,761)</b>
Fund balances (deficit) - beginning	82,227	1,265,634	7,674	234,359	188,168	5,110	874	3,761
Prior period adjustment - fund reclassification	-	-	-	-	-	-	-	-
Prior period adjustment - overstated inventory	-	-	-	-	-	-	-	-
<b>Fund balance (deficit) - beginning as restated</b>	<b>82,227</b>	<b>1,265,634</b>	<b>7,674</b>	<b>234,359</b>	<b>188,168</b>	<b>5,110</b>	<b>874</b>	<b>3,761</b>
<b>Fund balances (deficit) - ending</b>	<b>\$ 82,227</b>	<b>\$ 441,902</b>	<b>\$ 5,805</b>	<b>\$ 258,034</b>	<b>\$ 200,600</b>	<b>\$ 1,170</b>	<b>\$ 823</b>	<b>\$ -</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended December 31, 2020**

	Emergency Solutions Grant	Housing Trust Fund Grant	EDA Revolving Loan	DMD Home Administration	IDHS Hazard Mitigation Grant	IHCDA Blight Elimination Program	Jacobsville Redevelopment Area	Downtown Streetscape Redevelopment
<b>Revenues:</b>								
<b>Taxes:</b>								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	540,561	-	102,584	553,284	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	1,230	1,997	-	-	-	11,796	-
Other	-	1,070	560,868	-	-	-	19,300	21,375
<b>Total revenues</b>	<b>540,561</b>	<b>2,300</b>	<b>665,449</b>	<b>553,284</b>	<b>-</b>	<b>-</b>	<b>31,096</b>	<b>21,375</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Urban development	182,051	481,347	1,060,001	1,956	-	223,544	52,901	963,032
Culture and recreation	-	-	-	-	-	-	-	-
<b>Debt service payments:</b>								
Principal on bonds	-	-	-	-	-	-	-	1,690,934
Principal on capital leases	-	-	-	-	-	-	-	-
Principal on loans	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	177,205
Interest	-	-	-	-	-	-	-	16,909
Capital outlay	6,500	-	-	682,466	-	-	-	-
<b>Total expenditures</b>	<b>188,551</b>	<b>481,347</b>	<b>1,060,001</b>	<b>684,422</b>	<b>-</b>	<b>223,544</b>	<b>52,901</b>	<b>2,848,080</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>352,010</b>	<b>(479,047)</b>	<b>(394,552)</b>	<b>(131,138)</b>	<b>-</b>	<b>(223,544)</b>	<b>(21,805)</b>	<b>(2,826,705)</b>
<b>Other financing sources (uses):</b>								
Loan proceeds	-	-	-	-	-	-	-	-
BAN proceeds	-	-	-	-	-	-	-	1,111,868
Transfers in	-	514,230	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>514,230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,111,868</b>
<b>Net change in fund balances</b>	<b>352,010</b>	<b>35,183</b>	<b>(394,552)</b>	<b>(131,138)</b>	<b>-</b>	<b>(223,544)</b>	<b>(21,805)</b>	<b>(1,714,837)</b>
Fund balances (deficit) - beginning	(77,370)	615,058	539,693	99,950	3,599	258,680	1,009,192	2,370,431
Prior period adjustment - fund reclassification	-	-	-	-	-	-	-	-
Prior period adjustment - overstated inventory	-	-	-	-	-	-	-	-
<b>Fund balance (deficit) - beginning as restated</b>	<b>(77,370)</b>	<b>615,058</b>	<b>539,693</b>	<b>99,950</b>	<b>3,599</b>	<b>258,680</b>	<b>1,009,192</b>	<b>2,370,431</b>
<b>Fund balances (deficit) - ending</b>	<b>\$ 274,640</b>	<b>\$ 650,241</b>	<b>\$ 145,141</b>	<b>\$ (31,188)</b>	<b>\$ 3,599</b>	<b>\$ 35,136</b>	<b>\$ 987,387</b>	<b>\$ 655,594</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended December 31, 2020**

	Golf Course	Casino Fund	Animal Control Donation Restricted	Oak Hill Perpetual Care	Locust Hill Perpetual Care	Evansville Brownfield Corporation	Totals
<b>Revenues:</b>							
<b>Taxes:</b>							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,569,268
Income	-	-	-	-	-	-	5,305,285
Licenses and permits	-	-	-	-	-	-	77,325
Intergovernmental	-	5,759,944	-	-	-	-	23,063,941
Charges for services	947,125	13,484	-	9,260	2,221	-	1,960,510
Fines and forfeits	-	-	-	-	-	-	110,705
Investment income	-	308,064	-	118	3	-	474,527
Other	457	1,509,817	9,100	1,044	22	-	4,307,623
<b>Total revenues</b>	<b>947,582</b>	<b>7,591,309</b>	<b>9,100</b>	<b>10,422</b>	<b>2,246</b>	<b>-</b>	<b>41,869,184</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	-	-	-	37,439	1,083	31,287	1,929,456
Public safety	-	-	-	-	-	-	2,953,618
Highways and streets	-	-	-	-	-	-	6,942,583
Urban development	-	4,255,685	-	-	-	-	10,414,971
Culture and recreation	890,615	-	-	-	-	-	10,386,022
<b>Debt service payments:</b>							
Principal on bonds	-	1,485,000	-	-	-	-	3,175,934
Principal on capital leases	-	716,217	-	-	-	-	716,217
Principal on loans	-	-	-	-	-	-	922,135
Issuance costs	-	-	-	-	-	-	177,205
Interest	-	109,023	-	-	-	-	130,584
Capital outlay	-	4,043,755	-	-	-	-	9,009,452
<b>Total expenditures</b>	<b>890,615</b>	<b>10,609,680</b>	<b>-</b>	<b>37,439</b>	<b>1,083</b>	<b>31,287</b>	<b>46,758,177</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>56,967</b>	<b>(3,018,371)</b>	<b>9,100</b>	<b>(27,017)</b>	<b>1,163</b>	<b>(31,287)</b>	<b>(4,888,993)</b>
<b>Other financing sources (uses):</b>							
Loan proceeds	-	1,200,000	-	-	-	-	2,078,300
BAN proceeds	-	-	-	-	-	-	1,111,868
Transfers in	28,000	-	-	-	-	-	1,202,680
Transfers out	(100,000)	(2,384,330)	-	-	-	-	(6,484,197)
<b>Total other financing sources/(uses)</b>	<b>(72,000)</b>	<b>(1,184,330)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,091,349)</b>
<b>Net change in fund balances</b>	<b>(15,033)</b>	<b>(4,202,701)</b>	<b>9,100</b>	<b>(27,017)</b>	<b>1,163</b>	<b>(31,287)</b>	<b>(6,980,342)</b>
Fund balances (deficit) - beginning	-	22,403,164	-	402,518	63,957	608,808	49,188,135
Prior period adjustment - fund reclassification	-	-	-	-	-	-	(3,081,421)
Prior period adjustment - overstated inventory	-	-	-	-	-	(47,366)	(47,366)
<b>Fund balance (deficit) - beginning as restated</b>	<b>-</b>	<b>22,403,164</b>	<b>-</b>	<b>402,518</b>	<b>63,957</b>	<b>561,442</b>	<b>46,059,348</b>
<b>Fund balances (deficit) - ending</b>	<b>\$ (15,033)</b>	<b>\$ 18,200,463</b>	<b>\$ 9,100</b>	<b>\$ 375,501</b>	<b>\$ 65,120</b>	<b>\$ 530,155</b>	<b>\$ 39,079,006</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
December 31, 2020

	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>Assets:</b>							
Cash and cash equivalents	\$ 2,894,209	\$ -	\$ -	\$ 12,316	\$ 246,310	\$ 258,098	\$ -
Investments	-	257	384	-	-	-	368
Receivables:							
Taxes	-	-	-	-	306,936	-	-
<b>Total assets</b>	<b>\$ 2,894,209</b>	<b>\$ 257</b>	<b>\$ 384</b>	<b>\$ 12,316</b>	<b>\$ 553,246</b>	<b>\$ 258,098</b>	<b>\$ 368</b>
<b>Liabilities:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflow of Resources:</b>							
Unavailable revenue	-	-	-	-	302,418	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>302,418</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>							
Restricted for:							
Debt service	2,894,209	257	384	12,316	250,828	258,098	368
<b>Total liabilities and fund balances</b>	<b>\$ 2,894,209</b>	<b>\$ 257</b>	<b>\$ 384</b>	<b>\$ 12,316</b>	<b>\$ 553,246</b>	<b>\$ 258,098</b>	<b>\$ 368</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
December 31, 2020

	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
<b>Assets:</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	555,743	665	-	196,241	5,516	-	576,751
Receivables:							
Taxes	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 555,743</b>	<b>\$ 665</b>	<b>\$ -</b>	<b>\$ 196,241</b>	<b>\$ 5,516</b>	<b>\$ -</b>	<b>\$ 576,751</b>
<b>Liabilities:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflow of Resources:</b>							
Unavailable revenue	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>							
Restricted for:							
Debt service	555,743	665	-	196,241	5,516	-	576,751
<b>Total liabilities and fund balances</b>	<b>\$ 555,743</b>	<b>\$ 665</b>	<b>\$ -</b>	<b>\$ 196,241</b>	<b>\$ 5,516</b>	<b>\$ -</b>	<b>\$ 576,751</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
December 31, 2020

	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>Assets:</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,316,755	\$ 8,727,688
Investments	8,572	833,809	1,167,637	1,633	155	7,647,029	10,994,760
Receivables:							
Taxes	-	-	-	-	-	-	306,936
<b>Total assets</b>	<b>\$ 8,572</b>	<b>\$ 833,809</b>	<b>\$ 1,167,637</b>	<b>\$ 1,633</b>	<b>\$ 155</b>	<b>\$ 12,963,784</b>	<b>\$ 20,029,384</b>
<b>Liabilities:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 813,517	\$ 813,517
Contracts payable	-	-	-	-	-	2,482,066	2,482,066
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,295,583</b>	<b>3,295,583</b>
<b>Deferred Inflow of Resources:</b>							
Unavailable revenue	-	-	-	-	-	-	302,418
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>302,418</b>
<b>Fund Balances:</b>							
Restricted for:							
Debt service	8,572	833,809	1,167,637	1,633	155	9,668,201	16,431,383
<b>Total liabilities and fund balances</b>	<b>\$ 8,572</b>	<b>\$ 833,809</b>	<b>\$ 1,167,637</b>	<b>\$ 1,633</b>	<b>\$ 155</b>	<b>\$ 12,963,784</b>	<b>\$ 20,029,384</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended December 31, 2020**

	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	\$ -	\$ -	\$ -	\$ -	\$ 719,553	\$ 953,825	\$ -
Intergovernmental	-	-	-	-	62,920	-	-
Investment income	-	73	70	-	-	-	78
Other	1,151,828	742,874	999,250	-	-	-	1,120,000
<b>Total revenues</b>	<b>1,151,828</b>	<b>742,947</b>	<b>999,320</b>	<b>-</b>	<b>782,473</b>	<b>953,825</b>	<b>1,120,078</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	-	-	-	-	-	-	560,000
Health and welfare	-	1	498,927	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal on bonds	-	-	-	-	1,055,000	525,000	-
Interest	-	742,875	500,325	-	52,250	727,350	560,000
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>742,876</b>	<b>999,252</b>	<b>-</b>	<b>1,107,250</b>	<b>1,252,350</b>	<b>1,120,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,151,828</b>	<b>71</b>	<b>68</b>	<b>-</b>	<b>(324,777)</b>	<b>(298,525)</b>	<b>78</b>
<b>Other financing sources (uses):</b>							
Transfers in	7,126,927	-	-	-	-	-	-
Transfers out	(11,149,961)	-	-	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>(4,023,034)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,871,206)</b>	<b>71</b>	<b>68</b>	<b>-</b>	<b>(324,777)</b>	<b>(298,525)</b>	<b>78</b>
<b>Fund balances - beginning</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>
<b>Fund balances - ending</b>	<b>\$ 2,894,209</b>	<b>\$ 257</b>	<b>\$ 384</b>	<b>\$ 12,316</b>	<b>\$ 250,828</b>	<b>\$ 258,098</b>	<b>\$ 368</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended December 31, 2020**

	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
<b>Revenues:</b>							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Investment income	59	57	-	733	12,163	-	2,195
Other	1,110,469	1,588,125	-	109,938	3,475	-	508,725
<b>Total revenues</b>	<b>1,110,528</b>	<b>1,588,182</b>	<b>-</b>	<b>110,671</b>	<b>15,638</b>	<b>-</b>	<b>510,920</b>
<b>Expenditures:</b>							
Current:							
General government	-	-	-	-	-	-	-
Health and welfare	-	-	-	55,158	2,873	-	372,238
Culture and recreation	550,000	792,077	-	-	-	-	-
Debt service:							
Principal on bonds	-	-	-	-	-	-	-
Interest	555,250	796,050	-	54,781	1,958,222	-	136,488
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,105,250</b>	<b>1,588,127</b>	<b>-</b>	<b>109,939</b>	<b>1,961,095</b>	<b>-</b>	<b>508,726</b>
Excess (deficiency) of revenues over (under) expenditures	5,278	55	-	732	(1,945,457)	-	2,194
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>5,278</b>	<b>55</b>	<b>-</b>	<b>732</b>	<b>(1,945,457)</b>	<b>-</b>	<b>2,194</b>
<b>Fund balances - beginning</b>	<b>550,465</b>	<b>610</b>	<b>-</b>	<b>195,509</b>	<b>1,950,973</b>	<b>-</b>	<b>574,557</b>
<b>Fund balances - ending</b>	<b>\$ 555,743</b>	<b>\$ 665</b>	<b>\$ -</b>	<b>\$ 196,241</b>	<b>\$ 5,516</b>	<b>\$ -</b>	<b>\$ 576,751</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR DEBT SERVICE FUNDS**  
**For the Year Ended December 31, 2020**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,673,378
Intergovernmental	-	-	-	-	-	-	62,920
Investment income	107	1,254	2,901	128	75	127,533	147,426
Other	1,050,363	1,699	1,264	1,243,788	874,450	142,857	10,649,105
<b>Total revenues</b>	<b>1,050,470</b>	<b>2,953</b>	<b>4,165</b>	<b>1,243,916</b>	<b>874,525</b>	<b>270,390</b>	<b>12,532,829</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	-	-	-	-	-	-	560,000
Health and welfare	528,463	-	-	-	-	-	1,457,660
Culture and recreation	-	-	-	-	874,450	3,281,143	5,497,670
<b>Debt service:</b>							
Principal on bonds	-	290,000	405,000	-	-	-	2,275,000
Interest	522,900	335,826	492,408	1,243,789	-	875,682	9,554,196
Capital outlay	-	-	-	-	-	12,870,971	12,870,971
<b>Total expenditures</b>	<b>1,051,363</b>	<b>625,826</b>	<b>897,408</b>	<b>1,243,789</b>	<b>874,450</b>	<b>17,027,796</b>	<b>32,215,497</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(893)</b>	<b>(622,873)</b>	<b>(893,243)</b>	<b>127</b>	<b>75</b>	<b>(16,757,406)</b>	<b>(19,682,668)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	639,000	908,000	-	-	4,000,000	12,673,927
Transfers out	-	-	-	-	-	(28,120)	(11,178,081)
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>639,000</b>	<b>908,000</b>	<b>-</b>	<b>-</b>	<b>3,971,880</b>	<b>1,495,846</b>
<b>Net change in fund balances</b>	<b>(893)</b>	<b>16,127</b>	<b>14,757</b>	<b>127</b>	<b>75</b>	<b>(12,785,526)</b>	<b>(18,186,822)</b>
<b>Fund balances - beginning</b>	<b>9,465</b>	<b>817,682</b>	<b>1,152,880</b>	<b>1,506</b>	<b>80</b>	<b>22,453,727</b>	<b>34,618,205</b>
<b>Fund balances - ending</b>	<b>\$ 8,572</b>	<b>\$ 833,809</b>	<b>\$ 1,167,637</b>	<b>\$ 1,633</b>	<b>\$ 155</b>	<b>\$ 9,668,201</b>	<b>\$ 16,431,383</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
December 31, 2020

<u>Assets</u>	Greenway Project	Jacobsville TIF	Master TIF Projects	Cumulative Capital Improvement	Barrett Law Sidewalk	ERC Capital Nonreverting	Food and Beverage Tax	Arts District	Totals
Cash and cash equivalents	\$ 56,224	\$ 318,095	\$ 4,368,087	\$ 130,201	\$ 129,665	\$ 53,076	\$ 2,211,268	\$ 9,106	\$ 7,275,722
Investments	-	3,150,740	-	-	-	511,821	-	-	3,662,561
Receivables:									
Accounts	-	-	-	-	244,527	-	-	-	244,527
Total assets	<u>\$ 56,224</u>	<u>\$ 3,468,835</u>	<u>\$ 4,368,087</u>	<u>\$ 130,201</u>	<u>\$ 374,192</u>	<u>\$ 564,897</u>	<u>\$ 2,211,268</u>	<u>\$ 9,106</u>	<u>\$ 11,182,810</u>
<u>Liabilities and fund balances</u>									
Liabilities:									
Accounts payable	\$ -	\$ 263	\$ -	\$ -	\$ 50	\$ 4,680	\$ -	\$ -	\$ 4,993
Total liabilities	-	263	-	-	50	4,680	-	-	4,993
Fund balances:									
Restricted for:									
Capital projects	56,224	3,468,572	4,368,087	130,201	374,142	560,217	2,211,268	9,106	11,177,817
Total fund balances	56,224	3,468,572	4,368,087	130,201	374,142	560,217	2,211,268	9,106	11,177,817
Total liabilities and fund balances	<u>\$ 56,224</u>	<u>\$ 3,468,835</u>	<u>\$ 4,368,087</u>	<u>\$ 130,201</u>	<u>\$ 374,192</u>	<u>\$ 564,897</u>	<u>\$ 2,211,268</u>	<u>\$ 9,106</u>	<u>\$ 11,182,810</u>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**For the Year Ended December 31, 2020**

	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>									
<b>Taxes:</b>									
Property	\$ -	\$ 2,266,508	\$ 6,255,673	\$ -	\$ 323,617	\$ -	\$ -	\$ -	\$ 8,845,798
Income	-	-	683,932	-	-	-	-	-	683,932
Other	-	-	-	-	-	-	4,450,986	-	4,450,986
Intergovernmental	-	-	-	254,616	-	-	-	-	254,616
Investment income	-	99,484	1,701	-	-	9,207	-	-	110,392
Other	-	-	-	-	1	100,050	600,000	-	700,051
<b>Total revenues</b>	<b>-</b>	<b>2,365,992</b>	<b>6,941,306</b>	<b>254,616</b>	<b>323,618</b>	<b>109,257</b>	<b>5,050,986</b>	<b>-</b>	<b>15,045,775</b>
<b>Expenditures:</b>									
<b>Current:</b>									
General government	-	-	-	-	1,258	-	-	-	1,258
Health and welfare	-	298,986	6,604	-	-	65,691	-	-	371,281
Culture and recreation	532,528	-	-	-	-	-	-	-	532,528
<b>Debt service:</b>									
Principal	-	535,000	3,620,000	-	-	-	-	-	4,155,000
Interest	-	290,631	1,157,783	-	-	-	-	-	1,448,414
<b>Total expenditures</b>	<b>532,528</b>	<b>1,124,617</b>	<b>4,784,387</b>	<b>-</b>	<b>1,258</b>	<b>65,691</b>	<b>-</b>	<b>-</b>	<b>6,508,481</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(532,528)</b>	<b>1,241,375</b>	<b>2,156,919</b>	<b>254,616</b>	<b>322,360</b>	<b>43,566</b>	<b>5,050,986</b>	<b>-</b>	<b>8,537,294</b>
<b>Other financing sources (uses):</b>									
Transfers in	-	-	600,000	-	-	-	-	-	600,000
Transfers out	-	(4,000,000)	(1,547,000)	(124,415)	-	-	(5,256,827)	-	(10,928,242)
<b>Total other financing sources and (</b>	<b>-</b>	<b>(4,000,000)</b>	<b>(947,000)</b>	<b>(124,415)</b>	<b>-</b>	<b>-</b>	<b>(5,256,827)</b>	<b>-</b>	<b>(10,328,242)</b>
<b>Net change in fund balances</b>	<b>(532,528)</b>	<b>(2,758,625)</b>	<b>1,209,919</b>	<b>130,201</b>	<b>322,360</b>	<b>43,566</b>	<b>(205,841)</b>	<b>-</b>	<b>(1,790,948)</b>
<b>Fund balances - beginning</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>
<b>Fund balances - ending</b>	<b>\$ 56,224</b>	<b>\$ 3,468,572</b>	<b>\$ 4,368,087</b>	<b>\$ 130,201</b>	<b>\$ 374,142</b>	<b>\$ 560,217</b>	<b>\$ 2,211,268</b>	<b>\$ 9,106</b>	<b>\$ 11,177,817</b>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET**  
**NONMAJOR PERMANENT FUNDS**  
December 31, 2020

	Coleman Trust	Mattie J Bayard Trust	RT Legler Trust	Oak Hill Lease Escrow	Melzer Trust	Evansville Community Trust	Totals
<u>Assets</u>							
Cash and cash equivalents	\$ 403	\$ 227	\$ 114	\$ -	\$ -	\$ -	\$ 744
Investments	12,897	6,562	2,512	-	54,743	13,125	89,839
Total assets	\$ 13,300	\$ 6,789	\$ 2,626	\$ -	\$ 54,743	\$ 13,125	\$ 90,583
<u>Fund Balances:</u>							
Restricted for:							
General government	\$ 13,300	\$ 6,789	\$ 2,626	\$ -	\$ 54,743	\$ 13,125	\$ 90,583

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR PERMANENT FUNDS**  
**For the Year Ended December 31, 2020**

---

	Coleman Trust	Mattie J Bayard Trust	RT Legler Trust	Oak Hill Lease Escrow	Melzer Trust	Evansville Community Trust	Totals
Revenues:							
Investment income	\$ 628	\$ 351	\$ 174	\$ -	\$ 2,179	\$ 39	\$ 3,371
Total revenues	<u>628</u>	<u>351</u>	<u>174</u>	<u>-</u>	<u>2,179</u>	<u>39</u>	<u>3,371</u>
Excess (deficiency) of revenues over (under) expenditures	<u>628</u>	<u>351</u>	<u>174</u>	<u>-</u>	<u>2,179</u>	<u>39</u>	<u>3,371</u>
Net change in fund balances	628	351	174	-	2,179	39	3,371
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 13,300</u>	<u>\$ 6,789</u>	<u>\$ 2,626</u>	<u>\$ -</u>	<u>\$ 54,743</u>	<u>\$ 13,125</u>	<u>\$ 90,583</u>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING BALANCE SHEET**  
**INTERNAL SERVICE FUNDS**  
December 31, 2020

<u>Assets</u>	Printing & Supply	Hospitalization Insurance	Unemployment Insurance	Workers Compensation	Liability Insurance	Accounts Payable Clearing	Totals
Cash and cash equivalents	\$ 54,473	\$ -	\$ 37,046	\$ 63,191	\$ 415,962	\$ -	\$ 570,672
Investments	-	-	-	600,520	-	-	600,520
Receivables:							
Accounts	480	-	-	-	27,309	29,356	57,145
Total assets	<u>\$ 54,953</u>	<u>\$ -</u>	<u>\$ 37,046</u>	<u>\$ 663,711</u>	<u>\$ 443,271</u>	<u>\$ 29,356</u>	<u>\$ 1,228,337</u>
<u>Liabilities and fund balances</u>							
Liabilities:							
Accounts payable	\$ 11,989	\$ 692,628	\$ 2,943	\$ 132,695	\$ 73,182	\$ 27,247	\$ 940,684
Claims payable	-	3,174,194	-	-	-	-	3,174,194
Accrued wages	-	2,176	3,387	2,238	-	-	7,801
Interfund payable	-	1,968,545	-	-	-	32,284	2,000,829
Total liabilities	<u>11,989</u>	<u>5,837,543</u>	<u>6,330</u>	<u>134,933</u>	<u>73,182</u>	<u>59,531</u>	<u>6,123,508</u>
Fund balances:							
Restricted for:							
General government	42,964	-	30,716	528,778	370,089	-	972,547
Unrestricted	-	(5,837,543)	-	-	-	(30,175)	(5,867,718)
Total fund balances	<u>42,964</u>	<u>(5,837,543)</u>	<u>30,716</u>	<u>528,778</u>	<u>370,089</u>	<u>(30,175)</u>	<u>(4,895,171)</u>
Total liabilities, and fund balances	<u>\$ 54,953</u>	<u>\$ -</u>	<u>\$ 37,046</u>	<u>\$ 663,711</u>	<u>\$ 443,271</u>	<u>\$ 29,356</u>	<u>\$ 1,228,337</u>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2020**

	Printing & Supply	Hospitalization Insurance	Unemployment Insurance	Workers Compensation	Liability Insurance	Accounts Payable Clearing	Totals
<b>Revenues:</b>							
Investment income	\$ -	\$ -	\$ 215	\$ 2,090	\$ 365	\$ -	\$ 2,670
Charges for services	<u>283,774</u>	<u>24,223,946</u>	<u>62,730</u>	<u>1,659,540</u>	<u>3,493,447</u>	<u>292,610</u>	<u>30,016,047</u>
Total revenues	<u>283,774</u>	<u>24,223,946</u>	<u>62,945</u>	<u>1,661,630</u>	<u>3,493,812</u>	<u>292,610</u>	<u>30,018,717</u>
<b>Expenditures:</b>							
Current:							
General government	<u>316,960</u>	<u>25,833,770</u>	<u>169,204</u>	<u>1,264,188</u>	<u>3,105,868</u>	<u>414,224</u>	<u>31,104,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,186)</u>	<u>(1,609,824)</u>	<u>(106,259)</u>	<u>397,442</u>	<u>387,944</u>	<u>(121,614)</u>	<u>(1,085,497)</u>
<b>Other financing sources (uses):</b>							
Transfers in	<u>-</u>	<u>800,000</u>	<u>45,000</u>	<u>-</u>	<u>28,120</u>	<u>-</u>	<u>873,120</u>
Net change in fund balances	(33,186)	(809,824)	(61,259)	397,442	416,064	(121,614)	(212,377)
Fund balances(deficit) - beginning	<u>76,150</u>	<u>(5,027,719)</u>	<u>91,975</u>	<u>131,336</u>	<u>(45,975)</u>	<u>91,439</u>	<u>(4,682,794)</u>
Fund balances (deficit) - ending	<u>\$ 42,964</u>	<u>\$ (5,837,543)</u>	<u>\$ 30,716</u>	<u>\$ 528,778</u>	<u>\$ 370,089</u>	<u>\$ (30,175)</u>	<u>\$ (4,895,171)</u>

**CITY OF EVANSVILLE, INDIANA  
SUPPLEMENTARY INFORMATION**

COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
PENSION TRUST  
December 31, 2020

<u>Assets</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total Pension Trust Funds</u>
Cash and cash equivalents	\$ 1,142,908	\$ 1,239,160	\$ 2,382,068
Investments at fair value:			
Fixed income securities	<u>3,025,421</u>	<u>3,532,989</u>	<u>6,558,410</u>
Total investments	<u>3,025,421</u>	<u>3,532,989</u>	<u>6,558,410</u>
Total assets	<u>4,168,329</u>	<u>4,772,149</u>	<u>8,940,478</u>
Deferred outflows of resources			
Deferred outflows - pensions	<u>10,503</u>	<u>7,497</u>	<u>18,000</u>
<u>Liabilities, deferred inflows of resources and fund balances</u>			
Liabilities:			
Accounts payable	<u>116</u>	<u>140</u>	<u>256</u>
Total liabilities	<u>116</u>	<u>140</u>	<u>256</u>
Deferred inflows:			
Pension obligations	<u>14,947</u>	<u>13,101</u>	<u>28,048</u>
Net position restricted for pensions	<u>\$ 4,163,769</u>	<u>\$ 4,766,405</u>	<u>\$ 8,930,174</u>

**CITY OF EVANSVILLE, INDIANA  
SUPPLEMENTARY INFORMATION**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
PENSION TRUST  
For The Year Ended December 31, 2020

<u>Additions</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total Pension Trust Funds</u>
Contributions:			
Contributions from nonemployer contributing entities	\$ 4,720,202	\$ 6,331,600	\$ 11,051,802
Total contributions	<u>4,720,202</u>	<u>6,331,600</u>	<u>11,051,802</u>
Investment income:			
Interest	54,130	56,272	110,402
Total investment income	<u>54,130</u>	<u>56,272</u>	<u>110,402</u>
Total additions	<u>4,774,332</u>	<u>6,387,872</u>	<u>11,162,204</u>
<u>Deductions</u>			
Benefit payments (including refunds of employee contributions)	4,722,947	6,303,968	11,026,915
Administrative expense	13,011	14,183	27,194
Total deductions	<u>4,735,958</u>	<u>6,318,151</u>	<u>11,054,109</u>
Change in fiduciary net position	38,374	69,721	108,095
Net position, beginning	<u>4,125,395</u>	<u>4,696,684</u>	<u>8,822,079</u>
Net position, ending	<u>\$ 4,163,769</u>	<u>\$ 4,766,405</u>	<u>\$ 8,930,174</u>

**CITY OF EVANSVILLE, INDIANA**  
**SUPPLEMENTARY INFORMATION**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
December 31, 2020

<u>Assets</u>	Port Authority	Evansville Bond Bank	Levee Authority	Land Bank	Totals
Cash and cash equivalents	\$ 177,419	\$ 2,875,773	\$ 1,926,100	\$ 600,246	\$ 5,579,538
Investments	57,867	5,347,949	2,580,982	-	7,986,798
Receivables:					
Accounts	-	504,182	-	-	504,182
Interest	-	49,157	-	-	49,157
Contracts receivable	-	595,508	-	-	595,508
Lease	-	196,811	-	-	196,811
Notes	-	3,857,358	-	-	3,857,358
Prepays	102	-	9,613	-	9,715
Capital assets:					
Land and construction in progress	-	-	1,500	1,143,124	1,144,624
Other capital assets net of depreciation	<u>6,779,372</u>	<u>-</u>	<u>1,230,750</u>	<u>-</u>	<u>8,010,122</u>
 Total assets	 <u>\$ 7,014,760</u>	 <u>\$ 13,426,738</u>	 <u>\$ 5,748,945</u>	 <u>\$ 1,743,370</u>	 <u>\$ 27,933,813</u>
 <u>Liabilities and fund balances</u>					
Liabilities:					
Accounts payable	\$ 7,599	\$ 8,143	\$ 50,961	\$ 107,000	\$ 173,703
Accrued wages	<u>-</u>	<u>-</u>	<u>27,195</u>	<u>-</u>	<u>27,195</u>
 Total liabilities	 <u>7,599</u>	 <u>8,143</u>	 <u>78,156</u>	 <u>107,000</u>	 <u>200,898</u>
Net Position:					
Unrestricted	<u>7,007,161</u>	<u>13,418,595</u>	<u>5,670,789</u>	<u>1,636,370</u>	<u>27,732,915</u>
 Total net position	 <u>7,007,161</u>	 <u>13,418,595</u>	 <u>5,670,789</u>	 <u>1,636,370</u>	 <u>27,732,915</u>
 Total liabilities, deferred inflows of resources, and net position	 <u>\$ 7,014,760</u>	 <u>\$ 13,426,738</u>	 <u>\$ 5,748,945</u>	 <u>\$ 1,743,370</u>	 <u>\$ 27,933,813</u>

**CITY OF EVANSVILLE, INDIANA  
SUPPLEMENTARY INFORMATION**

COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS  
For the Year Ended December 31, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position Component Units				Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Port Authority	Evansville Bond Bank	Levee Authority	Land Bank	
Component Units								
Port Authority	\$ 1,155,725	\$ -	\$ -	\$ (1,155,725)	\$ -	\$ -	\$ -	\$ (1,155,725)
Evansville Bond Bank	2,451,596	-	-	-	(2,451,596)	-	-	(2,451,596)
Levee Authority	2,319,561	1,000	-	-	-	(2,318,561)	-	(2,318,561)
Land Bank	275,170	-	200,000	-	-	-	(75,170)	(75,170)
Total component units	<u>\$ 6,202,052</u>	<u>\$ 1,000</u>	<u>\$ 200,000</u>	<u>(1,155,725)</u>	<u>(2,451,596)</u>	<u>(2,318,561)</u>	<u>(75,170)</u>	<u>(6,001,052)</u>
General Revenues:								
Taxes:								
Property taxes				-	-	1,581,346	-	1,581,346
Intergovernmental				-	-	140,259	-	140,259
Investment income				5,697	129,986	35,891	3,312	174,886
Miscellaneous				100,500	3,443,860	528,137	101,622	4,174,119
Total general revenues and transfers				<u>106,197</u>	<u>3,573,846</u>	<u>2,285,633</u>	<u>104,934</u>	<u>6,070,610</u>
<b>Change in Net Position</b>				(1,049,528)	1,122,250	(32,928)	29,764	69,558
Net position - beginning of year				6,363,833	12,296,345	5,723,519	872,361	25,256,058
Prior period adjustment for unrecorded income				-	-	-	(111,505)	(111,505)
Prior period adjustment for unrecorded assets				1,692,856	-	(19,802)	845,750	2,518,804
Net position beginning as adjusted				<u>8,056,689</u>	<u>12,296,345</u>	<u>5,703,717</u>	<u>1,606,606</u>	<u>27,663,357</u>
<b>Net position - end of year</b>				<u>\$ 7,007,161</u>	<u>\$ 13,418,595</u>	<u>\$ 5,670,789</u>	<u>\$ 1,636,370</u>	<u>\$ 27,732,915</u>

**CITY OF EVANSVILLE**  
Vanderburgh County, Indiana

**SINGLE AUDIT REPORT IN  
ACCORDANCE WITH UNIFORM GUIDANCE**

December 31, 2020

CITY OF EVANSVILLE  
Vanderburgh County, Indiana

**SINGLE AUDIT REPORT IN  
ACCORDANCE WITH UNIFORM GUIDANCE**  
December 31, 2020

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CITY OF EVANSVILLE  
SCHEDULE OF OFFICIALS (Unaudited)  
December 31, 2020

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<b><u>Office</u></b>	<b><u>Official</u></b>	<b><u>Term</u></b>
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 Works	Alex Burton	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 ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Those Charged with Governance  
City of Evansville  
Vanderburgh County, Indiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Evansville (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 1, 2022.

Our report includes a reference to other auditors who audited the financial statements of the Evansville Land Bank and the Evansville Bond Bank, as described in our report on City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 that we consider to be a material weakness.

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(Continued)

## **Compliance and Other Matters**

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

## **City of Evansville's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the responses.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
August 1, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Those Charged with Governance  
City of Evansville  
Vanderburgh County, Indiana

**Report on Compliance for Each Major Federal Program**

We have audited the City of Evansville's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated August 1, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
August 1, 2022

CITY OF EVANSVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended	Passed Through to Subrecipients
<b>Department of Commerce</b>					
<i>Economic Development Cluster</i>					
Economic Adjustment Assistance	Direct Award	11.307	06-19-02232	\$ 691,529	\$ -
Total Economic Development Cluster				<u>691,529</u>	<u>-</u>
<b>Department of Housing and Urban Development</b>					
<i>Entitlement Grants Cluster</i>					
Community Development Block Grants/Entitlement Grants	Direct Award	14.218	B-14-MC- 18-0002	3,482	-
	Direct Award	14.218	B-15-MC- 18-0002	3,574	-
	Direct Award	14.218	B-17-MC- 18-0002	22,636	4,302
	Direct Award	14.218	B-18-MC- 18-0002	487,691	251,521
	Direct Award	14.218	B-19-MC- 18-0002	1,300,018	1,299,479
	Direct Award	14.218	B-20-MC- 18-0002	220,342	202,972
COVID-19	Direct Award	14.218	B-20-MW- 18-0002	304,783	242,323
Total Community Development Block Grants/Entitlement Grants				<u>2,342,526</u>	<u>2,000,597</u>
Total Entitlement Grants Cluster				<u>2,342,526</u>	<u>2,000,597</u>
Emergency Solutions Grant Program					
COVID-19	Direct Award	14.231	E-20-MW- 18-0002	128,863	122,519
	Direct Award	14.231	E-18-MC- 18-0002	114,892	114,892
	Direct Award	14.231	E-19-MC- 19-0002	90,651	90,651
Total Emergency Solutions Grant Program				<u>334,406</u>	<u>328,062</u>
Home Investment Partnership Program					
	Direct Award	14.239	M-18-MC- 18-0201	229,871	229,871
	Direct Award	14.239	M-17-MC- 18-0201	124,991	124,991
	Direct Award	14.239	M-16-MC- 18-0201	58,214	58,214
Total Home Investment Partnership Program				<u>413,076</u>	<u>413,076</u>
Fair Housing Initiatives Program	Direct Award	14.408	FF295K20501 6	66,035	47,115
Total Department of Housing and Urban Development				<u>3,156,043</u>	<u>2,788,850</u>
<b>Department of the Interior</b>					
National Park ServiceHistoric Preservation Fund Grants in Aid	Indiana Department of Natural Resources	15.904	19FFY-02	8,640	8,640
	Indiana Department of Natural Resources	15.904	19FFY-05	4,800	4,800
				<u>13,440</u>	<u>13,440</u>

(Continued)

CITY OF EVANSVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended	Passed Through to Subrecipients
<b>Department of Justice</b>					
COVID-19 Coronavirus Emergency Supplemental Funding Program	Direct Award	16.034	2020-VD- BX-0318	109,483	-
Missing Children's Assistance	Indiana State Police	16.543	2017-MC- FX-K008	16,828	-
Edward Byrne Memorial Justice Assistance Grant Program	Direct Award	16.738	2018-DJ- BX-0848	35,968	-
Opioid Affected Youth Initiative	Direct Award	16.842	2019-YB- FX-K005	189,077	186,809
Equitable Sharing Program	Direct Award	16.922		9,849	-
Total Department of Justice				<u>361,205</u>	<u>186,809</u>
<b>Department of Transportation</b>					
<i>Highway Planning and Construction Cluster</i>					
Highway Planning and Construction	Indiana Department of Transportation	20.205	DES 1801969	366,098	-
	Indiana Department of Transportation	20.205	DES 1383064	557,961	-
	Indiana Department of Transportation	20.205	DES 1383066	72,813	-
	Indiana Department of Transportation	20.205	DES 1700400	384,606	-
	Indiana Department of Transportation	20.205	DES 1006084	110,838	-
	Indiana Department of Transportation	20.205	DES 1383065	130,173	-
	Indiana Department of Transportation	20.205	DES 1801827	57,832	-
Total Highway and Construction				<u>1,680,321</u>	-
Total Highway and Construction / Cluster				<u>1,680,321</u>	-
<i>Federal Transit Cluster</i>					
Federal Transit Formula Grants	Direct Award	20.507	IN-2018- 025-00 SECTION 5307-2A	5,776	-
	Direct Award	20.507	IN-2018- 025-00 SECTION 5307-3	219,054	-
COVID-19	Direct Award	20.507	IN-2020- 034-00	2,914,693	-
	Direct Award	20.507	IN-2019- 012-00	563,465	-
	Direct Award	20.507	IN-2017- 006-01	70,004	-
	Direct Award	20.507	IN-2017- 011-00	73,024	-
Total Federal Transit Formula Grants				<u>3,846,016</u>	-

(Continued)

CITY OF EVANSVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended	Passed Through to Subrecipients
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	Direct Award	20.526	IN-2017- 019-01	70,942	-
	Direct Award	20.526	IN-2019- 012-02	146,993	-
Total Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs				<u>217,935</u>	-
Total Federal Transit Cluster				<u>4,063,951</u>	-
<i>Highway Safety Cluster</i>					
State and Community Highway Safety Program	Indiana Criminal Justice Institute	20.600	CHIRP- 2020	5,493	-
	Indiana Criminal Justice Institute	20.600	CHIRP- 2020-00080	56,003	-
Total State and Community Highway Safety Program				<u>61,496</u>	-
Total Highway Safety Cluster				<u>61,496</u>	-
Total Department of Transportation				<u>5,805,768</u>	-
<b>Department of Treasury</b>					
COVID-19 Coronavirus Relief Fund	Indiana Finance Authority	21.019		3,827,165	-
Total Department of Treasury				<u>3,827,165</u>	-
<b>Equal Employment Opportunity Commission</b>					
Employment Discrimination Title VII of the Civil Rights Act of 1964	Direct Award	30.001	EEC45310 018C0049	74,320	-
Total Equal Employment Opportunity Commission				<u>74,320</u>	-
<b>Environmental Protection Agency</b>					
<i>Clean Water State Revolving Fund Cluster</i>					
Capitalization Grants for Clean Water State Revolving Funds	Indiana Finance Authority	66.458	WW19138 219	15,480,382	-
	Indiana Finance Authority	66.458	DW181282 01	6,462,634	-
	Indiana Finance Authority	66.458	WW18188 218	441,521	-
Total Capitalization Grants for Clean Water State Revolving Funds				<u>22,384,537</u>	-
Total Clean Water State Revolving Fund Cluster				<u>22,384,537</u>	-
Total Environmental Protection Agency				<u>22,384,537</u>	-
<b>Total Schedule of Expenditures of Federal Awards</b>				<u>\$ 36,314,007</u>	<u>\$ 2,989,099</u>

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF EVANSVILLE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2020

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**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Evansville (the "City") under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State and Local Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**NOTE 2 - INDIRECT COST RATE**

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 - CALCULATION OF ECONOMIC DEVELOPMENT CLUSTER EXPENDITURES ON THE SEFA**

The reported expenditures were calculated as follows in accordance with guidance by the grantor:

**Revolving Loan Fund (RLF):**

Outstanding loans as of December 31, 2020	\$ 879,286
Revolving loan fund cash and investments at December 31, 2020	42,753
Administrative expenses paid out of RLF during 2020	-
Unpaid principal on loans written off during 2020	-
	<hr/>
Total Calculation Basis	\$ 922,039
Federal participation rate	75%
Expenditures reported on SEFA	<u>\$ 691,529</u>

CITY OF EVANSVILLE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 December 31, 2020

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**SECTION 1 - SUMMARY OF AUDITORS' RESULTS:**

***Financial Statements:***

Type of auditors report issued

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Qualified
Each Major Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal control over financial reporting

Material weakness(es) identified?	<u>  X  </u> Yes	<u>      </u> No
Significant deficiencies identified not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None Reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

***Federal Awards:***

Internal control over major programs

Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiencies identified not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None Reported

Type of auditor's report issued on compliance for the major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?

       Yes        X   No

Identification of major programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants - Entitlement Grants Cluster
21.019	Coronavirus Relief Fund
66.458	Capitalization Grants for Clean Water State Revolving Funds - Clean Water State Revolving Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs      \$ 750,000

Auditee qualified as low-risk auditee?             Yes        X   No

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(Continued)

CITY OF EVANSVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
December 31, 2020

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**SECTION 2 - FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

***2020-001 Internal Controls over Financial Reporting (Material Weakness)***

***Repeat Finding***

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2019-001.

**Criteria:** The reporting entity is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Government Accounting Standards Board (GASB). In accordance with 2 CFR Part 200 Subpart F § 200.510(a): "The auditee must prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited."

**Condition:** During our audit, we concluded that management did not have effective internal controls over financial statement reporting processes and the general ledger accounting system to adequately prepare the financial statements without material audit adjustments. The City's internal control environment over financial reporting did not timely detect certain adjustments related to the previous fiscal year that were needed to prevent the opening net position from being materially misstated. Additionally, certain adjustments related to the current year were identified through audit procedures that were needed to prevent current year financial statements from being materially misstated.

**Context:** Adjusting journal entries were made to the financial statements that impacted both the beginning net position and fund balances and current period balances and activity summarized as follows:

- Prior period adjustments:
  1. Reclassification of City governmental fund balances by moving the Rainy-Day Fund from a special revenue fund to be part of the General Fund (\$3,081,421).
  2. Increase the City's net book value of capital assets and increase net position by \$36,951,006 for assets not previously recorded. Increase Discretely Presented Component Units capital assets and net position by \$2,518,804.
  3. Decrease City liabilities and increase net position for an error related to debt elimination entries for a leasing transaction between the City and a blended component unit (\$25,881,126).
  4. Matters presented for component units audits: a) Increase accounts payable and decrease Discretely Presented Component Units net position for errors related to proper cut-off of payables (\$111,505). b) Decrease inventory balances and nonmajor fund balance for a Blended Component Unit (\$47,366).
- Current period adjustments:
  1. Increase self-insurance claims liability and expense for the City's Internal Service Fund (\$2,128,257) for error in measuring claims activity cut-off.
  2. Decrease the City's grants receivable and intergovernmental revenues for errors in revenue recognition due to recognizing the full award instead of the earned amounts based on allowable cost reimbursements (\$13,628,033 decrease to receivables, increase deferred inflows of resources by \$1,564,155 and decrease revenue by \$15,192,188).

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(Continued)

CITY OF EVANSVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
December 31, 2020

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**SECTION 2 - FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)**

- Other financial reporting matters
  1. A Discretely Presented Component Unit received a qualified opinion from other auditors for methods used to value purchased and donated property inventory that were not in accordance with accounting principles generally accepted in the United States of America. The effects on the accompanying financial statements of this departure from GAAP have not been determined. The same unit reported a material weakness for lack of controls over preparation of GAAP financial statements.

**Effect:** Annual financial statements may not be presented consistent with U.S. Generally Accepted Accounting Principles (GAAP)

**Cause:** The City's reporting entity generally records its' activities on a cash basis throughout the year and converts to GAAP at year end. The 2020 audit was the second year preparing GAAP basis financial statements. Prior period adjustments were made to correct errors discovered after the first-year implementation. Current period adjustments related to proper cut-off of revenue and expense and related receivables and current liabilities.

**Questioned Costs:** Not Applicable.

**Recommendation:** We recommend that management create and reinforce use of standard protocol for annual GAAP reporting including general ledger closing, cut-off of receivables and payables, GAAP reconciliation process and GAAP conversion journal entries, in order to prepare accurate financial statements.

**Views of responsible officials and planned corrective actions:** Management concurs with the finding. See Management's Corrective Action Plan as part of the separate Federal Audit Clearinghouse reporting package.

**SECTION 3 - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported



## CITY OF EVANSVILLE

**Office of the Controller**  
CIVIC CENTER COMPLEX, ROOM 300  
ONE NW MARTIN LUTHER KING, JR. BOULEVARD  
EVANSVILLE, INDIANA 47708  
(812) 436-4919

Lloyd Winnecke, Mayor

Russell Lloyd Jr. CPA, Controller

August 1, 2022

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### Section 2 – Federal Award Finding and Questioned Costs

##### **FINDING 2019-001**

Subject: Internal controls over capital assets of the City of Evansville and various component units.

Audit Finding: Material Weakness

Contact Persons Responsible for Corrective Action:  
Russell Lloyd CPA, Controller, Contact Phone Number: 812-436-4919

Dear State Board Member(s):

Description of Corrective Action Plan:

Capital Assets: For Finding 2019-001, corrective action has been taken on internal controls to document review and approval. However, prior period adjustments were required as identified by Finding 2020-001 which indicates that the City is addressing the financial reporting errors from the past reporting periods. See the Corrective Action Plan for how the City of Evansville is addressing the issues identified for Finding 2019-001 and 2020-001.

Anticipated Completion Date: December 31, 2022

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Russell Lloyd Jr. CPA".

Russell G. Lloyd Jr. CPA  
Controller



## CITY OF EVANSVILLE

**Office of the Controller**  
CIVIC CENTER COMPLEX, ROOM 300  
ONE NW MARTIN LUTHER KING, JR. BOULEVARD  
EVANSVILLE, INDIANA 47708  
(812) 436-4919

Lloyd Winnecke, Mayor

Russell Lloyd Jr. CPA, Controller

August 1, 2022

### CORRECTIVE ACTION PLAN

#### Section 2 – Financial Statement Findings

##### ***FINDING 2020-001***

Subject: Internal controls over Capital Assets of the City of Evansville and various component units.

Audit Finding: Material Weakness

Contact Persons Responsible for Corrective Action:

Russell Lloyd CPA, Controller Contact Phone Number: 812-436-4919

Dear State Board Member(s):

The City of Evansville management concurs with the State Board of Account auditor's Finding 2020-001 outlining material weakness in reporting capital assets and other reported audit adjustments resulting from internal control weaknesses reported.

Description of Corrective Action Plan:

Capital Assets: The City of Evansville has modified the process of reporting audit adjustments for capital assets for the City and component units. Other reported audit adjustments have been resolved for 2021 reporting through coordination of the City, and its financial reporting consultant, updating internal controls and processes to collect information and to prepare and review financial statements.

Anticipated Completion Date: December 31, 2022

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Russell Lloyd Jr. CPA".

Russell G. Lloyd Jr. CPA  
Controller