

City of Evansville
Controller's Office
Room 300, 1 NW Martin Luther King Jr., Blvd.
Evansville, IN 47708
(812) 436-4919

MEMORANDUM

To: Honorable Members of Common Council - City of Evansville
From: Robert Gunter CPA, Controller
Date: January 13, 2026
Subject: December 2025 (Full Year) Flash Financial Report

Dear Council Members:

The following is my Flash Financial Report for December 2025. This covers the full twelve months of Calendar 2025 subject to any accounting changes made before the year-end closes. The first table lists cash and investment balances for selected funds on December 31, 2025 and December 31, 2024.

City of Evansville - Cash and Investment Balances – Selected Funds					
12/31/2025	Cash + Investment Balances	Cash + Inv.	Cash + Inv.	Dollar Change	Percent Change Current vs. Prior Year
		Balance Current Year	Balance Prior Year	Current Year vs. Prior Year	
FUND NO.	FUND	12/31/2025	12/31/2024	12/31/2025	2025 vs 2024
1101	General Fund	\$ 48,648,212	\$ 47,657,905	\$ 990,307	2.1%
1176	American Rescue Plan Fund	12,641,230	22,588,213	(9,946,983)	-44.0%
2201	Motor Vehicle Highway Fund	2,789,632	2,131,180	658,452	30.9%
2202	Local Roads & Streets Fund	5,525,322	8,527,092	(3,001,770)	-35.2%
2203	Motor Veh. Hwy. Fd - Restrict	7,106,827	5,636,910	1,469,917	26.1%
2204	Parks and Recreation Fund	7,703,178	5,496,719	2,206,459	40.1%
2236	Rainy Day Fund	3,569,037	3,394,273	174,764	5.1%
2240	Local Income Tax - Public Saf	2,599,356	5,708,993	(3,109,637)	-54.5%
4437	Casino Gaming Capital Fund	22,118,296	29,028,177	(6,909,881)	-23.8%
4445	Jacobsville TIF Fund	6,117,857	5,086,657	1,031,200	20.3%
4446	Downtown Master TIF	7,107,650	6,723,246	384,404	5.7%
6101	Water Utility Operating Fund	31,562,354	24,878,073	6,684,281	26.9%
6201	Sewer Utility Operating Fund	52,635,927	59,028,357	(6,392,430)	-10.8%
7704	Hospitalization Insurance Fund	896,423	1,193,605	(297,182)	-24.9%
8801	Fire Pension Fund	4,309,509	4,453,436	(143,927)	-3.2%
8802	Police Pension Fund	5,285,519	5,209,607	75,912	1.5%
TOTAL SELECTED FUNDS		\$ 220,616,329	\$ 236,742,443	\$(16,126,114)	-6.8%

The overall cash and investments for these selected accounts decreased by \$16.1 million or 6.8% compared to December 2024.

The largest dollar variances were with the American Rescue Plan (ARPA) with a \$10 million or 44% decrease. Casino Fund with a \$6.9 million or 23.8% decrease, Water Utility Operating Fund which was up \$6.7 million or 26.9%, and the Sewer Utility Operating Fund, which was down \$6.4 million or 10.8%. The City is required to have the ARPA funds spent by December 31, 2026. So, to meet grant requirements over the next 12 months, we should see further decreases in the fund.

Reflected below are the selected funds without the Water Utility Operating, Sewer Utility Operating, and the ARPA Funds. Net of those three funds, the cash and investments for the selected funds decreased \$6.5 million or 5% from December 2024.

City of Evansville - Cash and Investment Balances – Selected Funds						
12/31/2025	Cash + Investment Balances	Cash + Inv. Balance Current Year	Cash + Inv. Balance Prior Year	Dollar Change Current Year vs. Prior Year	Percent Change Current vs. Prior Year	
					2025 vs 2024	
FUND NO.	FUND	12/31/2025	12/31/2024	12/31/2025		
1101	General Fund	\$ 48,648,212	\$ 47,657,905	\$ 990,307	2.1%	
2201	Motor Vehicle Highway Fund	2,789,632	2,131,180	658,452	30.9%	
2202	Local Roads & Streets Fund	5,525,322	8,527,092	(3,001,770)	-35.2%	
2203	Motor Veh. Hwy. Fd - Restrict	7,106,827	5,636,910	1,469,917	26.1%	
2204	Parks and Recreation Fund	7,703,178	5,496,719	2,206,459	40.1%	
2236	Rainy Day Fund	3,569,037	3,394,273	174,764	5.1%	
2240	Local Income Tax - Public Sat	2,599,356	5,708,993	(3,109,637)	-54.5%	
4437	Casino Gaming Capital Fund	22,118,296	29,028,177	(6,909,881)	-23.8%	
4445	Jacobsburg TIF Fund	6,117,857	5,086,657	1,031,200	20.3%	
4446	Downtown Master TIF	7,107,650	6,723,246	384,404	5.7%	
7704	Hospitalization Insurance Fund	896,423	1,193,605	(297,182)	-24.9%	
8801	Fire Pension Fund	4,309,509	4,453,436	(143,927)	-3.2%	
8802	Police Pension Fund	5,285,519	5,209,607	75,912	1.5%	
TOTAL SELECTED FUNDS		\$ 123,776,818	\$ 130,247,800	\$ (6,470,982)	-5.0%	

The General Fund's cash/investments increased \$1 million or 2.1% from the prior. We transferred the approved \$5.74 million loan from the Casino Fund to the General Fund that will be used for the ambulance service. This will account for most of the \$6.9 million decrease in the Casino Fund. There are a few other items that should be noted. 2025 includes the new \$1.15 million payment on the 2024B bonds for the 5th and Main parking garage. The General Fund paid an additional \$1.5 million in health insurance premiums with \$300,000 of that increase attributable to the Fire and Police employees. As you will note, Fund 7704: Health Insurance Fund has a balance of \$896,000, which is a 24.9% decrease from the \$1.2 million from this time last year.

\$5.6 million was paid in additional salaries, with most of the increase due to the cost-of-living increases per the new union contracts and the addition of new positions and \$3.7 million was directly related to fire and police.

On a positive note, 2025 does include a \$1 million equity payment from Venuworks that was not received in the prior year.

The General Fund's \$48.6 million in cash and investments equates to nearly 4.2 months of operating funds when compared to the 2026 operating budget of \$140.2 million. Our goal is to maintain reserves of at least 3 months' operating expenditures.

The table below compares the cash and investments on December 31, 2025 to December 31, 2023. As noted, the cash and investments for these selected funds have increased by a combined \$14.7 million or 13.4% over the past two years. The largest percentage increases were in the Parks & Recreation Fund, which is up 85.8% or \$3.6 million. Motor Vehicle Highway – Restricted up 58.7% or \$2.6 million. The largest dollar increase was in the General Fund, which is up \$4.8 million or 10.9%.

City of Evansville - Cash and Investment Balances – Selected Funds				Percent Change Current Year vs. Prior Year	2025 vs 2023
12/31/2025	Cash + Investment Balances	Cash + Inv. Balance Current Year	Cash + Inv. Balance Prior Year		
FUND NO.	FUND	12/31/2025	12/31/2023	12/31/2025	2025 vs 2023
1101	General Fund	\$ 48,648,212	\$ 43,874,161	\$ 4,774,051	10.9%
2201	Motor Vehicle Highway Fund	2,789,632	2,520,919	268,713	10.7%
2202	Local Roads & Streets Fund	5,525,322	9,319,852	(3,794,530)	-40.7%
2203	Motor Veh. Hwy. Fd - Restrict	7,106,827	4,479,142	2,627,685	58.7%
2204	Parks and Recreation Fund	7,703,178	4,146,729	3,556,449	85.8%
2236	Rainy Day Fund	3,569,037	3,272,426	296,611	9.1%
2240	Local Income Tax - Public Sal	2,599,356	3,808,494	(1,209,138)	-31.7%
4437	Casino Gaming Capital Fund	22,118,296	19,958,217	2,160,079	10.8%
4445	Jacobsville TIF Fund	6,117,857	4,258,731	1,859,126	43.7%
4446	Downtown Master TIF	7,107,650	4,150,004	2,957,646	71.3%
7704	Hospitalization Insurance Fun	896,423	(26,064)	922,487	N/A
8801	Fire Pension Fund	4,309,509	4,286,166	23,343	0.5%
8802	Police Pension Fund	5,285,519	5,075,092	210,427	4.1%
TOTAL SELECTED FUNDS		\$ 123,776,818	\$ 109,123,869	\$ 14,652,949	13.4%

The 2025 Health Insurance Fund's cash had a \$297,182 decrease compared to the year 2024. We continue to be current on all our outstanding invoices to Central States insurance for teamsters and KBA for everyone else. Total health care expenses decreased by \$1.7 million or 5.4% while employer contributions from all funds decreased by \$152,774 or 0.5%. The expense for teamsters' insurance was 1.9% or \$154,163 higher than the prior year.

To start the year, we set the contribution rate for non-bargaining at \$1,227 per pay period and set the allocation for the police and fire departments at \$1,775/pay. Due to the sufficient cash balance in the Health Insurance Fund, we decreased the non-bargaining rate to \$600/pay and the fire/police to \$900/pay.

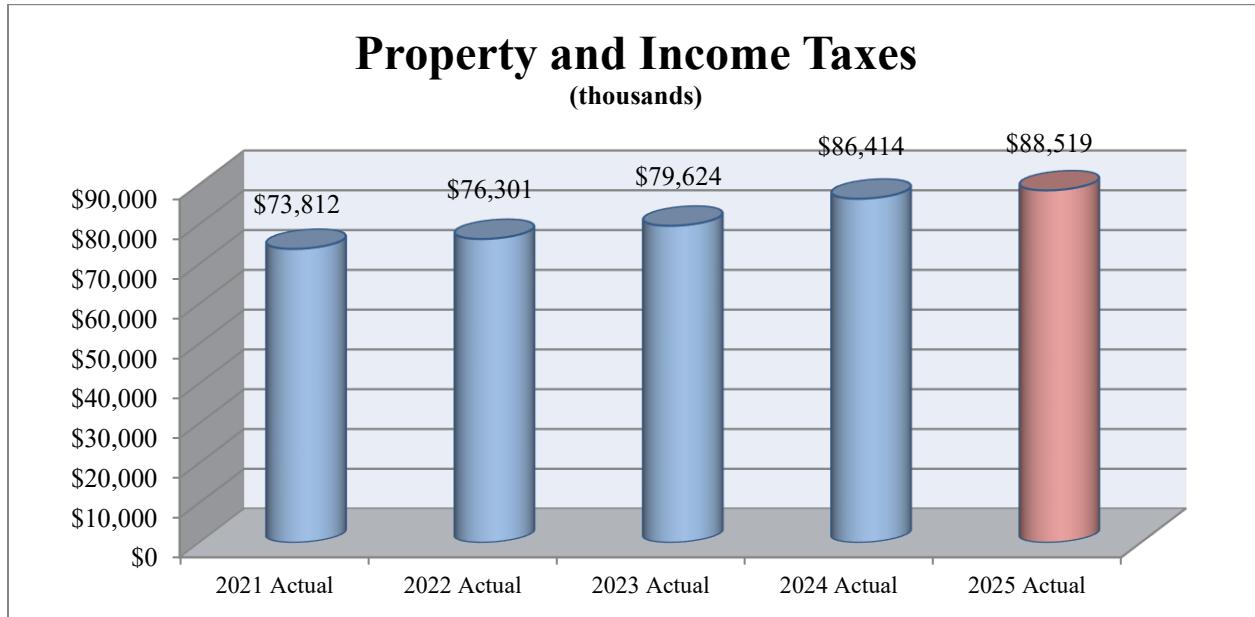
City of Evansville - Cash and Investment Balances – Selected Funds						
12/31/2025		Cash + Inv. Balance Current Year		Cash + Inv. Balance Prior Year		Percent Change Current vs. Prior Year
FUND NO.	FUND	12/31/2025		12/31/2024		2025 vs 2024
2201	Motor Vehicle Highway Fund	\$ 2,789,632	\$ 2,131,180	\$ 658,452	30.9%	
2202	Local Roads & Streets Fund	5,525,322	8,527,092	(3,001,770)	-35.2%	
2203	Motor Veh. Hwy. Fd - Restrict	7,106,827	5,636,910	1,469,917	26.1%	
TOTAL SELECTED FUNDS		\$ 15,421,781	\$ 16,295,182	\$ (873,401)	-5.4%	

The only other selected fund with a major decrease was the Local Roads/Streets Fund. Our goal for 2025 was to put as much cash as possible into roads and streets repairs and improvements. The Motor Vehicle Highway (MVH) fund had nearly \$2.8 million in cash and investments at the month-end with a revised annual budget of \$5.4 million which should cover 6.2 months' worth of expenditures. Revenue for this fund comes from 50% of the Indiana gasoline tax, vehicle registration/license fees, and the Vanderburgh County wheel tax. The Local Roads and Street (LRS) fund had over \$5.5 million in cash and investments with a revised budget of \$4.2 million covering 16 months' worth of expenditures. The LRS includes the paving of local streets. The Motor Vehicle Highway Restricted (MVHR) Fund had \$7.1 million in cash/investments with a revised budget of \$4.6 million covering 18.7 months' worth of expenditures. This fund receives the remaining 50% of the Indiana gasoline tax. The MVHR received \$1.32 million in Community Crossing Matching Grants funds in July. Combined, cash was down \$873,401 for the year or 5.4% but still ended the year with over \$15.4 million in cash and investments.

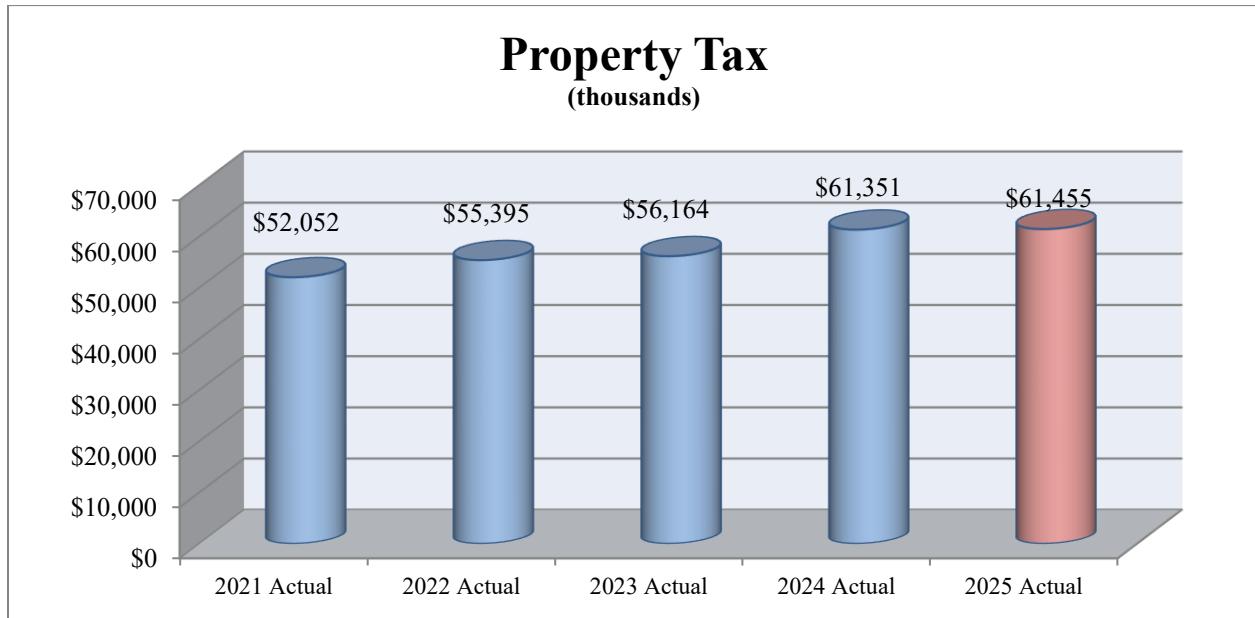
As of December 31, 2025, \$5.7 million in street-paving expenses (436030) had been paid. That is an increase of \$1.2 million (27%) over 2024 and \$2.4 million (70.3%) over 2023. Below is a summary of all revenue and expenses for the three road funds.

12/31/2025		Receipts (12 MO) YTD Current Year	Disbursements (12 MO) YTD Current Year	12 MO Change in Fund Balance Current Year	Cash + Inv. Balance Current Year
FUND NO.	FUND	12/31/2025	12/31/2025	12/31/2025	12/31/2025
2201	Motor Vehicle Highway Fund	\$ 5,216,897	\$ 4,478,030	738,867	\$ 2,789,632
2202	Local Roads & Streets Fund	2,623,529	4,895,997	(2,272,468)	5,525,322
2203	Motor Veh. Hwy. Fd - Restricted	4,952,023	3,441,690	1,510,333	7,106,827
TOTAL SELECTED FUNDS		\$ 12,792,449	\$ 12,815,717	\$ (23,268)	\$ 15,421,781

Approximately 66% of the General Fund's revenue for the year came from property and local income taxes. As noted on the chart below, these taxes finished ahead of last year by \$2.1 million.

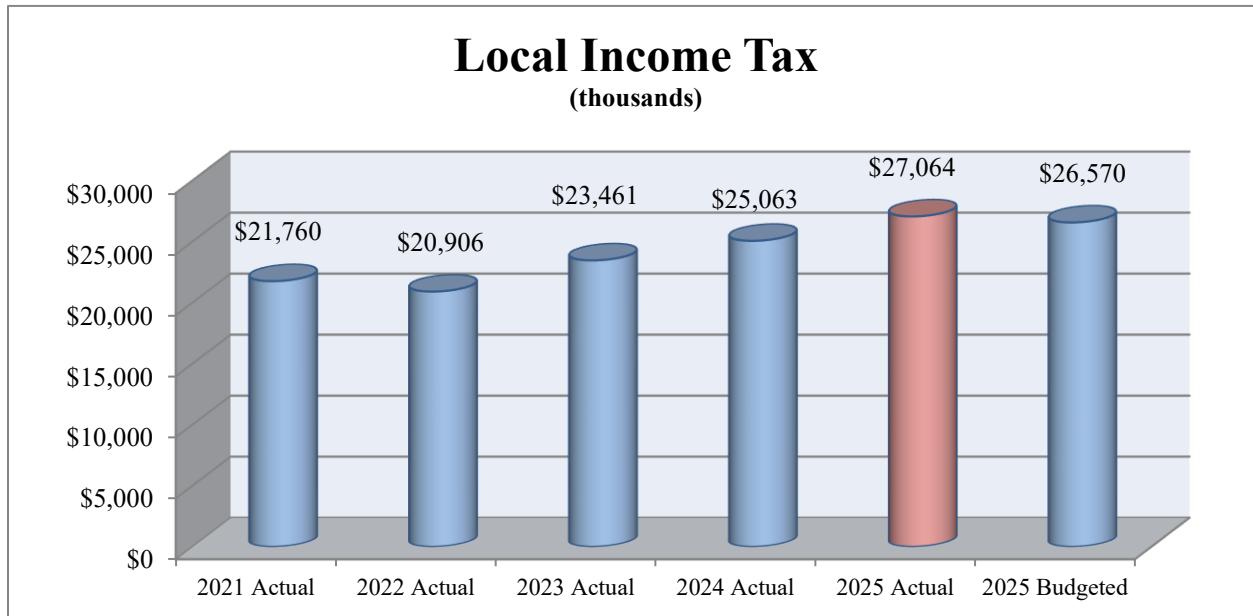


The property tax receipts for 2025 are nearly identical to the prior year with a slight increase of \$103,661 over the prior year.



The next chart reflects the local income taxes (LIT) received through December over the past five years, plus it includes what was budgeted for 2025. LIT revenue makes up approximately 20.2% of the 2025 General Fund revenue received. Payments come from the state via the county auditor. The monthly payments are the same amount plus a supplemental payment or 13th payment used as essentially a true-up. At the end of 2025, local income tax payments were up approximately \$2 million or 8% over 2024.

The City received \$2.6 million in its supplemental payment in May. We exceeded the 2025 budget of \$26.57 million by \$494,000 for a total of \$27.06 million.



Water Operating's 2025 net income of \$8 million was \$3.6 million or 84.2% higher than in 2024. Sewer Operating revenues for 2025 were down \$11.6 million or 12.8% when compared to 2024 while expenses were up \$13.4 million/18.9%, which resulted in net difference of \$25 million from the prior year.

A recap of both the Water and Sewer operations are included below. Combined the net income for water and sewer was \$2.6 million. EWSU ended December with \$84.2 million in cash and investments.

12/31/2025	Change In Fund Balances	Receipts (12 MO) YTD Current Year	Disbursements (12 MO) YTD Current Year	12 MO Change in Fund Balance Current Year	Cash + Inv. Balance Current Year
FUND NO.	FUND	12/31/2025	12/31/2025	12/31/2025	12/31/2025
6101	Water Operating	\$ 76,006,277	\$ 68,031,831	\$ 7,974,446	\$ 31,562,354
6201	Sewer Operating	79,330,922	84,666,139	(5,335,217)	52,635,927
	TOTAL SELECTED FUNDS	\$ 155,337,199	\$ 152,697,970	\$ 2,639,229	\$ 84,198,281

The information below reflects the expenses for both water and sewer for the past three calendar years.

12/31/2025		Expenses	Expenses	Expenses
FUND NO.	FUND	12/31/2023	12/31/2024	12/31/2025
6101	Water Operating	\$ 60,517,869	\$ 71,944,664	\$ 68,031,831
6201	Sewer Operating	79,919,542	71,226,662	84,666,139
	TOTAL SELECTED FUNDS	\$ 140,437,411	\$ 143,171,326	\$ 152,697,970

The information below reflects the cash balances for the Fire and Police Pension Funds as of December 31st. These two plans were closed to new participants in 1977. Pension benefits for the past three years, as of December 31st, are reflected in the second schedule. The state of Indiana does provide full funding for these two pension funds.

City of Evansville - Cash and Investment Balances – Selected Funds						
12/31/2025	Cash + Investment Balances	Cash + Inv. Balance Current Year	Cash + Inv. Balance Prior Year	Dollar Change Current Year vs. Prior Year	Percent Change Current vs. Prior Year	2025 vs 2024
FUND NO.	FUND	12/31/2025	12/31/2024	12/31/2025		
8801	Fire Pension Fund	\$ 4,309,509	\$ 4,453,436	\$ (143,927)	-3.2%	
8802	Police Pension Fund	5,285,519	5,209,607	75,912	1.5%	
	TOTAL SELECTED FUNDS	\$ 9,595,028	\$ 9,663,043	\$ (68,015)	-0.7%	

12/31/2025		Pension Benefits	Pension Benefits	Pension Benefits
FUND NO.	FUND	12/31/2023	12/31/2024	12/31/2025
8801	Fire Pension Fund	\$ 4,511,186	\$ 4,429,844	\$ 4,651,011
8802	Police Pension Fund	5,964,310	5,926,159	6,050,952
	TOTAL SELECTED FUNDS	\$ 10,475,496	\$ 10,356,003	\$ 10,701,963

This information is a preliminary snapshot as of today and subject to final month-end closing. Contact me if you have any questions or if there is an area that you would like to know more details.