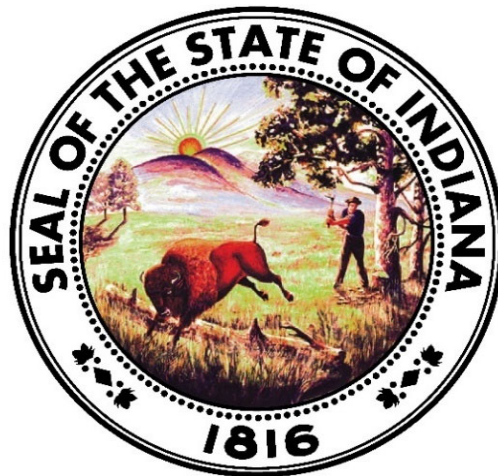


STATE BOARD OF ACCOUNTS
302 West Washington Street
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INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF
CITY OF EVANSVILLE
VANDERBURGH COUNTY, INDIANA
January 1, 2023 to December 31, 2023



FILED
10/16/2024



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October 16, 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, 2023 to December 31, 2023. 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 financial position of the Aggregate Discretely Presented Component Units of the City, as of December 31, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 details related to the finding. Management's Corrective Action Plan appears at the end of the reports.

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

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

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

A handwritten signature in black ink that reads "Tammy R. White". The signature is written in a cursive style.

Tammy R. White, CPA
Deputy State Examiner

City of Evansville, Indiana

Annual Financial Report

December 31, 2023

City of Evansville, Indiana

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City of Evansville, Indiana

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City of Evansville, Indiana

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INTRODUCTORY SECTION

City of Evansville, Indiana

Schedule of Officials

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Russell G. Lloyd Jr., CPA	01-01-23 to 12-31-23
Mayor	Lloyd Winnecke	01-01-20 to 12-31-23
President of the Board of Public Works	William Nix	01-01-23 to 12-31-23
President of the Common Council	Zac Heronemus	01-01-22 to 12-31-23
Executive Director of Utilities	Lane Young	01-01-23 to 12-31-23
President of the Department of Water Works Board	Steven Heidorn	01-01-22 to 12-31-23

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, 2023, 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
American Rescue Plan Fund	Unmodified
Casino Gaming Fund	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, 2023, 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, 2023, 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 44 percent, 48 percent, and 18 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*, issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Qualified Opinion on Aggregate Discretely Presented Component Units

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Pension Schedules, and OPEB Schedules, as listed in the Table of Contents, on pages 81 through 105 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 106 through 139 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 September 27, 2024, 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
September 27, 2024

FINANCIAL SECTION

City of Evansville, Indiana

Management's Discussion and Analysis

Year Ended December 31, 2023

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, 2023. All amounts, unless otherwise indicated, are expressed in thousands of dollars. It should be read in conjunction with the financial statements provided in this document.

Financial Highlights

- Primary government liabilities of \$799,024 and deferred inflows of \$221,233 exceeded assets of \$748,052 and deferred outflows of resources \$131,315 at the close of the most recent fiscal year by \$140,890 (net position).
- The City's governmental activities total net position decreased by \$2,286 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 \$160,019, an increase of \$4,242,916 in comparison to the prior year. Approximately 27.8% of the total amount in the combined ending fund balances, \$44,420 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the general fund was \$48,245 which represented 53.1% of total general fund expenditures (\$90,795), excluding transfers out.
- Since December 31, 2020, the general fund's fund balance has increased \$38,325 or 386.3% from \$9,920 to \$48,245. The net position for the water/wastewater utility has increased \$97,887 or 26.3% over the same period. The total net position for the water/wastewater utility was \$469,611 on December 31, 2023.

Overview of the Financial Statements

Management's 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 like a 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).

City of Evansville, Indiana

Management's Discussion and Analysis

Year Ended December 31, 2023

Both 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, American Rescue Plan Fund, and Casino Fund which are considered 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, 2023

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 17-80 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 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 81-106 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 107-141 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 of Evansville, liabilities and deferred inflows exceeded assets and deferred outflows by \$140,890 at the close of the most recent fiscal year.

The largest portion, \$197,827 (140.4%), 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.

The following table reflects the condensed statement of net position:

City of Evansville, Indiana

Management's Discussion and Analysis

Year Ended December 31, 2023

City of Evansville's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 320,000	\$ 327,705	\$ 344,193	\$ 358,320	\$ 664,193	\$ 686,025
Capital assets	428,052	428,009	944,831	862,330	1,372,883	1,290,339
Total assets	748,052	755,714	1,289,024	1,220,650	2,037,076	1,976,364
Deferred outflows	131,315	128,988	16,296	17,237	147,611	146,225
Total assets and deferred outflows	\$ 879,367	\$ 884,702	\$ 1,305,320	\$ 1,237,887	\$ 2,184,687	\$ 2,122,589
Long-term liabilities	\$ 765,148	\$ 746,472	\$ 786,596	\$ 744,431	\$ 1,551,744	\$ 1,490,903
Other liabilities	33,876	31,269	42,986	56,065	76,862	87,334
Total liabilities	799,024	777,741	829,582	800,496	1,628,606	1,578,237
Deferred inflows	\$ 221,233	\$ 245,565	\$ 6,127	\$ 6,894	\$ 227,360	\$ 252,459
Net position:						
Net investment in capital assets	197,827	185,450	313,274	277,788	511,101	463,238
Restricted net position	101,939	112,686	68,304	69,733	170,243	182,419
Unrestricted net position	(440,656)	(436,740)	88,033	82,976	(352,623)	(353,764)
Total net position	\$ (140,890)	\$ (138,604)	\$ 469,611	\$ 430,497	\$ 328,721	\$ 291,893

A significant portion of the City's net position, \$101,939, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, if positive, may be used to meet the government's ongoing obligations to citizens and creditors. The City's negative net position is due to its net position obligation, other post-employment benefits, and other debt. These will be funded from future revenue over several years.

At the end of the current fiscal year, the governmental activities can report a positive balance in net position for Net Investment in Capital Assets and Restricted Net Position.

The business-type operations of the City reported a positive unrestricted of \$88,033. These funds can be used to meet the government's ongoing obligations to ratepayers and creditors. The unrestricted net position increased by \$5,057 or 6.1%. The business-type operations also finished the year with a restricted net position of \$68,304 which is mostly related to bond proceeds that will be used for various construction projects.

City of Evansville, Indiana

Management's Discussion and Analysis

Year Ended December 31, 2023

Governmental and Business-Type Activities

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

City of Evansville's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 6,847	\$ 6,287	\$ 152,854	\$ 146,482	\$ 159,701	\$ 152,769
Operating grants and contributions	43,455	20,630	-	-	43,455	20,630
General revenues:						
Property taxes	91,543	87,703	-	-	91,543	87,703
Income taxes	30,993	25,855	-	-	30,993	25,855
Other taxes	5,748	8,268	-	-	5,748	8,268
Other	43,283	36,308	18,374	6,136	61,657	42,444
Total revenues	221,869	185,051	171,228	152,618	393,097	337,669
Expenses						
General government	66,357	61,515	-	-	66,357	61,515
Public Safety	85,202	45,762	-	-	85,202	45,762
Highways and streets	12,627	7,318	-	-	12,627	7,318
Wastewater	-	-	55,173	74,348	55,173	74,348
Water	-	-	76,941	48,679	76,941	48,679
Urban redevelopment	36,263	11,472	-	-	36,263	11,472
Culture and recreation	14,853	14,630	-	-	14,853	14,630
Interest expense	8,853	7,625	-	-	8,853	7,625
Total expense	224,155	148,322	132,114	123,027	356,269	271,349
Change in net position	(2,286)	36,729	39,114	29,591	36,828	66,320
Net Position, Beginning	(138,604)	(175,333)	430,497	400,906	291,893	225,573
Net Position, Ending	\$ (140,890)	\$ (138,604)	\$ 469,611	\$ 430,497	\$ 328,721	\$ 291,893

The City's net position from governmental activities decreased by \$2,286 or 1.7% in 2023 over the net position of 2022. Notable changes in governmental activities revenues and expenses in 2023 compared to 2022 include the following:

- Income tax revenues increase by \$5,139 or 19.9% in 2023 due to the increase in the local economy and wage growth.
- Operating grants and contributions revenue increased by \$22,825 mainly due to Federal Coronavirus relief funds expended in 2023 and recognized as revenue.
- Urban redevelopment revenue increased \$24,791 with much of the increase related to Coronavirus relief funds disbursed to local not-for-profits.
- Public safety expenses increased by \$39,440 or 86.2% in 2023 with much of the increase related to Coronavirus relief funds expended in 2022 and 2023. The \$85,202 is down from the \$88,611 spent in 2021.

City of Evansville, Indiana

Management's Discussion and Analysis
 Year Ended December 31, 2023

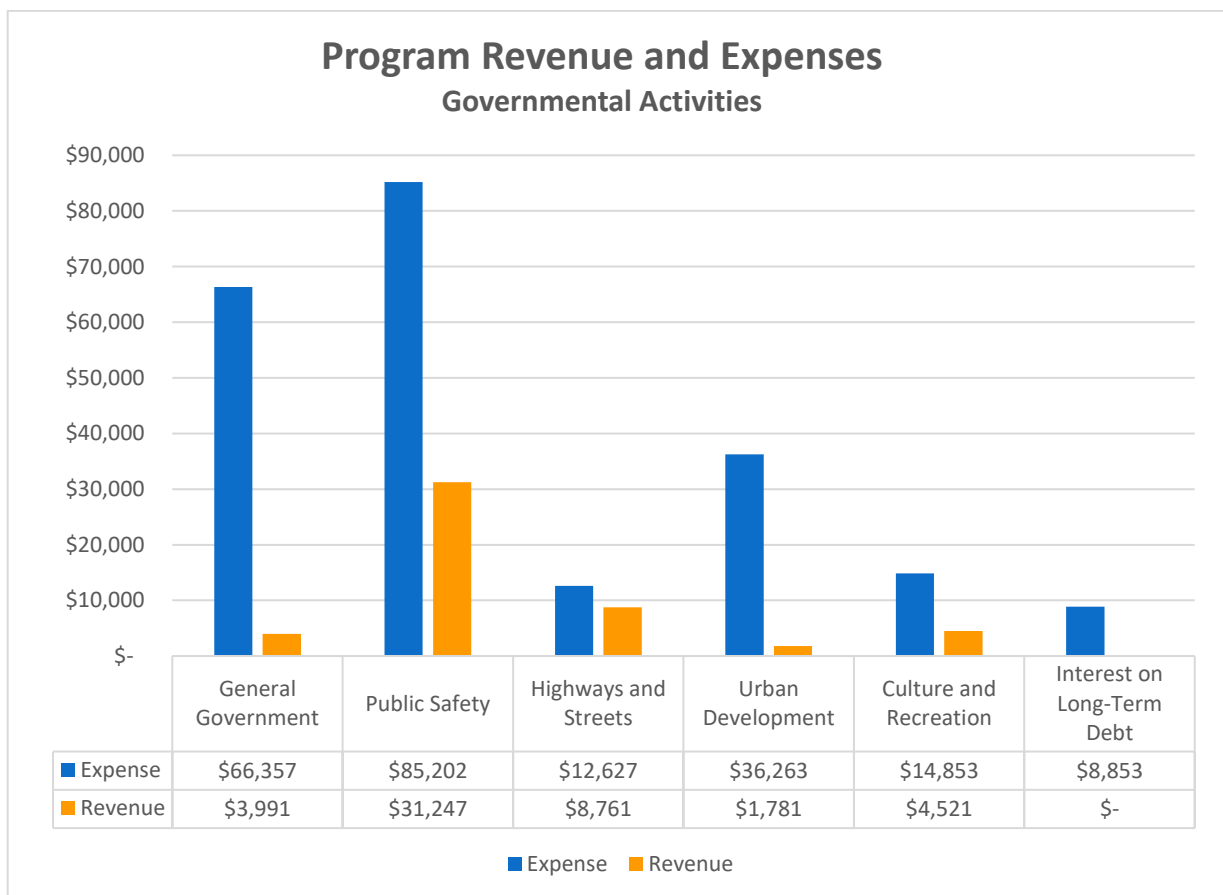
- The charges for services for the business-type activities increased by \$6,372 or 4.4% with most of the increase related to an increase in water utility operating revenue of \$5,564 or 9.4%.
- Operating expense for the utility services under business-type activities increased \$4,272.

The City's overall unrestricted cash and cash equivalents plus investments of \$54,441 and \$132,526, respectively remained very strong and will provide sufficient liquidity to fund the City's operations in 2024. The City's property tax rate for 2023 decreased slightly from \$1.7558 per \$100 of assessed value (AV) to \$1.6470 AV for 2022.

Program Revenue and Expenses - Governmental Activities

Taxes, as in prior years, were the City's major source of revenue supporting its activities, primarily in 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.

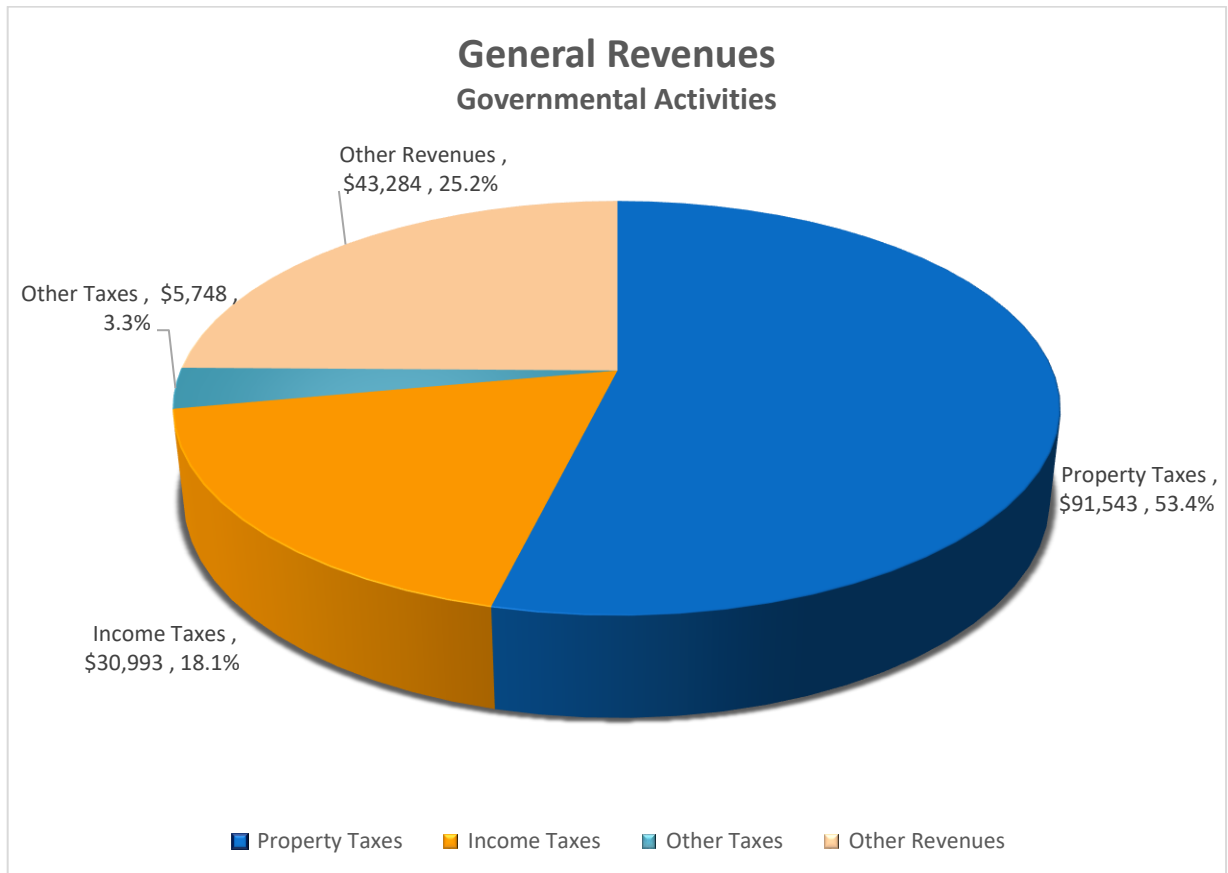
The following displays the Expenses and Program Revenues of the City's governmental activities.



City of Evansville, Indiana

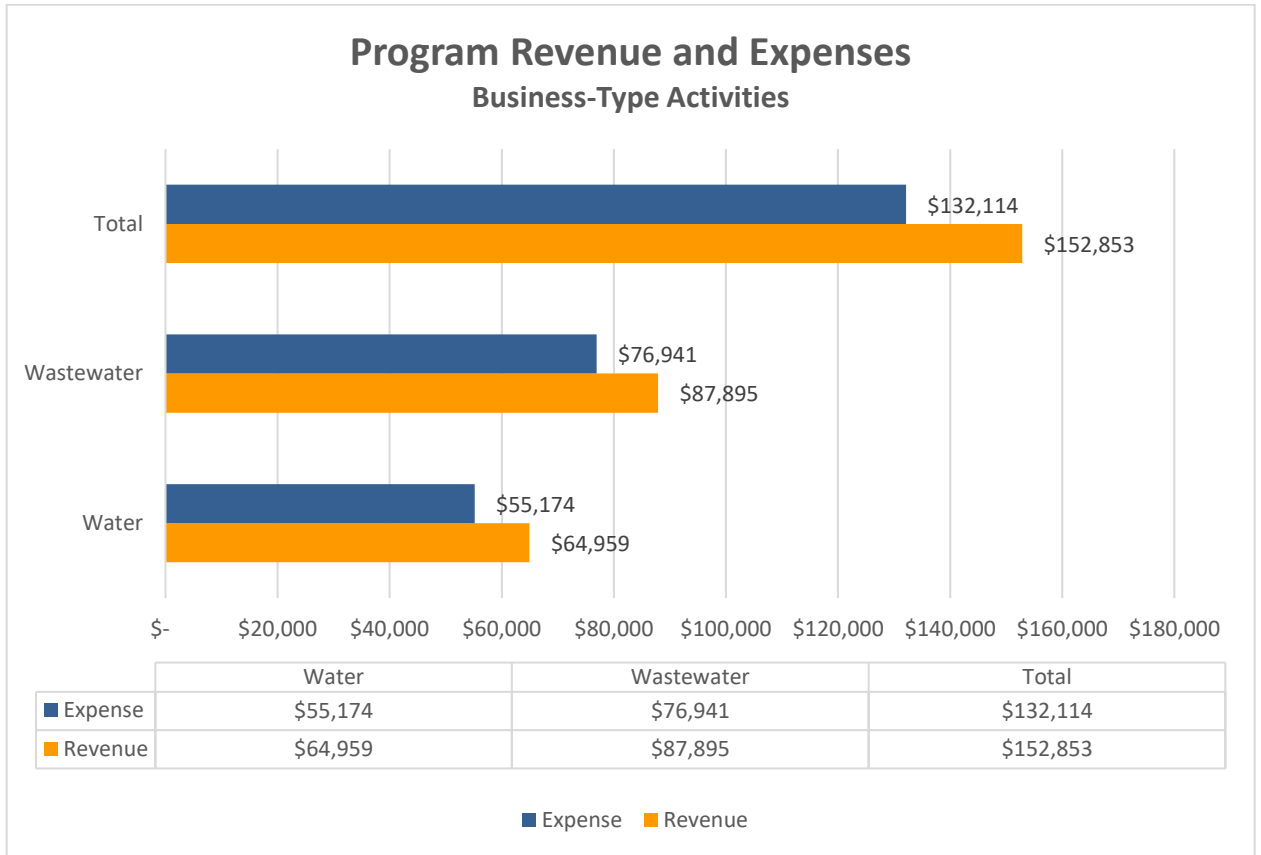
Management's Discussion and Analysis
Year Ended December 31, 2023

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 \$39,113 or 9.1% in 2023 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 \$160,019 a slight increase of \$4,243 or 2.7% in comparison with the prior year. The fund balance has restricted fund balance of \$103,716 committed fund balance of \$6,307, assigned fund balance of \$5,576, and unassigned fund balance of \$44,420. (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 \$45,465 while the total fund balance totaled \$48,245. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures of \$90,795 excluding transfers. Unassigned fund balance represents 50.1% of total general fund expenditures, while total fund balance represents 53.1% of that same amount.

The fund balance of the City's general fund had an increase of \$12,956 during the current fiscal year. Key factors in this increase are as follows:

- Due to a change in reporting of the local income tax, the revenue for this item increased \$21,815 in the general fund over 2022.
- Property taxes increased \$2,516 or 3.9% and intergovernmental increased \$2,461 or 53.4%

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.

The original 2023 general fund budget was adopted with a total of \$107,175 in appropriations. The final budget included appropriations of \$111,282 or an increase of \$4,107 or 3.8%. The major changes in appropriations are summarized below:

City of Evansville, Indiana

Management's Discussion and Analysis

Year Ended December 31, 2023

A total of \$377 was included in two different interfund transfers to the Golf Non-Reverting fund to cover the deficit fund balance. There was an additional appropriation of \$148 in September 2023 to cover additional workers compensation expenses in the police department. October of 2023 included \$186 for premium pay with matching benefits. The largest additional appropriation was for \$1,400 in November and it was used to cover the operating deficit in the employee health insurance fund.

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, 2023, amounts to \$428,052 and \$944,831 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:

- \$8,133 in streets, roads, drainage and other infrastructures were added in 2023 with \$2,114 related to pickleball courts, \$1,646 in a stormwater project, and \$1,654 for the riverfront skate park.
- Over \$9,236 in vehicles, machinery and equipment was added in 2023 with \$1,569 of the additions in the police department, \$749 in the fire department and \$5,008 in METS for buses, vans, and other vehicles.

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

City of Evansville's Capital and Lease Assets

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 35,398	\$ 34,436	\$ 4,945	\$ 4,945	\$ 40,343	\$ 39,381
Construction in progress	28,735	8,164	374,668	330,445	403,403	338,609
Buildings	260,339	257,584	215,861	209,281	476,200	466,865
Improvements	31,595	32,700	9,155	8,970	40,750	41,670
Infrastructure	587,120	585,248	657,785	612,682	1,244,905	1,197,930
Leased assets	-	-	6,771	5,435	6,771	5,435
Machinery and equipment	72,023	67,040	110,449	99,993	182,472	167,033
Total capital and lease assets	1,015,210	985,172	1,379,634	1,271,751	2,394,844	2,256,923
Accumulated depreciation and amortization	(587,158)	(557,163)	(434,803)	(409,421)	(1,021,961)	(966,584)
Net capital and lease assets	<u>\$ 428,052</u>	<u>\$ 428,009</u>	<u>\$ 944,831</u>	<u>\$ 862,330</u>	<u>\$ 1,372,883</u>	<u>\$ 1,290,339</u>

Additional information on the City's capital assets can be found on pages 37-39 in the Notes to the Financial Statements of this report.

City of Evansville, Indiana

Management's Discussion and Analysis

Year Ended December 31, 2023

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 \$733,105 related to governmental activities and \$757,820 related to business-type activities. Of this amount, \$228,849 comprises general obligation debt for governmental activities, and \$327,529 relates to revenue bond debt for the business-type activities.

The remainder of the City's long-term obligations consists of \$462 and \$1,968 related to a finance purchase agreements for the governmental activities and business-type activities respectively, \$354,643 and \$7,475 of other postemployment benefits for governmental activities and business-type activities respectively; \$148,514 and \$7,434 of net pension liability for governmental activities and business-type activities respectively.

The following table reflects the City's long-term obligations:

City of Evansville's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
TIF Bonds	\$ 25,459	\$ 28,450	\$ -	\$ -	\$ 25,459	\$ 28,450
Lease rental bonds	153,389	153,020	-	-	-	153,020
Revenue bonds	63,610	68,119	347,079	367,820	410,689	435,939
Subtotal	<u>242,459</u>	<u>249,589</u>	<u>347,079</u>	<u>367,820</u>	<u>589,538</u>	<u>617,409</u>
Loans	1,367	1,319	420,263	387,701	421,630	389,020
Compensated absences	1,343	1,437	1,675	1,566	3,018	3,003
Finance purchase agreements	775	1,268	-	-	775	1,268
Lease payable	-	-	1,968	1,742	1,968	1,742
Payment in lieu of taxes	-	-	703	703	703	703
Other post employment benefits	354,643	317,983	7,475	6,699	362,118	324,682
Net pension liability	148,514	136,601	7,434	6,988	155,948	143,589
Subtotal	<u>506,642</u>	<u>458,608</u>	<u>439,518</u>	<u>405,399</u>	<u>946,160</u>	<u>864,007</u>
Less current portion	<u>(15,996)</u>	<u>(18,077)</u>	<u>(28,777)</u>	<u>(28,788)</u>	<u>(44,772)</u>	<u>(46,865)</u>
Total long-term obligations	<u>733,105</u>	<u>690,120</u>	<u>757,820</u>	<u>744,431</u>	<u>1,490,925</u>	<u>1,434,551</u>

The City total long-term obligations (net of current portion) increased by \$56,374 or 3.9% over the prior year.

- Total bond debt (net of current portion) for the governmental and business-type activities decreased by \$27,871 due to the schedule debt payments.
- Other postemployment benefits for the governmental and business-type activities increased by \$37,436 because of updated actuarial studies performed for the City. The \$37,436 accounted for 66.4% of the total increase in long-term obligations.
- Net pension liability for the governmental and business-type activities pensions increased by \$12,359 because of updated actuarial studies performed for the City.

City of Evansville, Indiana

Management's Discussion and Analysis

Year Ended December 31, 2023

The City maintains long-term ratings of AA 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 local income tax revenue bonds, a long-term rating of A+ on its outstanding sewage works revenue bonds, and a long-term rating of AA- 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 41-50 in the Notes to the Financial Statements of this report.

Economic Factors and Next Year's Budget and Rates

- The 2024 tax rates for the City of Evansville decreased from \$1.6470 in 2023 to a rate of \$1.6462 per \$100 in assessed value. Overall, the City's assessed value increased by approximately 4.6% from 2023 to 2024.
- 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 2024 budget year, the expected loss to the City due to the caps is \$21,550. Expenditure restraints have been used to offset this loss.

All the above factors were considered in preparing the City's budget for the 2024 calendar year.

Request for Information

This financial report is designed to provide a general overview for citizens, taxpayers, customers, and all those with an interest in the finances of the City of Evansville. Questions concerning any of the information provided in this report or requests for additional financial information may be sent to Robert Gunter, CPA, Controller, 300 Civic Center Complex, One NW Martin Luther King Jr. Blvd, Evansville, IN 47708-1833.

City of Evansville, Indiana

Statement of Net Position

December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current assets:				
Cash and cash equivalents	\$ 54,440,548	\$ 69,729,499	\$ 124,170,047	\$ 7,980,141
Investments	132,526,296	11,641,264	144,167,560	6,048,440
Receivables:				
Accounts	685,604	9,846,031	10,531,635	-
Interest	-	-	-	123,591
Notes	-	-	-	4,417,584
Taxes	79,932,754	-	79,932,754	2,026,688
Intergovernmental	13,450,902	-	13,450,902	-
Miscellaneous	-	9,951	9,951	-
Leases	31,863,487	-	31,863,487	-
Inventories	385,242	3,500,617	3,885,859	-
Prepays	1,354,487	978,683	2,333,170	-
Other assets	558	-	558	1,500
Due from other fund	-	1,234,139	1,234,139	-
Restricted assets:				
Bond and interest cash	-	33,764,596	33,764,596	-
Bond and interest investments	-	4,886,597	4,886,597	-
Debt service reserve cash	-	5,190,306	5,190,306	-
Improvement fund cash	-	500,000	500,000	-
Periodic maintenance fund cash	-	2,235,359	2,235,359	-
WWTP replacement cash	-	3,000,000	3,000,000	-
Construction fund cash	-	63,578,187	63,578,187	-
Consumer meter deposit cash	-	1,864,864	1,864,864	-
Excess pension cash	-	2,007,410	2,007,410	-
Cash with fiscal agent	-	1,557,582	1,557,582	-
Assistance program cash	-	36,212	36,212	-
Investments	5,360,174	-	5,360,174	-
Debt service reserve investments	-	41,327,958	41,327,958	-
Construction fund investments	-	86,106,359	86,106,359	-
Interest receivable	-	745,036	745,036	-
BAB debt service subsidy receivable	-	368,742	368,742	-
Customer deposits receivable	-	83,587	83,587	-
Capital assets:				
Land and construction in progress	64,133,284	379,613,650	443,746,934	1,165,953
Other capital assets, net of depreciation	363,919,000	562,289,534	926,208,534	8,281,393
Leased assets, net of amortization	-	2,927,968	2,927,968	-
Total assets	748,052,336	1,289,024,131	2,037,076,467	30,045,290
Deferred Outflows of Resources				
Deferred amount on refunding of debt	7,647,862	5,805,721	13,453,583	-
Pension related	45,570,145	3,269,866	48,840,011	178,785
OPEB related	78,097,171	1,645,990	79,743,161	39,893
Regulatory assets	-	5,574,569	5,574,569	-
Total deferred outflows of resources	131,315,178	16,296,146	147,611,324	218,678

See notes to financial statements

City of Evansville, Indiana

Statement of Net Position
December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities				
Accounts payable	\$ 7,356,824	\$ 4,750,474	\$ 12,107,298	\$ 134,098
Retainage payable	215,243	-	215,243	-
Accrued payroll and withholdings payable	2,489,037	430,367	2,919,404	10,583
Taxes payable	-	195,050	195,050	-
Interfund services provided and used	-	1,117,519	1,117,519	-
Accrued interest payable	3,528,282	11,359,175	14,887,457	-
Claims payable	4,287,976	-	4,287,976	-
Customer deposits payable	-	1,785,434	1,785,434	-
Retainage payable	-	4,679,662	4,679,662	-
Assistance program	-	36,257	36,257	-
DMD seed money	2,500	-	2,500	-
Contracts payable	-	17,631,042	17,631,042	-
Unearned revenue	32,043,348	-	32,043,348	-
Noncurrent liabilities:				
Due within one year:				
Finance purchase agreements	462,133	-	462,133	-
Leases payable	-	1,001,704	1,001,704	-
Compensated absences	1,343,290	1,674,759	3,018,049	-
State revolving loan fund	-	7,551,823	7,551,823	-
Revenue bonds	3,805,000	19,550,000	23,355,000	-
TIF bonds	3,856,064	-	3,856,064	-
Lease rental bonds	5,949,000	-	5,949,000	-
Loans	580,380	-	580,380	-
Due in more than one year:				
Finance purchase agreements	312,536	-	312,536	-
Lease payable	-	1,968,060	1,968,060	-
Revenue bonds (net of discounts, premiums)	59,805,182	327,529,113	387,334,295	-
State revolving loan fund	-	412,710,998	412,710,998	-
TIF bonds (net of discounts, premiums)	21,603,283	-	21,603,283	-
Lease rental bonds (net of discounts, premiums)	147,440,092	-	147,440,092	-
Loans	786,794	-	786,794	-
Other long-term payables:				
Payment in lieu of taxes	-	702,956	702,956	-
Net pension liability	148,514,145	7,433,836	155,947,981	451,295
Total OPEB liability	354,643,220	7,474,526	362,117,746	181,157
Total liabilities	<u>799,024,329</u>	<u>829,582,755</u>	<u>1,628,607,084</u>	<u>777,133</u>
Deferred Inflows of Resources				
Leases	30,839,718	-	30,839,718	-
Pension related	1,230,830	366,777	1,597,607	4,629
OPEB related	122,343,425	2,578,532	124,921,957	62,495
Other	-	3,181,541	3,181,541	-
Unavailable revenue	66,819,273	-	66,819,273	1,893,640
Total deferred inflows of resources	<u>221,233,246</u>	<u>6,126,850</u>	<u>227,360,096</u>	<u>1,960,764</u>
Net Position				
Net investment in capital assets	197,827,031	313,273,586	511,100,617	9,011,878
Net position, restricted for:				
Public safety	4,186,258	-	4,186,258	-
Highways and streets	15,305,931	-	15,305,931	-
General government	3,468,116	-	3,468,116	-
Culture and recreation	2,425,662	-	2,425,662	-
Capital projects	41,662,908	-	41,662,908	-
Debt service	4,658,364	-	4,658,364	-
Urban redevelopment	30,231,439	-	30,231,439	-
Encumbrances	-	-	-	71,294
Utility	-	68,303,948	68,303,948	-
Net position, unrestricted (deficit)	(440,655,770)	88,033,138	(352,622,632)	18,442,899
Total net position	<u>\$ (140,890,061)</u>	<u>\$ 469,610,672</u>	<u>\$ 328,720,611</u>	<u>\$ 27,526,071</u>

See notes to financial statements

City of Evansville, Indiana

Statement of Activities

Year Ended December 31, 2023

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	\$ 66,357,163	\$ 2,133,894	\$ 1,856,762	\$ -	\$ (62,366,507)	\$ -	\$ -
Public safety	85,202,485	136,226	31,110,743	-	(53,955,516)	-	-
Highways and streets	12,627,186	17,942	8,743,440	-	(3,865,804)	-	-
Urban redevelopment	36,262,589	37,248	1,743,975	-	(34,481,366)	-	-
Culture and recreation	14,852,942	4,521,192	-	-	(10,331,750)	-	-
Interest on long-term debt	8,853,032	-	-	-	(8,853,032)	-	-
Total primary government	<u>224,155,397</u>	<u>6,846,502</u>	<u>43,454,920</u>	<u>-</u>	<u>(173,853,975)</u>	<u>-</u>	<u>-</u>
Business-Type Activities							
Water Utility	55,173,589	64,958,659	-	-	-	9,785,070	-
Wastewater Utility	76,940,613	87,894,838	-	-	-	10,954,225	-
Total business-type activities	<u>\$ 132,114,202</u>	<u>\$ 152,853,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>20,739,295</u>	<u>-</u>
Component Unit							
Port Authority	\$ 448,480	\$ 200,000	\$ -	\$ -	-	-	(248,480)
Evansville Bond Bank	413,461	-	-	-	-	-	(413,461)
Levee Authority	1,863,285	500	-	-	-	-	(1,862,785)
Land Bank	259,400	-	-	-	-	-	(259,400)
	<u>\$ 2,984,626</u>	<u>\$ 200,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(2,784,126)</u>
General Revenues							
Taxes:							
Property taxes					91,542,720	-	1,819,152
Income taxes					30,993,483	-	685,748
Other taxes					5,748,266	-	-
Local shared revenue					15,889,094	-	388,198
Unrestricted investment earnings					6,162,032	14,203,980	586,376
Other:							
Donations					-	-	109,826
BAB subsidy income					-	368,742	-
Contributions					-	3,054,802	-
Gain on sale of disposal					7,500	8,706	120,868
Rent					6,138,210	-	-
Lease interest income					1,603,982	-	-
Miscellaneous					13,482,503	737,657	35,630
Total general revenues					<u>171,567,790</u>	<u>18,373,887</u>	<u>3,745,798</u>
Change in net position					(2,286,185)	39,113,182	961,672
Net Position (Deficit), Beginning					<u>(138,603,876)</u>	<u>430,497,490</u>	<u>26,564,399</u>
Net Position (Deficit), Ending					<u>\$ (140,890,061)</u>	<u>\$ 469,610,672</u>	<u>\$ 27,526,071</u>

See notes to financial statements

City of Evansville, Indiana

Balance Sheet -
 Governmental Funds
 December 31, 2023

	<u>General Fund</u>	<u>American Rescue Plan</u>	<u>Casino Gaming</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 22,766,497	\$ 1,554,575	\$ 5,938,241	\$ 23,757,598	\$ 54,016,911
Investments	23,949,951	34,265,534	13,273,147	60,078,619	131,567,251
Inventory	-	-	-	385,242	385,242
Receivables:					
Taxes	66,834,505	-	1,094,723	12,003,526	79,932,754
Accounts	22,982	-	571,592	66,922	661,496
Intergovernmental	7,451,347	-	1,532,712	4,466,843	13,450,902
Leases	-	-	31,863,487	-	31,863,487
Other assets	-	-	-	558	558
Restricted:					
Investments	-	-	-	5,360,174	5,360,174
Interfund receivable:					
Interfund receivables	448,496	-	-	-	448,496
Total assets	<u>\$ 121,473,778</u>	<u>\$ 35,820,109</u>	<u>\$ 54,273,902</u>	<u>\$ 106,119,482</u>	<u>\$ 317,687,271</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 1,899,271	\$ 979,843	\$ 600,362	\$ 2,879,450	\$ 6,358,926
Accrued payroll and withholdings payable	2,262,551	1,115	-	220,065	2,483,731
Unearned revenue	-	32,043,348	-	-	32,043,348
DMD seed money	-	-	-	2,500	2,500
Interfund payable	-	-	-	418,580	418,580
Total liabilities	<u>4,161,822</u>	<u>33,024,306</u>	<u>600,362</u>	<u>3,520,595</u>	<u>41,307,085</u>
Deferred Inflows of Resources					
Leases	-	-	30,839,718	-	30,839,718
Unavailable revenue	69,066,532	-	-	16,454,567	85,521,099
Total deferred inflows of resources	<u>69,066,532</u>	<u>-</u>	<u>30,839,718</u>	<u>16,454,567</u>	<u>116,360,817</u>
Fund Balances					
Restricted	-	-	22,833,822	80,882,333	103,716,155
Committed	-	-	-	6,306,985	6,306,985
Assigned	2,780,891	2,795,803	-	-	5,576,694
Unassigned (deficit)	45,464,533	-	-	(1,044,998)	44,419,535
Total fund balances	<u>48,245,424</u>	<u>2,795,803</u>	<u>22,833,822</u>	<u>86,144,320</u>	<u>160,019,369</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 121,473,778</u>	<u>\$ 35,820,109</u>	<u>\$ 54,273,902</u>	<u>\$ 106,119,482</u>	<u>\$ 317,687,271</u>

See notes to financial statements

City of Evansville, Indiana

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2023

Fund Balance, Governmental Funds **\$ 160,019,369**

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	\$ 64,133,284	
Capital assets not depreciated	<u>363,919,000</u>	428,052,284

Prepays are not current financial resources and, therefore, are not reported in the funds. 1,354,487

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

OPEB liability	(354,643,220)	
Net pension liability	<u>(148,514,145)</u>	(503,157,365)

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 7,647,862

Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position 45,570,145

Deferred outflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position 78,097,171

Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position (1,230,830)

Deferred inflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position (122,343,425)

Retainage payable are not recognized in the governmental funds but are recorded in the Statement of Net Position (215,243)

Unavailable revenues are not available to pay current liabilities and, therefore, are not reported as liabilities in the Statement of Net Position. 18,701,827

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 (3,914,307)

Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds. (1,343,290)

Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds. (3,528,282)

Long-term liabilities, including finance purchase agreements, are not due and payable in the current period and, therefore, are not reported in the funds: (774,669)

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	(153,389,092)	
Loans payable	(1,367,174)	
Tax increment financing bonds	(25,459,347)	
Revenue bonds	<u>(63,610,182)</u>	<u>(243,825,795)</u>

Net Position of Governmental Activities **\$ (140,890,061)**

See notes to financial statements

City of Evansville, Indiana

Statement of Revenues, Expenditures and Changes in Fund Balances -

Governmental Funds

Year Ended December 31, 2023

	American Rescue			Nonmajor	Total
	General Fund	Plan	Casino Gaming	Governmental Funds	Governmental Funds
Revenues					
Taxes:					
Property	\$ 65,811,789	\$ -	\$ -	\$ 20,791,029	\$ 86,602,818
Income	23,460,651	-	-	6,079,368	29,540,019
Other	-	-	5,748,266	-	5,748,266
Licenses and permits	1,224,554	-	-	-	1,224,554
Intergovernmental	7,075,083	24,309,355	4,430,485	21,960,316	57,775,239
Charges for services	892,982	-	34,813	4,694,153	5,621,948
Investment earnings	138,446	2,215,820	494,121	3,283,808	6,132,195
Other:					
Rent	-	-	5,953,515	-	5,953,515
Leased interest income	-	-	1,603,982	-	1,603,982
Miscellaneous	952,104	-	352,508	13,326,138	14,630,750
Total revenues	99,555,609	26,525,175	18,617,690	70,134,812	214,833,286
Expenditures					
Current:					
General government	27,717,558	-	-	1,587,451	29,305,009
Public safety	61,195,064	6,535,627	-	2,702,532	70,433,223
Highways and streets	-	-	-	12,076,361	12,076,361
Culture and recreation	-	-	-	14,033,530	14,033,530
Urban redevelopment	1,517,118	-	5,405,960	29,091,552	36,014,630
Debt service:					
Principal	66,780	-	857,409	12,977,026	13,901,215
Interest	1,725	-	30,000	8,868,333	8,900,058
Bond issue costs	-	-	-	141,500	141,500
Capital outlay:					
General government	-	-	-	1,589,773	1,589,773
Public safety	296,316	17,858,566	-	186,963	18,341,845
Highways and streets	-	-	-	2,272,522	2,272,522
Urban redevelopment	-	-	10,590,418	25,825	10,616,243
Culture and recreation	-	-	-	134,461	134,461
Total expenditures	90,794,561	24,394,193	16,883,787	85,687,829	217,760,370
Excess (deficiency) of revenues over (under) expenditures	8,761,048	2,130,982	1,733,903	(15,553,017)	(2,927,084)
Other Financing Sources (Uses)					
Bond proceeds	-	-	-	6,645,000	6,645,000
Loan proceeds	-	-	-	525,000	525,000
Transfers in	6,094,731	-	-	20,571,438	26,666,169
Transfers out	(1,899,395)	-	(4,011,150)	(20,755,624)	(26,666,169)
Total other financing sources (uses)	4,195,336	-	(4,011,150)	6,985,814	7,170,000
Net change in fund balances	12,956,384	2,130,982	(2,277,247)	(8,567,203)	4,242,916
Fund Balances, Beginning	35,289,040	664,821	25,111,069	94,711,523	155,776,453
Fund Balances, Ending	\$ 48,245,424	\$ 2,795,803	\$ 22,833,822	\$ 86,144,320	\$ 160,019,369

See notes to financial statements

City of Evansville, IndianaReconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2023

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) \$ 4,242,916

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	32,954,844
Capital asset adjustments	2,438,873
Retainage payable	215,243
Depreciation expense	(36,273,964)

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

Taxes receivable not recorded in the fund financial statements (5,625,392)

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	\$ 13,901,215
Amortization of bond discount/premium and loss on refunding	1,336,635
Bond proceeds	(6,645,000)
Loan proceeds	(525,000)
	<u>8,067,850</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	2,248,639
Deferred outflows, OPEB	(4,299,130)
Unavailable revenue	9,010,252

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	7,275,781
Deferred inflows OPEB	25,194,103
Amortization of deferred amount on refundings	(649,848)

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. 94,124

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. 449,594

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. (146,700)

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

Pension obligations are considered expenses of the general government and, therefore, are not reported as current expenditures in the funds. (11,913,136)

OPEB liability reported in the Statement of Activities does not require the use of current resources and, therefore, are not reported as expenditures in governmental funds. (36,660,499)

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. 1,090,265

Change in Net Position of Governmental Activities (Statement of Activities) \$ (2,286,185)

See notes to financial statements

City of Evansville, Indiana

Statement of Net Position -

Proprietary Funds

December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Wastewater		Total	Activities
	Water Utility	Utility		Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 20,073,263	\$ 49,656,236	\$ 69,729,499	\$ 423,637
Investments	3,899,591	7,741,673	11,641,264	959,045
Receivables:				
Accounts	2,982,202	6,863,829	9,846,031	24,108
Miscellaneous	10,287	(336)	9,951	-
Inventory	1,160,774	2,339,843	3,500,617	-
Prepays	445,244	533,439	978,683	-
Interfund services provided and used	1,234,139	-	1,234,139	-
Restricted assets:				
Bond and interest cash	15,320,425	18,444,171	33,764,596	-
Bond and interest investments	4,886,597	-	4,886,597	-
Debt service reserve cash	2,907,239	2,283,067	5,190,306	-
Improvement fund cash and cash equivalents	500,000	-	500,000	-
Periodic maintenance fund cash	2,235,359	-	2,235,359	-
WWTP replacement cash	-	3,000,000	3,000,000	-
Construction fund cash	35,097,545	28,480,642	63,578,187	-
Consumer meter deposit cash	1,864,864	-	1,864,864	-
Excess pension cash	2,007,410	-	2,007,410	-
Cash with fiscal agent	481,986	1,075,596	1,557,582	-
Assistance program cash	36,212	-	36,212	-
Debt service reserve investments	14,696,040	26,631,918	41,327,958	-
Construction fund investments	48,986,747	37,119,612	86,106,359	-
Interest receivable	668,556	76,480	745,036	-
BAB debt service subsidy receivable	-	368,742	368,742	-
Customer deposits receivable	83,587	-	83,587	-
Capital assets:				
Land and improvements & construction in progress	65,471,214	314,142,436	379,613,650	-
Leased assets, net of amortization	1,249,180	1,678,788	2,927,968	-
Other capital assets, net of depreciation	249,282,790	313,006,744	562,289,534	-
Total assets	475,581,251	813,442,880	1,289,024,131	1,406,790
Deferred Outflows of Resources				
Unamortized deferral on bond refunding	3,641,965	2,163,756	5,805,721	-
Deferred outflows, pensions	2,233,101	1,036,765	3,269,866	-
Deferred outflows, OPEB	1,048,391	597,599	1,645,990	-
Regulatory assets	3,273,820	2,300,749	5,574,569	-
Total deferred outflows of resources	10,197,277	6,098,869	16,296,146	-
Liabilities				
Current liabilities:				
Accounts payable	\$ 2,489,464	\$ 2,261,010	\$ 4,750,474	\$ 997,898
Accrued payroll and withholdings payable	327,807	102,560	430,367	5,307
Taxes payable	195,050	-	195,050	-
Interfund services provided and used	-	1,117,519	1,117,519	-
Compensated absences	1,187,439	487,320	1,674,759	-
Claims payable	-	-	-	4,287,976
Due to other funds	-	-	-	29,916
Total current liabilities	4,199,760	3,968,409	8,168,169	5,321,097

See notes to financial statements

City of Evansville, Indiana

Statement of Net Position -

Proprietary Funds

December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental
				Activities
	Water Utility	Wastewater Utility	Total	Internal Service Funds
Payable from restricted assets:				
Contracts payable	3,398,203	14,232,839	17,631,042	-
Leases payable	417,725	583,979	1,001,704	-
Accrued interest payable	4,467,741	6,891,434	11,359,175	-
Retainage payable	1,609,517	3,070,145	4,679,662	-
Revenue bonds, current	8,090,000	11,460,000	19,550,000	-
Customer deposits payable	1,785,434	-	1,785,434	-
Assistance program	36,257	-	36,257	-
State revolving loan fund, current	3,080,100	4,471,723	7,551,823	-
Noncurrent (discount, premium):				
discount, premium)				
Leases payable	888,117	1,079,943	1,968,060	-
Revenue bonds payable (net of unamortized discount, premium)	189,092,435	138,436,678	327,529,113	-
State revolving loan fund, long-term	65,592,650	347,118,348	412,710,998	-
Net pension liability	5,016,486	2,417,350	7,433,836	-
OPEB liability	4,760,799	2,713,727	7,474,526	-
Payment in lieu of taxes	702,956	-	702,956	-
Total liabilities	<u>293,138,180</u>	<u>536,444,575</u>	<u>829,582,755</u>	<u>5,321,097</u>
Deferred Inflows of Resources				
Deferred inflows, pension	247,508	119,269	366,777	-
Deferred inflows, OPEB	1,642,361	936,171	2,578,532	-
Deferred inflows, other	<u>3,181,541</u>	<u>-</u>	<u>3,181,541</u>	<u>-</u>
Total deferred inflows of resources	<u>5,071,410</u>	<u>1,055,440</u>	<u>6,126,850</u>	<u>-</u>
Net Position				
Net investment in capital assets	134,834,514	178,439,072	313,273,586	-
Restricted				
General government	-	-	-	1,143,001
Debt service	27,867,897	40,436,051	68,303,948	-
Unrestricted	<u>24,866,527</u>	<u>63,166,611</u>	<u>88,033,138</u>	<u>(5,057,308)</u>
Total net position	<u>\$ 187,568,938</u>	<u>\$ 282,041,734</u>	<u>\$ 469,610,672</u>	<u>\$ (3,914,307)</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, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Wastewater		Total	Internal Service
	Water Utility	Utility		Funds
Operating Revenues				
Metered revenue:				
Residential	\$ 23,281,000	\$ 38,100,462	\$ 61,381,462	\$ -
Industrial	6,644,587	9,301,551	15,946,138	-
Commercial	10,597,975	25,851,259	36,449,234	-
Public authority	1,716,045	3,241,178	4,957,223	-
Refuse services	-	6,290,577	6,290,577	-
Delinquent charges	-	1,061,466	1,061,466	-
Connection fees	-	1,188,113	1,188,113	-
Pretreatment charges	-	554,800	554,800	-
Industrial surcharges and fines	-	1,765,068	1,765,068	-
Charges for services	-	-	-	35,908,780
Fire protection	7,285,234	-	7,285,234	-
Forfeited discounts	201,158	-	201,158	-
Sewer utility portion of general expenses	14,575,416	-	14,575,416	-
Miscellaneous	657,244	540,364	1,197,608	2,221,229
Total operating revenues	<u>64,958,659</u>	<u>87,894,838</u>	<u>152,853,497</u>	<u>38,130,009</u>
Operating Expenses				
Source of supply:				
Repairs and maintenance	956,272	-	956,272	-
Purchased power	973,384	-	973,384	-
Collection system:				
Salaries and wages and employee pensions and benefits	-	1,462,041	1,462,041	-
Employee benefits	-	1,089,241	1,089,241	-
Contractual services	-	103,892	103,892	-
Purchased power	-	555,433	555,433	-
Materials and supplies	-	169,634	169,634	-
Repairs and maintenance	-	1,741,862	1,741,862	-
Transportation	-	159,009	159,009	-
Chemicals	-	(356)	(356)	-
Treatment and disposal:				
Salaries and wages	1,342,012	2,650,914	3,992,926	-
Employee benefits	779,252	1,606,618	2,385,870	-
Materials and supplies	27,654	145,061	172,715	-
Lab expense	265,579	155,046	420,625	-
Chemicals	2,324,682	974,924	3,299,606	-
Contractual services	85,135	755,374	840,509	-
Purchased power	90,704	2,062,463	2,153,167	-
Repairs and maintenance	1,530,042	1,751,807	3,281,849	-
Sludge removal	-	533,952	533,952	-
Transportation	21,181	82,374	103,555	-
Other	-	23,459	23,459	-

See notes to financial statements

City of Evansville, Indiana

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Funds

Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Wastewater		Total	Activities
	Water Utility	Utility		Internal Service
				Funds
Customer service:				
Salaries and wages	\$ 2,292,283	\$ -	\$ 2,292,283	\$ -
Employee benefits	1,464,529	-	1,464,529	-
Postage	362,273	-	362,273	-
Materials and supplies	22,281	-	22,281	-
Contractual services	34,851	14,534,677	14,569,528	-
Repairs and maintenance	33,175	-	33,175	-
Transportation	98,840	-	98,840	-
Bad debt expense	(62,993)	(325,579)	(388,572)	-
Administrative and general:				
Salaries and wages and employee pensions and benefits	4,328,747	176,982	4,505,729	-
Employee pensions and benefits	2,372,930	51,860	2,424,790	-
Materials and supplies	493,614	-	493,614	-
Insurance claims and expenses	446,521	-	446,521	-
Repairs and maintenance	(1,001,477)	876,664	(124,813)	-
Contractual services	7,625,394	7,726,059	15,351,453	-
Rent	221,288	-	221,288	-
Transportation	55,581	-	55,581	-
Utilities receipts tax	9,102	-	9,102	-
Other	1,015,727	804,400	1,820,127	-
Transmission and distribution:				
Salaries and wages	1,758,968	-	1,758,968	-
Employee benefits	1,096,245	-	1,096,245	-
Materials and supplies	703,640	-	703,640	-
Contractual services	309,114	-	309,114	-
Purchased power	387,773	-	387,773	-
Repairs and maintenance	1,835,463	-	1,835,463	-
Transportation	235,209	-	235,209	-
General government	-	-	-	37,069,581
Depreciation	6,638,467	17,327,552	23,966,019	-
Lease amortization	343,786	244,462	588,248	-
Total operating expenses	<u>41,517,228</u>	<u>57,439,825</u>	<u>98,957,053</u>	<u>37,069,581</u>
Operating income (loss)	<u>23,441,431</u>	<u>30,455,013</u>	<u>53,896,444</u>	<u>1,060,428</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, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Wastewater		Total	Activities
	Water Utility	Utility		Internal Service Funds
Nonoperating Revenues (Expenses)				
Interest and investment revenue	\$ 8,246,991	\$ 5,956,989	\$ 14,203,980	\$ 29,837
BAB subsidy income	-	368,742	368,742	-
Interest expense	(9,094,068)	(13,348,472)	(22,442,540)	-
Interest expense, amortization	(586,043)	(385,122)	(971,165)	-
Payments in lieu of taxes	(3,976,250)	(5,243,900)	(9,220,150)	-
Capital contributions	1,293,350	1,761,452	3,054,802	-
Other	(366,346)	1,104,003	737,657	-
Miscellaneous expense	-	(523,294)	(523,294)	-
Gain on disposal of asset	-	8,706	8,706	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total nonoperating revenues (expenses)	<u>(4,482,366)</u>	<u>(10,300,896)</u>	<u>(14,783,262)</u>	<u>29,837</u>
Change in net position	18,959,065	20,154,117	39,113,182	1,090,265
Net Position (Deficit), Beginning	<u>168,609,873</u>	<u>261,887,617</u>	<u>\$ 430,497,490</u>	<u>(5,004,572)</u>
Net Position (Deficit), Ending	<u>\$ 187,568,938</u>	<u>\$ 282,041,734</u>	<u>\$ 469,610,672</u>	<u>\$ (3,914,307)</u>

See notes to financial statements

City of Evansville, Indiana

 Statement of Cash Flows -
 Proprietary Funds
 Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Wastewater		Total	Internal
	Water Utility	Utility		Service Funds
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 64,972,176	\$ 87,777,127	\$ 152,749,303	\$ 38,127,065
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(17,027,800)	(33,258,268)	(50,286,068)	-
Payments to employees	(14,353,833)	(6,777,706)	(21,131,539)	-
Payments for interfund services used	-	-	-	(36,145,219)
Net cash from operating activities	<u>33,590,543</u>	<u>47,741,153</u>	<u>81,331,696</u>	<u>1,981,846</u>
Cash Flows From Noncapital Financing Activities				
Payment in lieu of property taxes	(3,976,250)	(5,243,900)	(9,220,150)	-
Net cash from noncapital financing activities	<u>(3,976,250)</u>	<u>(5,243,900)</u>	<u>(9,220,150)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(35,098,851)	(71,956,986)	(107,055,837)	-
Principal paid on debt	(7,940,000)	(12,140,000)	(20,080,000)	-
Principal paid on SRF bonds	(2,983,148)	(4,158,723)	(7,141,871)	-
SRF Loan proceeds	123,448	39,580,000	39,703,448	-
BAB debt service subsidy receivable	-	(179,823)	(179,823)	-
Contracts paid, bond issuance and rate case costs	1,467,956	-	1,467,956	-
Interest paid	(9,215,716)	(12,988,280)	(22,203,996)	-
Contracts payable	-	12,630,682	12,630,682	-
Contributed capital	1,293,350	1,761,452	3,054,802	-
Retainage accrued/paid	(63,567)	(1,653,450)	(1,717,017)	-
BAB subsidy income	-	368,742	368,742	-
Deferred debits	-	(451,301)	(451,301)	-
Due to other funds	-	-	-	(1,093,928)
Nonoperating expense	-	(514,588)	(514,588)	-
Nonoperating revenues	(366,346)	1,104,003	737,657	-
Net cash from capital and related financing activities	<u>(52,782,874)</u>	<u>(48,598,272)</u>	<u>(101,381,146)</u>	<u>(1,093,928)</u>
Cash Flows From Investing Activities				
Interest received	7,782,687	6,155,424	13,938,111	29,837
Transfers out	-	-	-	-
Sale (purchase) of investments	15,209,691	(26,942,987)	(11,733,296)	(494,118)
Net cash from investing activities	<u>22,992,378</u>	<u>(20,787,563)</u>	<u>2,204,815</u>	<u>(464,281)</u>
Net increase in cash and cash equivalents	(176,203)	(26,888,582)	(27,064,785)	423,637
Cash and Cash Equivalents, January 1	<u>80,700,506</u>	<u>129,828,294</u>	<u>210,528,800</u>	<u>-</u>
Cash and Cash Equivalents, December 31	<u>\$ 80,524,303</u>	<u>102,939,712</u>	<u>183,464,015</u>	<u>423,637</u>

See notes to financial statements

City of Evansville, Indiana

Statement of Cash Flows -
 Proprietary Funds
 Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Wastewater			Internal
	Water Utility	Utility	Total	Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities				
Operating income (loss)	\$ 23,441,431	\$ 30,455,013	\$ 53,896,444	\$ 1,060,428
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:				
Depreciation expense	6,638,467	17,327,552	23,966,019	-
Lease amortization	343,786	244,462	588,248	-
(Increase) decrease in assets:				
Accounts receivable	(520,547)	(117,711)	(638,258)	(2,944)
Accounts receivable, miscellaneous	534,064	-	534,064	-
Interfund services provided and used	(111,899)	-	(111,899)	-
Customer deposits receivable	(7,263)	-	(7,263)	-
Inventory	643,514	(608,240)	35,274	-
Prepaid items	(266,450)	(303,664)	(570,114)	-
Increase (decrease) in liabilities:				
Accounts payable	1,526,191	281,791	1,807,982	997,898
Leases payable	210,410	181,521	391,931	-
Accrued payroll and withholdings payable	20,200	(9,048)	11,152	406
Taxes payable	33,666	-	33,666	-
Customer deposits	44,833	-	44,833	-
Assistance program	(793)	-	(793)	-
Interfund services provided and used	-	20,479	20,479	-
Compensated absences payable	149,796	(41,058)	108,738	-
Claims payable	-	-	-	(73,942)
Increase (decrease) net pension liability	417,614	28,276	445,890	-
Increase (decrease) OPEB	493,523	281,780	775,303	-
	<u>10,149,112</u>	<u>17,286,140</u>	<u>27,435,252</u>	<u>921,418</u>
Total adjustments				
Net cash used by operating activities	<u>\$ 33,590,543</u>	<u>\$ 47,741,153</u>	<u>\$ 81,331,696</u>	<u>\$ 1,981,846</u>

See notes to financial statements

City of Evansville, Indiana

Statement of Fiduciary Net Position -

Fiduciary Funds

December 31, 2023

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ <u>2,042,255</u>
Investments at fair value:	
Fixed income securities	<u>7,319,002</u>
Total investments	<u>7,319,002</u>
Total assets	<u>9,361,257</u>
Net Position	
Restricted for pensions	\$ <u>9,361,257</u>

See notes to financial statements

City of Evansville, Indiana

Statement of Changes in Fiduciary Net Position -

Fiduciary Funds

Year Ended December 31, 2023

	Pension Trust Funds
Additions	
Contributions:	
Contributions from nonemployer contributing entities	\$ 10,637,136
Total contributions	<u>10,637,136</u>
Investment income:	
Interest	<u>369,952</u>
Total investment income	<u>369,952</u>
Total additions	<u>11,007,088</u>
Deductions	
Pension benefits	<u>10,475,496</u>
Total deductions	<u>10,475,496</u>
Change in fiduciary net position	531,592
Net Position, Beginning	<u>8,829,665</u>
Net Position, Ending	<u>\$ 9,361,257</u>

See notes to financial statements

City of Evansville, Indiana

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December 31, 2023

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City of Evansville, Indiana

Notes to Financial Statements
December 31, 2023

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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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

Discretely Presented Component Units

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

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

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

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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 March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This Statement defines public-private and public-public partnership arrangements (PPPs) and an service concession arrangement (SCA). The new Statement provides accounting and financial reporting requirements for PPPs that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). This Statement also defines availability payment arrangements (APAs) and provides guidance for accounting and financial reporting for APAs. This standard was implemented January 1, 2023, with no impact on the financial statements.

In May 2020, the GASB issued Statement No. 96, Subscription Based Information Technology Arrangements. This Statement establishes accounting and financial reporting requirements related to subscription based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right to use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This standard was implemented January 1, 2023. There was no financial impact on the financial statements as the SBITAs were considered immaterial and are not reported.

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 those that are clearly identifiable with a specific function or segment. 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.

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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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

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

No policy exists for the following risks:

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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, or part of the net investment in capital assets.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Capital Assets

Government-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The City is reporting deferred outflows of resources related to 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, 2023, 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 2023 was approved by the IURC on March 2, 2022, pursuant to Order in Cause No. 45545. 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 we have included additional information regarding the conclusion of this in the subsequent event notes. 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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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 \$142,291,860. 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, 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, Downtown Parking Garage, Unemployment Insurance, Parks Special District, American Rescue Plan, Aquatic Center, Jacobsville TIF, Liability Insurance, HUD Fair Housing, Master TIF Projects, Evansville Redevelopment TIF Projects, Landlord Registry, Water Utility Bond and Interest, Water Improvement and Sewer Improvement.

Deficit Balances

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

As of December 31, 2023, the following individual funds held a deficit fund balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Parking Garages	\$ 80,842	Revenue Shortfalls
Community Dev Block Grant	685,098	Reimbursement Grant
DMD Home Administration	140,882	Revenue Shortfalls
Emergency Solutions Grant	138,176	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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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	\$ 297,899,954	\$ 313,572,399	Custodial risk
Certificates of deposit	45,286,168	45,286,168	Custodial risk
U.S. treasuries	61,182,963	61,182,963	Custodial risk, interest rate
Money market accounts	138,619,233	138,619,233	Custodial risk
State and local bonds	<u>154,731</u>	<u>154,731</u>	Custodial, credit, concentration of credit, interest rate risks
Total deposits and investments	<u>\$ 543,143,049</u>	<u>\$ 558,815,494</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 268,337,607		
Restricted cash and investments	251,415,604		
Per statement of net position, fiduciary funds:			
Pension trust funds	9,361,257		
Component unit cash and investments	<u>14,028,581</u>		
Total deposits and investments	<u>\$ 543,143,049</u>		

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

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

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

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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).
- U.S. Treasury Notes/Bonds are valued using quoted market prices in markets that are not active (Level 2).
- Commercial Paper is valued using quoted market prices in markets that are not active (Level 2).
- State and local bonds are valued using quoted market prices in markets that are not active (Level 2).

Investment Type	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Money market	\$ 138,619,233	\$ -	\$ -	\$ 138,619,233
U.S. treasuries	61,182,963	-	-	61,182,963
State and local bonds	-	154,731	-	154,731
Total	<u>\$ 199,802,196</u>	<u>\$ 154,731</u>	<u>\$ -</u>	<u>\$ 199,956,927</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.

As of December 31, 2023, the City's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investors Services
State and local bonds	Unrated	A2
U.S. treasuries	Unrated	Aaa

Interest Rate Risk

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

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

As of December 31, 2023, the City's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)		
		Less Than 1	1 to 5	Over 5
State and local bonds	\$ 154,731	\$ -	\$ 154,731	\$ -
U.S. treasuries	<u>61,182,963</u>	<u>55,907,640</u>	<u>5,275,323</u>	<u>-</u>
Total	<u>\$ 61,337,694</u>	<u>\$ 55,907,640</u>	<u>\$ 5,430,054</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	\$ 62,993
Uncollectibles related to Wastewater Utility	<u>325,579</u>
Total uncollectibles of the current fiscal year	<u>\$ 388,572</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* and unearned 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 unavailable revenue	\$ 66,819,273	\$ 85,521,099
Grant drawdowns prior to meeting all eligibility requirements, unearned revenue	<u>32,043,348</u>	<u>32,043,348</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 98,862,621</u>	<u>\$ 117,564,447</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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, 2023:

	Water Utility Restricted Assets	Wastewater Utility Restricted Assets	Governmental Activities
Revenue bond covenant accounts	\$ 5,642,598	\$ 5,283,067	\$ -
Bond and Interest	15,320,425	18,444,171	-
Construction fund	35,097,545	28,480,642	-
Consumer meter deposit	1,864,864	-	-
Excess pension, state regulation	2,007,410	-	-
Cash with fiscal agent	481,986	1,075,596	-
Assistance program	36,212	-	-
Bond and interest investments	4,886,597	-	-
Debt service reserve investments	14,696,040	26,631,918	5,360,174
Construction fund investments	48,986,747	37,119,612	-
Receivables	<u>752,143</u>	<u>445,222</u>	<u>-</u>
Total	<u>\$ 129,772,567</u>	<u>\$ 117,480,228</u>	<u>\$ 129,772,567</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Capital Assets

Capital asset activity for the year ended December 31, 2023, 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	\$ 34,436,177	\$ 979,952	\$ 18,049	\$ 35,398,080
Construction in progress	<u>8,163,590</u>	<u>24,043,307</u>	<u>3,471,693</u>	<u>28,735,204</u>
Total capital assets not being depreciated	<u>42,599,767</u>	<u>25,023,259</u>	<u>3,489,742</u>	<u>64,133,284</u>
Capital assets being depreciated:				
Buildings	257,583,985	2,820,141	64,980	260,339,146
Improvements other than buildings	32,700,080	873,651	1,979,219	31,594,512
Machinery, equipment and vehicles	67,040,390	9,487,007	4,504,012	72,023,385
Infrastructure	<u>585,247,737</u>	<u>1,872,527</u>	<u>-</u>	<u>587,120,264</u>
Total capital assets being depreciated	<u>942,572,192</u>	<u>15,053,326</u>	<u>6,548,211</u>	<u>951,077,307</u>
Total capital assets	<u>985,171,959</u>	<u>40,076,585</u>	<u>10,037,953</u>	<u>1,015,210,591</u>
Less accumulated depreciation for:				
Buildings	(76,445,157)	(4,905,243)	73,085	(81,277,315)
Improvements other than buildings	(26,042,885)	(728,725)	1,899,868	(24,871,742)
Machinery, equipment and vehicles	(47,203,866)	(4,498,701)	4,305,680	(47,396,887)
Infrastructure	<u>(407,471,068)</u>	<u>(26,141,295)</u>	<u>-</u>	<u>(433,612,363)</u>
Total accumulated depreciation	<u>(557,162,976)</u>	<u>(36,273,964)</u>	<u>6,278,633</u>	<u>(587,158,307)</u>
Net capital assets being depreciated	<u>385,409,216</u>	<u>(21,220,638)</u>	<u>(269,578)</u>	<u>363,919,000</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 428,008,983</u>	<u>\$ 3,802,621</u>	<u>\$ 3,759,320</u>	<u>\$ 428,052,284</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

General government	<u>\$ 36,273,964</u>
Total governmental activities depreciation expense	<u>\$ 36,273,964</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

	<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>72,793,436</u>	<u>32,604,838</u>	<u>40,359,495</u>	<u>65,038,779</u>
Total capital assets not being depreciated/amortized	<u>73,225,871</u>	<u>32,604,838</u>	<u>40,359,495</u>	<u>65,471,214</u>
Capital assets being depreciated/amortized:				
Infrastructure	269,736,153	35,570,438	-	305,306,591
Buildings	39,968,195	6,365,013	-	46,333,208
Improvements other than buildings	2,898,133	118,029	-	3,016,162
Machinery and equipment	37,659,899	517,382	-	38,177,281
Leased equipment and fixtures	<u>2,545,406</u>	<u>802,443</u>	<u>313,021</u>	<u>3,034,828</u>
Total capital assets being depreciated/amortized	<u>352,807,786</u>	<u>43,373,305</u>	<u>313,021</u>	<u>395,868,070</u>
Total capital assets	<u>426,033,657</u>	<u>75,978,143</u>	<u>40,672,516</u>	<u>461,339,284</u>
Less accumulated depreciation/amortization for:				
Infrastructure	(104,977,822)	(5,161,585)	-	(110,139,407)
Buildings	(21,604,424)	(688,395)	-	(22,292,819)
Improvements other than buildings	(361,434)	(58,730)	-	(420,164)
Machinery and equipment	(9,968,306)	(729,757)	-	(10,698,063)
Leased equipment and fixtures	<u>(1,235,085)</u>	<u>(607,910)</u>	<u>57,349</u>	<u>(1,785,646)</u>
Total accumulated depreciation/amortization	<u>(138,147,071)</u>	<u>(7,246,377)</u>	<u>57,349</u>	<u>(145,336,099)</u>
Net capital assets being depreciated/amortized	<u>214,660,715</u>	<u>36,126,928</u>	<u>(255,672)</u>	<u>250,531,971</u>
Business-type capital assets, net of accumulated depreciation/amortization	<u>\$ 287,886,586</u>	<u>\$ 68,731,766</u>	<u>\$ 40,615,167</u>	<u>\$ 316,003,185</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

	<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>257,651,682</u>	<u>67,138,009</u>	<u>15,160,248</u>	<u>309,629,443</u>
Total capital assets not being depreciated/amortized	<u>262,164,675</u>	<u>67,138,009</u>	<u>15,160,248</u>	<u>314,142,436</u>
Capital assets being depreciated/amortized:				
Infrastructure	342,945,856	9,532,360	-	352,478,216
Buildings	169,312,360	214,961	-	169,527,321
Improvements other than buildings	6,071,380	67,305	-	6,138,685
Machinery and equipment	62,333,355	9,938,056	-	72,271,411
Leased equipment and fixtures	<u>2,889,703</u>	<u>846,868</u>	<u>-</u>	<u>3,736,571</u>
Total capital assets being depreciated/amortized	<u>583,552,654</u>	<u>20,599,550</u>	<u>-</u>	<u>604,152,204</u>
Total capital assets	<u>845,717,329</u>	<u>87,737,559</u>	<u>15,160,248</u>	<u>918,294,640</u>
Less accumulated depreciation/amortization for:				
Infrastructure	(117,578,380)	(9,010,770)	-	(126,589,150)
Buildings	(118,025,518)	(2,912,698)	-	(120,938,216)
Improvements other than buildings	(3,028,104)	(301,532)	-	(3,329,636)
Machinery and equipment	(31,449,335)	(5,102,552)	-	(36,551,887)
Leased equipment and fixtures	<u>(1,192,996)</u>	<u>(864,787)</u>	<u>-</u>	<u>(2,057,783)</u>
Total accumulated depreciation/amortization	<u>(271,274,333)</u>	<u>(18,192,339)</u>	<u>-</u>	<u>(289,466,672)</u>
Net capital assets being depreciated/amortized	<u>312,278,321</u>	<u>2,407,211</u>	<u>-</u>	<u>314,685,532</u>
Business-type capital assets, net of accumulated depreciation/amortization	<u>\$ 574,442,996</u>	<u>\$ 69,545,220</u>	<u>\$ 15,160,248</u>	<u>\$ 628,827,968</u>

Depreciation/amortization expense was charged to functions as follows:

Business-Type Activities

Water	\$ 7,246,377
Wastewater	<u>18,192,339</u>
Total business-type activities Depreciation/Amortization expense	<u>\$ 25,438,716</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 418,580
General Fund	Internal Service Funds	<u>29,916</u>
Total, fund financial statements		448,496
Less government-wide eliminations		<u>(448,496)</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 \$2,433,077. This is due to an interim invoice for bond costs paid by the Water Utility in advance of the bond closing.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Nonmajor funds	\$ 6,094,731	Operational support
Nonmajor funds	General	1,899,395	Operational support
Nonmajor funds	Casino Gaming Fund	4,011,150	Operational support
Nonmajor funds	Nonmajor funds	<u>14,660,893</u>	Operational support
Total, fund financial statements		26,666,169	
Less government-wide eliminations		<u>(26,666,169)</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, 2023

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</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	\$ 64,505,000	\$ -	\$ 4,100,000	\$ 60,405,000	\$ 3,805,000
Premiums on debt	12,206,639	-	1,334,082	10,872,557	-
Tax increment financing bonds	27,901,476	487,955	3,423,367	24,966,064	3,856,064
Lease rental bonds	144,975,000	6,645,000	5,405,000	146,215,000	5,949,000
Other bonds or notes or loans payable or financed purchases	1,268,239	-	493,570	774,669	462,133
Loans payable	<u>1,318,899</u>	<u>525,000</u>	<u>476,725</u>	<u>1,367,174</u>	<u>580,380</u>
Subtotal	<u>252,175,253</u>	<u>7,657,955</u>	<u>15,232,744</u>	<u>244,600,464</u>	<u>14,652,577</u>
Other liabilities:					
Compensated absences	1,437,414	-	94,124	1,343,290	1,343,290
Total OPEB Liability	317,982,721	53,548,884	16,888,385	354,643,220	-
Net pension liability	<u>136,601,008</u>	<u>43,674,547</u>	<u>31,761,410</u>	<u>148,514,145</u>	<u>-</u>
Total other liabilities	<u>456,021,143</u>	<u>97,223,431</u>	<u>48,743,919</u>	<u>504,500,655</u>	<u>1,343,290</u>
Total governmental activities long-term liabilities	<u>\$ 708,196,396</u>	<u>\$ 104,881,386</u>	<u>\$ 63,976,663</u>	<u>\$ 749,101,119</u>	<u>\$ 15,995,867</u>
Business-Type Activities					
Bonds and notes payable:					
Revenue bonds	\$ 359,730,000	\$ -	\$ 20,080,000	\$ 339,650,000	\$ 19,550,000
(Discounts)/Premiums	<u>8,089,018</u>	<u>-</u>	<u>659,905</u>	<u>7,429,113</u>	<u>-</u>
Subtotal	<u>367,819,018</u>	<u>-</u>	<u>20,739,905</u>	<u>347,079,113</u>	<u>19,550,000</u>
Other liabilities					
Compensated absences	1,566,021	1,674,759	1,566,021	1,674,759	1,674,759
Leases payable	2,577,833	1,240,828	848,897	2,969,764	1,001,704
Other postemployment benefits	6,699,224	775,302	-	7,474,526	-
Net pension liability	6,987,946	445,890	-	7,433,836	-
State revolving fund loan	387,701,244	39,703,448	7,141,871	420,262,821	7,551,823
Payment in lieu of tax	<u>702,956</u>	<u>-</u>	<u>-</u>	<u>702,956</u>	<u>-</u>
Total other liabilities	<u>406,235,224</u>	<u>43,840,227</u>	<u>9,556,789</u>	<u>440,518,662</u>	<u>10,228,286</u>
Total business-type activities long-term liabilities	<u>\$ 774,054,242</u>	<u>\$ 43,840,227</u>	<u>\$ 30,296,694</u>	<u>\$ 787,597,775</u>	<u>\$ 29,778,286</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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, 2023, consists of the following:

Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2023
Park District Bonds, Series 2018	11/15/18	08/15/38	4-5%	\$ 18,150,000	\$ 16,085,000
ED Rev Bonds, Series 2016A	04/28/16	02/15/39	2-5	18,000,000	14,355,000
ED Rev Bonds, Series 2015A	09/01/15	02/01/39	3-5	10,235,000	8,155,000
ED Taxable Rev Bonds, Series 2011 (Direct Placement)	12/29/11	02/01/34	0%	22,435,000	11,760,000
ED Rev Refunding Bonds, Series 2015	07/09/15	02/01/24	2.69	10,990,000	665,000
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>\$ 60,405,000</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 1.6% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,583,250. Principal and interest paid for the current year and total customer net revenues were \$1,551,375 and \$9,088,572, 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 15.1% of net revenues. The total principal and interest remaining to be paid on the bonds is \$19,784,506. Principal and interest paid for the current year and total customer net revenues were \$1,239,288 and \$8,185,221 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 9.0% of net revenues. The total principal and interest remaining to be paid on the bonds is \$11,770,275. Principal and interest paid for the current year and total customer net revenues were \$740,250 and \$8,185,221, respectively.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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 13.7% of net revenues. The total principal and interest remaining to be paid on the bonds is \$11,760,000. Principal and interest paid for the current year and total customer net revenues were \$1,120,000 and \$8,185,221, 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 16.6% of net revenues. The total principal and interest remaining to be paid on the bonds is \$673,944. Principal and interest paid for the current year and total customer net revenues were \$1,359,520 and \$8,185,221, 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 1.6% of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,464,705. Principal and interest paid for the current year and total customer net revenues were \$147,503 and \$9,088,572, respectively.

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 1.6% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,583,250. Principal and interest paid for the current year and total customer net revenues were \$142,469 and \$9,088,572, respectively.

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
Water Utility					
2016A Rev Bonds	12/15/16	01/01/38	4.00%	\$ 39,640,000	\$ 31,635,000
2016B Ref Rev Bonds	11/30/16	01/01/30	3.00-4.00	31,370,000	24,320,000
2019 Rev Bonds	05/02/19	01/01/40	2.00-3.25	39,765,000	35,325,000
2020 Taxable Ref Rev Bonds	02/13/20	01/01/35	1.665-2.658	30,670,000	29,940,000
2021 Tax Ref Rev Bonds	02/21/21	01/01/36	0.30-1.80	24,650,000	18,675,000
2022A Rev Bonds	06/09/22	01/01/49	4.25-5.00	52,550,000	<u>52,550,000</u>
			Total Water Utility		<u>192,445,000</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
Wastewater Utility					
2010 Rev Bonds, Ser. B1	12/01/10	07/01/31	3.75-6.5%	\$ 27,450,000	\$ 18,005,000
2016A Rev Bonds	07/28/16	07/01/37	2.00-3.00	25,855,000	22,365,000
2017A Rev Bonds	05/11/17	07/01/40	3-3.375	21,850,000	17,625,000
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	12,710,000
2021 Taxable Ref Rev Bonds	07/23/21	07/01/36	2.25	52,190,000	46,500,000
Total Wastewater Utility					<u>147,205,000</u>

Total business-type activities, revenue debt \$ 339,650,000

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

<u>Years</u>	<u>Governmental Activities Revenue Debt</u>		<u>Business-Type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2024	\$ 2,685,000	\$ 2,021,738	\$ 19,550,000
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	9,333,531
2028	2,755,000	1,772,000	19,015,000	8,743,094
2029-2033	15,620,000	6,623,123	96,810,000	34,552,187
2034-2038	16,665,000	2,784,513	97,570,000	19,943,523
2039-2043	3,380,000	176,153	24,750,000	8,055,875
2044-2048	-	-	20,485,000	3,253,488
2049-2053	-	-	2,325,000	49,406
Total	<u>\$ 48,645,000</u>	<u>\$ 19,436,702</u>	<u>\$ 339,650,000</u>	<u>\$ 115,627,135</u>

<u>Years</u>	<u>Governmental Activities Direct Placement Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,120,000	\$ -
2025	1,120,000	-
2026	1,120,000	-
2027	1,120,000	-
2028	1,120,000	-
2029-2033	5,600,000	-
2034	560,000	-
Total	<u>\$ 11,760,000</u>	<u>\$ -</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Tax Increment Financing Bonds

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

Red Dist TIF Rev Bonds, Series 2016. The City has pledged future Jacobsville TIF property tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2016. Proceeds from the bonds provided financing for the North Main Lofts. The bonds are payable solely from Jacobsville TIF property tax revenues and are payable through 2040. Annual principal and interest payments on the bonds are expected to require 42.90% of net revenues. The total principal and interest remaining to be paid on the bonds is \$16,447,126. Principal and interest paid for the current year and total customer net revenues were \$998,051 and \$2,328,743, respectively.

ED TIF Rev Bonds, Series 2014. The City has pledged future Jacobsville TIF property tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2014. Proceeds from the bonds provided financing for the partial cost, construction, renovation and improvement of product tech center for appliance manufacturer. The bonds are payable solely from Jacobsville TIF property tax revenues and are payable through 2040. Annual principal and interest payments on the bonds are expected to require 4.50% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,754,144. Principal and interest paid for the current year and total customer net revenues were \$105,406 and \$2,328,743, respectively.

Governmental Activities					Balance
Tax Increment Financing Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2023
Red Dist TIF Rev Bonds, Series 2016	12/12/14	02/01/40	2-5%	\$ 15,740,000	\$ 12,035,000
ED TIF Rev Bonds, Series 2014	04/05/16	02/01/40	2-5.75	1,500,000	1,215,000
Mead Johnson TIF	10/22/13	10/22/28	0	229,910	120,920
ERC TIF Revenue Note, Series 2020 Fifth and Main (Direct placement)	12/30/20	12/30/22	1.50	2,500,000	2,332,057
ERC TIF Revenue Note, Series 2021 Fifth and Main (Direct placement)	08/17/21	08/17/23	1.50	1,950,000	673,087
ED Tax Increment Revenue Bonds, Series 2022	12/22/22	02/01/33	4.47	1,755,000	1,620,000
ED Series 2022	10/10/22	02/01/36	0.50	6,970,000	<u>6,970,000</u>
Total governmental activities tax increment financing bonds					<u>\$ 24,966,064</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Tax Increment Financing Bonds	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 850,920	\$ 960,445
2025	757,000	933,351
2026	804,000	901,913
2027	857,000	868,494
2028	966,000	832,222
2029-2033	8,224,000	3,346,273
2034-2038	7,932,000	1,184,053
2039	1,570,000	79,125
Total	<u>\$ 21,960,920</u>	<u>\$ 9,105,876</u>

<u>Years</u>	Governmental Activities TIF Debt from Direct Borrowings and Direct Placements	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 3,005,144	\$ 41,288
Total	<u>\$ 3,005,144</u>	<u>\$ 41,288</u>

Finance Purchases Agreements

Finance purchases at December 31, 2023, consist of the following:

Governmental Activities Financed Purchases	Date of Issue	Final Maturity	Original Indebtedness	Balance December 31, 2023
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	160,013
Body Camera	01/01/2020	12/31/2024	1,510,600	302,120
Total governmental activities finance purchases				<u>\$ 774,669</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Finance Purchases Principal
2024	\$ 462,133
2025	312,536
Total	<u>\$ 774,669</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Lease Rental Bonds

Lease Rental Revenue Bonds at December 31, 2023 consist of the following:

Governmental Activities					Balance
Lease Rental Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2023
ED LR Rev Bonds, Series 2016A	04/28/16	02/15/39	3-5%	\$ 7,500,000	\$ 6,060,000
ED LR Rev Bonds, Series 2016B	04/07/16	02/01/31	2.9	12,345,000	7,030,000
ED LR Rev Bonds, Series 2015C	12/29/15	02/15/39	3-5	9,225,000	7,695,000
ED LR Rev Bonds, Series 2015D	12/29/15	02/15/39	2.1-4.87	12,080,000	10,000,000
LR Rev Ref Bonds, Series 2016	07/13/16	02/01/39	3.99-5	92,425,000	82,315,000
Lease Rental Revenue Bonds, Series 2022	09/08/22	01/15/42	2.75-5.00	26,470,000	26,470,000
Redevelopment Authority Lease Rental Revenue Bonds, Series 2023	11/20/23	02/15/33	5.54	6,645,000	<u>6,645,000</u>
Total governmental activities lease rental bonds					<u>\$ 146,215,000</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 6.2% of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,001,963. Principal and interest paid for the current year and total customer net revenues were \$511,225 and \$8,185,221, 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 12.8% of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,872,703. Principal and interest paid for the current year and total customer net revenues were \$1,046,850 and \$8,185,221 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 7.7% of net revenues. The total principal and interest remaining to be paid on the bonds is \$10,011,656. Principal and interest paid for the current year and total customer net revenues were \$632,325 and \$8,185,221.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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 \$14,200,085. Principal and interest paid for the current year and total customer net revenues were \$903,776 and \$8,185,221 respectively.

LR Rev Ref Bonds, Series, 2016. The City has pledged future TIF property tax revenues, food and beverage tax revenues, riverboat gaming tax revenues and COIT revenues, net of specified operating expenses, to repay lease rental revenue bonds issued in 2016. Proceeds from the bonds provided financing for payment of interest on 2016 bonds, principal on Series 2010B beginning 8/1/2020. The bonds are payable from TIF property tax revenues, food and beverage tax revenues, riverboat gaming tax revenues and COIT revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require 14.5% of net revenues. The total principal and interest remaining to be paid on the bonds is \$111,519,075. Principal and interest paid for the current year and total customer net revenues were \$7,076,950 and \$48,365,844, respectively.

EDC 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 \$39,181,347. Principal and interest paid for the current year and total customer net revenues were \$973,584 and \$8,185,221, respectively.

City of Evansville Redevelopment Authority Lease Rental Revenue Bonds, Series 2023. The City issued \$6,645,000 in bonds in November 2023. The City has pledged future TIF property tax revenues, food and beverage tax revenue, riverboat gaming tax revenues and COIT revenues, net of specified operating expenses to repay lease rental revenue bonds issued in 2023. Proceeds from the bonds provided financing for the improvements to the Ford Center and related facilities. Payments do not begin until 2024.

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Lease Rental Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 5,949,000	\$ 6,806,845
2025	7,364,000	5,627,167
2026	7,838,000	5,321,827
2027	8,189,000	4,991,227
2028	8,586,000	4,620,628
2029-2033	45,079,000	17,728,832
2034-2038	47,355,000	8,308,721
2039-2042	15,855,000	764,018
Total	<u>\$ 146,215,000</u>	<u>\$ 54,169,265</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Loans Payable

Loans Payable as of December 31, 2023 consist of the following:

Governmental Activities	Balance December 31, 2023
Loans Payable From Direct Borrowings	
Energy Savings Contract for Animal Control	\$ 22,252
Energy Savings Contract for Fire Department	70,121
Energy Savings Contract for Central Dispatch	22,442
Energy Savings Contract for Parks Department	122,359
Evansville Bond Bank Note for Fire Equipment (2020)	400,000
Evansville Bond Bank Note for Fire Equipment (2021)	205,000
Evansville Bond Bank Note for Debt repayment (2023)	<u>525,000</u>
Total governmental activities other long-term liabilities, loans payable	<u>\$ 1,367,174</u>

Business-Type Activities

State Revolving Loans Payable From Direct Borrowings

State Revolving Loans	Final Maturity	Interest Rates	Balance December 31, 2023
2018A-2 Waterworks revenue bonds	01/01/40	3.25%	\$ 68,549,302
2009 Wastewater revenue bonds	07/01/44	2.3	27,718,000
2010A Wastewater revenue bonds	07/01/45	2.3	7,108,000
2012E Wastewater revenue bonds	07/01/47	2.3	5,964,000
2014A Wastewater revenue bonds	07/01/31	2.44	4,116,000
2014B Wastewater revenue bonds	07/01/34	2.10	3,465,000
2014D Wastewater revenue bonds	07/01/35	2	22,904,999
2016B Wastewater revenue bonds	07/01/37	2	9,816,624
2016C Wastewater revenue bonds	07/01/38	2	7,119,000
2018A Wastewater revenue bonds	07/01/40	2	13,125,894
2018B-1 Wastewater revenue bonds	07/01/40	2.9	34,966,554
2018B-2 Wastewater revenue bonds	07/01/53	3.32	72,333,000
2019B Wastewater revenue bonds	07/01/41	2.48	74,998,000
2022A Wastewater revenue bonds	07/01/43	1.53	28,375,000
2023A Wastewater revenue bonds	07/01/44	3.63	39,580,000
2023A Waterworks revenue bonds	01/01/58	0	<u>123,448</u>
		Total	<u>\$ 420,262,821</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, 2023, the loan principal amount drawn for the 2016B, 2016C and 2018A wastewater loans were \$12,693,082, \$8,785,575 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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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 2023A water loan funded a construction account \$4,000,000 and closed on December 22, 2023. Withdrawals of \$123,448 at 12/31/23. The 2023A wastewater loan funded a construction account of \$39,580,000 and closed on May 4, 2023.

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 \$70,327, \$981,958, \$7,757,581, \$10,769,078 and \$3,876,552 for the 2018B1, 2018B2, 2019B, 2022A and 2023A 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 \$16,227,010 for the 2018A2 loan.

Under the terms of the State Revolving Loan Fund, revenue bonds have been purchased by the Indiana Bond Bank, the proceeds of which are set aside to finance the construction of improvements and extensions to the Wastewater Utility. Funds were loaned to the Wastewater Utility as construction costs accrued to the maximum allowed. The 2009(2018 Reissued), 2010A (2018 Reissued), 2012E (2018 Reissued), 2014A, 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 \$20,572,060 and \$145,866,723 for the Water Utility and Wastewater Utility, respectively, are as follows:

<u>Years</u>	Business-Type Activities		
	State Revolving Loan Debt from Direct Borrowings and Direct Placements		
	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
2024	\$ 5,257,901	\$ 13,792,816	\$ 19,050,717
2025	5,256,275	14,078,826	19,335,101
2026	5,254,595	14,066,274	19,320,869
2027	5,252,861	16,932,961	22,185,822
2028	5,251,070	16,937,710	22,188,780
2029-2033	26,226,388	91,521,783	117,748,171
2034-2038	28,760,273	105,425,052	134,185,325
2039-2043	7,985,447	137,554,005	145,539,452
2044-2048	-	54,847,793	54,847,793
2049-2053	-	32,502,680	32,502,680
Total	89,244,810	497,659,900	586,904,710
Less SRF not drawn down	-	(203,106)	(203,106)
Less interest	(20,572,060)	(145,866,723)	(166,438,783)
Ending balance	<u>\$ 68,672,750</u>	<u>\$ 351,590,071</u>	<u>\$ 420,262,821</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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 2023. As of December 31, 2023, the net present value of the lease receivable totaled \$31,863,487. The City also recognized deferred inflows of resources totaling \$30,839,718 related to this lease as of December 31, 2023.

Lease revenue under GASB 87 from the Casino lease totaled \$5,953,515 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 \$1,603,982 for the year ended December 31, 2023.

Governmental Activities

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	508,234	1,491,766	2,000,000
2029-2033	2,958,849	7,041,151	10,000,000
2034-2038	3,797,265	6,202,735	10,000,000
2039-2043	4,873,253	5,126,747	10,000,000
2044-2048	6,254,131	3,745,869	10,000,000
2049-2053	8,026,293	1,973,707	10,000,000
2054-2055	3,648,145	185,188	3,833,333
	<u>\$ 31,863,487</u>	<u>\$ 31,969,846</u>	<u>\$ 63,833,333</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2023, includes the following:

Governmental Activities

Net investment in capital assets:	
Land and construction in progress	\$ 64,133,284
Other capital assets, net of accumulated depreciation	363,919,000
Less long-term debt outstanding	(243,233,289)
Plus: Regulatory assets	5,360,174
Add deferred amount on refunding	<u>7,647,862</u>
Total net investment in capital assets:	<u>\$ 197,827,031</u>

Business-Type Activities

Net investment in capital assets:	
Land and construction in progress	\$ 379,613,650
Regulatory assets	5,574,569
Other capital assets, net of accumulated depreciation/amortization	565,217,502
Less long-term debt outstanding	(759,912,821)
Plus unspent capital related debt proceeds	149,684,546
Plus deferred amount on refunding	5,805,721
Less unamortized debt premium	(7,429,113)
Less leases payable	(2,969,764)
Less contracts payable	(17,631,042)
Less retainage payable	<u>(4,679,662)</u>
Total net investment in capital assets	<u>\$ 313,273,586</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2023, 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	\$ -	\$ -	\$ -	\$ 15,305,931	\$ 15,305,931
Public safety	-	-	-	4,324,434	4,324,434
General government	-	-	-	3,548,958	3,548,958
Urban redevelopment	-	22,833,822	-	5,427,794	28,261,616
Debt service	-	-	-	8,186,646	8,186,646
Capital projects	-	-	-	41,662,908	41,662,908
Culture and recreation	-	-	-	2,425,662	2,425,662
Subtotal	<u>-</u>	<u>22,833,822</u>	<u>-</u>	<u>80,882,333</u>	<u>103,716,155</u>
Committed to:					
Culture and recreation	-	-	-	1,521,561	1,521,561
General government	-	-	-	1,701,394	1,701,394
Urban redevelopment	-	-	-	3,069,605	3,069,605
Public safety	-	-	-	8,081	8,081
Highways and streets	-	-	-	6,344	6,344
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,306,985</u>	<u>6,306,985</u>
Assigned to:					
General government	<u>2,780,891</u>	<u>-</u>	<u>2,795,803</u>	<u>-</u>	<u>5,576,694</u>
Subtotal	<u>2,780,891</u>	<u>-</u>	<u>2,795,803</u>	<u>-</u>	<u>5,576,694</u>
Unassigned (deficit)	<u>45,464,533</u>	<u>-</u>	<u>-</u>	<u>(1,044,998)</u>	<u>44,419,535</u>
Total fund balances	<u>\$ 48,245,424</u>	<u>\$ 22,833,822</u>	<u>\$ 2,795,803</u>	<u>\$ 86,144,320</u>	<u>\$ 160,019,369</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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:

	<u>Net Pension Liability(Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PERF			
Governmental activities	<u>\$ 11,385,298</u>	<u>\$ 4,699,324</u>	<u>\$ 324,545</u>
Business-type activities:			
Water	<u>5,016,486</u>	<u>2,233,101</u>	<u>247,508</u>
Wastewater	<u>2,417,350</u>	<u>1,036,765</u>	<u>119,269</u>
Total business-type activities	<u>7,433,836</u>	<u>3,269,866</u>	<u>366,777</u>
Total PERF	<u>18,819,134</u>	<u>7,969,190</u>	<u>691,322</u>
Police and Fire Pensions			
Governmental activities:			
1977 Police Officers'	<u>18,955,247</u>	<u>20,191,485</u>	<u>341,237</u>
1977 Firefighters'	<u>19,208,077</u>	<u>20,679,336</u>	<u>371,752</u>
Total 1977 Plan	<u>38,163,324</u>	<u>40,870,821</u>	<u>712,989</u>
1925 Police Officers	<u>57,832,820</u>	<u>-</u>	<u>101,910</u>
1937 Firefighters	<u>41,132,703</u>	<u>-</u>	<u>91,386</u>
Total governmental activities	<u>\$ 148,514,145</u>	<u>\$ 45,570,145</u>	<u>\$ 1,230,830</u>
Total business-type activities	<u>\$ 7,433,836</u>	<u>\$ 3,269,866</u>	<u>\$ 366,777</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 2023 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 \$2,505,635 for the calendar year ended December 31, 2023. Contributions to the PERF plan from the Water Utility were \$1,378,662 for the calendar year ended December 31, 2023. Contributions to the PERF plan from the Wastewater Utility were \$627,221 for the calendar year ended December 31, 2023.

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

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

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

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

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

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

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

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

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

Rate of Return. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 2.50%.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Net Pension Liability

At December 31, 2023, the City, Water Utility and Wastewater Utility reported a liability of \$11,385,298, \$5,016,486 and \$2,417,350 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, 2023, the City's, Water Utility's and Wastewater Utility's proportion was 0.32259%, 0.14214% and 0.06849%. The net pension liability for fiscal year 2023 is calculated as set forth in the following table:

	<u>City</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>
Net pension liability, beginning	\$ 10,013,431	\$ 4,598,872	\$ 2,389,074
Total pension expense	2,068,333	1,103,008	360,190
Differences between expected and actual experience	54,103	18,885	9,100
Net difference between projected and actual investment	1,366,875	567,838	273,631
Change of assumptions	(312,183)	(163,395)	(78,737)
Changes in proportion and differences in Contributions	425,448	(113,342)	(54,618)
Contributions	<u>(2,230,709)</u>	<u>(995,380)</u>	<u>(481,290)</u>
Net pension liability, December 31, 2023	<u>\$ 11,385,298</u>	<u>\$ 5,016,486</u>	<u>\$ 2,417,350</u>

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2023, 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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 232,940	\$ -
Changes in assumptions	2,609,542	-
Net differences between projected and actual earnings on pension plan investments	620,863	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	106,664	324,545
Employer contributions subsequent to the measurement date	<u>1,129,315</u>	<u>-</u>
Total	<u>\$ 4,699,324</u>	<u>\$ 324,545</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

An amount of \$1,129,315 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. 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:		
2024	\$	1,047,559
2025		111,191
2026		1,731,273
2027		355,441
Thereafter		-
	Deferred Outflows of Resources	Deferred Inflows of Resources
Water Utility		
Differences between expected and actual experience	\$ 102,636	\$ -
Changes in assumptions	273,559	-
Net differences between projected and actual earnings on pension plan investments	1,149,793	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	46,451	247,508
Employer contributions subsequent to the measurement date	<u>660,662</u>	<u>-</u>
Total	<u>\$ 2,233,101</u>	<u>\$ 247,508</u>

An amount of \$660,662 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. 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:		
2024	\$	438,943
2025		2,190
2026		727,186
2027		156,612

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Wastewater Utility	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,458	\$ -
Changes in assumptions	131,823	-
Net differences between projected and actual earnings on pension plan investments	554,063	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	22,384	119,269
Employer contributions subsequent to the measurement date	<u>279,037</u>	<u>-</u>
Total	<u>\$ 1,036,765</u>	<u>\$ 119,269</u>

An amount of \$279,037 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. 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:	
2024	\$ 211,518
2025	1,056
2026	350,417
2027	75,468

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

Pension Expense	City	Water Utility	Wastewater Utility
Proportionate share of plan pension expense	\$ 2,311,248	\$ 1,018,361	\$ 490,729
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	(298,859)	(30,969)	(14,923)
Internal change in proportionate share	<u>55,945</u>	<u>115,616</u>	<u>(115,616)</u>
Total	<u>\$ 2,068,334</u>	<u>\$ 1,103,008</u>	<u>\$ 360,190</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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, 2023
Liabilities	June 30, 2022 - Member census data as of June 30, 2022 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022 and June 30, 2023. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2022 to the June 30, 2023 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, 2022, members were granted a 1% COLA on January 1, 2022 and no COLA on January 1, 2023. Thereafter, the COLAS were assumed 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-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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Plan Amendments

In 2023, the full retirement benefit eligibility condition of age 70 and 20 years of credible service while still active in covered position was changed to age 65 and 20 years of creditable service while still active in a covered position. This change was deemed immaterial and has no impact on the actuarial liability.

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.

<u>Global Asset Class</u>	<u>Long-Term Expected Rate of Return (Geometric Basis)</u>	<u>Target Asset Allocation</u>
Public Equity	3.7%	20.0%
Private Markets	6.4	15.0
Fixed Income, Ex Inflation-Linked	2.2	20.0
Fixed Income, Inflation-Linked	0.5	15.0
Commodities	1.1	10.0
Real Estate	3.4	10.0
Absolute Return	1.6	5.0
Risk Parity	5.9	20.0
Cash and cash overlay	--	N/A

Discount Rate

The discount rate used to measure the total pension liability was 6.25% as of June 30, 2023 and is equal to the long-term expected return on plan investments.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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	\$ 18,554,420	\$ 11,385,298	\$ 5,407,662
Water Utility's proportionate share of the net pension liability	8,175,279	5,016,486	2,382,675
Wastewater Utility's proportionate share of the net pension liability	3,939,512	2,417,350	1,148,166

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, 2023, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	166
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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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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 \$6,051,523 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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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, 2023 were as follows:

	<u>1925 Police Officers' Pension</u>
Actuarial net pension liability	\$ 62,907,912
Plan fiduciary net position	<u>(5,075,092)</u>
Net pension liability	<u>\$ 57,832,820</u>
Plan fiduciary net position as a percentage of total pension liability	<u>8.07%</u>

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

<u>Changes in Net Pension Liability</u>	<u>1925 Police Officers' Pension</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at December 31, 2022	\$ 64,403,835	\$ (4,787,099)	\$ 59,616,736
Interest cost	2,529,211	-	2,529,211
Differences between expected and actual experience (gain)/loss	(60,770)	-	(60,770)
Changes in assumptions (gain)/loss	1,944,517	-	1,944,517
Nonemployer contributing entity contributions	-	(6,051,523)	(6,051,523)
Net investment income	-	(197,280)	(197,280)
Administrative expense	-	21,245	21,245
Benefit payments, including refunds	<u>(5,908,881)</u>	<u>5,939,565</u>	<u>30,684</u>
Balance at December 31, 2023	<u>\$ 62,907,912</u>	<u>\$ (5,075,092)</u>	<u>\$ 57,832,820</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2023, the City recognized a reduction of pension expense of \$4,334,009. At December 31, 2023, the City reported no deferred outflows of resources and \$101,910 of deferred inflows of resources (investment experience) related to the 1925 Police Officers' Pension Plan.

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

The total pension liability was determined by an actuarial valuation as of January 1, 2023, 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, 2023; 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, 2023 valuation was 3.71%, as directed by INPRS, based on the Barclay's 20-year Municipal Bond Index as of December 31, 2023. This is a decrease from the 4.12% used for the December 31, 2022 valuation.

Change in Assumptions

There were no changes in assumptions during the fiscal year.

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 3.71%. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2023. The municipal bond rate was applied to all remaining periods.

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

Sensitivity of the City's Proportionate Share of the Net Pension liability to Changes in the Discount Rate. The following presents the net pension liability of the plan, calculated using the discount rate of 3.71%, 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 (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

	1% Decrease to Discount Rate (2.71%)	Current Discount Rate (3.71%)	1% Increase to Discount Rate (4.71%)
Net Pension Liability	\$ 63,076,567	\$ 57,832,820	\$ 53,274,945

Funding Status and Funding Progress. As of the January 1, 2023 actuarial valuation date, the plan was not funded and is on a pay-as-you-go-basis. The actuarial accrued liability for benefits was \$62,907,912 and the actuarial value of assets was \$5,075,092, resulting in an unfunded actuarial accrued liability of \$57,832,820. 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, 2023, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	125
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Benefits Provided. The plan provides retirement, disability and death benefits. The benefit provisions of the 1937 Firefighters' Pension Plan for nonconverted members are set forth in Indiana Code 36-8-7. The benefit provisions for converted members are set forth in Indiana Code 36-8-8.

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

Eligibility for annuity benefits is as follows. Nonconverted members of any age with 20 or more years of creditable service and converted plan members who are age 52 with 20 or more years of creditable service are eligible for normal benefits. Normal retirement benefits are calculated at 50% of the base salary of a First-Class Firefighter, plus an additional 1% for each completed six months of service over 20 years up to a maximum of 74% with 32 years of service.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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.

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 \$4,577,174 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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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, 2023 were as follows:

	1937 Firefighters' Pension
Actuarial net pension liability	\$ 45,418,869
Plan fiduciary net position	<u>(4,286,166)</u>
Net pension liability	<u>\$ 41,132,703</u>
Plan fiduciary net position as a percentage of total pension liability	<u>9.44%</u>

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, 2022	\$ 46,903,795	\$ (4,042,566)	\$ 42,861,229
Interest cost	1,829,924	-	1,829,924
Differences between expected and actual experience (gain)/loss	(275,983)	-	(275,983)
Changes in assumptions (gain)/loss	1,385,488	-	1,385,488
Other	-	(1,438)	(1,438)
Nonemployer contributing entity contributions	-	(4,577,174)	(4,577,174)
Net investment income	-	(172,674)	(172,674)
Administrative expense	-	18,867	18,867
Benefit payments, including refunds	<u>(4,424,355)</u>	<u>4,488,819</u>	<u>64,464</u>
Balance at December 31, 2023	<u>\$ 45,418,869</u>	<u>\$ (4,286,166)</u>	<u>\$ 41,132,703</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2023, the City recognized a reduction of pension expense of \$2,870,352. At December 31, 2023, the City reported no deferred outflows of resources and \$91,386 of deferred inflows of resources (investment experience) related to the 1937 Firefighters' Pension Plan.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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 January 1, 2023, 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, 2023; 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, 2023 was 3.71%, a decrease from the 4.12% as of December 31, 2022. The plan has assets that are less than one year's benefit payments; therefore, the fiduciary net position is projected to be depleted immediately and the discount rate is set equal to the Municipal Bond Index. At the direction of the INPRS, the Barclays 20-year Municipal Bond Index is used as this index.

Change in Assumptions.

There were not any changes in assumptions for this fiscal year.

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 3.71%. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2023. 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 7.71%, 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 (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

	1% Decrease to Discount Rate (2.71%)	Current Discount Rate (3.71%)	1% Increase to Discount Rate (4.71%)
Net Pension Liability	\$ 44,861,473	\$ 41,132,703	\$ 37,882,981

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Funding Status and Funding Progress. As of the January 1, 2023 actuarial valuation date, the plan was not funded and is on a pay as you go basis. The actuarial accrued liability for benefits was \$45,418,869, and the actuarial value of assets was \$4,286,166, resulting in an unfunded actuarial accrued liability of \$41,132,703. The covered payroll (annual payroll to active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

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

Statement of Fiduciary Net Position

	<u>1937 Fire Pension</u>	<u>1927 Police Pension</u>
Assets and Deferred Outflows of Resources		
Cash and cash equivalents	\$ 1,107,759	\$ 934,496
Investments at fair value:		
Fixed income securities	<u>3,178,406</u>	<u>4,140,596</u>
Total assets	<u>4,286,165</u>	<u>5,075,092</u>
Liabilities and Deferred Inflows of Resources		
Accounts payable	<u>-</u>	<u>-</u>
Net position restricted for pensions	<u>\$ 4,286,165</u>	<u>\$ 5,075,092</u>

Statement of Changes in Fiduciary Net Position

	<u>1937 Fire Pension</u>	<u>1927 Police Pension</u>
Additions		
Contributions:		
Contributions from nonemployer contributing entities	\$ 4,582,113	\$ 6,055,023
Investment income:		
Interest	<u>172,672</u>	<u>197,280</u>
Total additions	<u>4,754,785</u>	<u>6,252,303</u>
Deductions:		
Benefit payments	<u>4,511,186</u>	<u>5,964,310</u>
Total deductions	<u>4,511,186</u>	<u>5,964,310</u>
Change in fiduciary net position	243,599	287,993
Net Position, Beginning	<u>4,042,566</u>	<u>4,787,099</u>
Net Position, Ending	<u>\$ 4,286,165</u>	<u>\$ 5,075,092</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Statement of Changes in Fiduciary Net Pension Liabilities (Assets)

	<u>Fire Pension</u>	<u>Police Pension</u>
Interest	\$ 1,829,924	\$ 2,529,211
Difference between expected and actual experience	(275,983)	(60,770)
Change in assumptions	1,385,488	1,944,517
Projected benefit payments	<u>(4,424,355)</u>	<u>(5,908,881)</u>
Net change in total pension liability	(1,484,926)	(1,495,923)
Total pension liability, beginning	<u>46,903,795</u>	<u>64,403,835</u>
Total pension liability, ending	45,418,869	62,907,912
Plan fiduciary net position, end of year	<u>4,286,166</u>	<u>5,075,092</u>
Net pension liability (asset), ending	<u>\$ 41,132,703</u>	<u>\$ 57,832,820</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.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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, 2023 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 2023, all participating employers were required to contribute 18.0% of the salary of a first-class officer or firefighter. City contributions for the year ended December 31, 2023 were \$3,726,123 and \$4,121,794 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, 2023 the City reported a pension liability of \$18,955,247 for the Police and a pension liability of \$19,208,077 for the Firefighter proportionate share of the net pension liability(asset). The net pension liability (asset) was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability (asset) was based on the City's reported wages as a proportion of total collective reported wages for all employers. At June 30, 2023, the City's proportion of the Police Officers' fund was 1.85032%. At June 30, 2023, the City's proportion of the Firefighters' fund was 1.87500%.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

For the year ended December 31, 2023, the City recognized a reduction of pension expense of \$6,545,629 for the Police Officers and \$6,629,724 for the Firefighters' fund. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	Police	Fire	Total
Differences between expected and actual experience	\$ 6,226,987	\$ 6,310,044	\$ 12,537,031
Changes in assumptions	4,267,362	4,324,281	8,591,643
Net differences between projected and actual earnings on pension plan investments	7,770,059	7,873,697	15,643,756
Changes in proportion and differences between employer contributions and proportionate share of contributions	131,013	66,698	197,711
Employer contributions subsequent to the measurement date	<u>1,796,064</u>	<u>2,104,616</u>	<u>3,900,680</u>
Total	<u>\$ 20,191,485</u>	<u>\$ 20,679,336</u>	<u>\$ 40,870,821</u>

	Deferred Inflows of Resources		
	Police	Fire	Total
Differences between expected and actual experience	\$ 37,977	\$ 38,484	\$ 76,461
Changes in assumptions	280,603	284,345	564,948
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>22,657</u>	<u>48,923</u>	<u>71,580</u>
Total	<u>\$ 341,237</u>	<u>\$ 371,752</u>	<u>\$ 712,989</u>

\$1,796,064 reported for the Police Officers' and \$2,104,616 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, 2024. 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
2024	\$ 3,309,123	\$ 3,340,661	\$ 6,649,784
2025	2,476,165	2,491,701	4,967,866
2026	6,906,372	6,981,310	13,887,682
2027	2,805,165	2,825,728	5,630,893
2028	1,691,433	1,700,835	3,392,268
Thereafter	865,926	862,733	1,728,659

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Actuarial Assumptions. The total pension liability in the June 30, 2023 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, 2023 valuation of the Public Employees' Retirement Fund were adopted by the INPRS Board in May 2023. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019 and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014 and last updated in June 2022. 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	3.7%	20.0%
Private Markets	6.4	15.0
Fixed Income, Ex Inflation-Linked	2.2	20.0
Fixed Income, Inflation-Linked	0.5	15.0
Commodities	1.1	10.0
Real Estate	3.4	10.0
Absolute Return	1.6	5.0
Risk Parity	5.9	20.0
Cash and Cash Overlay	-	N/A

Discount Rate

The discount rate used to measure the total pension liability was 6.25% as of June 30, 2023 and is equal to the long-term expected return on plan investments.

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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'	\$ 44,167,865	\$ 18,955,247	\$ (1,400,866)
City's proportionate share of the net pension liability, Firefighters'	44,756,986	19,208,077	(1,419,552)

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/INPRSAnnualReportBook2023.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	\$ 4,112,644	\$ 4,361,918
Current year claims and changes in estimates	27,851,986	35,992,435
Claim payments	<u>(27,602,712)</u>	<u>(36,066,377)</u>
Unpaid claims, ending	<u>\$ 4,361,918</u>	<u>\$ 4,287,976</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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, 2023. 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 \$61,231,427.

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

General fund	\$ 2,780,891
American Rescue Plan General	26,197,701
Casino gaming	5,745,041
Nonmajor funds	<u>26,507,794</u>
Total	<u>\$ 61,231,427</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, 2023, 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>1,676</u>

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

Total OPEB Liability

The City's total OPEB liability of \$362,298,903 was measured as of December 31, 2023, 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:

	<u>Total OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Allocation			
Governmental activities	\$ 354,643,220	\$ 78,097,171	\$ 122,343,425
Component Unit, Levee Authority	<u>181,157</u>	<u>39,893</u>	<u>62,495</u>
Business-type activities:			
Water	4,760,799	1,048,391	1,642,361
Wastewater	<u>2,713,727</u>	<u>597,599</u>	<u>936,171</u>
Total business-type activities	<u>7,474,526</u>	<u>1,645,990</u>	<u>2,578,532</u>
Total OPEB	<u>\$ 362,298,903</u>	<u>\$ 79,783,054</u>	<u>\$ 124,984,452</u>

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2023 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, 2023
Actuarial valuation date	January 1, 2023 Liabilities as of December 31, 2023 are based on actuarial valuation date of January 1, 2023 with results actuarially projected to the December 31, 2023 measurement date, reflecting actual pensions and contributions
Discount rate	4.31% as of December 31, 2022 and 4.00% as of December 31, 2023
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	8.00% 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, 2023

The discount rate of 4.00% 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.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2022	\$ 324,843,755
Changes for the year:	
Service cost	12,066,319
Interest	14,353,640
Differences between expected and actual experience	(9,367,441)
Changes in assumptions or other inputs	28,272,580
Benefit payments	<u>(7,869,950)</u>
Net changes	<u>37,455,148</u>
Balances at December 31, 2023	<u>\$ 362,298,903</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 (3.00%) or 1-percentage-point higher (5.00%) than the current discount rate:

	<u>1% Decrease (3.00%)</u>	<u>Discount Rate (4.00%)</u>	<u>1% Increase (5.00%)</u>
Total OPEB liability	\$ 433,617,683	\$ 362,298,903	\$ 307,194,303

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

	<u>1% Decrease (7.0% Decreasing to 3.5%)</u>	<u>Healthcare Cost Trend Rates (8.0% Decreasing to 4.5%)</u>	<u>1% Increase (9.0% Decreasing to 5.5%)</u>
Total OPEB liability	\$ 299,687,215	\$ 362,298,903	\$ 445,274,713

City of Evansville, Indiana

Notes to Financial Statements
Year Ended December 31, 2023

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

For the year ended December 31, 2023, the City recognized OPEB expense of \$23,995,073. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 12,603,334	\$ 24,122,286
Changes of assumptions or other inputs	<u>67,179,720</u>	<u>100,862,166</u>
Total	<u>\$ 79,783,054</u>	<u>\$ 124,984,452</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:

	<u>City</u>
2024	\$ (2,438,422)
2025	(8,520,678)
2026	(21,734,988)
2027	(17,908,778)
2028	2,700,734
Thereafter	2,700,734

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 following GASBs have been released and not yet implemented:

- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*

When they become effective, application of these standards will be evaluated and may restate portions of these financial statements. Management has not evaluated the full impact of the standards on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Evansville, Indiana

Required Supplementary Information

Budgetary Comparison Schedule - Non-GAAP Budgetary Basis

General Fund

Year Ended December 31, 2023

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 52,833,205	\$ 56,163,726	\$ 56,163,726	\$ -
Income	21,610,688	23,460,651	23,460,651	-
Intergovernmental	20,726,972	22,206,977	21,811,489	(395,488)
Licenses and permits	1,223,345	1,212,027	1,212,027	-
Charges for services	1,810,065	1,595,514	1,555,313	(40,201)
Fines, forfeitures and fees	-	-	-	-
Interest	100,000	2,363,163	2,363,163	-
Miscellaneous	2,663,180	2,587,058	2,575,432	(11,626)
	<u>100,967,455</u>	<u>109,589,116</u>	<u>109,141,801</u>	<u>(447,315)</u>
Total revenues				
Expenditures				
General government:				
Mayor:				
Personal services	442,063	413,178	410,584	2,594
Supplies	700	700	680	20
Other services and charges	82,153	111,848	108,590	3,258
Human relations:				
Personal services	457,342	446,060	445,200	860
Supplies	350	350	274	76
Other services and charges	38,426	40,242	39,048	1,194
Finance:				
Personal services	1,001,971	926,458	923,759	2,699
Supplies	5,900	6,021	4,556	1,465
Other services and charges	229,115	231,452	225,033	6,419
Purchasing:				
Personal services	168,138	164,328	155,833	8,495
Supplies	300	321	221	100
Other services and charges	29,482	29,518	28,529	989
Minority/WBE:				
Supplies	200	239	39	200
Other services and charges	210	210	35	175
City council:				
Personal services	457,030	383,630	383,001	629
Supplies	2,775	2,737	343	2,394
Other services and charges	90,821	92,176	80,313	11,863
City clerk:				
Personal services	261,304	280,754	279,680	1,074
Supplies	2,750	2,826	1,500	1,326
Other services and charges	41,286	48,265	38,502	9,763
Law:				
Other services and charges	660,025	692,540	640,060	52,480
METS:				
Personal services	7,482,871	5,894,301	5,855,018	39,283
Supplies	1,190,300	1,302,834	1,232,445	70,389
Other services and charges	789,785	1,074,581	859,249	215,332

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, 2023

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Locust Hill Cemetery:				
Personal services	\$ 169,894	\$ 186,974	185,447	\$ 1,527
Supplies	11,700	12,008	10,760	1,248
Other services and charges	144,131	146,608	141,613	4,995
Spay/neuter:				
Supplies	8,500	13,700	11,704	1,996
Other services and charges	20,000	16,755	8,670	8,085
Oak Hill Cemetery:				
Personal services	378,692	422,530	420,587	1,943
Supplies	16,225	23,549	19,639	3,910
Other services and charges	320,362	319,466	311,628	7,838
Building commission:				
Personal services	1,001,597	889,541	889,983	(442)
Supplies	17,050	20,756	19,207	1,549
Other services and charges	131,948	183,548	170,747	12,801
Personnel:				
Personal services	399,681	584,860	577,933	6,927
Supplies	1,600	1,600	1,020	580
Other services and charges	77,024	77,064	72,842	4,222
Legal aid:				
Other services and charges	275,273	295,241	222,440	72,801
Miscellaneous:				
Other services and charges	841,693	898,277	806,287	91,990
Total general government	<u>17,250,667</u>	<u>16,238,046</u>	<u>15,582,999</u>	<u>655,047</u>
Public safety:				
Animal control:				
Personal services	791,594	750,020	741,750	8,270
Supplies	45,550	56,537	52,578	3,959
Other services and charges	99,229	111,115	100,538	10,577
Central dispatch:				
Personal services	4,003,719	4,115,115	4,005,130	109,985
Supplies	3,150	3,172	3,005	167
Other services and charges	179,977	196,125	179,923	16,202
Police:				
Personal services	31,426,945	32,292,234	32,187,959	104,275
Supplies	1,129,700	1,415,238	1,166,257	248,981
Other services and charges	2,427,327	2,593,879	2,480,448	113,431
Police merit:				
Personal services	6,886	6,886	6,886	-
Supplies	5,000	5,000	117	4,883
Other services and charges	114,279	128,457	111,410	17,047

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, 2023

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Fire:				
Personal services	\$ 31,294,386	\$ 32,791,991	32,647,294	\$ 144,697
Supplies	379,000	421,969	354,155	67,814
Other services and charges	1,845,001	2,156,810	1,983,632	173,178
Capital outlays	-	149,772	142,379	7,393
Emergency management:				
Personal services	254,925	247,325	247,112	213
Supplies	11,150	12,333	8,883	3,450
Other services and charges	103,772	104,552	94,284	10,268
Fire merit:				
Personal services	11,476	11,476	11,476	-
Supplies	1,650	1,650	819	831
Other services and charges	82,000	59,000	30,289	28,711
Ambulance:				
Other services and charges	700	705	131	574
Weights and measures:				
Other services and charges	191,502	242,132	234,653	7,479
Code enforcement:				
Personal services	1,162,768	975,918	973,111	2,807
Supplies	12,200	20,707	17,978	2,729
Other services and charges	332,853	399,509	285,292	114,217
Total public safety	<u>75,916,739</u>	<u>79,269,627</u>	<u>78,067,489</u>	<u>1,202,138</u>
Health and human services:				
Environmental protection:				
Personal services	112,868	65,231	55,869	9,362
Supplies	1,300	1,900	1,647	253
Other services and charges	3,963	47,113	12,912	34,201
Total health and human services	<u>118,131</u>	<u>114,244</u>	<u>70,428</u>	<u>43,816</u>
Highways and streets:				
Board of public works:				
Personal services	593,958	554,613	554,538	75
Supplies	28,900	31,256	24,507	6,749
Other services and charges	171,679	183,128	168,541	14,587
Total highways and streets	<u>794,537</u>	<u>768,997</u>	<u>747,586</u>	<u>21,411</u>
Board of public works:				
Other services and charges	653,515	658,813	653,047	5,766
Total highways and streets	<u>653,515</u>	<u>658,813</u>	<u>653,047</u>	<u>5,766</u>
Board of public works:				
Supplies	-	500	345	155
Other services and charges	950,565	1,156,770	1,150,656	6,114
Capital outlays	1,650,965	1,856,546	1,415,619	440,927
Total highways and streets	<u>2,601,530</u>	<u>3,013,816</u>	<u>2,566,620</u>	<u>447,196</u>

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, 2023

	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	\$ 3,500,000	\$ 4,099,101	\$ 1,927,585	\$ 2,171,516
Total highways and streets	3,500,000	4,099,101	1,927,585	2,171,516
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	48,000	53,000	49,000	4,000
Total highways and streets	48,000	53,000	49,000	4,000
Highways and streets:				
Board of public works:				
Other services and charges	5,000	5,000	5,000	-
Total highways and streets	5,000	5,000	5,000	-
Highways and streets:				
Board of public works:				
Other services and charges	11,000	22,000	11,000	11,000
Total highways and streets	11,000	22,000	11,000	11,000
Highways and streets:				
Board of public works:				
Other services and charges	-	14,851	14,851	-
Capital outlays	-	102,741	102,741	-
Total highways and streets	-	117,592	117,592	-
Highways and streets:				
Board of public works:				
Other services and charges	613,659	713,553	690,394	23,159
Total highways and streets	613,659	713,553	690,394	23,159
Highways and streets:				
Board of public works:				
Other services and charges	1,964,493	2,222,647	2,182,253	40,394
Total highways and streets	1,964,493	2,222,647	2,182,253	40,394
Highways and streets:				
Board of public works:				
Other services and charges	-	18,000	-	18,000
Total highways and streets	-	18,000	-	18,000

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, 2023

	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	\$ -	\$ 204,985	\$ 204,985	\$ -
Total highways and streets	-	204,985	204,985	-
Highways and streets:				
Board of public works:				
Other services and charges	-	25,000	25,000	-
Total highways and streets	-	25,000	25,000	-
Culture, recreation and education:				
Department of metro/city:				
Personal services	1,369,429	1,330,828	1,315,457	15,371
Supplies	4,300	4,612	3,688	924
Other services and charges	209,872	229,537	201,937	27,600
Total culture, recreation and education	1,583,601	1,564,977	1,521,082	43,895
Total expenditures	105,060,872	109,128,809	104,422,060	4,706,749
Excess (deficiency) of revenues over (under) expenditures	(4,093,417)	460,307	4,719,741	4,259,434
Other Financing Sources (Uses)				
Transfers in	15,474,685	15,474,685	6,094,731	(9,379,954)
Sale of investments	-	-	(543,801)	-
Purchase of investments	-	-	495,958	-
Transfers out	(2,022,800)	(3,992,395)	(3,347,395)	(645,000)
Total other financing sources (uses)	13,451,885	11,482,290	2,699,493	(10,024,954)
Net change in fund balances	9,358,468	11,942,597	7,419,234	(4,523,363)
Fund Balances, Beginning	12,574,097	12,574,097	12,574,097	-
Fund Balances, Ending	\$ 21,932,565	\$ 24,516,694	\$ 19,993,331	\$ (4,523,363)

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, 2023

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Other	\$ 1,700,000	\$ 2,038,134	\$ 2,038,134	\$ -
Intergovernmental	6,401,027	7,768,723	7,521,641	(247,082)
Charges for services	-	76,047	76,047	-
Interest	80,000	477,079	477,079	-
Miscellaneous	4,900,000	7,431,917	7,431,917	-
Total revenues	<u>13,081,027</u>	<u>17,791,900</u>	<u>17,544,818</u>	<u>(247,082)</u>
Expenditures				
General government:				
Supplies	152,700	371,407	302,234	69,173
Other services and charges	270,120	3,175,069	1,220,991	1,954,078
Capital outlays	8,298,000	18,902,010	14,958,900	3,943,110
Total expenditures	<u>8,720,820</u>	<u>22,448,486</u>	<u>16,482,125</u>	<u>5,966,361</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,360,207</u>	<u>(4,656,586)</u>	<u>1,062,693</u>	<u>(6,213,443)</u>
Other Financing Sources (Uses)				
Transfers in	1,960,033	-	-	-
Transfers out	<u>(4,275,525)</u>	<u>(4,269,614)</u>	<u>(4,011,150)</u>	<u>258,464</u>
Total other financing sources (uses)	<u>(2,315,492)</u>	<u>(5,267,674)</u>	<u>(4,079,015)</u>	<u>1,188,659</u>
Net change in fund balances	2,044,715	(9,924,260)	(3,016,322)	6,907,938
Fund Balances, Beginning	<u>19,256,091</u>	<u>19,256,091</u>	<u>19,256,091</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 21,300,806</u>	<u>\$ 9,331,831</u>	<u>\$ 16,239,770</u>	<u>\$ 6,907,938</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, 2023

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 60,000	\$ 2,215,820	\$ 2,215,820	\$ -
Total revenues	60,000	2,215,820	2,215,820	-
Expenditures				
General government:				
Personal services	5,871,134	9,793,244	6,094,520	3,698,724
Supplies	533,930	510,714	413,182	97,532
Other services and charges	2,555,000	27,756,767	10,521,422	17,235,345
Capital outlays	6,266,830	19,909,147	6,468,949	13,440,198
Total expenditures	15,226,894	57,969,872	23,498,073	34,471,799
Excess (deficiency) of revenues over (under) expenditures	(15,166,894)	(55,754,052)	(21,282,253)	(34,471,799)
Other Financing Sources (Uses)				
Net change in fund balances	(15,166,894)	(55,754,052)	(21,282,253)	34,471,799
Fund Balances, Beginning	32,253,816	32,253,816	32,253,816	-
Fund Balances, Ending	<u>\$ 17,086,922</u>	<u>\$ (23,500,236)</u>	<u>\$ 10,971,563</u>	<u>\$ 34,471,799</u>

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, 2023

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>Casino Gaming</u>	<u>American Rescue Plan</u>
Net changes in fund balances (budgetary basis)	\$ 7,419,234	\$ (3,016,322)	\$ (21,282,253)
Adjustments:			
To adjust revenues for accruals	4,613,670	921,308	24,309,355
To adjust expenditures for accruals	(77,714)	(182,233)	(896,120)
Immaterial rounding difference			
To adjust expenditures for Rainy Day Fund activity	1,001,194	-	-
Net change in fund balances (GAAP basis)	<u>\$ 12,956,384</u>	<u>\$ (2,277,247)</u>	<u>\$ 2,130,982</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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.32259%	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	11,385,298	\$ 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	\$ 20,280,967	\$ 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	56.1%	54.5%	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 *	80.8%	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.

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

City of Evansville, Indiana

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

	<u>2023</u>	<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	2,505,635	\$ 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>(2,505,635)</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 22,371,739	\$ 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%	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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Utility portion of the net pension liability	0.21063%	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	\$ 7,433,836	\$ 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	\$ 13,242,304	\$ 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	56.1%	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 *	80.8%	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.

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

City of Evansville, IndianaRequired Supplementary Information
Schedule of Utility's Contributions -
Public Employees' Retirement Fund
Last 10 Fiscal Years

	<u>2023</u>	<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	\$ 2,005,883	\$ 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>(2,005,883)</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 17,909,673	\$ 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%	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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	1.85032%	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)	\$ 18,955,247	\$ 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	\$ 20,103,531	\$ 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	94.3%	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	88.4%	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 polices during 2019.

Changes in plan provisions:

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

Surviving spouses benefit increased from 60 to 70%.

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>2023</u>	<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	\$ 3,726,123	\$ 3,453,403	\$ 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>(3,726,123)</u>	<u>(3,453,403)</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>	<u>\$ -</u>
City's covered payroll	\$ 20,700,683	\$ 19,733,731	\$ 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	18.00%	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.
 The employer contribution rate for calendar years 2023 increased to 18.00% from 17.50%.

City of Evansville, Indiana

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	1.87500%	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)	\$ 19,208,077	\$ 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	\$ 20,371,627	\$ 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	94.3%	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)	88.4%	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%.

City of Evansville, Indiana

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

	<u>2023</u>	<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	\$ 4,121,794	\$ 3,834,496	\$ 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>(4,121,794)</u>	<u>(3,834,496)</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>	<u>\$ -</u>
City's covered payroll	\$ 22,898,856	\$ 21,911,406	\$ 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	18.00%	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.

The approved employer contribution rate for calendar year 2023 increased to 18.00% from 17.50%

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	2023	2022	2021	2020	2019	2018
Total Pension Liability						
Total pension liability, beginning	\$ 64,403,835	\$ 85,108,760	\$ 90,245,203	\$ 93,554,337	\$ 87,650,527	\$ 95,701,570
Service cost	-	-	-	-	-	38,208
Interest cost	2,529,211	1,154,448	1,296,851	1,964,315	2,639,764	2,507,927
Experience (gains) losses	(60,770)	961,933	(167,397)	1,781,789	604,043	(1,457,235)
Assumption changes	1,944,517	(16,787,513)	(184,213)	(825,754)	8,235,296	(2,969,549)
Plan amendments	-	-	-	-	626,518	-
Projected benefit payments	(5,908,881)	(6,033,793)	(6,081,684)	(6,229,484)	(6,201,811)	(6,170,394)
Total pension liability, ending	\$ 62,907,912	\$ 64,403,835	\$ 85,108,760	\$ 90,245,203	\$ 93,554,337	\$ 87,650,527
Plan Fiduciary Net Position						
Plan fiduciary net position, beginning	\$ 4,787,099	\$ 4,789,747	\$ 4,766,549	\$ 4,696,828	\$ 4,522,824	\$ 4,746,074
Administrative	(21,245)	(19,367)	(18,748)	(14,183)	(21,740)	(10,740)
Net investment income	197,280	37,009	15,298	56,272	85,171	57,958
Nonemployer contributing entity contributions	6,051,523	6,079,757	6,155,060	6,331,600	6,418,561	6,116,676
Actual benefit payments	(5,939,565)	(6,100,047)	(6,128,412)	(6,303,968)	(6,307,988)	(6,387,144)
Plan fiduciary net position, ending	\$ 5,075,092	\$ 4,787,099	\$ 4,789,747	\$ 4,766,549	\$ 4,696,828	\$ 4,522,824
Net pension liability	\$ 57,832,820	\$ 59,616,736	\$ 80,319,013	\$ 85,478,654	\$ 88,857,509	\$ 83,127,703
1937 Firefighters' Pension						
Total Pension Liability						
Total pension liability, beginning	\$ 46,903,795	\$ 62,024,926	\$ 65,567,776	\$ 67,311,092	\$ 64,165,011	\$ 70,001,149
Interest cost	1,829,924	840,543	946,224	1,422,040	1,893,301	1,837,091
Experience (gains) losses	(275,983)	691,819	177,033	1,739,564	(850,021)	(888,092)
Assumption changes	1,385,488	(12,161,508)	(186,368)	(328,485)	5,858,426	(2,165,637)
Plan amendments	-	-	-	-	725,875	-
Projected benefit payments	(4,424,355)	(4,491,985)	(4,479,739)	(4,576,435)	(4,481,500)	(4,619,500)
Total pension liability, ending	\$ 45,418,869	\$ 46,903,795	\$ 62,024,926	\$ 65,567,776	\$ 67,311,092	\$ 64,165,011
Plan Fiduciary Net Position						
Plan fiduciary net position, beginning	\$ 4,042,566	\$ 4,080,112	\$ 4,163,883	\$ 4,125,509	\$ 4,247,344	\$ 4,267,762
Administrative	(18,867)	(17,166)	(18,502)	(13,011)	(21,161)	(15,446)
Net investment income	172,674	31,673	12,857	54,130	78,522	50,222
Employer contributions	-	-	-	-	9,000	-
Nonemployer contributing entity contributions	4,577,174	4,613,054	4,588,870	4,720,202	4,484,818	4,618,351
Other	1,438	-	-	-	-	-
Actual benefit payments	(4,488,819)	(4,665,107)	(4,666,996)	(4,722,947)	(4,673,014)	(4,673,544)
Plan fiduciary net position, ending	\$ 4,286,166	\$ 4,042,566	\$ 4,080,112	\$ 4,163,883	\$ 4,125,509	\$ 4,247,345
Net pension liability	\$ 41,132,703	\$ 42,861,229	\$ 57,944,814	\$ 61,403,893	\$ 63,185,583	\$ 59,917,666

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*

<u>1925 Police Officers' Pension</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 62,907,912	\$ 64,403,835	\$ 85,108,760	\$ 90,245,203	\$ 93,554,337	\$ 87,650,527	\$ 95,701,570
Less plan fiduciary net position	<u>5,075,092</u>	<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>\$ 57,832,820</u>	<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	8.07%	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	N/A
<u>1937 Firefighters' Pension</u>							
Total pension liability	\$ 45,418,869	\$ 46,903,795	\$ 62,024,926	\$ 65,567,776	\$ 67,311,092	\$ 64,165,011	\$ 70,001,149
Less plan fiduciary net position	<u>4,286,166</u>	<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>\$ 41,132,703</u>	<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	9.44%	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	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily Required Contribution	\$ 5,939,565	\$ 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>5,939,565</u>	<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>	<u>\$ -</u>
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	**
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

1937 Firefighters' Pension

Statutorily Required Contribution	\$ 4,488,819	\$ 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>4,488,819</u>	<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>	<u>\$ -</u>
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered employee 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 Investment Returns
Available Data: Last 10 Fiscal Years*

<u>1925 Police Officers' Pension</u>	<u>2023</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 **	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 **	N/A **

Notes:

* Information presented for the years information is available

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

City of Evansville, Indiana

Required Supplementary Information
 Schedule of Changes in the City's Total OPEB Liability and Related Ratios
 Available Data: Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability					
Service cost	\$ 12,080,812	\$ 19,370,247	\$ 20,206,018	\$ 12,188,574	\$ 9,380,377
Interest	14,339,147	9,951,972	9,407,463	11,088,620	11,764,145
Changes of assumptions	28,272,580	(142,573,680)	(11,634,162)	104,869,135	47,954,344
Differences between expected and actual experience	(9,367,442)	18,905,756	(11,312,265)	(25,583,266)	(11,460,775)
Benefit payments	<u>(7,869,949)</u>	<u>(7,458,794)</u>	<u>(7,084,928)</u>	<u>(6,845,290)</u>	<u>(6,220,566)</u>
Net change in total OPEB liability	37,455,148	(101,804,499)	(417,874)	95,717,773	51,417,525
Total OPEB liability, beginning	<u>324,843,755</u>	<u>426,648,254</u>	<u>427,066,128</u>	<u>331,348,355</u>	<u>279,930,830</u>
Total OPEB liability, ending (a)	<u>\$ 362,298,903</u>	<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	\$ 7,869,950	\$ 7,458,794	\$ 7,084,928	\$ 6,845,290	\$ 6,220,566
Benefit payments	<u>(7,869,950)</u>	<u>(7,458,794)</u>	<u>(7,084,928)</u>	<u>(6,845,290)</u>	<u>(6,220,566)</u>
Net change in fiduciary net position	-	-	-	-	-
Fiduciary net position, beginning	-	-	-	-	-
Fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	\$ 362,298,903	\$ 324,843,755	\$ 426,648,254	\$ 427,066,128	\$ 331,348,355
Covered, payroll	N/A	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	N/A

Notes to schedule:

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

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

City of Evansville, IN

Notes to Required Supplementary Information
Year Ended December 31, 2023

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, American Rescue Plan, Casino Gaming

Nonmajor funds:

Special revenue funds:

Riverboat, Highway, Local Road & Street, Parks and Recreation, Parking Meter, HUD Fair Housing, Local Income Tax Public Safety, Local Law Enforcement Continuing Education, Equal Emp Opportunity, Cares Act, Aquatic Center, Landlord Registry, Donation, Economic Development, Plan Commission, Parking Garages, Federal Grants, Community Dev Block Grant, Unsafe Building, Neighborhood Stabilization, Old Post Office, LOIT Special Distribution, Historic Preservation, Municipal Code Revolving, Zoo Animal Revolving, Housing Trust Fund Grant, EDA Revolving Loan, IDHS Hazard Mitigation Grant, IHEDA Blight Elimination Program, Jacobsville Redevelopment Area, Downtown Streetscape Redevelopment, Golf Course, Evansville Redevelopment Authority, Professional Sports & Convention Development, Animal Control Donation Restricted, Oak Hill Perpetual Care, Locust Hill Perpetual Care, Evansville Brownfield Corporation, Opioid Settlement

City of Evansville, IN

Notes to Required Supplementary Information
Year Ended December 31, 2023

Debt service funds:

Arena Bond, Evansville Econ Sinking 15A, 2016 Jacobsville Project, General Obligation Loan, Park Bond Refunding 2010, Evansville Red Convention HTL, 2011 Berry Plastics Econ Series, Evansville Economic Dev 14 Construction, 2016A Downtown Hotel, 2016 IU Medical School, 2015C IU Medical School, 2015D IU Medical School, 2016A IU Medical School, Evansville New Building Garage, Parks Special District

Capital projects funds:

Cumulative Capital Improvement, TIF Funds, Food and Beverage Tax, Greenway Project, 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, 2023

Liabilities:

June 30, 2022, Member census data as of June 30, 2022 was used in the valuation and adjusted where appropriate, to reflect changes between June 30, 2022 and June 30, 2023.

Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2022 to the June 30, 2023 measurement date.

Actuarial Cost Method:

Entry Age Normal (Level percent of payroll)

Experience Study Date:

Period of 5 years ended June 30, 2025

Investment Rate of Return:

5.1%, net of investment expense, including inflation

Cost of Living Increases:

As of June 30, 2022, 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% - 11.90% based on service

Inflation:

2.00%

City of Evansville, IN

Notes to Required Supplementary Information
Year Ended December 31, 2023

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.

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

The following were changes in assumptions for 2023:

- The Discount Rate used for December 31, 2023 valuation was 3.71%, a decrease from last year's 4.12% used.

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

Plan Amendments:

In 2023, the full retirement benefit eligibility condition of age 70 and 20 years of credible service while still active in covered position was changed to age 65 and 20 years of creditable service while still active in a covered position. This change was deemed immaterial and has no impact on the actuarial liability.

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 1.95% on July 1, 2024; 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	5.1%, 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.

City of Evansville, IN

Notes to Required Supplementary Information
Year Ended December 31, 2023

OPEB Plan

Measurement date	December 31, 2023
Actuarial valuation date	January 1, 2023
Assumptions:	
Cost Method	Entry Age Normal Level % of Salary
Amortization	Not Applicable
Discount rate	4.00%
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	None assumed

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

SUPPLEMENTARY INFORMATION

City of Evansville, Indiana

Combining Balance Sheet -
 Nonmajor Governmental Funds
 December 31, 2023

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
Assets					
Cash and cash equivalents	\$ 15,362,397	\$ 3,657,486	\$ 4,737,715	\$ -	\$ 23,757,598
Investments	23,616,606	4,656,462	31,712,936	92,615	60,078,619
Inventory	385,242	-	-	-	385,242
Receivables:					
Taxes	11,255,632	747,894	-	-	12,003,526
Accounts	66,922	-	-	-	66,922
Intergovernmental	4,454,429	12,414	-	-	4,466,843
Other assets	558	-	-	-	558
Restricted:					
Investments	-	-	5,360,174	-	5,360,174
Total assets	<u>\$ 55,141,786</u>	<u>\$ 9,074,256</u>	<u>\$ 41,810,825</u>	<u>\$ 92,615</u>	<u>\$ 106,119,482</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 2,604,231	\$ 127,302	\$ 147,917	\$ -	\$ 2,879,450
Accrued payroll and withholdings payable	220,065	-	-	-	220,065
DMD seed money	2,500	-	-	-	2,500
Interfund payable:					
Interfund payable	418,580	-	-	-	418,580
Total liabilities	<u>3,245,376</u>	<u>127,302</u>	<u>147,917</u>	<u>-</u>	<u>3,520,595</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>15,694,259</u>	<u>760,308</u>	<u>-</u>	<u>-</u>	<u>16,454,567</u>
Total deferred inflows of resources	<u>15,694,259</u>	<u>760,308</u>	<u>-</u>	<u>-</u>	<u>16,454,567</u>
Fund Balances					
Restricted	30,940,164	8,186,646	41,662,908	92,615	80,882,333
Committed	6,306,985	-	-	-	6,306,985
Unrestricted (deficit)	<u>(1,044,998)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,044,998)</u>
Total fund balances	<u>36,202,151</u>	<u>8,186,646</u>	<u>41,662,908</u>	<u>92,615</u>	<u>86,144,320</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 55,141,786</u>	<u>\$ 9,074,256</u>	<u>\$ 41,810,825</u>	<u>\$ 92,615</u>	<u>\$ 106,119,482</u>

City of Evansville, Indiana

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

Nonmajor Governmental Funds

Year Ended December 31, 2023

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
Taxes:					
Property	\$ 9,088,572	\$ 1,124,938	\$ 10,577,519	\$ -	\$ 20,791,029
Income	6,079,368	-	-	-	6,079,368
Intergovernmental	15,914,700	-	6,045,616	-	21,960,316
Charges for services	4,694,153	-	-	-	4,694,153
Investment earnings	1,047,052	194,583	2,041,521	652	3,283,808
Rent	-	-	-	-	-
Miscellaneous	7,987,825	3,585,890	1,752,423	-	13,326,138
	<u>44,811,670</u>	<u>4,905,411</u>	<u>20,417,079</u>	<u>652</u>	<u>70,134,812</u>
Total revenues					
Expenditures					
Current:					
General government	721,364	105,950	760,137	-	1,587,451
Public safety	2,702,532	-	-	-	2,702,532
Highways and streets	11,955,882	-	120,479	-	12,076,361
Culture and recreation	14,026,580	4,450	2,500	-	14,033,530
Urban redevelopment	4,104,426	3,580,378	21,406,748	-	29,091,552
Debt service:					
Principal	3,581,107	2,105,000	7,290,919	-	12,977,026
Interest	3,453,021	2,198,936	3,216,376	-	8,868,333
Bond issue costs	-	-	141,500	-	141,500
Capital outlay:					
General government	354,498	-	1,235,275	-	1,589,773
Public safety	186,963	-	-	-	186,963
Highways and streets	2,272,522	-	-	-	2,272,522
Urban redevelopment	25,825	-	-	-	25,825
Culture and recreation	5,702	128,759	-	-	134,461
	<u>43,390,422</u>	<u>8,123,473</u>	<u>34,173,934</u>	<u>-</u>	<u>85,687,829</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures					
	<u>1,421,248</u>	<u>(3,218,062)</u>	<u>(13,756,855)</u>	<u>652</u>	<u>(15,553,017)</u>
Other Financing Sources (Uses)					
Bond proceeds	-	-	6,645,000	-	6,645,000
Loan proceeds	-	-	525,000	-	525,000
Transfers in	10,431,199	10,140,239	-	-	20,571,438
Transfers out	(6,985,132)	(7,600,000)	(6,170,492)	-	(20,755,624)
	<u>3,446,067</u>	<u>2,540,239</u>	<u>999,508</u>	<u>-</u>	<u>6,985,814</u>
Total other financing sources (uses)					
Net change in fund balances					
	4,867,315	(677,823)	(12,757,347)	652	(8,567,203)
Fund Balances, Beginning					
	<u>31,334,836</u>	<u>8,864,469</u>	<u>54,420,255</u>	<u>91,963</u>	<u>94,711,523</u>
Fund Balances, Ending					
	<u>\$ 36,202,151</u>	<u>\$ 8,186,646</u>	<u>\$ 41,662,908</u>	<u>\$ 92,615</u>	<u>\$ 86,144,320</u>

City of Evansville, Indiana

Combining Balance Sheet -
 Nonmajor Special Revenue Funds
 December 31, 2023

	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	\$ 1,404,504	\$ -	\$ 2,329	\$ -	\$ -	\$ -	\$ -	\$ 1,432,796	\$ 1,555,872
Investments	5,595,558	-	-	-	-	-	-	7,887,056	2,590,856
Inventory	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes	-	-	-	-	-	-	-	-	9,798,652
Accounts	-	-	-	-	-	-	-	-	61,440
Intergovernmental	15,802	-	-	-	-	-	-	-	188,428
Other assets	-	-	-	-	-	-	-	-	-
Total assets	\$ 7,015,864	\$ -	\$ 2,329	\$ -	\$ -	\$ -	\$ -	\$ 9,319,852	\$ 14,195,248
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 573,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 737,150	\$ 254,806
Accrued payroll and withholdings payable	71,649	-	-	-	-	-	-	15,754	115,572
DMD seed money	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-	-	-
Total liabilities	645,134	-	-	-	-	-	-	752,904	370,378
Deferred Inflows of Resources									
Unavailable revenue	-	-	-	-	-	-	-	-	9,987,080
Total deferred inflows of resources	-	-	-	-	-	-	-	-	9,987,080
Fund Balances									
Restricted	6,370,730	-	2,329	-	-	-	-	8,566,948	-
Committed	-	-	-	-	-	-	-	-	3,837,790
Unrestricted (deficit)	-	-	-	-	-	-	-	-	-
Total fund balances	6,370,730	-	2,329	-	-	-	-	8,566,948	3,837,790
Total liabilities, deferred inflows of resources and fund balances	\$ 7,015,864	\$ -	\$ 2,329	\$ -	\$ -	\$ -	\$ -	\$ 9,319,852	\$ 14,195,248

City of Evansville, Indiana

Combining Balance Sheet -
 Nonmajor Special Revenue Funds
 December 31, 2023

	<u>Parking Meter</u>	<u>Golf Course</u>	<u>Donation</u>	<u>Economic Development</u>	<u>Plan Commission</u>	<u>Parking Garages</u>	<u>Federal Grants</u>	<u>Community Dev Block Grant</u>	<u>Local Law Enforcement Continued</u>
Assets									
Cash and cash equivalents	\$ 11,763	\$ -	\$ 2,811,264	\$ 329,137	\$ 1,709,870	\$ -	\$ 134,373	\$ -	\$ 498,952
Investments	-	-	-	500,000	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	2,200
Intergovernmental	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total assets	\$ 11,763	\$ -	\$ 2,811,264	\$ 829,137	\$ 1,709,870	\$ -	\$ 134,373	\$ -	\$ 501,152
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 417	\$ -	\$ 47,879	\$ -	\$ 9,156	\$ 15,067	\$ 49,843	\$ 533,629	\$ 4,641
Accrued payroll and withholdings payable	5,002	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	65,775	-	151,469	-
Total liabilities	5,419	-	47,879	-	9,156	80,842	49,843	685,098	4,641
Deferred Inflows of Resources									
Unavailable revenue	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund Balances									
Restricted	-	-	2,763,385	829,137	-	-	84,530	-	496,511
Committed	6,344	-	-	-	1,700,714	-	-	-	-
Unrestricted (deficit)	-	-	-	-	-	(80,842)	-	(685,098)	-
Total fund balances	6,344	-	2,763,385	829,137	1,700,714	(80,842)	84,530	(685,098)	496,511
Total liabilities, deferred inflows of resources and fund balances	\$ 11,763	\$ -	\$ 2,811,264	\$ 829,137	\$ 1,709,870	\$ -	\$ 134,373	\$ -	\$ 501,152

City of Evansville, Indiana

Combining Balance Sheet -
 Nonmajor Special Revenue Funds
 December 31, 2023

	<u>Unsafe Building</u>	<u>Local Inc Tax - Public Safety</u>	<u>Rental Rehab Program</u>	<u>Neighborhood Stabilization</u>	<u>Old Post Office</u>	<u>LOIT Special Distribution</u>	<u>Landlord Registry</u>	<u>HUD Fair Housing</u>
Assets								
Cash and cash equivalents	\$ 8,081	\$ 884,790	\$ -	\$ 10,068	\$ 82,227	\$ 395,862	\$ 8,155	\$ 294,659
Investments	-	2,923,704	-	728,006	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	1,456,980	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	\$ 8,081	\$ 5,265,474	\$ -	\$ 738,074	\$ 82,227	\$ 395,862	\$ 8,155	\$ 294,659
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 12,127	\$ -	\$ 27,609	\$ 2,494	\$ -
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	12,127	-	27,609	2,494	-
Deferred Inflows of Resources								
Unavailable revenue	-	1,456,980	-	-	-	-	-	-
Total deferred inflows of resources	-	1,456,980	-	-	-	-	-	-
Fund Balances								
Restricted	-	3,808,494	-	725,947	82,227	368,253	5,661	-
Committed	8,081	-	-	-	-	-	-	294,659
Unrestricted (deficit)	-	-	-	-	-	-	-	-
Total fund balances	8,081	3,808,494	-	725,947	82,227	368,253	5,661	294,659
Total liabilities, deferred inflows of resources and fund balances	\$ 8,081	\$ 5,265,474	\$ -	\$ 738,074	\$ 82,227	\$ 395,862	\$ 8,155	\$ 294,659

City of Evansville, Indiana

Combining Balance Sheet -
 Nonmajor Special Revenue Funds
 December 31, 2023

	<u>Equal Emp Opportunity</u>	<u>Historic Preservation</u>	<u>Municipal Code Revolving</u>	<u>Zoo Animal Revolving</u>	<u>Aquatics Center</u>	<u>Emergency Solutions Grant</u>	<u>Housing Trust Fund Grant</u>	<u>EDA Revolving Loan</u>
Assets								
Cash and cash equivalents	\$ 132,718	\$ 1,565	\$ 150	\$ 680	\$ 466,333	\$ -	\$ 823,350	\$ 337,974
Investments	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	\$ 132,718	\$ 1,565	\$ 150	\$ 680	\$ 466,333	\$ -	\$ 823,350	\$ 337,974
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 1,428	\$ -	\$ -	\$ -	\$ 7,616	\$ 51,092	\$ -	\$ -
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-
DMD seed money	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	87,084	-	-
Total liabilities	1,428	-	-	-	7,616	138,176	-	-
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund Balances								
Restricted	131,290	1,565	150	-	-	-	823,350	337,974
Committed	-	-	-	680	458,717	-	-	-
Unrestricted (deficit)	-	-	-	-	-	(138,176)	-	-
Total fund balances	131,290	1,565	150	680	458,717	(138,176)	823,350	337,974
Total liabilities, deferred inflows of resources and fund balances	\$ 132,718	\$ 1,565	\$ 150	\$ 680	\$ 466,333	\$ -	\$ 823,350	\$ 337,974

City of Evansville, Indiana

Combining Balance Sheet -
 Nonmajor Special Revenue Funds
 December 31, 2023

	<u>DMD Home</u>	<u>IDHS Hazard</u>	<u>IHCDA Blight</u>	<u>Jacobsville</u>	<u>Downtown</u>		<u>Evansville</u>	<u>Professional</u>
	<u>Administration</u>	<u>Mitigation Grant</u>	<u>Elimination</u>	<u>Redevelopment</u>	<u>Streetscape</u>	<u>Golf Courses</u>	<u>Redevelopment</u>	<u>Sports &</u>
			<u>Progr</u>	<u>Area</u>	<u>Redev</u>		<u>Authority</u>	<u>Convention Dev</u>
Assets								
Cash and cash equivalents	\$ -	\$ 3,599	\$ 35,136	\$ 292,782	\$ 481,679	\$ 457,500	\$ -	\$ 194,526
Investments	-	-	-	761,220	-	-	1,938,300	-
Inventory	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	3,282	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 3,599	\$ 35,136	\$ 1,054,002	\$ 481,679	\$ 460,782	\$ 1,938,300	\$ 194,526
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 26,630	\$ -	\$ -	\$ 9,680	\$ 83,474	\$ 156,008	\$ -	\$ -
Accrued payroll and withholdings payable	-	-	-	-	-	12,088	-	-
DMD seed money	-	-	-	-	-	-	-	-
Interfund payable	114,252	-	-	-	-	-	-	-
Total liabilities	140,882	-	-	9,680	83,474	168,096	-	-
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund Balances								
Restricted	-	3,599	35,136	1,044,322	398,205	292,686	1,938,300	194,526
Committed	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(140,882)	-	-	-	-	-	-	-
Total fund balances	(140,882)	3,599	35,136	1,044,322	398,205	292,686	1,938,300	194,526
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 3,599	\$ 35,136	\$ 1,054,002	\$ 481,679	\$ 460,782	\$ 1,938,300	\$ 194,526

City of Evansville, Indiana

Combining Balance Sheet -
 Nonmajor Special Revenue Funds
 December 31, 2023

	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	\$ 146,238	\$ 21,245	\$ 275,738	\$ 99,346	\$ -	\$ 36	\$ 15,362,397
Investments	-	264,605	41,692	-	385,609	-	-	23,616,606
Inventory	-	-	-	385,242	-	-	-	385,242
Receivables:								
Taxes	-	-	-	-	-	-	-	11,255,632
Accounts	-	-	-	-	-	-	-	66,922
Intergovernmental	-	-	-	-	4,250,199	-	-	4,454,429
Other assets	-	-	-	558	-	-	-	558
Total assets	\$ 17,100	\$ 410,843	\$ 62,937	\$ 661,538	\$ 4,735,154	\$ -	\$ 36	\$ 55,141,786
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,604,231
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	220,065
DMD seed money	-	-	-	2,500	-	-	-	2,500
Interfund payable	-	-	-	-	-	-	-	418,580
Total liabilities	-	-	-	2,500	-	-	-	3,245,376
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	4,250,199	-	-	15,694,259
Total deferred inflows of resources	-	-	-	-	4,250,199	-	-	15,694,259
Fund Balances								
Restricted	17,100	410,843	62,937	659,038	484,955	-	36	30,940,164
Committed	-	-	-	-	-	-	-	6,306,985
Unrestricted (deficit)	-	-	-	-	-	-	-	(1,044,998)
Total fund balances	17,100	410,843	62,937	659,038	484,955	-	36	36,202,151
Total liabilities, deferred inflows of resources and fund balances	\$ 17,100	\$ 410,843	\$ 62,937	\$ 661,538	\$ 4,735,154	\$ -	\$ 36	\$ 55,141,786

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance -
Nonmajor Special Revenue Funds
Year Ended December 31, 2023

	Highway	Cares Act - 101 General COVID	Cares Act - 230 Law Enf COVID	Cares Act - 231 CDBG COVID	Cares Art - 279 ESG COVID	Cares Act - 282 EDA COVID	Cares Act - 446 Casino COVID	Local Road and Street	Parks and Recreation
Revenues									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,088,572
Income	-	-	-	-	-	-	-	-	-
Intergovernmental	7,460,283	-	-	70,790	286,550	-	-	3,499,443	815,728
Charges for services	17,942	-	-	-	-	-	-	-	1,601,639
Investment earnings	229,152	-	-	-	-	-	-	283,282	92,477
Miscellaneous	14,999	-	-	-	-	-	-	3,235,411	760,267
Total revenues	7,722,376	-	-	70,790	286,550	-	-	7,018,136	12,358,683
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	70,790	286,550	-	-	-	-
Highways and streets	8,206,868	-	-	-	-	-	-	3,524,255	-
Culture and recreation	-	-	-	-	-	-	-	-	10,622,914
Urban redevelopment	-	-	-	-	-	-	-	-	-
Principal	6,209	-	-	-	-	-	-	-	39,898
Interest	414	-	-	-	-	-	-	-	2,282
Capital outlay:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	2,272,522	-
Urban redevelopment	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	5,702
Total expenditures	8,213,491	-	-	70,790	286,550	-	-	5,796,777	10,670,796
Excess (deficiency) of revenues over (under) expenditures	(491,115)	-	-	-	-	-	-	1,221,359	1,687,887
Other Financing Sources (Uses)									
Transfers in	491,500	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(414,429)
Total other financing sources (uses)	491,500	-	-	-	-	-	-	-	(414,429)
Net change in fund balances	385	-	-	-	-	-	-	1,221,359	1,273,458
Fund Balances (Deficit), Beginning	6,370,345	-	2,329	-	-	-	-	7,345,589	2,564,332
Fund Balances (Deficit), Ending	\$ 6,370,730	\$ -	\$ 2,329	\$ -	\$ -	\$ -	\$ -	\$ 8,566,948	\$ 3,837,790

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance -
Nonmajor Special Revenue Funds
Year Ended December 31, 2023

	<u>Parking Meter</u>	<u>Golf Course</u>	<u>Donation</u>	<u>Economic Development</u>	<u>Plan Commission</u>	<u>Parking Garages</u>	<u>Federal Grants</u>	<u>Community Dev Block Grant</u>	<u>Local Law Enforcement Continue</u>
Revenues									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	207,868	-	3,547
Charges for services	-	-	186	-	3,485	-	-	-	119,899
Investment earnings	-	-	-	22,556	-	-	-	-	-
Miscellaneous	424	-	3,030,026	58,986	405,963	80,950	-	50,785	26,487
Total revenues	424	-	3,030,212	81,542	409,448	80,950	207,868	50,785	149,933
Expenditures									
Current:									
General government	-	-	124,596	-	204,724	-	-	-	-
Public safety	-	-	-	-	-	381,089	-	-	114,103
Highways and streets	224,759	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	958	-
Urban redevelopment	-	-	-	117,672	-	-	273,634	284,229	-
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay:									
General government	-	-	279,502	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	25,825	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Total expenditures	224,759	-	404,098	117,672	204,724	381,089	273,634	311,012	114,103
Excess (deficiency) of revenues over (under) expenditures	(224,335)	-	2,626,114	(36,130)	204,724	(300,139)	(65,766)	(260,227)	35,830
Other Financing Sources (Uses)									
Transfers in	216,550	533,875	-	-	-	128,845	-	-	-
Transfers out	-	-	-	-	-	-	-	(359,810)	-
Total other financing sources (uses)	216,550	533,875	-	-	-	128,845	-	(359,810)	-
Net change in fund balances	(7,785)	533,875	2,626,114	(36,130)	204,724	(171,294)	(65,766)	(620,037)	35,830
Fund Balances (Deficit), Beginning	14,129	(533,875)	137,271	865,267	1,495,990	90,452	150,296	(65,061)	460,681
Fund Balances (Deficit), Ending	\$ 6,344	\$ -	\$ 2,763,385	\$ 829,137	\$ 1,700,714	\$ (80,842)	\$ 84,530	\$ (685,098)	\$ 496,511

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance -
Nonmajor Special Revenue Funds
Year Ended December 31, 2023

	<u>Unsafe Building</u>	<u>Local Inc Tax - Public Safety</u>	<u>Rental Rehab Program</u>	<u>Neighborhood Stabilization</u>	<u>Old Post Office</u>	<u>LOIT Special Distribution</u>	<u>Landlord Registry</u>	<u>HUD Fair Housing</u>
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	6,079,368	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	196,460
Charges for services	750	-	-	-	-	-	20,029	-
Investment earnings	-	227,652	-	39,502	-	-	-	-
Miscellaneous	-	-	-	-	-	-	809	-
Total revenues	<u>750</u>	<u>6,307,020</u>	<u>-</u>	<u>39,502</u>	<u>-</u>	<u>-</u>	<u>20,838</u>	<u>196,460</u>
Expenditures								
Current:								
General government	-	-	-	259,534	-	-	51,916	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	28,980
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	74,996	-	-
Public safety	-	186,963	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>186,963</u>	<u>-</u>	<u>259,534</u>	<u>-</u>	<u>74,996</u>	<u>51,916</u>	<u>28,980</u>
Excess (deficiency) of revenues over (under) expenditures	<u>750</u>	<u>6,120,057</u>	<u>-</u>	<u>(220,032)</u>	<u>-</u>	<u>(74,996)</u>	<u>(31,078)</u>	<u>167,480</u>
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	37,500	-
Transfers out	-	(5,627,799)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(5,627,799)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,500</u>	<u>-</u>
Net change in fund balances	750	492,258	-	(220,032)	-	(74,996)	6,422	167,480
Fund Balances (Deficit), Beginning	<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>
Fund Balances (Deficit), Ending	<u>\$ 8,081</u>	<u>\$ 3,808,494</u>	<u>\$ -</u>	<u>\$ 725,947</u>	<u>\$ 82,227</u>	<u>\$ 368,253</u>	<u>\$ 5,661</u>	<u>\$ 294,659</u>

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance -
Nonmajor Special Revenue Funds
Year Ended December 31, 2023

	<u>Equal Emp</u>	<u>Historic</u>	<u>Municipal Code</u>	<u>Zoo Animal</u>	<u>Aquatics Center</u>	<u>Emergency</u>	<u>Housing Trust</u>	<u>EDA Revolving</u>
	<u>Opportunity</u>	<u>Preservation</u>	<u>Revolving</u>	<u>Revolving</u>		<u>Solutions Grant</u>	<u>Fund Grant</u>	<u>Loan</u>
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-
Intergovernmental	90,085	-	-	-	-	189,473	-	-
Charges for services	-	330	-	-	267,377	-	-	-
Investment earnings	-	-	-	-	-	-	11,550	23,567
Miscellaneous	1,650	-	-	-	114,835	-	1,600	148,210
Total revenues	91,735	330	-	-	382,212	189,473	13,150	171,777
Expenditures								
Current:								
General government	67,896	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	1,274,109	-	-	-
Urban redevelopment	-	388	-	-	-	272,564	921,099	46,000
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Total expenditures	67,896	388	-	-	1,274,109	272,564	921,099	46,000
Excess (deficiency) of revenues over (under) expenditures	23,839	(58)	-	-	(891,897)	(83,091)	(907,949)	125,777
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	1,140,000	-	500,000	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	1,140,000	-	500,000	-
Net change in fund balances	23,839	(58)	-	-	248,103	(83,091)	(407,949)	125,777
Fund Balances (Deficit), Beginning	107,451	1,623	150	680	210,614	(55,085)	1,231,299	212,197
Fund Balances (Deficit), Ending	\$ 131,290	\$ 1,565	\$ 150	\$ 680	\$ 458,717	\$ (138,176)	\$ 823,350	\$ 337,974

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance -
Nonmajor Special Revenue Funds
Year Ended December 31, 2023

	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	1,060,089	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	2,141,987	-	510,189
Investment earnings	-	-	-	26,907	-	-	47,180	-
Miscellaneous	25	-	-	-	30,227	5,083	-	-
Total revenues	1,060,114	-	-	26,907	30,227	2,147,070	47,180	510,189
Expenditures								
Current:								
General government	-	-	-	-	-	-	1	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	2,128,570	-	-
Urban redevelopment	1,298,346	-	-	81,572	105,454	-	-	-
Principal	-	-	-	-	-	-	3,535,000	-
Interest	-	-	-	-	-	-	3,450,325	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Total expenditures	1,298,346	-	-	81,572	105,454	2,128,570	6,985,326	-
Excess (deficiency) of revenues over (under) expenditures	(238,232)	-	-	(54,665)	(75,227)	18,500	(6,938,146)	510,189
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	304,429	7,078,500	-
Transfers out	-	-	-	-	-	(47,375)	-	(535,719)
Total other financing sources (uses)	-	-	-	-	-	257,054	7,078,500	(535,719)
Net change in fund balances	(238,232)	-	-	(54,665)	(75,227)	275,554	140,354	(25,530)
Fund Balances (Deficit), Beginning	97,350	3,599	35,136	1,098,987	473,432	17,132	1,797,946	220,056
Fund Balances (Deficit), Ending	\$ (140,882)	\$ 3,599	\$ 35,136	\$ 1,044,322	\$ 398,205	\$ 292,686	\$ 1,938,300	\$ 194,526

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance -
Nonmajor Special Revenue Funds
Year Ended December 31, 2023

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,088,572
Income	-	-	-	-	-	-	-	6,079,368
Intergovernmental	-	-	-	-	184,384	1,850,000	-	15,914,700
Charges for services	-	7,490	2,850	-	-	-	-	4,694,153
Investment earnings	-	-	-	-	43,227	-	-	1,047,052
Miscellaneous	-	9,772	1,314	10,002	-	-	-	7,987,825
Total revenues	-	17,262	4,164	10,002	227,611	1,850,000	-	44,811,670
Expenditures								
Current:								
General government	-	1,458	11,239	-	-	-	-	721,364
Public safety	-	-	-	-	-	1,850,000	-	2,702,532
Highways and streets	-	-	-	-	-	-	-	11,955,882
Culture and recreation	-	-	-	29	-	-	-	14,026,580
Urban redevelopment	-	-	-	29,346	645,142	-	-	4,104,426
Principal	-	-	-	-	-	-	-	3,581,107
Interest	-	-	-	-	-	-	-	3,453,021
Capital outlay:								
General government	-	-	-	-	-	-	-	354,498
Public safety	-	-	-	-	-	-	-	186,963
Highways and streets	-	-	-	-	-	-	-	2,272,522
Urban redevelopment	-	-	-	-	-	-	-	25,825
Culture and recreation	-	-	-	-	-	-	-	5,702
Total expenditures	-	1,458	11,239	29,375	645,142	1,850,000	-	43,390,422
Excess (deficiency) of revenues over (under) expenditures	-	15,804	(7,075)	(19,373)	(417,531)	-	-	1,421,248
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	10,431,199
Transfers out	-	-	-	-	-	-	-	(6,985,132)
Total other financing sources (uses)	-	-	-	-	-	-	-	3,446,067
Net change in fund balances	-	15,804	(7,075)	(19,373)	(417,531)	-	-	4,867,315
Fund Balances (Deficit), Beginning	17,100	395,039	70,012	678,411	902,486	-	36	31,334,836
Fund Balances (Deficit), Ending	\$ 17,100	\$ 410,843	\$ 62,937	\$ 659,038	\$ 484,955	\$ -	\$ 36	\$ 36,202,151

City of Evansville, Indiana

Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2023

	<u>Arena Bond</u>	<u>Evansville Econ Sinking 15A</u>	<u>2016 Jacobsville Project</u>	<u>General Obligation Loan</u>	<u>Park Bond Refunding 2010</u>	<u>Evansville Red Convention HTL</u>
Assets						
Cash and cash equivalents	\$ 2,099,408	\$ -	\$ -	\$ 12,316	\$ 87,549	\$ 670,168
Investments	-	533	868	-	-	-
Receivables:						
Taxes	-	-	-	-	747,894	-
Intergovernmental	-	-	-	-	12,414	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,099,408</u>	<u>\$ 533</u>	<u>\$ 868</u>	<u>\$ 12,316</u>	<u>\$ 847,857</u>	<u>\$ 670,168</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 98,750	\$ -	\$ -	\$ -	\$ -	\$ 2,000
Total liabilities	<u>98,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Deferred Inflows of Resources						
Unavailable revenue	-	-	-	-	760,308	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>760,308</u>	<u>-</u>
Fund Balances						
Restricted	<u>2,000,658</u>	<u>533</u>	<u>868</u>	<u>12,316</u>	<u>87,549</u>	<u>668,168</u>
Total fund balances	<u>2,000,658</u>	<u>533</u>	<u>868</u>	<u>12,316</u>	<u>87,549</u>	<u>668,168</u>
Total liabilities, deferred inflows of Total liabilities and fund balances	<u>\$ 2,099,408</u>	<u>\$ 533</u>	<u>\$ 868</u>	<u>\$ 12,316</u>	<u>\$ 847,857</u>	<u>\$ 670,168</u>

City of Evansville, Indiana

Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2023

	2011 Berry Plastics Econ Series	Evansville Park Refunding 2010	Evansville Park 12 Sinking Fund	DOWNTOWN HOTEL/CONVENTION	Eville Economic Dev 14 Constru	City Red 02,08,10 Escrow
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1,086	-	-	-	206,777	-
Receivables:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
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City of Evansville, Indiana

Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2023

	<u>Parks Special District</u>	<u>ERC 2020 BAN NORTH MAIN LOFTS</u>	<u>Evansville New Building Garage</u>	<u>Parks Special District</u>	<u>Total</u>
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 133,129	\$ 654,916	\$ 3,657,486
Investments	573	-	-	1,458,228	4,656,462
Receivables:					
Taxes	-	-	-	-	747,894
Intergovernmental	-	-	-	-	12,414
Total assets	\$ 573	\$ -	\$ 133,129	\$ 2,113,144	\$ 9,074,256
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 26,152	\$ 400	\$ 127,302
Total liabilities	-	-	26,152	400	127,302
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	-	760,308
Total deferred inflows of resources	-	-	-	-	760,308
Fund Balances					
Restricted	573	-	106,977	2,112,744	8,186,646
Total fund balances	573	-	106,977	2,112,744	8,186,646
Total liabilities, deferred inflows of Total liabilities and fund balances	\$ 573	\$ -	\$ 133,129	\$ 2,113,144	\$ 9,074,256

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Debt Service Funds
Year Ended December 31, 2023

	<u>Arena Bond</u>	<u>Evansville Econ Sinking 15A</u>	<u>2016 Jacobsville Project</u>	<u>General Obligation Loan</u>	<u>Park Bond Refunding 2010</u>	<u>Evansville Red Convention HTL</u>
Revenues						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,124,938
Investment earnings	-	243	408	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>243</u>	<u>408</u>	<u>-</u>	<u>-</u>	<u>1,124,938</u>
Expenditures						
Current:						
General government	100,750	1	2	-	-	4,511
Culture and recreation	-	-	-	-	4,050	-
Urban redevelopment	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	340,000
Interest	-	-	-	-	-	400,250
Capital outlay:						
Culture and recreation	-	-	-	-	-	-
Total expenditures	<u>100,750</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>4,050</u>	<u>744,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100,750)</u>	<u>242</u>	<u>406</u>	<u>-</u>	<u>(4,050)</u>	<u>380,177</u>
Other Financing Sources (Uses)						
Transfers in	7,085,464	-	-	-	-	-
Transfers out	(7,078,500)	-	-	-	-	(521,500)
Total other financing sources (uses)	<u>6,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(521,500)</u>
Net change in fund balances	<u>(93,786)</u>	<u>242</u>	<u>406</u>	<u>-</u>	<u>(4,050)</u>	<u>(141,323)</u>
Fund Balances, Beginning	<u>2,094,444</u>	<u>291</u>	<u>462</u>	<u>12,316</u>	<u>91,599</u>	<u>809,491</u>
Fund Balances, Ending	<u>\$ 2,000,658</u>	<u>\$ 533</u>	<u>\$ 868</u>	<u>\$ 12,316</u>	<u>\$ 87,549</u>	<u>\$ 668,168</u>

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Debt Service Funds
Year Ended December 31, 2023

	<u>2011 Berry Plastics Econ Series</u>	<u>Evansville Park 12 Sinking Fund</u>	<u>Eville Economic Dev 14 Constru</u>	<u>2016A Downtown Hotel</u>	<u>2016 IU Medical School</u>	<u>2015C IU Medical School</u>
Revenues						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	597	6	9,193	31,882	811	36,779
Miscellaneous	-	-	-	521,500	-	639,500
Total revenues	<u>597</u>	<u>6</u>	<u>9,193</u>	<u>553,382</u>	<u>811</u>	<u>676,279</u>
Expenditures						
Current:						
General government	-	680	-	1	-	1
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	270,000	-	335,000
Interest	-	-	-	241,225	-	288,950
Capital outlay:						
Culture and recreation	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>680</u>	<u>-</u>	<u>511,226</u>	<u>-</u>	<u>623,951</u>
Excess (deficiency) of revenues over (under) expenditures	<u>597</u>	<u>(674)</u>	<u>9,193</u>	<u>42,156</u>	<u>811</u>	<u>52,328</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	597	(674)	9,193	42,156	811	52,328
Fund Balances, Beginning	<u>489</u>	<u>674</u>	<u>197,584</u>	<u>749,118</u>	<u>8,746</u>	<u>868,758</u>
Fund Balances, Ending	<u>\$ 1,086</u>	<u>\$ -</u>	<u>\$ 206,777</u>	<u>\$ 791,274</u>	<u>\$ 9,557</u>	<u>\$ 921,086</u>

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Debt Service Funds
Year Ended December 31, 2023

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,124,938
Investment earnings	51,015	457	298	-	-	62,894	194,583
Miscellaneous	907,000	-	-	-	1,376,731	141,159	3,585,890
Total revenues	958,015	457	298	-	1,376,731	204,053	4,905,411
Expenditures							
Current:							
General government	1	1	2	-	-	-	105,950
Culture and recreation	-	-	-	-	-	400	4,450
Urban redevelopment	-	-	-	521,501	3,058,877	-	3,580,378
Debt service:							
Principal	440,000	-	-	-	-	720,000	2,105,000
Interest	456,736	-	-	-	-	811,775	2,198,936
Capital outlay:							
Culture and recreation	-	-	-	-	-	128,759	128,759
Total expenditures	896,737	1	2	521,501	3,058,877	1,660,934	8,123,473
Excess (deficiency) of revenues over (under) expenditures	61,278	456	296	(521,501)	(1,682,146)	(1,456,881)	(3,218,062)
Other Financing Sources (Uses)							
Transfers in	-	-	-	521,500	-	2,533,275	10,140,239
Transfers out	-	-	-	-	-	-	(7,600,000)
Total other financing sources (uses)	-	-	-	521,500	-	2,533,275	2,540,239
Net change in fund balances	61,278	456	296	(1)	(1,682,146)	1,076,394	(677,823)
Fund Balances, Beginning	1,203,044	1,702	277	1	1,789,123	1,036,350	8,864,469
Fund Balances, Ending	\$ 1,264,322	\$ 2,158	\$ 573	\$ -	\$ 106,977	\$ 2,112,744	\$ 8,186,646

City of Evansville, Indiana

Combining Balance Sheet -
 Nonmajor Capital Project Funds
 December 31, 2023

	<u>Greenway Project</u>	<u>Jacobsville TIF</u>	<u>Master TIF Projects</u>	<u>CUM CAPL IMP - Cigarette</u>	<u>PUBL IMP Barrett Law</u>
Assets					
Cash and cash equivalents	\$ 31,274	\$ 712,448	\$ 755,833	\$ 209,683	\$ 195,835
Investments	-	3,546,282	3,394,171	-	-
Restricted:					
Investments	-	-	-	-	-
Total assets	<u>\$ 31,274</u>	<u>\$ 4,258,730</u>	<u>\$ 4,150,004</u>	<u>\$ 209,683</u>	<u>\$ 195,835</u>
Liabilities and Fund Balances and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 140,213	\$ 3,856	\$ -	\$ 125
Total liabilities	-	140,213	3,856	-	125
Fund Balances					
Restricted	31,274	4,118,517	4,146,148	209,683	195,710
Total fund balances	31,274	4,118,517	4,146,148	209,683	195,710
Total liabilities, deferred inflows of					
Total liabilities and fund balances	<u>\$ 31,274</u>	<u>\$ 4,258,730</u>	<u>\$ 4,150,004</u>	<u>\$ 209,683</u>	<u>\$ 195,835</u>

City of Evansville, Indiana

Combining Balance Sheet -
 Nonmajor Capital Project Funds
 December 31, 2023

	<u>Redev Capital Nonreverting</u>	<u>Food and Beverage Tax</u>	<u>Evansville Burkhardt EDA TIF</u>	<u>Evansville New Building Garage</u>	<u>Evansville Vision</u>	<u>Parks District Bond Series 2022 A</u>
Assets						
Cash and cash equivalents	\$ 6,098	\$ 2,736,978	\$ 79,438	\$ -	\$ -	\$ -
Investments	149,055	-	-	15,259,894	2,843,976	-
Restricted:						
Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,734,321</u>
Total assets	<u>\$ 155,153</u>	<u>\$ 2,736,978</u>	<u>\$ 79,438</u>	<u>\$ 15,259,894</u>	<u>\$ 2,843,976</u>	<u>\$ 2,734,321</u>
Liabilities and Fund Balances and Fund Balances						
Liabilities						
Accounts payable	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>23</u>	<u>-</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances						
Restricted	<u>155,130</u>	<u>2,736,978</u>	<u>78,238</u>	<u>15,259,894</u>	<u>2,843,976</u>	<u>2,734,321</u>
Total fund balances	<u>155,130</u>	<u>2,736,978</u>	<u>78,238</u>	<u>15,259,894</u>	<u>2,843,976</u>	<u>2,734,321</u>
Total liabilities, deferred inflows of Total liabilities and fund balances	<u>\$ 155,153</u>	<u>\$ 2,736,978</u>	<u>\$ 79,438</u>	<u>\$ 15,259,894</u>	<u>\$ 2,843,976</u>	<u>\$ 2,734,321</u>

City of Evansville, Indiana

Combining Balance Sheet -
 Nonmajor Capital Project Funds
 December 31, 2023

	Evansville Economic				
	Parks District Bond Series 2022 B	Development 22 Refunding	Arts District	Ford Center Improvements	Total
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 10,128	\$ -	\$ 4,737,715
Investments	-	-	-	6,519,558	31,712,936
Restricted:					
Investments	<u>2,625,779</u>	<u>74</u>	<u>-</u>	<u>-</u>	<u>5,360,174</u>
Total assets	<u>\$ 2,625,779</u>	<u>\$ 74</u>	<u>\$ 10,128</u>	<u>\$ 6,519,558</u>	<u>\$ 41,810,825</u>
Liabilities and Fund Balances and Fund Balances					
Liabilities					
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 147,917</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>147,917</u>
Fund Balances					
Restricted	<u>2,625,779</u>	<u>74</u>	<u>7,628</u>	<u>6,519,558</u>	<u>41,662,908</u>
Total fund balances	<u>2,625,779</u>	<u>74</u>	<u>7,628</u>	<u>6,519,558</u>	<u>41,662,908</u>
Total liabilities, deferred inflows of Total liabilities and fund balances	<u>\$ 2,625,779</u>	<u>\$ 74</u>	<u>\$ 10,128</u>	<u>\$ 6,519,558</u>	<u>\$ 41,810,825</u>

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance -
Nonmajor Capital Project Funds
Year Ended December 31, 2023

	<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>	<u>Evansville Burkhardt EDA TIF</u>
Revenues								
Taxes:								
Property	\$ -	\$ 2,328,743	\$ 8,185,221	\$ -	\$ -	\$ -	\$ -	\$ 63,555
Intergovernmental	-	-	-	212,919	-	-	5,832,697	-
Investment earnings	-	99,881	70,695	-	-	6,649	-	-
Other:								
Miscellaneous	-	16,974	-	-	-	-	-	-
Total revenues	-	2,445,598	8,255,916	212,919	-	6,649	5,832,697	63,555
Expenditures								
Current:								
General government	-	701,272	8,700	-	-	50,165	-	-
Highways and streets	-	-	-	-	120,479	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	2,234,141	-	-	-	-	1,200
Debt service:								
Principal	-	710,000	6,580,919	-	-	-	-	-
Interest	-	574,565	1,169,734	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Total expenditures	-	1,985,837	9,993,494	-	120,479	50,165	-	1,200
Excess (deficiency) of revenues over (under) expenditures	-	459,761	(1,737,578)	212,919	(120,479)	(43,516)	5,832,697	62,355
Other Financing Sources (Uses)								
Bond proceeds	-	-	-	-	-	-	-	-
Loan proceeds	-	-	525,000	-	-	-	-	-
Transfers out	-	-	-	(107,122)	-	-	(6,063,370)	-
Total other financing sources (uses)	-	-	525,000	(107,122)	-	-	(6,063,370)	-
Net change in fund balances	-	459,761	(1,212,578)	105,797	(120,479)	(43,516)	(230,673)	62,355
Fund Balances, Beginning	<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>	<u>15,883</u>
Fund Balances, Ending	<u>\$ 31,274</u>	<u>\$ 4,118,517</u>	<u>\$ 4,146,148</u>	<u>\$ 209,683</u>	<u>\$ 195,710</u>	<u>\$ 155,130</u>	<u>\$ 2,736,978</u>	<u>\$ 78,238</u>

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance -
Nonmajor Capital Project Funds
Year Ended December 31, 2023

	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	Ford Center Improvements	Total
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,577,519
Intergovernmental	-	-	-	-	-	-	-	6,045,616
Investment earnings	1,047,856	284,668	219,139	190,776	105,800	-	16,057	2,041,521
Other:								
Miscellaneous	978,500	755,926	-	-	-	1,022	1	1,752,423
Total revenues	2,026,356	1,040,594	219,139	190,776	105,800	1,022	16,058	20,417,079
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	760,137
Highways and streets	-	-	-	-	-	-	-	120,479
Culture and recreation	-	-	-	-	-	2,500	-	2,500
Urban redevelopment	10,642,303	4,694,656	2,644,808	1,083,913	105,727	-	-	21,406,748
Debt service:								
Principal	-	-	-	-	-	-	-	7,290,919
Interest	973,584	198,258	157,766	142,469	-	-	-	3,216,376
Bond issue costs	-	-	-	-	-	-	141,500	141,500
Capital outlay:								
General government	-	-	-	1,235,275	-	-	-	1,235,275
Total expenditures	11,615,887	4,892,914	2,802,574	2,461,657	105,727	2,500	141,500	34,173,934
Excess (deficiency) of revenues over (under) expenditures	(9,589,531)	(3,852,320)	(2,583,435)	(2,270,881)	73	(1,478)	(125,442)	(13,756,855)
Other Financing Sources (Uses)								
Bond proceeds	-	-	-	-	-	-	6,645,000	6,645,000
Loan proceeds	-	-	-	-	-	-	-	525,000
Transfers out	-	-	-	-	-	-	-	(6,170,492)
Total other financing sources (uses)	-	-	-	-	-	-	6,645,000	999,508
Net change in fund balances	(9,589,531)	(3,852,320)	(2,583,435)	(2,270,881)	73	(1,478)	6,519,558	(12,757,347)
Fund Balances, Beginning	24,849,425	6,696,296	5,317,756	4,896,660	1	9,106	-	54,420,255
Fund Balances, Ending	\$ 15,259,894	\$ 2,843,976	\$ 2,734,321	\$ 2,625,779	\$ 74	\$ 7,628	\$ 6,519,558	\$ 41,662,908

City of Evansville, Indiana

Combining Balance Sheet -
 Nonmajor Permanent Funds
 December 31, 2023

	<u>Coleman Trust</u>	<u>Mattie J Bayard Trust</u>	<u>RT Legler Trust</u>	<u>OAK HILL LEASE ESCROW</u>	<u>Melzer Trust</u>	<u>Evansville Community Trust</u>	<u>Total</u>
Assets							
Investments	\$ 13,417	\$ 6,847	\$ 2,647	\$ -	\$ 55,956	\$ 13,748	\$ 92,615
Total assets	<u>\$ 13,417</u>	<u>\$ 6,847</u>	<u>\$ 2,647</u>	<u>\$ -</u>	<u>\$ 55,956</u>	<u>\$ 13,748</u>	<u>\$ 92,615</u>
Fund Balances							
Restricted	\$ 13,417	\$ 6,847	\$ 2,647	\$ -	\$ 55,956	\$ 13,748	\$ 92,615
Total fund balances	<u>\$ 13,417</u>	<u>\$ 6,847</u>	<u>\$ 2,647</u>	<u>\$ -</u>	<u>\$ 55,956</u>	<u>\$ 13,748</u>	<u>\$ 92,615</u>

City of Evansville, Indiana

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Permanent Funds
 Year Ended December 31, 2023

	Mattie J Bayard				Evansville	Total
	Coleman Trust	Trust	RT Legler Trust	Melzer Trust	Trust	
Revenues						
Investment earnings	\$ 55	\$ 27	\$ 11	\$ -	\$ 559	\$ 652
Total revenues	55	27	11	-	559	652
Excess (deficiency) of revenues over (under) expenditures	55	27	11	-	559	652
Net change in fund balances	55	27	11	-	559	652
Fund Balances, Beginning	13,362	6,820	2,636	55,956	13,189	91,963
Fund Balances, Ending	<u>\$ 13,417</u>	<u>\$ 6,847</u>	<u>\$ 2,647</u>	<u>\$ 55,956</u>	<u>\$ 13,748</u>	<u>\$ 92,615</u>

City of Evansville, Indiana

 Combining Statement of Net Position -
 Component Units
 December 31, 2023

	Component Units				Total
	Port Authority	Evansville Bond Bank	Levee Authority	Land Bank	
Assets					
Cash and cash equivalents	\$ 121,435	\$ 5,188,523	\$ 1,934,461	\$ 735,722	\$ 7,980,141
Investments	102,266	2,000,000	3,946,174	-	6,048,440
Receivables:					
Interest	-	123,591	-	-	123,591
Taxes	-	-	2,026,688	-	2,026,688
Notes receivable	-	4,417,584	-	-	4,417,584
Other assets	-	-	1,500	-	1,500
Capital assets:					
Land and construction in progress	-	-	435,468	730,485	1,165,953
Other capital assets, net of depreciation	6,313,991	-	1,965,249	2,153	8,281,393
Total assets	<u>6,537,692</u>	<u>11,729,698</u>	<u>10,309,540</u>	<u>1,468,360</u>	<u>30,045,290</u>
Deferred Outflows of Resources					
Pension Related	-	-	178,785	-	178,785
OPEB Related	-	-	39,893	-	39,893
Total deferred outflow of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,678</u>	<u>\$ -</u>	<u>\$ 218,678</u>
Liabilities					
Accounts payable	\$ 20,472	\$ 22,075	\$ 91,551	\$ -	\$ 134,098
Accrued payroll and withholdings payable	-	-	10,583	-	10,583
Noncurrent liabilities:					
Due in more than one year:					
Net pension liability	-	-	451,295	-	451,295
Total OPEB liability	-	-	181,157	-	181,157
Total liabilities	<u>20,472</u>	<u>22,075</u>	<u>734,586</u>	<u>-</u>	<u>777,133</u>
Deferred Inflows of Resources					
Pension related	-	-	4,629	-	4,629
Unavailable revenue	-	-	1,893,640	-	1,893,640
OPEB related	-	-	62,495	-	62,495
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>1,960,764</u>	<u>-</u>	<u>1,960,764</u>
Net Position					
Net investment in capital assets	6,313,991	-	1,965,249	732,638	9,011,878
Net position, restricted for:					
Encumbrances	-	71,294	-	-	71,294
Net position, unrestricted	203,229	11,636,329	5,867,619	735,722	18,442,899
Total net position	<u>\$ 6,517,220</u>	<u>\$ 11,707,623</u>	<u>\$ 7,832,868</u>	<u>\$ 1,468,360</u>	<u>\$ 27,526,071</u>

City of Evansville, Indiana

Combining Statement of Activities - Nonmajor Component Units
 Year Ended December 31, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position Component Units				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Evansville				
					Port Authority	Bond Bank	Levee Authority	Land Bank	
Component Units									
Port Authority	\$ 448,480	200,000	\$ -	\$ -	\$ (248,480)	\$ -	\$ -	\$ -	\$ (248,480)
Evansville Bond Bank	413,461	-	-	-	-	(413,461)	-	-	(413,461)
Levee Authority	1,863,285	500	-	-	-	-	(1,862,785)	-	(1,862,785)
Land Bank	259,400	-	-	-	-	-	-	(259,400)	(259,400)
Total component units	<u>\$ 2,984,626</u>	<u>\$ 200,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(248,480)</u>	<u>(413,461)</u>	<u>(1,862,785)</u>	<u>(259,400)</u>	<u>(2,784,126)</u>
Taxes:									
Property taxes					-	-	1,819,152	-	1,819,152
Income taxes					-	-	685,748	-	685,748
Grants and contributions not restricted to specific programs					-	-	138,198	250,000	388,198
Investment income					5,822	339,331	229,041	12,182	586,376
Donations					-	-	-	109,826	109,826
Miscellaneous					-	34,000	1,630	-	35,630
Gain(loss) on disposal of assets					158,500	-	-	(37,632)	120,868
Total general revenues and transfers					<u>164,322</u>	<u>373,331</u>	<u>2,873,769</u>	<u>334,376</u>	<u>3,745,798</u>
Change in net position					(84,158)	(40,130)	1,010,984	74,976	961,672
Net Position, Beginning, as Previously Stated					<u>6,601,378</u>	<u>11,747,753</u>	<u>6,821,884</u>	<u>1,393,384</u>	<u>26,564,399</u>
Net Position, Ending					<u>\$ 6,517,220</u>	<u>\$ 11,707,623</u>	<u>\$ 7,832,868</u>	<u>\$ 1,468,360</u>	<u>\$ 27,526,071</u>

City of Evansville, Indiana

Combining Statement of Net Position -
Internal Service Funds
December 31, 2023

	<u>Purchasing</u>	<u>Hospitalization Insurance</u>	<u>Self- Unemployment Insurance</u>	<u>Workers Compensation</u>	<u>Liability Insurance</u>	<u>Accounts Payable Clearing</u>	<u>Total</u>
Assets							
Cash and cash equivalents	\$ 19,036	\$ -	\$ -	\$ 230,704	\$ 173,897	\$ -	\$ 423,637
Investments	-	-	-	-	959,045	-	959,045
Receivables:							
Accounts	24,108	-	-	-	-	-	24,108
Total assets	\$ 43,144	\$ -	\$ -	\$ 230,704	\$ 1,132,942	\$ -	\$ 1,406,790
Liabilities and Net Position							
Liabilities							
Accounts payable	\$ 14,542	\$ 732,649	\$ 3,021	\$ 313	\$ 247,373	\$ -	\$ 997,898
Accrued payroll and withholdings payable	-	1,606	2,140	1,561	-	-	5,307
Interfund payable:							
Interfund payable	-	26,064	2,081	-	-	1,771	29,916
Claims payable	-	4,287,976	-	-	-	-	4,287,976
Total liabilities	14,542	5,048,295	7,242	1,874	247,373	1,771	5,321,097
Net Position							
Restricted	28,602	-	-	228,830	885,569	-	1,143,001
Unrestricted (deficit)	-	(5,048,295)	(7,242)	-	-	(1,771)	(5,057,308)
Total net position	28,602	(5,048,295)	(7,242)	228,830	885,569	(1,771)	(3,914,307)
Total liabilities and net position	\$ 43,144	\$ -	\$ -	\$ 230,704	\$ 1,132,942	\$ -	\$ 1,406,790

City of Evansville, Indiana

Combining Statement of Revenues, Expenses and Changes in Net Position -
Internal Service Funds
Year Ended December 31, 2023

	<u>Purchasing</u>	<u>Hospitalization Self- Insurance</u>	<u>Unemployment Insurance</u>	<u>Workers Compensation</u>	<u>Liability Insurance</u>	<u>Accounts Payable Clearing</u>	<u>Total</u>
Revenues							
Charges for services	\$ 277,149	\$ 29,650,601	\$ 94,650	\$ 1,917,253	\$ 3,751,725	\$ 217,402	\$ 35,908,780
Investment earnings	-	-	1,365	944	27,528	-	29,837
Miscellaneous	75,739	6,332	-	351,907	1,787,251	-	2,221,229
Total revenues	<u>352,888</u>	<u>29,656,933</u>	<u>96,015</u>	<u>2,270,104</u>	<u>5,566,504</u>	<u>217,402</u>	<u>38,159,846</u>
Expenditures							
Current:							
General government	<u>340,625</u>	<u>28,185,892</u>	<u>198,083</u>	<u>2,176,500</u>	<u>5,949,307</u>	<u>219,173</u>	<u>37,069,580</u>
Total expenditures	<u>340,625</u>	<u>28,185,892</u>	<u>198,083</u>	<u>2,176,500</u>	<u>5,949,307</u>	<u>219,173</u>	<u>37,069,580</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,263</u>	<u>1,471,041</u>	<u>(102,068)</u>	<u>93,604</u>	<u>(382,803)</u>	<u>(1,771)</u>	<u>1,090,266</u>
Change in net position	12,263	1,471,041	(67,068)	93,604	(417,803)	(1,771)	1,090,266
Net Position (Deficit), Beginning	<u>16,339</u>	<u>(6,519,336)</u>	<u>59,826</u>	<u>135,226</u>	<u>1,303,372</u>	<u>-</u>	<u>(5,004,573)</u>
Net Position (Deficit), Ending	<u>\$ 28,602</u>	<u>\$ (5,048,295)</u>	<u>\$ (7,242)</u>	<u>\$ 228,830</u>	<u>\$ 885,569</u>	<u>\$ (1,771)</u>	<u>\$ (3,914,307)</u>

City of Evansville, Indiana

Combining Statement of Fiduciary Net Position -
Pension Trust Funds
December 31, 2023

	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total Pension Trust Funds</u>
Assets			
Cash and cash equivalents	\$ 1,107,759	\$ 934,496	\$ 2,042,255
Investments at fair value:			
Fixed income securities	<u>3,178,406</u>	<u>4,140,596</u>	<u>7,319,002</u>
Total investments	<u>3,178,406</u>	<u>4,140,596</u>	<u>7,319,002</u>
Total assets	<u>4,286,165</u>	<u>5,075,092</u>	<u>9,361,257</u>
Net Position			
Restricted for pensions	<u>\$ 4,286,165</u>	<u>\$ 5,075,092</u>	<u>\$ 9,361,257</u>

City of Evansville, Indiana

Combining Statement of Changes in Fiduciary Net Position -
Pension Trust Funds
Year Ended December 31, 2023

	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total Pension Trust Funds</u>
Additions			
Contributions:			
Contributions from nonemployer contributing entities	\$ 4,582,113	\$ 6,055,023	\$ 10,637,136
Total contributions and transfers	<u>4,582,113</u>	<u>6,055,023</u>	<u>10,637,136</u>
Investment income:			
Interest	<u>172,672</u>	<u>197,280</u>	<u>369,952</u>
Total investment income	<u>172,672</u>	<u>197,280</u>	<u>369,952</u>
Total additions	<u>4,754,785</u>	<u>6,252,303</u>	<u>11,007,088</u>
Deductions			
Pension benefits	<u>4,511,186</u>	<u>5,964,310</u>	<u>10,475,496</u>
Total deductions	<u>4,511,186</u>	<u>5,964,310</u>	<u>10,475,496</u>
Change in fiduciary net position	243,599	287,993	531,592
Net Position, Beginning	<u>4,042,566</u>	<u>4,787,099</u>	<u>8,829,665</u>
Net Position, Ending	<u>\$ 4,286,165</u>	<u>\$ 5,075,092</u>	<u>\$ 9,361,257</u>

CITY OF EVANSVILLE
Vanderburgh County, Indiana

**SINGLE AUDIT REPORT IN
ACCORDANCE WITH UNIFORM GUIDANCE**
December 31, 2023

CITY OF EVANSVILLE
Vanderburgh County, Indiana

SINGLE AUDIT REPORT IN
ACCORDANCE WITH UNIFORM GUIDANCE
December 31, 2023

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CITY OF EVANSVILLE
SCHEDULE OF OFFICIALS (Unaudited)
December 31, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Russell G. Lloyd Jr., CPA	01-01-23 to 12-31-23
Mayor	Lloyd Winnecke	01-01-20 to 12-31-23
President of the Board of Public Works	William Nix	01-01-23 to 12-31-23
President of the Common Council	Zac Heronemus	01-01-22 to 12-31-23
Executive Director of Utilities	Lane Young	01-01-23 to 12-31-23
President of the Department of Water Works Board	Steven Heidorn	01-01-22 to 12-31-23

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 27, 2024.

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 2023-001 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
September 27, 2024

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, 2023. 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, 2023.

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.

(Continued)

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 27, 2024, 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
September 27, 2024

CITY OF EVANSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2023

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	Direct Grant	11.307			
CARES Act Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Awards			06-79-06211	\$ 370,463	\$ -
Total - Economic Development Cluster/ Department of Commerce				<u>370,463</u>	<u>-</u>
<u>Department of Housing and Urban Development</u>					
CDBG - Entitlement/Special Purpose Grants Cluster					
Community Development Block Grants/Entitlement Grants					
	Direct Grant	14.218	B-18-MC-18-0002	48,669	38,938
	Direct Grant	14.218	B-19-MC-18-0002	48,626	41,295
	Direct Grant	14.218	B-20-MC-18-0002	149,109	115,125
	Direct Grant	14.218	B-20-MW-18-0002	66,275	66,275
	Direct Grant	14.218	B-21-MC-18-0002	630,777	459,359
	Direct Grant	14.218	B-22-MC-18-0002	1,031,065	122,782
	Direct Grant	14.218	B-23-MC-18-0002	11,492	11,492
Total - CDBG - Entitlement/Special Purpose Grants Cluster				<u>1,986,013</u>	<u>855,266</u>
Emergency Solutions Grant Program					
	Direct Grant	14.231	E-20-MW-18-0002	286,549	286,549
	Direct Grant	14.231	E-21-MC-18-0002	55,436	55,436
	Direct Grant	14.231	E-22-MC-18-0002	134,036	134,036
Total - Emergency Solutions Grant Program				<u>476,021</u>	<u>476,021</u>
Home Investment Partnerships Program					
DMD-HOME	Direct Grant	14.239	M-17-MC-18-0201	8,685	8,597
DMD-HOME	Direct Grant	14.239	M-18-MC-18-0201	18,678	18,678
DMD-HOME	Direct Grant	14.239	M-19-MC-18-0201	251,610	247,297
DMD-HOME	Direct Grant	14.239	M-20-MC-18-0201	370,563	369,823
DMD-HOME	Direct Grant	14.239	M-21-MC-18-0201	61,076	61,076
DMD-HOME (COVID-19 ARP Act)	Direct Grant	14.239	M-21-MP-18-0201	1,850,000	1,850,000
Total - Home Investment Partnerships Program				<u>2,560,612</u>	<u>2,555,471</u>
Fair Housing Initiatives Program					
Human Relations Fair Housing Assistance Program	Direct Grant	14.408	FF205K225016	114,600	-
Human Relations Fair Housing Assistance Program	Direct Grant	14.408	FF205K235016	114,600	-
Total - Fair Housing Initiatives Program				<u>229,200</u>	<u>-</u>
Total - Department of Housing and Urban Development				<u>5,251,846</u>	<u>3,886,759</u>

(Continued)

CITY OF EVANSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2023

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>					
Edward Byrne Memorial Justice Assistance Grant Program					
	Direct Grant	16.738	15PBJA-21-GG-01471-JAGX	74,216	-
	Direct Grant	16.738	2020-DJBX-0957	36,702	-
Total - Edward Byrne Memorial Justice Assistance Grant Program				110,918	-
Opioid Affected Youth Initiative	Direct Grant	16.842	2019-YB-FX-K005	134,340	134,340
Total - Department of Justice				245,258	134,340
<u>Department of Transportation</u>					
Federal Transit Cluster					
Federal Transit Formula Grants					
	Direct Grant	20.507	IN-2022-005-00-01	548,605	-
	Direct Grant	20.507	IN-2018-025-00 -04	71,815	-
	Direct Grant	20.507	IN-2021-035-00	593,875	-
COVID-19 (ARP Act)	Direct Grant	20.507	IN-2022-005-00	2,425,677	-
	Direct Grant	20.507	IN-2023-028-00	1,319,521	-
Total - Federal Transit Formula Grants				4,959,493	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs					
	Direct Grant	20.526	IN-2019-012-02	2,731	-
	Direct Grant	20.526	IN-2022-025-00-02	144,000	-
Total - Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs				146,731	-
Total - Federal Transit Cluster				5,106,224	-
Highway Safety Cluster					
State and Community Highway Safety EPD-CHIRP-2023-00066	Indiana Criminal Justice Institute	20.600	CHIRP-2023-00066	62,750	-
Total - Highway Safety Cluster				62,750	-
Transit Services Programs Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	Direct Grant	20.513	IN-2019-012-03	3,425	-
Total - Transit Services Programs Cluster				3,425	-
Highway Planning and Construction					
	Indiana Department of Transportation	20.205	DES 1801727	378,909	-
Total - Highway Planning and Construction				378,909	-
Total - Department of Transportation				5,551,308	-

(Continued)

CITY OF EVANSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2023

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 Grant	21.027	2022	23,549,916	-
Total - Department of the Treasury				23,549,916	-
<u>Equal Employment Opportunity Commission</u>					
Employment Discrimination Title VII of The Civil Rights Act Of 1964 Human Relations Commission	Direct Grant	30.001	EEC45310021C0021	80,570	-
Human Relations Commission	Direct Grant	30.001	EEC45310024C0109	10,790	-
Total - Equal Employment Opportunity Commission				91,360	-
<u>Environmental Protection Agency</u>					
Capitalization Grants For Clean Water State Revolving Funds	Indiana Finance Authority	66.458	DW-220482023	123,448	-
	Indiana Finance Authority	66.458	WW-22678221	10,873,464	-
Total - Clean Water State Revolving Fund				10,996,912	-
Total - Environmental Protection Agency				10,996,912	-
Total federal awards expended				<u>\$ 46,057,063</u>	<u>\$ 4,021,098</u>

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF EVANSVILLE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2023

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, 2023. 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, 2022 plus any current year loans for which the government imposes continuing compliance requirements. The loan balance outstanding at December 31, 2022, is \$370,463. There were no new loans issued during 2023. The outstanding revolving loan fund balance is \$302,510 as of December 31, 2023.

CITY OF EVANSVILLE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended December 31, 2023

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

Federal Awards:

Internal control over major programs:

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

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

Unmodified

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

 Yes X No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants/Entitlement Grants
14.239	HOME Investment Partnerships Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,381,712

Auditee qualified as low-risk auditee? Yes X No

(Continued)

CITY OF EVANSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2023

Section II – Financial Statement Findings

FINDING 2023-001

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 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. Adjusting entries were made to correct errors discovered during the audit.

Context: Adjusting journal entries were made to the financial statements that impacted current period balances and activity which is summarized below:

Casino Gaming Fund and Governmental Activities

- A current year entry was posted to the Casino Gaming fund to recognize accounts receivable and rent revenue of \$571,592 for December 2023 rent not receipted until January 2024.
- A current year entry was posted to the Casino Gaming fund to recognize taxes receivable and gaming and admission tax revenues of \$1,094,723 for October – December 2023 not receipted until January 2024.
- A current year entry was posted to the Casino Gaming fund to decrease the lease receivable by \$8,000, deferred inflows of resources by \$578,240, and lease interest income by \$396,018 and increase rent revenue by \$966,258 to properly reflect lessor lease activity under GASB Statement No. 87, *Leases*.

Business Type Activities

- A current year entry was posted to Business Type Activities to decrease cash and cash equivalents and increase capital assets (construction in progress) by \$8,705,455 (Wastewater Utility - \$6,061,961, Water Utility - \$2,643,494) for contracts payables related to construction activity funded by SRF but not yet paid as of December 31, 2023.
- A current year entry was posted to Business Type Activities to decrease the Water Utility’s interfund receivable and Sewer Utility portion of general expenses revenue by \$1,208,938 to reconcile interfund activity between the Water Utility and Wastewater Utility.

(Continued)

CITY OF EVANSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-001 (Continued)

Discretely Presented Component Units:

- A current year entry was posted to the Levee Authority to increase taxes receivable by \$2,026,688, unavailable revenue by \$1,893,640, and increase income taxes revenue by \$133,048 to properly reflect property taxes and income taxes receivable at December 31, 2023.
- A Discretely Presented Component Unit (Land Bank) 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: Yes, see Finding 2022-001.

Recommendation: We recommend that management create and reinforce the use of standard protocols 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 City Controller

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ONE NW MARTIN LUTHER KING, JR. BOULEVARD
EVANSVILLE, INDIANA 47708
(812) 436-4919 FAX (812) 436-4926

Stephanie Terry, Mayor

Robert Gunter CPA, Controller

CORRECTIVE ACTION PLAN

FINDING 2023-001

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 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 current period balances and activity which is summarized below:

Casino Gaming Fund and Governmental Activities

- A current year entry was posted to the Casino Gaming fund to recognize accounts receivable and rent revenue of \$571,592 for December 2023 rent not receipted until January 2024.
- A current year entry was posted to the Casino Gaming fund to recognize taxes receivable and gaming and admission tax revenues of \$1,094,723 for October – December 2023 not receipted until January 2024.
- A current year entry was posted to the Casino Gaming fund to decrease the lease receivable by \$8,000, deferred inflows of resources by \$578,240, and lease interest income by \$396,018 and increase rent revenue by \$966,258 to properly reflect lessor lease activity under GASB Statement No. 87, *Leases*.

Business Type Activities

- A current year entry was posted to Business Type Activities to decrease cash and cash equivalents and increase capital assets (construction in progress) by \$8,705,455 (Wastewater Utility - \$6,061,961, Water Utility - \$2,643,494) for contracts payables related to construction activity funded by SRF but not yet paid as of December 31, 2023.
- A current year entry was posted to Business Type Activities to decrease the Water Utility's interfund receivable and Sewer Utility portion of general expenses revenue by \$1,208,938 to reconcile interfund activity between the Water Utility and Wastewater Utility.

Discretely Presented Component Units:

- A current year entry was posted to the Levee Authority to increase taxes receivable by \$2,026,688, unavailable revenue by \$1,893,640, and increase income taxes revenue by \$133,048 to properly reflect property taxes and income taxes receivable at December 31, 2023.

- A Discretely Presented Component Unit (Land Bank) 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.

Casino Gaming Fund

For the adjusting journal entries that were made to the financial statements that impacted current period balances and activity, the City will review Casino accounts receivables and rents to determine what should be accrued. The amounts that are recorded will have the proper documentation to support the entries.

For the adjusting journal entries that were made to the financial statements that impacted current period balances and activity, the City will review Casino gaming and admission taxes at year end to determine what should be accrued. The amounts that are recorded will have the proper documentation to support the entries.

The City will also review the Gaming Fund's lease receivable, deferred inflows of resources, lease interest income, and rent revenue at year-end to make sure it is all properly reflected in accordance with GASB Statement No. 87, *Leases*.

Business Type Activities

For the payment of contracts, accounts, and other payables, cash disbursements will be recorded in the proper period so that assets are properly presented. Bank reconciliations will be prepared and compared against the general ledger for accuracy.

For the recording of entries to interfund receivables and payables, the City will maintain a reconciliation to make sure all interfund accounts are balanced. Any that are not reconciled, accounts will be researched to bring them into balance.

Discretely Presented Component Units:

For the taxes receivable and revenue that were booked to the Levee Authority, the City will review the taxes receivable at year-end to make sure the current amount is recorded. The amounts that are recorded will have the proper documentation to support the entries.

The discretely presented component unit received a qualified opinion from other auditors where 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 City will review with the external auditor of the Evansville Land Bank the best possible procedures to implement an assigned costs to the assets purchased and donated to bring the financial statements in compliance with generally accepted accounting principles.

Responsible Party and Timeline for Completion:

Casino Gaming accounts receivable and rents will be assigned to the City Controller Robert Gunter. This will be corrected for year-end 2024 reporting.

Casino Gaming revenue that involves gaming and admission taxes receivable will be assigned to the City Controller Robert Gunter. This will be corrected for year-end 2024 reporting.

The proper presentation of the Gaming Fund's lease receivable, deferred inflows of resources, lease interest income, and rent revenue at year-end in accordance with GASB Statement No. 87 Leases will be assigned to the City Controller Robert Gunter. This will be corrected for year-end 2024 reporting.

Business Type Activities

The proper presentation of cash at year-end will be assigned to EWSU Director of Finance Keith Penney. This will be corrected for year-end 2024 reporting.

The proper presentation of interfund receivables and payables at year-end will be assigned to EWSU Director of Finance Keith Penney. This will be corrected for year-end 2024 reporting.

Discretely Presented Component Units:

The proper presentation of tax receivable and revenue for the Levee Authority will be assigned to the City Controller Robert Gunter. This will be corrected for year-end 2024 reporting.

The City Controller Robert Gunter will work with the staff of the Land Bank and Department of Metropolitan Development to develop a plan to request proposals from qualified professionals to assigned market values to the assets purchased and donated to bring the financial statements in compliance with generally accepted accounting principles. This will be completed in year end 2025 reporting.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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.
- 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*.

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.

Status: Not resolved. See Finding 2023-001.