



**STATE OF INDIANA**  
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May 24, 2023

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, 2021 to December 31, 2021. Per the *Independent Auditor's Report*, except for the effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, 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.

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

In addition to the report presented herein, a Supplemental Report for the City of Evansville was prepared in accordance with the guidelines established by the State Board of Accounts.

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, 2021

# City of Evansville, Indiana

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# City of Evansville, Indiana

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## **INTRODUCTORY SECTION**

# City of Evansville, Indiana

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## Schedule of Officials

<b>Office</b>	<b>Official</b>	<b>Term</b>
<b>Controller</b>	<b>Russel G. Lloyd Jr., CPA</b>	<b>01-01-21 to 12-31-22</b>
<b>Mayor</b>	<b>Lloyd Winnecke</b>	<b>01-01-21 to 12-31-22</b>
<b>President of the Board of Public Works</b>	<b>William Nix</b> Marty Amsler	<b>01-01-22 to 12-31-22</b> 01-01-21 to 12-31-21
<b>President of the Common Council</b>	<b>Zac Heronemus</b> Ron Beane	<b>01-01-22 to 12-31-22</b> 01-01-21 to 12-31-21
<b>Director of Utilities</b>	<b>Lane Young</b>	<b>01-01-21 to 12-31-22</b>
<b>Chief Financial Officer of Utilities</b>	<b>(Vacant)</b> Lee Angela Phaup <b>(Vacant)</b> Jenny Collins	<b>03-05-22 to 12-31-22</b> 05-17-21 to 03-04-22 03-08-21 to 05-16-21 01-01-21 to 03-07-21
<b>President of the Department of Water Works Board</b>	<b>Steven Heidorn</b>	<b>01-01-21 to 12-31-22</b>

INDEPENDENT AUDITOR’S REPORT

Those Charged with Governance  
City of Evansville  
Vanderburgh County, Indiana

**Report on the Audit of the Financial Statements**

***Qualified and Unmodified Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Evansville (the “City”), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

*Summary of Opinions*

<b>Opinion Unit</b>	<b>Type of Opinion</b>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Qualified
General Fund	Unmodified
Local Income Tax	Unmodified
Enterprise Fund – Water Utility	Unmodified
Enterprise Fund – Wastewater Utility	Unmodified
Aggregate Remaining Fund Information	Unmodified

*Qualified Opinion on Aggregate Discretely Presented Component Units*

In our opinion, except for the effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, the accompanying 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, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund, and Aggregate Remaining Fund Information*

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Evansville Land Bank nor the Evansville Bond Bank, which represent 51 percent, 52 percent, and 61 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.

### ***Basis for Qualified and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

### ***Matter Giving Rise to 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.

### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Pension Schedules, and OPEB Schedules, as listed in the Table of Contents, on pages 78 through 98 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 Combining Financial Statements as listed in the Table of Contents, on pages 99 through 128 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 by us and other auditors.

In our opinion, the Combining Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

  
Crowe LLP

Indianapolis, Indiana  
April 20, 2023

## **FINANCIAL SECTION**

# City of Evansville, Indiana

## Management's Discussion and Analysis

December 31, 2021

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, 2021. 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 \$181,466 (net position).
- The City's total governmental activities net position decreased by \$24,414 as compared to the 2020 total net position.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$94,965 an increase of \$7,561 in comparison with the prior year. Approximately 14.83 percent of the total amount in the combined ending fund balances, \$14,081 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 \$16,244 which represented 18.68 percent of total general fund expenditures, excluding transfers out.
- The City's Governmental activities total bond related debt decreased by \$7,503 during the current fiscal year. The net change was the result of principal payments on existing debt of \$11,482 and new bonds issued totaling \$3,979.

### Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets and culture and recreation, urban redevelopment and debt service.

The government-wide financial statements can be found on pages 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 and Local Income Tax fund, 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 – 14 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 15 – 16 of this report.

# City of Evansville, Indiana

## Management's Discussion and Analysis

December 31, 2021

**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 17 – 76 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 77 – 98 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 99 – 128 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 \$182,666 at the close of the most recent fiscal year.

The largest portion, \$244,008 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 \$95,571 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:

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 214,618	\$ 340,320	\$ 554,938	\$ 159,991	\$ 461,424	\$ 621,415
Noncurrent assets	-	-	-	-	1,492	1,492
Capital assets	457,162	793,848	1,251,010	471,169	647,286	1,118,455
Total assets	671,780	1,134,168	1,805,948	631,160	1,110,202	1,741,362
Deferred outflow of resources	128,422	15,591	144,013	145,505	9,434	154,939
Long-term liabilities	822,169	704,320	1,526,489	823,683	767,568	1,591,251
Other liabilities	13,808	30,563	44,371	15,889	16,527	32,416
Total liabilities	835,977	734,883	1,570,860	839,572	784,095	1,623,667
Deferred inflow of resources	145,301	7,991	153,292	91,144	1,243	92,387
Net investment in capital assets	248,686	281,181	529,867	254,135	246,763	500,898
Restricted net position	95,571	53,915	149,486	79,335	38,334	117,669
Unrestricted net position	(525,723)	71,787	(453,936)	(490,522)	49,201	(441,321)
Total net position	\$ (181,466)	\$ 406,883	\$ 225,417	\$ (157,052)	\$ 334,298	\$ 177,246

# City of Evansville, Indiana

## Management's Discussion and Analysis

December 31, 2021

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

### Governmental Activities

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

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 8,733	\$ 147,183	\$155,916	\$ 6,600	\$ 142,110	\$ 148,710
Operating grants and contributions	19,218	-	19,218	20,738	-	20,738
General revenues:						
Property taxes	70,662	-	70,662	70,235	-	70,235
Income taxes	28,697	-	28,697	30,209	-	30,209
Other taxes	7,072	-	7,072	1,322	-	1,322
Contributions	34	1,219	1,253	222	1,767	1,989
Other	24,293	1,946	26,239	39,098	5,580	44,678
Total revenues	158,709	150,348	309,057	168,424	149,457	317,881
<b>Expenses</b>						
General government	59,165	-	59,165	63,723	-	63,723
Public safety	88,611	-	88,611	63,123	-	63,123
Highways and streets	6,891	-	6,891	25,391	-	25,391
Urban redevelopment	5,444	-	5,444	16,889	-	16,889
Wastewater	-	45,316	45,316	-	67,707	67,707
Water	-	69,872	69,872	-	44,326	44,326
Culture and recreation	14,567	-	14,567	28,505	-	28,505
Interest expense	8,445	-	8,445	21,560	-	21,560
Total expenses	183,123	115,188	298,311	219,191	112,033	331,224
Change in net position	(24,414)	35,160	10,746	(50,767)	37,424	(13,343)
Net position, prior period adjustment	-	-	-	62,836	-	62,836
Net position, beginning, as adjusted	(157,052)	371,723	214,671	(169,121)	334,299	165,178
Net position at December 31	\$ (181,466)	\$ 406,883	\$225,417	\$ (157,052)	\$ 371,723	\$ 214,671

The City's net position from governmental activities decreased by \$24,414 in 2021, over the net position of 2020. The City's net position from Business-type activities increased by \$35,160 in 2021, over the net position of 2020. Notable revenues and expenses in 2021 include the following:

- Charges for services totaled \$8,733 from the following functions: General Government of \$4,203; Public Safety of \$211; Urban redevelopment of \$36; and Culture and recreation of \$4,282.
- Operating grants and contributions totaled \$19,218 from the following functions: General Government of \$9,084; Public Safety of \$5,990; Highway and streets of \$2,945; Urban redevelopment of \$1,130; and Culture and recreation of \$69.
- Property tax revenue, income tax revenue and other taxes of \$70,662, \$28,697 and \$7,072 respectively.
- General government expenses were \$59,165.

# City of Evansville, Indiana

Management's Discussion and Analysis  
December 31, 2021

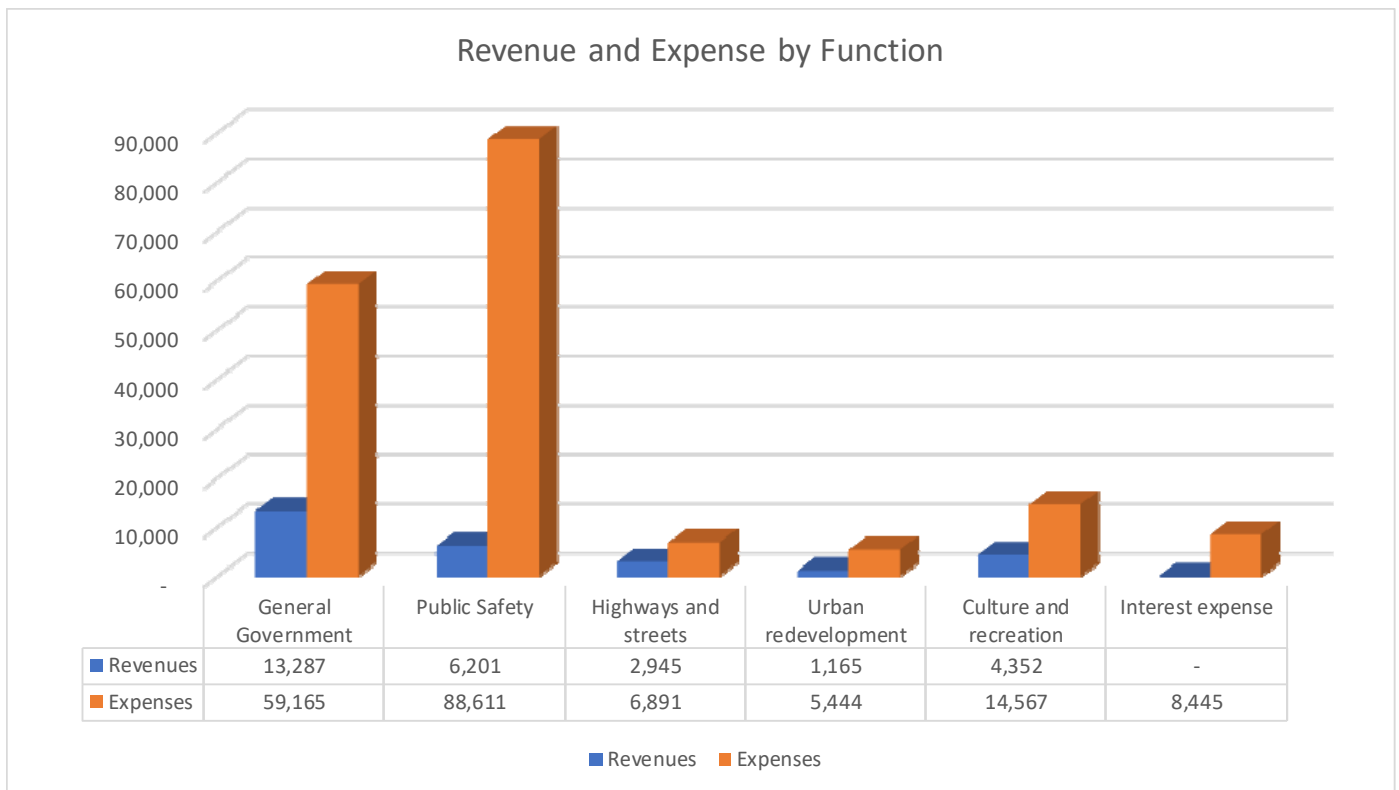
- Public safety expenses were \$88,611.
- Highways and streets expenses were \$6,891.
- Culture and recreation expenses were \$14,567.
- Interest expense was \$8,445.

The City's unrestricted cash and investments increased to \$122,128 from \$85,652 at December 31, 2021. The City's property tax rate for 2021 increased to \$1.7005 from \$1.6637 in 2020, 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

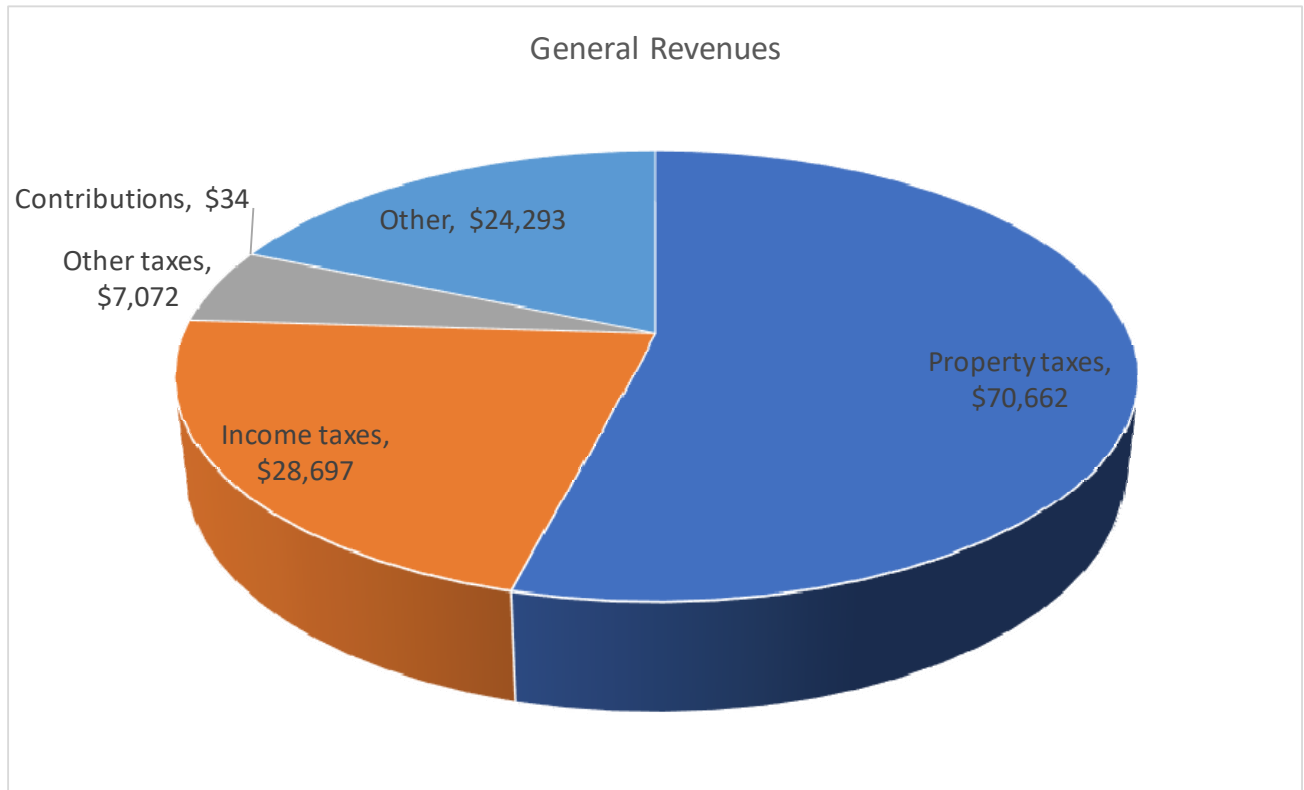
Taxes, as in prior years, were the City's major source of revenue supporting its activities, primarily in the area of public safety, health and welfare and general government. Other sources of revenue consisted primarily of unrestricted investment earnings and miscellaneous revenue. The following table 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  
December 31, 2021

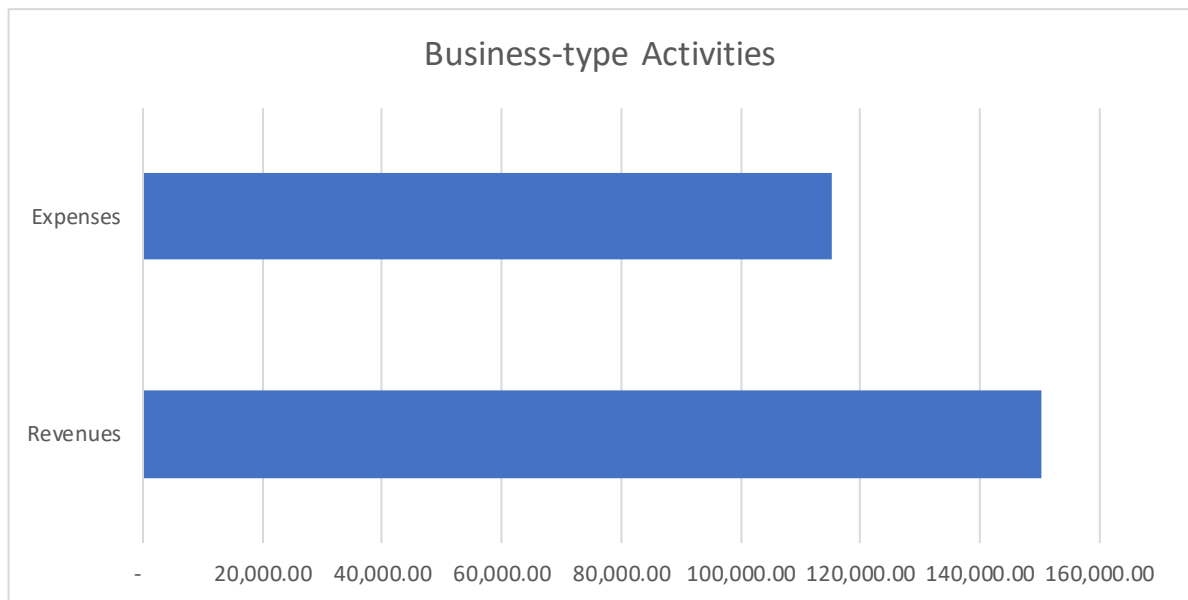
The following displays the General Revenues by source for the City's governmental activities. General revenues are used to help offset funding shortfalls related to governmental functions detailed in the preceding graph:



## Business-Type Activities

Business-type activities resulted in an increase to net position of \$35,160 in 2021.

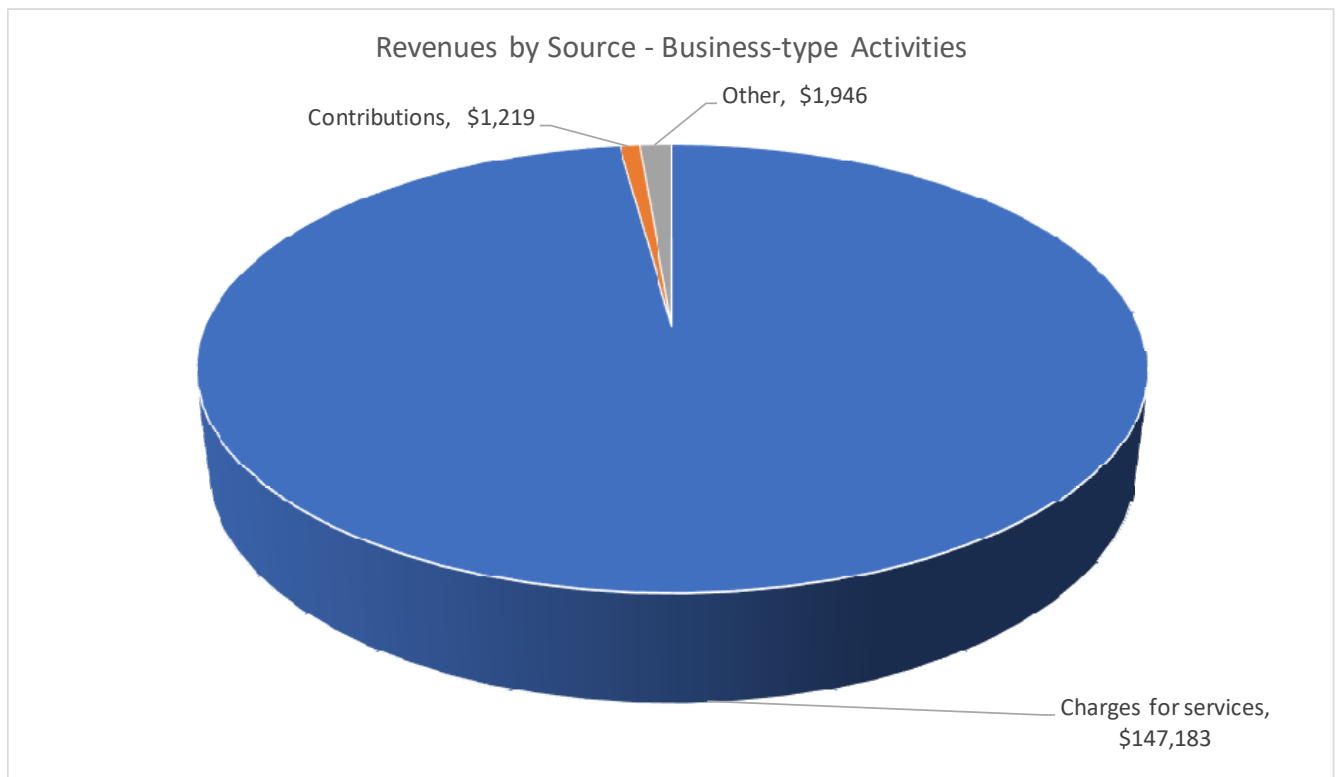
The following displays the Expenses and Revenues of the City's business-type activities, in thousands.



# City of Evansville, Indiana

Management's Discussion and Analysis  
December 31, 2021

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 \$94,965 an increase of \$7,561 in comparison with the prior year. The fund balance has restricted fund balance of \$77,714, committed fund balance of \$2,701, assigned fund balance of \$468 and unassigned fund balance of \$14,081.

# City of Evansville, Indiana

## Management's Discussion and Analysis

December 31, 2021

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 \$15,776. 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 \$86,979 excluding transfers. Unassigned fund balance and total fund balance represents 18.14 percent and 18.68 percent, respectively of total general fund expenditures.

The fund balance of the City general fund had an increase of \$6,324 during the current fiscal year. Key factors in this decrease are as follows:

- Expenditures exceeded revenues by \$9,267 excluding other financing sources and uses. Fund balance was increased 15,591 due to transfers from other funds.
- Major revenues include property taxes of \$60,424, Intergovernmental revenues of \$11,330, charges for services of \$1,753 and fines and forfeits of \$1,091.
- Major expenditure changes include general government of \$14,925, public safety of \$70,466, urban redevelopment of \$1,326 in 2021.

### 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 increases of \$2,773, expenditure decreases of \$196 and reduction of other financing sources of \$1,127. The final budget projected an increase in fund balance for the general fund of \$1,884, an increase of \$1,842 from the original budget. Final budget amounts are summarized below:

- The final budget revenues for 2021 was \$78,763.
- The final budget expenditures for 2021 was \$92,470.
- The final budget other financing sources for 2021 was \$15,591.

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, 2021 amounts to \$457,162 and \$793,848 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 \$44,50 during 2021 related to projects for various road projects, the aquatic center, drainage projects and a penguin exhibit.
- Construction in progress for the Water Utility of \$40,601 and the Wastewater Utility of \$202,678 are for plant additions, maintenance and equipment.
- Completed projects include various road projects.

## City of Evansville, Indiana

Management's Discussion and Analysis  
December 31, 2021

The following table displays the City's capital assets.

### Evansville City, Indiana, Capital Assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land	\$ 35,061	\$ 4,945	\$ 40,006
Construction in Progress	38,545	243,279	281,824
Buildings	232,182	209,248	441,430
Improvements	32,427	8,886	41,313
Infrastructure	67,963	608,903	676,866
Machinery and Equipment	578,466	98,025	676,491
Leased equipment	-	5,433	5,433
Total capital assets	984,644	1,178,719	2,163,363
Accumulated depreciation	<u>(527,482)</u>	<u>(384,871)</u>	<u>(912,353)</u>
Net capital assets	<u>\$ 457,162</u>	<u>\$ 793,848</u>	<u>\$ 1,251,010</u>

See Note 3 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 \$792,097 related to governmental activities and \$675,984 related to business-type activities. Of this amount, \$14,429 relates to TIF bonds, \$126,237 comprises lease rental bonds and \$58,457 of revenue bonds for governmental activities and \$310,747 relates to revenue bond debt for the business-type activities.

## City of Evansville, Indiana

### Management's Discussion and Analysis

December 31, 2021

The remainder of the City's long-term obligations consist of \$1,247 and \$2,477 related to a capital leases for the governmental activities and business-type activities respectively, \$1,738 related to loans payable for governmental activities; \$426,648 of other postemployment benefits for governmental activities and \$142,772 and 3,099 of net pension liability for governmental activities and business-type activities respectively. The following table reflects the City's long-term obligations:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
TIF bonds	\$ 20,366	\$ -	\$ 20,366
Lease rental bonds	123,680	-	123,680
Revenue bonds	59,895	330,835	390,730
Subtotal	203,941	330,835	534,776
Unearned revenue	32,242	-	32,242
Compensated absences	1,265	1,602	2,867
Capital leases	1,814	3,282	5,096
Loans payable	1,814	364,801	366,615
Total OPEB liability	426,648	702	427,350
Net pension liability	142,772	3,099	145,871
Subtotal	606,555	373,486	980,041
Total	810,496	704,321	1,514,817
Less current portion	(18,399)	(28,337)	(46,736)
Total long-term obligations	<u>\$ 792,097</u>	<u>\$ 675,984</u>	<u>\$ 1,468,081</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 "Aa2" long-term rating to the City's outstanding redevelopment authority 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 38 – 47 in Notes to the Financial Statements of this report. See Note 3 Long-Term Obligations and Note 3 Lease Disclosures.

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

- The 2022 tax rates for the City of Evansville increased from \$1.7005 in 2021 to a rate of \$1.7558 per \$100 in assessed value. Overall the City's assessed value increased by approximately 0.44 percent from 2021 to 2022.
- 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 2023 budget was adopted.

## City of Evansville, Indiana

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Management's Discussion and Analysis  
December 31, 2021

- 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 2022 budget year, the loss to the City due to the caps is \$10,115 (up from \$9,079 for 2021). Expenditure restraints and revenue diversification have been used to offset this loss. The City 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 was awarded and received approximately \$32 million dollars in 2021 and an additional \$32 million in 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 2022 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, 2021

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 39,619,156	\$ 34,486,245	\$ 74,105,401	\$ 3,823,880
Improvement fund cash and cash equivalents	-	29,467,344	29,467,344	-
Investments	82,508,596	-	82,508,596	5,351,869
Receivables:				
Accounts	722,298	9,677,854	10,400,152	408,766
Interest	7,096	-	7,096	18,192
Notes	-	-	-	7,902,061
Taxes	64,467,463	-	64,467,463	-
Intergovernmental	3,337,557	-	3,337,557	-
Loans	-	-	-	196,811
Miscellaneous	-	311,566	311,566	-
Inventories	385,242	2,867,124	3,252,366	-
Prepays	783,781	535,686	1,319,467	7,949
Other assets	-	-	-	1,500
Due from other fund	-	1,106,171	1,106,171	-
Restricted assets:				
Bond and interest cash	-	31,105,756	31,105,756	-
Debt service reserve cash	-	42,648,696	42,648,696	-
Improvement fund cash	-	500,000	500,000	-
Periodic maintenance fund cash	-	3,673,124	3,673,124	-
WWTP replacement cash	-	3,000,000	3,000,000	-
Construction fund cash	-	133,230,006	133,230,006	-
Consumer meter deposit cash	-	1,710,925	1,710,925	-
Excess pension cash	-	1,204,446	1,204,446	-
Cash with fiscal agent	-	4,461,419	4,461,419	-
Assistance program cash	-	26,998	26,998	-
Construction fund investments	-	40,243,793	40,243,793	-
Other receivable	-	15,445	15,445	-
Interest receivable	-	47,198	47,198	-
Net pension asset	22,787,185	-	22,787,185	-
Capital assets:				
Land and construction in progress	73,605,984	248,224,823	321,830,807	860,135
Capital assets, not depreciated	-	-	-	1,789
Other capital assets, net of depreciation	383,555,725	925,062,231	1,308,617,956	7,786,323
Leased buildings	-	1,766,184	1,766,184	-
Leased vehicles	-	1,838,325	1,838,325	-
Leased IT equipment	-	1,828,452	1,828,452	-
Less accumulated depreciation	-	(383,222,206)	(383,222,206)	-
Less accumulated depreciation for leased assets	-	(1,650,000)	(1,650,000)	-
Total assets	<u>671,780,083</u>	<u>1,134,167,605</u>	<u>1,805,947,688</u>	<u>26,359,275</u>
<b>Deferred Outflows of Resources</b>				
Deferred amount on refunding of debt	8,952,369	7,082,734	16,035,103	-
Pension related	25,579,231	2,814,387	28,393,618	135,086
OPEB related	93,889,928	-	93,889,928	-
Regulatory assets	-	5,693,627	5,693,627	-
Total deferred outflows of resources	<u>128,421,528</u>	<u>15,590,748</u>	<u>144,012,276</u>	<u>135,086</u>

See notes to financial statements

**City of Evansville, Indiana**

Statement of Net Position  
December 31, 2021

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
<b>Liabilities</b>				
Accounts payable	\$ 4,487,317	\$ 2,672,804	\$ 7,160,121	\$ 33,434
Contracts payable	-	7,507,457	7,507,457	-
Accrued payroll and withholdings payable	1,970,033	404,107	2,374,140	18,463
Taxes payable	-	179,535	179,535	-
Interfund services provided and used	-	1,076,561	1,076,561	-
Accrued interest payable	3,236,184	9,761,938	12,998,122	-
Claims payable	4,112,644	-	4,112,644	-
Customer deposits payable	-	1,589,934	1,589,934	-
Retainage payable	-	7,343,065	7,343,065	-
Assistance program	-	26,998	26,998	-
DMD seed money	2,500	-	2,500	-
Noncurrent liabilities:				
Due within one year:				
Capital lease obligations	567,343	804,612	1,371,955	-
Compensated absences	1,264,851	1,601,923	2,866,774	-
State revolving loan fund	-	6,964,970	6,964,970	-
Revenue bonds	4,775,000	18,965,000	23,740,000	-
TIF bonds	6,540,592	-	6,540,592	-
Lease rental bonds	5,175,000	-	5,175,000	-
Loans	76,113	-	76,113	-
Due in more than one year:				
Capital lease obligations	1,246,851	2,476,997	3,723,848	-
Revenue bonds (net of discounts, premiums)	58,456,932	310,746,515	369,203,447	-
State revolving loan fund	-	357,835,819	357,835,819	-
TIF bonds (net of discounts, premiums)	14,429,076	-	14,429,076	-
Lease rental bonds (net of discounts, premiums)	126,237,133	-	126,237,133	-
Loans	1,737,653	-	1,737,653	-
Unamortized premium or discount net	-	1,122,991	1,122,991	-
Other long-term payables:				
Unearned revenue	32,241,888	-	32,241,888	180,841
Net pension liability	142,771,931	3,099,216	145,871,147	-
Total OPEB liability	<u>426,648,254</u>	<u>702,956</u>	<u>427,351,210</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>835,977,295</u></b>	<b><u>734,883,398</u></b>	<b><u>1,570,860,693</u></b>	<b><u>232,738</u></b>
<b>Deferred Inflows of Resources</b>				
Pension related	44,817,222	4,809,800	49,627,022	254,462
OPEB related	41,907,920	3,181,541	45,089,461	-
Unavailable revenue	<u>58,965,379</u>	<u>-</u>	<u>58,965,379</u>	<u>-</u>
<b>Total deferred inflows of resources</b>	<b><u>145,690,521</u></b>	<b><u>7,991,341</u></b>	<b><u>153,681,862</u></b>	<b><u>254,462</u></b>
<b>Net Position</b>				
Net investment in capital assets	248,686,151	281,181,066	529,867,217	8,648,247
Net position, restricted for:				
Public safety	6,521,071	-	6,521,071	-
Highways and streets	11,273,821	-	11,273,821	-
Health and welfare	-	-	-	-
General government	1,059,807	-	1,059,807	-
Culture and recreation	987,897	-	987,897	-
Economic development	-	-	-	-
Capital projects	11,523,137	-	11,523,137	-
Debt service	4,198,461	-	4,198,461	-
Pension	22,787,185	-	22,787,185	-
Urban redevelopment	24,011,961	-	24,011,961	-
Utility	-	53,915,443	53,915,443	-
Net position, unrestricted (deficit)	<u>(512,515,696)</u>	<u>71,787,105</u>	<u>(440,728,591)</u>	<u>17,358,914</u>
<b>Total net position</b>	<b><u>\$ (181,466,205)</u></b>	<b><u>\$ 406,883,614</u></b>	<b><u>\$ 225,417,409</u></b>	<b><u>\$ 26,007,161</u></b>

See notes to financial statements

**City of Evansville, Indiana**

Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
					Governmental Activities	Business-Type Activities	
<b>Primary Government</b>							
Governmental activities:							
General government	\$ 59,165,198	\$ 4,613,305	\$ 9,083,983	\$ -	\$ (45,467,910)	\$ -	\$ -
Public safety	88,610,501	423,085	5,989,703	-	(82,197,713)	-	-
Highways and streets	6,890,913	495	4,109,072	-	(2,781,346)	-	-
Urban redevelopment	5,444,491	35,646	1,129,652	-	(4,279,193)	-	-
Culture and recreation	14,567,379	4,282,343	569,353	-	(9,715,683)	-	-
Interest on long-term debt	8,444,626	-	-	-	(8,444,626)	-	-
Total primary government	<u>183,123,108</u>	<u>9,354,874</u>	<u>20,881,763</u>	<u>-</u>	<u>(152,886,471)</u>	<u>-</u>	<u>-</u>
<b>Business-Type Activities</b>							
Water Utility	45,315,515	58,541,740	-	-	-	13,226,225	-
Waste Water Utility	69,871,517	88,640,931	-	-	-	18,769,414	-
Total business-type activities	<u>\$ 115,187,032</u>	<u>\$ 147,182,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>31,995,639</u>	<u>-</u>
<b>Component Unit</b>							
Port Authority	\$ 238,992	\$ -	\$ -	\$ -	-	-	(238,992)
Evansville Bond Bank	5,038,271	-	-	-	-	-	(5,038,271)
Levy Authority	2,140,684	2,000	-	-	-	-	(2,138,684)
Land Bank	213,898	-	250,000	-	-	-	36,102
Total component unit	<u>\$ 7,631,845</u>	<u>\$ 2,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(7,379,845)</u>
<b>General Revenues</b>							
Taxes:							
Property taxes					70,662,100	-	1,593,587
Income taxes					28,696,965	-	475,222
Food and beverage taxes					5,150,248	-	-
Other taxes					1,921,789	-	-
Local shared revenue					14,958,378	-	138,120
Unrestricted investment earnings					345,950	460,745	31,851
Other:							
Donations					-	-	58,798
BAB Subsidy income					-	610,698	-
Contributions					34,212	1,219,016	-
Gain on sale of disposal					-	-	(289,844)
Rent					3,558,099	-	-
Miscellaneous					3,144,347	874,241	3,646,357
Total general revenues					<u>128,472,088</u>	<u>3,164,700</u>	<u>5,654,091</u>
Change in net position					(24,414,383)	35,160,339	(1,725,754)
<b>Net Position (Deficit), Beginning</b>					<u>(157,051,822)</u>	<u>371,723,275</u>	<u>27,732,915</u>
<b>Net Position (Deficit), Ending</b>					<u>\$ (181,466,205)</u>	<u>\$ 406,883,614</u>	<u>\$ 26,007,161</u>

See notes to financial statements

**City of Evansville, Indiana**

Balance Sheet -  
 Governmental Funds  
 December 31, 2021

	<u>General Fund</u>	<u>Local Income Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,253,192	\$ 3,776,840	\$ 33,589,124	\$ 39,619,156
Investments	9,012,342	7,240,082	65,606,042	81,858,466
Inventory	-	-	385,242	385,242
Receivables:				
Taxes	50,590,034	4,369,238	9,508,191	64,467,463
Interest	-	-	7,096	7,096
Accounts	267,930	-	397,856	665,786
Intergovernmental	2,919,651	96,339	308,066	3,324,056
Other assets	-	-	558	558
Interfund receivable:				
Interfund receivables	4,436,090	-	-	4,436,090
 Total assets	 <u>\$ 69,479,239</u>	 <u>\$ 15,482,499</u>	 <u>\$ 109,802,175</u>	 <u>\$ 194,763,913</u>
 <b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 272,018	\$ 1,197,320	\$ 1,820,126	\$ 3,289,464
Accrued payroll and withholdings payable	1,814,577	-	151,498	1,966,075
Unearned revenue	-	-	32,241,888	32,241,888
DMD seed money	-	-	2,500	2,500
Interfund payable:				
Interfund payable	-	-	1,382,309	1,382,309
 Total liabilities	 <u>2,086,595</u>	 <u>1,197,320</u>	 <u>35,598,321</u>	 <u>38,882,236</u>
 <b>Deferred Inflows of Resources</b>				
Unavailable revenue	51,148,240	1,077,932	8,690,685	60,916,857
 Total deferred inflows of resources	 <u>51,148,240</u>	 <u>1,077,932</u>	 <u>8,690,685</u>	 <u>60,916,857</u>
 <b>Fund Balances</b>				
Restricted	-	-	64,507,065	64,507,065
Committed	-	-	2,701,263	2,701,263
Assigned	468,282	-	-	468,282
Unassigned (deficit)	15,776,122	13,207,247	(1,695,159)	27,288,210
 Total fund balances	 <u>16,244,404</u>	 <u>13,207,247</u>	 <u>65,513,169</u>	 <u>94,964,820</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 69,479,239</u>	 <u>\$ 15,482,499</u>	 <u>\$ 109,802,175</u>	 <u>\$ 194,763,913</u>

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, 2021

**Fund Balance - Governmental Funds** \$ 94,964,820

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	\$ 73,605,984	
Capital assets not depreciated	<u>383,555,725</u>	457,161,709

Prepays are not current financial resources and, therefore, are not reported in the funds. 783,781

Pension liability is not paid from current financial resources and, therefore, is not shown in the funds.

Net pension asset	22,787,185	
OPEB liability	(426,648,254)	
Net pension liability	<u>(142,771,931)</u>	(546,633,000)

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 8,952,369

Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position 25,579,231

Deferred outflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position 93,889,928

Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position (44,817,222)

Deferred inflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position (41,907,920)

Other assets are not recognized in the governmental funds but are recorded in the statement of net position (558)

Unavailable revenues are not available to pay current liabilities and, therefore, are not reported as liabilities in the Statement of Net Position. 1,951,478

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.  
Less interfund payable (7,648,093)

Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds. (1,264,851)

Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds. (3,236,184)

Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the funds: (1,814,194)

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	(131,412,133)	
Loans payable	(1,813,766)	
Tax increment financing bonds	(20,969,668)	
Revenue bonds	<u>(63,231,932)</u>	(217,427,499)

**Net Position of Governmental Activities** \$ (181,466,205)

See notes to financial statements

**City of Evansville, Indiana**

Statement of Revenues, Expenditures and Changes in Fund Balances -

Governmental Funds

Year Ended December 31, 2021

	General Fund	Local Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes:				
Property	\$ 60,424,223	\$ -	\$ 18,257,389	\$ 78,681,612
Income	-	21,705,086	5,634,464	27,339,550
Food and beverage	-	-	5,150,248	5,150,248
Other	-	-	1,921,789	1,921,789
Licenses and permits	1,265,244	-	-	1,265,244
Intergovernmental	11,330,127	310,357	23,605,594	35,246,078
Charges for services	2,375,785	-	4,498,611	6,874,396
Fines and forfeits	1,091,062	-	124,172	1,215,234
Investment earnings	23,532	42,429	279,988	345,949
Other:				
Contribution	34,212	-	-	34,212
Rent	-	-	3,558,099	3,558,099
Miscellaneous	1,167,480	-	1,976,866	3,144,346
<b>Total revenues</b>	<u>77,711,665</u>	<u>22,057,872</u>	<u>65,007,220</u>	<u>164,776,757</u>
<b>Expenditures</b>				
Current:				
General government	14,924,820	7,800,432	276,339	23,001,591
Public safety	70,465,946	-	4,290,975	74,756,921
Highways and streets	-	-	6,290,790	6,290,790
Culture and recreation	-	-	13,518,497	13,518,497
Urban redevelopment	1,325,883	-	4,119,305	5,445,188
Debt service:				
Principal	63,872	-	11,506,804	11,570,676
Interest	2,999	-	7,906,736	7,909,735
Capital lease	59,600	-	546,873	606,473
Capital outlay:				
General government	99,130	-	10,402,738	10,501,868
Public safety	36,480	-	-	36,480
Urban redevelopment	-	-	2,614,420	2,614,420
<b>Total expenditures</b>	<u>86,978,730</u>	<u>7,800,432</u>	<u>61,473,477</u>	<u>156,252,639</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,267,065)</u>	<u>14,257,440</u>	<u>3,533,743</u>	<u>8,524,118</u>
<b>Other Financing Sources (Uses)</b>				
Bond proceeds	-	-	3,979,100	3,979,100
Loan proceeds	-	-	205,000	205,000
Contribution expense	-	-	(3,979,100)	(3,979,100)
Transfers in	15,591,153	-	20,729,807	36,320,960
Transfers out	-	(10,347,288)	(27,142,253)	(37,489,541)
<b>Total other financing sources and uses</b>	<u>15,591,153</u>	<u>(10,347,288)</u>	<u>(6,207,446)</u>	<u>(963,581)</u>
Net change in fund balances	6,324,088	3,910,152	(2,673,703)	7,560,537
<b>Fund Balances, Beginning</b>	<u>9,920,316</u>	<u>9,297,095</u>	<u>68,186,872</u>	<u>87,404,283</u>
<b>Fund Balances, Ending</b>	<u>\$ 16,244,404</u>	<u>\$ 13,207,247</u>	<u>\$ 65,513,169</u>	<u>\$ 94,964,820</u>

See notes to financial statements

**City of Evansville, Indiana**

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**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2021**

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) \$ 7,560,537

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  
in the current period:

Capital outlays	22,411,905
Loss on capital disposal of assets	(987,327)
Depreciation expense	(35,883,747)

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 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	\$ 11,481,670
Amortization of bond discount/premium and loss on refunding	1,247,613
Principal paid on loans	89,006
Par amount of bonds issued	(3,979,100)
Proceeds from loans	(205,000)
Principal paid on capital lease	606,472
	<u>9,240,661</u>

Revenues in the Statement of Activities that do not provide current financial resources are not  
reported as revenues in the funds:

Deferred inflows, pensions	(35,937,537)
Deferred outflows, OPEB	(18,626,907)

Expenses in the Statement of Activities that do not provide current financial resources are not  
reported as expenditures in the funds:

Deferred outflows of resources, pensions	9,123,072
Deferred outflows of resources, OPEB	(25,470,580)
Amortization of deferred amount on refundings	(735,694)

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. 269,932

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. 77,303

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. 200,804

Pension assets are considered revenues of the general government and,  
therefore, are not reported as current revenues in the funds. 22,787,185

Pension obligations are considered expenses of the general government and,  
therefore, are not reported as current expenditures in the funds. 23,891,058

OPEB liability reported in the Statement of Activities does not require the use of current  
resources and, therefore, are not reported as expenditures in governmental funds. 417,874

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. (2,752,922)

**Change in Net Position of Governmental Activities (Statement of Activities) \$ (24,414,383)**

*See notes to financial statements*

**City of Evansville, Indiana**

Statement of Net Position -

Proprietary Fund

December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
				<b>Activities</b>
	<b>Water Utility</b>	<b>Waste Water Utility</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 8,548,512	\$ 25,937,733	\$ 34,486,245	\$ -
Improvement fund cash and cash equivalents	5,162,907	24,304,437	29,467,344	-
Investments	-	-	-	650,130
Receivables:				
Accounts	2,935,008	6,742,846	9,677,854	56,512
Intergovernmental	-	-	-	13,501
Miscellaneous	311,566	-	311,566	-
Inventory	1,280,032	1,587,092	2,867,124	-
Prepays	322,969	212,717	535,686	-
Due from other fund	1,101,761	4,410	1,106,171	-
Restricted assets:				
Bond and interest cash	13,738,137	17,367,619	31,105,756	-
Debt service reserve cash	16,485,077	26,163,619	42,648,696	-
Improvement fund cash and cash equivalents	500,000	-	500,000	-
Periodic maintenance fund cash	3,673,124	-	3,673,124	-
WWTP replacement cash	-	3,000,000	3,000,000	-
Construction fund cash	55,512,792	77,717,214	133,230,006	-
Consumer meter deposit cash	1,710,925	-	1,710,925	-
Excess pension cash	1,204,446	-	1,204,446	-
Cash with fiscal agent	316,227	4,145,192	4,461,419	-
Assistance program cash	26,998	-	26,998	-
Construction fund investments	28,178,486	12,065,307	40,243,793	-
Other receivable	15,781	(336)	15,445	-
Interest receivable	47,198	-	47,198	-
Capital assets:				
Land and improvements	432,435	4,512,993	4,945,428	-
Construction in progress	40,601,297	202,678,098	243,279,395	-
Leased buildings	883,092	883,092	1,766,184	-
Leased vehicles	1,202,236	636,089	1,838,325	-
Leased IT equipment	457,113	1,371,339	1,828,452	-
Less accumulated depreciation	(130,361,930)	(252,860,276)	(383,222,206)	-
Less accumulated depreciation for leased assets	(849,548)	(800,452)	(1,650,000)	-
Other capital assets	347,509,367	577,552,864	925,062,231	-
<b>Total assets</b>	<b>400,946,008</b>	<b>733,221,597</b>	<b>1,134,167,605</b>	<b>720,143</b>
<b>Deferred Outflows of Resources</b>				
Unamortized deferral on bond refunding	4,336,461	2,746,273	7,082,734	-
Deferred outflows, pensions	1,861,444	952,943	2,814,387	-
Regulatory assets	2,932,568	2,761,059	5,693,627	-
Utility rate making expenses	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>9,130,473</b>	<b>6,460,275</b>	<b>15,590,748</b>	<b>-</b>

See notes to financial statements

**City of Evansville, Indiana**

Statement of Net Position -

Proprietary Fund

December 31, 2021

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
				<b>Activities</b>
	<b>Water Utility</b>	<b>Waste Water Utility</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 1,109,100	\$ 1,563,704	\$ 2,672,804	\$ 1,197,853
Accrued payroll and withholdings payable	282,465	121,642	404,107	3,958
Taxes payable	179,535	-	179,535	-
Interfund services provided and used	-	1,076,561	1,076,561	-
Compensated absences	1,060,246	541,677	1,601,923	-
Claims payable	-	-	-	4,112,644
Due to other funds	-	-	-	3,053,781
<b>Total current liabilities</b>	<b>2,631,346</b>	<b>3,303,584</b>	<b>5,934,930</b>	<b>8,368,236</b>
Payable from restricted assets:				
Contracts payable	1,121,441	6,386,016	7,507,457	-
Accrued interest payable	3,420,757	6,341,181	9,761,938	-
Retainage payable	1,378,909	5,964,156	7,343,065	-
Revenue bonds, current	7,255,000	11,710,000	18,965,000	-
Customer deposits payable	1,589,934	-	1,589,934	-
Capital lease obligations, due within one year	374,859	429,753	804,612	-
Assistance program	26,998	-	26,998	-
State revolving loan fund, current	2,889,247	4,075,723	6,964,970	-
discount, premium)				
Capital lease obligation, due in more than one year	1,067,351	1,409,646	2,476,997	-
Revenue bonds payable (net of unamortized discount, premium)	147,835,000	162,911,515	310,746,515	-
State revolving loan fund, long-term	71,532,450	286,303,369	357,835,819	-
Unamortized bond premium and discount, net	1,122,991	-	1,122,991	-
Net pension liability	2,053,541	1,045,675	3,099,216	-
Payment in lieu of taxes	702,956	-	702,956	-
<b>Total liabilities</b>	<b>245,002,780</b>	<b>489,880,618</b>	<b>734,883,398</b>	<b>8,368,236</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows, pension	3,186,973	1,622,827	4,809,800	-
Other deferred inflows	3,181,541	-	3,181,541	-
<b>Total deferred inflows of resources</b>	<b>6,368,514</b>	<b>1,622,827</b>	<b>7,991,341</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	118,757,471	162,423,595	281,181,066	-
Restricted				
General government	-	-	-	1,326,863
Utility debt service and construction	23,646,261	30,269,182	53,915,443	-
Unrestricted	16,301,455	55,485,650	71,787,105	(8,974,956)
<b>Total net position</b>	<b>\$ 158,705,187</b>	<b>\$ 248,178,427</b>	<b>\$ 406,883,614</b>	<b>\$ (7,648,093)</b>

See notes to financial statements

**City of Evansville, Indiana**

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Fund

Year Ended December 31, 2021

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Operating Revenues</b>				
Metered revenue:				
Residential	\$ 21,558,528	\$ 38,508,466	\$ 60,066,994	\$ -
Industrial	6,210,447	10,768,702	16,979,149	-
Commercial	9,247,854	25,431,898	34,679,752	-
Public authority	1,438,460	3,224,177	4,662,637	-
Measured revenue:				
Residential	-	6,182,999	6,182,999	-
Delinquent Charges	-	914,559	914,559	-
Commercial Fees	-	1,124,478	1,124,478	-
Pretreatment charges	-	554,800	554,800	-
Industrial surcharges and fines	-	1,345,017	1,345,017	-
Charges for services	-	-	-	23,963,152
Fire protection	6,590,360	-	6,590,360	-
Penalties	-	-	-	-
Forfeited discounts	168,285	-	168,285	-
Sewer utility portion of general expenses	12,918,732	-	12,918,732	-
Miscellaneous	409,074	585,835	994,909	7,404,153
	<u>58,541,740</u>	<u>88,640,931</u>	<u>147,182,671</u>	<u>31,367,305</u>
Total operating revenues				
<b>Operating Expenses</b>				
Source of supply:				
Repairs and maintenance	594,803	-	594,803	-
Purchased power	741,100	-	741,100	-
Collection system:				
Salaries and wages and employee pensions and benefits	-	1,755,796	1,755,796	-
Employee benefits	-	735,435	735,435	-
Contractual services	-	148,846	148,846	-
Purchased Power	-	485,455	485,455	-
Materials and supplies	-	237,941	237,941	-
Repairs and maintenance	-	3,302,324	3,302,324	-
Transportation	-	126,884	126,884	-
Contractual services	-	5,382	5,382	-
Treatment and disposal:				
Salaries and wages	1,078,097	2,427,947	3,506,044	-
Employee benefits	459,126	1,032,908	1,492,034	-
Materials and Supplies	13,377	99,892	113,269	-
Lab expense	167,511	137,628	305,139	-
Chemicals	973,087	552,954	1,526,041	-
Contractual services	124,082	650,692	774,774	-
Purchased power	70,143	1,283,069	1,353,212	-
Repairs and maintenance	804,687	1,870,725	2,675,412	-
Sludge removal	-	443,877	443,877	-
Transportation	14,773	52,940	67,713	-
Other	-	1,144	1,144	-

See notes to financial statements

**City of Evansville, Indiana**

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Fund

Year Ended December 31, 2021

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Total</u>	<u>Internal Service Funds</u>
Customer service:				
Salaries and wages	\$ 1,982,238	\$ -	\$ 1,982,238	\$ -
Employee benefits	917,503	-	917,503	-
Postage	374,105	-	374,105	-
Contractual services	1,113	12,862,224	12,863,337	-
Repairs and maintenance	66,437	-	66,437	-
Transportation	59,802	-	59,802	-
Other	2,918	-	2,918	-
Bad debt expense	230,865	(537,095)	(306,230)	-
Administrative and general:				
Salaries and wages and employee pensions and benefits	3,797,034	109,735	3,906,769	-
Employee pensions and benefits	1,486,075	43,337	1,529,412	-
Materials and supplies	343,872	70,000	413,872	-
Insurance claims and expenses	396,062	413,621	809,683	-
Repairs and maintenance	43,828	-	43,828	-
Contractual services	6,943,391	5,916,003	12,859,394	-
Rent	188,467	-	188,467	-
Street sweeping	-	546,997	546,997	-
Transportation	40,060	-	40,060	-
Utilities receipts tax	523,193	-	523,193	-
Other	1,172,455	251,625	1,424,080	-
Transmission and distribution:				
Salaries and wages	1,719,658	-	1,719,658	-
Employee benefits	797,440	-	797,440	-
Materials and supplies	374,688	-	374,688	-
Contractual services	93,297	-	93,297	-
Purchased power	320,038	-	320,038	-
Repairs and maintenance	1,090,638	-	1,090,638	-
Transportation	161,463	-	161,463	-
General government	-	-	-	35,289,872
Depreciation	6,184,210	16,002,714	22,186,924	-
Loan amortization	291,493	178,284	469,777	-
	<u>34,643,129</u>	<u>51,209,284</u>	<u>85,852,413</u>	<u>35,289,872</u>
Total operating expenses				
	<u>34,643,129</u>	<u>51,209,284</u>	<u>85,852,413</u>	<u>35,289,872</u>
Operating income (loss)	<u>23,898,611</u>	<u>37,431,647</u>	<u>61,330,258</u>	<u>(3,922,567)</u>

See notes to financial statements

**City of Evansville, Indiana**

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Fund

Year Ended December 31, 2021

	<b>Water Utility</b>	<b>Waste Water Utility</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Nonoperating Revenues (Expenses)</b>				
Interest and investment revenue	\$ 129,998	\$ 330,747	\$ 460,745	\$ 1,064
BAB subsidy income	-	610,698	610,698	-
Other revenue	118,193	756,048	874,241	-
Interest expense	(7,213,444)	(13,364,797)	(20,578,241)	-
Interest expense, amortization	(345,442)	(233,836)	(579,278)	-
Payments in lieu of taxes	(3,112,900)	(5,033,600)	(8,146,500)	-
Capital contributions	376,145	842,871	1,219,016	-
Other	(600)	(30,000)	(30,600)	-
Transfers in	-	-	-	1,168,581
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,168,581</u>
Total nonoperating revenues (expenses)	<u>(10,048,050)</u>	<u>(16,121,869)</u>	<u>(26,169,919)</u>	<u>1,169,645</u>
Change in net position	13,850,561	21,309,778	35,160,339	(2,752,922)
<b>Net Position (Deficit), Beginning</b>	<u>144,854,626</u>	<u>226,868,649</u>	<u>\$ 371,723,275</u>	<u>(4,895,171)</u>
<b>Net Position (Deficit), Ending</b>	<u>\$ 158,705,187</u>	<u>\$ 248,178,427</u>	<u>\$ 406,883,614</u>	<u>\$ (7,648,093)</u>

See notes to financial statements

**City of Evansville, Indiana**

Statement of Cash Flows -  
 Proprietary Fund  
 Year Ended December 31, 2021

	<b>Water Utility</b>	<b>Waste Water Utility</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 57,990,159	\$ 87,246,702	\$ 145,236,861	\$ 31,354,437
Payments to suppliers	(16,273,240)	(28,271,158)	(44,544,398)	
Payments to employees	(14,933,595)	(7,658,137)	(22,591,732)	-
Payments for interfund services used	-	-	-	(34,098,096)
Net cash provided by operating activities	<u>26,783,324</u>	<u>51,317,407</u>	<u>78,100,731</u>	<u>(2,743,659)</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Payment in lieu of property taxes	(3,112,900)	(5,033,600)	(8,146,500)	-
Redemption of revenue bonds	(23,250,000)	(45,570,000)	(68,820,000)	-
Redemption of SRF bonds	-	(3,428,000)	(3,428,000)	-
Proceeds from refunding revenue bonds	<u>24,650,000</u>	<u>52,190,000</u>	<u>76,840,000</u>	<u>-</u>
Net cash from noncapital financing activities	<u>(1,712,900)</u>	<u>(1,841,600)</u>	<u>(3,554,500)</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(22,632,715)	(58,178,352)	(80,811,067)	-
Principal paid on debt	(6,145,000)	(10,395,000)	(16,540,000)	-
Principal paid on SRF bonds	(2,798,303)	(4,149,600)	(6,947,903)	-
SRF loan drawdowns	-	608,390	608,390	-
Other receivable	-	336	336	-
Interest paid	(7,459,984)	(14,163,865)	(21,623,849)	-
Contracts paid, bond issuance and rate case costs	2,357,591	510,721	2,868,312	-
Contributed capital	376,145	842,871	1,219,016	-
Retainage accrued/paid	171,503	321,117	492,620	-
BAB Subsidy income	-	610,698	610,698	-
Deferred debits	-	(3,276,361)	(3,276,361)	-
Nonoperating expense	(600)	756,048	755,448	-
Nonoperating revenues	<u>118,193</u>	<u>(30,000)</u>	<u>88,193</u>	<u>(49,610)</u>
Net cash provided by investing activities	<u>(36,013,170)</u>	<u>(86,542,997)</u>	<u>(122,556,167)</u>	<u>(49,610)</u>
<b>Cash Flows From Investing Activities</b>				
Interest received	699,526	1,145,084	1,844,610	1,064
Transfers in	-	-	-	1,168,581
Due from other funds	-	-	-	1,085,236
Sale (purchase) of investments	<u>(17,589,624)</u>	<u>25,940,741</u>	<u>8,351,117</u>	<u>-</u>
Net cash provided by investing activities	<u>(16,890,098)</u>	<u>27,085,825</u>	<u>10,195,727</u>	<u>2,254,881</u>
Net increase in cash and cash equivalents	<u>(27,832,844)</u>	<u>(9,981,365)</u>	<u>(37,814,209)</u>	<u>(538,388)</u>
<b>Cash and Cash Equivalents, January 1</b>	<u>134,711,989</u>	<u>188,617,179</u>	<u>323,329,168</u>	<u>538,388</u>
<b>Cash and Cash Equivalents, December 31</b>	<u>\$ 106,879,145</u>	<u>178,635,814</u>	<u>285,514,959</u>	<u>-</u>

See notes to financial statements

**City of Evansville, Indiana**

Statement of Cash Flows -

Proprietary Fund

Year Ended December 31, 2021

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities</b>				
Operating income (loss)	\$ 23,898,611	\$ 37,431,647	\$ 61,330,258	\$ (3,922,567)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:				
Depreciation expense	6,184,210	16,002,714	22,186,924	-
Lease amortization	291,493	178,284	469,777	-
(Increase) decrease in assets:				
Accounts receivable	(330,216)	(1,394,229)	(1,724,445)	633
Accounts receivable - miscellaneous	(221,365)	-	(221,365)	-
Interfund services provided and used	(51,104)	-	(51,104)	-
Customer deposits receivable	4,275	-	4,275	(13,501)
Inventory	102,246	(186,247)	(84,001)	-
Prepaid items	(44,160)	(140,255)	(184,415)	-
Increase (decrease) in liabilities:				
Accounts payable	(611,167)	(58,388)	(669,555)	257,169
Contracts payable	-	985,756	985,756	-
Leases payable	222,481	-	222,481	-
Accrued payroll and withholdings payable	(86,923)	(65,333)	(152,256)	(3,843)
Taxes payable	10,489	-	10,489	-
Customer deposits	725	-	725	-
Assistance program	23,230	-	23,230	-
Interfund services provided and used	-	51,104	51,104	-
Compensated absences payable	(78,638)	(59,366)	(138,004)	-
Claims payable	-	-	-	938,450
Increase (decrease) net pension liability	<u>(2,530,863)</u>	<u>(1,428,280)</u>	<u>(3,959,143)</u>	<u>-</u>
 Total adjustments	 <u>2,884,713</u>	 <u>13,885,760</u>	 <u>16,770,473</u>	 <u>1,178,908</u>
 Net cash used by operating activities	 <u>\$ 26,783,324</u>	 <u>\$ 51,317,407</u>	 <u>\$ 78,100,731</u>	 <u>\$ (2,743,659)</u>

See notes to financial statements

## City of Evansville, Indiana

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Statement of Fiduciary Net Position -

Fiduciary Funds

December 31, 2021

	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,867,085
Investments at fair value:	
Fixed income securities	<u>7,002,774</u>
Total investments	<u>7,002,774</u>
Total assets	<u>8,869,859</u>
<b>Liabilities</b>	
Accounts payable	<u>121</u>
Total liabilities	<u>121</u>
<b>Net Position</b>	
Restricted for pensions	<u><u>\$ 8,869,738</u></u>

See notes to financial statements

## City of Evansville, Indiana

Statement of Changes in Fiduciary Net Position -  
Fiduciary Funds  
Year Ended December 31, 2021

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
Contributions from nonemployer contributing entities	<u>\$ 10,782,331</u>
Total contributions	<u>10,782,331</u>
Investment income:	
Interest	<u>28,155</u>
Total investment income	<u>28,155</u>
Total additions	<u>10,810,486</u>
<b>Deductions</b>	
Taxes distributed to other governments	<u>10,870,783</u>
Total deductions	<u>10,870,783</u>
Change in fiduciary net position	(60,297)
<b>Net Position, Beginning</b>	<u>8,930,035</u>
<b>Net Position, Ending</b>	<u><u>\$ 8,869,738</u></u>

See notes to financial statements

# City of Evansville, Indiana

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December 31, 2021

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# City of Evansville, Indiana

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Notes to Financial Statements  
December 31, 2021

## 1. Summary of Significant Accounting Policies

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

### Reporting Entity

This report includes all of the funds of the City. 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.

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.

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.

# City of Evansville, Indiana

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Notes to Financial Statements  
Year Ended December 31, 2021

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.

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are 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,

# City of Evansville, Indiana

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Notes to Financial Statements  
Year Ended December 31, 2021

- 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, and
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

## **General Fund**

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**

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

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**

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

## **Debt Service Funds**

Debt Service Funds are 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**

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

## **Permanent Funds**

Permanent Funds are 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**

Internal Service Funds are 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.

**Fiduciary Funds**

Fiduciary Funds these include the following:

**Pension Trust Funds**

Pension Trust Funds are 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.

**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

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Notes to Financial Statements  
Year Ended December 31, 2021

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.

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

### **Deposits and Investments**

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

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

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

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

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

## City of Evansville, Indiana

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Notes to Financial Statements  
Year Ended December 31, 2021

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.

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 3 for further information.

# City of Evansville, Indiana

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Notes to Financial Statements  
Year Ended December 31, 2021

## 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.

## 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.

## 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.

## 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.

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
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.

## 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. The City is reporting deferred outflows of resources related pension and OPEB related items, a deferred amount on refunding of debt, regulatory assets and utility rate making expenses.

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 pension and OPEB timing differences from actuarial valuations.

## Compensated Absences

- a. **Sick Leave** – Full-time Nonunion 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. Nonunion employees can carry over 50% 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, 2021, are determined on the basis of current salary rates and include salary related payments.

## Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type 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.

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

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

## Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. Deferred inflows of resources result from pension and OPEB timing differences, and tax revenue recognition timing.

## 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.

### 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.

## City of Evansville, Indiana

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Notes to Financial Statements  
Year Ended December 31, 2021

- 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 3 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.

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

For purposes of measuring the total 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.

### **Basis for Existing Rates**

#### **Water Utility**

The rate structure in effect in 2021 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. Subsequent to the issuance of the 2019 Bonds, the Water Utility filed a True-up report with the IURC that was approved on June 7, 2019 by way of a revised rate tariff. The Phase I increase was revised to 16.19% over the 2018 rates. The Phase II increase was revised to 12.60% and the Phase III increase was revised to 5.55%. The Water Utility has approximately 64,000 customers.

#### **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 53,800 customers.

# City of Evansville, Indiana

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Notes to Financial Statements  
Year Ended December 31, 2021

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.

## 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.

## 2. Stewardship, Compliance and Accountability

### Legal Budget Adoption

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

The budgeted amounts presented include any amendments made. The City 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 \$468,282. Budgets are adopted at the department level of expenditure.

### 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 Nonreverting, Greenway Project, ERC Capital Nonreverting, 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  
Year Ended December 31, 2021

## Deficit Balances

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

As of December 31, 2021, the following individual funds held a deficit fund balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
CARES Act 231 CDBG Covid	\$ 179,802	Reimbursement Grant
CARES Act 279 ESG Covid	51,220	Reimbursement Grant
Parking Meter	433	Payables
Golf Course	963,875	Revenue Shortfalls
Community Dev Block Grant	444,241	Reimbursement Grant
Landlord Registry	504	Payables
Emergency Solutions Grant	55,084	Reimbursement Grant

## 3. Detailed Notes on all Funds

### 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.

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

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 324,226,120	\$ 326,291,395	Custodial risk
Certificates of deposit	54,418,542	54,418,542	Custodial risk
US Treasuries	3,284,390	3,284,390	Custodial risk, interest rate
Money market accounts	<u>84,003,060</u>	<u>84,003,060</u>	Custodial risk
Total deposits and investments	<u>\$ 465,932,112</u>	<u>\$ 467,997,387</u>	

### Reconciliation to financial statements

#### Per statement of net position:

Unrestricted cash and investments	\$ 186,081,341
Restricted cash and investments	261,805,163

#### Per statement of net position, fiduciary funds:

Pension trust funds	8,869,859
Component unit cash and investments	<u>9,175,749</u>

Total deposits and investments \$ 465,932,112

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

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

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.

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, 2021			
	Level 1	Level 2	Level 3	Total
Money market	\$ 84,003,060	\$ -	\$ -	\$ 84,003,060
US Treasuries	3,284,390	-	-	3,284,390
Total	<u>\$ 87,287,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,287,450</u>

### 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.

#### Interest Rate Risk

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

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

As of December 31, 2021, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 to 5	Over 5
US Treasuries	\$ 3,284,390	\$ 3,284,390	\$ -	\$ -
Total	\$ 3,284,390	\$ 3,284,390	\$ -	\$ -

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

## Receivables

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

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	\$ 192,554
Uncollectibles related to Wastewater Utility	<u>537,095</u>
Total uncollectibles of the current fiscal year	<u>\$ 729,649</u>

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	\$ 58,965,379	\$ 60,322,795
Intergovernmental Receivables	<u>-</u>	<u>594,062</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 58,965,379</u>	<u>\$ 60,916,857</u>

## 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  
Year Ended December 31, 2021

Following is a list of restricted assets at December 31, 2021:

	<b>Water Utility Restricted Assets</b>	<b>Wastewater Utility Restricted Assets</b>
Revenue bond covenant accounts	\$ 21,862,647	\$ 29,163,619
Bond and Interest	13,738,137	17,367,619
Construction fund	55,512,792	77,717,214
Consumer meter deposit	1,710,925	-
Cash with fiscal agent	316,227	4,145,192
Assistance program	26,998	-
Construction fund investments	28,178,486	12,065,307
Receivables	<u>62,979</u>	<u>(336)</u>
Total	<u>\$ 121,409,191</u>	<u>\$ 140,458,615</u>

## Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 34,235,906	\$ 1,252,431	\$ 427,443	\$ 35,060,894
Construction in progress	<u>34,150,435</u>	<u>44,450,492</u>	<u>40,055,837</u>	<u>38,545,090</u>
Total capital assets not being depreciated	<u>68,386,341</u>	<u>45,702,923</u>	<u>40,483,280</u>	<u>73,605,984</u>
Capital assets being depreciated:				
Buildings	223,625,820	9,128,698	572,876	232,181,642
Improvements other than buildings	32,266,182	293,340	132,336	32,427,186
Machinery, equipment and vehicles	66,687,645	3,419,900	2,144,155	67,963,390
Infrastructure	<u>572,747,878</u>	<u>5,717,823</u>	<u>-</u>	<u>578,465,701</u>
Total capital assets being depreciated	<u>895,327,525</u>	<u>18,559,761</u>	<u>2,849,367</u>	<u>911,037,919</u>
Total capital assets	<u>963,713,866</u>	<u>64,262,684</u>	<u>43,332,647</u>	<u>984,643,903</u>
Less accumulated depreciation for:				
Buildings	(69,438,940)	(4,818,604)	210,208	(74,047,336)
Improvements other than buildings	(24,352,997)	(982,714)	37,737	(25,297,974)
Machinery, equipment and vehicles	(43,665,583)	(4,931,791)	1,620,299	(46,977,075)
Infrastructure	<u>(355,087,733)</u>	<u>(26,072,076)</u>	<u>-</u>	<u>(381,159,809)</u>
Total accumulated depreciation	<u>(492,545,253)</u>	<u>(36,805,185)</u>	<u>1,868,244</u>	<u>(527,482,194)</u>
Net capital assets being depreciated	<u>402,782,272</u>	<u>(18,245,424)</u>	<u>(981,123)</u>	<u>383,555,725</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 471,168,613</u>	<u>\$ 27,457,499</u>	<u>\$ 41,464,403</u>	<u>\$ 457,161,709</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

Depreciation/amortization expense was charged to functions as follows:

## Governmental Activities

General government	\$ 35,883,747
Total governmental activities depreciation expense	<u>\$ 35,883,747</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
<b>Water Utility</b>				
Capital assets not being depreciation:				
Land	\$ 432,435	\$ -	\$ -	\$ 432,435
Construction in progress	<u>40,512,787</u>	<u>21,219,172</u>	<u>21,130,662</u>	<u>40,601,297</u>
Total capital assets not being depreciation	<u>40,945,222</u>	<u>21,219,172</u>	<u>21,130,662</u>	<u>41,033,732</u>
Capital assets being depreciated:				
Infrastructure	246,311,806	21,355,502	-	267,667,308
Buildings	39,781,475	186,720	-	39,968,195
Improvements other than buildings	2,876,330	-	-	2,876,330
Machinery and equipment	36,529,233	801,440	333,139	36,997,534
Leased equipment and fixtures	<u>2,190,374</u>	<u>352,067</u>	<u>-</u>	<u>2,542,441</u>
Total capital assets being depreciated	<u>327,689,218</u>	<u>22,695,729</u>	<u>333,139</u>	<u>350,051,808</u>
Total capital assets	<u>368,634,440</u>	<u>43,914,901</u>	<u>21,463,801</u>	<u>391,085,540</u>
Less accumulated depreciation/amortization for:				
Infrastructure	(95,138,904)	(4,739,444)	78	(99,878,270)
Buildings	(20,243,321)	(681,682)	40	(20,924,963)
Improvements other than buildings	(246,369)	(57,514)	-	(303,883)
Machinery and equipment	(8,604,629)	(705,649)	55,463	(9,254,815)
Leased equipment and fixtures	<u>(684,167)</u>	<u>(291,493)</u>	<u>126,113</u>	<u>(849,547)</u>
Total accumulated depreciation/amortization	<u>(124,917,390)</u>	<u>(6,475,782)</u>	<u>181,694</u>	<u>(131,211,478)</u>
Net capital assets being depreciated	<u>202,771,828</u>	<u>16,219,947</u>	<u>(151,445)</u>	<u>218,840,330</u>
Business-type capital assets, net of accumulated depreciation/amortization	<u>\$ 243,717,050</u>	<u>\$ 37,439,119</u>	<u>\$ 21,282,107</u>	<u>\$ 259,874,062</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

	<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>183,292,520</u>	<u>54,431,330</u>	<u>35,045,752</u>	<u>202,678,098</u>
Total capital assets not being depreciation	<u>187,805,513</u>	<u>54,431,330</u>	<u>35,045,752</u>	<u>207,191,091</u>
Capital assets being depreciated:				
Infrastructure	308,978,855	32,257,306	-	341,236,161
Buildings	169,084,116	196,044	-	169,280,160
Improvements other than buildings	5,864,110	145,129	-	6,009,239
Machinery and equipment	56,085,332	5,094,372	152,400	61,027,304
Leased equipment and fixtures	<u>2,140,626</u>	<u>749,894</u>	<u>-</u>	<u>2,890,520</u>
Total capital assets being depreciated	<u>542,153,039</u>	<u>38,442,745</u>	<u>152,400</u>	<u>580,443,384</u>
Total capital assets	<u>729,958,552</u>	<u>92,874,075</u>	<u>35,198,152</u>	<u>787,634,475</u>
Less accumulated depreciation for:				
Infrastructure	(100,702,211)	(7,901,390)	5,923	(108,597,678)
Buildings	(112,145,640)	(2,951,933)	-	(115,097,573)
Improvements other than buildings	(2,429,486)	(296,543)	-	(2,726,029)
Machinery and equipment	(21,704,317)	(4,858,771)	124,092	(26,438,996)
Leased equipment and fixtures	<u>(1,000,505)</u>	<u>(178,284)</u>	<u>378,337</u>	<u>(800,452)</u>
Total accumulated depreciation	<u>(237,982,159)</u>	<u>(16,186,921)</u>	<u>508,352</u>	<u>(253,660,728)</u>
Net capital assets being depreciated	<u>304,170,880</u>	<u>22,255,824</u>	<u>355,952</u>	<u>326,782,656</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 491,976,393</u>	<u>\$ 76,687,154</u>	<u>\$ 34,689,800</u>	<u>\$ 533,973,747</u>

Depreciation/amortization expense was charged to functions as follows:

## Business-Type Activities

Water	\$ 6,184,210
Wastewater	<u>16,002,714</u>
Total business-type activities depreciation expense	<u>\$ 22,186,924</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

## Interfund Receivables/Payables and Transfers

### Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,382,309
General Fund	Internal Service Funds	<u>3,053,781</u>
Total, fund financial statements		4,436,090
Less government-wide eliminations		<u>(4,436,090)</u>
Total internal balances, government-wide statement of net position		<u>\$ -</u>

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 \$1,076,561. This is due to an interim invoice for bond costs paid by the Water Utility in advance of the bond closing.

### 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	\$ 8,660,265	Operational support
Nonmajor funds	Local Income Tax Fund	533,626	Operational support
Internal service funds	Local Income Tax Fund	1,153,397	Operational support
Internal service funds	Nonmajor funds	15,183	Operational support
General fund	Nonmajor funds	6,930,888	Operational support
Nonmajor funds	Nonmajor funds	<u>20,196,482</u>	Operational support
Total, fund financial statements		37,489,841	
Less government-wide eliminations		<u>(37,489,841)</u>	
Total transfers, government-wide statement of activities		<u>\$ -</u>	

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

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and notes payable:					
Revenue bonds	\$ 65,860,000	\$ -	\$ 5,965,000	\$ 59,895,000	\$ 4,775,000
Tax increment financing bonds	16,953,162	3,979,100	566,670	20,365,592	6,540,592
Lease rental bonds	128,630,000	-	4,950,000	123,680,000	5,175,000
Loans payable	1,697,772	205,000	89,006	1,813,766	76,113
(Discounts)/premiums, revenue bonds	12,920,754	-	1,247,612	11,673,142	-
Subtotal	<u>226,061,688</u>	<u>4,184,100</u>	<u>12,818,288</u>	<u>217,427,500</u>	<u>16,566,705</u>
Other liabilities:					
Compensated absences	1,534,783	1,264,851	1,534,783	1,264,851	1,264,851
Capital leases	2,357,543	63,124	606,473	1,814,194	567,373
Total OPEB Liability	427,066,128	45,085,649	45,503,523	426,648,254	-
Net pension liability	166,662,989	3,449,753	27,340,811	142,771,931	-
Total other liabilities	<u>597,621,443</u>	<u>49,863,377</u>	<u>74,985,590</u>	<u>572,499,230</u>	<u>1,832,224</u>
Total governmental activities long-term liabilities	<u>\$ 823,683,131</u>	<u>\$ 54,047,477</u>	<u>\$ 87,803,878</u>	<u>\$ 789,926,730</u>	<u>\$ 18,398,929</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
Revenue bonds	\$ 334,665,000	\$ 76,840,000	\$ 85,360,000	\$ 326,145,000	\$ 18,965,000
(Discounts)/Premiums	7,343,802	506,855	3,161,150	4,689,507	-
Subtotal	<u>342,008,802</u>	<u>77,346,855</u>	<u>88,521,150</u>	<u>330,834,507</u>	<u>18,965,000</u>
Other liabilities					
Compensated absences	1,739,927	-	138,004	1,601,923	1,601,923
Capital leases	2,073,372	1,606,409	398,172	3,281,609	804,612
Net pension liability	7,058,359	-	3,959,143	3,099,216	-
State revolving fund loan	374,568,302	608,390	10,375,903	364,800,789	6,964,970
Payment in lieu of tax	702,956	-	-	702,956	-
Total other liabilities	<u>386,142,916</u>	<u>2,214,799</u>	<u>14,871,222</u>	<u>373,486,493</u>	<u>9,371,505</u>
Total business-type activities long-term liabilities	<u>\$ 728,151,718</u>	<u>\$ 79,561,654</u>	<u>\$ 103,392,372</u>	<u>\$ 704,321,000</u>	<u>\$ 28,336,505</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

## 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.

### Governmental Activities Revenue Debt Summary

Revenue debt payable at December 31, 2021, consists of the following:

<u>Revenue Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
Park District Bonds, Series 2018	11/15/18	08/15/38	4% to 5%	\$ 18,150,000	\$ 17,490,000
Park District Refunding Bonds, Series 2012	06/15/12	01/15/22	2% to 3%	13,850,000	785,000
ED Rev Bonds, Series 2016A	04/28/16	02/15/39	2% to 5%	18,000,000	15,535,000
ED Rev Bonds, Series 2015A	09/01/15	02/01/39	3% to 5%	10,235,000	8,820,000
ED Taxable Rev Bonds, Series 2011	12/29/11	02/01/34	0%	22,435,000	14,000,000
ED Rev Refunding Bonds, Series 2015	07/09/15	02/01/24	2.69%	10,990,000	<u>3,265,000</u>
Total governmental activities, revenue debt					<u>\$ 59,895,000</u>

**Park District Bonds, Series 2018.** The City has pledged future property tax revenues, TIF property tax revenues and other Casino 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 20.4% of net revenues. The total principal and interest remaining to be paid on the bonds is \$25,962,400. Principal and interest paid for the current year and total customer net revenues were \$1,527,950 and \$7,503,684, respectively.

**Park District Refunding Bonds, Series 2012.** The City has pledged future TIF property tax revenues Casino Gaming 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 Parks 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 21.20% of net revenues. The total principal and interest remaining to be paid on the bonds is \$796,775. Principal and interest paid for the current year and total customer net revenues were \$1,593,125 and \$7,503,684, respectively.

**ED Rev Bonds, Series 2016A.** The City has pledged future Downtown 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 Downtown TIF property tax revenues, and secondarily from LIT revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 19.2% of net revenues. The total principal and interest remaining to be paid on the bonds is \$22,262,581. Principal and interest paid for the current year and total customer net revenues were \$1,241,913 and \$6,457,815, respectively.

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

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

**ED Taxable Rev Bonds, Series 2011.** The City has pledged future Downtown 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 17.3% of net revenues. The total principal and interest remaining to be paid on the bonds is \$14,000,000. Principal and interest paid for the current year and total customer net revenues were \$1,120,000 and \$6,457,815, respectively.

**ED Rev Refunding Bonds, Series 2015.** The City has pledged future Downtown 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 21% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,397,752. Principal and interest paid for the current year and total customer net revenues were \$1,357,980 and \$6,457,815, respectively.

### Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<b>Water Utility</b>					
2016A Rev Bonds	12/15/16	01/01/38	4.00%	\$ 39,640,000	\$ 34,860,000
2016B Ref Rev Bonds	11/30/16	01/01/30	3.00% to 4.00%	31,370,000	26,775,000
2019 Rev Bonds	05/02/19	01/01/40	2.00% to 3.25%	39,765,000	38,380,000
			1.665% to		
2020 Taxable Ref Rev Bonds	02/13/20	01/01/35	2.658%	30,670,000	30,425,000
2021 Tax Ref Rev Bonds	02/21/21	01/01/36	.30% to 1.80%	24,650,000	<u>24,650,000</u>
			Total Water Utility		<u>155,090,000</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<b>Wastewater Utility</b>					
2010 Rev Bonds, Ser. B1	12/01/10	07/01/31	3.75%-6.5%	\$ 27,450,000	\$ 20,095,000
2013A Ref Rev Bonds	05/02/13	07/01/23	1.5%	32,440,000	6,770,000
2016A Rev Bonds	07/28/16	07/01/37	2.00% to 3.00%	25,855,000	23,430,000
2017A Rev Bonds	05/11/17	07/01/40	3% -3.375%	21,850,000	19,390,000
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	07/01/28	4.00%	21,980,000	19,180,000
2021 Taxable Ref Rev Bonds	07/23/21	07/01/36	2.25%	52,190,000	52,190,000
			Total Wastewater Utility		<u>171,055,000</u>
			Total business-type activities, revenue debt		<u>\$ 326,145,000</u>

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

<u>Years</u>	<u>Governmental Activities Revenue Debt</u>		<u>Business-Type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 3,655,000	\$ 2,032,575	\$ 18,965,000	\$ 9,391,162
2023	2,980,000	1,910,432	20,080,000	9,006,417
2024	2,405,000	1,799,632	19,550,000	8,533,734
2025	1,815,000	1,713,938	20,075,000	8,008,818
2026	1,900,000	1,627,613	20,640,000	7,424,655
2027-2031	10,920,000	6,650,638	94,920,000	27,681,805
2032-2036	13,800,000	3,675,906	96,400,000	13,262,597
2037-2041	8,420,000	528,125	35,515,000	1,943,585
Total	<u>\$ 45,895,000</u>	<u>\$ 19,938,859</u>	<u>\$ 326,145,000</u>	<u>\$ 85,252,773</u>

<u>Years</u>	<u>Governmental Activities Direct Placement Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,120,000	\$ -
2023	1,120,000	-
2024	1,120,000	-
2025	1,120,000	-
2026	1,120,000	-
2027-2031	5,600,000	-
2032-2036	2,800,000	-
Total	<u>\$ 14,000,000</u>	<u>\$ -</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

## 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 Jacobsville 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 Jacobsville TIF property tax revenues and are payable through 2040. Annual principal and interest payments on the bonds are expected to require 42.90% of net revenues. The total principal and interest remaining to be paid on the bonds is \$18,438,488. Principal and interest paid for the current year and total customer net revenues were \$998,301 and \$2,328,114, respectively.

**ED TIF Rev Bonds, Series 2014.** The City has pledged future Jacobsville 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 Jacobsville TIF property tax revenues and are payable through 2040. Annual principal and interest payments on the bonds are expected to require 4.70% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,966,488. Principal and interest paid for the current year and total customer net revenues were \$108,438 and \$2,328,114, respectively.

Governmental Activities					Balance
Tax Increment Financing Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2021
Red Dist TIF Rev Bonds, Series 2016	12/12/14	02/01/40	2%-5%	\$ 15,740,000	\$ 13,065,000
ED TIF Rev Bonds, Series 2014	04/05/16	02/01/40	2%-5.75%	1,500,000	1,315,000
Mead Johnson TIF	10/22/13	10/22/28	0%	229,910	176,333
ERC TIF Taxable Note 2020	05/20/20	05/20/23	1.50%	2,000,000	1,657,954
ERC TIF BAN Series 2020 North Main Lofts	12/30/20	12/30/22	1.50%	2,250,000	634,116
ERC TIF Revenue Note, Series 2020 Fifth and Main	12/30/20	12/30/22	1.50%	2,500,000	2,332,057
ERC TIF Revenue Note, Series 2021 Fifth and Main	08/17/21	08/17/23	1.50%	1,950,000	<u>1,185,132</u>
Total governmental activities tax increment financing bonds					<u>\$ 20,365,592</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Governmental Activities Tax Increment Financing Bonds</b>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 731,333	\$ 545,288
2023	575,000	528,457
2024	590,000	509,707
2025	610,000	488,938
2026	645,000	464,138
2027-2031	3,600,000	1,921,429
2032-2036	4,300,000	1,220,139
2037-2041	<u>3,505,000</u>	<u>346,919</u>
Total	<u>\$ 14,556,333</u>	<u>\$ 6,025,015</u>

<u>Years</u>	<b>Governmental Activities TIF Debt from Direct Borrowings and Direct Placements</b>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 5,809,259	\$ 87,697
Total	<u>\$ 5,809,259</u>	<u>\$ 87,697</u>

## Lease Rental Bonds

Lease Rental Revenue Bonds at December 31, 2021 consist of the following:

<b>Governmental Activities</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance December 31, 2021</b>
<u>Lease Rental Bonds</u>					
ED LR Rev Bonds, Series 2016A	04/28/16	02/15/39	3%-5%	\$ 7,500,000	\$ 6,585,000
ED LR Rev Bonds, Series 2016B	04/07/16	02/01/31	2.9%	12,345,000	8,660,000
ED LR Rev Bonds, Series 2015C	12/29/15	02/15/39	3%-5%	9,225,000	8,350,000
ED LR Rev Bonds, Series 2015D	12/29/15	02/15/39	2.1%-4.87%	12,080,000	10,865,000
LR Rev Ref Bonds, Series 2016	07/13/16	02/01/39	3.99%-5%	92,425,000	<u>89,220,000</u>
Total governmental activities lease rental bonds					<u>\$ 123,680,000</u>

**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.

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

**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 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.

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Governmental Activities Lease Rental Bonds</b>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 5,175,000	\$ 4,898,116
2023	5,405,000	4,659,086
2024	5,655,000	4,410,386
2025	5,910,000	4,151,553
2026	6,170,000	3,924,771
2026-2031	34,025,000	15,714,460
2032-2036	36,000,000	8,759,801
2037-2039	25,340,000	1,544,112
Total	<u>\$ 123,680,000</u>	<u>\$ 48,062,285</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

## Loans Payable

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

<b>Governmental Activities</b>	<b>Balance December 31, 2021</b>
<b>Loans Payable From Direct Borrowings</b>	
Energy Savings Contract for Animal Control	\$ 36,542
Energy Savings Contract for Fire Department	115,152
Energy Savings Contract for Central Dispatch	36,855
Energy Savings Contract for Parks Department	220,217
Bond Bank Note for Fire Equipment (2020)	1,200,000
Bond Bank Note for Fire Equipment (2021)	<u>205,000</u>
Total governmental activities other long-term liabilities, loans payable	<u>\$ 1,813,766</u>

## State Revolving Loans Payable From Direct Borrowings

<b>State Revolving Loans</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Balance December 31, 2021</b>
2018-1 Waterworks revenue bonds	01/01/22	3.25%	\$ 2,509,697
2018A-2 Waterworks revenue bonds	01/01/40	3.25%	71,912,000
2009 Wastewater revenue bonds	07/01/44	2.3%	27,720,000
2010A Wastewater revenue bonds	07/01/45	2.3%	7,110,000
2012E Wastewater revenue bonds	07/01/47	2.3%	5,966,000
2014A Wastewater revenue bonds	07/01/31	2.44%	5,027,000
2014B Wastewater revenue bonds	07/01/34	2.10%	4,014,000
2014D Wastewater revenue bonds	07/01/35	2%	26,219,999
2016B Wastewater revenue bonds	07/01/37	2%	10,487,926
2016C Wastewater revenue bonds	07/01/38	2%	6,933,183
2018A Wastewater revenue bonds	07/01/40	2%	14,545,984
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>\$ 364,800,789</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, 2021, the loan principal amount drawn for the 2014D, 2016B, 2016C and 2018A wastewater loans were \$35,414,999, \$12,191,926, \$7,942,183 and \$16,681,984, respectively. Annual debt service requirements for the 2014D, 2016B, 2016C and 2018A wastewater loans will not be determined until planned construction projects are completed.

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

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

The State placed the proceeds of the 2014A, 2014B, 2018B1, 2018B2 and 2019B into a trust account in the Wastewater Utility's name. Cash drawdowns are made from this account after approval is given by the State. The cash balance not yet drawn down, reported as part of the Construction Fund Cash and Cash Equivalents is \$4,342, \$1,854, \$6,317,187, \$1,771,135 and \$30,730,579 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 \$33,988,327 for the 2018A2 loan.

Under the terms of the State Revolving Loan Fund, revenue bonds have been purchased by the Indiana Bond Bank, the proceeds of which are set aside to finance the construction of improvements and extensions to the Wastewater Utility. Funds were loaned to the Wastewater Utility as construction costs accrued to the maximum allowed. The 2009(2018 Reissued), 2010A (2018 Reissued), 2012E (2018 Reissued), 2014A and 2014B loans established a maximum draw of \$27,723,000, \$7,113,000, \$5,969,000, \$7,510,000 and \$5,760,000, respectively. At the completion of construction, the outstanding principal balance was amortized over a 20-year period (2014A and 2014B) and thirty-five year period (2009, 2010A and 2012E).

Annual debt service requirements to maturity for the loans, including interest of \$25,220,143 and \$135,654,689 for the Water Utility and Wastewater Utility, respectively, are as follows:

<u>Years</u>	<b>Business-type Activities</b>		
	<b>State Revolving Loan Debt from Direct Borrowings and Direct Placements</b>		
	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
2022	\$ 5,261,002	\$ 11,695,693	\$ 16,956,695
2023	5,259,476	11,694,659	16,954,135
2024	5,257,901	11,693,912	16,951,813
2025	5,256,275	11,694,410	16,950,685
2026	5,254,595	11,692,090	16,946,685
2026-2030	21,000,465	71,676,014	92,676,479
2031-2035	31,440,173	61,392,884	92,833,057
2036-2040	20,911,954	115,486,310	136,398,264
2041-2045	-	67,396,059	67,396,059
2046-2050	-	33,804,050	33,804,050
2051-2053	-	19,501,607	19,501,607
Total	99,641,841	427,727,688	527,369,529
Less SRF not drawn down	-	(1,693,908)	(1,693,908)
Less interest	(25,220,143)	(135,654,689)	(160,874,832)
Ending balance	<u>\$ 74,421,698</u>	<u>\$ 290,379,091</u>	<u>\$ 364,800,789</u>

**Advance Refundings**

**Water Utility 2021 Tax Refunding Revenue Bonds**

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.

On January 12, 2021, the Water Utility Board approved the issuance of the aggregate principal amount not 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.

**Wastewater Utility 2021 Taxable Refunding Revenue Bonds**

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  
Year Ended December 31, 2021

## Lease Disclosures

### Lessee - Capital Leases

The City has acquired capital assets through multiple lease/purchase agreements. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2021, are as follows:

Years	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 567,343	\$ 294	\$ 567,637	\$ 804,612	\$ 65,589	\$ 870,201
2023	675,673	-	675,673	815,601	45,772	861,373
2024	519,089	-	519,089	672,143	27,824	699,967
2025	52,089	-	52,089	557,581	16,582	574,163
2026	-	-	-	237,245	9,536	246,781
2027-2028	-	-	-	194,427	7,328	201,755
Total	<u>\$ 1,814,194</u>	<u>\$ 294</u>	<u>\$ 1,814,488</u>	<u>\$ 3,281,609</u>	<u>\$ 172,631</u>	<u>\$ 3,454,240</u>

### Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2021, includes the following:

#### Governmental Activities

Net investment in capital assets:	
Land and construction in progress	\$ 73,605,984
Other capital assets, net of accumulated depreciation	383,555,725
Less long-term debt outstanding	(215,613,733)
Add deferred amount on refunding	8,952,369
Less capital leases	<u>(1,814,194)</u>
Total net investment in capital assets:	<u>\$ 248,686,151</u>

#### Business-Type Activities

Net investment in capital assets:	
Land and construction in progress	\$ 207,623,526
Regulatory assets	5,693,627
Other capital assets, net of accumulated depreciation/amortization	586,224,284
Less long-term debt outstanding	(690,945,789)
Plus unspent capital related debt proceeds	173,473,799
Plus unamortized debt discount	7,082,734
Less unamortized debt premium	(4,689,506)
Less leases payable	<u>(3,281,609)</u>
Total net investment in capital assets	<u>\$ 281,181,066</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

## Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

	<u>General Fund</u>	<u>Local Income Tax</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund Balances</b>				
Restricted for:				
Highways & Streets	\$ -	\$ -	\$ 11,273,821	\$ 11,273,821
Public Safety	-	-	6,807,177	6,807,177
General Government	-	-	1,060,311	1,060,311
Urban Redevelopment	-	-	24,456,202	24,456,202
Debt service	-	-	7,434,645	7,434,645
Capital projects	-	-	11,523,137	11,523,137
Culture and recreation	-	-	1,951,772	1,951,772
Subtotal	<u>-</u>	<u>-</u>	<u>64,507,065</u>	<u>64,507,065</u>
Committed to:				
Parks and Recreation	-	-	1,213,247	1,213,247
General Government	-	-	1,298,366	1,298,366
Urban Redevelopment	-	-	182,937	182,937
Public safety	-	-	6,713	6,713
Subtotal	<u>-</u>	<u>-</u>	<u>2,701,263</u>	<u>2,701,263</u>
Assigned to:				
General Government	<u>468,282</u>	<u>-</u>	<u>-</u>	<u>468,282</u>
Subtotal	<u>468,282</u>	<u>-</u>	<u>-</u>	<u>468,282</u>
Unassigned (deficit)	<u>15,776,122</u>	<u>13,207,247</u>	<u>(1,695,159)</u>	<u>27,288,210</u>
Total fund balances	<u>\$ 16,244,404</u>	<u>\$ 13,207,247</u>	<u>\$ 65,513,169</u>	<u>\$ 94,964,820</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

## 4. Other Information

### 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:

	<b>Net Pension Liability(Asset)</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>PERF</b>			
Governmental activities	\$ 4,508,104	\$ 3,665,436	\$ 7,405,983
Business-type activities:			
Water	2,053,541	1,861,444	3,186,973
Wastewater	1,045,675	952,943	1,622,827
Total business-type activities	<u>3,099,216</u>	<u>2,814,387</u>	<u>4,809,800</u>
Total PERF	<u>7,607,320</u>	<u>6,479,823</u>	<u>12,215,783</u>
<b>Police and Fire Pensions</b>			
Governmental activities:			
1977 Police Officers'	(11,625,802)	11,030,764	19,077,709
1977 Firefighters'	(11,161,383)	10,880,793	18,332,903
Total 1977 Plan	<u>(22,787,185)</u>	<u>21,911,557</u>	<u>37,410,612</u>
1925 Police Officers	80,319,013	2,238	-
1937 Firefighters	57,944,814	-	627
Total governmental activities	<u>\$ 119,984,746</u>	<u>\$ 25,579,231</u>	<u>\$ 44,817,222</u>
Total business-type activities	<u>\$ 3,099,216</u>	<u>\$ 2,814,387</u>	<u>\$ 4,809,800</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). The Water Utility and the Wastewater Utility are considered one PERF submission unit. PERF was established to provide retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. Details of the PERF Hybrid Plan are described below.

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

**Contributions.** Members are required to contribute 3% of their annual covered salary to their defined contribution account. The Primary Government is required to contribute at an actuarially determined rate; the current rate for calendar year 2021 is 11.20% of annual covered payroll. 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 \$2,420,592 for the calendar year ended December 31, 2021. Contributions to the PERF plan from the Water Utility were \$1,212,138 for the calendar year ended December 31, 2021. Contributions to the PERF plan from the Wastewater Utility were \$622,617 for the calendar year ended December 31, 2021.

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 nonvested member who terminates employment prior to retirement may withdraw his/her DC Account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.1% 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% 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% 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%. This amount is reduced five (5)%age points per year (e.g., age 58 is 84%) to age 50 being 44%.

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.

**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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 25.46%.

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

### Net Pension Liability

At December 31, 2021, the City, Water Utility and Wastewater Utility reported a liability (asset) of \$4,508,104, \$2,053,541 and \$1,045,675 respectively for 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 nonemployer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At December 31, 2021, the City's, Water Utility's and Wastewater Utility's proportion was 0.35775%, 0.15545% and 0.08008%. The net pension liability for fiscal year 2021 is calculated as set forth in the following table:

	<u>City</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>
Net pension liability, beginning	\$ 10,508,464	\$ 4,584,108	\$ 2,474,251
Total pension expense	(734,278)	(29,555)	(155,046)
Differences between expected and actual experience	19,805	9,166	4,668
Net difference between projected and actual investment	(6,738,378)	(3,066,600)	(1,561,531)
Change of assumptions	3,242,110	1,546,144	787,306
Changes in proportion and differences in Contributions	187,834	(26,022)	(13,251)
Contributions	<u>(1,977,453)</u>	<u>(963,700)</u>	<u>(490,722)</u>
Net pension liability, December 31, 2021	<u>\$ 4,508,104</u>	<u>\$ 2,053,541</u>	<u>\$ 1,045,675</u>

### Deferred Outflows of Resources and Deferred Inflows of Resources. At

December 31, 2021, 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	\$ 157,158	\$ 92,263
Changes in assumptions	2,267,606	1,047,508
Net differences between projected and actual earnings on pension plan investments	-	5,839,023
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,267	427,189
Employer contributions subsequent to the measurement date	<u>1,227,405</u>	<u>-</u>
Total	<u>\$ 3,665,436</u>	<u>\$ 7,405,983</u>

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

\$1,227,405 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, 2022. 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>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>	
<b>Years Ending December 31:</b>		
2022	\$	(1,432,003)
2023		(1,184,355)
2024		(648,982)
2025		(1,716,949)
Thereafter		-
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Water Utility</b>		
Differences between expected and actual experience	\$ 70,237	\$ 41,003
Changes in assumptions	1,032,944	461,264
Net differences between projected and actual earnings on pension plan investments	-	2,666,335
Changes in proportion and differences between employer contributions and proportionate share of contributions	160,867	18,371
Employer contributions subsequent to the measurement date	<u>597,396</u>	<u>-</u>
Total	<u>\$ 1,861,444</u>	<u>\$ 3,186,973</u>

\$597,396 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, 2022. 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>	
<b>Years Ending December 31:</b>		
2022	\$	(493,068)
2023		(393,653)
2024		(274,036)
2025		(762,168)
Thereafter		-

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

<b>Wastewater Utility</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 35,765	\$ 20,879
Changes in assumptions	525,982	234,879
Net differences between projected and actual earnings on pension plan investments	-	1,357,714
Changes in proportion and differences between employer contributions and proportionate share of contributions	81,915	9,355
Employer contributions subsequent to the measurement date	<u>309,281</u>	<u>-</u>
Total	<u>\$ 952,943</u>	<u>\$ 1,622,827</u>

\$309,281 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>Wastewater Utility</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
<b>Years Ending December 31:</b>	
2022	\$ (251,074)
2023	(200,450)
2024	(139,541)
2025	(388,100)
Thereafter	-

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

<b>Pension Expense</b>	<b>City</b>	<b>Water Utility</b>	<b>Wastewater Utility</b>
Proportionate share of plan pension expense	\$ (388,076)	\$ (177,298)	\$ (90,281)
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	(346,202)	54,981	27,997
Internal Change in proportionate share	<u>-</u>	<u>92,762</u>	<u>(92,762)</u>
Total	<u>\$ (734,278)</u>	<u>\$ (29,555)</u>	<u>\$ (155,046)</u>

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

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

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Valuation Date	June 30, 2021
Assets	June 30, 2020 - Member census data as of June 30, 2020 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2020 and June 30, 2021. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2020 to the June 30, 2021 measurement date.
Liabilities	
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	6.25%, net of investment expense, including inflation
Cost of Living Increases	Beginning January 1, 2024 - 0.40% Beginning January 1, 2034 - 0.50% Beginning January 1, 2039 - 0.60%
Salary increases, including inflation	2.65% - 8.65%
Inflation	2.00%
Mortality:	
Healthy	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.
Disabled	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.
Funding policy location	<a href="http://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf">www.in.gov/inprs/files/INPRS_Funding_Policy.pdf</a>

### Change in Assumptions

- The Interest Rate / Investment Return assumption changed from 6.75% to 6.25%.
- The inflation assumption changed from 2.25% to 2.00%.
- The Future Salary Scale assumption changed from 2.75% - 8.75% to 2.65% - 8.65%.

### Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

### Plan Amendments

HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

### 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.

Global Asset Class	Long-Term Expected Rate of Return (Geometric Basis)	Target Asset Allocation
Public Equity	3.6%	20.0%
Private Markets	7.3	15.0
Fixed Income, Ex Inflation-Linked	1.5	20.0
Fixed Income, Inflation-Linked	(0.3)	15.0
Commodities	0.8	10.0
Real Estate	4.2	10.0
Absolute Return	2.5	5.0
Risk Parity	4.4	20.0
Leverage Offset	(1.4)	(15.0)

### Discount Rate

The discount rate used to measure the total pension liability was 6.25% as of June 30, 2021 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 6.25%, 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 (5.25%) or 1-percentage-point higher (7.25%) 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)	\$ 11,790,668	\$ 4,508,104	\$ (1,566,519)
Water Utility's proportionate share of the net pension liability (asset)	5,370,909	2,053,541	(713,584)
Wastewater Utility's proportionate share of the net pension liability (asset)	2,734,900	1,045,675	(363,361)

**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, 2021, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	180
Total	<u>180</u>

**Benefits Provided.** The plan provides retirement, disability and death benefits. The benefit provisions of the plan for nonconverted 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 nonconverted 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. Nonconverted members of any age with 20 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 20 years up to a maximum of 74% with 32 years of service.

Nonconverted plan members of any age with 20 or more years of creditable service and converted plan members age fifty with 20 years or more of creditable service are eligible to receive early retirement benefits. Early retirement benefits are unreduced for nonconverted 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 patrolman. 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 20 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 20 years of service and is age 52 at the date of disability.

## City of Evansville, Indiana

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Notes to Financial Statements  
Year Ended December 31, 2021

Pre-retirement death benefits vary for converted and nonconverted 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.

Nonconverted members are entitled to the normal retirement benefit described above if termination occurs after earning 20 of service. If termination occurs before completing 20 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 nonconverted 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.

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 \$6,155,060 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.

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

**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, 2021 were as follows:

	<b>1925 Police Officers' Pension</b>
Actuarial net pension liability	\$ 85,108,760
Plan fiduciary net position	<u>(4,789,747)</u>
Net pension liability	<u>\$ 80,319,013</u>
Plan fiduciary net position as a percentage of total pension liability	<u>5.96%</u>

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

<b>Changes in Net Pension Liability</b>	<b>1925 Police Officers' Pension</b>		
	<b>Total Pension Liability</b>	<b>Plan Net Position</b>	<b>Net Pension Liability</b>
Balance at December 31, 2020	\$ 90,245,203	\$ (4,766,549)	\$ 85,478,654
Interest cost	1,296,851	-	1,296,851
Differences between expected and actual experience (gain)/loss	(167,397)	-	(167,397)
Changes in assumptions (gain)/loss	(184,213)	-	(184,213)
Nonemployer contributing entity contributions	-	(6,155,060)	(6,155,060)
Net investment income	-	(15,298)	(15,298)
Administrative expense	-	18,748	18,748
Benefit payments, including refunds	<u>(6,081,684)</u>	<u>6,128,412</u>	<u>46,728</u>
Balance at December 31, 2021	<u>\$ 85,108,760</u>	<u>\$ (4,789,747)</u>	<u>\$ 80,319,013</u>

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended December 31, 2021, the City recognized pension expense of \$892,100. At December 31, 2021, the City reported no deferred inflows of resources and \$2,238 of deferred outflows 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, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00% per annum
Salary increases	2.65% per annum
Long-term rate of return	1.00%, net of pension plan investment expenses, including inflation
Cost of Living Increases for Certain Retirees	2.65% for Nonconverted 1.90% on July 1, 2021; 1.95% thereafter, for Converted

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, 2021 was 1.39%, a decrease from the 1.49% as of December 31, 2020. 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.

**Change in Assumptions.** Cost of Living Adjustment - For converted members, the July 1 2021 COLA was updated from the ongoing valuation assumption to reflect the known increase of 1.90%. Beginning July 1, 2022, the assumption reverts to the assumed annual rate of 1.95%, a decrease from the 2.10%. For non-converted members, the COLA assumption was updated from 2.75% to 2.65% in alignment with the salary increase assumption.

Inflation assumption decreased from 2.25% to 2.00%.

Salary increase assumption decreased from 2.75% to 2.65%.

**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 1.39%. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2021. The municipal bond rate was applied to all remaining periods.

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

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

**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 1.39%, 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 (0.39%) or 1-percentage-point higher (2.39%) than the current rate:

	<b>1% Decrease to Discount Rate (0.39%)</b>	<b>Current Discount Rate (1.39%)</b>	<b>1% Increase to Discount Rate (2.39%)</b>
Net Pension Liability	\$ 89,164,891	\$ 80,319,013	\$ 72,813,282

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

**Funding Status and Funding Progress.** As of the January 1, 2021 actuarial valuation date, the plan was not funded and is on a pay-as-you-go-basis. The actuarial accrued liability for benefits was \$85,108,760 and the actuarial value of assets was \$4,789,747, resulting in an unfunded actuarial accrued liability of \$80,319,013. The covered payroll (annual payroll to active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

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

## 1937 Firefighters' Officers' Pension Plan

**Plan Description.** The City contributes to the 1937 Firefighters' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7).

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

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

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, 2021, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	135
Total	<u>135</u>

## City of Evansville, Indiana

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Notes to Financial Statements  
Year Ended December 31, 2021

**Benefits Provided.** The plan provides retirement, disability and death benefits. The benefit provisions of the 1937 Firefighters' Pension Plan for nonconverted 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 nonconverted members are the same. All full-time, fully paid firefighters who were hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants. The pension plan is closed to new entrants.

Eligibility for annuity benefits is as follows. Nonconverted members of any age with 20 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 20 years up to a maximum of 74% with 32 years of service.

Nonconverted 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 20 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 20 years of service and is age 52 at the date of disability.

Pre-retirement death benefits vary for converted and nonconverted 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.

Nonconverted members are entitled to the normal retirement benefit described above if termination occurs after earning 20 years of service. If termination occurs before completing 20 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 years of service, the member shall be entitled to the member's contributions plus accumulated interest.

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

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

**Contributions.** Plan members are required by state statute (IC 36-8-7-8) to contribute an amount equal to six percent (6%) of the salary of a First-Class Firefighter until they have completed 32 years of service.

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

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 \$4,600,808 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.

### Net Pension Liability (Asset)

The components of the net pension liability of the 1937 Firefighters' Pension Plan at December 31, 2021 were as follows:

	<b>1937 Firefighters' Pension</b>
Actuarial net pension liability	\$ 62,024,926
Plan fiduciary net position	<u>(4,080,112)</u>
Net pension liability	<u>\$ 57,944,814</u>
Plan fiduciary net position as a percentage of total pension liability	<u>6.58%</u>

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

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

<b>Changes in Net Pension Liability</b>	<b>1937 Firefighters' Pension</b>		
	<b>Total Pension Liability</b>	<b>Plan Net Position</b>	<b>Net Pension Liability</b>
Balance at December 31, 2019	\$ 65,567,776	\$ (4,163,883)	\$ 61,403,893
Interest cost	946,224	-	946,224
Differences between expected and actual experience (gain)/loss	177,033	-	177,033
Changes in assumptions (gain)/loss	(186,368)	-	(186,368)
Nonemployer contributing entity contributions	-	(4,588,870)	(4,588,870)
Net investment income	-	(12,857)	(12,857)
Administrative expense	-	18,502	18,502
Benefit payments, including refunds	(4,479,739)	4,666,996	187,257
Balance at December 31, 2020	<u>\$ 62,024,926</u>	<u>\$ (4,080,112)</u>	<u>\$ 57,944,814</u>

### **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.**

For the year ended December 31, 2021, the City recognized pension expense of \$889,713. At December 31, 2021, the City reported no deferred outflows of resources and \$627 of deferred inflows of resources (investment experience) related to the 1937 Firefighters' Pension Plan.

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

The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00% per annum
Salary increases	2.65% per annum
Investment Rate of Return	1.00%, net of pension plan investment expenses, including inflation
Cost of Living Increases:	
Nonconverted	2.65% per year in retirement
Converted	1.90% on July 1, 2021; Thereafter 1.95%

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, 2021 was 1.39%, a decrease from the 1.49% as of December 31, 2020. 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.

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

**Change in Assumptions.** Cost of Living Adjustment - For converted members, the July 1 2021 COLA was updated from the ongoing valuation assumption to reflect the known increase of 1.90%. Beginning July 1, 2022, the assumption reverts to the assumed annual rate of 1.95%, a decrease from the 2.10%. For non-converted members, the COLA assumption was updated from 2.75% to 2.65% in alignment with the salary increase assumption.

Inflation assumption decreased from 2.25% to 2.00%.

Salary increase assumption decreased from 2.75% to 2.65%.

**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 1.39%. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2021. The municipal bond rate was applied to all remaining periods.

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

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Assets) to Changes in the Discount Rate.** The following presents the net pension liability of the plan, calculated using the discount rate of 1.39%, 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 (0.39%) or 1-percentage-point higher (2.49%) than the current rate:

	<b>1% Decrease to Discount Rate (0.39%)</b>	<b>Current Discount Rate (1.39%)</b>	<b>1% Increase to Discount Rate (2.39%)</b>
Net Pension Liability	\$ 64,366,154	\$ 57,944,814	\$ 52,479,770

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

**Funding Status and Funding Progress.** As of the January 1, 2021 actuarial valuation date, the plan was not funded and is on a pay as you go basis. The actuarial accrued liability for benefits was \$62,024,926, and the actuarial value of assets was \$(4,080,112), resulting in an unfunded actuarial accrued liability of \$57,944,814. 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  
Year Ended December 31, 2021

**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.

### Statement of Fiduciary Net Position

	<u>Fire Pension</u>	<u>Police Pension</u>
<b>Assets and Deferred Outflows of Resources</b>		
Cash and cash equivalents	\$ 878,847	\$ 988,238
Investments at fair value:		
Fixed income securities	<u>3,201,265</u>	<u>3,801,509</u>
Total assets	<u>4,080,112</u>	<u>4,789,747</u>
<b>Liabilities and Deferred Inflows of Resources</b>		
Accounts payable	<u>121</u>	<u>-</u>
Net position restricted for pensions	<u>\$ 8,160,103</u>	<u>\$ 9,579,494</u>

### Statement of Changes in Fiduciary Net Position

	<u>Fire Pension</u>	<u>Police Pension</u>
<b>Additions</b>		
Contributions:		
Contributions from nonemployer contributing entities	\$ 4,592,370	\$ 6,189,961
Investment income:		
Interest	<u>12,857</u>	<u>15,298</u>
Total additions	<u>4,605,227</u>	<u>6,205,259</u>
Deductions:		
Administrative expense	<u>4,689,003</u>	<u>6,181,780</u>
Total deductions	<u>4,689,003</u>	<u>6,181,780</u>
Change in fiduciary net position	(83,776)	23,479
<b>Net Position, Beginning</b>	<u>4,163,767</u>	<u>4,766,268</u>
<b>Net Position, Ending</b>	<u>\$ 4,079,991</u>	<u>\$ 4,789,747</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

## Statement of Changes in Fiduciary Net Pension Liabilities (Assets)

	<u>Fire Pension</u>	<u>Police Pension</u>
Interest	946,224	1,296,851
Difference between expected and actual experience	177,033	(167,397)
Change in assumptions	(186,368)	(184,213)
Projected benefit payments	<u>(4,479,739)</u>	<u>(6,081,684)</u>
Net change in total pension liability	(3,542,850)	(5,136,443)
Total pension liability, beginning	<u>65,567,776</u>	<u>90,245,203</u>
Total pension liability, ending	62,024,926	85,108,760
Plan fiduciary net position, end of year	<u>4,080,112</u>	<u>4,789,747</u>
Net pension liability (asset), ending	<u>\$ 57,944,814</u>	<u>\$ 80,319,013</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.

**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% 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 nonduty 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% 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% 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% 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% of the member's monthly benefit during their lifetime.

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

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

**Contributions.** The funding policy for the 1977 Fund requires remittances of member and employer contributions based on percentages of the salary of a first class officer or firefighter rather than actual payroll. The employer contribution rate is actuarially determined. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 36-8-8-6. As the 1977 Fund is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. During calendar year 2019, all participating employers were required to contribute 17.5% of the salary of a first-class officer or firefighter. City contributions for the year ended December 31, 2021 were \$3,268,742 and \$3,137,280 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, 2021, the City reported a pension asset of \$11,625,802 for the Police and a pension asset of \$11,161,383 for the Firefighter proportionate share of the net pension liability(asset). The net pension liability (asset) was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability (asset) was based on the City's reported wages as a proportion of total collective reported wages for all employers. At June 30, 2021, the City's proportion of the Police Officers' fund was 1.96709%. At June 30, 2021, the City's proportion of the Firefighters' fund was 1.88851%.

For the year ended December 31, 2021, the City recognized pension expense of \$946,929 for the Police Officers and \$909,102 for the Firefighters' fund. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

	<b>Deferred Outflows of Resources</b>		
	<b>Police</b>	<b>Fire</b>	<b>Total</b>
Differences between expected and actual experience	\$ 3,017,768	\$ 2,897,216	\$ 5,914,984
Changes in assumptions	6,338,970	6,085,745	12,424,715
Changes in proportion and differences between employer contributions and proportionate share of contributions	76,511	109,549	186,060
Employer contributions subsequent to the measurement date	<u>1,597,515</u>	<u>1,788,283</u>	<u>3,385,798</u>
Total	<u>\$ 11,030,764</u>	<u>\$ 10,880,793</u>	<u>\$ 21,911,557</u>

	<b>Deferred Inflows of Resources</b>		
	<b>Police</b>	<b>Fire</b>	<b>Total</b>
Differences between expected and actual experience	\$ 332,958	\$ 319,657	\$ 652,615
Changes in assumptions	1,711,711	1,643,332	3,355,043
Net differences between projected and actual earnings on pension plan investments	16,957,827	16,280,407	33,238,234
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>75,213</u>	<u>89,507</u>	<u>164,720</u>
Total	<u>\$ 19,077,709</u>	<u>\$ 18,332,903</u>	<u>\$ 37,410,612</u>

\$1,597,515 reported for the Police Officers' and \$1,788,283 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Years Ending December 31:</b>	<b>Police</b>	<b>Fire</b>	<b>Total</b>
2022	\$ (3,801,900)	\$ (3,632,907)	\$ (7,434,807)
2023	(3,234,101)	(3,094,832)	(6,328,933)
2024	(2,542,830)	(2,440,428)	(4,983,258)
2025	(3,428,952)	(3,295,539)	(6,724,491)
2026	1,280,821	1,226,415	2,507,236
Thereafter	2,082,502	1,996,898	4,079,400

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

Inflation	2.00%
Salary increases	2.65%
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"	6.25% net of investment expense, including inflation 1.95%

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

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).

### 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.

<b>Global Asset Class</b>	<b>Long-Term Expected Rate of Return (Geometric Basis)</b>	<b>Target Asset Allocation</b>
Public Equity	3.6%	20.0%
Private Markets	7.3	15.0
Fixed Income, Ex Inflation-Linked	1.5	20.0
Fixed Income, Inflation-Linked	(0.3)	15.0
Commodities	0.8	10.0
Real Estate	4.2	10.0
Absolute Return	2.5	5.0
Risk Parity	4.4	20.0
Leverage Offset	(1.4)	(15.0)

### Discount Rate

The discount rate used to measure the total pension liability was 6.25% as of June 30, 2021 and is equal to the long-term expected return on plan investments.

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

### Sensitivity of the City's Proportionate Share of the Net Pension Liability (Assets) 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 6.25%, 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 (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<u>1% Decrease to Discount Rate (5.25%)</u>	<u>Current Discount Rate (6.25%)</u>	<u>1% Increase to Discount Rate (7.25%)</u>
City's proportionate share of the net pension liability (asset) - Police Officers'	\$ 11,981,998	\$ (11,625,802)	\$ (30,683,755)
City's proportionate share of the net pension liability (asset) - Firefighters'	11,503,349	(11,161,383)	(29,458,021)

**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/INPRSAnnualReportBook2021.pdf>

### 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 nonincremental costs to the claims liability.

### Claims Liability - Governmental Activities

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims, beginning	\$ 2,564,563	\$ 1,508,245
Current year claims and changes in estimates	18,353,616	37,884,316
Claim payments	<u>(19,409,934)</u>	<u>(35,279,917)</u>
Unpaid claims, ending	<u>\$ 1,508,245</u>	<u>\$ 4,112,644</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

## 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, 2021. 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 \$9,690,959.

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

General fund	\$	468,282
Casino gaming		26,365
Nonmajor funds		<u>8,503,545</u>
Total	\$	<u><u>8,998,192</u></u>

## 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.

**Employees Covered by Benefit Terms.** At December 31, 2021, the following employees were covered by the benefit terms:

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

### Total OPEB Liability

The City's total OPEB liability of \$426,648,254 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

## City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

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**Actuarial Assumptions and Other Inputs.** The total OPEB liability in the December 31, 2021 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	December 31, 2021
Actuarial valuation date	January 1, 2021 with results actuarially projected on a no gain/no loss basis to get to December 31, 2021 measurement date. Liabilities as of January 1, 2021, with no adjustments
Discount rate	2.25% as of December 31, 2021 and 2.12% as of January 1, 2021
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
Cost method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.
Healthcare cost trend rates	7.50% trending down to 4.50% for Medical. 4.25% trending down to 3.50% for dental. 3.25% trending down to 2.50% for Vision
Retirees' share of benefit-related costs	Retiree contributions are assumed to increase 3% annually.

The discount rate of 2.25% was selected from a range of indices.

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

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

## Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2020	\$ 427,066,128
Changes for the year:	
Service cost	20,206,018
Interest	9,407,463
Differences between expected and actual experience	(11,312,265)
Changes in assumptions or other inputs	(11,634,162)
Benefit payments	<u>(7,084,928)</u>
Net changes	<u>(417,874)</u>
Balances at December 31, 2021	<u>\$ 426,648,254</u>

**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 (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate:

	<u>1% Decrease (1.25%)</u>	<u>Discount Rate (2.25%)</u>	<u>1% Increase (3.25%)</u>
Total OPEB liability	\$ 528,743,763	\$ 426,648,254	\$ 350,189,316

**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 (6.5% decreasing to 3.5%) or 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	<u>1% Decrease (6.5% Decreasing to 3.5%)</u>	<u>Healthcare Cost Trend Rates (7.5% Decreasing to 4.5%)</u>	<u>1% Increase (8.5% Decreasing to 5.5%)</u>
Total OPEB liability	\$ 341,287,185	\$ 426,648,254	\$ 543,184,840

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$45,085,649. At December 31, 2021, 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	\$ -	\$ 32,212,785
Changes of assumptions or other inputs	<u>93,889,928</u>	<u>9,695,135</u>
Total	<u>\$ 93,889,928</u>	<u>\$ 41,907,920</u>

# City of Evansville, Indiana

Notes to Financial Statements  
Year Ended December 31, 2021

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

Years Ending December 31:	
2022	\$ 15,472,168
2023	15,472,168
2024	15,472,165
2025	9,389,909
2026	(3,824,402)
Thereafter	-

## Subsequent Events

### Waterworks District Revenue Bonds, Series 2022A

The City of Evansville Waterworks District issued \$52,550,000 in revenue bonds on June 9, 2022. These bonds will fund various improvements to the water treatment and distribution systems.

### Sewage Works Revenue Bonds, Series, 2022A

The City of Evansville Municipal Sewage Works issued \$28,375,000 in revenue bonds on June 30, 2022. These bonds will fund improvements to a major lift station within the sewer collection system.

### Water Utility - Rate Increase

During May 2021 the Water Utility filed a rate petition with the IURC. The proposed five-phase across-the-board rate increase in the Water Utility's Case-in-Chief proposed increase would be as follows: Phase 1 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 1 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.

On Mar 2, 2022, the IURC approved the five-phase across-the-board increase pursuant to the Order in Cause 45545. Subsequent to the issuance of the 2022A Bonds, the Water Utility filed a True-up report with the IURC that as of the date of this report is still under review. The proposed rates would be as follows: Phase 1 increase is 4.42%, the Phase II increase is 5.65%, the Phase III increase is 5.99%, the Phase IV is 6.74% and the Phase V increase is 4.77%.

## 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 nonstop, 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.

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

There were not any significant GASBs that were implemented in the current year 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. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus*
- Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

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

**REQUIRED SUPPLEMENTARY INFORMATION**

# City of Evansville, Indiana

## Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

General Fund

Year Ended December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property	\$ 50,529,742	\$ 52,051,537	\$ 52,051,537	\$ -
Other	7,570,700	8,372,687	8,372,687	-
Intergovernmental	11,520,604	11,887,043	9,709,640	(2,177,403)
Licenses and permits	1,286,035	1,265,244	1,227,756	(37,488)
Charges for services	1,776,004	1,727,376	1,631,136	(96,240)
Fines, forfeitures, and fees	1,401,562	1,388,676	1,387,069	(1,607)
Interest	125,000	13,558	13,558	-
Miscellaneous	1,780,448	2,057,078	1,977,447	(79,631)
<b>Total revenues</b>	<b>75,990,095</b>	<b>78,763,199</b>	<b>76,370,830</b>	<b>(2,392,369)</b>
<b>Expenditures</b>				
General government:				
Mayor:				
Personal services	386,768	386,768	353,969	32,799
Supplies	1,000	1,000	499	501
Other services and charges	72,842	73,007	70,647	2,360
Human relations:				
Personal services	379,252	380,732	369,198	11,534
Supplies	325	392	378	14
Other services and charges	33,904	34,511	32,505	2,006
Finance:				
Personal services	786,191	793,675	777,356	16,319
Supplies	4,200	4,382	4,199	183
Other services and charges	200,794	210,758	206,862	3,896
Purchasing:				
Personal services	184,588	184,588	129,962	54,626
Supplies	200	200	15	185
Other services and charges	25,040	25,526	24,625	901
Minority/WBE:				
Supplies	225	225	96	129
Other services and charges	235	235	35	200
City council:				
Personal services	402,161	402,161	347,228	54,933
Supplies	275	341	160	181
Other services and charges	69,132	74,308	64,663	9,645
City clerk:				
Personal services	231,519	231,519	226,687	4,832
Supplies	1,380	1,430	430	1,000
Other services and charges	34,724	38,176	28,980	9,196
Law:				
Other services and charges	602,731	629,427	604,167	25,260
METS:				
Personal services	6,479,238	6,409,004	5,814,820	594,184
Supplies	1,011,650	12,820	5,920	6,900
Other services and charges	762,212	25,905	26,047	(142)

See notes to required supplementary information

# City of Evansville, Indiana

## Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

General Fund

Year Ended December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Locust Hill Cemetery:				
Personal services	\$ 157,806	\$ 173,504	\$ 172,172	\$ 1,332
Supplies	11,400	10,970	9,819	1,151
Other services and charges	137,520	141,179	139,570	1,609
Spay/neuter:				
Supplies	8,500	9,119	8,509	610
Other services and charges	20,000	21,391	10,181	11,210
Oak Hill Cemetery:				
Personal services	403,589	403,622	386,126	17,496
Supplies	14,925	15,266	13,705	1,561
Other services and charges	267,593	277,880	274,624	3,256
Building commission:				
Personal services	780,222	766,622	685,346	81,276
Supplies	12,750	13,292	12,242	1,050
Other services and charges	131,170	141,044	126,478	14,566
Personnel:				
Personal services	308,410	330,796	327,481	3,315
Supplies	2,150	2,150	548	1,602
Other services and charges	40,839	40,929	34,832	6,097
Legal aid:				
Other services and charges	228,922	243,027	225,262	17,765
Miscellaneous:				
Other services and charges	752,365	799,228	679,098	120,130
Total general government	14,948,747	13,311,109	12,195,441	1,115,668
Public safety:				
Animal control:				
Personal services	729,107	768,210	743,690	24,520
Supplies	42,070	39,240	35,175	4,065
Other services and charges	106,704	121,355	108,277	13,078
Central dispatch:				
Personal services	3,384,466	3,484,465	3,392,485	91,980
Supplies	2,980	3,930	3,797	133
Other services and charges	183,890	207,053	189,534	17,519
Police:				
Personal services	34,577,619	34,817,020	32,697,070	2,119,950
Supplies	740,700	872,232	741,543	130,689
Other services and charges	2,072,272	2,103,122	1,956,441	146,681
Capital outlays	-	100,000	99,130	870
Police merit:				
Personal services	6,886	6,886	6,886	-
Supplies	3,500	3,700	-	3,700
Other services and charges	84,562	101,369	90,398	10,971

See notes to required supplementary information

# City of Evansville, Indiana

## Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

General Fund

Year Ended December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Fire:				
Personal services	\$ 30,077,042	\$ 30,466,542	\$ 29,384,152	\$ 1,082,390
Supplies	385,200	402,202	299,309	102,893
Other services and charges	1,527,971	1,596,146	1,377,644	218,502
Capital outlays	-	181,520	36,480	145,040
Emergency management:				
Personal services	211,480	213,277	212,102	1,175
Supplies	10,150	10,318	6,940	3,378
Other services and charges	105,129	106,615	102,840	3,775
Fire merit:				
Personal services	11,476	11,476	11,476	-
Supplies	1,650	1,650	1,388	262
Other services and charges	37,413	37,413	30,140	7,273
Ambulance:				
Other services and charges	700	1,511	1,081	430
Weights and measures:				
Other services and charges	178,610	190,960	176,714	14,246
Code enforcement:				
Personal services	679,126	679,127	592,128	86,999
Supplies	12,100	12,531	6,187	6,344
Other services and charges	333,802	374,353	321,462	52,891
Total public safety	<u>75,506,605</u>	<u>76,914,223</u>	<u>72,624,469</u>	<u>4,289,754</u>
Health and human services:				
Environmental protection:				
Personal services	79,289	81,583	81,229	354
Supplies	1,400	1,400	20	1,380
Other services and charges	9,132	9,132	8,663	469
Total health and human services	<u>89,821</u>	<u>92,115</u>	<u>89,912</u>	<u>2,203</u>
Highways and streets:				
Board of public works:				
Personal services	514,057	518,095	502,196	15,899
Supplies	24,600	25,026	19,777	5,249
Other services and charges	191,856	201,327	192,299	9,028
Total highways and streets	<u>730,513</u>	<u>744,448</u>	<u>714,272</u>	<u>30,176</u>

See notes to required supplementary information

# City of Evansville, Indiana

Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

General Fund

Year Ended December 31, 2021

	<b>Budgeted Amounts</b>		<b>Actual Budgetary Basis Amounts</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Culture, recreation and education:				
Department of metro/city:				
Personal services	\$ 1,211,150	\$ 1,211,150	\$ 1,193,268	\$ 17,882
Supplies	4,540	5,018	3,072	1,946
Other services and charges	174,454	191,852	149,984	41,868
Total culture, recreation and education	1,390,144	1,408,020	1,346,324	61,696
Total expenditures	92,665,830	92,469,915	86,970,418	5,499,497
Excess (deficiency) of revenues over (under) expenditures	(16,675,735)	(13,706,716)	(10,599,588)	3,107,128
<b>Other Financing Sources (Uses)</b>				
Transfers in	16,718,130	15,591,154	15,591,153	(1)
Total other financing sources (uses)	16,718,130	15,591,154	15,591,153	(1)
Net change in fund balances	42,395	1,884,438	4,991,565	3,107,127
<b>Fund Balances, Beginning</b>	7,602,057	7,602,057	7,602,057	-
<b>Fund Balances, Ending</b>	<b>\$ 7,644,452</b>	<b>\$ 9,486,495</b>	<b>\$ 12,593,622</b>	<b>\$ 3,107,127</b>

See notes to required supplementary information

**City of Evansville, Indiana**

Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

Local Income Tax

Year Ended December 31, 2021

	<b>Budgeted Amounts</b>		<b>Actual Budgetary Basis Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes:				
Income	\$ 20,077,895	\$ 21,760,096	\$ 21,760,096	\$ -
Intergovernmental	-	290,021	290,021	-
Interest	67,000	42,429	42,429	-
Miscellaneous	505,000	-	-	-
Total revenues	<u>20,649,895</u>	<u>22,092,546</u>	<u>22,092,546</u>	<u>-</u>
<b>Expenditures</b>				
General government:				
Supplies	388,000	363,332	310,567	52,765
Other services and charges	7,283,045	9,392,459	6,533,485	2,858,974
Capital outlays	-	59,080	-	59,080
Total expenditures	<u>7,671,045</u>	<u>9,814,871</u>	<u>6,844,052</u>	<u>2,970,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,978,850</u>	<u>12,277,675</u>	<u>15,248,494</u>	<u>(2,970,819)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(10,425,500)</u>	<u>(11,984,023)</u>	<u>(10,347,288)</u>	<u>(1,636,735)</u>
Total other financing sources (uses)	<u>(10,425,500)</u>	<u>(11,984,023)</u>	<u>(10,347,288)</u>	<u>(1,636,735)</u>
Net change in fund balances	2,553,350	293,652	4,901,206	4,607,554
<b>Fund Balances, Beginning</b>	<u>6,114,125</u>	<u>6,114,125</u>	<u>6,114,125</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 8,667,475</u>	<u>\$ 6,407,777</u>	<u>\$ 11,015,331</u>	<u>\$ 4,607,554</u>

See notes to required supplementary information

**City of Evansville, Indiana**

Budget/GAAP Reconciliation  
General Fund and Major Special Revenue Funds  
Year Ended December 31, 2021

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

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

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

	<u>General</u>	<u>Local Income Tax</u>
Net changes in fund balances (budgetary basis)	\$ 4,991,565	\$ 4,901,206
Adjustments		
To adjust revenues for accruals	1,249,175	(69,809)
To adjust expenditures for accruals	73,374	(921,245)
To adjust expenditures for Rainy Day Fund activity	9,974	-
Net change in fund balances (GAAP basis)	<u>\$ 6,324,088</u>	<u>\$ 3,910,152</u>

*See notes to required supplementary information*

**City of Evansville, Indiana**

## Schedule of the City's Proportionate Share of the Net Pension Liability

## Public Employees' Retirement Fund

Available Data: Last 10 Fiscal Years

	<u>2021</u>	<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	0.34260%	0.35735%	0.37441%	0.37351%	0.39069%	0.39458%	0.39697%	0.38052%
City's proportionate share of the net pension liability	\$ 4,508,104	\$ 10,798,212	\$ 12,374,489	\$ 12,688,304	\$ 17,430,804	\$ 17,907,794	\$ 16,168,199	\$ 9,999,819
City's covered payroll	\$ 19,086,193	\$ 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	23.6%	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 *	92.5%	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

### Schedule of City Contributions Public Employees' Retirement Fund Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions: City	\$ 2,420,592	\$ 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>(2,420,592)</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 21,612,429	\$ 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%	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**

## Schedule of the Utility's Proportionate Share of the Net Pension Liability

Public Employees' Retirement Fund

Available Data: Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Utility portion of the net pension liability	0.23553%	0.23369%	0.22321%	2.24880%	0.22719%	0.22858%	0.22721%	0.20815%
Utility's proportionate share of the net pension liability	\$ 3,009,216	\$ 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	\$ 12,985,359	\$ 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	23.2%	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 *	92.5%	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

### Schedule of Utility's Contributions Public Employees' Retirement Fund Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions Utility	\$ 1,834,755	\$ 1,832,187	\$ 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>(1,834,755)</u>	<u>(1,832,187)</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>	<u>\$ -</u>
City's covered payroll	\$ 16,381,741	\$ 16,358,813	\$ 15,728,938	\$ 14,548,268	\$ 13,215,714	\$ 12,201,071	\$ 9,843,643
Contributions as a percentage of covered payroll*	11.20%	11.20%	11.20%	11.20%	12.04%	12.94%	15.90%

Notes:

The amounts presented for each fiscal year were determined as of December 31.  
Additional years will be added until 10 years of historical data is shown.

## City of Evansville, Indiana

Schedule of the City's Proportionate Share of the Net Pension Liability  
 Police Officers' 1977 Fund  
 Available Data: Last 10 Fiscal Years

	<u>2021</u>	<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)	1.96709%	1.95228%	1.96166%	2.01795%	2.08782%	2.12119%	2.29450%	2.24385%
City's proportionate share of the net pension liability (asset)	\$ (11,625,802)	\$ 4,740,288	\$ 180,786	\$ (1,774,003)	\$ (322,055)	\$ 1,884,400	\$ (3,389,438)	\$ (1,143,922)
City's covered payroll	\$ 18,675,974	\$ 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	-62.3%	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	107.8%	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% for first class salary and the maximum benefit from 74 to 76%.

Surviving spouses benefit increased from 60 to 70%.

Information is not available prior to 2014.

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

See notes to the required supplementary information

## City of Evansville, Indiana

### Schedule of City Contributions

#### Police Officers' 1977 Fund

Available Data: Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 3,220,652	\$ 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>(3,220,652)</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 18,403,726	\$ 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%	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

Schedule of the City's Proportionate Share of the Net Pension Liability  
 Firefighters' 1977 Fund  
 Available Data: Last 10 Fiscal Years

	<u>2021</u>	<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)	1.88851%	1.86637%	1.90263%	1.95055%	1.99793%	2.02746%	2.29450%	2.24385%
City's proportionate share of the net pension liability (asset)	\$ (11,161,383)	\$ 4,531,692	\$ 175,346	\$ (1,714,751)	\$ (308,189)	\$ 1,801,133	\$ (3,199,470)	\$ (1,053,182)
City's covered payroll	\$ 17,929,910	\$ 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	-62.3%	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)	107.8%	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 policies during 2019.

Changes in plan provisions:

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

Surviving spouses benefit increased from 60 to 70%.

Information is not available prior to 2014.

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

## City of Evansville, Indiana

### Schedule of City Contributions

#### Firefighters' 1977 Fund

Available Data: Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 3,533,126	\$ 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>(3,533,126)</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 20,189,291	\$ 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%	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

### Schedule of Changes in Net Pension Liability and Related Ratios

Available Data: Last 10 Fiscal Years\*

#### **1925 Police Officers' Pension**

	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Total Pension Liability</b>				
Total pension liability, beginning	\$ 90,245,203	\$ 93,554,337	\$ 87,650,527	\$ 95,701,570
Service cost	-	-	-	38,208
Interest cost	1,296,851	1,964,315	2,639,764	2,507,927
Experience (gains) losses	(167,397)	1,781,789	604,043	(1,457,235)
Assumption changes	(184,213)	(825,754)	8,235,296	(2,969,549)
Plan amendments	-	-	626,518	-
Projected benefit payments	(6,081,684)	(6,229,484)	(6,201,811)	(6,170,394)
Total pension liability, ending	<u>\$ 85,108,760</u>	<u>\$ 90,245,203</u>	<u>\$ 93,554,337</u>	<u>\$ 87,650,527</u>

#### **Plan Fiduciary Net Position**

Plan fiduciary net position, beginning	\$ 4,766,549	\$ 4,696,828	\$ 4,522,824	\$ 4,746,074
Administrative	(18,748)	(14,183)	(21,740)	(10,740)
Net investment income	15,298	56,272	85,171	57,958
Nonemployer contributing entity contributions	6,155,060	6,331,600	6,418,561	6,116,676
Actual benefit payments	(6,128,412)	(6,303,968)	(6,307,988)	(6,387,144)
Plan fiduciary net position, ending	<u>\$ 4,789,747</u>	<u>\$ 4,766,549</u>	<u>\$ 4,696,828</u>	<u>\$ 4,522,824</u>
Net pension liability	<u>\$ 80,319,013</u>	<u>\$ 85,478,654</u>	<u>\$ 88,857,509</u>	<u>\$ 83,127,703</u>

#### **1937 Firefighters' Pension**

#### **Total Pension Liability**

Total pension liability, beginning	\$ 65,567,776	\$ 67,311,092	\$ 64,165,011	\$ 70,001,149
Interest cost	946,224	1,422,040	1,893,301	1,837,091
Experience (gains) losses	177,033	1,739,564	(850,021)	(888,092)
Assumption changes	(186,368)	(328,485)	5,858,426	(2,165,637)
Plan amendments	-	-	725,875	-
Projected benefit payments	(4,479,739)	(4,576,435)	(4,481,500)	(4,619,500)
Total pension liability, ending	<u>\$ 62,024,926</u>	<u>\$ 65,567,776</u>	<u>\$ 67,311,092</u>	<u>\$ 64,165,011</u>

#### **Plan Fiduciary Net Position**

Plan fiduciary net position, beginning	\$ 4,163,883	\$ 4,125,509	\$ 4,247,344	\$ 4,267,762
Administrative	(18,502)	(13,011)	(21,161)	(15,446)
Net investment income	12,857	54,130	78,522	50,222
Employer contributions	-	-	9,000	-
Nonemployer contributing entity contributions	4,588,870	4,720,202	4,484,818	4,618,351
Actual benefit payments	(4,666,996)	(4,722,947)	(4,673,014)	(4,673,544)
Plan fiduciary net position, ending	<u>\$ 4,080,112</u>	<u>\$ 4,163,883</u>	<u>\$ 4,125,509</u>	<u>\$ 4,247,345</u>
Net pension liability	<u>\$ 57,944,814</u>	<u>\$ 61,403,893</u>	<u>\$ 63,185,583</u>	<u>\$ 59,917,666</u>

Notes:

\* Information presented for the years information is available

## City of Evansville, Indiana

### Schedule of Changes in the City's Net Pension Liability and Related Ratios

Available Data: Last 10 Fiscal Years\*

#### 1925 Police Officers' Pension

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 85,108,760	\$ 90,245,203	\$ 93,554,337	\$ 87,650,527	\$ 95,701,570
Less plan fiduciary net position	<u>4,789,747</u>	<u>4,766,549</u>	<u>4,696,828</u>	<u>4,522,824</u>	<u>4,746,074</u>
Net pension liability	<u>\$ 80,319,013</u>	<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	5.63%	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	N/A

#### 1937 Firefighters' Pension

Total pension liability	\$ 62,024,926	\$ 65,567,776	\$ 67,311,092	\$ 64,165,011	\$ 70,001,149
Less plan fiduciary net position	<u>4,080,112</u>	<u>4,163,883</u>	<u>4,125,509</u>	<u>4,247,345</u>	<u>4,267,762</u>
Net pension liability	<u>\$ 57,944,814</u>	<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	6.58%	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	N/A

Notes:

\* Information presented for the years information is available

\*\* Not available

## City of Evansville, Indiana

### Schedule of Contributions

Available Data: Last 10 Fiscal Years\*

#### 1925 Police Officers' Pension

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily Required Contribution	\$ 6,128,412	\$ 6,303,968	\$ 6,307,988	\$ 6,387,144
Less contributions in relation to the statutorily required contributions	<u>6,128,412</u>	<u>6,303,968</u>	<u>6,307,988</u>	<u>6,387,144</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ -	\$ -	\$ -	**
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A

#### 1937 Firefighters' Pension

Statutorily Required Contribution	\$ 4,666,996	\$ 4,722,947	\$ 4,673,014	\$ 4,673,544
Less contributions in relation to the statutorily required contributions	<u>4,666,996</u>	<u>4,722,947</u>	<u>4,673,014</u>	<u>4,673,544</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A

Notes:

\* Information presented for the years information is available

\*\* Not available

## City of Evansville, Indiana

### Schedule of Investment Returns

Available Data: Last 10 Fiscal Years\*

#### **1925 Police Officers' Pension**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return net of investment expense	N/A **	N/A **	N/A **	N/A **

#### **1937 Firefighters' Pension**

Annual money-weighted rate of return net of investment expense	N/A **	N/A **	N/A **	N/A **
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Notes:

\* Information presented for the years information is available

\*\* The City pension funds do not have investments and, therefore, no returns on investments to report

## City of Evansville, Indiana

### Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Available Data: Last 10 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 20,206,018	\$ 12,188,574	\$ 9,380,377
Interest	9,407,463	11,088,620	11,764,145
Changes of assumptions	(11,634,162)	104,869,135	47,954,344
Differences between expected and actual experience	(11,312,265)	(25,583,266)	(11,460,775)
Benefit payments	<u>(7,084,928)</u>	<u>(6,845,290)</u>	<u>(6,220,566)</u>
Net change in total OPEB liability	(417,874)	95,717,773	51,417,525
Total OPEB liability, beginning	<u>427,066,128</u>	<u>331,348,355</u>	<u>279,930,830</u>
Total OPEB liability, ending (a)	<u>\$ 426,648,254</u>	<u>\$ 427,066,128</u>	<u>\$ 331,348,355</u>
<b>Plan Fiduciary Net Position</b>			
Contributions	\$ 7,084,928	\$ 6,845,290	\$ 6,220,566
Benefit payments	<u>(7,084,928)</u>	<u>(6,845,290)</u>	<u>(6,220,566)</u>
Net change in fiduciary net position	-	-	-
Fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	\$ 426,648,254	\$ 427,066,128	\$ 331,348,355
Covered, payroll	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	N/A	N/A

Notes to schedule:

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

(a) - Beginning in 2021 the OPEB liability had amounts allocated to the levee which is a component unit.

## City of Evansville, Indiana

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Notes to Required Supplementary Information  
December 31, 2021

### 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:

Highway, Local Road & Street, Parks and Recreation, Parking Meter, Building Demolition, Planning, Fair Housing, Local Income Tax Public Safety, Local Law Enforcement Continuing Education, Golf Course Non-reverting, ERC Capital Non-reverting, Landlord Registry

Debt service funds:

Arena Bond and Park Bond Refunding, Downtown Parking Garage, Parks Special District

Capital projects funds:

Cumulative Capital Improvement, TIF Funds, Food and Beverage Tax, Jacobsville TIF, Evansville Redevelopment TIF Projects

# City of Evansville, Indiana

Notes to Required Supplementary Information  
December 31, 2021

## Financial Reporting – Pension Plans

### Plan Amendments

#### PERF Plan

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	6.25%, net of investment expense, including inflation
Asset valuation method	Five-year smoothing of gains and losses on the fair value of assets subject to the 20% corridor
Inflation	2.00%
Salary increases	2.65% to 8.65% based on age
Mortality	Pubs 2010 Public Retirement Plans Mortality Table with Fully generational projection of mortality improvements using SOA Scale MP-2019

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

Inflation	2.00% per annum
Salary increases	2.65% per annum
Long-term rate of return	1.00%, net of pension plan investment expenses, including inflation
Cost of Living Increases for Certain Retirees	2.65% for Nonconverted 1.90% on July 1, 2021; 1.95% thereafter, for Converted

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.

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

Inflation	2.00% per annum
Salary increases	2.65% per annum
Investment rate of return	6.25%, net of investment expense
Cost of Living Increases or Ad Hoc	1.95%

Mortality rates are based on Publication-2010 public retirement plans mortality tables (amount-weighted), with a fully generational projection of mortality improvements using SPA MP-2019.

#### OPEB Plan

Measurement date	December 31, 2021
Assumptions	December 31, 2021 measurement date was used.
Cost Method	Entry Age Normal Level% of Salary
Amortization	Not Applicable
Discount rate	2.25%
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.

## City of Evansville, Indiana

Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2021

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 22,965,136	\$ 3,709,882	\$ 6,913,685	\$ 421	\$ 33,589,124
Investments	56,929,114	4,161,368	4,427,556	88,004	65,606,042
Inventory	385,242	-	-	-	385,242
Receivables:					
Taxes	9,504,762	3,429	-	-	9,508,191
Interest	7,096	-	-	-	7,096
Accounts	215,710	-	182,146	-	397,856
Intergovernmental	308,066	-	-	-	308,066
Other assets	558	-	-	-	558
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 90,315,684</u>	<u>\$ 7,874,679</u>	<u>\$ 11,523,387</u>	<u>\$ 88,425</u>	<u>\$ 109,802,175</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,383,271	\$ 436,605	\$ 250	\$ -	\$ 1,820,126
Accrued payroll and withholdings payable	151,498	-	-	-	151,498
Unearned revenue	32,241,888	-	-	-	32,241,888
DMD seed money	2,500	-	-	-	2,500
Interfund payable:					
Interfund payable	1,382,309	-	-	-	1,382,309
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>35,161,466</u>	<u>436,605</u>	<u>250</u>	<u>-</u>	<u>35,598,321</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	8,687,256	3,429	-	-	8,690,685
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources	<u>8,687,256</u>	<u>3,429</u>	<u>-</u>	<u>-</u>	<u>8,690,685</u>
<b>Fund Balances</b>					
Restricted	45,460,858	7,434,645	11,523,137	88,425	64,507,065
Committed	2,701,263	-	-	-	2,701,263
Unrestricted (deficit)	(1,695,159)	-	-	-	(1,695,159)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>46,466,962</u>	<u>7,434,645</u>	<u>11,523,137</u>	<u>88,425</u>	<u>65,513,169</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 90,315,684</u>	<u>\$ 7,874,679</u>	<u>\$ 11,523,387</u>	<u>\$ 88,425</u>	<u>\$ 109,802,175</u>

## **SUPPLEMENTARY INFORMATION**

# City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Nonmajor Governmental Funds

Year Ended December 31, 2021

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
<b>Revenues</b>					
Taxes:					
Property	\$ 7,456,742	\$ 2,094,516	\$ 8,706,131	\$ -	\$ 18,257,389
Income	5,634,464	-	-	-	5,634,464
Food and beverage	-	-	5,150,248	-	5,150,248
Other	1,921,789	-	-	-	1,921,789
Intergovernmental	22,845,135	519,191	241,268	-	23,605,594
Charges for services	3,655,754	842,857	-	-	4,498,611
Fines and forfeits	124,172	-	-	-	124,172
Investment earnings	202,768	4,163	73,036	21	279,988
Other:					
Contribution	3,558,099	-	-	-	3,558,099
Miscellaneous	1,929,122	41,200	6,544	-	1,976,866
<b>Total revenues</b>	<b>47,328,045</b>	<b>3,501,927</b>	<b>14,177,227</b>	<b>21</b>	<b>65,007,220</b>
<b>Expenditures</b>					
Current:					
General government	271,386	-	2,774	2,179	276,339
Public safety	4,290,975	-	-	-	4,290,975
Highways and streets	6,290,540	-	250	-	6,290,790
Culture and recreation	11,675,740	1,842,757	-	-	13,518,497
Urban redevelopment	3,882,199	6,300	230,806	-	4,119,305
Debt service:					
Principal	4,765,134	3,600,000	3,141,670	-	11,506,804
Interest	3,865,872	2,390,011	1,650,853	-	7,906,736
Capital lease	546,873	-	-	-	546,873
Capital outlay:					
General government	1,834,960	8,567,778	-	-	10,402,738
Urban redevelopment	2,614,420	-	-	-	2,614,420
<b>Total expenditures</b>	<b>40,038,099</b>	<b>16,406,846</b>	<b>5,026,353</b>	<b>2,179</b>	<b>61,473,477</b>
Excess (deficiency) of revenues over (under) expenditures	7,289,946	(12,904,919)	9,150,874	(2,158)	3,533,743
<b>Other Financing Sources (Uses)</b>					
Bond proceeds	-	-	3,979,100	-	3,979,100
Loan proceeds	205,000	-	-	-	205,000
Contribution expense	-	-	(3,979,100)	-	(3,979,100)
Transfers in	8,729,563	11,996,563	3,681	-	20,729,807
Transfers out	(10,244,636)	(8,088,382)	(8,809,235)	-	(27,142,253)
<b>Total other financing sources and uses</b>	<b>(1,310,073)</b>	<b>3,908,181</b>	<b>(8,805,554)</b>	<b>-</b>	<b>(6,207,446)</b>
<b>Net change in fund balances</b>	<b>5,979,873</b>	<b>(8,996,738)</b>	<b>345,320</b>	<b>(2,158)</b>	<b>(2,673,703)</b>
<b>Fund Balances, Beginning</b>	<b>40,487,089</b>	<b>16,431,383</b>	<b>11,177,817</b>	<b>90,583</b>	<b>68,186,872</b>
<b>Fund Balances, Ending</b>	<b>\$ 46,466,962</b>	<b>\$ 7,434,645</b>	<b>\$ 11,523,137</b>	<b>\$ 88,425</b>	<b>\$ 65,513,169</b>

**City of Evansville, Indiana**

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2021

	<u>Highway</u>	<u>Cares Act - 101 General COVID</u>	<u>Cares Act - 230 Law Enf COVID</u>	<u>Cares Act - 231 CDBG COVID</u>	<u>Cares Act - 279 ESG COVID</u>	<u>Cares Act - 282 EDA COVID</u>	<u>Cares Act - 271 HUD COVID</u>	<u>Cares Act - 446 Casino COVID</u>	<u>Local Road and Street</u>
<b>Assets</b>									
Cash and cash equivalents	\$ 1,309,160	\$ 1,887,397	\$ 75,386	\$ -	\$ -	\$ 19,185	\$ -	\$ 69,353	\$ 1,730,790
Investments	4,168,762	-	-	-	-	-	-	-	3,742,816
Inventory	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Accounts	163,248	-	-	-	-	-	-	-	-
Intergovernmental	16,548	-	-	10,380	-	-	-	500	-
Other assets	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,657,718</b>	<b>\$ 1,887,397</b>	<b>\$ 75,386</b>	<b>\$ 10,380</b>	<b>\$ -</b>	<b>\$ 19,185</b>	<b>\$ -</b>	<b>\$ 69,853</b>	<b>\$ 5,473,606</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ 160,173	\$ 41,053	\$ -	\$ 119,802	\$ 16,319	\$ -	\$ -	\$ -	\$ 81,267
Accrued payroll and withholdings payable	50,460	-	-	-	-	-	-	-	7,633
DMD seed money	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Interfund payable:									
Interfund payable	-	-	-	70,380	34,901	-	-	-	-
<b>Total liabilities</b>	<b>210,633</b>	<b>41,053</b>	<b>-</b>	<b>190,182</b>	<b>51,220</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,900</b>
<b>Deferred Inflows of Resources</b>									
Unavailable revenue	-	-	-	-	-	-	-	500	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>-</b>
<b>Fund Balances</b>									
Restricted	5,447,085	1,846,344	75,386	-	-	19,185	-	69,353	5,384,706
Committed	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	-	-	-	(179,802)	(51,220)	-	-	-	-
<b>Total fund balances</b>	<b>5,447,085</b>	<b>1,846,344</b>	<b>75,386</b>	<b>(179,802)</b>	<b>(51,220)</b>	<b>19,185</b>	<b>-</b>	<b>69,353</b>	<b>5,384,706</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,657,718</b>	<b>\$ 1,887,397</b>	<b>\$ 75,386</b>	<b>\$ 10,380</b>	<b>\$ -</b>	<b>\$ 19,185</b>	<b>\$ -</b>	<b>\$ 69,853</b>	<b>\$ 5,473,606</b>

**City of Evansville, Indiana**

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2021

	<b>Parks and Recreation</b>	<b>Parking Meter</b>	<b>Golf Course</b>	<b>Donation</b>	<b>Economic Development</b>	<b>Plan Commission</b>	<b>Parking Garages</b>	<b>Federal Grants</b>	<b>Community Dev Block Grant</b>
<b>Assets</b>									
Cash and cash equivalents	\$ 616,654	\$ 3,551	\$ -	\$ 131,462	\$ 116,301	\$ 1,308,039	\$ 175,002	\$ 163,610	\$ -
Investments	450,018	-	-	-	800,000	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes	8,371,916	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Accounts	29,533	-	-	-	-	-	-	-	-
Intergovernmental	174,908	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 9,643,029</b>	<b>\$ 3,551</b>	<b>\$ -</b>	<b>\$ 131,462</b>	<b>\$ 916,301</b>	<b>\$ 1,308,039</b>	<b>\$ 175,002</b>	<b>\$ 163,610</b>	<b>\$ -</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ 184,383	\$ 352	\$ -	\$ 898	\$ 10,076	\$ 10,353	\$ -	\$ 1,025	\$ 225,773
Accrued payroll and withholdings payable	79,529	3,632	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Interfund payable:									
Interfund payable	-	-	963,875	-	-	-	-	-	218,468
<b>Total liabilities</b>	<b>263,912</b>	<b>3,984</b>	<b>963,875</b>	<b>898</b>	<b>10,076</b>	<b>10,353</b>	<b>-</b>	<b>1,025</b>	<b>444,241</b>
<b>Deferred Inflows of Resources</b>									
Unavailable revenue	8,371,916	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>8,371,916</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>									
Restricted	-	-	-	130,564	906,225	-	175,002	162,585	-
Committed	1,007,201	-	-	-	-	1,297,686	-	-	-
Unrestricted (deficit)	-	(433)	(963,875)	-	-	-	-	-	(444,241)
<b>Total fund balances</b>	<b>1,007,201</b>	<b>(433)</b>	<b>(963,875)</b>	<b>130,564</b>	<b>906,225</b>	<b>1,297,686</b>	<b>175,002</b>	<b>162,585</b>	<b>(444,241)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 9,643,029</b>	<b>\$ 3,551</b>	<b>\$ -</b>	<b>\$ 131,462</b>	<b>\$ 916,301</b>	<b>\$ 1,308,039</b>	<b>\$ 175,002</b>	<b>\$ 163,610</b>	<b>\$ -</b>

**City of Evansville, Indiana**

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2021

	Local Law Enforcement Continui	Unsafe Building	Local Inc Tax - Public Safety	Rental Rehab Program	Neighborhood Stabilization	Old Post Office	LOIT Special Distribution	Landlord Registry
<b>Assets</b>								
Cash and cash equivalents	\$ 514,695	\$ 6,713	\$ 418,141	\$ -	\$ -	\$ 82,227	\$ 234,960	\$ 2,221
Investments	-	-	3,030,902	-	1,000,000	-	207,070	-
Inventory	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	1,132,846	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Accounts	12,476	-	-	-	-	-	-	-
Intergovernmental	2,091	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 529,262</b>	<b>\$ 6,713</b>	<b>\$ 4,581,889</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 82,227</b>	<b>\$ 442,030</b>	<b>\$ 2,221</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 367	\$ -	\$ 51,491	\$ -	\$ 206	\$ -	\$ -	\$ 2,725
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Interfund payable:								
Interfund payable	-	-	-	-	10,152	-	-	-
<b>Total liabilities</b>	<b>367</b>	<b>-</b>	<b>51,491</b>	<b>-</b>	<b>10,358</b>	<b>-</b>	<b>-</b>	<b>2,725</b>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue	-	-	279,484	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>279,484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>								
Restricted	528,895	-	4,250,914	-	989,642	82,227	442,030	-
Committed	-	6,713	-	-	-	-	-	-
Unrestricted (deficit)	-	-	-	-	-	-	-	(504)
<b>Total fund balances</b>	<b>528,895</b>	<b>6,713</b>	<b>4,250,914</b>	<b>-</b>	<b>989,642</b>	<b>82,227</b>	<b>442,030</b>	<b>(504)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 529,262</b>	<b>\$ 6,713</b>	<b>\$ 4,581,889</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 82,227</b>	<b>\$ 442,030</b>	<b>\$ 2,221</b>

**City of Evansville, Indiana**

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2021

	HUD Fair Housing	Equal Emp Opportunity	Historic Preservation	Municipal Code Revolving	Zoo Animal Revolving	Aquatics Center	Emergency Solutions Grant	Housing Trust Fund Grant
<b>Assets</b>								
Cash and cash equivalents	\$ 182,937	\$ 132,976	\$ 1,168	\$ -	\$ 680	\$ 206,046	\$ -	\$ 1,182,542
Investments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	29,449	-
Other assets	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 182,937</b>	<b>\$ 132,976</b>	<b>\$ 1,168</b>	<b>\$ -</b>	<b>\$ 680</b>	<b>\$ 206,046</b>	<b>\$ 29,449</b>	<b>\$ 1,182,542</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ 1,650	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ 159,892
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Interfund payable:								
Interfund payable	-	-	-	-	-	-	84,533	-
<b>Total liabilities</b>	<b>-</b>	<b>1,650</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,533</b>	<b>159,892</b>
<b>Deferred Inflows 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>-</b>
<b>Fund Balances</b>								
Restricted	-	131,326	1,149	-	-	-	-	1,022,650
Committed	182,937	-	-	-	680	206,046	-	-
Unrestricted (deficit)	-	-	-	-	-	-	(55,084)	-
<b>Total fund balances</b>	<b>182,937</b>	<b>131,326</b>	<b>1,149</b>	<b>-</b>	<b>680</b>	<b>206,046</b>	<b>(55,084)</b>	<b>1,022,650</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 182,937</b>	<b>\$ 132,976</b>	<b>\$ 1,168</b>	<b>\$ -</b>	<b>\$ 680</b>	<b>\$ 206,046</b>	<b>\$ 29,449</b>	<b>\$ 1,182,542</b>

**City of Evansville, Indiana**

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2021

	EDA Revolving Loan	DMD Home Administration	IDHS Hazard Mitigation Grant	IHCDA Blight Elimination Progr	Jacobsville Redevelopment Area	Downtown Streetscape Redev	Golf Courses	Evansville Redevelopment Authority
<b>Assets</b>								
Cash and cash equivalents	\$ 85,251	\$ 63,073	\$ 3,599	\$ 35,136	\$ 101,380	\$ 602,231	\$ 149,328	\$ -
Investments	-	-	-	-	850,000	-	-	1,696,437
Inventory	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Interest	7,096	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	2,522	-
Intergovernmental	-	33,229	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 92,347</b>	<b>\$ 96,302</b>	<b>\$ 3,599</b>	<b>\$ 35,136</b>	<b>\$ 951,380</b>	<b>\$ 602,231</b>	<b>\$ 151,850</b>	<b>\$ 1,696,437</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ 4,411	\$ -	\$ -	\$ 5,665	\$ 102	\$ 32,947	\$ -
Accrued payroll and withholdings payable	-	-	-	-	-	-	10,244	-
DMD seed money	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Interfund payable:								
Interfund payable	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>4,411</b>	<b>-</b>	<b>-</b>	<b>5,665</b>	<b>102</b>	<b>43,191</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue	-	4,014	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>4,014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>								
Restricted	92,347	87,877	3,599	35,136	945,715	602,129	108,659	1,696,437
Committed	-	-	-	-	-	-	-	-
Unrestricted (deficit)	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>92,347</b>	<b>87,877</b>	<b>3,599</b>	<b>35,136</b>	<b>945,715</b>	<b>602,129</b>	<b>108,659</b>	<b>1,696,437</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 92,347</b>	<b>\$ 96,302</b>	<b>\$ 3,599</b>	<b>\$ 35,136</b>	<b>\$ 951,380</b>	<b>\$ 602,231</b>	<b>\$ 151,850</b>	<b>\$ 1,696,437</b>

**City of Evansville, Indiana**

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2021

	Professional Sports & Convention Dev	Animal Control Donation Restr	Oak Hill Perpetual Care	Locust Hill Perpetual Care	Evansville Brownfield Corporation	American Rescue Plan General	Casino Gaming	Total
<b>Assets</b>								
Cash and cash equivalents	\$ 146,676	\$ 17,100	\$ 101,715	\$ 42,381	\$ 210,600	\$ 3,244,288	\$ 7,591,182	\$ 22,965,136
Investments	-	-	283,667	25,004	-	29,009,529	11,664,909	56,929,114
Inventory	-	-	-	-	385,242	-	-	385,242
Receivables:								
Taxes	-	-	-	-	-	-	-	9,504,762
Interest	-	-	-	-	-	-	-	7,096
Accounts	-	-	-	-	-	-	7,931	215,710
Intergovernmental	-	-	-	-	-	-	40,961	308,066
Other assets	-	-	-	-	558	-	-	558
<b>Total assets</b>	<b>\$ 146,676</b>	<b>\$ 17,100</b>	<b>\$ 385,382</b>	<b>\$ 67,385</b>	<b>\$ 596,400</b>	<b>\$ 32,253,817</b>	<b>\$ 19,304,983</b>	<b>\$ 90,315,684</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 780	\$ 271,542	\$ 1,383,271
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	151,498
DMD seed money	-	-	-	-	2,500	-	-	2,500
Unearned revenue	-	-	-	-	-	32,241,888	-	32,241,888
Interfund payable:								
Interfund payable	-	-	-	-	-	-	-	1,382,309
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	<b>32,242,668</b>	<b>271,542</b>	<b>35,161,466</b>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue	-	-	-	-	-	-	31,342	8,687,256
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,342</b>	<b>8,687,256</b>
<b>Fund Balances</b>								
Restricted	146,676	17,100	385,382	67,385	593,900	11,149	19,002,099	45,460,858
Committed	-	-	-	-	-	-	-	2,701,263
Unrestricted (deficit)	-	-	-	-	-	-	-	(1,695,159)
<b>Total fund balances</b>	<b>146,676</b>	<b>17,100</b>	<b>385,382</b>	<b>67,385</b>	<b>593,900</b>	<b>11,149</b>	<b>19,002,099</b>	<b>46,466,962</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 146,676</b>	<b>\$ 17,100</b>	<b>\$ 385,382</b>	<b>\$ 67,385</b>	<b>\$ 596,400</b>	<b>\$ 32,253,817</b>	<b>\$ 19,304,983</b>	<b>\$ 90,315,684</b>

**City of Evansville, Indiana**

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2021

	Highway	Cares Act - 101 General COVID	Cares Act - 230 Law Enf COVID	Cares Act - 231 CDBG COVID	Cares Art - 279 ESG COVID	Cares Act - 282 EDA COVID	Cares Act - 271 HUD COVID	Cares Act - 446 Casino COVID	Local Road and Street
<b>Revenues</b>									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Intergovernmental	7,281,490	3,454,364	94,422	735,665	784,768	460,243	600	69,353	3,536,500
Charges for services	1,847	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Investment earnings	5,705	-	-	-	-	-	-	-	6,641
Rent	-	-	-	-	-	-	-	-	-
Miscellaneous	113,413	9,776	-	-	-	55	-	-	50
<b>Total revenues</b>	<b>7,402,455</b>	<b>3,464,140</b>	<b>94,422</b>	<b>735,665</b>	<b>784,768</b>	<b>460,298</b>	<b>600</b>	<b>69,353</b>	<b>3,543,191</b>
<b>Expenditures</b>									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	1,613,266	97,477	275,776	740,015	420,094	-	-	-
Highways and streets	5,005,368	-	-	-	-	-	-	-	907,440
Culture and recreation	-	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	483,149	-	-	-	-	-
Debt service:									
Principal	5,997	-	-	-	-	-	-	-	-
Interest	627	-	-	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-	-	-	-
Capital outlay:									
General government	-	-	-	-	-	-	-	-	1,832,129
<b>Total expenditures</b>	<b>5,011,992</b>	<b>1,613,266</b>	<b>97,477</b>	<b>758,925</b>	<b>740,015</b>	<b>420,094</b>	<b>-</b>	<b>-</b>	<b>2,739,569</b>
Excess (deficiency) of revenues over (under) expenditures	2,390,463	1,850,874	(3,055)	(23,260)	44,753	40,204	600	69,353	803,622
<b>Other Financing Sources (Uses)</b>									
Loan proceeds	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(21,019)	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,019)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	2,390,463	1,850,874	(3,055)	(23,260)	44,753	19,185	600	69,353	803,622
<b>Fund Balances (Deficit), Beginning</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>	<b>4,581,084</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 5,447,085</b>	<b>\$ 1,846,344</b>	<b>\$ 75,386</b>	<b>\$ (179,802)</b>	<b>\$ (51,220)</b>	<b>\$ 19,185</b>	<b>\$ -</b>	<b>\$ 69,353</b>	<b>\$ 5,384,706</b>

**City of Evansville, Indiana**

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -

Nonmajor Special Revenue Funds

Year Ended December 31, 2021

	<b>Parks and Recreation</b>	<b>Parking Meter</b>	<b>Golf Course</b>	<b>Donation</b>	<b>Economic Development</b>	<b>Plan Commission</b>	<b>Parking Garages</b>	<b>Federal Grants</b>	<b>Community Dev Block Grant</b>
<b>Revenues</b>									
Taxes:									
Property	\$ 7,456,742	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Intergovernmental	950,109	-	-	-	-	-	-	32,207	169,439
Charges for services	1,361,831	440	-	383	-	5,201	-	-	100
Fines and forfeits	-	124,172	-	-	-	-	-	-	-
Investment earnings	60	-	-	-	1,793	-	-	-	-
Rent	251,153	-	-	-	-	-	-	-	-
Miscellaneous	540,586	11,230	-	72,587	58,193	183,159	-	-	78,670
<b>Total revenues</b>	<b>10,560,481</b>	<b>135,842</b>	<b>-</b>	<b>72,970</b>	<b>59,986</b>	<b>188,360</b>	<b>-</b>	<b>32,207</b>	<b>248,209</b>
<b>Expenditures</b>									
Current:									
General government	-	-	-	48,876	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	310,242	-	-	-	-	67,490	-	-
Culture and recreation	9,771,394	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	60,997	-	-	74,064	193,675
Debt service:									
Principal	19,137	-	-	-	-	-	-	-	-
Interest	1,795	-	-	-	-	-	-	-	-
Capital lease	315	-	-	-	-	-	-	-	-
Capital outlay:									
General government	-	-	-	-	-	-	-	2,831	-
<b>Total expenditures</b>	<b>9,792,641</b>	<b>310,242</b>	<b>-</b>	<b>48,876</b>	<b>60,997</b>	<b>-</b>	<b>67,490</b>	<b>76,895</b>	<b>193,675</b>
Excess (deficiency) of revenues over (under) expenditures	767,840	(174,400)	-	24,094	(1,011)	188,360	(67,490)	(44,688)	54,534
<b>Other Financing Sources (Uses)</b>									
Loan proceeds	-	-	-	-	-	-	-	-	-
Transfers in	193,955	167,171	300,000	-	204	-	-	-	237
Transfers out	(238,800)	-	-	-	(237)	-	-	-	(216,184)
<b>Total other financing sources and uses</b>	<b>(44,845)</b>	<b>167,171</b>	<b>300,000</b>	<b>-</b>	<b>(33)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(215,947)</b>
Net change in fund balances	722,995	(7,229)	300,000	24,094	(1,044)	188,360	(67,490)	(44,688)	(161,413)
<b>Fund Balances (Deficit), Beginning</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>207,273</b>	<b>(282,828)</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 1,007,201</b>	<b>\$ (433)</b>	<b>\$ (963,875)</b>	<b>\$ 130,564</b>	<b>\$ 906,225</b>	<b>\$ 1,297,686</b>	<b>\$ 175,002</b>	<b>\$ 162,585</b>	<b>\$ (444,241)</b>

**City of Evansville, Indiana**

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2021

	Local Law Enforcement Continui	Unsafe Building	Local Inc Tax - Public Safety	Rental Rehab Program	Neighborhood Stabilization	Old Post Office	LOIT Special Distribution	Landlord Registry
<b>Revenues</b>								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	5,634,464	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental	-	-	55,556	-	-	-	-	-
Charges for services	161,221	-	-	-	-	-	-	22,337
Fines and forfeits	-	-	-	-	-	-	-	-
Investment earnings	-	-	11,117	-	13,283	-	128	-
Rent	-	-	-	-	-	-	-	-
Miscellaneous	8,185	-	-	-	-	-	-	716
<b>Total revenues</b>	<b>169,406</b>	<b>-</b>	<b>5,701,137</b>	<b>-</b>	<b>13,283</b>	<b>-</b>	<b>128</b>	<b>23,053</b>
<b>Expenditures</b>								
Current:								
General government	-	-	-	-	133,168	-	-	2,724
Public safety	129,603	-	1,013,964	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	206	-	-	49,138
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital lease	-	-	164,880	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>129,603</b>	<b>-</b>	<b>1,178,844</b>	<b>-</b>	<b>133,374</b>	<b>-</b>	<b>-</b>	<b>51,862</b>
Excess (deficiency) of revenues over (under) expenditures	39,803	-	4,522,293	-	(120,091)	-	128	(28,809)
<b>Other Financing Sources (Uses)</b>								
Loan proceeds	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	22,500
Transfers out	-	(65,000)	(6,027,799)	-	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>(65,000)</b>	<b>(6,027,799)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,500</b>
Net change in fund balances	39,803	(65,000)	(1,505,506)	-	(120,091)	-	128	(6,309)
<b>Fund Balances (Deficit), Beginning</b>	<b>489,092</b>	<b>71,713</b>	<b>5,756,420</b>	<b>-</b>	<b>1,109,733</b>	<b>82,227</b>	<b>441,902</b>	<b>5,805</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 528,895</b>	<b>\$ 6,713</b>	<b>\$ 4,250,914</b>	<b>\$ -</b>	<b>\$ 989,642</b>	<b>\$ 82,227</b>	<b>\$ 442,030</b>	<b>\$ (504)</b>

**City of Evansville, Indiana**

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2021

	HUD Fair Housing	Equal Emp Opportunity	Historic Preservation	Municipal Code Revolving	Zoo Animal Revolving	Aquatics Center	Emergency Solutions Grant	Housing Trust Fund Grant
<b>Revenues</b>								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental	75,860	33,560	-	-	-	-	-	-
Charges for services	-	-	410	-	-	25,859	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	4,454
Rent	-	-	-	-	-	-	-	-
Miscellaneous	4,351	-	-	-	-	196,404	-	77,759
<b>Total revenues</b>	<b>80,211</b>	<b>33,560</b>	<b>410</b>	<b>-</b>	<b>-</b>	<b>222,263</b>	<b>-</b>	<b>82,213</b>
<b>Expenditures</b>								
Current:								
General government	-	36,816	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	143	159,074	-	-
Urban redevelopment	5,308	-	431	-	-	-	329,724	209,804
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>5,308</b>	<b>36,816</b>	<b>431</b>	<b>-</b>	<b>143</b>	<b>159,074</b>	<b>329,724</b>	<b>209,804</b>
Excess (deficiency) of revenues over (under) expenditures	74,903	(3,256)	(21)	-	(143)	63,189	(329,724)	(127,591)
<b>Other Financing Sources (Uses)</b>								
Loan proceeds	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	142,857	-	500,000
Transfers out	(150,000)	(66,018)	-	-	-	-	-	-
<b>Total other financing sources and uses</b>	<b>(150,000)</b>	<b>(66,018)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142,857</b>	<b>-</b>	<b>500,000</b>
Net change in fund balances	(75,097)	(69,274)	(21)	-	(143)	206,046	(329,724)	372,409
<b>Fund Balances (Deficit), Beginning</b>	<b>258,034</b>	<b>200,600</b>	<b>1,170</b>	<b>-</b>	<b>823</b>	<b>-</b>	<b>274,640</b>	<b>650,241</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 182,937</b>	<b>\$ 131,326</b>	<b>\$ 1,149</b>	<b>\$ -</b>	<b>\$ 680</b>	<b>\$ 206,046</b>	<b>\$ (55,084)</b>	<b>\$ 1,022,650</b>

**City of Evansville, Indiana**

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2021

	EDA Revolving Loan	DMD Home Administration	IDHS Hazard Mitigation Grant	IHCDA Blight Elimination Progr	Jacobsville Redevelopment Area	Downtown Streetscape Redev	Golf Courses	Evansville Redevelopment Authority
<b>Revenues</b>								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental	-	769,421	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	1,905,120	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment earnings	30,298	-	-	-	12,657	-	-	180
Rent	-	-	-	-	-	-	-	-
Miscellaneous	244,696	1,426	-	-	52,804	15,948	4,901	23
<b>Total revenues</b>	<b>274,994</b>	<b>770,847</b>	<b>-</b>	<b>-</b>	<b>65,461</b>	<b>15,948</b>	<b>1,910,021</b>	<b>203</b>
<b>Expenditures</b>								
Current:								
General government	-	-	-	-	-	-	-	1,024
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	1,745,129	-
Urban redevelopment	327,584	651,782	-	-	107,133	69,413	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	3,205,000
Interest	-	-	-	-	-	-	-	3,787,325
Capital lease	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>327,584</b>	<b>651,782</b>	<b>-</b>	<b>-</b>	<b>107,133</b>	<b>69,413</b>	<b>1,745,129</b>	<b>6,993,349</b>
Excess (deficiency) of revenues over (under) expenditures	(52,590)	119,065	-	-	(41,672)	(53,465)	164,892	(6,993,146)
<b>Other Financing Sources (Uses)</b>								
Loan proceeds	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	121,139	7,281,500
Transfers out	(204)	-	-	-	-	-	(162,339)	-
<b>Total other financing sources and uses</b>	<b>(204)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,200)</b>	<b>7,281,500</b>
Net change in fund balances	(52,794)	119,065	-	-	(41,672)	(53,465)	123,692	288,354
<b>Fund Balances (Deficit), Beginning</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>(15,033)</b>	<b>1,408,083</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 92,347</b>	<b>\$ 87,877</b>	<b>\$ 3,599</b>	<b>\$ 35,136</b>	<b>\$ 945,715</b>	<b>\$ 602,129</b>	<b>\$ 108,659</b>	<b>\$ 1,696,437</b>

**City of Evansville, Indiana**

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2021

	Professional Sports & Convention Dev	Animal Control Donation Restr	Oak Hill Perpetual Care	Locust Hill Perpetual Care	Evansville Brownfield Corporation	American Rescue Plan General	Casino Gaming	Total
<b>Revenues</b>								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	7,456,742
Income	-	-	-	-	-	-	-	5,634,464
Other	-	-	-	-	-	-	1,921,789	1,921,789
Intergovernmental	-	-	-	-	-	-	4,341,578	22,845,135
Charges for services	146,676	-	11,010	2,380	-	-	10,939	3,655,754
Fines and forfeits	-	-	-	-	-	-	-	124,172
Investment earnings	-	-	-	-	-	32,791	83,661	202,768
Rent	-	-	-	-	-	-	3,306,946	3,558,099
Miscellaneous	-	8,000	126	7	111,146	-	134,911	1,929,122
<b>Total revenues</b>	<b>146,676</b>	<b>8,000</b>	<b>11,136</b>	<b>2,387</b>	<b>111,146</b>	<b>32,791</b>	<b>9,799,824</b>	<b>47,328,045</b>
<b>Expenditures</b>								
Current:								
General government	-	-	1,255	122	47,401	-	-	271,386
Public safety	-	-	-	-	-	780	-	4,290,975
Highways and streets	-	-	-	-	-	-	-	6,290,540
Culture and recreation	-	-	-	-	-	-	-	11,675,740
Urban redevelopment	-	-	-	-	-	-	1,319,791	3,882,199
Debt service:								
Principal	-	-	-	-	-	-	1,535,000	4,765,134
Interest	-	-	-	-	-	-	76,125	3,865,872
Capital lease	-	-	-	-	-	-	381,678	546,873
Capital outlay:								
General government	-	-	-	-	-	-	-	1,834,960
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>1,255</b>	<b>122</b>	<b>47,401</b>	<b>780</b>	<b>5,927,014</b>	<b>40,038,099</b>
Excess (deficiency) of revenues over (under) expenditures	146,676	8,000	9,881	2,265	63,745	32,011	3,872,810	7,289,946
<b>Other Financing Sources (Uses)</b>								
Loan proceeds	-	-	-	-	-	-	205,000	205,000
Transfers in	-	-	-	-	-	-	-	8,729,563
Transfers out	-	-	-	-	-	(20,862)	(3,276,174)	(10,244,636)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,862)</b>	<b>(3,071,174)</b>	<b>(1,310,073)</b>
Net change in fund balances	146,676	8,000	9,881	2,265	63,745	11,149	801,636	5,979,873
<b>Fund Balances (Deficit), Beginning</b>	<b>-</b>	<b>9,100</b>	<b>375,501</b>	<b>65,120</b>	<b>530,155</b>	<b>-</b>	<b>18,200,463</b>	<b>40,487,089</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 146,676</b>	<b>\$ 17,100</b>	<b>\$ 385,382</b>	<b>\$ 67,385</b>	<b>\$ 593,900</b>	<b>\$ 11,149</b>	<b>\$ 19,002,099</b>	<b>\$ 46,466,962</b>

**City of Evansville, Indiana**

Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2021

	<u>Arena Bond</u>	<u>Evansville Econ Sinking 15A</u>	<u>2016 Jacobsville Project</u>	<u>General Obligation Loan</u>	<u>Park Bond Refunding 2010</u>	<u>Evansville Red Convention HTL</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 2,577,950	\$ -	\$ -	\$ 12,316	\$ 28,274	\$ 797,670
Investments	-	257	384	-	-	-
Receivables:						
Taxes	-	-	-	-	3,429	-
	-	-	-	-	-	-
Total assets	<u>\$ 2,577,950</u>	<u>\$ 257</u>	<u>\$ 384</u>	<u>\$ 12,316</u>	<u>\$ 31,703</u>	<u>\$ 797,670</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	-	-	-	-	3,429	-
	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	3,429	-
<b>Fund Balances</b>						
Restricted	<u>2,577,950</u>	<u>257</u>	<u>384</u>	<u>12,316</u>	<u>28,274</u>	<u>797,670</u>
	-	-	-	-	-	-
Total fund balances	<u>2,577,950</u>	<u>257</u>	<u>384</u>	<u>12,316</u>	<u>28,274</u>	<u>797,670</u>
	-	-	-	-	-	-
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,577,950</u>	<u>\$ 257</u>	<u>\$ 384</u>	<u>\$ 12,316</u>	<u>\$ 31,703</u>	<u>\$ 797,670</u>

**City of Evansville, Indiana**

Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2021

	2011 Berry Plastics Econ Serie	Evansville Park Refunding 2010	Evansville Park 12 Sinking Fund	Eville Economic Dev 14 Constru	City Red 02,08,10 Escrow	2015A Downtown Hotel	2016A Downtown Hotel
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	371	-	665	195,536	-	-	729,068
Receivables:							
Taxes	-	-	-	-	-	-	-
Total assets	<u>\$ 371</u>	<u>\$ -</u>	<u>\$ 665</u>	<u>\$ 195,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 729,068</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
<b>Fund Balances</b>							
Restricted	371	-	665	195,536	-	-	729,068
Total fund balances	<u>371</u>	<u>-</u>	<u>665</u>	<u>195,536</u>	<u>-</u>	<u>-</u>	<u>729,068</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 371</u>	<u>\$ -</u>	<u>\$ 665</u>	<u>\$ 195,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 729,068</u>

**City of Evansville, Indiana**

Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2021

	<b>2016 IU Medical School</b>	<b>2015C IU Medical School</b>	<b>2015D IU Medical School</b>	<b>2016A IU Medical School</b>	<b>Parks Special District</b>	<b>Parks Special District</b>	<b>Total</b>
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,672	\$ 3,709,882
Investments	8,576	847,029	1,178,310	1,634	156	1,199,382	4,161,368
Receivables:							
Taxes	-	-	-	-	-	-	3,429
Total assets	<u>\$ 8,576</u>	<u>\$ 847,029</u>	<u>\$ 1,178,310</u>	<u>\$ 1,634</u>	<u>\$ 156</u>	<u>\$ 1,493,054</u>	<u>\$ 7,874,679</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 436,605	\$ 436,605
Total liabilities	-	-	-	-	-	436,605	436,605
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	-	-	-	-	-	-	3,429
Total deferred inflows of resources	-	-	-	-	-	-	3,429
<b>Fund Balances</b>							
Restricted	8,576	847,029	1,178,310	1,634	156	1,056,449	7,434,645
Total fund balances	<u>8,576</u>	<u>847,029</u>	<u>1,178,310</u>	<u>1,634</u>	<u>156</u>	<u>1,056,449</u>	<u>7,434,645</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,576</u>	<u>\$ 847,029</u>	<u>\$ 1,178,310</u>	<u>\$ 1,634</u>	<u>\$ 156</u>	<u>\$ 1,493,054</u>	<u>\$ 7,874,679</u>

**City of Evansville, Indiana**

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Nonmajor Debt Service Funds  
 Year Ended December 31, 2021

	Arena Bond	Evansville Econ Sinking 15A	2016 Jacobsville Project	General Obligation Loan	Park Bond Refunding 2010	Evansville Red Convention HTL
<b>Revenues</b>						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ 284,709	\$ 1,809,807
Intergovernmental	-	-	-	-	19,191	-
Charges for services	-	-	-	-	-	-
Investment earnings	-	1	2	-	-	-
Miscellaneous	-	-	-	-	524	-
Total revenues	<u>-</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>304,424</u>	<u>1,809,807</u>
<b>Expenditures</b>						
Current:						
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	1	2	-	-	-
Debt service:						
Principal	-	-	-	-	545,000	310,000
Interest	822	-	-	-	11,978	438,235
Capital outlay:						
General government	-	-	-	-	-	-
Total expenditures	<u>822</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>556,978</u>	<u>748,235</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(822)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(252,554)</u>	<u>1,061,572</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	6,966,063	-	-	-	30,000	142,025
Transfers out	<u>(7,281,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(664,025)</u>
Total other financing sources and uses	<u>(315,437)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>(522,000)</u>
Net change in fund balances	<u>(316,259)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(222,554)</u>	<u>539,572</u>
<b>Fund Balances, Beginning</b>	<u>2,894,209</u>	<u>257</u>	<u>384</u>	<u>12,316</u>	<u>250,828</u>	<u>258,098</u>
<b>Fund Balances, Ending</b>	<u>\$ 2,577,950</u>	<u>\$ 257</u>	<u>\$ 384</u>	<u>\$ 12,316</u>	<u>\$ 28,274</u>	<u>\$ 797,670</u>

**City of Evansville, Indiana**

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Nonmajor Debt Service Funds  
 Year Ended December 31, 2021

	<b>2011 Berry Plastics Econ Serie</b>	<b>Evansville Park Refunding 2010</b>	<b>Downtown Hotel/Convention</b>	<b>Eville Economic Dev 14 Constru</b>	<b>2015A Downtown Hotel</b>	<b>2016A Downtown Hotel</b>
<b>Revenues</b>						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment earnings	3	1	-	45	-	143
Miscellaneous	-	-	-	1	-	27
<b>Total revenues</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>46</b>	<b>-</b>	<b>170</b>
<b>Expenditures</b>						
Current:						
Culture and recreation	-	555,744	-	-	-	-
Urban redevelopment	-	-	-	750	-	28
Debt service:						
Principal	1,120,000	-	-	-	-	245,000
Interest	-	-	-	1	-	266,850
Capital outlay:						
General government	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,120,000</b>	<b>555,744</b>	<b>-</b>	<b>751</b>	<b>-</b>	<b>511,878</b>
Excess (deficiency) of revenues over (under) expenditures	(1,119,997)	(555,743)	-	(705)	-	(511,708)
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,120,000	-	-	-	-	664,025
Transfers out	-	-	-	-	-	-
<b>Total other financing sources and uses</b>	<b>1,120,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>664,025</b>
<b>Net change in fund balances</b>	<b>3</b>	<b>(555,743)</b>	<b>-</b>	<b>(705)</b>	<b>-</b>	<b>152,317</b>
<b>Fund Balances, Beginning</b>	<b>368</b>	<b>555,743</b>	<b>-</b>	<b>196,241</b>	<b>-</b>	<b>576,751</b>
<b>Fund Balances, Ending</b>	<b>\$ 371</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 195,536</b>	<b>\$ -</b>	<b>\$ 729,068</b>

**City of Evansville, Indiana**

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Nonmajor Debt Service Funds  
 Year Ended December 31, 2021

	2016B IU Medical	2015C IU Medical	2015D IU Medical	2016A IU	ERC 2020 Ban		
	School	School	School	Medical School	North Main	Parks Special	Total
					Lofts	District	
<b>Revenues</b>							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,094,516
Intergovernmental	-	-	-	-	-	500,000	519,191
Charges for services	-	-	-	-	-	842,857	842,857
Investment earnings	4	-	-	2	-	3,957	4,163
Miscellaneous	-	171	240	-	-	40,237	41,200
Total revenues	4	171	240	2	-	1,387,051	3,501,927
<b>Expenditures</b>							
Current:							
Culture and recreation	-	-	-	-	-	1,287,009	1,842,757
Urban redevelopment	-	1	1	1	-	-	6,300
Debt service:							
Principal	-	305,000	415,000	-	-	660,000	3,600,000
Interest	-	320,950	482,066	-	-	869,109	2,390,011
Capital outlay:							
General government	-	-	-	-	-	8,567,778	8,567,778
Total expenditures	-	625,951	897,067	1	-	11,383,896	16,406,846
Excess (deficiency) of revenues over (under) expenditures	4	(625,780)	(896,827)	1	-	(9,996,845)	(12,904,919)
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	639,000	907,500	-	-	1,527,950	11,996,563
Transfers out	-	-	-	-	-	(142,857)	(8,088,382)
Total other financing sources and uses	-	639,000	907,500	-	-	1,385,093	3,908,181
Net change in fund balances	4	13,220	10,673	1	-	(8,611,752)	(8,996,738)
<b>Fund Balances, Beginning</b>	<u>8,572</u>	<u>833,809</u>	<u>1,167,637</u>	<u>1,633</u>	<u>-</u>	<u>9,668,201</u>	<u>16,431,383</u>
<b>Fund Balances, Ending</b>	<u>\$ 8,576</u>	<u>\$ 847,029</u>	<u>\$ 1,178,310</u>	<u>\$ 1,634</u>	<u>\$ -</u>	<u>\$ 1,056,449</u>	<u>\$ 7,434,645</u>

**City of Evansville, Indiana**

Combining Balance Sheet  
 Nonmajor Capital Project Funds  
 December 31, 2021

	<u>Greenway Project</u>	<u>Jacobsville TIF</u>	<u>Master TIF Projects</u>	<u>CUM CAPL IMP - Cigarette</u>	<u>PUBL IMP Barrett Law</u>	<u>Redev Capital Nonreverting</u>	<u>Food and Beverage Tax</u>	<u>Arts District</u>	<u>Total</u>
<b>Assets</b>									
Cash and cash equivalents	\$ 56,224	\$ 1,443,133	\$ 2,328,364	\$ 108,382	\$ 190,251	\$ 51,272	\$ 2,726,953	\$ 9,106	\$ 6,913,685
Investments	-	2,065,588	2,000,482	-	-	361,486	-	-	4,427,556
Receivables:									
Accounts	-	-	-	-	182,146	-	-	-	182,146
<b>Total assets</b>	<u>\$ 56,224</u>	<u>\$ 3,508,721</u>	<u>\$ 4,328,846</u>	<u>\$ 108,382</u>	<u>\$ 372,397</u>	<u>\$ 412,758</u>	<u>\$ 2,726,953</u>	<u>\$ 9,106</u>	<u>\$ 11,523,387</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ 250
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>
<b>Fund Balances</b>									
Restricted	<u>56,224</u>	<u>3,508,721</u>	<u>4,328,846</u>	<u>108,382</u>	<u>372,147</u>	<u>412,758</u>	<u>2,726,953</u>	<u>9,106</u>	<u>11,523,137</u>
<b>Total fund balances</b>	<u>56,224</u>	<u>3,508,721</u>	<u>4,328,846</u>	<u>108,382</u>	<u>372,147</u>	<u>412,758</u>	<u>2,726,953</u>	<u>9,106</u>	<u>11,523,137</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 56,224</u>	<u>\$ 3,508,721</u>	<u>\$ 4,328,846</u>	<u>\$ 108,382</u>	<u>\$ 372,397</u>	<u>\$ 412,758</u>	<u>\$ 2,726,953</u>	<u>\$ 9,106</u>	<u>\$ 11,523,387</u>

**City of Evansville, Indiana**

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -

Nonmajor Capital Project Funds

Year Ended December 31, 2021

	Greenway Project	Jacobsville TIF	Master TIF Projects	CUM CAPL IMP - Cigarette	PULB IMP Barrett Law	Redev Captial Nonreverting	Food and Beverage Tax	Arts District	Total
<b>Revenues</b>									
Taxes:									
Property	\$ -	\$ 2,258,020	\$ 6,448,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,706,131
Food and beverage	-	-	-	-	-	-	5,150,248	-	5,150,248
Intergovernmental	-	-	-	241,268	-	-	-	-	241,268
Investment earnings	-	70,094	508	-	-	2,434	-	-	73,036
Miscellaneous	-	-	5,515	-	1,029	-	-	-	6,544
Total revenues	-	2,328,114	6,454,134	241,268	1,029	2,434	5,150,248	-	14,177,227
<b>Expenditures</b>									
Current:									
General government	-	-	-	-	2,774	-	-	-	2,774
Highways and streets	-	-	-	-	250	-	-	-	250
Urban redevelopment	-	79,631	1,282	-	-	149,893	-	-	230,806
Debt service:									
Principal	-	545,000	2,596,670	-	-	-	-	-	3,141,670
Interest	-	563,955	1,086,898	-	-	-	-	-	1,650,853
Total expenditures	-	1,188,586	3,684,850	-	3,024	149,893	-	-	5,026,353
Excess (deficiency) of revenues over (under) expenditures	-	1,139,528	2,769,284	241,268	(1,995)	(147,459)	5,150,248	-	9,150,874
<b>Other Financing Sources (Uses)</b>									
Bond proceeds	-	-	3,979,100	-	-	-	-	-	3,979,100
Loan proceeds	-	-	-	-	-	-	-	-	-
Contribution expense	-	-	(3,979,100)	-	-	-	-	-	(3,979,100)
Transfers in	-	-	3,681	-	-	-	-	-	3,681
Transfers out	-	(1,099,379)	(2,812,206)	(263,087)	-	-	(4,634,563)	-	(8,809,235)
Total other financing sources and uses	-	(1,099,379)	(2,808,525)	(263,087)	-	-	(4,634,563)	-	(8,805,554)
Net change in fund balances	-	40,149	(39,241)	(21,819)	(1,995)	(147,459)	515,685	-	345,320
<b>Fund Balances, Beginning</b>	56,224	3,468,572	4,368,087	130,201	374,142	560,217	2,211,268	9,106	11,177,817
<b>Fund Balances, Ending</b>	\$ 56,224	\$ 3,508,721	\$ 4,328,846	\$ 108,382	\$ 372,147	\$ 412,758	\$ 2,726,953	\$ 9,106	\$ 11,523,137

**City of Evansville, Indiana**

Combining Balance Sheet  
 Nonmajor Permanent Funds  
 December 31, 2021

	Mattie J Bayard			Evansville		
	Coleman Trust	Trust	RT Legler Trust	Melzer Trust	Trust	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 234	\$ 127	\$ 60	\$ -	\$ -	\$ 421
Investments	<u>13,074</u>	<u>6,664</u>	<u>2,566</u>	<u>52,564</u>	<u>13,136</u>	<u>88,004</u>
Total assets	<u>\$ 13,308</u>	<u>\$ 6,791</u>	<u>\$ 2,626</u>	<u>\$ 52,564</u>	<u>\$ 13,136</u>	<u>\$ 88,425</u>
<b>Fund Balances</b>						
Restricted	<u>\$ 13,308</u>	<u>\$ 6,791</u>	<u>\$ 2,626</u>	<u>\$ 52,564</u>	<u>\$ 13,136</u>	<u>\$ 88,425</u>
Total fund balances	<u>\$ 13,308</u>	<u>\$ 6,791</u>	<u>\$ 2,626</u>	<u>\$ 52,564</u>	<u>\$ 13,136</u>	<u>\$ 88,425</u>

## City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Permanent Funds

Year Ended December 31, 2021

	Mattie J Bayard			Evansville	Total
	Coleman Trust	Trust	RT Legler Trust	Trust	
<b>Revenues</b>					
Investment earnings	\$ 8	\$ 2	\$ -	\$ 11	\$ 21
Total revenues	8	2	-	11	21
<b>Expenditures</b>					
Current:					
General government	-	-	-	2,179	2,179
Total expenditures	-	-	-	2,179	2,179
Excess (deficiency) of revenues over (under) expenditures	8	2	-	11	(2,158)
Net change in fund balances	8	2	-	11	(2,158)
<b>Fund Balances, Beginning</b>	13,300	6,789	2,626	13,125	90,583
<b>Fund Balances, Ending</b>	<u>\$ 13,308</u>	<u>\$ 6,791</u>	<u>\$ 2,626</u>	<u>\$ 13,136</u>	<u>\$ 88,425</u>

**City of Evansville, Indiana**

Combining Statement of Net Position - Component Units  
December 31, 2021

	Component Units				Total
	Evansville Bond				
	Port Authority	Bank	Levy Authority	Land Bank	
<b>Assets</b>					
Cash and cash equivalents	\$ 154,735	\$ 1,066,061	\$ 2,023,399	\$ 579,685	\$ 3,823,880
Investments	70,406	2,397,139	2,884,324	-	5,351,869
Receivables:					
Interest	-	18,192	-	-	18,192
Accounts	-	408,766	-	-	408,766
Notes receivable	-	7,902,061	-	-	7,902,061
Loans	-	196,811	-	-	196,811
Prepays	-	-	7,949	-	7,949
Other assets	-	-	1,500	-	1,500
Capital assets:					
Land and construction in progress	-	-	-	860,135	860,135
Capital assets not depreciated	-	-	-	1,789	1,789
Other capital assets, net of depreciation	6,624,245	-	1,162,078	-	7,786,323
<b>Total assets</b>	<b>6,849,386</b>	<b>11,989,030</b>	<b>6,079,250</b>	<b>1,441,609</b>	<b>26,359,275</b>
<b>Deferred Outflows of Resources</b>					
Pension Related	-	-	135,086	-	135,086
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>-</b>	<b>135,086</b>	<b>-</b>	<b>135,086</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>					
<b>Liabilities</b>					
Accounts payable	12,468	10,938	9,936	92	33,434
Accrued payroll and withholdings payable	-	-	18,463	-	18,463
Due in more than one year:					
Net pension liability	-	-	180,841	-	180,841
<b>Total liabilities</b>	<b>12,468</b>	<b>10,938</b>	<b>209,240</b>	<b>92</b>	<b>232,738</b>
<b>Deferred Inflows of Resources</b>					
Pension related	-	-	254,462	-	254,462
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>-</b>	<b>254,462</b>	<b>-</b>	<b>254,462</b>
<b>Net Position</b>					
Net investment in capital assets	6,624,245	-	1,162,078	861,924	8,648,247
Net position, unrestricted	212,673	11,978,092	4,588,556	579,593	17,358,914
<b>Total net position</b>	<b>\$ 6,836,918</b>	<b>\$ 11,978,092</b>	<b>\$ 5,750,634</b>	<b>\$ 1,441,517</b>	<b>\$ 26,007,161</b>

**City of Evansville, Indiana**

Combining Statement of Activities - Nonmajor Component Units  
 Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position Component Units				Total
	Expenses	Operating		Capital	Port Authority	Evansville			
		Charges for Services	Grants and Contributions	Grants and Contributions		Bond Bank	Levy Authority	Land Bank	
Component Units									
Port Authority	\$ 238,992	\$ -	\$ -	\$ -	\$ (238,992)	\$ -	\$ -	\$ -	\$ (238,992)
Evansville Bond Bank	5,038,271	-	-	-	-	(5,038,271)	-	-	(5,038,271)
Levy Authority	2,140,684	2,000	-	-	-	-	(2,138,684)	-	(2,138,684)
Land Bank	213,898	-	250,000	-	-	-	-	36,102	36,102
Total component units	\$ 7,631,845	\$ 2,000	\$ 250,000	\$ -	(238,992)	(5,038,271)	(2,138,684)	36,102	(7,379,845)
<b>General Revenues</b>									
Taxes:									
Property taxes					-	-	1,593,587	-	1,593,587
Income taxes					-	-	475,222	-	475,222
Grants and contributions not restricted to specific programs					-	-	138,120	-	138,120
Investment income					61	20,867	10,832	91	31,851
Donations					-	-	-	58,798	58,798
Miscellaneous					68,688	3,576,901	768	-	3,646,357
Gain(loss) on disposal of assets					-	-	-	(289,844)	(289,844)
Total general revenues and transfers					68,749	3,597,768	2,218,529	(230,955)	5,654,091
Change in net position					(170,243)	(1,440,503)	79,845	(194,853)	(1,725,754)
<b>Net Position, Beginning</b>					7,007,161	13,418,595	5,670,789	1,636,370	27,732,915
<b>Net Position, Ending</b>					\$ 6,836,918	\$ 11,978,092	\$ 5,750,634	\$ 1,441,517	\$ 26,007,161

**City of Evansville, Indiana**

Combining Statement of Net Position  
 Internal Service Funds  
 December 31, 2021

	<u>Purchasing</u>	<u>Hospitalization Self- Insurance</u>	<u>Unemployment Insurance</u>	<u>Workers Compensation</u>	<u>Liability Insurance</u>	<u>Accounts Payable Clearing</u>	<u>Total</u>
<b>Assets</b>							
Investments	\$ -	\$ -	\$ -	\$ 450,129	\$ 200,001	\$ -	\$ 650,130
Receivables:							
Accounts	17,302	-	-	-	15,058	24,152	56,512
Intergovernmental	-	-	-	-	-	13,501	13,501
Interfund receivable:							
Interfund receivables	21,533	-	143,950	126,601	493,751	-	785,835
	<u>38,835</u>	<u>-</u>	<u>143,950</u>	<u>576,730</u>	<u>708,810</u>	<u>37,653</u>	<u>1,505,978</u>
Total assets	\$ 38,835	\$ -	\$ 143,950	\$ 576,730	\$ 708,810	\$ 37,653	\$ 1,505,978
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>							
<b>Liabilities</b>							
Accounts payable	\$ 18,440	\$ 1,058,304	\$ 8,132	\$ 91,600	\$ 20,240	\$ 1,137	\$ 1,197,853
Accrued payroll and withholdings payable	-	908	1,404	1,646	-	-	3,958
Interfund payable:							
Interfund payable	-	3,793,550	-	-	-	46,066	3,839,616
Claims payable	-	4,112,644	-	-	-	-	4,112,644
	<u>18,440</u>	<u>8,965,406</u>	<u>9,536</u>	<u>93,246</u>	<u>20,240</u>	<u>47,203</u>	<u>9,154,071</u>
Total liabilities	18,440	8,965,406	9,536	93,246	20,240	47,203	9,154,071
<b>Net Position</b>							
Restricted	20,395	-	134,414	483,484	688,570	-	1,326,863
Unrestricted (deficit)	-	(8,965,406)	-	-	-	(9,550)	(8,974,956)
	<u>20,395</u>	<u>(8,965,406)</u>	<u>134,414</u>	<u>483,484</u>	<u>688,570</u>	<u>(9,550)</u>	<u>(7,648,093)</u>
Total net position	20,395	(8,965,406)	134,414	483,484	688,570	(9,550)	(7,648,093)
Total liabilities and net position	\$ 38,835	\$ -	\$ 143,950	\$ 576,730	\$ 708,810	\$ 37,653	\$ 1,505,978

**City of Evansville, Indiana**

Combining Statement of Revenues, Expenses and Changes in Net Position  
 Internal Service Funds  
 Year Ended December 31, 2021

	<u>Purchasing</u>	<u>Hospitalization Self- Insurance</u>	<u>Unemployment Insurance</u>	<u>Workers Compensation</u>	<u>Liability Insurance</u>	<u>Accounts Payable Clearing</u>	<u>Total</u>
<b>Revenues</b>							
Charges for services	\$ 234,455	\$ 23,728,697	\$ -	\$ -	\$ -	\$ -	\$ 23,963,152
Miscellaneous	1,361	-	92,202	1,354,685	5,615,300	340,605	7,404,153
Total revenues	<u>235,816</u>	<u>23,728,697</u>	<u>92,202</u>	<u>1,354,685</u>	<u>5,615,300</u>	<u>340,605</u>	<u>31,367,305</u>
<b>Expenditures</b>							
Current:							
General government	258,385	27,836,514	141,902	1,400,648	5,332,443	319,980	35,289,872
Total expenditures	<u>258,385</u>	<u>27,836,514</u>	<u>141,902</u>	<u>1,400,648</u>	<u>5,332,443</u>	<u>319,980</u>	<u>35,289,872</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,569)</u>	<u>(4,107,817)</u>	<u>(49,700)</u>	<u>(45,963)</u>	<u>282,857</u>	<u>20,625</u>	<u>(3,922,567)</u>
<b>Other Financing Sources (Uses)</b>							
Interest on investments	-	-	-	1,004	61	-	1,065
Transfers in	-	1,000,000	153,397	-	15,183	-	1,168,580
Total other financing sources and uses	<u>-</u>	<u>1,000,000</u>	<u>153,397</u>	<u>1,004</u>	<u>15,244</u>	<u>-</u>	<u>1,169,645</u>
Change in net position	(22,569)	(3,107,817)	103,697	(44,959)	298,101	20,625	(2,752,922)
<b>Net Position (Deficit), Beginning</b>	<u>42,964</u>	<u>(5,857,589)</u>	<u>30,717</u>	<u>528,443</u>	<u>390,469</u>	<u>(30,175)</u>	<u>(4,895,171)</u>
<b>Net Position (Deficit), Ending</b>	<u>\$ 20,395</u>	<u>\$ (8,965,406)</u>	<u>\$ 134,414</u>	<u>\$ 483,484</u>	<u>\$ 688,570</u>	<u>\$ (9,550)</u>	<u>\$ (7,648,093)</u>

**City of Evansville, Indiana**

Combining Statement of Fiduciary Net Position -  
Pension Trust Funds  
December 31, 2021

	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total Pension Trust Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 878,847	\$ 988,238	\$ 1,867,085
Investments at fair value:			
Fixed income securities	3,201,265	3,801,509	7,002,774
Total Investments	3,201,265	3,801,509	7,002,774
Total assets	4,080,112	4,789,747	8,869,859
<b>Liabilities</b>			
Accounts payable	121	-	121
Total liabilities	121	-	121
<b>Net Position</b>			
Restricted for pensions	\$ 4,079,991	\$ 4,789,747	\$ 8,869,738

**City of Evansville, Indiana**

Combining Statement of Changes in Fiduciary Net Position -  
Pension Trust Funds  
Year Ended December 31, 2021

	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total Pension Trust Funds</u>
<b>Additions</b>			
Contributions:			
Contributions from nonemployer contributing entities	\$ 4,592,370	\$ 6,189,961	\$ 10,782,331
Total contributions and transfers	<u>4,592,370</u>	<u>6,189,961</u>	<u>10,782,331</u>
Investment income:			
Interest	<u>12,857</u>	<u>15,298</u>	<u>28,155</u>
Total investment income	<u>12,857</u>	<u>15,298</u>	<u>28,155</u>
Total additions	<u>4,605,227</u>	<u>6,205,259</u>	<u>10,810,486</u>
<b>Deductions</b>			
Other trust activities	<u>4,689,003</u>	<u>6,181,780</u>	<u>10,870,783</u>
Total deductions	<u>4,689,003</u>	<u>6,181,780</u>	<u>10,870,783</u>
Change in fiduciary net position	(83,776)	23,479	(60,297)
<b>Net Position, Beginning</b>	<u>4,163,767</u>	<u>4,766,268</u>	<u>8,930,035</u>
<b>Net Position, Ending</b>	<u>\$ 4,079,991</u>	<u>\$ 4,789,747</u>	<u>\$ 8,869,738</u>

**CITY OF EVANSVILLE**  
Vanderburgh County, Indiana

**SINGLE AUDIT REPORT IN  
ACCORDANCE WITH UNIFORM GUIDANCE**  
December 31, 2021

CITY OF EVANSVILLE  
Vanderburgh County, Indiana

SINGLE AUDIT REPORT IN  
ACCORDANCE WITH UNIFORM GUIDANCE  
December 31, 2021

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CITY OF EVANSVILLE  
SCHEDULE OF OFFICIALS (Unaudited)  
December 31, 2021

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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 12-31-21
Mayor	Lloyd Winnecke	01-01-19 to 12-31-21
President of the Board of Public Works	Martin Amsler	01-01-21 to 12-31-21
President of the Common Council	Ron Beane	01-01-21 to 12-31-21
Director of Utilities	Lane Young	01-01-21 to 12-31-21
Chief Financial Officer of Utilities	Jenny Collins (Vacant) Lee Angela Phaup	01-01-21 to 03-07-21 03-08-21 to 05-17-21 05-17-21 to 12-31-21
President of the Department of Water Works Board	Steven Heidorn	01-01-21 to 12-31-21

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 20, 2023.

Our report includes a reference to other auditors who audited the financial statements of two discretely presented component units, the Evansville Land Bank and the Evansville Bond Bank, as described in our report on the 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.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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(Continued)

## Report on 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*.

### 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

Indianapolis, Indiana  
April 20, 2023



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**

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

We have audited City of Evansville's (City) compliance with the types of compliance requirements identified as subject to audit 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, 2021. 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.

In our opinion, the City complied, in all material respects, with the 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, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

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(Continued)

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 20, 2023, which contained qualified opinion on the aggregate discretely presented component units and unmodified opinions on governmental activities, business-type activities, each major fund, and aggregate remaining fund information. 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

  
Crowe LLP

Indianapolis, Indiana  
April 20, 2023

CITY OF EVANSVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2021

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	06-79-06211	\$ 696,770	\$ -
Total Economic Development Cluster				<u>696,770</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	6,045	6,045
	Direct Award	14.218	B-18-MC-18-0002	663,502	247,596
	Direct Award	14.218	B-19-MC-18-0002	451,968	329,278
	Direct Award	14.218	B-20-MC-18-0002	1,397,438	1,397,438
	Direct Award	14.218	B-20-MW-18-0002	668,132	625,972
	Direct Award	14.218	B-21-MC-18-0002	60,678	60,878
COVID-19	Direct Award	14.218	A-192-21-CV-CV2-331	95,641	-
Total Community Development Block Grants/Entitlement Grants				<u>3,343,404</u>	<u>2,667,207</u>
Total Entitlement Grants Cluster				<u>3,343,404</u>	<u>2,667,207</u>
Emergency Solutions Grant Program					
COVID-19	Direct Award	14.231	E-19-MC-19-0002	105,799	105,799
	Direct Award	14.231	E-20-MC-18-0002	141,641	141,641
	Direct Award	14.231	E-20-MW-18-0002	838,020	828,803
Total Emergency Solutions Grant Program				<u>1,085,460</u>	<u>1,076,243</u>
Home Investment Partnership Program					
	Direct Award	14.239	M-16-MC-18-0201	72,435	72,435
	Direct Award	14.239	M-17-MC-18-0201	228,026	227,208
	Direct Award	14.239	M-18-MC-18-0201	224,168	224,168
	Direct Award	14.239	M-19-MC-18-0201	307,300	307,300
	Direct Award	14.239	M-20-MC-18-0201	21,077	21,077
Total Home Investment Partnership Program				<u>853,006</u>	<u>852,188</u>
Fair Housing Initiatives Program	Direct Award	14.408	FF205K215016	49,700	-
Total Department of Housing and Urban Development				<u>5,331,570</u>	<u>4,595,638</u>
<b>Department of the Interior</b>					
National Park ServiceHistoric Preservation Fund Grants in Aid	Indiana Department of Natural Resources	15.904	19FFY-02	12,690	-
	Indiana Department of Natural Resources	15.904	19FFY-05	3,200	-
				<u>15,890</u>	<u>-</u>

(Continued)

CITY OF EVANSVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2021

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	94,422	-
Missing Children's Assistance	Indiana State Police	16.543	2020-MCFX-K008	3,623	-
Edward Byrne Memorial Justice Assistance Grant Program	Direct Award	16.738	2019-DJ-BX-0882	110,310	21,409
Opioid Affected Youth Initiative	Direct Award	16.842	2019-YB- FX-K005	290,021	288,448
Total Department of Justice				498,376	309,857
<b>Department of Transportation</b>					
<i>Highway Planning and Construction Cluster</i>					
Highway Planning and Construction	Indiana Department of Transportation	20.205	DES 1383064	171,600	-
	Indiana Department of Transportation	20.205	DES 1700400	146,572	-
	Indiana Department of Transportation	20.205	DES 1700400	283,475	-
	Indiana Department of Transportation	20.205	DES 1801727	186,232	-
	Indiana Department of Transportation	20.205	DES 1801969	55,556	-
	Indiana Department of Transportation	20.205	DES 1801969	32,783	-
	Indiana Department of Transportation	20.205	DES 1802793	10,274	-
	Indiana Department of Transportation	20.205	DES 1802798	19,500	-
Total Highway and Construction				905,992	-
Total Highway and Construction / Cluster				905,992	-
<i>Federal Transit Cluster</i>					
Federal Transit Formula Grants	Direct Award	20.507	IN-2018-025-00 SECTION 5307-2A	53,629	-
	Direct Award	20.507	IN-2019-012-01	12,677	-
COVID-19	Direct Award	20.507	IN-2020-034-00	3,421,495	-
	Direct Award	20.507	IN-2021-035	659,216	-
Total Federal Transit Formula Grants				4,147,017	-

(Continued)

CITY OF EVANSVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2021

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-2019-012-02	204,795	-
Total Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs				204,795	-
Total Federal Transit Cluster				<u>4,351,812</u>	<u>-</u>
<i>Highway Safety Cluster</i>					
State and Community Highway Safety Program	Indiana Criminal Justice Institute	20.600	CHIRP-2021-00073	43,480	-
Total State and Community Highway Safety Program				<u>43,480</u>	<u>-</u>
Total Highway Safety Cluster				<u>43,480</u>	<u>-</u>
Total Department of Transportation				<u>5,301,284</u>	<u>-</u>
<b>Department of Treasury</b>					
COVID-19 Coronavirus Relief Fund	Indiana Finance Authority	21.019		164,254	-
Total Department of Treasury				<u>164,254</u>	<u>-</u>
<b>Equal Employment Opportunity Commission</b>					
Employment Discrimination Title VII of the Civil Rights Act of 1964	Direct Award	30.001	EEC45310 018C0049	59,720	-
Total Equal Employment Opportunity Commission				<u>59,720</u>	<u>-</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	17,582,802	-
	Indiana Finance Authority	66.458	DW181282 01	11,043,857	-
	Indiana Finance Authority	66.458	WW18188 218	154,000	-
Total Capitalization Grants for Clean Water State Revolving Funds				<u>28,780,659</u>	<u>-</u>
Total Clean Water State Revolving Fund Cluster				<u>28,780,659</u>	<u>-</u>
Total Environmental Protection Agency				<u>28,780,659</u>	<u>-</u>
<b>Total Schedule of Expenditures of Federal Awards</b>				<u>\$ 40,848,523</u>	<u>\$ 4,905,495</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, 2021

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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, 2021. 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, Local, and Indian Tribal Governments or the principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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, 2021	\$ 865,291
Revolving loan fund cash and investments at December 31, 2021	63,735
Administrative expenses paid out of RLF during 2021	-
Unpaid principal on loans written off during 2021	-
	<hr/>
Total Calculation Basis	\$ 929,026
Federal participation rate	75%
Expenditures reported on SEFA	<hr/> \$ 696,770

CITY OF EVANSVILLE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year ended December 31, 2021

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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?	_____ Yes	_____ <u>X</u> No
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No

**Federal Awards:**

Internal control over major programs

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiencies identified not considered to be material weaknesses?	_____ 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>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
20.507, 20.526	Federal Transit Cluster
66.458	Clean Water State Revolving Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs \$ 1,225,456

Auditee qualified as low-risk auditee?      \_\_\_\_\_ Yes      \_\_\_\_\_ X No

**SECTION 2 - FINANCIAL STATEMENT FINDINGS**

None reported

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

None reported

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