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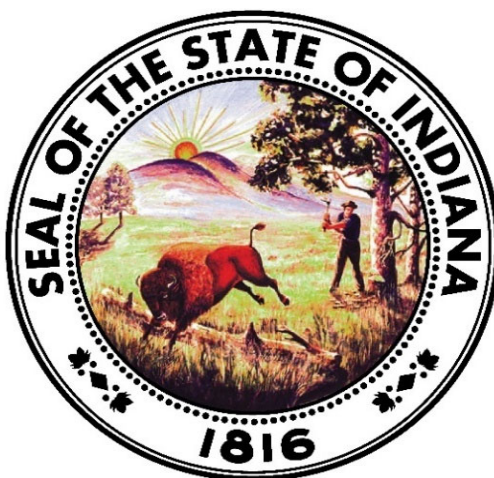
FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT

OF

CITY OF EVANSVILLE

VANDERBURGH COUNTY, INDIANA

January 1, 2022 to December 31, 2022



FILED

01/10/2024



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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January 10, 2024

To: The Officials of the City of Evansville
City of Evansville
Vanderburgh County, Indiana

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, 2022 to December 31, 2022. 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

We call your attention to the finding in the report. The finding appears on pages 12 and 13 of the Single Audit Report, which is included after the Financial Report. Please refer to the Schedule of Findings and Questioned Costs for further detail. Management's Corrective Action Plan appears at the end of the reports.

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

Tammy R. White, CPA
Deputy State Examiner

City of Evansville, Indiana

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INTRODUCTORY SECTION

City of Evansville, Indiana

Schedule of Officials

Office	Official	Term
Controller	Russel G. Lloyd Jr., CPA	01-01-22 to 12-31-22
Mayor	Lloyd Winnecke	01-01-20 to 12-31-23
President of the Board of Public Works	William Nix	01-01-22 to 12-31-22
President of the Common Council	Zac Heronemus	01-01-22 to 12-31-23
Director of Utilities	Lane Young	01-01-22 to 12-31-22
Chief Financial Officer of Utilities	(Vacant) Lee Angela Phaup	03-05-22 to 12-31-22 01-01-22 to 03-04-22
President of the Department of Water Works Board	Steven Heidorn	01-01-22 to 12-31-22

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Qualified
General Fund	Unmodified
Local Income Tax	Unmodified
American Rescue Plan	Unmodified
Casino Gaming	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, based on our audit and the reports of other auditors, 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, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Evansville Land Bank nor the Evansville Bond Bank, which represent 49 percent, 49 percent, and 16 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.

Emphasis of Matters

As discussed in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

As discussed in Note 3 to the financial statements, errors in the prior year were discovered by management of the City during the current year. Adjustments have been made to governmental activities, business type activities, Water and Wastewater enterprise major funds, and discretely presented component units net position as of January 1, 2022, to correct those errors. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Pension Schedules, and OPEB Schedules, as listed in the Table of Contents, on pages 80 through 104 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 105 through 137 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 December 22, 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
December 22, 2023

FINANCIAL SECTION

City of Evansville, Indiana

Management's Discussion and Analysis Year Ended December 31, 2022

As management of City of Evansville, Indiana, (the City), we offer readers of the City this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The liabilities and deferred inflows of \$777,741 and \$245,565, respectively of the City's governmental activities exceeded assets, \$755,714, and deferred outflows of resources \$128,988, respectively its at the close of the most recent fiscal year by \$138,604 (net position).
- The City's governmental activities total net position increased by \$36,729 as compared to the prior year.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$155,776, an increase of \$60,812 in comparison to the prior year. Approximately 20.81% of the total amount in the combined ending fund balances, \$32,512 is available for spending at the governments discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the general fund was \$35,289 which represented 47.44% of total general fund expenditures (\$74,389), excluding transfers out.
- The City's total amount of bonds for the governmental activities (excluding any financed purchased obligations) increased by \$33,972 during the current fiscal year. The net change was the result of six new bond issues for \$45,580 and \$12,139 of principal payments or refundings on existing debt.
- During 2022, the City adopted GASB Statement No. 87, *Leases*, effective January 1, 2022. Balances within the management's discussion and analysis presented here related to 2021 were not restated for the adoption of the standard.

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 deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the assets plus deferred outflows and liabilities plus deferred inflows 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, urban redevelopment, health and welfare and culture and recreation.

The government-wide financial statements can be found on pages 1-3 of this report.

Fund Financial Statements

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

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Local Income Tax Fund, Casino Fund and American Rescue Plan General fund which are considered to be a major funds. Data for the remaining City governmental funds are combined into a single, aggregated presentation. Individual fund data for nonmajor governmental funds is provided in the form of combining statements elsewhere in the report. The City adopts an annual appropriated budget for its general fund, certain special revenue funds, certain 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. Budgetary comparisons for selected nonmajor governmental funds are presented in the supplementary information to demonstrate compliance with approved budgets.

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 its water operations and the sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses 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 and in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 8-14 of this report.

City of Evansville, Indiana

Management's Discussion and Analysis
Year Ended December 31, 2022

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial 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.

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 17-79 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 80-104 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found on pages 105-136 of this report.

Government-Wide Financial Analysis

As noted earlier, net position for governmental activities may serve over time as a useful indicator of government's financial position. In the case of the City, liabilities and deferred inflows exceeded assets and deferred outflows by \$138,604 at the close of the most recent fiscal year.

The largest portion, \$185,450 (133.80%), 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. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Evansville, Indiana

Management's Discussion and Analysis
Year Ended December 31, 2022

The following table reflects the condensed statement of net position:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 327,705	\$ 214,618	\$ 358,320	\$ 340,320	\$ 686,025	\$ 554,938
Capital and lease assets	<u>428,009</u>	<u>457,162</u>	<u>862,330</u>	<u>793,848</u>	<u>1,290,339</u>	<u>1,251,010</u>
Total assets	755,714	671,780	1,220,650	1,134,168	1,976,364	1,805,948
Deferred outflow of resources	<u>128,988</u>	<u>128,422</u>	<u>17,237</u>	<u>15,591</u>	<u>146,225</u>	<u>144,013</u>
Long-term liabilities	746,472	822,169	744,431	704,320	1,490,903	1,526,489
Other liabilities	<u>31,269</u>	<u>13,808</u>	<u>56,065</u>	<u>30,563</u>	<u>87,334</u>	<u>44,371</u>
Total liabilities	<u>777,741</u>	<u>835,977</u>	<u>800,496</u>	<u>734,883</u>	<u>1,578,237</u>	<u>1,570,860</u>
Deferred inflow of resources	<u>245,565</u>	<u>145,301</u>	<u>6,894</u>	<u>7,991</u>	<u>252,459</u>	<u>153,292</u>
Net investment in capital assets	185,450	248,686	277,788	281,181	463,238	529,867
Restricted net position	112,686	95,571	69,733	53,915	182,419	149,486
Unrestricted net position	<u>(436,740)</u>	<u>(525,723)</u>	<u>82,976</u>	<u>71,787</u>	<u>(353,764)</u>	<u>(453,936)</u>
Total net position	<u>\$ (138,604)</u>	<u>\$ (181,466)</u>	<u>\$ 430,497</u>	<u>\$ 406,883</u>	<u>\$ 291,893</u>	<u>\$ 225,417</u>

An additional portion of the City's net position, \$112,686 (81.30%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City can report a positive balance in net position for Net Investment in Capital Assets and Restricted Net Position while showing a negative unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

City of Evansville, Indiana

Management's Discussion and Analysis
Year Ended December 31, 2022

Governmental Activities

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 6,287	\$ 8,733	\$ 146,482	\$ 147,183	\$ 152,769	\$ 155,916
Operating grants and contributions	20,630	19,218	-	-	20,630	19,218
General revenues:	-	-	-	-	-	-
Property taxes	87,703	70,662	-	-	87,703	70,662
Income taxes	25,855	28,697	-	-	25,855	28,697
Other taxes	8,268	7,072	-	-	8,268	7,072
Other	<u>36,308</u>	<u>24,327</u>	<u>6,136</u>	<u>3,165</u>	<u>42,444</u>	<u>27,492</u>
	-	-	-	-	-	-
Total revenues	<u>185,051</u>	<u>158,709</u>	<u>152,618</u>	<u>150,348</u>	<u>337,669</u>	<u>309,057</u>
Expenses						
General government	61,515	59,165	-	-	61,515	59,165
Public safety	45,762	88,611	-	-	45,762	88,611
Highways and streets	7,318	6,891	-	-	7,318	6,891
Wastewater	-	-	73,616	69,872	73,616	69,872
Water	-	-	47,317	45,316	47,317	45,316
Urban redevelopment	11,472	5,444	-	-	11,472	5,444
Culture and recreation	14,630	14,567	-	-	14,630	14,567
Interest expense	<u>7,625</u>	<u>8,445</u>	<u>-</u>	<u>-</u>	<u>7,625</u>	<u>8,445</u>
Total expense	<u>148,322</u>	<u>183,123</u>	<u>123,027</u>	<u>115,188</u>	<u>269,255</u>	<u>298,311</u>
Change in net position	36,729	(24,414)	29,591	35,160	66,320	10,746
Net Position, Beginning*	<u>(175,333)</u>	<u>(157,052)</u>	<u>400,906</u>	<u>371,723</u>	<u>225,573</u>	<u>214,671</u>
Net Position, Ending	<u>\$ (138,604)</u>	<u>\$ (181,466)</u>	<u>\$ 430,497</u>	<u>\$ 406,883</u>	<u>\$ 291,893</u>	<u>\$ 225,417</u>

*Beginning net position was increased by a prior period adjustment for OPEB liability of \$6,133 for governmental funds and decreased by \$5,977 for business-type funds.

The City's net position from governmental activities, increased by \$36,729 or 13.67% in 2022, over the net position of 2021. Notable changes in governmental activities revenues and expenses in 2022 compared to 2021 include the following:

- Property tax revenues increase in 2022 by \$17,041 due to the increase in statewide property tax growth rate.
- Income taxes decreased by \$2,842 due to an decrease in amounts distributed by the state.
- Operating grants and contributions increased by \$1,412 mainly due to Coronavirus relief funds received in 2022.
- General government expenses increased by \$2,350.

City of Evansville, Indiana

Management's Discussion and Analysis Year Ended December 31, 2022

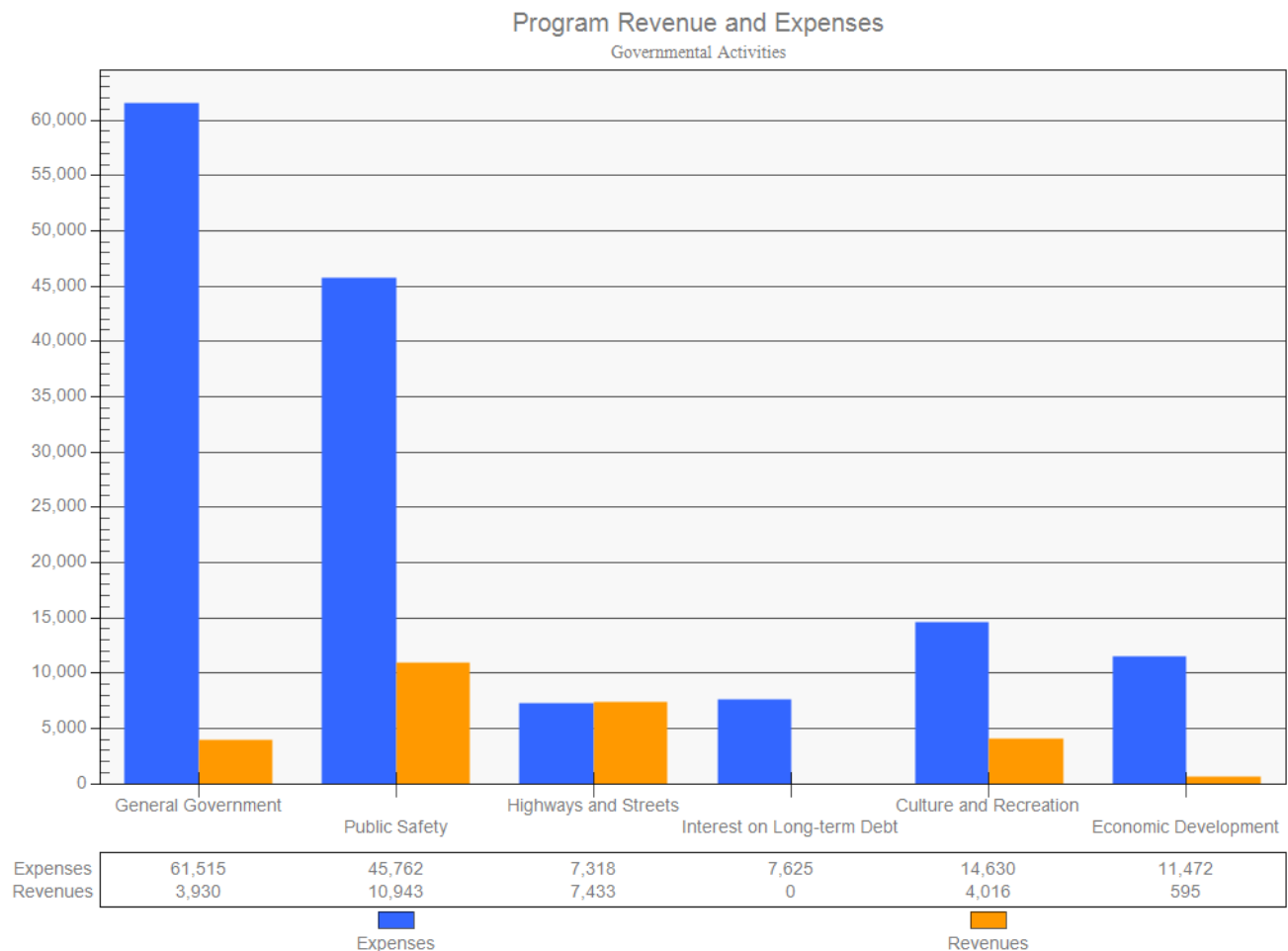
- Public safety expenses decreased by \$42,849 in 2022, mainly due to Coronavirus relief funds spent in 2021, that were not available in 2022.

The City's overall unrestricted cash and cash equivalents plus investments of \$50,123 and \$161,973, respectively remained very strong in the current economic environment. The City's property tax rate for 2022 increased slightly to \$1.7558 from \$1.7005 for 2021, per \$100 of assessed value.

Program Revenue and Expenses - Governmental Activities

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

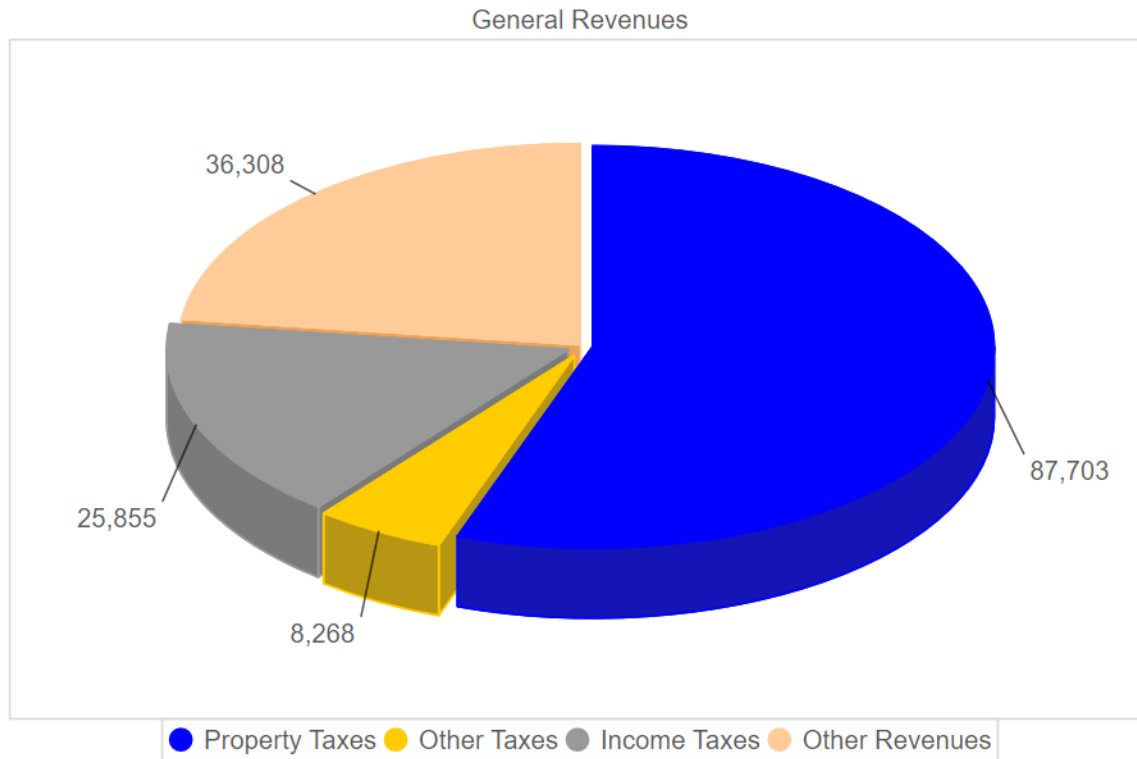
The following displays the Expenses and Program Revenues of the City's governmental activities.



City of Evansville, Indiana

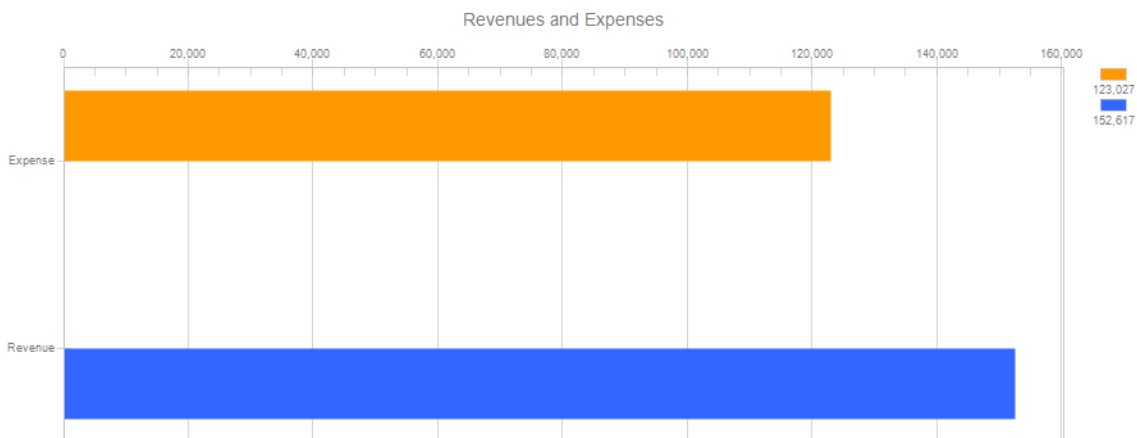
Management's Discussion and Analysis
Year Ended December 31, 2022

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 in net position of \$31,685 in 2022 compared to the prior year.



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 plus deferred outflows of resources and liabilities plus deferred inflows of resources 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 \$155,776 an increase of \$60,812 in comparison with the prior year. The fund balance has restricted fund balance of \$116,722 committed fund balance of \$4,420, assigned fund balance of \$2,122, and unassigned fund balance of \$32,512. (See page 4).

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 \$33,167 while the total fund balance totaled \$35,289. 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 \$74,389 excluding transfers. Unassigned fund balance represents 44.59% of total general fund expenditures, while total fund balance represents 47.44% of that same amount.

The fund balance of the City's general fund had an increase of \$19,045 during the current fiscal year. Key factors in this increase are as follows:

- Expenditures exceeded revenues by \$1,314 excluding other financing sources and uses. Revenues decreased by \$3,323 and expenditures decreased by \$86,979 from 2021 to 2022.
- Majority of the revenue changes include an increase in property taxes \$3,502 and an increase in income taxes \$1,646 and a decrease of intergovernmental of \$6,717 respectively.
- Major expenditure changes include an decreases in general government and public safety of \$1,304 and \$11,233, respectively.
- At the end of the current fiscal year, the restricted fund balance of the Local Income Tax and American Rescue Plan General were \$8,945 and \$664,821, respectively.

City of Evansville, Indiana

Management's Discussion and Analysis
Year Ended December 31, 2022

General Fund Budgetary Highlights

Elected officials and department heads submit budgets to allow for the effective operation of the City. Several revenue assumptions are used at the time of budget development, but when the actual revenue information becomes available, the City adjusts the budget accordingly.

Differences between the original budget and the final budget included a \$9,754 decrease in appropriations that are briefly summarized below:

The final budget for the general fund decreased \$13,998 from the original budget passed by the City council. General government decreased \$153 for personal services, increased \$3 for supplies, other services and charges decreased \$13,848. Public safety increased \$915 for personal services, increased \$291 for other services and charges and increased \$116 for supplies and increased \$191 for capital outlay. Culture, Recreation and Education decreased \$2 for personal services, decreased \$1 for supplies, and decreased \$27 for other services and charges.

During the year on a budgetary basis, revenues exceeded expenditures, excluding other financing sources (uses) for the general fund in the amount of \$2,664.

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, 2022 amounts to \$428,009 and \$862,330 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 \$4,473 during 2022 related to projects for the City.
- Completed construction for Buildings and infrastructure for the City.

The following table displays the City's capital and lease assets.

Capital and Lease Assets						
	Governmental Funds		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 34,436	\$ 35,061	\$ 4,945	\$ 4,945	\$ 39,381	\$ 40,006
Construction in progress	8,164	38,545	330,445	243,279	338,609	281,824
Buildings	257,584	232,181	209,281	209,248	466,865	441,429
Improvements	32,700	32,427	8,970	8,886	41,670	41,313
Infrastructure	585,248	578,466	612,682	608,903	1,197,930	1,187,369
Leased assets	-	-	5,435	5,433	5,435	5,433
Machinery and equipment	67,040	67,963	99,993	98,025	167,033	165,988
Total capital and lease assets	985,172	984,643	1,271,751	1,178,719	2,256,923	2,163,362
Accumulated depreciation and amortization	(557,163)	(527,482)	(409,421)	(384,872)	(966,584)	(912,354)
Net capital and lease assets	<u>\$ 428,009</u>	<u>\$ 457,161</u>	<u>\$ 862,330</u>	<u>\$ 793,847</u>	<u>\$ 1,290,339</u>	<u>\$ 1,251,008</u>

Additional information on the City's capital assets can be found on pages 36-38 in the Notes to the Financial Statements of this report.

City of Evansville, Indiana

Management's Discussion and Analysis

Year Ended December 31, 2022

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 and current portion) of \$826,720 related to governmental activities and \$751,419 related to business-type activities. Of this amount, \$234,022 comprises general obligation debt for governmental activities, and \$347,739 relates to revenue bond debt for the business-type activities.

The remainder of the City's long-term obligations consist of \$775 and \$1,742 related to a finance purchase agreements for the governmental activities and business-type activities respectively, \$317,983 and \$6,699 of other postemployment benefits for governmental activities and business-type activities respectively; \$136,601 and \$6,988 of net pension liability for governmental activities and business-type activities respectively; and net pension liability of \$136,601 for the governmental activities. The following table reflects the City's long-term obligations:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
TIF Bonds	\$ 28,449	\$ 20,970	\$ -	\$ -	\$ 28,449	\$ 20,970
Lease rental bonds	153,020	131,412	-	-	153,020	131,412
Revenue bonds	68,119	63,232	367,820	330,835	435,939	394,067
Subtotal	249,588	215,614	367,820	330,835	464,388	415,037
Loans	1,319	1,814	387,701	364,801	389,020	366,615
Compensated absences	1,437	1,265	1,566	1,602	3,003	2,867
Finance purchase agreements	1,268	1,814	1,742	3,282	3,010	5,096
Payment in Lieu of taxes	-	-	703	703	703	703
Other post employment benefits	317,983	426,648	6,699	-	324,682	426,648
Net pension liability	136,601	142,772	6,988	3,099	143,589	145,871
Subtotal	595,209	717,085	412,387	376,586	1,007,596	1,093,671
Less current portion	(18,077)	(18,399)	(28,788)	(28,337)	(46,865)	(46,736)
Total long-term obligations	<u>\$ 826,720</u>	<u>\$ 914,300</u>	<u>\$ 751,419</u>	<u>\$ 679,084</u>	<u>\$ 1,425,119</u>	<u>\$ 1,461,972</u>

The City's total long-term obligations (net of the current portion) decreased by \$87,580 during the current fiscal year.

- Debt increased by \$45,580 during the year due to the issuance of new debt.
- Other postemployment benefits decreased by \$101,804 as a result of updated actuarial studies performed for the City.
- Net pension liability for pensions decreased by \$6,171 as a result of updated actuarial studies performed for the City.

City of Evansville, Indiana

Management's Discussion and Analysis
Year Ended December 31, 2022

The City maintains long-term ratings of *AAA* on its outstanding general obligation bonds and redevelopment district and redevelopment authority bonds (which are rated as general obligation security pledges), a long-term rating of *AA+* on its outstanding COIT/local income tax revenue bonds, a long-term rating of *AA* on its outstanding sewage works revenue bonds, and a long-term rating of *BBB+* on outstanding bonds which are secured by tax increment revenues assigned by S&P Global Ratings.

Additional information of the City's long-term debt can be found on pages 40-49 in the Notes to the Financial Statements of this report.

Economic Factors and Next Year's Budget and Rates

- The 2023 tax rates for the City of Evansville decreased from \$1.7558 in 2022 to a rate of \$1.6470 per \$100 in assessed value. Overall, the City's assessed value increased by approximately 11% from 2022 to 2023.
- 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 are showing improvement.
- Property tax is the City's largest source of revenue. Local Income Tax (LIT) formerly known as City option income tax (COIT) is the second largest source of the City's current governmental revenues. These funds can be used for capital projects as well as ongoing operating expenses. The recent improvement in employment has had a positive impact on LIT paid by City residents.
- State-wide property tax caps (based upon a percent of gross AV by property class) became effective in 2009, yet they had a minimal impact on the City's revenues received. For the 2023 budget year, the expected loss to the City due to the caps is \$18,088. Expenditure restraints have been used to offset this loss.

All the above factors were considered in preparing the City's budget for the 2023 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 Junior Boulevard, Evansville, IN 47708.

City of Evansville, Indiana

Statement of Net Position
December 31, 2022

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Current assets:				
Cash and cash equivalents	\$ 50,123,085	\$ 74,241,092	\$ 124,364,177	\$ 6,097,796
Investments	161,972,759	-	161,972,759	4,354,812
Receivables:				
Accounts	1,922,266	9,207,773	11,130,039	-
Interest	-	-	-	174,461
Notes	-	-	-	7,308,327
Taxes	74,092,032	-	74,092,032	-
Intergovernmental	6,044,753	-	6,044,753	-
Miscellaneous	-	544,351	544,351	-
Leases	32,259,505	-	32,259,505	-
Inventories	385,242	3,535,891	3,921,133	-
Prepays	904,893	408,569	1,313,462	-
Other assets	-	-	-	1,500
Due from other fund	-	1,122,240	1,122,240	-
Restricted assets:				
Bond and interest cash	-	33,865,393	33,865,393	-
Bond and interest investments	-	6,268,741	6,268,741	-
Debt service reserve cash	-	5,455,217	5,455,217	-
Improvement fund cash	-	500,000	500,000	-
Periodic maintenance fund cash	-	3,615,353	3,615,353	-
WWTP replacement cash	-	3,000,000	3,000,000	-
Construction fund cash	-	82,908,258	82,908,258	-
Consumer meter deposit cash	-	1,795,996	1,795,996	-
Excess pension cash	-	1,605,928	1,605,928	-
Cash with fiscal agent	-	3,504,476	3,504,476	-
Assistance program cash	-	37,087	37,087	-
Det service reserve investments	-	38,867,545	38,867,545	-
Construction fund investments	-	87,092,596	87,092,596	-
Interest receivable	-	478,831	478,831	-
BAB debt service subsidy receivable	-	188,919	188,919	-
Customer deposits receivable	-	76,324	76,324	-
Capital assets:				
Land and construction in progress	42,599,767	335,390,546	377,990,313	1,142,553
Other capital assets, net of depreciation	385,409,216	523,932,008	909,341,224	8,098,306
Leased assets, net of amortization	-	3,007,028	3,007,028	-
Total assets	755,713,518	1,220,650,162	1,976,363,680	27,177,755
Deferred Outflows of Resources				
Deferred amount on refunding of debt	8,297,710	6,414,721	14,712,431	-
Pension related	38,294,364	3,031,568	41,325,932	178,785
OPEB related	82,396,301	1,735,916	84,132,217	41,928
Regulatory assets	-	6,055,020	6,055,020	-
Total deferred outflows of resources	128,988,375	17,237,225	146,225,600	220,713

See notes to financial statements

City of Evansville, Indiana

Statement of Net Position
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities				
Accounts payable	\$ 2,171,896	\$ 2,942,492	\$ 5,114,388	\$ 122,849
Contracts payable	-	2,517,237	2,517,237	-
Leases payable	-	835,598	835,598	-
Accrued payroll and withholdings payable	3,273,606	419,215	3,692,821	18,410
Taxes payable	-	161,384	161,384	-
Interfund services provided and used	-	1,097,040	1,097,040	-
Accrued interest payable	3,381,582	11,130,106	14,511,688	-
Claims payable	4,361,918	-	4,361,918	-
Customer deposits payable	-	1,740,601	1,740,601	-
Retainage payable	-	6,396,679	6,396,679	-
Assistance program	-	37,050	37,050	-
DMD seed money	2,500	-	2,500	-
Unearned revenue	56,352,703	-	56,352,703	-
Noncurrent liabilities:				
Due within one year:				
Finance purchase agreements	493,570	-	493,570	-
Compensated absences	1,437,414	1,566,021	3,003,435	-
State revolving loan fund	-	7,141,871	7,141,871	-
Revenue bonds	4,100,000	20,080,000	24,180,000	-
TIF bonds	6,061,476	-	6,061,476	-
Lease rental bonds	5,405,000	-	5,405,000	-
Loans	579,225	-	579,225	-
Due in more than one year:				
Finance purchase agreements	774,669	-	774,669	-
Lease payable	-	1,742,235	1,742,235	-
Revenue bonds (net of discounts, premiums)	64,018,647	347,739,018	411,757,665	-
State revolving loan fund	-	380,559,373	380,559,373	-
TIF bonds (net of discounts, premiums)	22,387,778	-	22,387,778	-
Lease rental bonds (net of discounts, premiums)	147,615,214	-	147,615,214	-
Loans	739,674	-	739,674	-
Other long-term payables:				
Payment in lieu of taxes	-	702,956	702,956	-
Net pension liability	136,601,008	6,987,946	143,588,954	451,295
Total OPEB liability	317,982,721	6,699,224	324,681,945	161,810
Total liabilities	777,740,601	800,496,046	1,578,236,647	754,364
Deferred Inflows of Resources				
Leases	31,805,976	-	31,805,976	-
Pension related	3,479,469	604,006	4,083,475	4,629
OPEB related	147,537,528	3,108,304	150,645,832	75,076
Other	-	3,181,541	3,181,541	-
Unavailable revenue	62,742,195	-	62,742,195	-
Total deferred inflows of resources	245,565,168	6,893,851	252,459,019	79,705
Net Position				
Net investment in capital assets	185,450,340	277,788,166	463,238,506	8,805,391
Net position, restricted for:			-	
Public safety	3,741,261	-	3,741,261	-
Highways and streets	14,159,183	-	14,159,183	-
General government	973,654	-	973,654	-
Culture and recreation	1,501,409	-	1,501,409	-
Capital projects	54,420,255	-	54,420,255	-
Debt service	5,482,887	69,733,262	75,216,149	-
Urban redevelopment	32,406,927	-	32,406,927	62,051
Net position, unrestricted (deficit)	(436,739,792)	82,976,062	(353,763,730)	17,696,957
Total net position	\$ (138,603,876)	\$ 430,497,490	\$ 291,893,614	\$ 26,564,399

See notes to financial statements

City of Evansville, Indiana

Statement of Activities

Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental activities:							
General government	\$ 61,514,719	\$ 2,100,909	\$ 1,828,624	\$ -	\$ (57,585,186)	\$ -	\$ -
Public safety	45,761,664	143,458	10,799,308	-	(34,818,898)	-	-
Highways and streets	7,317,872	19,203	7,413,964	-	115,295	-	-
Urban redevelopment	11,471,900	7,637	587,712	-	(10,876,551)	-	-
Culture and recreation	14,630,634	4,015,710	-	-	(10,614,924)	-	-
Interest on long-term debt	7,624,742	-	-	-	(7,624,742)	-	-
Total primary government	148,321,531	6,286,917	20,629,608	-	(121,405,006)	-	-
Business-Type Activities							
Water Utility	48,678,536	59,394,581	-	-	-	10,716,045	-
Wastewater Utility	74,348,423	87,087,065	-	-	-	12,738,642	-
Total business-type activities	\$ 123,026,959	\$ 146,481,646	\$ -	\$ -	-	23,454,687	-
Component Unit							
Port Authority	\$ 388,350	\$ -	\$ -	\$ -	-	-	(388,350)
Evansville Bond Bank	369,315	-	-	-	-	-	(369,315)
Levee Authority	1,069,164	1,500	-	-	-	-	(1,067,664)
Land Bank	364,122	-	-	-	-	-	(364,122)
	\$ 2,190,951	\$ 1,500	\$ -	\$ -	-	-	(2,189,451)
General Revenues							
Taxes:							
Property taxes					87,702,826	-	1,630,493
Income taxes					25,855,421	-	500,444
Other taxes					8,268,107	-	-
Local shared revenue					17,440,171	-	385,179
Unrestricted investment earnings					1,405,126	2,534,320	167,374
Other:							
Donations					-	-	58,108
BAB subsidy income					-	377,838	-
Contributions					-	3,223,681	-
Gain on sale of disposal					2,632,355	-	7,826
Rent					6,663,931	-	-
Lease interest income					1,487,272	-	-
Miscellaneous					6,679,268	-	153,473
Total general revenues					158,134,477	6,135,839	2,902,897
Change in net position					36,729,471	29,590,526	713,446
Net Position (Deficit), Beginning, as Previously Stated					(181,466,205)	406,883,614	26,007,161
Prior period adjustment for OPEB					6,132,858	(5,976,650)	(156,208)
Net Position (Deficit), Beginning, as Restated					(175,333,347)	400,906,964	25,850,953
Net Position (Deficit), Ending					\$ (138,603,876)	\$ 430,497,490	\$ 26,564,399

See notes to financial statements

City of Evansville, Indiana

Balance Sheet -
Governmental Funds
December 31, 2022

	General Fund	Local Income Tax	American Rescue Plan	Casino Gaming	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 8,205,189	\$ -	\$ 5,628,899	\$ 11,530,962	\$ 24,758,035	\$ 50,123,085
Investments	28,475,532	-	51,473,463	11,443,575	70,115,263	161,507,833
Inventory	-	-	-	-	385,242	385,242
Receivables:						
Taxes	58,097,004	-	-	1,146,606	9,223,030	68,466,640
Accounts	189,952	-	-	654,884	1,056,267	1,901,103
Intergovernmental	2,593,824	-	-	80,212	3,370,717	6,044,753
Leases	-	-	-	32,259,505	-	32,259,505
Other assets	-	-	-	-	558	558
Interfund receivable:						
Interfund receivables	2,063,085	-	-	-	-	2,063,085
Total assets	\$ 99,624,586	\$ -	\$ 57,102,362	\$ 57,115,744	\$ 108,909,112	\$ 322,751,804
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 1,048,487	\$ -	\$ 84,838	\$ 198,699	\$ 839,872	\$ 2,171,896
Accrued payroll and withholdings payable	3,035,621	-	-	-	233,087	3,268,708
Unearned revenue	-	-	56,352,703	-	-	56,352,703
DMD seed money	-	-	-	-	2,500	2,500
Interfund payable	-	-	-	-	939,241	939,241
Total liabilities	4,084,108	-	56,437,541	198,699	2,014,700	62,735,048
Deferred Inflows of Resources						
Leases	-	-	-	31,805,976	-	31,805,976
Unavailable revenue	60,251,438	-	-	-	12,182,889	72,434,327
Total deferred inflows of resources	60,251,438	-	-	31,805,976	12,182,889	104,240,303
Fund Balances						
Restricted	-	-	664,821	25,111,069	90,946,050	116,721,940
Committed	-	-	-	-	4,420,255	4,420,255
Assigned	2,122,273	-	-	-	-	2,122,273
Unassigned (deficit)	33,166,767	-	-	-	(654,782)	32,511,985
Total fund balances	35,289,040	-	664,821	25,111,069	94,711,523	155,776,453
Total liabilities, deferred inflows of resources and fund balances	\$ 99,624,586	\$ -	\$ 57,102,362	\$ 57,115,744	\$ 108,909,112	\$ 322,751,804

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, 2022

Fund Balance, Governmental Funds **\$ 155,776,453**

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	\$ 42,599,767	
Capital assets not depreciated	<u>385,409,216</u>	428,008,983

Prepays are not current financial resources and, therefore, are not reported in the funds.		904,893
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Taxes receivable are not current financial resources and, therefore, are not reported in the funds.		5,625,393
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Pension liability is not paid from current financial resources and, therefore, is not shown in the funds.		
OPEB liability	(317,982,721)	
Net pension liability	<u>(136,601,008)</u>	(454,583,729)

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		8,297,710
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Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		38,294,364
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Deferred outflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position		82,396,301
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Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		(3,479,469)
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Deferred inflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position		(147,537,528)
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Other assets are not recognized in the governmental funds but are recorded in the statement of net position		(558)
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Unavailable revenues are not available to pay current liabilities and, therefore, are not reported as liabilities in the Statement of Net Position.		9,692,132
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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		(5,004,572)

Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(1,437,414)
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Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.		(3,381,582)
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Long-term liabilities, including finance purchase agreements, are not due and payable in the current period and, therefore, are not reported in the funds:		(1,268,239)
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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	(153,020,214)	
Loans payable	(1,318,899)	
Tax increment financing bonds	(28,449,254)	
Revenue bonds	<u>(68,118,647)</u>	<u>(250,907,014)</u>

Net Position of Governmental Activities		<u>\$ (138,603,876)</u>
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See notes to financial statements

City of Evansville, Indiana

Statement of Revenues, Expenditures and Changes in Fund Balances -

Governmental Funds

Year Ended December 31, 2022

	General Fund	Local Income Tax	American Rescue Plan	Casino Gaming	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Property	\$ 63,925,701	\$ -	\$ -	\$ -	\$ 19,199,286	\$ 83,124,987
Income	1,645,653	15,968,567	-	-	4,567,287	22,181,507
Other	-	-	-	8,268,107	-	8,268,107
Licenses and permits	1,173,996	-	-	-	-	1,173,996
Intergovernmental	4,613,276	219,578	8,131,073	709,537	19,282,022	32,955,486
Charges for services	905,037	-	-	4,929	4,202,955	5,112,921
Investment earnings	25,080	53,348	550,835	75,661	689,852	1,394,776
Other:						
Rent	-	-	-	6,474,073	-	6,474,073
Leased interest income	-	-	-	1,487,272	-	1,487,272
Miscellaneous	785,973	587,950	-	710,937	4,549,774	6,634,634
Total revenues	73,074,716	16,829,443	8,681,908	17,730,516	52,491,176	168,807,759
Expenditures						
Current:						
General government	13,620,856	13,376,618	-	-	805,273	27,802,747
Public safety	59,232,753	-	6,751,328	-	3,999,283	69,983,364
Highways and streets	-	-	-	-	7,120,290	7,120,290
Culture and recreation	-	-	-	-	14,274,112	14,274,112
Urban redevelopment	1,402,367	-	-	3,093,492	6,782,067	11,277,926
Debt service:						
Principal	89,591	-	-	1,705,340	11,418,809	13,213,740
Interest	4,215	-	-	12,068	7,993,119	8,009,402
Capital outlay:						
General government	-	203,187	-	-	69,353	272,540
Public safety	38,787	-	1,294,908	-	-	1,333,695
Highways and streets	-	-	-	-	874,762	874,762
Urban redevelopment	-	-	-	3,296,517	556,037	3,852,554
Culture and recreation	-	-	-	-	6,082	6,082
Total expenditures	74,388,569	13,579,805	8,046,236	8,107,417	53,899,187	158,021,214
Excess (deficiency) of revenues over (under) expenditures	(1,313,853)	3,249,638	635,672	9,623,099	(1,408,011)	10,786,545
Other Financing Sources (Uses)						
Bond proceeds	-	-	-	-	45,580,000	45,580,000
Premium on bonds issued	-	-	-	-	1,718,214	1,718,214
Sale of assets	-	-	-	-	2,726,874	2,726,874
Transfers in	21,015,489	-	18,000	-	21,829,898	42,863,387
Transfers out	(657,000)	(16,456,885)	-	(3,514,129)	(22,235,373)	(42,863,387)
Total other financing sources (uses)	20,358,489	(16,456,885)	18,000	(3,514,129)	49,619,613	50,025,088
Net change in fund balances	19,044,636	(13,207,247)	653,672	6,108,970	48,211,602	60,811,633
Fund Balances, Beginning	16,244,404	13,207,247	11,149	19,002,099	46,499,921	94,964,820
Fund Balances, Ending	\$ 35,289,040	\$ -	\$ 664,821	\$ 25,111,069	\$ 94,711,523	\$ 155,776,453

See notes to financial statements

City of Evansville, Indiana

 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Year Ended December 31, 2022

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)	\$ 60,811,633
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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	6,339,633
Loss on capital disposal of assets	728,930
Depreciation expense	(36,221,288)

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

Accounts receivable not recorded in the fund financial statements	5,625,392
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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 debt	\$ 13,213,738
Amortization of bond discount/premium and loss on refunding	1,184,717
Par amount of bonds issued	(45,580,000)
Bond Premium	(1,718,214)
Proceeds from finance purchase agreements	(33,801)
	<u>(32,933,560)</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	41,337,753
Deferred outflows, OPEB	7,740,654

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	12,715,133
PRE 96 TRF expenses paid by the state	(16,724,273)
Amortization of deferred amount on refundings	(654,659)

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.	(172,563)
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Prepays amortized in the statement of activities require the use of current financial resources and, therefore, are reported as expenditures in governmental funds when paid.	121,112
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Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(145,398)
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Pension obligations are considered expenses of the general government and, therefore, are not reported as current expenditures in the funds.	(14,482,549)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>2,643,521</u>
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Change in Net Position of Governmental Activities (Statement of Activities)	<u>\$ 36,729,471</u>
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See notes to financial statements

City of Evansville, Indiana

Statement of Net Position -

Proprietary Funds

December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Wastewater			Internal Service
	Water Utility	Utility	Total	Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 19,292,298	\$ 54,948,794	\$ 74,241,092	\$ -
Investments	-	-	-	464,926
Receivables:				
Accounts	2,461,655	6,746,118	9,207,773	21,163
Miscellaneous	544,351	-	544,351	-
Inventory	1,804,288	1,731,603	3,535,891	-
Prepays	178,794	229,775	408,569	-
Interfund services provided and used	1,122,240	-	1,122,240	-
Restricted assets:				
Bond and interest cash	16,050,807	17,814,586	33,865,393	-
Bond and interest investments	6,268,741	-	6,268,741	-
Debt service reserve cash	2,802,878	2,652,339	5,455,217	-
Improvement fund cash and cash equivalents	500,000	-	500,000	-
Periodic maintenance fund cash	3,615,353	-	3,615,353	-
WWTP replacement cash	-	3,000,000	3,000,000	-
Construction fund cash	34,849,654	48,058,604	82,908,258	-
Consumer meter deposit cash	1,795,996	-	1,795,996	-
Excess pension cash	1,605,928	-	1,605,928	-
Cash with fiscal agent	150,505	3,353,971	3,504,476	-
Assistance program cash	37,087	-	37,087	-
Debt service reserve investments	13,989,953	24,877,592	38,867,545	-
Construction fund investments	67,419,972	19,672,624	87,092,596	-
Interest receivable	204,252	274,579	478,831	-
Other receivable	-	-	-	-
BAB debt service subsidy receivable	-	188,919	188,919	-
Customer deposits receivable	76,324	-	76,324	-
Capital assets:				
Land and improvements & construction in progress	73,225,871	262,164,675	335,390,546	-
Leased assets, net of amortization	1,310,321	1,696,707	3,007,028	-
Other capital assets, net of depreciation	<u>213,350,394</u>	<u>310,581,614</u>	<u>523,932,008</u>	-
Total assets	<u>462,657,662</u>	<u>757,992,500</u>	<u>1,220,650,162</u>	<u>486,089</u>
Deferred Outflows of Resources				
Unamortized deferral on bond refunding	3,989,213	2,425,508	6,414,721	-
Deferred outflows, pensions	2,009,054	1,022,514	3,031,568	-
Deferred outflows, OPEB	1,105,745	630,171	1,735,916	-
Regulatory assets	<u>3,532,780</u>	<u>2,522,240</u>	<u>6,055,020</u>	-
Total deferred outflows of resources	<u>10,636,792</u>	<u>6,600,433</u>	<u>17,237,225</u>	-

See notes to financial statements

City of Evansville, Indiana

Statement of Net Position -

Proprietary Funds

December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Wastewater			Internal Service
	Water Utility	Utility	Total	Funds
Liabilities				
Current liabilities:				
Accounts payable	\$ 963,273	\$ 1,979,219	\$ 2,942,492	\$ -
Accrued payroll and withholdings payable	307,607	111,608	419,215	4,899
Taxes payable	161,384	-	161,384	-
Interfund services provided and used	-	1,097,040	1,097,040	-
Compensated absences	1,037,643	528,378	1,566,021	-
Claims payable	-	-	-	4,361,918
Due to other funds	-	-	-	1,123,844
Total current liabilities	<u>2,469,907</u>	<u>3,716,245</u>	<u>6,186,152</u>	<u>5,490,661</u>
Payable from restricted assets:				
Contracts payable	915,080	1,602,157	2,517,237	-
Leases payable	392,180	443,418	835,598	-
Accrued interest payable	4,747,975	6,382,131	11,130,106	-
Retainage payable	1,673,084	4,723,595	6,396,679	-
Revenue bonds, current	7,940,000	12,140,000	20,080,000	-
Customer deposits payable	1,740,601	-	1,740,601	-
Assistance program	37,050	-	37,050	-
State revolving loan fund, current	2,983,148	4,158,723	7,141,871	-
Noncurrent (discount, premium):				
Leases payable	703,252	1,038,983	1,742,235	-
Revenue bonds payable (net of unamortized discount, premium)	197,404,922	150,334,096	347,739,018	-
State revolving loan fund, long-term	68,549,302	312,010,071	380,559,373	-
Unamortized bond premium and discount, net	-	-	-	-
Net pension liability	4,598,872	2,389,074	6,987,946	-
OPEB liability	4,267,276	2,431,948	6,699,224	-
Payment in lieu of taxes	702,956	-	702,956	-
Total liabilities	<u>299,125,605</u>	<u>501,370,441</u>	<u>800,496,046</u>	<u>5,490,661</u>
Deferred Inflows of Resources				
Deferred inflows, pension	397,505	206,501	604,006	-
Deferred inflows, OPEB	1,979,930	1,128,374	3,108,304	-
Deferred inflows, other	3,181,541	-	3,181,541	-
Total deferred inflows of resources	<u>5,558,976</u>	<u>1,334,875</u>	<u>6,893,851</u>	<u>-</u>
Net Position				
Net investment in capital assets	117,117,237	160,670,929	277,788,166	-
Restricted				
General government	-	-	-	1,326,863
Debt service	31,852,220	37,881,042	69,733,262	-
Unrestricted	<u>19,640,416</u>	<u>63,335,646</u>	<u>82,976,062</u>	<u>(6,331,435)</u>
Total net position	<u>\$ 168,609,873</u>	<u>\$ 261,887,617</u>	<u>\$ 430,497,490</u>	<u>\$ (5,004,572)</u>

See notes to financial statements

City of Evansville, Indiana

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Wastewater			Internal Service
	Water Utility	Utility	Total	Funds
Operating Revenues				
Metered revenue:				
Residential	\$ 21,026,727	\$ 37,189,433	\$ 58,216,160	\$ -
Industrial	6,377,553	10,951,068	17,328,621	-
Commercial	9,754,392	25,703,314	35,457,706	-
Public authority	1,426,574	2,937,628	4,364,202	-
Refuse services	-	6,236,214	6,236,214	-
Delinquent charges	-	1,180,586	1,180,586	-
Connection fees	-	913,115	913,115	-
Pretreatment charges	-	554,800	554,800	-
Industrial surcharges and fines	-	844,347	844,347	-
Charges for services	-	-	-	26,745,881
Fire protection	6,686,508	-	6,686,508	-
Forfeited discounts	194,626	-	194,626	-
Sewer utility portion of general expenses	13,144,004	-	13,144,004	-
Miscellaneous	784,197	576,560	1,360,757	3,508,360
	<u>59,394,581</u>	<u>87,087,065</u>	<u>146,481,646</u>	<u>30,254,241</u>
Total operating revenues				
Operating Expenses				
Source of supply:				
Repairs and maintenance	652,160	-	652,160	-
Purchased power	815,319	-	815,319	-
Collection system:				
Salaries and wages and employee pensions and benefits	-	1,614,106	1,614,106	-
Employee benefits	-	1,253,893	1,253,893	-
Contractual services	-	199,968	199,968	-
Purchased power	-	542,939	542,939	-
Materials and supplies	-	275,929	275,929	-
Repairs and maintenance	-	3,152,139	3,152,139	-
Transportation	-	121,071	121,071	-
Chemicals	-	356	356	-
Other	-	4,485	4,485	-
Treatment and disposal:				
Salaries and wages	1,216,001	2,666,795	3,882,796	-
Employee benefits	819,209	1,891,794	2,711,003	-
Materials and supplies	29,441	154,557	183,998	-
Lab expense	210,917	168,938	379,855	-
Chemicals	1,345,914	746,625	2,092,539	-
Contractual services	120,800	785,897	906,697	-
Purchased power	81,824	1,656,445	1,738,269	-
Repairs and maintenance	477,516	2,560,741	3,038,257	-
Sludge removal	-	372,537	372,537	-
Transportation	15,521	97,323	112,844	-
Other	-	10,053	10,053	-

See notes to financial statements

City of Evansville, Indiana

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Wastewater			Internal Service
	Water Utility	Utility	Total	Funds
Customer service:				
Salaries and wages	\$ 2,055,391	\$ -	\$ 2,055,391	\$ -
Employee benefits	1,431,804	-	1,431,804	-
Postage	318,913	-	318,913	-
Materials and supplies	18,203	-	18,203	-
Contractual services	44,541	13,107,975	13,152,516	-
Repairs and maintenance	77,274	-	77,274	-
Transportation	59,494	-	59,494	-
Bad debt expense	425,210	50,047	475,257	-
Administrative and general:				
Salaries and wages and employee pensions and benefits	3,886,532	212,571	4,099,103	-
Employee pensions and benefits	2,362,801	82,358	2,445,159	-
Materials and supplies	484,501	-	484,501	-
Insurance claims and expenses	400,543	-	400,543	-
Repairs and maintenance	57,938	-	57,938	-
Contractual services	6,323,861	6,936,471	13,260,332	-
Rent	189,153	-	189,153	-
Transportation	38,790	-	38,790	-
Utilities receipts tax	252,922	-	252,922	-
Other	1,372,762	693,227	2,065,989	-
Transmission and distribution:				
Salaries and wages	1,779,765	-	1,779,765	-
Employee benefits	1,259,109	-	1,259,109	-
Materials and supplies	243,929	-	243,929	-
Contractual services	388,138	-	388,138	-
Purchased power	337,976	-	337,976	-
Repairs and maintenance	1,214,442	-	1,214,442	-
Transportation	179,538	-	179,538	-
General government	-	-	-	27,621,070
Depreciation	6,556,425	17,243,911	23,800,336	-
Lease amortization	325,227	211,614	536,841	-
Total operating expenses	<u>37,869,804</u>	<u>56,814,765</u>	<u>94,684,569</u>	<u>27,621,070</u>
Operating income (loss)	<u>21,524,777</u>	<u>30,272,300</u>	<u>51,797,077</u>	<u>2,633,171</u>

See notes to financial statements

City of Evansville, Indiana

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Wastewater			Internal Service
	Water Utility	Utility	Total	Funds
Nonoperating Revenues (Expenses)				
Interest and investment revenue	\$ 1,453,524	\$ 1,080,796	\$ 2,534,320	\$ 10,350
BAB subsidy income	-	377,838	377,838	-
Interest expense	(8,275,475)	(12,578,840)	(20,854,315)	-
Interest expense, amortization	(254,254)	(238,819)	(493,073)	-
Payments in lieu of taxes	(3,351,450)	(5,243,900)	(8,595,350)	-
Capital contributions	1,513,987	1,709,694	3,223,681	-
Other	1,072,447	527,901	1,600,348	-
Total nonoperating revenues (expenses)	(7,841,221)	(14,365,330)	(22,206,551)	10,350
Change in net position	13,683,556	15,906,970	29,590,526	2,643,521
Net Position (Deficit), Beginning, as Previously Stated	158,705,187	248,178,427	\$ 406,883,614	(7,648,093)
Prior Period Adjustment for OPEB	(3,778,870)	(2,197,780)	(5,976,650)	-
Net position (Deficit) Beginning as Restated	154,926,317	245,980,647	400,906,964	(7,648,093)
Net Position (Deficit), Ending	<u>\$ 168,609,873</u>	<u>\$ 261,887,617</u>	<u>\$ 430,497,490</u>	<u>\$ (5,004,572)</u>

See notes to financial statements

City of Evansville, Indiana
Statement of Cash Flows -
Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Wastewater			Internal
	Water Utility	Utility	Total	Service Funds
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 59,635,149	\$ 87,083,793	\$ 146,718,942	\$ 29,105,238
Payments to suppliers	(16,957,263)	(31,358,813)	(48,316,076)	-
Payments to employees	(10,900,152)	(6,026,153)	(16,926,305)	-
Payments for interfund services used	-	-	-	(28,570,589)
Net cash provided by operating activities	31,777,734	49,698,827	81,476,561	534,649
Cash Flows From Noncapital Financing Activities				
Payment in lieu of property taxes	(3,351,450)	(5,243,900)	(8,595,350)	-
Net cash from noncapital financing activities	(3,351,450)	(5,243,900)	(8,595,350)	-
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(34,894,176)	(57,924,774)	(92,818,950)	-
Principal paid on debt	(7,255,000)	(11,710,000)	(18,965,000)	-
Principal paid on SRF bonds	(2,889,247)	(4,075,723)	(6,964,970)	-
Bond proceeds	52,550,000	-	52,550,000	-
SRF Loan proceeds	-	28,375,000	28,375,000	-
SRF Loan drawdowns	-	1,490,425	1,490,425	-
BAB debt service subsidy receivable	-	(188,919)	(188,919)	-
Interest paid	(6,723,154)	(12,625,642)	(19,348,796)	-
Contracts payable	-	(4,783,859)	(4,783,859)	-
Contributed capital	1,513,987	1,709,694	3,223,681	-
Retainage accrued/paid	294,175	(1,240,561)	(946,386)	-
Contributions PERF	(38,828)	-	(38,828)	-
BAB subsidy income	-	377,838	377,838	-
Deferred debits	-	(1,514,799)	(1,514,799)	-
Due to other funds	-	-	-	(730,204)
Nonoperating revenues	1,072,447	527,901	1,600,348	-
Net cash provided by capital and related financing activities	3,630,204	(61,583,419)	(57,953,215)	(730,204)
Cash Flows From Investing Activities				
Interest received	1,265,053	805,881	2,070,934	10,350
Sale (purchase) of investments	(59,500,180)	(32,484,909)	(91,985,089)	185,205
Net cash provided by investing activities	(58,235,127)	(31,679,028)	(89,914,155)	195,555
Net increase in cash and cash equivalents	(26,178,639)	(48,807,520)	(74,986,159)	-
Cash and Cash Equivalents, January 1	106,879,145	178,635,814	285,514,959	-
Cash and Cash Equivalents, December 31	\$ 80,700,506	129,828,294	210,528,800	-

See notes to financial statements

City of Evansville, Indiana
Statement of Cash Flows -
Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Wastewater			Internal
	Water Utility	Utility	Total	Service Funds
Reconciliation of Operating Income (Loss) to				
Net Cash Used by Operating Activities				
Operating income (loss)	\$ 21,524,777	\$ 30,272,300	\$ 51,797,077	\$ 2,633,171
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:				
Depreciation expense	6,556,425	17,243,911	23,800,336	-
Lease amortization	325,227	211,614	536,841	-
(Increase) decrease in assets:				
Accounts receivable	473,353	(3,272)	470,081	35,349
Accounts receivable, miscellaneous	(232,785)	-	(232,785)	-
Due from other fund	-	4,410	4,410	-
Interfund services provided and used	(20,479)	-	(20,479)	(1,184,352)
Customer deposits receivable	(29,126)	-	(29,126)	-
Inventory	(524,256)	(144,511)	(668,767)	-
Prepaid items	144,175	(17,058)	127,117	-
Increase (decrease) in liabilities:				
Accounts payable	(145,827)	415,515	269,688	(1,197,853)
Leases payable	(346,778)	(356,998)	(703,776)	-
Accrued payroll and withholdings payable	25,142	(10,034)	15,108	(940)
Taxes payable	(18,151)	-	(18,151)	-
Customer deposits	150,667	-	150,667	-
Assistance program	10,052	-	10,052	-
Interfund services provided and used	-	20,479	20,479	-
Compensated absences payable	(22,603)	(13,299)	(35,902)	-
Claims payable	-	-	-	249,274
Deferred outflows - OPEB	(158,775)	(79,416)	(238,191)	-
Deferred inflows - OPEB	1,557,248	882,544	2,439,792	-
Increase (decrease) net pension liability	2,545,331	1,343,399	3,888,730	-
Total adjustments	<u>10,252,957</u>	<u>19,426,527</u>	<u>29,679,484</u>	<u>(2,098,522)</u>
Net cash used by operating activities	<u>\$ 31,777,734</u>	<u>\$ 49,698,827</u>	<u>\$ 81,476,561</u>	<u>\$ 534,649</u>

See notes to financial statements

City of Evansville, Indiana

Statement of Fiduciary Net Position -

Fiduciary Funds

December 31, 2022

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 1,536,655
Investments at fair value:	
Fixed income securities	7,293,010
Total investments	7,293,010
Total assets	8,829,665
Net Position	
Restricted for pensions	\$ 8,829,665

See notes to financial statements

City of Evansville, Indiana

Statement of Changes in Fiduciary Net Position -

Fiduciary Funds

Year Ended December 31, 2022

	Pension Trust Funds
Additions	
Contributions:	
Contributions from nonemployer contributing entities	\$ 10,699,811
 Total contributions	 10,699,811
 Investment income:	
Interest	68,682
 Total investment income	 68,682
 Total additions	 10,768,493
Deductions	
Pension benefits	10,808,566
 Total deductions	 10,808,566
 Change in fiduciary net position	 (40,073)
Net Position, Beginning	 8,869,738
Net Position, Ending	 \$ 8,829,665

See notes to financial statements

City of Evansville, Indiana

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December 31, 2022

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1. Summary of Significant Accounting Policies

The City of Evansville, Indiana (Primary Government or City) 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.

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

In June of 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the City's leasing activities. This standard was implemented December 31, 2022. As a result of implementation, the City reported a lease receivable of \$32,772,233 and a corresponding deferred inflow of resource of the same amount as of January 1, 2022 for material lease arrangements subject to GASB 87 where the City is a lessor. The City also recognized a right of use asset of \$3,782,962 and a corresponding lease liability for the same amount as of January 1, 2022 for lessee activity. There was no net impact on the beginning net position as a result of the implementation.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or accessing accountability. This standard was implemented in 2022; however, there was no impact on the 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,
- 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. This fund was closed out during 2022 with remaining funds going to the General Fund.

American Rescue Plan

American Rescue Plan Fund is a special revenue fund used to account for federal funds received and disbursed under the American Rescue Plan Act..

Casino Gaming Fund

Casino Gaming Fund is a special revenue fund used to account for funds received and disbursed for the operation of the Casino.

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 governmental fund types:

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 and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

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.

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.

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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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 3. 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.

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.

Leases

The City is a lessor for the Casino. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

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

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.

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

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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

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

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

Fund Financial Statements

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

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, and regulatory assets.

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.

Leases Payable

The City recognizes a lease liability and an intangible right to use asset (lease asset) in the proprietary financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

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, 2022, 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.

Payment In Lieu of Taxes Payable In the current rate structure approved by the Indiana Regulatory Commission on September 26, 2007, the Water Utility was authorized to transfer \$702,956 in Payments in Lieu of Taxes to the City of Evansville for 2009. During both 2008 and 2009, the Water Utility faced substantial increases in the cost of power, chemicals and the cost its management agreement while at the same time facing sluggish water sales as a result of a national recession and mild weather. Faced with these operational constraints, wanting to maintain the financial viability of the Water Utility and desiring to avoid additional rate increases, the Department of Waterworks Board and the City Council elected to forego the payment and collection of Payments in Lieu of Taxes for 2009. The amount of Payments in Lieu of Taxes approved by the Indiana Utility Regulatory Commission for 2009 has been accrued at the instruction of the Indiana State Board of Accounts pursuant to state statutes. The amount is being carried as a noncurrent liability, and it is not expected to be paid unless allowances are made in the Water Utility's next rate proceeding before the Indiana Utility Regulatory Commission.

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, leases 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.
- 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.

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.

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 2022 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.

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.

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 \$2,122,273. Budgets are adopted at the department level of expenditure.

Budgetary Information

A budget has been adopted for the General Fund, Highway, Local Road and Street, Casino Riverboat, Fire Pension, Police Pension, Health Insurance, Parks and Recreation, Sewer, Parking Meter, Local Income Tax, Building Demolition, Planning, Cumulative Capital Improvement, Sewer Bond, Water, Arena Bond, Local Income Tax Public Safety, Local Law Enforcement Continuing Education, Golf Course Nonreverting, ERC, Printing and Supply, Equal Employment Opportunity, Water B& I Periodic Maintenance, Food and Beverage Tax, CDBG Revolving Loan, Downtown Parking Garage, Unemployment Insurance, Parks Special District, American Rescue Plan, CARES Act, Aquatic Center, Jacobsville TIF, Workers Compensation, Liability Insurance, HUD Fair Housing, Master TIF Projects, Evansville Redevelopment TIF Projects, Landlord Registry, Water Utility Bond and Interest, Water Improvement, and Sewer Improvement.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Deficit Balances

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

As of December 31, 2022, the following individual funds held a deficit fund balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Golf Course	\$ 533,875	Revenue Shortfalls
Community Dev Block Grant	65,061	Reimbursement Grant
Landlord Registry	761	Payables
Emergency Solutions Grant	55,085	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	\$ 266,464,920	\$ 268,930,152	Custodial risk
Certificates of deposit	63,291,311	63,291,311	Custodial risk
			Custodial risk, interest rate
US Treasuries	98,324,046	98,324,046	Custodial risk
Money market accounts	145,661,798	145,661,798	Custodial, credit, concentration of credit, interest rate risks
State and local bonds	<u>393,724</u>	<u>393,724</u>	
Total deposits and investments	<u>\$ 574,135,799</u>	<u>\$ 576,601,031</u>	

Reconciliation to financial statements

Per statement of net position:

Unrestricted cash and investments	\$ 286,336,936
Restricted cash and investments	268,516,590

Per statement of net position, fiduciary funds:

Pension trust funds	8,829,665
Component unit cash and investments	<u>10,452,608</u>

Total deposits and investments \$ 574,135,799

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, 2022

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	Level 1	Level 2	Level 3	Total
Money market	\$ 145,661,798	\$ -	\$ -	\$ 145,661,798
US Treasuries	98,324,046	-	-	98,324,046
State and Local Bonds	-	393,724	-	393,724
Total	<u>\$ 243,985,844</u>	<u>\$ 393,724</u>	<u>\$ -</u>	<u>\$ 244,379,568</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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

As of December 31, 2022, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>	<u>Moody's Investors Services</u>
State and local bonds	A2, Aa3	Unrated

Interest Rate Risk

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

As of December 31, 2022, the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
State and local bonds	\$ 393,724	\$ 393,724	\$ -	\$ -
US Treasuries	98,324,046	92,109,875	6,214,171	-
Total	<u>\$ 98,717,770</u>	<u>\$ 92,503,599</u>	<u>\$ 6,214,171</u>	<u>\$ -</u>

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	\$ 425,210
Uncollectibles related to Wastewater Utility	<u>50,047</u>
Total uncollectibles of the current fiscal year	<u>\$ 475,257</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:

	<u>Government Wide</u>	<u>Government Funds</u>
Property taxes receivable for subsequent year	\$ 62,742,195	\$ 67,320,034
Intergovernmental Receivables	<u>-</u>	<u>5,114,293</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 62,742,195</u>	<u>\$ 72,434,327</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Restricted Assets

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

Following is a list of restricted assets at December 31, 2022:

	Water Utility Restricted Assets	Wastewater Utility Restricted Assets
Revenue bond covenant accounts	\$ 8,524,159	\$ 5,652,339
Bond and Interest	16,050,807	17,814,586
Construction fund	34,849,654	48,058,604
Consumer meter deposit	1,795,996	-
Cash with fiscal agent	150,505	3,353,971
Assistance program	37,087	-
Bond and interest investments	6,268,741	-
Debt service reserve investments	13,989,953	24,877,592
Construction fund investments	67,419,972	19,672,624
Receivables	280,576	463,498
	<u>\$ 149,367,450</u>	<u>\$ 119,893,214</u>
Total		

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 35,060,894	\$ 8,059	\$ 632,776	\$ 34,436,177
Construction in progress	<u>38,545,090</u>	<u>4,472,615</u>	<u>34,854,115</u>	<u>8,163,590</u>
Total capital assets not being depreciated	<u>73,605,984</u>	<u>4,480,674</u>	<u>35,486,891</u>	<u>42,599,767</u>
Capital assets being depreciated:				
Buildings	232,181,642	28,409,179	3,006,836	257,583,985
Improvements other than buildings	32,427,186	434,765	161,871	32,700,080
Machinery, equipment and vehicles	67,963,390	1,087,094	2,010,094	67,040,390
Infrastructure	<u>578,465,701</u>	<u>6,782,036</u>	<u>-</u>	<u>585,247,737</u>
Total capital assets being depreciated	<u>911,037,919</u>	<u>36,713,074</u>	<u>5,178,801</u>	<u>942,572,192</u>
Total capital assets	<u>984,643,903</u>	<u>41,193,748</u>	<u>40,665,692</u>	<u>985,171,959</u>
Less accumulated depreciation for:				
Buildings	(74,047,336)	(4,936,034)	2,538,213	(76,445,157)
Improvements other than buildings	(25,297,974)	(918,527)	173,616	(26,042,885)
Machinery, equipment and vehicles	(46,977,075)	(4,055,469)	3,828,678	(47,203,866)
Infrastructure	<u>(381,159,809)</u>	<u>(26,311,259)</u>	<u>-</u>	<u>(407,471,068)</u>
Total accumulated depreciation	<u>(527,482,194)</u>	<u>(36,221,289)</u>	<u>6,540,507</u>	<u>(557,162,976)</u>
Net capital assets being depreciated	<u>383,555,725</u>	<u>491,785</u>	<u>1,361,706</u>	<u>385,409,216</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 457,161,709</u>	<u>\$ 4,972,459</u>	<u>\$ 34,125,185</u>	<u>\$ 428,008,983</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities	
General government	<u>\$ 36,221,289</u>
Total governmental activities depreciation expense	<u>\$ 36,221,289</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Water Utility				
Capital assets not being depreciated/amortized:				
Land	\$ 432,435	\$ -	\$ -	\$ 432,435
Construction in progress	<u>40,601,297</u>	<u>33,022,377</u>	<u>830,238</u>	<u>72,793,436</u>
Total capital assets not being depreciated/amortized	<u>41,033,732</u>	<u>33,022,377</u>	<u>830,238</u>	<u>73,225,871</u>
Capital assets being depreciated/amortized:				
Infrastructure	267,667,308	2,068,845	-	269,736,153
Buildings	39,968,195	-	-	39,968,195
Improvements other than buildings	2,876,330	21,803	-	2,898,133
Machinery and equipment	36,997,534	662,365	-	37,659,899
Leased equipment and fixtures	<u>2,542,441</u>	<u>29,416</u>	<u>26,451</u>	<u>2,545,406</u>
Total capital assets being depreciated/amortized	<u>350,051,808</u>	<u>2,782,429</u>	<u>26,451</u>	<u>352,807,786</u>
Total capital assets	<u>391,085,540</u>	<u>35,804,806</u>	<u>856,689</u>	<u>426,033,657</u>
Less accumulated depreciation/amortization for:				
Infrastructure	(99,878,269)	(5,099,553)	-	(104,977,822)
Buildings	(20,924,963)	(679,461)	-	(21,604,424)
Improvements other than buildings	(303,883)	(57,551)	-	(361,434)
Machinery and equipment	(9,254,815)	(713,491)	-	(9,968,306)
Leased equipment and fixtures	<u>(849,547)</u>	<u>(411,989)</u>	<u>26,451</u>	<u>(1,235,085)</u>
Total accumulated depreciation/amortization	<u>(131,211,477)</u>	<u>(6,962,045)</u>	<u>26,451</u>	<u>(138,147,071)</u>
Net capital assets being depreciated/amortized	<u>218,840,331</u>	<u>(4,179,616)</u>	<u>-</u>	<u>214,660,715</u>
Business-type capital assets, net of accumulated depreciation/amortization	<u>\$ 259,874,063</u>	<u>\$ 28,842,761</u>	<u>\$ 830,238</u>	<u>\$ 287,886,586</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Wastewater Utility				
Capital assets not being depreciated/amortized:				
Land	\$ 4,512,993	\$ -	\$ -	\$ 4,512,993
Construction in progress	<u>202,678,098</u>	<u>55,166,498</u>	<u>192,914</u>	<u>257,651,682</u>
Total capital assets not being depreciated/amortized	<u>207,191,091</u>	<u>55,166,498</u>	<u>192,914</u>	<u>262,164,675</u>
Capital assets being depreciated/amortized:				
Infrastructure	341,236,161	1,709,695	-	342,945,856
Buildings	169,280,160	32,200	-	169,312,360
Improvements other than buildings	6,009,239	62,141	-	6,071,380
Machinery and equipment	61,027,304	1,366,166	60,115	62,333,355
Leased equipment and fixtures	<u>2,890,520</u>	<u>78,536</u>	<u>79,353</u>	<u>2,889,703</u>
Total capital assets being depreciated/amortized	<u>580,443,384</u>	<u>3,248,738</u>	<u>139,468</u>	<u>583,552,654</u>
Total capital assets	<u>787,634,475</u>	<u>58,415,236</u>	<u>332,382</u>	<u>845,717,329</u>
Less accumulated depreciation/amortization for:				
Infrastructure	(108,597,678)	(8,980,702)	-	(117,578,380)
Buildings	(115,097,573)	(2,927,945)	-	(118,025,518)
Improvements other than buildings	(2,726,029)	(302,075)	-	(3,028,104)
Machinery and equipment	(26,438,996)	(5,033,500)	23,161	(31,449,335)
Leased equipment and fixtures	<u>(800,452)</u>	<u>(392,544)</u>	<u>-</u>	<u>(1,192,996)</u>
Total accumulated depreciation/amortization	<u>(253,660,728)</u>	<u>(17,636,766)</u>	<u>23,161</u>	<u>(271,274,333)</u>
Net capital assets being depreciated/amortized	<u>326,782,656</u>	<u>(14,388,028)</u>	<u>(116,307)</u>	<u>312,278,321</u>
Business-type capital assets, net of accumulated depreciation/amortization	<u>\$ 533,973,747</u>	<u>\$ 40,778,470</u>	<u>\$ 309,221</u>	<u>\$ 574,442,996</u>
Depreciation/amortization expense was charged to functions as follows:				
Business-Type Activities				
Water			\$ 6,881,652	
Wastewater			<u>17,455,525</u>	
Total business-type activities Depreciation/Amortization expense			<u>\$ 24,337,177</u>	

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 939,241
General Fund	Internal Service Funds	<u>1,123,844</u>
Total, fund financial statements		2,063,085
Less government-wide eliminations		<u>(2,063,085)</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 \$1,097,040. 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:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General fund	Local Income Tax	\$ 14,949,041	Close out of LIT Fund
Nonmajor funds	Local Income Tax Fund	1,489,844	Operational support
ARP General Fund	Local Income Tax Fund	18,000	Operational support
Nonmajor funds	General	657,000	Operational support
Nonmajor funds	Casino Gaming Fund	3,514,129	Operational support
General fund	Nonmajor funds	6,066,448	Operational support
Nonmajor funds	Nonmajor funds	<u>16,168,925</u>	Operational support
Total, fund financial statements		42,863,387	
Less government-wide eliminations		<u>(42,863,387)</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, 2022

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities						
Bonds and notes payable:						
Revenue bonds	\$ 59,895,000	\$ -	\$ 9,385,000	\$ 4,775,000	\$ 64,505,000	\$ 4,100,000
(Discounts)/premiums, revenue bonds	11,673,142	-	1,718,214	1,184,717	12,206,639	-
Tax increment financing bonds	20,365,592	-	9,725,000	2,189,116	27,901,476	6,061,476
Lease rental bonds	123,680,000	-	26,470,000	5,175,000	144,975,000	5,405,000
Other bonds or notes or loans payable or financed purchases	1,814,194	-	33,801	579,756	1,268,239	493,570
Loans payable	<u>1,813,766</u>	<u>-</u>	<u>-</u>	<u>494,867</u>	<u>1,318,899</u>	<u>579,225</u>
Subtotal	<u>219,241,694</u>	<u>-</u>	<u>47,332,015</u>	<u>14,398,456</u>	<u>252,175,253</u>	<u>16,639,271</u>
Other liabilities:						
Compensated absences	1,264,851	-	1,437,414	1,264,851	1,437,414	1,437,414
Total OPEB Liability	426,648,254	(6,983,743)	48,350,684	150,032,474	317,982,721	-
Net pension liability	<u>142,771,931</u>	<u>-</u>	<u>36,298,239</u>	<u>42,469,162</u>	<u>136,601,008</u>	<u>-</u>
Total other liabilities	<u>570,685,036</u>	<u>(6,983,743)</u>	<u>86,086,337</u>	<u>193,766,487</u>	<u>456,021,143</u>	<u>1,437,414</u>
Total governmental activities long-term liabilities	<u>\$ 789,926,730</u>	<u>\$ (6,983,743)</u>	<u>\$ 133,418,352</u>	<u>\$ 208,164,943</u>	<u>\$ 708,196,396</u>	<u>\$ 18,076,685</u>
Business-Type Activities						
Bonds and notes payable:						
Revenue bonds	\$ 326,145,000	\$ -	\$ 52,550,000	\$ 18,965,000	\$ 359,730,000	\$ 20,080,000
(Discounts)/Premiums	<u>4,689,506</u>	<u>-</u>	<u>3,984,243</u>	<u>584,731</u>	<u>8,089,018</u>	<u>-</u>
Subtotal	<u>330,834,506</u>	<u>-</u>	<u>56,534,243</u>	<u>19,549,731</u>	<u>367,819,018</u>	<u>20,080,000</u>
Other liabilities						
Compensated absences	1,601,923	-	-	35,902	1,566,021	1,566,021
Leases payable	3,281,609	-	107,954	811,730	2,577,833	835,598
Other postemployment benefits	-	6,805,864	-	106,640	6,699,224	-
Net pension liability	3,099,216	-	3,888,730	-	6,987,946	-
State revolving fund loan	364,800,789	-	28,375,000	5,474,545	387,701,244	7,141,871
Payment in lieu of tax	<u>702,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>702,956</u>	<u>-</u>
Total other liabilities	<u>373,486,493</u>	<u>6,805,864</u>	<u>32,371,684</u>	<u>6,428,817</u>	<u>406,235,224</u>	<u>9,543,490</u>
Total business-type activities long-term liabilities	<u>\$ 704,320,999</u>	<u>\$ 6,805,864</u>	<u>\$ 88,905,927</u>	<u>\$ 25,978,548</u>	<u>\$ 774,054,242</u>	<u>\$ 29,623,490</u>

An adjustment was made to properly allocate a portion of the OPEB liability to the business type activities.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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, 2022, consists of the following:

Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance
Park District Bonds, Series 2018	11/15/18	08/15/38	4-5%	\$ 18,150,000	\$ 16,805,000
ED Rev Bonds, Series 2016A	04/28/16	02/15/39	2-5	18,000,000	14,960,000
ED Rev Bonds, Series 2015A	09/01/15	02/01/39	3-5	10,235,000	8,495,000
ED Taxable Rev Bonds, Series 2011 (Direct Placement)	12/29/11	02/01/34	0%	22,435,000	12,880,000
ED Rev Refunding Bonds, Series 2015	07/09/15	02/01/24	2.69	10,990,000	1,980,000
Park District Bonds, Series 2022A	12/20/22	08/15/42	4-5	5,020,000	5,020,000
Park District Bonds, Series 2022B	12/20/22	02/15/33	4-5	4,365,000	4,365,000
Total governmental activities, revenue debt					<u>\$ 64,505,000</u>

Park District Bonds, Series 2018. The City has pledged future property tax and other 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 taxes and other revenues and are payable through 2038. Annual principal and interest payments on the bonds are expected to require 18.2% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,725,719. Principal and interest paid for the current year and total customer net revenues were \$1,526,250 and \$8,377,986, 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 14.2% of net revenues. The total principal and interest remaining to be paid on the bonds is \$21,023,794. Principal and interest paid for the current year and total customer net revenues were \$1,238,788 and \$8,741,396 respectively.

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 74.6% of net revenues. The total principal and interest remaining to be paid on the bonds is \$12,510,525. Principal and interest paid for the current year and total customer net revenues were \$954,375 and \$1,279,409, respectively.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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 12.8% of net revenues. The total principal and interest remaining to be paid on the bonds is \$12,880,000. Principal and interest paid for the current year and total customer net revenues were \$1,120,000 and \$8,741,396, respectively.

ED Rev Refunding Bonds, Series 2015. The City has pledged future TIF property tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2015. Proceeds from the bonds provided financing for 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 15.6% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,033,464. Principal and interest paid for the current year and total customer net revenues were \$1,364,288 and \$8,741,396, respectively.

Park District Bonds, Series 2022A. The City has pledged future property tax and other revenues, net of specified operating expenses, to repay revenue bonds issued in 2022. Proceeds from the bonds provided financing for the construction of an aquatics center and related improvements. The bonds are payable solely from property taxes and other revenues and are payable through 2042. Interest only payments begin in August 2023 with principal starting in August 2024. Annual principal and interest payments on the bonds are expected to require 18.2% of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,612,268.

Park District Bonds, Series 2022B. The City has pledged future property tax and other revenues, net of specified operating expenses, to repay revenue bonds issued in 2022. Proceeds from the bonds provided financing for the construction of an aquatics center and related improvements. The bonds are payable solely from property taxes and other revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require 18.2% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,725,719.

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance</u>
Water Utility					
2016A Rev Bonds	12/15/16	01/01/38	4.00%	\$ 39,640,000	\$ 33,255,000
2016B Ref Rev Bonds	11/30/16	01/01/30	3.00-4.00	31,370,000	25,560,000
2019 Rev Bonds	05/02/19	01/01/40	2.00-3.25	39,765,000	36,875,000
2020 Taxable Ref Rev Bonds	02/13/20	01/01/35	1.665-2.658	30,670,000	30,185,000
2021 Tax Ref Rev Bonds	02/21/21	01/01/36	0.30-1.80	24,650,000	21,960,000
2022A Rev Bonds	06/09/22	01/01/49	4.25-5.00	52,550,000	52,550,000
			Total Water Utility		<u>200,385,000</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance
Wastewater Utility					
2010 Rev Bonds, Ser. B1	12/01/10	07/01/31	3.75-6.5%	\$ 27,450,000	\$ 19,065,000
2013A Ref Rev Bonds	05/02/13	07/01/23	1.5%	32,440,000	3,410,000
2016A Rev Bonds	07/28/16	07/01/37	2.00-3.00	25,855,000	22,925,000
2017A Rev Bonds	05/11/17	07/01/40	3-3.375	21,850,000	18,520,000
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	16,010,000
2021 Taxable Ref Rev Bonds	07/23/21	07/01/36	2.25	52,190,000	49,415,000
Total Wastewater Utility					<u>159,345,000</u>
Total business-type activities, revenue debt					<u><u>\$ 359,730,000</u></u>

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

Years	Governmental Activities Revenue Debt		Business-Type Activities Revenue Debt	
	Principal	Interest	Principal	Interest
2023	\$ 2,980,000	\$ 1,910,432	\$ 20,080,000	\$ 11,740,131
2024	2,685,000	2,021,738	19,550,000	11,110,009
2025	2,400,000	2,136,900	20,075,000	10,585,093
2026	2,515,000	2,020,950	20,640,000	10,000,930
2027	2,625,000	1,901,325	18,430,000	9,333,532
2028-2032	15,185,000	7,390,623	95,890,000	37,516,344
2033-2037	16,205,000	3,550,441	99,255,000	23,103,784
2038-2042	7,030,000	414,725	39,470,000	9,452,403
2042-2047	-	-	19,510,000	4,232,750
2048-2049	-	-	6,830,000	292,294
Total	<u>\$ 51,625,000</u>	<u>\$ 21,347,134</u>	<u>\$ 359,730,000</u>	<u>\$ 127,367,270</u>

Years	Governmental Activities Direct Placement Revenue Debt	
	Principal	Interest
2023	\$ 1,120,000	\$ -
2024	1,120,000	-
2025	1,120,000	-
2026	1,120,000	-
2027	1,120,000	-
2028-2032	5,600,000	-
2033	1,680,000	-
Total	<u>\$ 12,880,000</u>	<u>\$ -</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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 46.80% of net revenues. The total principal and interest remaining to be paid on the bonds is \$17,445,138. Principal and interest paid for the current year and total customer net revenues were \$993,351 and \$2,124,047, 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 5.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,859,550. Principal and interest paid for the current year and total customer net revenues were \$106,938 and \$2,124,047, respectively.

Governmental Activities

Tax Increment Financing Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance
Red Dist TIF Rev Bonds, Series 2016	12/12/14	02/01/40	2-5%	\$ 15,740,000	\$ 12,560,000
ED TIF Rev Bonds, Series 2014	04/05/16	02/01/40	2-5.75	1,500,000	1,265,000
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 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	1,185,132
ED Tax Increment Revenue Bonds, Series 2022	12/22/22	02/01/33	4.47	1,755,000	1,755,000
ED Series 2022	10/10/22	02/01/36	0.50	6,970,000	6,970,000
Total governmental activities tax increment financing bonds					<u>\$ 27,901,476</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Tax Increment Financing Bonds	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 886,333	\$ 850,085
2024	730,000	960,445
2025	757,000	933,351
2026	804,000	901,913
2027	857,000	868,494
2028-2032	7,047,000	3,671,147
2033-2037	9,090,000	1,575,775
2038	<u>2,555,000</u>	<u>194,750</u>
Total	<u>\$ 22,726,333</u>	<u>\$ 9,955,960</u>

<u>Years</u>	Governmental Activities TIF Debt from Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 5,175,143	\$ 70,955
Total	<u>\$ 5,175,143</u>	<u>\$ 70,955</u>

Finance Purchases Agreements

Finance purchases at December 31, 2022, consist of the following:

Governmental Activities	Date of	Final	Original	
<u>Financed Purchases</u>	<u>Issue</u>	<u>Maturity</u>	<u>Indebtedness</u>	<u>Balance</u>
Gas Storage Cylinders	04/01/2018	03/31/2023	\$ 1,250	\$ 315
917 W Indiana St	08/01/2020	07/31/2023	94,948	35,846
Dock Lease for LST Navy Ship	05/01/2015	04/30/2025	520,893	312,536
Taser	01/01/2020	12/31/2024	795,014	315,302
Body Camera	01/01/2020	12/31/2024	1,510,600	604,240
Total governmental activities finance purchases				<u>\$ 1,268,239</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Finance Purchases Principal
2023	\$ 493,570
2024	722,580
2025	<u>52,089</u>
Total	<u>\$ 1,268,239</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Lease Rental Bonds

Lease Rental Revenue Bonds at December 31, 2022 consist of the following:

Governmental Activities

Lease Rental Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance
ED LR Rev Bonds, Series 2016A	04/28/16	02/15/39	3-5%	\$ 7,500,000	\$ 6,330,000
ED LR Rev Bonds, Series 2016B	04/07/16	02/01/31	2.9	12,345,000	7,855,000
ED LR Rev Bonds, Series 2015C	12/29/15	02/15/39	3-5	9,225,000	8,030,000
ED LR Rev Bonds, Series 2015D	12/29/15	02/15/39	2.1-4.87	12,080,000	10,440,000
LR Rev Ref Bonds, Series 2016	07/13/16	02/01/39	3.99-5	92,425,000	85,850,000
Lease Rental Revenue Bonds, Series 2022	09/08/22	01/15/42	2.75-5.00	26,470,000	<u>26,470,000</u>
Total governmental activities lease rental bonds					<u>\$ 144,975,000</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 5.8% of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,513,188. Principal and interest paid for the current year and total customer net revenues were \$509,350 and \$8,741,396, respectively.

ED LR Rev Bonds, Series 2016B. The City has pledged future TIF property tax revenues and COIT revenues, net of specified operating expenses, to repay lease rental revenue bonds issued in 2016. Proceeds from the bonds provided financing for land for the health sciences medical school project. The bonds are payable from TIF property tax revenues and secondarily COIT revenues and are payable through 2031. Annual principal and interest payments on the bonds are expected to require 12% of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,919,155. Principal and interest paid for the current year and total customer net revenues were \$1,050,340 and \$8,741,396, 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 7.2% of net revenues. The total principal and interest remaining to be paid on the bonds is \$10,635,606. Principal and interest paid for the current year and total customer net revenues were \$625,325 and \$8,741,396, 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 10.2% of net revenues. The total principal and interest remaining to be paid on the bonds is \$15,096,821. Principal and interest paid for the current year and total customer net revenues were \$895,151 and \$8,741,396 respectively.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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 14.5% of net revenues. The total principal and interest remaining to be paid on the bonds is \$118,504,400. Principal and interest paid for the current year and total customer net revenues were \$6,992,950 and \$48,365,844, respectively.

EBC Lease Rental Revenue Bonds, Series 2022. The City has pledged future ad valorem property tax revenues and payments in lieu of taxes from the Evansville Water and Sewer Utilities, net of specified expenses, to repay lease rental revenue bonds issued in 2022. Proceeds from the bonds provided financing for construction of a new city street maintenance department garage. The bonds are payable from ad valorem property taxes and are payable through 2042. Annual principal and interest payments on the bonds are expected to require 1.4% of net revenues. The total principal and interest remaining to be paid on the bonds is \$40,154,931. Interest payments are expected to begin in 2023 with principal payments beginning in 2025.

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Lease Rental Bonds	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 5,405,000	\$ 5,632,670
2024	5,655,000	5,552,048
2025	6,760,000	5,283,465
2026	7,200,000	5,012,058
2027	7,515,000	4,717,274
2028-2032	40,845,000	18,792,196
2033-2037	45,450,000	1,033,734
2038-2042	26,145,000	1,625,655
Total	<u>\$ 144,975,000</u>	<u>\$ 47,649,100</u>

Loans Payable

Loans Payable as of December 31, 2022 consist of the following:

Governmental Activities

<u>Loans Payable From Direct Borrowings</u>	<u>Balance</u>
Energy Savings Contract for Animal Control	\$ 29,451
Energy Savings Contract for Fire Department	92,804
Energy Savings Contract for Central Dispatch	29,702
Energy Savings Contract for Parks Department	161,942
Bond Bank Note for Fire Equipment (2020)	800,000
Bond Bank Note for Fire Equipment (2021)	205,000
Total governmental activities other long-term liabilities, loans payable	<u>\$ 1,318,899</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Business-Type Activities

State Revolving Loans Payable From Direct Borrowings

<u>State Revolving Loans</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Balance</u>
2018A-2 Waterworks revenue bonds	01/01/40	3.25%	\$ 71,532,450
2009 Wastewater revenue bonds	07/01/44	2.3	27,719,000
2010A Wastewater revenue bonds	07/01/45	2.3	7,109,000
2012E Wastewater revenue bonds	07/01/47	2.3	5,965,000
2014A Wastewater revenue bonds	07/01/31	2.44	4,577,000
2014B Wastewater revenue bonds	07/01/34	2.10	3,742,000
2014D Wastewater revenue bonds	07/01/35	2	24,579,000
2016B Wastewater revenue bonds	07/01/37	2	10,419,624
2016C Wastewater revenue bonds	07/01/38	2	7,476,000
2018A Wastewater revenue bonds	07/01/40	2	13,880,894
2018B-1 Wastewater revenue bonds	07/01/40	2.9	34,993,276
2018B-2 Wastewater revenue bonds	07/01/53	3.32	72,334,000
2019B Wastewater revenue bonds	07/01/41	2.48	74,999,000
2022A Wastewater revenue bonds	07/01/43	1.53%	28,375,000
		Total	<u>\$ 387,701,244</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 2016B, 2016C and 2018A wastewater loans established a maximum draw of \$12,715,000, \$8,835,000 and \$16,960,000, respectively. As of December 31, 2022, the loan principal amount drawn for the 2016B, 2016C and 2018A wastewater loans were \$12,714,624, \$8,835,000 and \$16,756,894, respectively. Annual debt service requirements for the 2014D, 2016B, 2016C and 2018A wastewater loans will not be determined until planned construction projects are completed.

In addition, to entering into the wastewater draw loans, the Utility also entered into six 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 2022A wastewater loan funded a construction account \$28,375,000 and closed on June 30, 2022.

The State placed the proceeds of the 2018B1, 2018B2, 2019B and 2022A 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 \$909,568, \$1,488,832, \$14,183,053 and 25,640,058 for the 2018B1, 2018B2, 2019B and 2022A 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 \$12,251,404 for the 2018A2 loan.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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, 2014B and 2014D loans established a maximum draw of \$27,723,000, \$7,113,000, \$5,969,000, \$7,510,000, \$5,760,000 and \$35,415,000, respectively. At the completion of construction, the outstanding principal balance was amortized over a twenty-year period (2014A, 2014B and 2014D) and thirty-five year period (2009, 2010A and 2012E).

Annual debt service requirements to maturity for the loans, including interest of \$22,807,549 and \$134,410,876 for the Water Utility and Wastewater Utility, respectively, are as follows:

Years	Business-Type Activities State Revolving Loan Debt from Direct Borrowings and Direct Placements		
	Water	Wastewater	Total
2001	\$ 5,259,476	\$ 12,130,003	\$ 17,389,479
2002	5,257,901	12,356,050	17,613,951
2003	5,256,275	12,341,059	17,597,334
2004	5,254,595	12,327,434	17,582,029
2005	5,252,861	15,194,484	20,447,345
2026-2030	26,236,253	80,913,998	107,150,251
2031-2035	26,183,621	96,217,151	122,400,772
2036-2040	15,679,856	116,622,910	132,302,766
2041-2045	-	53,676,850	53,676,850
2046-2050	-	32,502,680	32,502,680
2051-2053	-	6,500,534	6,500,534
Total	94,380,838	450,783,153	545,163,991
Less SRF not drawn down	-	(203,483)	(203,483)
Less interest	(22,848,388)	(134,410,876)	(157,259,264)
Ending balance	\$ 71,532,450	\$ 316,168,794	\$ 387,701,244

Lease Disclosures

Leases Receivable

The City has a land lease with the Casino under a noncancellable lease arrangement. The lease agreement includes an annual minimum guarantee of \$2,000,000 in rental income from the arrangement. The City, as a lessor, has recognized a lease receivable and a deferred inflow of resources upon adoption of GASB Statement No. 87, *Leases*. As lessor, the asset underlying the lease is not derecognized. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. The lease agreement with the Casino includes extension options which automatically renew unless the tenant exercises its right to terminate. The lease term ends on November 30, 2055.

The receivable on the lease is discounted to the net present value at the commencement of the lease term. The discount rate is based on the City's incremental borrowing rate which approximates 5% for 2022. As of December 31, 2022, the net present value of the lease receivable totaled \$32,259,505. The City also recognized deferred inflows of resources totaling \$31,805,976 related to this lease as of December 31, 2022.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Lease revenue under GASB 87 from the Casino lease totaled \$512,728 and is recognized as rent revenue on the Statement of Activities. The difference between these amounts and rent revenues reported on the Statement of Activities is due to variable payments received from the Casino during the reporting period or short-term leases not subject to GASB Statement No. 87.

The City recognized lease interest revenue of \$1,487,272 for the year ended December 31, 2022.

Governmental Activities

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 396,018	\$ 1,603,982	\$ 2,000,000
2024	416,279	1,583,721	2,000,000
2025	437,577	1,562,423	2,000,000
2026	459,964	1,540,036	2,000,000
2027	483,497	1,516,503	2,000,000
2028-2032	2,814,837	7,185,163	10,000,000
2033-2037	3,612,445	6,387,555	10,000,000
2038-2042	4,636,063	5,363,937	10,000,000
2043-2047	5,949,731	4,050,269	10,000,000
2048-2052	7,635,639	2,364,361	10,000,000
2053-2055	5,417,454	415,879	5,833,333
	<u>\$ 32,259,504</u>	<u>\$ 33,573,829</u>	<u>\$ 65,833,333</u>

Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2022, includes the following:

Governmental Activities

Net investment in capital assets:

Land and construction in progress	\$ 42,599,767
Other capital assets, net of accumulated depreciation	385,409,217
Less long-term debt outstanding	(249,588,115)
Add deferred amount on refunding	8,297,710
Less finance purchase agreements	<u>(1,268,239)</u>

Total net investment in capital assets: \$ 185,450,340

Business-Type Activities

Net investment in capital assets:

Land and construction in progress	\$ 335,390,546
Regulatory assets	6,055,020
Other capital assets, net of accumulated depreciation/amortization	526,939,036
Less long-term debt outstanding	(747,431,244)
Plus unspent capital related debt proceeds	170,000,854
Plus deferred amount on refunding	6,414,721
Less unamortized debt premium	(8,089,018)
Less leases payable	(2,577,833)
Less contracts payable	(2,517,237)
Less retainage payable	<u>(6,396,679)</u>

Total net investment in capital assets \$ 277,788,166

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2022, include the following:

	<u>General Fund</u>	<u>Casino Gaming Fund</u>	<u>American Rescue Plan General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances					
Restricted for:					
Highways & streets	\$ -	\$ -	\$ -	\$ 14,159,183	\$ 14,159,183
Public safety	-	-	-	3,796,346	3,796,346
General government	-	-	-	974,415	974,415
Urban redevelopment	-	25,111,069	664,821	6,696,098	32,471,988
Debt service	-	-	-	8,864,469	8,864,469
Capital projects	-	-	-	54,420,255	54,420,255
Culture and recreation	-	-	-	2,035,284	2,035,284
Subtotal	-	25,111,069	664,821	90,946,050	116,721,940
Committed to:					
General government	-	-	-	1,496,670	1,496,670
Urban redevelopment	-	-	-	2,902,125	2,902,125
Public safety	-	-	-	7,331	7,331
Highways and streets	-	-	-	14,129	14,129
Subtotal	-	-	-	4,420,255	4,420,255
Assigned to:					
General government	2,122,273	-	-	-	2,122,273
Subtotal	2,122,273	-	-	-	2,122,273
Unassigned (deficit)	33,166,767	-	-	(654,782)	32,511,985
Total fund balances	<u>\$ 35,289,040</u>	<u>\$ 25,111,069</u>	<u>\$ 664,821</u>	<u>\$ 94,711,523</u>	<u>\$ 155,776,453</u>

Restatement of Net Position

Net position has been restated to correct an error in the reporting of the City's total OPEB liability, deferred outflows of resources, and deferred inflows of resources. The total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB was previously reported entirely as governmental activities and was not properly allocated to all applicable opinion units with employees eligible for OPEB including business type activities, the Water and Wastewater enterprise funds, and a discretely presented component unit, the Levee Authority. The impact on governmental activities and business type activities net position is as follows:

	<u>City</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>
Net Position (Deficit), January 1, 2022 (as previously stated)	\$ (181,466,205)	\$ 158,705,187	\$ 248,178,427
Prior period adjustment for OPEB allocation	6,132,858	(3,778,870)	(2,197,780)
Net position (deficit), January 1, 2022 (as restated)	<u>\$ (175,333,347)</u>	<u>\$ 154,926,317</u>	<u>\$ 245,980,647</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

As of January 1, 2022, amounts relating to the OPEB liability for the City were decreased by \$6,132,858 and were increased for the Water Utility and Wastewater Utility by \$3,778,870 and \$2,197,780, respectively

Net position, of the component unit activities, has been restated to correct an allocation of the OPEB liability as follows:

Component Units net position, January 1, 2022 (as reported)	\$ 26,007,161
Add adjustment for allocation of OPEB liability	<u>(156,208)</u>
Net position, January 1, 2022 (as restated)	<u>\$ 25,850,953</u>

As of January 1, 2022, beginning net position was decreased by \$156,208 for the Levee Authority which has employees eligible for OPEB benefit.

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:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
PERF			
Governmental activities	\$ 10,013,431	\$ 4,138,048	\$ 1,130,464
Business-type activities:			
Water	4,598,872	2,009,054	397,505
Wastewater	<u>2,389,074</u>	<u>1,022,514</u>	<u>206,501</u>
Total business-type activities	<u>6,987,946</u>	<u>3,031,568</u>	<u>604,006</u>
Total PERF	<u>17,001,377</u>	<u>7,169,616</u>	<u>1,734,470</u>
Police and Fire Pensions			
Governmental activities:			
1977 Police Officers'	12,054,126	16,935,937	1,167,478
1977 Firefighters'	<u>12,055,486</u>	<u>17,191,747</u>	<u>1,181,527</u>
Total 1977 Plan	<u>24,109,612</u>	<u>34,127,684</u>	<u>2,349,005</u>
1925 Police Officers	59,616,736	16,421	-
1937 Firefighters	<u>42,861,229</u>	<u>12,211</u>	<u>-</u>
Total governmental activities	<u>\$ 136,601,008</u>	<u>\$ 38,294,364</u>	<u>\$ 3,479,469</u>
Total business-type activities	<u>\$ 6,987,946</u>	<u>\$ 3,031,568</u>	<u>\$ 604,006</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 2022 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 \$2,480,080 for the calendar year ended December 31, 2022. Contributions to the PERF plan from the Water Utility were \$1,181,105 for the calendar year ended December 31, 2022. Contributions to the PERF plan from the Wastewater Utility were \$610,410 for the calendar year ended December 31, 2022.

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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 7.00%.

Net Pension Liability

At December 31, 2022, the City, Water Utility and Wastewater Utility reported a liability of \$10,013,431, \$4,598,872 and \$2,389,074 respectively for proportionate shares of the net pension liability. The proportion of the total was measured on the ratio of the wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. The plan does not have a special funding situation, as there is not a nonemployer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At December 31, 2022, the City's, Water Utility's and Wastewater Utility's proportion was 0.33311%, 0.14585% and 0.07572%. The net pension liability for fiscal year 2022 is calculated as set forth in the following table:

	City	Water Utility	Wastewater Utility
Net pension liability, beginning	\$ 4,508,104	\$ 2,053,541	\$ 1,045,675
Total pension expense	904,643	256,196	133,092
Differences between expected and actual experience	113,969	52,642	27,347
Net difference between projected and actual investment	7,061,533	3,215,837	1,670,599
Change of assumptions	(321,224)	(141,672)	(73,597)
Changes in proportion and differences in Contributions	(237,332)	(227,075)	(117,963)
Contributions	(2,016,262)	(610,597)	(296,079)
Net pension liability, December 31, 2022	<u>\$ 10,013,431</u>	<u>\$ 4,598,872</u>	<u>\$ 2,389,074</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2022, the City, Water Utility and Wastewater Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 215,925	\$ 38,083
Changes in assumptions	1,356,270	428,407
Net differences between projected and actual earnings on pension plan investments	1,235,763	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,218	663,974
Employer contributions subsequent to the measurement date	<u>1,305,872</u>	<u>-</u>
Total	<u>\$ 4,138,048</u>	<u>\$ 1,130,464</u>

An amount of \$1,305,872 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 in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

City	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)	
Years Ending December 31:		
2023	\$ 101,273	
2024	607,025	
2025	(313,783)	
2026	1,307,197	
Thereafter	-	
Water Utility	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 99,168	\$ 17,490
Changes in assumptions	622,894	196,755
Net differences between projected and actual earnings on pension plan investments	567,550	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	97,717	183,260
Employer contributions subsequent to the measurement date	<u>621,725</u>	<u>-</u>
Total	<u>\$ 2,009,054</u>	<u>\$ 397,505</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

An amount of \$621,725 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 in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Water Utility		Deferred Outflows of Resources and Deferred Inflows of Resources (Net)	
Years Ending December 31:			
2023		\$	207,202
2024			315,410
2025			(133,146)
2026			600,358
Thereafter			-
Wastewater Utility		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 51,517	\$ 9,086
Changes in assumptions		323,588	102,213
Net differences between projected and actual earnings on pension plan investments		294,837	-
Changes in proportion and differences between employer contributions and proportionate share of contributions		50,763	95,202
Employer contributions subsequent to the measurement date		<u>301,809</u>	<u>-</u>
Total		<u>\$ 1,022,514</u>	<u>\$ 206,501</u>

\$301,809 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 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:

Wastewater Utility		Deferred Outflows of Resources and Deferred Inflows of Resources (Net)	
Years Ending December 31:			
2022		\$	107,640
2023			163,852
2024			(69,168)
2025			311,880
Thereafter			-

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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

<u>Pension Expense</u>	<u>City</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>
Proportionate share of plan pension expense	\$ 1,280,351	\$ 588,027	\$ 305,475
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	(354,458)	11,308	5,874
Internal Change in proportionate share	<u>(21,249)</u>	<u>(13,900)</u>	<u>13,900</u>
Total	<u>\$ 904,644</u>	<u>\$ 585,435</u>	<u>\$ 325,249</u>

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

Valuation Date	
Assets	June 30, 2022
Liabilities	June 30, 2021, Member census data as of June 30, 2021 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2021 and June 30, 2022. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2021 to the June 30, 2022 measurement date.
Actuarial Cost Method	Entry Age Normal (Level percent of payroll)
Experience Study Date	Period of 5 years ended June 30, 2019
Investment Rate of Return	6.25%, 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	www.in.gov/inprs/files/INPRS_Funding_Policy.pdf

Change in Assumptions

There were no changes in assumptions during the fiscal year.

Changes in Actuarial Methods

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

Plan Amendments

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

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	7.7	15.0
Fixed Income, Ex Inflation-Linked	1.4	20.0
Fixed Income, Inflation-Linked	(0.3)	15.0
Commodities	0.9	10.0
Real Estate	3.7	10.0
Absolute Return	2.1	5.0
Risk Parity	3.8	20.0
Leverage Offset	(1.7)	N/A

Discount Rate

The discount rate used to measure the total pension liability was 6.25% as of June 30, 2022 and is equal to the long-term expected return on plan investments.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Sensitivity of the City's Proportionate Share of the Net Pension liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Decrease to Discount Rate (5.25%)	Current Discount Rate (6.25%)	1% Increase to Discount Rate (7.25%)
City's proportionate share of the net pension liability	\$ 16,916,351	\$ 10,013,431	\$ 4,255,894
Water Utility's proportionate share of the net pension liability	7,769,178	4,598,872	1,954,606
Wastewater Utility's proportionate share of the net pension liability	4,036,020	2,389,074	1,015,401

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, 2022, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	<u>173</u>
Total	<u><u>173</u></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 6.6% 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.

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 \$6,099,704 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 3.

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

Net Pension liability

The components of the net pension liability of the 1925 Police Officers' Pension Plan at December 31, 2022 were as follows:

	1925 Police Officers' Pension
Actuarial net pension liability	\$ 64,403,835
Plan fiduciary net position	<u>(4,787,099)</u>
Net pension liability	<u><u>\$ 59,616,736</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u><u>7.43%</u></u>

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

	1925 Police Officers' Pension		
Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2021	\$ 85,108,760	\$ (4,789,747)	\$ 80,319,013
Interest cost	1,154,448	-	1,154,448
Differences between expected and actual experience (gain)/loss	961,933	-	961,933
Changes in assumptions (gain)/loss	(16,787,513)	-	(16,787,513)
Nonemployer contributing entity contributions	-	(6,079,757)	(6,079,757)
Net investment income	-	(37,009)	(37,009)
Administrative expense	-	19,367	19,367
Benefit payments, including refunds	<u>(6,033,793)</u>	<u>6,100,047</u>	<u>66,254</u>
Balance at December 31, 2022	<u><u>\$ 64,403,835</u></u>	<u><u>\$ (4,787,099)</u></u>	<u><u>\$ 59,616,736</u></u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2022, the City recognized a reduction of pension expense of \$14,722,324. At December 31, 2022, the City reported no deferred inflows of resources and \$16,421 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, 2022, 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 3.00% 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 for the December 31, 2022 valuation was 4.12%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2022. This is an increase from the 1.39% used for the December 31, 2021 valuation.

Change in Assumptions. Cost of Living Adjustment - For converted members, the July 1, 2022 COLA of 3.00% was used in place of the ongoing valuation assumption to reflect the known increase. Beginning July 1, 2023, the assumption reverts to the assumed annual rate of 1.95%. For nonconverted members, there was no change and the COLA remains at 2.65%.

Inflation assumption remains at 2.00%.

Salary increase assumption remains at 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 4.12%. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2022. 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, 2022

Sensitivity of the City's Proportionate Share of the Net Pension liability to Changes in the Discount Rate. The following presents the net pension liability of the plan, calculated using the discount rate of 4.12%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.12%) or 1-percentage-point higher (5.12%) than the current rate:

	1% Decrease to Discount Rate (3.12%)	Current Discount Rate (4.12%)	1% Increase to Discount Rate (5.12%)
Net Pension Liability	\$ 64,989,465	\$ 59,616,736	\$ 54,946,994

Funding Status and Funding Progress. As of the January 1, 2022 actuarial valuation date, the plan was not funded and is on a pay-as-you-go-basis. The actuarial accrued liability for benefits was \$64,403,835 and the actuarial value of assets was \$4,787,099, resulting in an unfunded actuarial accrued liability of \$59,616,736. 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, 2022, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	134
Total	134

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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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, 2022

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 \$4,644,804 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 3.

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

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

Net Pension liability

The components of the net pension liability of the 1937 Firefighters' Pension Plan at December 31, 2022 were as follows:

	1937 Firefighters' Pension
Actuarial net pension liability	\$ 46,903,795
Plan fiduciary net position	<u>(4,042,533)</u>
Net pension liability	<u><u>\$ 42,861,262</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u><u>8.62%</u></u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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

Changes in Net Pension Liability	1937 Firefighters' Pension		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2021	\$ 62,024,926	\$ (4,080,112)	\$ 57,944,814
Interest cost	840,543	-	840,543
Differences between expected and actual experience (gain)/loss	691,819	-	691,819
Changes in assumptions (gain)/loss	(12,161,508)	-	(12,161,508)
Nonemployer contributing entity contributions	-	(4,613,054)	(4,613,054)
Net investment income	-	(31,673)	(31,673)
Administrative expense	-	17,166	17,166
Benefit payments, including refunds	(4,491,985)	4,665,107	173,122
Balance at December 31, 2022	<u>\$ 46,903,795</u>	<u>\$ (4,042,566)</u>	<u>\$ 42,861,229</u>

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

For the year ended December 31, 2022, the City recognized a reduction of pension expense of \$10,673,657. At December 31, 2022, the City reported no deferred inflows of resources and \$12,211 of deferred outflows 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, 2022, 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	3.00% on July 1, 2022; 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, 2022 was 4.12%, an increase from the 1.39% as of December 31, 2021. 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, 2022

Change in Assumptions. Cost of Living Adjustment - For converted members, the July 1 2022 COLA was updated from the ongoing valuation assumption to reflect the known increase of 3.00%. Beginning July 1, 2022, the assumption reverts to the assumed annual rate of 1.95%. For nonconverted members, there was no change and the COLA remains at 2.65%.

Inflation assumption remains at 2.00%.

Salary increase assumption remains at 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 4.12%. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2022. 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 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 would be if it were calculated using a discount rate that is 1-percentage-point lower (3.12%) or 1-percentage-point higher (5.12%) than the current rate:

	1% Decrease to Discount Rate (3.12%)	Current Discount Rate (4.12%)	1% Increase to Discount Rate (5.12%)
Net Pension Liability	\$ 46,761,648	\$ 42,861,229	\$ 39,466,424

Funding Status and Funding Progress. As of the January 1, 2022 actuarial valuation date, the plan was not funded and is on a pay as you go basis. The actuarial accrued liability for benefits was \$46,903,795, and the actuarial value of assets was \$(4,042,566), resulting in an unfunded actuarial accrued liability of \$42,861,229. 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, 2022

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

Statement of Fiduciary Net Position

	1937 Fire Pension	1927 Police Pension
Assets and Deferred Outflows of Resources		
Cash and cash equivalents	\$ 773,412	\$ 763,243
Investments at fair value:		
Fixed income securities	<u>3,269,154</u>	<u>4,023,856</u>
Total assets	<u>4,042,566</u>	<u>4,787,099</u>
Liabilities and Deferred Inflows of Resources		
Accounts payable	<u>-</u>	<u>-</u>
Net position restricted for pensions	<u>\$ 4,042,566</u>	<u>\$ 4,787,099</u>

Statement of Changes in Fiduciary Net Position

	1937 Fire Pension	1927 Police Pension
Additions		
Contributions:		
Contributions from nonemployer contributing entities	\$ 4,616,554	\$ 6,083,257
Investment income:		
Interest	<u>31,673</u>	<u>37,009</u>
Total additions	<u>4,648,227</u>	<u>6,120,266</u>
Deductions:		
Administrative expense	<u>4,685,652</u>	<u>6,122,914</u>
Total deductions	<u>4,685,652</u>	<u>6,122,914</u>
Change in fiduciary net position	(37,425)	(2,648)
Net Position, Beginning	<u>4,079,991</u>	<u>4,789,747</u>
Net Position, Ending	<u>\$ 4,042,566</u>	<u>\$ 4,787,099</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Statement of Changes in Fiduciary Net Pension Liabilities

	<u>Fire Pension</u>	<u>Police Pension</u>
Interest	\$ 840,543	\$ 1,154,448
Difference between expected and actual experience	691,819	961,933
Change in assumptions	(12,161,508)	(16,787,513)
Projected benefit payments	<u>(4,491,985)</u>	<u>(6,033,793)</u>
Net change in total pension liability	(15,121,131)	(20,704,925)
Total pension liability, beginning	<u>62,024,926</u>	<u>85,108,760</u>
Total pension liability, ending	46,903,795	64,403,835
Plan fiduciary net position, end of year	<u>4,042,566</u>	<u>4,787,099</u>
Net pension liability (asset), ending	<u>\$ 42,861,229</u>	<u>\$ 59,616,736</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, 2022 were \$3,290,800 and \$3,291,319 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, 2022, the City reported a pension liability of \$12,054,126 for the Police and a pension liability of \$12,055,486 for the Firefighter proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's reported wages as a proportion of total collective reported wages for all employers. At June 30, 2022, the City's proportion of the Police Officers' fund was 1.86063%. At June 30, 2022, the City's proportion of the Firefighters' fund was 1.86084%.

For the year ended December 31, 2022, the City recognized a reduction of pension expense of \$3,187,966 for the Police Officers and \$3,188,326 for the Firefighters' fund. At December 31, 2022, 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, 2022

	Deferred Outflows of Resources		
	Police	Fire	Total
Differences between expected and actual experience	\$ 6,164,904	\$ 6,165,599	\$ 12,330,503
Changes in assumptions	5,143,520	5,144,101	10,287,621
Net differences between projected and actual earnings on pension plan investments	3,836,557	3,836,990	7,673,547
Changes in proportion and differences between employer contributions and proportionate share of contributions	153,505	99,682	253,187
Employer contributions subsequent to the measurement date	1,637,451	1,945,375	3,582,826
Total	\$ 16,935,937	\$ 17,191,747	\$ 34,127,684

	Deferred Inflows of Resources		
	Police	Fire	Total
Differences between expected and actual experience	\$ 168,206	\$ 168,225	\$ 336,431
Changes in assumptions	950,619	950,726	1,901,345
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,653	62,576	111,229
Total	\$ 1,167,478	\$ 1,181,527	\$ 2,349,005

\$1,637,451 reported for the Police Officers' and \$1,945,375 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:

Years Ending December 31:	Police	Fire	Total
2023	\$ 1,437,215	\$ 1,437,641	\$ 2,874,856
2024	2,091,212	2,082,357	4,173,569
2025	1,253,560	1,239,844	2,493,404
2026	5,708,451	5,695,552	11,404,003
2027	1,584,404	1,571,339	3,155,743
Thereafter	2,056,166	2,038,112	4,094,278

Actuarial Assumptions. The total pension liability in the June 30, 2022 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 <i>Ad Hoc</i> (COLA) or <i>Ad Hoc</i>	6.25% net of investment expense, including inflation 1.95%

The actuarial assumptions used in the June 30, 2022 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.

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	7.7	15.0
Fixed Income, Ex Inflation-Linked	1.4	20.0
Fixed Income, Inflation-Linked	(0.3)	15.0
Commodities	0.9	10.0
Real Estate	3.7	10.0
Absolute Return	2.1	5.0
Risk Parity	3.8	20.0
Leverage Offset	(1.7)	N/A

Discount Rate

The discount rate used to measure the total pension liability was 6.25% as of June 30, 2022 and is equal to the long-term expected return on plan investments.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Sensitivity of the City's Proportionate Share of the Net Pension liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) 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, Police Officers'	\$ 36,140,770	\$ 12,054,126	\$ (7,387,497)
City's proportionate share of the net pension liability, Firefighters'	36,144,849	12,055,486	(7,388,331)

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

<https://www.in.gov/inprs/files/INPRSAnnualReportBook2022.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	\$ 1,508,245	\$ 4,112,644
Current year claims and changes in estimates	37,884,316	27,851,986
Claim payments	<u>(35,279,917)</u>	<u>(27,602,712)</u>
Unpaid claims, ending	<u>\$ 4,112,644</u>	<u>\$ 4,361,918</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

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, 2022. 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 \$3,876,191.

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

General fund	\$ 2,122,273
American Rescue Plan General	2,431,948
Casino gaming	317,982,721
Nonmajor funds	<u>161,810</u>
Total	<u><u>\$ 4,267,276</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. The plan covers City police officers, firefighters, teamsters and METS, utility employees, and nonunion employees. 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, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	427
Active plan members	<u>1,249</u>
	<u><u>1,676</u></u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

Total OPEB Liability

The City's total OPEB liability of \$324,843,755 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date. The plan includes participating employees assigned to governmental activities, business-type activities, and a discretely presented component unit, the Levee Authority. The total OPEB liability and related deferred outflows and inflows of resources are allocated based on actuarial valuation data at the employee level as summarized in the following table:

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Allocation			
Governmental activities	\$ 317,982,721	\$ 82,396,301	\$ 147,537,528
Component Unit, Levee Authority	<u>161,810</u>	<u>41,928</u>	<u>75,076</u>
Business-type activities:			
Water	4,267,276	1,105,745	1,979,930
Wastewater	<u>2,431,948</u>	<u>630,171</u>	<u>1,128,374</u>
Total business-type activities	<u>6,699,224</u>	<u>1,735,916</u>	<u>3,108,304</u>
Total PERF	<u><u>\$ 324,843,755</u></u>	<u><u>\$ 84,174,145</u></u>	<u><u>\$ 150,720,908</u></u>

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2022 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, 2022
Actuarial valuation date	January 1, 2023 Liabilities as of December 31, 2022 are based on actuarial valuation date of January 1, 2023 with no adjustments to get to the December 31, 2022 measurement date
Discount rate	2.25% as of December 31, 2021 and 4.31% as of December 31, 2022
Payroll Growth	General wage inflation of 2.65% plus merit productivity increases based on INPRS actuarial valuation as of June 30, 2022
Inflation	2.65 per 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. Dental and vision rates are assumed to increase at a rate of 4.0% and 3.0% respectively.
Retirees' share of benefit-related costs	Retiree contributions are assumed to increase 3% annually.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2022

The discount rate of 4.31% was selected based on the yield for a 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality based on SOA Pub - 2010 weighted mortality table fully generational using Scale MP - 2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2021	\$ 426,648,254
Changes for the year:	-
Service cost	19,370,247
Interest	9,951,972
Differences between expected and actual experience	18,905,756
Changes in assumptions or other inputs	(142,573,680)
Benefit payments	<u>(7,458,794)</u>
Net changes	<u>(101,804,499)</u>
Balances at December 31, 2022	<u><u>\$ 324,843,755</u></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 (4.31%) than the current discount rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB liability	\$ 389,440,283	\$ 324,843,755	\$ 274,938,204

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 (7.5% decreasing to 4.5%) than the current healthcare cost trend rates:

	1% Decrease (7.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
Total OPEB liability	\$ 270,994,005	\$ 324,843,755	\$ 395,728,603

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$24,183,066. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,754,797	\$ 24,153,400
Changes of assumptions or other inputs	<u>68,419,348</u>	<u>126,567,508</u>
Total	<u>\$ 84,174,145</u>	<u>\$ 150,720,908</u>

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:	City
2023	\$ (5,139,153)
2024	(5,139,156)
2025	(11,221,412)
2026	(24,435,723)
2027	(20,611,319)

Subsequent Events

Sewage Works Revenue Bonds, Series 2023

The City of Evansville Municipal Sewage Works issued \$ 39,580,000 in revenue bonds on May 4, 2023. These bonds will fund improvements to 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 increases would be as follows: Phase I of the increase is an assumed 7.50% increase over the present rates effective upon an approved order by the Commission; Phase II of the increase is an assumed 7.03% increase over the Phase I rates assumed effective April 1, 2023; Phase III of the increase is an assumed 6.53% increase over the Phase II rates assumed effective April 1, 2024; Phase IV of the increase is an assumed 6.21% increase over the Phase III rates assumed effective April 1, 2025; and Phase V of the increase is an assumed 4.31% increase over the Phase IV rates assumed effective April 1, 2026.

On March 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 on July 9, 2022. The proposed rates would be as follows: Phase I 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%. On August 5, 2022, the Indiana Office of Utility Consumer Counselor (OUCC) filed an objection to the True-up report. On August 19, 2022, the Water Utility filed its response to the OUCC objection and requested a sub-docket be established to address the capital improvement plan the current market conditions, On August 24, 2022 the IURC approved the formation of a sub-docket. Both the Water Utility and the OUCC have filed testimony and request of information to the sub-docket and as of the date of this report, there has been no ruling on the sub-docket by the IURC.

Related Organizations

Evansville Vanderburgh Airport Authority District (EVAAD)

The City 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 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

The City adopted GASB Statement No. 87, *Leases*, as disclosed in Note 1. The City also adopted the following accounting pronouncements effective for 2022 with no impact on the financial statements.

- GASB Statement No. 91, *Conduit Debt Obligations*
- GASB Statement No. 92, *Omnibus 2020*
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Report for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32.*
- GASB Statement No. 100, *Accounting Changes and Error Corrections*

REQUIRED SUPPLEMENTARY INFORMATION

City of Evansville, Indiana

Required Supplementary Information

Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 52,396,910	\$ 55,395,121	\$ 55,395,121	\$ -
Income	-	1,645,653	1,645,653	-
Intergovernmental	18,255,537	22,690,063	21,658,357	(1,031,706)
Licenses and permits	1,196,435	1,182,900	1,182,900	-
Charges for services	1,702,845	1,473,429	1,426,552	(46,877)
Fines, forfeitures, and fees	1,378,250	1,001,506	1,001,506	-
Interest	22,000	210,162	210,162	-
Miscellaneous	1,920,369	2,313,002	2,278,341	(34,661)
Total revenues	76,872,346	85,911,836	84,798,592	(1,113,244)
Expenditures				
General government:				
Mayor:				
Personal services	365,108	406,661	400,350	6,311
Supplies	1,100	1,100		1,100
Other services and charges	78,133	78,233	76,099	2,134
Human relations:				
Personal services	380,760	367,105	353,848	13,257
Supplies	350	350	233	117
Other services and charges	37,464	37,640	36,351	1,289
Finance:				
Personal services	838,550	855,149	826,994	28,155
Supplies	4,200	4,290	4,238	52
Other services and charges	213,565	221,768	212,355	9,413
Purchasing:				
Personal services	169,778	155,344	121,504	33,840
Supplies	200	1,030	922	108
Other services and charges	27,519	27,519	26,608	911
Minority/WBE:				
Supplies	200	200	34	166
Other services and charges	210	210	35	175
City council:				
Personal services	364,124	364,524	356,475	8,049
Supplies	275	275	136	139
Other services and charges	79,477	86,238	73,902	12,336
City clerk:				
Personal services	241,625	258,705	252,817	5,888
Supplies	1,380	1,905	1,750	155
Other services and charges	37,276	41,093	28,753	12,340
Law:				
Other services and charges	600,025	604,530	572,005	32,525
METS:				
Personal services	6,595,620	6,498,907	4,861,833	1,637,074
Supplies	1,046,800	1,065,200	955,502	109,698
Other services and charges	833,286	914,279	648,940	265,339

See notes to required supplementary information

City of Evansville, Indiana

Required Supplementary Information

Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Locust Hill Cemetery:				
Personal services	\$ 179,532	\$ 179,291	\$ 172,789	\$ 6,502
Supplies	10,800	11,599	10,131	1,468
Other services and charges	130,590	134,874	129,193	5,681
Spay/neuter:				
Supplies	8,500	11,613	11,613	-
Other services and charges	20,000	18,813	12,081	6,732
Oak Hill Cemetery:				
Personal services	642,767	534,513	422,663	111,850
Supplies	14,925	15,953	14,647	1,306
Other services and charges	262,152	265,920	254,957	10,963
Building commission:				
Personal services	907,853	910,900	736,719	174,181
Supplies	12,750	12,974	12,175	799
Other services and charges	132,864	135,849	120,799	15,050
Personnel:				
Personal services	363,106	364,206	359,428	4,778
Supplies	1,700	1,700	986	714
Other services and charges	69,679	69,709	65,981	3,728
Legal aid:				
Other services and charges	232,181	249,947	221,085	28,862
Miscellaneous:				
Other services and charges	767,919	818,032	760,906	57,126
Total general government	15,674,343	15,728,148	13,117,837	2,610,311
Public safety:				
Animal control:				
Personal services	787,340	788,487	716,026	72,461
Supplies	43,450	40,819	36,474	4,345
Other services and charges	96,098	108,812	92,208	16,604
Capital outlays	-	5,179	5,179	-
Central dispatch:				
Personal services	3,688,410	3,915,824	3,768,795	147,029
Supplies	3,080	3,080	3,034	46
Other services and charges	198,965	214,231	174,092	40,139
Police:				
Personal services	30,070,705	30,360,169	30,052,783	307,386
Supplies	803,700	889,276	704,762	184,514
Other services and charges	2,144,412	2,183,982	2,015,381	168,601
Capital outlays	-	31,777	31,667	110
Police merit:				
Personal services	6,886	6,886	6,886	-
Supplies	3,500	7,200	3,500	3,700
Other services and charges	112,995	121,039	91,602	29,437

See notes to required supplementary information

City of Evansville, Indiana

Required Supplementary Information

Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Fire:				
Personal services	\$ 30,587,574	\$ 30,983,674	\$ 30,690,005	\$ 293,669
Supplies	359,000	384,173	365,932	18,241
Other services and charges	1,733,228	1,845,232	1,363,977	481,255
Capital outlays	-	154,175	30,500	123,675
Emergency management:				
Personal services	220,375	219,275	214,172	5,103
Supplies	10,150	10,504	5,771	4,733
Other services and charges	96,005	97,344	91,816	5,528
Fire merit:				
Personal services	11,476	11,476	11,476	-
Supplies	1,650	1,650	792	858
Other services and charges	69,972	64,972	37,810	27,162
Ambulance:				
Other services and charges	700	707	42	665
Weights and measures:				
Other services and charges	183,884	198,130	174,719	23,411
Code enforcement:				
Personal services	721,429	723,409	638,455	84,954
Supplies	12,100	15,527	11,339	4,188
Other services and charges	326,086	419,244	371,637	47,607
Total public safety	72,293,170	73,806,253	71,710,832	2,095,421
Health and human services:				
Environmental protection:				
Personal services	83,217	83,217	82,631	586
Supplies	1,300	1,300	1,089	211
Other services and charges	3,541	3,541	2,880	661
Total health and human services	88,058	88,058	86,600	1,458
Highways and streets:				
Board of public works:				
Personal services	566,637	558,005	555,733	2,272
Supplies	24,600	25,929	21,550	4,379
Other services and charges	166,612	168,079	150,468	17,611
Total highways and streets	757,849	752,013	727,751	24,262
Highways and streets:				
Board of public works:				
Other services and charges	-	7,634	1,772	5,862
Total highways and streets	-	7,634	1,772	5,862
Highways and streets:				
Board of public works:				
Supplies	-	205	-	205
Other services and charges	-	387,927	196,012	191,915
Total highways and streets	-	388,132	196,012	192,120

See notes to required supplementary information

City of Evansville, Indiana

Required Supplementary Information

Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Highways and streets:				
Board of public works:				
Other services and charges	\$ -	\$ 1,728,489	\$ 189,820	\$ 1,538,669
Total highways and streets	-	1,728,489	189,820	1,538,669
Highways and streets:				
Board of public works:				
Capital outlays	-	19,411	-	19,411
Total highways and streets	-	19,411	-	19,411
Highways and streets:				
Board of public works:				
Other services and charges	-	17,000	8,000	9,000
Total highways and streets	-	17,000	8,000	9,000
Highways and streets:				
Board of public works:				
Other services and charges	-	11,000	-	11,000
Total highways and streets	-	11,000	-	11,000
Highways and streets:				
Board of public works:				
Other services and charges	-	61,154	40,149	21,005
Capital outlays	-	105,723	-	105,723
Total highways and streets	-	166,877	40,149	126,728
Highways and streets:				
Board of public works:				
Other services and charges	-	144,674	20,117	124,557
Total highways and streets	-	144,674	20,117	124,557
Highways and streets:				
Board of public works:				
Other services and charges	-	70,674	3,780	66,894
Total highways and streets	-	70,674	3,780	66,894
Highways and streets:				
Board of public works:				
Other services and charges	-	18,000	-	18,000
Total highways and streets	-	18,000	-	18,000
Highways and streets:				
Board of public works:				
Other services and charges	-	5,999	-	5,999
Total highways and streets	-	5,999	-	5,999

See notes to required supplementary information

City of Evansville, Indiana

Required Supplementary Information

Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Highways and streets:				
Board of public works:				
Other services and charges	\$ -	\$ 103,928	\$ 53,732	\$ 50,196
Total highways and streets	-	103,928	53,732	50,196
Highways and streets:				
Board of public works:				
Other services and charges	-	25,114	-	25,114
Total highways and streets	-	25,114	-	25,114
Culture, recreation and education:				
Department of metro/city:				
Personal services	1,282,781	1,284,950	1,189,963	94,987
Supplies	3,850	4,297	3,549	748
Other services and charges	209,457	236,480	202,552	33,928
Total culture, recreation and education	1,496,088	1,525,727	1,396,064	129,663
Total expenditures	90,309,508	94,607,131	87,552,466	7,054,665
Excess (deficiency) of revenues over (under) expenditures	(13,437,162)	(8,695,295)	(2,753,874)	5,941,421
Other Financing Sources (Uses)				
Transfers in	14,728,710	21,015,488	21,015,488	-
Sale of investments	-	-	5,417,659	
Transfers out	-	(3,266,376)	(657,000)	(2,609,376)
Total other financing sources (uses)	14,728,710	17,749,112	25,776,147	(2,609,376)
Net change in fund balances	1,291,548	9,053,817	23,022,273	13,968,456
Fund Balances, Beginning	12,574,097	12,574,097	12,574,097	-
Fund Balances, Ending	<u>\$ 13,865,645</u>	<u>\$ 21,627,914</u>	<u>\$ 35,596,370</u>	<u>\$ 13,968,456</u>

See notes to required supplementary information

City of Evansville, Indiana

Required Supplementary Information

Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

Local Income Tax

Year Ended December 31, 2022

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Income	\$ 19,676,337	\$ 19,259,873	\$ 19,259,873	\$ -
Intergovernmental	-	316,703	316,703	-
Interest	37,933	53,348	53,348	-
Miscellaneous	500,000	(4,830,495)	(4,830,495)	-
Total revenues	20,214,270	14,799,429	14,799,429	-
Expenditures				
General government:				
Personal services	-	958,698	958,698	-
Supplies	13,570	31,281	31,281	-
Other services and charges	7,712,161	7,335,628	7,335,628	-
Capital outlays	300,000	282,268	282,268	-
Total expenditures	8,025,731	8,607,875	8,607,875	-
Excess (deficiency) of revenues over (under) expenditures	12,188,539	6,191,554	6,191,554	-
Other Financing Sources (Uses)				
Transfers out	(10,772,000)	(17,206,885)	(17,206,885)	-
Total other financing sources (uses)	(10,772,000)	(17,206,885)	(17,206,885)	-
Net change in fund balances	1,416,539	(11,015,331)	(11,015,331)	-
Fund Balances, Beginning	11,016,922	11,016,922	11,016,922	-
Fund Balances, Ending	<u>\$ 12,433,461</u>	<u>\$ 1,591</u>	<u>\$ 1,591</u>	<u>\$ -</u>

See notes to required supplementary information

City of Evansville, Indiana

Required Supplementary Information

Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

Casino Gaming

Year Ended December 31, 2022

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Other	\$ 1,700,000	\$ 2,045,350	\$ 2,045,350	\$ -
Intergovernmental	7,549,482	10,582,158	5,727,954	(4,854,204)
Interest	80,844	73,847	73,847	-
Miscellaneous	4,207,315	7,581,744	7,581,744	-
Total revenues	13,537,641	20,283,099	15,428,895	(4,854,204)
Expenditures				
General government:				
Supplies	608,698	833,210	471,638	361,572
Other services and charges	1,922,995	2,557,676	1,950,997	606,679
Capital outlays	10,153,994	15,351,923	5,772,447	9,579,476
Total expenditures	12,685,687	18,742,809	8,195,082	10,547,727
Excess (deficiency) of revenues over (under) expenditures	851,954	1,540,290	7,233,813	(15,401,931)
Other Financing Sources (Uses)				
Transfers in	1,960,033	-	-	-
Transfers out	(2,565,225)	(4,074,811)	(3,514,129)	560,682
Total other financing sources (uses)	(605,192)	(4,074,811)	(3,514,129)	560,682
Net change in fund balances	246,762	(2,534,521)	3,719,684	6,254,205
Fund Balances, Beginning	19,256,091	19,256,091	19,256,091	-
Fund Balances, Ending	<u>\$ 19,502,853</u>	<u>\$ 16,721,570</u>	<u>\$ 22,975,775</u>	<u>\$ 6,254,205</u>

See notes to required supplementary information

City of Evansville, Indiana

Required Supplementary Information
Budgetary Comparison Schedule - Non-GAAP Budgetary Basis
American Rescue Plan
Year Ended December 31, 2022

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Interest	\$ 42,000	\$ 550,835	\$ 550,835	\$ -
Miscellaneous	32,241,888	32,241,888	32,241,888	-
Total revenues	32,283,888	32,792,723	32,792,723	-
Expenditures				
General government:				
Personal services	5,000,000	10,269,680	6,301,215	3,968,465
Supplies	84,200	84,200	81,997	2,203
Other services and charges	710,000	18,005,000	575,279	17,429,721
Capital outlays	10,205,000	10,210,000	1,003,685	9,206,315
Total expenditures	15,999,200	38,568,880	7,962,176	30,606,704
Excess (deficiency) of revenues over (under) expenditures	16,284,688	(5,776,157)	24,830,547	(30,606,704)
Other Financing Sources (Uses)				
Transfers in	-	18,000	18,000	-
Total other financing sources (uses)	-	18,000	18,000	-
Net change in fund balances	16,284,688	(5,758,157)	24,848,547	30,606,704
Fund Balances, Beginning	32,253,816	32,253,816	32,253,816	-
Fund Balances, Ending	\$ 48,538,504	\$ 26,495,659	\$ 57,102,363	\$ 30,606,704

See notes to required supplementary information

City of Evansville, Indiana

Required Supplementary Information
Budget/GAAP Reconciliation
General Fund and Major Special Revenue Funds
Year Ended December 31, 2022

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>	<u>Casino Gaming</u>	<u>American Rescue Plan</u>
Net changes in fund balances (budgetary basis)	\$ 23,022,273	\$ (11,015,331)	\$ 3,719,684	\$ 24,848,547
Adjustments				
To adjust revenues for accruals	(2,005,204)	(3,389,235)	2,316,443	(24,110,817)
To adjust expenditures for accruals	(1,997,513)	1,197,319	72,843	(84,058)
To adjust expenditures for Rainy Day Fund activity	25,080	-	-	-
Net change in fund balances (GAAP basis)	<u>\$ 19,044,636</u>	<u>\$ (13,207,247)</u>	<u>\$ 6,108,970</u>	<u>\$ 653,672</u>

See notes to required supplementary information

City of Evansville, Indiana

Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Public Employees' Retirement Fund
Available Data: Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability	0.33311%	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	\$ 10,013,431	\$ 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	\$ 18,375,471	\$ 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	52.5%	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 *	82.5%	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

Required Supplementary Information
Schedule of City Contributions
Public Employees' Retirement Fund
Last 10 Fiscal Years

	<u>2022</u>	<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	\$ 2,480,080	\$ 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>(2,480,080)</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 22,143,571	\$ 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%	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.

See notes to the required supplementary information

City of Evansville, Indiana

Required Supplementary Information
Schedule of the Utility's Proportionate Share of the Net Pension Liability
Public Employees' Retirement Fund
Available Data: Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Utility portion of the net pension liability	0.22157%	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	\$ 6,987,946	\$ 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	\$ 12,751,469	\$ 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	54.8%	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 *	82.5%	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

Required Supplementary Information
Schedule of Utility's Contributions
Public Employees' Retirement Fund
Last 10 Fiscal Years

	<u>2022</u>	<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	\$ 1,833,168	\$ 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>(1,833,168)</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 16,367,571	\$ 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%	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.

See notes to the required supplementary information

City of Evansville, Indiana

Required Supplementary Information

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

Police Officers' 1977 Fund

Available Data: Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	1.86063%	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)	\$ 12,054,126	\$ (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	\$ 18,807,806	\$ 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	64.1%	-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	92.2%	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.

See notes to the required supplementary information

City of Evansville, Indiana

Required Supplementary Information
Schedule of City Contributions
Police Officers' 1977 Fund
Available Data: Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 3,290,800	\$ 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>(3,290,800)</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 18,807,806	\$ 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%	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.

See notes to the required supplementary information

City of Evansville, Indiana

Required Supplementary Information

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

Firefighters' 1977 Fund

Available Data: Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	1.86084%	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)	\$ 12,055,486	\$ (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	\$ 18,809,928	\$ 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	64.1%	-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)	92.2%	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.

See notes to the required supplementary information

City of Evansville, Indiana

Required Supplementary Information
Schedule of City Contributions
Firefighters' 1977 Fund
Available Data: Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 3,291,319	\$ 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>(3,291,319)</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 18,809,928	\$ 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%	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.

See notes to the required supplementary information

City of Evansville, Indiana

Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Available Data: Last 10 Fiscal Years*

1925 Police Officers' Pension

	2022	2021	2020	2019	2018
Total Pension Liability					
Total pension liability, beginning	\$ 85,108,760	\$ 90,245,203	\$ 93,554,337	\$ 87,650,527	\$ 95,701,570
Service cost	-	-	-	-	38,208
Interest cost	1,154,448	1,296,851	1,964,315	2,639,764	2,507,927
Experience (gains) losses	961,933	(167,397)	1,781,789	604,043	(1,457,235)
Assumption changes	(16,787,513)	(184,213)	(825,754)	8,235,296	(2,969,549)
Plan amendments	-	-	-	626,518	-
Projected benefit payments	(6,033,793)	(6,081,684)	(6,229,484)	(6,201,811)	(6,170,394)
Total pension liability, ending	<u>\$ 64,403,835</u>	<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	\$ 4,789,747	\$ 4,766,549	\$ 4,696,828	\$ 4,522,824	\$ 4,746,074
Administrative	(19,367)	(18,748)	(14,183)	(21,740)	(10,740)
Net investment income	37,009	15,298	56,272	85,171	57,958
Nonemployer contributing entity contributions	6,079,757	6,155,060	6,331,600	6,418,561	6,116,676
Actual benefit payments	(6,100,047)	(6,128,412)	(6,303,968)	(6,307,988)	(6,387,144)
Plan fiduciary net position, ending	<u>\$ 4,787,099</u>	<u>\$ 4,789,747</u>	<u>\$ 4,766,549</u>	<u>\$ 4,696,828</u>	<u>\$ 4,522,824</u>
Net pension liability	<u>\$ 59,616,736</u>	<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	\$ 62,024,926	\$ 65,567,776	\$ 67,311,092	\$ 64,165,011	\$ 70,001,149
Interest cost	840,543	946,224	1,422,040	1,893,301	1,837,091
Experience (gains) losses	691,819	177,033	1,739,564	(850,021)	(888,092)
Assumption changes	(12,161,508)	(186,368)	(328,485)	5,858,426	(2,165,637)
Plan amendments	-	-	-	725,875	-
Projected benefit payments	(4,491,985)	(4,479,739)	(4,576,435)	(4,481,500)	(4,619,500)
Total pension liability, ending	<u>\$ 46,903,795</u>	<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	\$ 4,080,112	\$ 4,163,883	\$ 4,125,509	\$ 4,247,344	\$ 4,267,762
Administrative	(17,166)	(18,502)	(13,011)	(21,161)	(15,446)
Net investment income	31,673	12,857	54,130	78,522	50,222
Employer contributions	-	-	-	9,000	-
Nonemployer contributing entity contributions	4,613,054	4,588,870	4,720,202	4,484,818	4,618,351
Actual benefit payments	(4,665,107)	(4,666,996)	(4,722,947)	(4,673,014)	(4,673,544)
Plan fiduciary net position, ending	<u>\$ 4,042,566</u>	<u>\$ 4,080,112</u>	<u>\$ 4,163,883</u>	<u>\$ 4,125,509</u>	<u>\$ 4,247,345</u>
Net pension liability	<u>\$ 42,861,229</u>	<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

Required Supplementary Information

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

Available Data: Last 10 Fiscal Years*

1925 Police Officers' Pension

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 64,403,835	\$ 85,108,760	\$ 90,245,203	\$ 93,554,337	\$ 87,650,527	\$ 95,701,570
Less plan fiduciary net position	<u>4,787,099</u>	<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>\$ 59,616,736</u>	<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	7.43%	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	N/A

1937 Firefighters' Pension

Total pension liability	\$ 46,903,795	\$ 62,024,926	\$ 65,567,776	\$ 67,311,092	\$ 64,165,011	\$ 70,001,149
Less plan fiduciary net position	<u>4,042,566</u>	<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>\$ 42,861,229</u>	<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	8.62%	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	N/A

Notes:

* Information presented for the years information is available

** Not available

See notes to the required supplementary information

City of Evansville, Indiana

Required Supplementary Information
Schedule of Contributions
Available Data: Last 10 Fiscal Years*

1925 Police Officers' Pension

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily Required Contribution	\$ 6,100,047	\$ 6,128,412	\$ 6,303,968	\$ 6,307,988	\$ 6,387,144
Less contributions in relation to the statutorily required contributions	<u>6,100,047</u>	<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>	<u>\$ -</u>
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	**
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

1937 Firefighters' Pension

Statutorily Required Contribution	\$ 4,665,107	\$ 4,666,996	\$ 4,722,947	\$ 4,673,014	\$ 4,673,544
Less contributions in relation to the statutorily required contributions	<u>4,665,107</u>	<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>	<u>\$ -</u>
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

Notes:

* Information presented for the years information is available

** Not available

See notes to the required supplementary information

City of Evansville, Indiana

Required Supplementary Information
Schedule of Investment Returns
Available Data: Last 10 Fiscal Years*

<u>1925 Police Officers' Pension</u>	<u>2022</u>	<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 **	N/A **
<u>1937 Firefighters' Pension</u>					
Annual money-weighted rate of return net of investment expense	N/A **	N/A **	N/A **	N/A **	N/A **

Notes:

* Information presented for the years information is available

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

See notes to the required supplementary information

City of Evansville, Indiana

Required Supplementary Information

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

Available Data: Last 10 Fiscal Years*

	2022	2021	2020	2019
Total OPEB Liability				
Service cost	\$ 19,370,247	\$ 20,206,018	\$ 12,188,574	\$ 9,380,377
Interest	9,951,972	9,407,463	11,088,620	11,764,145
Changes of assumptions	(142,573,680)	(11,634,162)	104,869,135	47,954,344
Differences between expected and actual experience	18,905,756	(11,312,265)	(25,583,266)	(11,460,775)
Benefit payments	(7,458,794)	(7,084,928)	(6,845,290)	(6,220,566)
Net change in total OPEB liability	(101,804,499)	(417,874)	95,717,773	51,417,525
Total OPEB liability, beginning	426,648,254	427,066,128	331,348,355	279,930,830
Total OPEB liability, ending (a)	<u>\$ 324,843,755</u>	<u>\$ 426,648,254</u>	<u>\$ 427,066,128</u>	<u>\$ 331,348,355</u>
Plan Fiduciary Net Position				
Contributions	\$ 7,458,794	\$ 7,084,928	\$ 6,845,290	\$ 6,220,566
Benefit payments	(7,458,794)	(7,084,928)	(6,845,290)	(6,220,566)
Net change in fiduciary net position	-	-	-	-
Fiduciary net position, beginning	-	-	-	-
Fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	\$ 324,843,755	\$ 426,648,254	\$ 427,066,128	\$ 331,348,355
Covered, payroll	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	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.

Budgets and Budgetary Accounting

The City of Evansville, IN (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, American Rescue Plan, Casino Gaming

Nonmajor funds:

Special revenue funds:

Riverboat, 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, Equal Emp Opportunity, CDBG Revolving Loan, Cares Act, Aquatic Center, Landlord Registry

Debt service funds:

Arena Bond, Downtown Parking Garage, Parks Special District

Capital projects funds:

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

Pension trust funds:

Police Pension, Fire Pension

Financial Reporting – Pension Plans**Public Employees Retirement Fund**

Valuation Date:	
Assets:	June 30, 2022
Liabilities:	June 30, 2021, Member census data as of June 30, 2021 was used in the valuation and adjusted where appropriate, to reflect changes between June 30, 2021 and June 30, 2022. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2021 to the June 30, 2021 measurement date.
Actuarial Cost Method:	Entry Age Normal (Level percent of payroll)
Experience Study Date:	Period of 5 years ended June 30, 2019
Investment Rate of Return:	6.25%, net of investment expense, including inflation
Cost of Living Increases:	As of June 30, 2021, members were granted a 1% COLA on January 1, 2022 and no COLA on January 1, 2023. Thereafter, the COLAs were assumed to be as follows: 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-G2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.
Disability:	Pub-G2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.

City of Evansville, IN

Notes to Required Supplementary Information
Year Ended December 31, 2022

The funding policy is available online at: https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf

The following were changes in assumptions for 2022:

- There were no changes in assumptions from the June 30, 2021 actuarial valuations to the June 30, 2022 actuarial valuations.

Changes in Actuarial Methods. There were no changes to the actuarial methods during the fiscal year.

Plan Amendments: In 2022, there were no changes to plan amendments during the fiscal year.

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 Noncovered 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, 2022
Assumptions	December 31, 2022 measurement date was used.
Cost Method	Entry Age Normal Level % of Salary
Amortization	Not Applicable
Discount rate	4.31%
Discount rate basis	20-year tax-exempt general obligation municipal bonds
Inflation rate	2.65% per annum
Investment rate of return	Not applicable since the plan is not currently prefunded
Disability	Non assumed

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

SUPPLEMENTARY INFORMATION

City of Evansville, Indiana

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2022

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
Assets					
Cash and cash equivalents	\$ 11,707,316	\$ 5,628,567	\$ 7,422,060	\$ 92	\$ 24,758,035
Investments	19,642,568	3,531,325	46,849,499	91,871	70,115,263
Inventory	385,242	-	-	-	385,242
Receivables:					
Taxes	9,223,030	-	-	-	9,223,030
Accounts	906,408	-	149,859	-	1,056,267
Intergovernmental	3,370,717	-	-	-	3,370,717
Other assets	558	-	-	-	558
Total assets	<u>\$ 45,235,839</u>	<u>\$ 9,159,892</u>	<u>\$ 54,421,418</u>	<u>\$ 91,963</u>	<u>\$ 108,909,112</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 543,286	\$ 295,423	\$ 1,163	\$ -	\$ 839,872
Accrued payroll and withholdings payable	233,087	-	-	-	233,087
DMD seed money	2,500	-	-	-	2,500
Interfund payable:					
Interfund payable	939,241	-	-	-	939,241
Total liabilities	<u>1,718,114</u>	<u>295,423</u>	<u>1,163</u>	<u>-</u>	<u>2,014,700</u>
Deferred Inflows of Resources					
Leases	-	-	-	-	-
Unavailable revenue	<u>12,182,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,182,889</u>
Total deferred inflows of resources	<u>12,182,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,182,889</u>
Fund Balances					
Restricted	27,569,363	8,864,469	54,420,255	91,963	90,946,050
Committed	4,420,255	-	-	-	4,420,255
Unrestricted (deficit)	<u>(654,782)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(654,782)</u>
Total fund balances	<u>31,334,836</u>	<u>8,864,469</u>	<u>54,420,255</u>	<u>91,963</u>	<u>94,711,523</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 45,235,839</u>	<u>\$ 9,159,892</u>	<u>\$ 54,421,418</u>	<u>\$ 91,963</u>	<u>\$ 108,909,112</u>

City of Evansville, Indiana

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

Nonmajor Governmental Funds

Year Ended December 31, 2022

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
Taxes:					
Property	\$ 8,378,415	\$ 1,278,196	\$ 9,542,675	\$ -	\$ 19,199,286
Income	4,567,287	-	-	-	4,567,287
Intergovernmental	13,338,886	-	5,943,136	-	19,282,022
Charges for services	4,202,955	-	-	-	4,202,955
Investment earnings	168,916	32,737	484,661	3,538	689,852
Rent	-	-	-	-	-
Miscellaneous	3,737,507	641,260	171,007	-	4,549,774
	<u>34,393,966</u>	<u>1,952,193</u>	<u>16,141,479</u>	<u>3,538</u>	<u>52,491,176</u>
Total revenues					
Expenditures					
Current:					
General government	459,710	10,150	335,413	-	805,273
Public safety	3,999,283	-	-	-	3,999,283
Highways and streets	7,063,166	-	57,124	-	7,120,290
Culture and recreation	13,031,272	1,242,840	-	-	14,274,112
Urban redevelopment	1,477,313	1,265,377	4,039,377	-	6,782,067
Debt service:					
Principal	3,434,691	2,010,002	5,974,116	-	11,418,809
Interest	3,627,992	2,809,541	1,555,586	-	7,993,119
Capital outlay:					
General government	69,353	-	-	-	69,353
Highways and streets	874,762	-	-	-	874,762
Urban redevelopment	-	-	556,037	-	556,037
Culture and recreation	6,082	-	-	-	6,082
	<u>34,043,624</u>	<u>7,337,910</u>	<u>12,517,653</u>	<u>-</u>	<u>53,899,187</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>350,342</u>	<u>(5,385,717)</u>	<u>3,623,826</u>	<u>3,538</u>	<u>(1,408,011)</u>
Other Financing Sources (Uses)					
Bond proceeds	-	-	45,580,000	-	45,580,000
Bond premium (discount)	-	-	1,718,214	-	1,718,214
Sale of assets	194,374	2,532,500	-	-	2,726,874
Transfers in	9,945,857	11,884,041	-	-	21,829,898
Transfers out	(6,609,451)	(7,601,000)	(8,024,922)	-	(22,235,373)
	<u>3,530,780</u>	<u>6,815,541</u>	<u>39,273,292</u>	<u>-</u>	<u>49,619,613</u>
Total other financing sources (uses)					
Net change in fund balances	3,881,122	1,429,824	42,897,118	3,538	48,211,602
Fund Balances, Beginning	<u>27,453,714</u>	<u>7,434,645</u>	<u>11,523,137</u>	<u>88,425</u>	<u>46,499,921</u>
Fund Balances, Ending	<u>\$ 31,334,836</u>	<u>\$ 8,864,469</u>	<u>\$ 54,420,255</u>	<u>\$ 91,963</u>	<u>\$ 94,711,523</u>

City of Evansville, Indiana

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2022

	Highway	Cares Act - 101 General COVID	Cares Act - 230 Law Enf COVID	Cares Act - 231 CDBG COVID	Cares Act - 279 ESG COVID	Cares Act - 282 EDA COVID	Cares Act - 446 Casino COVID	Local Road and Street	Parks and Recreation
Assets									
Cash and cash equivalents	\$ 1,496,110	\$ -	\$ 2,329	\$ -	\$ -	\$ -	\$ -	\$ 1,397,483	\$ 962,503
Investments	5,105,131	-	-	-	-	-	-	5,172,439	1,802,230
Inventory	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes	-	-	-	-	-	-	-	-	9,223,030
Accounts	15,010	-	-	-	-	-	-	843,902	30,551
Intergovernmental	18,079	-	-	227,310	14,466	-	-	57,053	179,088
Other assets	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 6,634,330</u>	<u>\$ -</u>	<u>\$ 2,329</u>	<u>\$ 227,310</u>	<u>\$ 14,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,470,877</u>	<u>\$ 12,197,402</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities									
Accounts payable	\$ 173,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,247	\$ 114,191
Accrued payroll and withholdings payable	90,732	-	-	-	-	-	-	9,041	116,761
DMD seed money	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	227,310	14,466	-	-	-	-
Total liabilities	<u>263,985</u>	<u>-</u>	<u>-</u>	<u>227,310</u>	<u>14,466</u>	<u>-</u>	<u>-</u>	<u>125,288</u>	<u>230,952</u>
Deferred Inflows of Resources									
Unavailable revenue	-	-	-	-	-	-	-	-	9,402,118
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,402,118</u>
Fund Balances									
Restricted	6,370,345	-	2,329	-	-	-	-	7,345,589	-
Committed	-	-	-	-	-	-	-	-	2,564,332
Unrestricted (deficit)	-	-	-	-	-	-	-	-	-
Total fund balances	<u>6,370,345</u>	<u>-</u>	<u>2,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,345,589</u>	<u>2,564,332</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,634,330</u>	<u>\$ -</u>	<u>\$ 2,329</u>	<u>\$ 227,310</u>	<u>\$ 14,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,470,877</u>	<u>\$ 12,197,402</u>

City of Evansville, Indiana

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2022

									Local Law
									Enforcement
	Parking Meter	Golf Course	Donation	Economic Development	Plan Commission	Parking Garages	Federal Grants	Community Dev Block Grant	Continued
Assets									
Cash and cash equivalents	\$ 20,458	\$ -	\$ 147,243	\$ 115,345	\$ 1,508,894	\$ 84,120	\$ 154,349	\$ -	\$ 477,906
Investments	-	-	-	750,000	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	6,600	-	-	9,000
Intergovernmental	-	-	-	-	-	-	-	88,515	-
Other assets	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 20,458</u>	<u>\$ -</u>	<u>\$ 147,243</u>	<u>\$ 865,345</u>	<u>\$ 1,508,894</u>	<u>\$ 90,720</u>	<u>\$ 154,349</u>	<u>\$ 88,515</u>	<u>\$ 486,906</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities									
Accounts payable	\$ 1,052	\$ -	\$ 9,972	\$ 78	\$ 12,904	\$ 268	\$ 4,053	\$ 50,506	\$ 26,225
Accrued payroll and withholdings payable	5,277	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-	-
Interfund payable	-	533,875	-	-	-	-	-	103,070	-
Total liabilities	<u>6,329</u>	<u>533,875</u>	<u>9,972</u>	<u>78</u>	<u>12,904</u>	<u>268</u>	<u>4,053</u>	<u>153,576</u>	<u>26,225</u>
Deferred Inflows of Resources									
Unavailable revenue	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances									
Restricted	-	-	137,271	865,267	-	90,452	150,296	-	460,681
Committed	14,129	-	-	-	1,495,990	-	-	-	-
Unrestricted (deficit)	-	(533,875)	-	-	-	-	-	(65,061)	-
Total fund balances	<u>14,129</u>	<u>(533,875)</u>	<u>137,271</u>	<u>865,267</u>	<u>1,495,990</u>	<u>90,452</u>	<u>150,296</u>	<u>(65,061)</u>	<u>460,681</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,458</u>	<u>\$ -</u>	<u>\$ 147,243</u>	<u>\$ 865,345</u>	<u>\$ 1,508,894</u>	<u>\$ 90,720</u>	<u>\$ 154,349</u>	<u>\$ 88,515</u>	<u>\$ 486,906</u>

City of Evansville, Indiana

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2022

	Unsafe Building	Local Inc Tax - Public Safety	Rental Rehab Program	Neighborhood Stabilization	Old Post Office	LOIT Special Distribution	Landlord Registry	HUD Fair Housing
Assets								
Cash and cash equivalents	\$ 7,331	\$ 912,457	\$ -	\$ 145,979	\$ 82,227	\$ 443,249	\$ 1,158	\$ 127,182
Investments	-	2,403,779	-	800,000	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	<u>\$ 7,331</u>	<u>\$ 3,316,236</u>	<u>\$ -</u>	<u>\$ 945,979</u>	<u>\$ 82,227</u>	<u>\$ 443,249</u>	<u>\$ 1,158</u>	<u>\$ 127,182</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,919	\$ 3
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,919</u>	<u>3</u>
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances								
Restricted	-	3,316,236	-	945,979	82,227	443,249	-	-
Committed	7,331	-	-	-	-	-	-	127,179
Unrestricted (deficit)	-	-	-	-	-	-	(761)	-
Total fund balances	<u>7,331</u>	<u>3,316,236</u>	<u>-</u>	<u>945,979</u>	<u>82,227</u>	<u>443,249</u>	<u>(761)</u>	<u>127,179</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,331</u>	<u>\$ 3,316,236</u>	<u>\$ -</u>	<u>\$ 945,979</u>	<u>\$ 82,227</u>	<u>\$ 443,249</u>	<u>\$ 1,158</u>	<u>\$ 127,182</u>

City of Evansville, Indiana

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2022

	Equal Emp Opportunity	Historic Preservation	Municipal Code Revolving	Zoo Animal Revolving	Aquatics Center	Emergency Solutions Grant	Housing Trust Fund Grant	EDA Revolving Loan
Assets								
Cash and cash equivalents	\$ 107,800	\$ 1,624	\$ 150	\$ 680	\$ 210,614	\$ -	\$ 1,233,042	\$ 212,197
Investments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	5,435	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	<u>\$ 107,800</u>	<u>\$ 1,624</u>	<u>\$ 150</u>	<u>\$ 680</u>	<u>\$ 210,614</u>	<u>\$ 5,435</u>	<u>\$ 1,233,042</u>	<u>\$ 212,197</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities								
Accounts payable	\$ 349	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1,743	\$ -
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	60,520	-	-
Total liabilities	<u>349</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,520</u>	<u>1,743</u>	<u>-</u>
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances								
Restricted	107,451	1,623	150	-	-	-	1,231,299	212,197
Committed	-	-	-	680	210,614	-	-	-
Unrestricted (deficit)	-	-	-	-	-	(55,085)	-	-
Total fund balances	<u>107,451</u>	<u>1,623</u>	<u>150</u>	<u>680</u>	<u>210,614</u>	<u>(55,085)</u>	<u>1,231,299</u>	<u>212,197</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 107,800</u>	<u>\$ 1,624</u>	<u>\$ 150</u>	<u>\$ 680</u>	<u>\$ 210,614</u>	<u>\$ 5,435</u>	<u>\$ 1,233,042</u>	<u>\$ 212,197</u>

City of Evansville, Indiana

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2022

	DMD Home Administration	IDHS Hazard Mitigation Grant	IHCDA Blight Elimination Progr	Jacobsville Redevelopment Area	Downtown Streetscape Redev	Golf Courses	Evansville Redevelopment Authority	Professional Sports & Convention Dev
Assets								
Cash and cash equivalents	\$ 105,702	\$ 3,599	\$ 35,136	\$ 352,727	\$ 475,894	\$ 43,031	\$ -	\$ 220,056
Investments	-	-	-	750,000	-	-	1,797,946	-
Inventory	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	1,345	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	<u>\$ 105,702</u>	<u>\$ 3,599</u>	<u>\$ 35,136</u>	<u>\$ 1,102,727</u>	<u>\$ 475,894</u>	<u>\$ 44,376</u>	<u>\$ 1,797,946</u>	<u>\$ 220,056</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities								
Accounts payable	\$ 8,352	\$ -	\$ -	\$ 3,740	\$ 2,462	\$ 15,968	\$ -	\$ -
Accrued payroll and withholdings payable	-	-	-	-	-	11,276	-	-
DMD seed money	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-	-
Total liabilities	<u>8,352</u>	<u>-</u>	<u>-</u>	<u>3,740</u>	<u>2,462</u>	<u>27,244</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances								
Restricted	97,350	3,599	35,136	1,098,987	473,432	17,132	1,797,946	220,056
Committed	-	-	-	-	-	-	-	-
Unrestricted (deficit)	-	-	-	-	-	-	-	-
Total fund balances	<u>97,350</u>	<u>3,599</u>	<u>35,136</u>	<u>1,098,987</u>	<u>473,432</u>	<u>17,132</u>	<u>1,797,946</u>	<u>220,056</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 105,702</u>	<u>\$ 3,599</u>	<u>\$ 35,136</u>	<u>\$ 1,102,727</u>	<u>\$ 475,894</u>	<u>\$ 44,376</u>	<u>\$ 1,797,946</u>	<u>\$ 220,056</u>

City of Evansville, Indiana

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2022

	Animal Control Donation Restr	Oak Hill Perpetual Care	Locust Hill Perpetual Care	Evansville Brownfield Corporation	Opioid Settlement	American Rescue Plan Home Admin	Animal Control Donation Restricted - Travel	Total
Assets								
Cash and cash equivalents	\$ 17,100	\$ 109,374	\$ 44,634	\$ 295,111	\$ 152,486	\$ -	\$ 36	\$ 11,707,316
Investments	-	285,665	25,378	-	750,000	-	-	19,642,568
Inventory	-	-	-	385,242	-	-	-	385,242
Receivables:								
Taxes	-	-	-	-	-	-	-	9,223,030
Accounts	-	-	-	-	-	-	-	906,408
Intergovernmental	-	-	-	-	2,780,771	-	-	3,370,717
Other assets	-	-	-	558	-	-	-	558
Total assets	\$ 17,100	\$ 395,039	\$ 70,012	\$ 680,911	\$ 3,683,257	\$ -	\$ 36	\$ 45,235,839
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 543,286
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	233,087
DMD seed money	-	-	-	2,500	-	-	-	2,500
Interfund payable	-	-	-	-	-	-	-	939,241
Total liabilities	-	-	-	2,500	-	-	-	1,718,114
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	2,780,771	-	-	12,182,889
Total deferred inflows of resources	-	-	-	-	2,780,771	-	-	12,182,889
Fund Balances								
Restricted	17,100	395,039	70,012	678,411	902,486	-	36	27,569,363
Committed	-	-	-	-	-	-	-	4,420,255
Unrestricted (deficit)	-	-	-	-	-	-	-	(654,782)
Total fund balances	17,100	395,039	70,012	678,411	902,486	-	36	31,334,836
Total liabilities, deferred inflows of resources and fund balances	\$ 17,100	\$ 395,039	\$ 70,012	\$ 680,911	\$ 3,683,257	\$ -	\$ 36	\$ 45,235,839

City of Evansville, Indiana

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2022

	Highway	Cares Act - 101 General COVID	Cares Act - 230 Law Enf COVID	Cares Act - 231 CDBG COVID	Cares Act - 279 ESG COVID	Cares Act - 282 EDA COVID	Cares Act - 446 Casino COVID	Local Road and Street	Parks and Recreation
Revenues									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,378,415
Income	-	-	-	-	-	-	-	-	-
Intergovernmental	6,982,231	-	14,573	1,123,407	478,065	14,529	-	2,277,461	653,611
Charges for services	19,203	-	-	-	-	-	-	-	1,667,435
Investment earnings	54,428	-	-	-	-	-	-	27,443	7,485
Miscellaneous	15,955	-	-	-	-	52,466	-	1,284,477	674,882
Total revenues	7,071,817	-	14,573	1,123,407	478,065	66,995	-	3,589,381	11,381,828
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	1,846,344	87,630	943,605	426,845	-	-	-	-
Highways and streets	6,141,934	-	-	-	-	-	-	753,736	-
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	9,929,160
Urban redevelopment	-	-	-	-	-	-	-	-	-
Principal	6,101	-	-	-	-	-	-	-	58,590
Interest	522	-	-	-	-	-	-	-	4,520
Capital outlay:									
General government	-	-	-	-	-	-	69,353	-	-
Highways and streets	-	-	-	-	-	-	-	874,762	-
Culture and recreation	-	-	-	-	-	-	-	-	6,082
Total expenditures	6,148,557	1,846,344	87,630	943,605	426,845	-	69,353	1,628,498	9,998,352
Excess (deficiency) of revenues over (under) expenditures	923,260	(1,846,344)	(73,057)	179,802	51,220	66,995	(69,353)	1,960,883	1,383,476
Other Financing Sources (Uses)									
Sale of assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	381,513
Transfers out	-	-	-	-	-	(86,180)	-	-	(207,858)
Total other financing sources (uses)	-	-	-	-	-	(86,180)	-	-	173,655
Net change in fund balances	923,260	(1,846,344)	(73,057)	179,802	51,220	(19,185)	(69,353)	1,960,883	1,557,131
Fund Balances (Deficit), Beginning	5,447,085	1,846,344	75,386	(179,802)	(51,220)	19,185	69,353	5,384,706	1,007,201
Fund Balances (Deficit), Ending	\$ 6,370,345	\$ -	\$ 2,329	\$ -	\$ -	\$ -	\$ -	\$ 7,345,589	\$ 2,564,332

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and
Nonmajor Special Revenue Funds
Year Ended December 31, 2022

	Parking Meter	Golf Course	Donation	Economic Development	Plan Commission	Parking Garages	Federal Grants	Community Dev Block Grant	Local Law Enforcement Continue
Revenues									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	154,484	-	-
Charges for services	-	-	309	-	7,388	-	-	-	116,640
Investment earnings	-	-	-	6,085	-	-	-	-	-
Miscellaneous	58	-	97,981	38,757	389,220	78,600	-	490,164	10,689
Total revenues	58	-	98,290	44,842	396,608	78,600	154,484	490,164	127,329
Expenditures									
Current:									
General government	-	-	91,583	-	198,304	-	-	-	-
Public safety	-	-	-	-	-	350,150	-	-	195,543
Highways and streets	167,496	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	85,800	-	-	166,773	-	-
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay:									
General government	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Total expenditures	167,496	-	91,583	85,800	198,304	350,150	166,773	-	195,543
Excess (deficiency) of revenues over (under) expenditures	(167,438)	-	6,707	(40,958)	198,304	(271,550)	(12,289)	490,164	(68,214)
Other Financing Sources (Uses)									
Sale of assets	-	-	-	-	-	-	-	-	-
Transfers in	182,000	430,000	-	-	-	187,000	-	-	-
Transfers out	-	-	-	-	-	-	-	(110,984)	-
Total other financing sources (uses)	182,000	430,000	-	-	-	187,000	-	(110,984)	-
Net change in fund balances	14,562	430,000	6,707	(40,958)	198,304	(84,550)	(12,289)	379,180	(68,214)
Fund Balances (Deficit), Beginning	(433)	(963,875)	130,564	906,225	1,297,686	175,002	162,585	(444,241)	528,895
Fund Balances (Deficit), Ending	\$ 14,129	\$ (533,875)	\$ 137,271	\$ 865,267	\$ 1,495,990	\$ 90,452	\$ 150,296	\$ (65,061)	\$ 460,681

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and
Nonmajor Special Revenue Funds
Year Ended December 31, 2022

	Unsafe Building	Local Inc Tax - Public Safety	Rental Rehab Program	Neighborhood Stabilization	Old Post Office	LOIT Special Distribution	Landlord Registry	HUD Fair Housing
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	4,567,287	-	-	-	-	-	-
Intergovernmental	-	188,112	-	5,000	-	-	-	6,500
Charges for services	618	-	-	10,000	-	-	21,545	-
Investment earnings	-	33,281	-	3,692	-	1,219	-	-
Miscellaneous	-	-	-	-	-	-	734	10,000
Total revenues	618	4,788,680	-	18,692	-	1,219	22,279	16,500
Expenditures								
Current:								
General government	-	-	-	68,605	-	-	52,920	-
Public safety	-	95,559	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	16,258
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Total expenditures	-	95,559	-	68,605	-	-	52,920	16,258
Excess (deficiency) of revenues over (under) expenditures	618	4,693,121	-	(49,913)	-	1,219	(30,641)	242
Other Financing Sources (Uses)								
Sale of assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	6,250	-	-	30,384	-
Transfers out	-	(5,627,799)	-	-	-	-	-	(56,000)
Total other financing sources (uses)	-	(5,627,799)	-	6,250	-	-	30,384	(56,000)
Net change in fund balances	618	(934,678)	-	(43,663)	-	1,219	(257)	(55,758)
Fund Balances (Deficit), Beginning	6,713	4,250,914	-	989,642	82,227	442,030	(504)	182,937
Fund Balances (Deficit), Ending	\$ 7,331	\$ 3,316,236	\$ -	\$ 945,979	\$ 82,227	\$ 443,249	\$ (761)	\$ 127,179

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and
Nonmajor Special Revenue Funds
Year Ended December 31, 2022

	Equal Emp Opportunity	Historic Preservation	Municipal Code Revolving	Zoo Animal Revolving	Aquatics Center	Emergency Solutions Grant	Housing Trust Fund Grant	EDA Revolving Loan
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-
Intergovernmental	61,350	-	-	-	-	237,919	-	-
Charges for services	-	510	-	-	165,975	-	-	-
Investment earnings	-	-	-	-	-	-	1,359	15,098
Miscellaneous	1,650	-	150	-	138,009	-	76,046	143,357
Total revenues	63,000	510	150	-	303,984	237,919	77,405	158,455
Expenditures								
Current:								
General government	47,035	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	1,124,416	-	-	-
Urban redevelopment	-	36	-	-	-	237,920	368,756	110,350
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Total expenditures	47,035	36	-	-	1,124,416	237,920	368,756	110,350
Excess (deficiency) of revenues over (under) expenditures	15,965	474	150	-	(820,432)	(1)	(291,351)	48,105
Other Financing Sources (Uses)								
Sale of assets	-	-	-	-	-	-	-	-
Transfers in	26,160	-	-	-	825,000	-	500,000	71,745
Transfers out	(66,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(39,840)	-	-	-	825,000	-	500,000	71,745
Net change in fund balances	(23,875)	474	150	-	4,568	(1)	208,649	119,850
Fund Balances (Deficit), Beginning	131,326	1,149	-	680	206,046	(55,084)	1,022,650	92,347
Fund Balances (Deficit), Ending	\$ 107,451	\$ 1,623	\$ 150	\$ 680	\$ 210,614	\$ (55,085)	\$ 1,231,299	\$ 212,197

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and
Nonmajor Special Revenue Funds
Year Ended December 31, 2022

	DMD Home Administration	IDHS Hazard Mitigation Grant	IHCDA Blight Elimination Progr	Jacobsville Redevelopment Area	Downtown Streetscape Redev	Golf Courses	Evansville Redevelopment Authority	Professional Sports & Convention Dev
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-
Intergovernmental	185,551	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	1,654,290	-	528,010
Investment earnings	-	-	-	3,366	-	-	15,460	-
Miscellaneous	10,000	-	-	84,589	32,244	4,710	-	-
Total revenues	195,551	-	-	87,955	32,244	1,659,000	15,460	528,010
Expenditures								
Current:								
General government	-	-	-	-	-	-	1	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	1,977,332	-	-
Urban redevelopment	186,078	-	-	129,057	160,941	-	-	-
Principal	-	-	-	-	-	-	3,370,000	-
Interest	-	-	-	-	-	-	3,622,950	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Total expenditures	186,078	-	-	129,057	160,941	1,977,332	6,992,951	-
Excess (deficiency) of revenues over (under) expenditures	9,473	-	-	(41,102)	(128,697)	(318,332)	(6,977,491)	528,010
Other Financing Sources (Uses)								
Sale of assets	-	-	-	194,374	-	-	-	-
Transfers in	-	-	-	-	-	226,805	7,079,000	-
Transfers out	-	-	-	-	-	-	-	(454,630)
Total other financing sources (uses)	-	-	-	194,374	-	226,805	7,079,000	(454,630)
Net change in fund balances	9,473	-	-	153,272	(128,697)	(91,527)	101,509	73,380
Fund Balances (Deficit), Beginning	87,877	3,599	35,136	945,715	602,129	108,659	1,696,437	146,676
Fund Balances (Deficit), Ending	\$ 97,350	\$ 3,599	\$ 35,136	\$ 1,098,987	\$ 473,432	\$ 17,132	\$ 1,797,946	\$ 220,056

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and
Nonmajor Special Revenue Funds
Year Ended December 31, 2022

	Animal Control Donation Restr	Oak Hill Perpetual Care	Locust Hill Perpetual Care	Evansville Brownfield Corporation	Opioid Settlement	American Rescue Plan Home Admin	Animal Control Donation Restricted - Travel	Total
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,378,415
Income	-	-	-	-	-	-	-	4,567,287
Intergovernmental	-	-	-	-	902,486	53,607	-	13,338,886
Charges for services	-	8,779	2,253	-	-	-	-	4,202,955
Investment earnings	-	-	-	-	-	-	-	168,916
Miscellaneous	-	2,140	374	99,855	-	-	400	3,737,507
Total revenues	-	10,919	2,627	99,855	902,486	53,607	400	34,393,966
Expenditures								
Current:								
General government	-	1,262	-	-	-	-	-	459,710
Public safety	-	-	-	-	-	53,607	-	3,999,283
Highways and streets	-	-	-	-	-	-	-	7,063,166
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	364	13,031,272
Urban redevelopment	-	-	-	15,344	-	-	-	1,477,313
Principal	-	-	-	-	-	-	-	3,434,691
Interest	-	-	-	-	-	-	-	3,627,992
Capital outlay:								
General government	-	-	-	-	-	-	-	69,353
Highways and streets	-	-	-	-	-	-	-	874,762
Culture and recreation	-	-	-	-	-	-	-	6,082
Total expenditures	-	1,262	-	15,344	-	53,607	364	34,043,624
Excess (deficiency) of revenues over (under) expenditures	-	9,657	2,627	84,511	902,486	-	36	350,342
Other Financing Sources (Uses)								
Sale of assets	-	-	-	-	-	-	-	194,374
Transfers in	-	-	-	-	-	-	-	9,945,857
Transfers out	-	-	-	-	-	-	-	(6,609,451)
Total other financing sources (uses)	-	-	-	-	-	-	-	3,530,780
Net change in fund balances	-	9,657	2,627	84,511	902,486	-	36	3,881,122
Fund Balances (Deficit), Beginning	17,100	385,382	67,385	593,900	-	-	-	27,453,714
Fund Balances (Deficit), Ending	\$ 17,100	\$ 395,039	\$ 70,012	\$ 678,411	\$ 902,486	\$ -	\$ 36	\$ 31,334,836

City of Evansville, Indiana

Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2022

	Arena Bond	Evansville Econ Sinking 15A	2016 Jacobsville Project	General Obligation Loan	Park Bond Refunding 2010	Evansville Red Convention HTL
Assets						
Cash and cash equivalents	\$ 2,094,444	\$ -	\$ -	\$ 12,316	\$ 91,599	\$ 809,491
Investments	-	291	462	-	-	-
Total assets	<u>\$ 2,094,444</u>	<u>\$ 291</u>	<u>\$ 462</u>	<u>\$ 12,316</u>	<u>\$ 91,599</u>	<u>\$ 809,491</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-
Fund Balances						
Restricted	<u>2,094,444</u>	<u>291</u>	<u>462</u>	<u>12,316</u>	<u>91,599</u>	<u>809,491</u>
Total fund balances	<u>2,094,444</u>	<u>291</u>	<u>462</u>	<u>12,316</u>	<u>91,599</u>	<u>809,491</u>
Total liabilities and fund balances	<u>\$ 2,094,444</u>	<u>\$ 291</u>	<u>\$ 462</u>	<u>\$ 12,316</u>	<u>\$ 91,599</u>	<u>\$ 809,491</u>

City of Evansville, Indiana

Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2022

	2011 Berry Plastics Econ Serie	Evansville Park 12 Sinking Fund	Eville Economic Dev 14 Constr	2016A Downtown Hotel	2016 IU Medical School	2015C IU Medical School	2015D IU Medical School
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	<u>489</u>	<u>674</u>	<u>197,584</u>	<u>749,118</u>	<u>8,746</u>	<u>868,758</u>	<u>1,203,044</u>
Total assets	<u>\$ 489</u>	<u>\$ 674</u>	<u>\$ 197,584</u>	<u>\$ 749,118</u>	<u>\$ 8,746</u>	<u>\$ 868,758</u>	<u>\$ 1,203,044</u>
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	<u>489</u>	<u>674</u>	<u>197,584</u>	<u>749,118</u>	<u>8,746</u>	<u>868,758</u>	<u>1,203,044</u>
Total fund balances	<u>489</u>	<u>674</u>	<u>197,584</u>	<u>749,118</u>	<u>8,746</u>	<u>868,758</u>	<u>1,203,044</u>
Total liabilities and fund balances	<u>\$ 489</u>	<u>\$ 674</u>	<u>\$ 197,584</u>	<u>\$ 749,118</u>	<u>\$ 8,746</u>	<u>\$ 868,758</u>	<u>\$ 1,203,044</u>

City of Evansville, Indiana

Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2022

	2016A IU Medical School	Parks Special District	ERC 2020 BAN NORTH MAIN LOFTS	Evansville New Building Garage	Parks Special District	Total
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,971,537	\$ 649,180	\$ 5,628,567
Investments	<u>1,702</u>	<u>277</u>	<u>1</u>	<u>-</u>	<u>500,179</u>	<u>3,531,325</u>
Total assets	<u>\$ 1,702</u>	<u>\$ 277</u>	<u>\$ 1</u>	<u>\$ 1,971,537</u>	<u>\$ 1,149,359</u>	<u>\$ 9,159,892</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 182,414	\$ 113,009	\$ 295,423
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,414</u>	<u>113,009</u>	<u>295,423</u>
Fund Balances						
Restricted	<u>1,702</u>	<u>277</u>	<u>1</u>	<u>1,789,123</u>	<u>1,036,350</u>	<u>8,864,469</u>
Total fund balances	<u>1,702</u>	<u>277</u>	<u>1</u>	<u>1,789,123</u>	<u>1,036,350</u>	<u>8,864,469</u>
Total liabilities and fund balances	<u>\$ 1,702</u>	<u>\$ 277</u>	<u>\$ 1</u>	<u>\$ 1,971,537</u>	<u>\$ 1,149,359</u>	<u>\$ 9,159,892</u>

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Debt Service Funds

Year Ended December 31, 2022

	Arena Bond	Evansville Econ Sinking 15A	2016 Jacobsville Project	General Obligation Loan	Park Bond Refunding 2010	Evansville Red Convention HTL
Revenues						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,278,196
Investment earnings	-	35	80	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	-	35	80	-	-	1,278,196
Expenditures						
Current:						
General government	5,580	1	2	-	97	3,713
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	325,000
Interest	-	-	-	-	512,078	416,875
Total expenditures	5,580	1	2	-	512,175	745,588
Excess (deficiency) of revenues over (under) expenditures	(5,580)	34	78	-	(512,175)	532,608
Other Financing Sources (Uses)						
Sale of assets	-	-	-	-	-	-
Transfers in	6,601,074	-	-	-	575,500	1,213
Transfers out	(7,079,000)	-	-	-	-	(522,000)
Total other financing sources (uses)	(477,926)	-	-	-	575,500	(520,787)
Net change in fund balances	(483,506)	34	78	-	63,325	11,821
Fund Balances, Beginning	<u>2,577,950</u>	<u>257</u>	<u>384</u>	<u>12,316</u>	<u>28,274</u>	<u>797,670</u>
Fund Balances, Ending	<u>\$ 2,094,444</u>	<u>\$ 291</u>	<u>\$ 462</u>	<u>\$ 12,316</u>	<u>\$ 91,599</u>	<u>\$ 809,491</u>

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and Cl
Nonmajor Debt Service Funds
Year Ended December 31, 2022

	2011 Berry Plastics Econ Serie	Evansville Park 12 Sinking Fund	Eville Economic Dev 14 Constr	2016A Downtown Hotel	2016 IU Medical School	2015C IU Medical School
Revenues						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	118	10	2,049	7,401	170	8,556
Miscellaneous	-	-	750	522,000	-	-
Total revenues	118	10	2,799	529,401	170	8,556
Expenditures						
Current:						
General government	-	1	751	1	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	255,000	-	320,002
Interest	-	-	-	254,350	-	305,325
Total expenditures	-	1	751	509,351	-	625,327
Excess (deficiency) of revenues over (under) expenditures	118	9	2,048	20,050	170	(616,771)
Other Financing Sources (Uses)						
Sale of assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	638,500
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	638,500
Net change in fund balances	118	9	2,048	20,050	170	21,729
Fund Balances, Beginning	371	665	195,536	729,068	8,576	847,029
Fund Balances, Ending	\$ 489	\$ 674	\$ 197,584	\$ 749,118	\$ 8,746	\$ 868,758

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and CI

Nonmajor Debt Service Funds

Year Ended December 31, 2022

	2015D IU Medical School	2016A IU Medical School	Parks Special District	ERC 2020 BAN NORTH MAIN LOFTS	Evansville New Building Garage	Parks Special District	Total
Revenues							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,278,196
Investment earnings	11,886	69	123	1	-	2,239	32,737
Miscellaneous	-	-	-	9,512	-	108,998	641,260
Total revenues	11,886	69	123	9,513	-	111,237	1,952,193
Expenditures							
Current:							
General government	1	1	2	-	-	-	10,150
Culture and recreation	-	-	-	-	-	1,242,840	1,242,840
Urban redevelopment	-	-	-	522,000	743,377	-	1,265,377
Debt service:							
Principal	425,000	-	-	-	-	685,000	2,010,002
Interest	470,151	-	-	9,512	-	841,250	2,809,541
Total expenditures	895,152	1	2	531,512	743,377	2,769,090	7,337,910
Excess (deficiency) of revenues over (under) expenditures	(883,266)	68	121	(521,999)	(743,377)	(2,657,853)	(5,385,717)
Other Financing Sources (Uses)							
Sale of assets	-	-	-	-	2,532,500	-	2,532,500
Transfers in	908,000	-	-	522,000	-	2,637,754	11,884,041
Transfers out	-	-	-	-	-	-	(7,601,000)
Total other financing sources (uses)	908,000	-	-	522,000	2,532,500	2,637,754	6,815,541
Net change in fund balances	24,734	68	121	1	1,789,123	(20,099)	1,429,824
Fund Balances, Beginning	1,178,310	1,634	156	-	-	1,056,449	7,434,645
Fund Balances, Ending	\$ 1,203,044	\$ 1,702	\$ 277	\$ 1	\$ 1,789,123	\$ 1,036,350	\$ 8,864,469

City of Evansville, Indiana

Combining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2022

	Greenway Project	Jacobsville TIF	Master TIF Projects	CUM CAPL IMP Cigarette	PUBL IMP Barrett Law	Redev Capital Nonreverting	Food and Beverage Tax
Assets							
Cash and cash equivalents	\$ 31,274	\$ 1,252,464	\$ 2,825,060	\$ 103,886	\$ 166,330	\$ 50,406	\$ 2,967,651
Investments	-	2,407,455	2,533,666	-	-	148,240	-
Receivables:							
Accounts	-	-	-	-	149,859	-	-
Total assets	<u>\$ 31,274</u>	<u>\$ 3,659,919</u>	<u>\$ 5,358,726</u>	<u>\$ 103,886</u>	<u>\$ 316,189</u>	<u>\$ 198,646</u>	<u>\$ 2,967,651</u>
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ 1,163	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>1,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	<u>31,274</u>	<u>3,658,756</u>	<u>5,358,726</u>	<u>103,886</u>	<u>316,189</u>	<u>198,646</u>	<u>2,967,651</u>
Total fund balances	<u>31,274</u>	<u>3,658,756</u>	<u>5,358,726</u>	<u>103,886</u>	<u>316,189</u>	<u>198,646</u>	<u>2,967,651</u>
Total liabilities and fund balances	<u>\$ 31,274</u>	<u>\$ 3,659,919</u>	<u>\$ 5,358,726</u>	<u>\$ 103,886</u>	<u>\$ 316,189</u>	<u>\$ 198,646</u>	<u>\$ 2,967,651</u>

City of Evansville, Indiana

Combining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2022

	Evansville Burkhardt EDA TIF	Evansville New Building Garage	Evansville Vision	Parks District Bond Series 2022 A	Parks District Bond Series 2022 B	Evansville Economic Development 22 Refunding	Arts District	Total
Assets								
Cash and cash equivalents	\$ 15,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,106	\$ 7,422,060
Investments	-	24,849,425	6,696,296	5,317,756	4,896,660	1	-	46,849,499
Receivables:								
Accounts	-	-	-	-	-	-	-	149,859
Total assets	<u>\$ 15,883</u>	<u>\$ 24,849,425</u>	<u>\$ 6,696,296</u>	<u>\$ 5,317,756</u>	<u>\$ 4,896,660</u>	<u>\$ 1</u>	<u>\$ 9,106</u>	<u>\$ 54,421,418</u>
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,163
Total liabilities	-	-	-	-	-	-	-	1,163
Fund Balances								
Restricted	15,883	24,849,425	6,696,296	5,317,756	4,896,660	1	9,106	54,420,255
Total fund balances	15,883	24,849,425	6,696,296	5,317,756	4,896,660	1	9,106	54,420,255
Total liabilities and fund balances	<u>\$ 15,883</u>	<u>\$ 24,849,425</u>	<u>\$ 6,696,296</u>	<u>\$ 5,317,756</u>	<u>\$ 4,896,660</u>	<u>\$ 1</u>	<u>\$ 9,106</u>	<u>\$ 54,421,418</u>

City of Evansville, Indiana

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

Nonmajor Capital Project Funds

Year Ended December 31, 2022

	<u>Greenway Project</u>	<u>Jacobsville TIF</u>	<u>Master TIF Projects</u>	<u>CUM CAPL IMP - Cigarette</u>	<u>PULB IMP Barrett Law</u>	<u>Redev Capital Nonreverting</u>	<u>Food and Beverage Tax</u>
Revenues							
Taxes:							
Property	\$ -	\$ 2,097,641	\$ 7,427,985	\$ -	\$ 1,166	\$ -	\$ -
Intergovernmental	-	-	-	212,894	-	-	5,730,242
Investment earnings	-	19,974	34,002	-	-	2,928	-
Other:							
Miscellaneous	-	5,713	-	-	-	-	-
Total revenues	-	2,123,328	7,461,987	212,894	1,166	2,928	5,730,242
Expenditures							
Current:							
General government	-	108,981	7,692	-	-	217,040	-
Highways and streets	-	-	-	-	57,124	-	-
Urban redevelopment	-	-	97,037	-	-	-	-
Debt service:							
Principal	-	555,000	3,785,000	-	-	-	-
Interest	-	545,287	988,415	-	-	-	-
Capital outlay:							
Urban redevelopment	24,950	-	-	-	-	-	-
Total expenditures	24,950	1,209,268	4,878,144	-	57,124	217,040	-
Excess (deficiency) of revenues over (under) expenditures	(24,950)	914,060	2,583,843	212,894	(55,958)	(214,112)	5,730,242
Other Financing Sources (Uses)							
Bond proceeds	-	-	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-	-	-
Transfers out	-	(764,025)	(1,553,963)	(217,390)	-	-	(5,489,544)
Total other financing sources (uses)	-	(764,025)	(1,553,963)	(217,390)	-	-	(5,489,544)
Net change in fund balances	(24,950)	150,035	1,029,880	(4,496)	(55,958)	(214,112)	240,698
Fund Balances, Beginning	56,224	3,508,721	4,328,846	108,382	372,147	412,758	2,726,953
Fund Balances, Ending	\$ 31,274	\$ 3,658,756	\$ 5,358,726	\$ 103,886	\$ 316,189	\$ 198,646	\$ 2,967,651

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and
Nonmajor Capital Project Funds
Year Ended December 31, 2022

	Evansville Burkhardt EDA TIF	Evansville New Building Garage	Evansville Vision	Parks District Bond Series 2022 A	Parks District Bond Series 2022 B	Evansville Economic Development 22	Arts District	Total
Revenues								
Taxes:								
Property	\$ 15,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,542,675
Intergovernmental	-	-	-	-	-	-	-	5,943,136
Investment earnings	-	156,777	10,495	260,485	-	-	-	484,661
Other:								
Miscellaneous	-	50,538	1	22	114,732	1	-	171,007
Total revenues	15,883	207,315	10,496	260,507	114,732	1	-	16,141,479
Expenditures								
Current:								
General government	-	-	1,700	-	-	-	-	335,413
Highways and streets	-	-	-	-	-	-	-	57,124
Urban redevelopment	-	2,401,852	282,500	158,988	-	1,099,000	-	4,039,377
Debt service:								
Principal	-	-	-	-	-	1,634,116	-	5,974,116
Interest	-	-	-	-	-	21,884	-	1,555,586
Capital outlay:								
Urban redevelopment	-	531,087	-	-	-	-	-	556,037
Total expenditures	-	2,932,939	284,200	158,988	-	2,755,000	-	12,517,653
Excess (deficiency) of revenues over (under) expenditures	15,883	(2,725,624)	(273,704)	101,519	114,732	(2,754,999)	-	3,623,826
Other Financing Sources (Uses)								
Bond proceeds	-	26,470,000	6,970,000	5,020,000	4,365,000	2,755,000	-	45,580,000
Bond premium (discount)	-	1,105,049	-	196,237	416,928	-	-	1,718,214
Transfers out	-	-	-	-	-	-	-	(8,024,922)
Total other financing sources (uses)	-	27,575,049	6,970,000	5,216,237	4,781,928	2,755,000	-	39,273,292
Net change in fund balances	15,883	24,849,425	6,696,296	5,317,756	4,896,660	1	-	42,897,118
Fund Balances, Beginning	-	-	-	-	-	-	9,106	11,523,137
Fund Balances, Ending	\$ 15,883	\$ 24,849,425	\$ 6,696,296	\$ 5,317,756	\$ 4,896,660	\$ 1	\$ 9,106	\$ 54,420,255

City of Evansville, Indiana

Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2022

	Mattie J Bayard				Evansville	
	Coleman Trust	Trust	RT Legler Trust	Melzer Trust	Community Trust	Total
Assets						
Cash and cash equivalents	\$ 53	\$ 28	\$ 11	\$ -	\$ -	\$ 92
Investments	<u>13,309</u>	<u>6,792</u>	<u>2,625</u>	<u>55,956</u>	<u>13,189</u>	<u>91,871</u>
Total assets	<u>\$ 13,362</u>	<u>\$ 6,820</u>	<u>\$ 2,636</u>	<u>\$ 55,956</u>	<u>\$ 13,189</u>	<u>\$ 91,963</u>
Fund Balances						
Restricted	<u>\$ 13,362</u>	<u>\$ 6,820</u>	<u>\$ 2,636</u>	<u>\$ 55,956</u>	<u>\$ 13,189</u>	<u>\$ 91,963</u>
Total fund balances	<u>\$ 13,362</u>	<u>\$ 6,820</u>	<u>\$ 2,636</u>	<u>\$ 55,956</u>	<u>\$ 13,189</u>	<u>\$ 91,963</u>

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Permanent Funds

Year Ended December 31, 2022

	Mattie J Bayard			Evansville Community		
	Coleman Trust	Trust	RT Legler Trust	Melzer Trust	Trust	Total
Revenues						
Investment earnings	\$ 54	\$ 29	\$ 10	\$ 3,392	\$ 53	\$ 3,538
Total revenues	54	29	10	3,392	53	3,538
Excess (deficiency) of revenues over (under) expenditures	54	29	10	3,392	53	3,538
Net change in fund balances	54	29	10	3,392	53	3,538
Fund Balances, Beginning	13,308	6,791	2,626	52,564	13,136	88,425
Fund Balances, Ending	<u>\$ 13,362</u>	<u>\$ 6,820</u>	<u>\$ 2,636</u>	<u>\$ 55,956</u>	<u>\$ 13,189</u>	<u>\$ 91,963</u>

City of Evansville, Indiana

Combining Statement of Net Position -
Component Units
December 31, 2022

	Component Units				
	Port Authority	Evansville Bond Bank	Levee Authority	Land Bank	Total
Assets and Deferred Inflows of Resources					
Assets					
Cash and cash equivalents	\$ 143,707	\$ 3,846,965	\$ 1,875,441	\$ 231,683	\$ 6,097,796
Investments	-	500,000	3,404,622	450,190	4,354,812
Receivables:					
Interest	-	174,461	-	-	174,461
Notes receivable	-	7,308,327	-	-	7,308,327
Other assets	-	-	1,500	-	1,500
Capital assets:					
Land and construction in progress	-	-	435,468	707,085	1,142,553
Other capital assets, net of depreciation	6,469,117	-	1,624,763	4,426	8,098,306
Total assets	6,612,824	11,829,753	7,341,794	1,393,384	27,177,755
Deferred Outflows of Resources					
Pension Related	-	-	178,785	-	178,785
OPEB Related	-	-	41,928	-	41,928
Total deferred outflow of resources	-	-	220,713	-	220,713
Liabilities, Deferred Inflows of Resources and Net Position					
Liabilities					
Accounts payable	11,446	82,000	29,403	-	122,849
Accrued payroll and withholdings payable	-	-	18,410	-	18,410
Noncurrent liabilities:					
Due in more than one year:					
Net pension liability	-	-	451,295	-	451,295
Total OPEB liability	-	-	161,810	-	161,810
Total liabilities	11,446	82,000	660,918	-	754,364
Deferred Inflows of Resources					
Pension related	-	-	4,629	-	4,629
OPEB related	-	-	75,076	-	75,076
Total deferred inflow of resources	-	-	79,705	-	79,705
Net Position					
Net investment in capital assets	6,469,117	-	1,624,763	711,511	8,805,391
Net position, restricted for:					
Encumbrances	-	62,051	-	-	62,051
Net position, unrestricted	132,261	11,685,702	5,197,121	681,873	17,696,957
Total net position	\$ 6,601,378	\$ 11,747,753	\$ 6,821,884	\$ 1,393,384	\$ 26,564,399

City of Evansville, Indiana

Combining Statement of Activities - Nonmajor Component Units
Year Ended December 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position Component Units				
	Expenses	Charges for	Operating	Capital	Port Authority	Evansville			Total
		Services	Grants and Contributions	Grants and Contributions		Bond Bank	Levee Authority	Land Bank	
Component Units									
Port Authority	\$ 388,350	\$ -	\$ -	\$ -	\$ (388,350)	\$ -	\$ -	\$ -	\$ (388,350)
Evansville Bond Bank	369,315	-	-	-	-	(369,315)	-	-	(369,315)
Levee Authority	1,069,164	1,500	-	-	-	-	(1,067,664)	-	(1,067,664)
Land Bank	364,122	-	-	-	-	-	-	(364,122)	(364,122)
Total component units	<u>\$ 2,190,951</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(388,350)</u>	<u>(369,315)</u>	<u>(1,067,664)</u>	<u>(364,122)</u>	<u>(2,189,451)</u>
Taxes:									
Property taxes					-	-	1,630,493	-	1,630,493
Income taxes					-	-	500,444	-	500,444
Grants and contributions not restricted to specific programs					-	-	135,179	250,000	385,179
Investment income					191	138,976	28,152	55	167,374
Donations					-	-	-	58,108	58,108
Miscellaneous					152,619	-	854	-	153,473
Gain(loss) on disposal of assets					-	-	-	7,826	7,826
Total general revenues and transfers					<u>152,810</u>	<u>138,976</u>	<u>2,295,122</u>	<u>315,989</u>	<u>2,902,897</u>
Change in net position					(235,540)	(230,339)	1,227,458	(48,133)	713,446
Net Position, Beginning, as Previously Stated					6,836,918	11,978,092	5,750,634	1,441,517	26,007,161
Prior Period Adjustment for OPEB					-	-	(156,208)	-	(156,208)
Net position, Beginning as Restated					6,836,918	11,978,092	5,594,426	1,441,517	25,850,953
Net Position, Ending					\$ 6,601,378	\$ 11,747,753	\$ 6,821,884	\$ 1,393,384	\$ 26,564,399

City of Evansville, Indiana

Combining Statement of Net Position -
Internal Service Funds
December 31, 2022

	Purchasing	Hospitalization Insurance	Self-Insurance	Unemployment Insurance	Workers Compensation	Liability Insurance	Accounts Payable Clearing	Total
Assets								
Investments	\$ -	\$ -	\$ 50,925	\$ 113,435	\$ 300,566	\$ -	\$ -	\$ 464,926
Receivables:								
Accounts	267	-	-	-	15,008	5,888		21,163
Interfund receivable:								
Interfund receivables	16,072	-	10,784	23,737	987,799	-		1,038,392
	<u>16,339</u>	<u>-</u>	<u>61,709</u>	<u>137,172</u>	<u>1,303,373</u>	<u>5,888</u>		<u>1,524,481</u>
Total assets	\$ 16,339	\$ -	\$ 61,709	\$ 137,172	\$ 1,303,373	\$ 5,888		\$ 1,524,481
Liabilities and Net Position								
Liabilities								
Accrued payroll and withholdings payable	\$ -	\$ 1,070	\$ 1,883	\$ 1,946	\$ -	\$ -	\$ -	\$ 4,899
Interfund payable:								
Interfund payable	-	2,156,348	-	-	-	5,888		2,162,236
Claims payable	-	4,361,918	-	-	-	-		4,361,918
	<u>-</u>	<u>6,519,336</u>	<u>1,883</u>	<u>1,946</u>	<u>-</u>	<u>5,888</u>		<u>6,529,053</u>
Total liabilities	-	6,519,336	1,883	1,946	-	5,888		6,529,053
Net Position								
Restricted	16,339	-	59,826	135,226	1,303,373	-		1,514,764
Unrestricted (deficit)	-	(6,519,336)	-	-	-	-		(6,519,336)
	<u>16,339</u>	<u>(6,519,336)</u>	<u>59,826</u>	<u>135,226</u>	<u>1,303,373</u>	<u>-</u>		<u>(5,004,572)</u>
Total net position	16,339	(6,519,336)	59,826	135,226	1,303,373	-		(5,004,572)
Total liabilities and net position	\$ 16,339	\$ -	\$ 61,709	\$ 137,172	\$ 1,303,373	\$ 5,888		\$ 1,524,481

City of Evansville, Indiana

Combining Statement of Revenues, Expenses and Changes in Net Position -

Internal Service Funds

Year Ended December 31, 2022

	Purchasing	Hospitalization Self- Insurance	Unemployment Insurance	Workers Compensation	Liability Insurance	Accounts Payable Clearing	Total
Revenues							
Charges for services	\$ 289,139	\$ 21,821,564	\$ 93,075	\$ 754,045	\$ 3,561,047	\$ 227,011	\$ 26,745,881
Investment earnings	-	-	932	3,639	5,779	-	10,350
Miscellaneous	2,112	767,452	-	163,660	2,575,037	99	3,508,360
Total revenues	291,251	22,589,016	94,007	921,344	6,141,863	227,110	30,264,591
Expenditures							
Current:							
General government	295,307	20,142,946	168,595	1,269,602	5,527,060	217,560	27,621,070
Total expenditures	295,307	20,142,946	168,595	1,269,602	5,527,060	217,560	27,621,070
Excess (deficiency) of revenues over (under) expenditures	(4,056)	2,446,070	(74,588)	(348,258)	614,803	9,550	2,643,521
Change in net position	(4,056)	2,446,070	(74,588)	(348,258)	614,803	9,550	2,643,521
Net Position (Deficit), Beginning	20,395	(8,965,406)	134,414	483,484	688,570	(9,550)	(7,648,093)
Net Position (Deficit), Ending	\$ 16,339	\$ (6,519,336)	\$ 59,826	\$ 135,226	\$ 1,303,373	\$ -	\$ (5,004,572)

City of Evansville, Indiana

Combining Statement of Fiduciary Net Position -
Pension Trust Funds
December 31, 2022

	Fire Pension	Police Pension	Total Pension Trust Funds
Assets			
Cash and cash equivalents	\$ 773,412	\$ 763,243	\$ 1,536,655
Investments at fair value:			
Fixed income securities	3,269,154	4,023,856	7,293,010
Total Investments	3,269,154	4,023,856	7,293,010
Total assets	4,042,566	4,787,099	8,829,665
Net Position			
Restricted for pensions	\$ 4,042,566	\$ 4,787,099	\$ 8,829,665

City of Evansville, Indiana

Combining Statement of Changes in Fiduciary Net Position -

Pension Trust Funds

Year Ended December 31, 2022

	Fire Pension	Police Pension	Total Pension Trust Funds
Additions			
Contributions:			
Contributions from nonemployer contributing entities	\$ 4,616,554	\$ 6,083,257	\$ 10,699,811
Total contributions and transfers	4,616,554	6,083,257	10,699,811
Investment income:			
Interest	31,673	37,009	68,682
Total investment income	31,673	37,009	68,682
Total additions	4,648,227	6,120,266	10,768,493
Deductions			
Pension benefits	4,685,652	6,122,914	10,808,566
Total deductions	4,685,652	6,122,914	10,808,566
Change in fiduciary net position	(37,425)	(2,648)	(40,073)
Net Position, Beginning	4,079,991	4,789,747	8,869,738
Net Position, Ending	\$ 4,042,566	\$ 4,787,099	\$ 8,829,665

CITY OF EVANSVILLE
Vanderburgh County, Indiana

**SINGLE AUDIT REPORT IN
ACCORDANCE WITH UNIFORM GUIDANCE**
December 31, 2022

CITY OF EVANSVILLE
Vanderburgh County, Indiana

SINGLE AUDIT REPORT IN
ACCORDANCE WITH UNIFORM GUIDANCE
December 31, 2022

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CITY OF EVANSVILLE
SCHEDULE OF OFFICIALS (Unaudited)
December 31, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Russell G. Lloyd Jr., CPA	01-01-22 to 12-31-22
Mayor	Lloyd Winnecke	01-01-20 to 12-31-23
President of the Board of Public Works	William Nix	01-01-22 to 12-31-22
President of the Common Council	Zac Heronemus	01-01-22 to 12-31-23
Director of Utilities	Lane Young	01-01-22 to 12-31-22
Chief Financial Officer of Utilities	(Vacant) Lee Angela Phaup	03-05-22 to 12-31-22 01-01-22 to 03-04-22
President of the Department of Water Works Board	Steven Heidorn	01-01-22 to 12-31-22

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 22, 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. Our report includes a qualified opinion on the aggregate discretely presented component units as a result of the methods used to value purchased and donated property inventory by management of the Evansville Land Bank, which is not in accordance with accounting principles generally accepted in the United States of America. 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 the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be a material weakness.

(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*.

Management's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
December 22, 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, 2022. 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, 2022.

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.

(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.

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 22, 2023, which contained a 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
December 22, 2023

CITY OF EVANSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2022

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	Pass-Through To Subrecipient
<u>Department of Commerce</u>					
Economic Development Cluster					
Economic Adjustment Assistance					
CARES Act Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Awards	Direct Award	11.307	06-19-06211	\$ 442,012	\$ -
Total - Economic Development Cluster				442,012	-
<u>Department of Housing and Urban Development</u>					
Entitlement Grants Cluster					
Community Development Block Grant/Entitlement Grants	Direct Award	14.218	B-18-MC-18-0002	29,171	27,446
	Direct Award	14.218	B-19-MC-18-0002	471,292	371,550
	Direct Award	14.218	B-20-MC-18-0002	887,477	670,364
	Direct Award	14.218	B-20-MW-18-0002	983,876	882,536
	Direct Award	14.218	B-21-MC-18-0002	705,862	705,862
COVID-19	Direct Award	14.218	A-192-21-CV-CV2-331	149,911	-
COVID-19	Direct Award	14.218	A192-21-CV-CV2-332	149,911	-
Total - CDBG - Entitlement Grants Cluster				3,377,500	2,657,758
Emergency Solutions Grant Program	Direct Award	14.231	E-20-MC-18-0002	87,578	87,578
	Direct Award	14.231	E-20-MW-18-0002	463,599	463,319
	Direct Award	14.231	E-21-MC-18-0002	174,356	174,356
Total - Emergency Solutions Grant Program				725,533	725,253
Home Investment Partnership Program	Direct Award	14.239	M-17-MC-18-0201	582	-
	Direct Award	14.239	M-18-MC-18-0201	19,046	-
	Direct Award	14.239	M-19-MC-18-0201	65,803	29,194
	Direct Award	14.239	M-20-MC-18-0201	129,335	119,335
	Direct Award	14.239	M-21-MP-18-0201	53,607	-
Total - Home Investment Partnership Program				268,373	148,529
Fair Housing Initiatives Program	Direct Award	14.408			
Human Relations Fair Housing Assistance Program			FF205K215016	6,500	-
Total - Department of Housing and Urban Development				4,377,906	3,531,539

(Continued)

CITY OF EVANSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2022

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	Pass-Through To Subrecipient
<u>Department of Justice</u>					
Coronavirus Emergency Supplemental Funding Program	Direct Award	16.034	2020-VD-BX-0318	14,573	-
Edward Byrne Memorial Justice Assistance Grant Program	Direct Award	16.738			
			2019-DJ-BX-0882	20,290	20,290
			2020-DJBX-0957	25,622	-
			JAG-2022-00094	123,500	-
Total - Edward Byrne Memorial Justice Assistance Grant Program				169,412	20,290
Opioid Affected Youth Initiative	Direct Award	16.842	2019-YB-FX-K005	364,705	314,264
Total - Department of Justice				548,690	334,555
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning And Construction	Indiana Department of Transportation	20.205	DES 1700400	74,853	-
	Indiana Department of Transportation	20.205	DES 1801727	301,556	-
	Indiana Department of Transportation	20.205	DES 1801969	188,112	-
	Indiana Department of Transportation	20.205	DES 1802793	9,121	-
Total - Highway Planning and Construction Cluster				573,642	-
Highway Safety Cluster					
Traffic Safety Program	Indiana Criminal Justice Institute	20.600	CHIRP-2022-00065	39,910	-
Total - Highway Safety Cluster				39,910	-
Federal Transit Cluster					
Federal Transit Formula Grants	Direct Award	20.507	IN-2022-025	262,707	-
	Direct Award	20.507	IN-2018-025-00 SECTION 5307-2A	503	-
	Direct Award	20.507	IN-2019-012-01	148	-
COVID-19 (CARES Act)	Direct Award	20.507	IN-2020-034-00	1,247	-
	Direct Award	20.507	IN-2021-035	698,786	-
COVID-19 (ARP Act)	Direct Award	20.507	IN-2022-005	1,887,306	-
	Direct Award	20.526	IN-2021-035-03	220,387	-
Total - Federal Transit Cluster				3,071,084	-
Total - Department of Transportation				3,684,636	-

(Continued)

CITY OF EVANSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2022

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	Pass-Through To Subrecipient
<u>Department of the Treasury</u>					
Coronavirus State and Local Fiscal Recovery Funds American Rescue Plan Act	Direct Award	21.027	2022	7,962,176	-
Total - Department of the Treasury				7,962,176	-
<u>Equal Employment Opportunity Commission</u>					
Employment Discrimination Title VII of The Civil Rights Act Of 1964	Direct Award	30.001	EEC45310021C0021	61,350	-
Total - Equal Employment Opportunity Commission				61,350	-
<u>Environmental Protection Agency</u>					
Capitalization Grants For Clean Water State Revolving Funds	Indiana Finance Authority	66.458	WW19138219	5,087,786	-
Total - Environmental Protection Agency				5,087,786	-
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Direct Award	97.036	PROJECT # 147500	178,210	-
Port Security Grant Program	Direct Award	97.056	EMW-2021-PU-00337	38,787	38,787
Total - Department of Homeland Security				216,997	38,787
Total federal awards expended				\$ 22,381,553	\$ 3,904,881

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF EVANSVILLE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2022

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, 2022. 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 amount presented on the schedule of expenditures of federal awards for the Economic Development Cluster represents loan balances outstanding at December 31, 2021 plus current year loan disbursements for which the government imposes continuing compliance requirements. 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	\$ 400,775
New revolving loan funds issued in 2022	35,000
Administrative expenses paid out of RLF during 2022	<u>6,237</u>
Expenditures reported on SEFA	<u><u>\$ 442,012</u></u>

The outstanding revolving loan fund balance is \$377,941 as of December 31, 2022.

CITY OF EVANSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2022

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditors report issued:

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

Internal control over financial reporting

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

Noncompliance material to financial statements noted?

<u> </u> Yes	<u> X </u> No
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Federal Awards:

Internal control over major programs

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

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

Unmodified

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

<u> </u> Yes	<u> X </u> No
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Identification of major programs

Assistance Listing Number
20.507, 20.526
21.027

Name of Federal Program or Cluster
Federal Transit Cluster
Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> X </u> No
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(Continued)

CITY OF EVANSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2022

Section II – Financial Statement Findings

FINDING 2022-001

Subject: Internal Controls over Financial Reporting
Audit Finding: Material Weakness

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

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

Cause: The City's reporting entity generally records its' activities on a cash basis throughout the year and converts to GAAP at year end. Prior period adjustments were made to correct errors discovered during the audit. Current period adjustments related to proper cut-off of revenue and expense and related receivables and liabilities.

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

Prior period adjustment:

- A prior period adjustment was posted in the current year to allocate the total OPEB liability, deferred outflows of resources, and deferred inflows of resources to opinion units with employees eligible for benefits. Previously, the OPEB liability and related deferrals was recorded entirely to Governmental Activities. The effect of the entry was an increase to beginning net position for Governmental Activities by \$6,132,858, a decrease to business type activities beginning net position by \$5,976,650, and a decrease to discretely presented component units beginning net position by \$156,208.

Current period adjustments:

- A current year entry was posted to Business Type Activities to decrease cash with fiscal agent and retainage payable by \$831,303 to reconcile cash with fiscal agent accounts to bank balances.
- A current year entry was posted to the Casino Gaming fund to recognize accounts receivable and rent revenue of \$638,823 for December 2022 rent not receipted until January 2023.
- A current year entry was posted to the Casino Gaming fund to recognize taxes receivable and gaming and admission tax revenues of \$1,146,606 from October – December 2022 not receipted until January 2023.
- A current year entry was posted to the Casino Gaming fund to increase the lease receivable by \$654,152, deferred inflows of resources by \$200,622, and rent revenue by \$453,530 for an error in initial present value calculation of the lease receivable under GASB Statement No. 87, *Leases*.

(Continued)

CITY OF EVANSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2022

Section II – Financial Statement Findings (Continued)

FINDING 2022-001 (Continued)

Other financial reporting matters:

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

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

Identification as a repeat finding, if applicable: No.

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

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None noted.



CITY OF EVANSVILLE

Office of the Controller

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EVANSVILLE, INDIANA 47708
(812) 436-4919

Lloyd Winnecke, Mayor

Russell G. Lloyd Jr. CPA, Controller

CORRECTIVE ACTION PLAN

FINDING 2022-001

Subject: Internal Controls over Financial Reporting
Audit Finding: Material Weakness

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

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

Prior period adjustment:

- A prior period adjustment was posted in the current year to allocate the total OPEB liability, deferred outflows of resources, and deferred inflows of resources to opinion units with employees eligible for benefits. Previously, the OPEB liability and related deferrals was recorded entirely to Governmental Activities. The effect of the entry was an increase to beginning net position for Governmental Activities by \$6,132,858, a decrease to business type activities beginning net position by \$5,976,650, and a decrease to discretely presented component units beginning net position by \$156,208.

Current period adjustments:

- A current year entry was posted to Business Type Activities to decrease cash with fiscal agent and retainage payable by \$831,303 to reconcile cash with fiscal agent accounts to bank balances.
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Other financial reporting matters:

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

Views of Responsible Officials and Corrective Action Plan:

Management agrees with the finding.

For the Prior Period Adjustment, the City did not view the OPEB liability assigned to the business type activities as material. Going forward the governmental activities and the business type activities will be allocated separately so this will no longer be an item.

For the Current Period Adjustments, the City will review with the Utility Controller cash with fiscal agent account balances and reconciliations. New personnel hired in 2022 will be trained to correct this type of error. The City did not correctly accrue the rent revenues for the lease at the year end. Review of this cutoff to accrue in the proper period will be overseen by the Controller and Account Receivable Manager in future years. The City adopted GASB Statement No. 87 for leases in 2022 and will make sure this is applied to current leases and followed going forward.

For the Other Financial Reporting Matters the City will review with the external auditor of the Evansville Land Bank the best possible procedures to implement to assign cost to the assets of purchased and donated properties to bring this in accordance with generally accepted accounting principles. A newly assigned Evansville Land Bank Director will be included in taking steps to solve this item.

Responsible Party and Timeline for Completion:

Prior Period Adjustment for OPEB - The City Controller Russell Lloyd is assigned to year end reporting of pensions and leases. This will be corrected for year end 2023 reporting.

Current Period Adjustments for cash with fiscal agent - Utility Controller Keith Penney is responsible for cash with fiscal agent account balances and reconciliations in the Utility Accounting group. This should be corrected for year end 2023 reporting.

Current Period Adjustments for the City Casino Gaming Fund – the City Controller, Russell Lloyd and the Accounts Receivable Manager Debbie Ray will review the year end processes for accruing the lease rental revenue for the Casino Gaming fund. This will be implemented for the year end 2023 reporting.

The Other Financial Reporting Matter - The City will review with the external auditor of the Evansville Land Bank, Kemper CPA Group, the procedures to bring the cost to acquired assets in conformity with generally accepted accounting principles. The new Evansville Land Bank Director Beth Purtzer will work with City Controller Russell Lloyd. Our goal is to complete this for year-end reporting in 2023, or if that is not feasible during fiscal 2024.


Russell G. Lloyd Jr. CPA
Controller

Dec. 22, 2023