



JOHNSON BLOCK
CPAs

CITY OF EVANSVILLE

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended December 31, 2021

**City of Evansville
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December 31, 2021**

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INDEPENDENT AUDITOR’S REPORT

To the City Council
City of Evansville
Evansville, Wisconsin

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 City of Evansville, Wisconsin, 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 audit opinions.

Responsibilities of Management for the Financial Statements

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

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 City of Evansville, Wisconsin’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 generally accepted 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 generally accepted 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 City of Evansville, Wisconsin'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 City of Evansville, Wisconsin'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages v through xiv, the budgetary comparison information on page 58, the Wisconsin Retirement System schedules on page 59, the Local Retiree Life Insurance Fund schedules on page 60, and the other postemployment benefits health plan schedule on page 61 be presented to supplement the basic financial statements. Such information, 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 of Evansville, Wisconsin's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the 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 basic 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 combining and individual nonmajor fund 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 introductory and statistical sections 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.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
July 26, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2021

As management of the City of Evansville, we offer readers of the City of Evansville financial statements this narrative overview and analysis of the financial activities of the City of Evansville for the fiscal year ended December 31, 2021. We encourage the reader to consider the information presented here in conjunction with the Independent Auditor's Report at the front of this report and the City's financial statements, which immediately follow this section.

THE FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. You can think of this relationship between revenues and expenses as the City's operating results. You can think of the City's net position, as measured in the Statement of Net Position, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position, as measured in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. However, the City's goal is to provide services that improve the quality of life for our residents, not to generate profits as companies do. For this reason, you will need to consider many other non-financial factors, such as the condition of our roads, in assessing the overall health of our City.

- The assets of the primary government of the City of Evansville exceeded its liabilities as of December 31, 2021, by \$33,820,261 (net position). Of this amount, \$4,546,906 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- General fund revenues including the tax equivalent were less than budgeted amounts by \$57,588 and general fund expenditures were less than budgeted amounts by \$92,230.
- As of December 31, 2021, the City of Evansville's governmental funds reported combined ending fund balances of \$3,969,675.
- As of December 31, 2021, the unassigned fund balance for the general fund was \$1,537,110, or approximately 48 percent of total general fund expenditures.
- The City of Evansville's governmental liability for long-term debt including compensated absences and long-term debt was \$9,731,722. The business-type debt totaled \$14,937,539.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City of Evansville's basic financial statements. These 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 the *Statement of Net Position* and *Statement of Activities*. These statements present an aggregate view of the City's finances in a manner similar to private-sector business. The government-wide financial statements can be found on pages 1 and 2 of this report.

- The *statement of net position* presents information on all of the City of Evansville's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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 of Evansville 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 future fiscal periods (e. g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City of Evansville 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 of Evansville include general government, public safety, public works, health and human services, parks and recreation, and conservation and development. The business-type activities of the City of Evansville include the Water and Light Utility, and the Wastewater Treatment Plant or sanitary sewer utility. The Stormwater utility was reclassified as a governmental fund in 2014. Previously, it was reported as a business-type fund.

Fund financial statements. The City also produces 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. The City, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the City-wide statements and provide information that may be useful in evaluating a City's short-term financing requirements. There are two fund financial statements, the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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, fund statements focus on short-term inflows and outflows of expendable resources and their impact on fund balance.

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 of Evansville maintains 16 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service, Capital Projects, Stormwater, and TIF 5 funds. Data from the remaining ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements later in this report.

The City of Evansville adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3 through 6 of this report.

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric and water utilities (Water and Light Committee) and the sewer utility (Public Works Committee), which are considered to be major funds of the City of Evansville. The basic proprietary fund financial statements can be found on pages 7 through 11 of this report.

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 statements because the resources of those funds are not available to support the City of Evansville's programs. The fiduciary fund maintained by the City of Evansville is the Tax Collection Custodial Fund which records the tax roll and tax collections for other taxing jurisdictions within the City of Evansville. The basic fiduciary fund financial statement can be found on pages 12 and 13 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 14 through 57 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds is presented immediately following the required supplementary information. Individual fund statements and schedules can be found on pages 64 and 65 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1, below, provides a summary of the City's net position for the year ended December 31, 2021.

TABLE 1
City of Evansville Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 10,109,928	\$ 7,233,063	\$ 8,683,955	\$ 6,822,428	\$ 18,793,883	\$ 14,055,491
Capital assets	13,304,507	11,967,996	34,067,191	33,456,098	47,371,698	45,424,094
Total Assets	23,414,435	19,201,059	42,751,146	40,278,526	66,165,581	59,479,585
Deferred Outflows of Resources	1,420,514	1,007,231	652,753	503,821	2,073,267	1,511,052
Long-term liabilities outstanding	8,483,473	6,445,000	13,435,122	11,633,059	21,918,595	18,078,059
Other liabilities	2,512,836	1,613,516	2,438,007	2,222,068	4,950,843	3,835,584
Total Liabilities	10,996,309	8,058,516	15,873,129	13,855,127	26,869,438	21,913,643
Deferred Inflows of Resources	6,176,817	4,992,655	1,372,332	1,095,797	7,549,149	6,088,452
Net Position:						
Net investment in capital assets	5,289,907	4,853,815	20,195,189	20,734,430	25,485,096	25,588,245
Restricted	1,086,011	607,728	2,702,248	2,313,261	3,788,259	2,920,989
Unrestricted	1,285,905	1,695,576	3,261,001	2,783,732	4,546,906	4,479,308
Total Net Position	\$ 7,661,823	\$ 7,157,119	\$ 26,158,438	\$ 25,831,423	\$ 33,820,261	\$ 32,988,542

A significant portion of the City's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.); less any related debt used to acquire those assets that are 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 restricted portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$4,546,906, may be used to meet the City's ongoing obligations to citizens and creditors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Table 2, below, provides a summary of the City’s operating results and their impact on net position for the year ended December 31, 2021. In 2021, the governmental activities relied primarily on property taxes (57%), program revenues (32%), and state aids (10%) to fund its operations. Combined, these account for 99% of all revenues or \$5.92 million. Business-type activities relied primarily on program revenues to fund its operations. Utility charges accounted for 98% of business-type revenues.

**TABLE 2
City of Evansville's Change in Net Position
2021 and 2020**

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,364,577	\$ 1,339,249	\$ 10,756,560	\$ 10,038,000	\$ 12,121,137	\$ 11,377,249
Operating Grants and Contributions	538,168	659,962	-	-	538,168	659,962
Capital Grants and Contributions	9,627	3,938	143,047	353,918	152,674	357,856
General Revenues:						
Property Taxes	3,420,711	3,266,815	-	-	3,420,711	3,266,815
Grants and Contributions Not Restricted to Specific Programs	589,335	543,038	-	-	589,335	543,038
Unrestricted Interest/Investment Income	11,554	39,010	9,521	67,033	21,075	106,043
Other- Gain (Loss) on Capital Assets	5,000	9,350	-	-	5,000	9,350
Miscellaneous	27,196	12,404	16,126	62,005	43,322	74,409
Total Revenues	5,966,168	5,873,766	10,925,254	10,520,956	16,891,422	16,394,722
Expenses:						
General Government	527,253	459,391	-	-	527,253	459,391
Public Safety	2,224,127	2,308,053	-	-	2,224,127	2,308,053
Public Works	1,562,034	1,497,549	-	-	1,562,034	1,497,549
Health & Human Services	160,673	159,178	-	-	160,673	159,178
Culture and Recreation	838,815	820,465	-	-	838,815	820,465
Conservation and Development	229,324	146,245	-	-	229,324	146,245
Interest on Long-Term Debt	251,319	174,425	-	-	251,319	174,425
Capital Outlay	105,160	48,258	-	-	105,160	48,258
Electric and Water	-	-	8,905,934	8,062,831	8,905,934	8,062,831
Sewer	-	-	1,255,064	1,246,453	1,255,064	1,246,453
Total Expenses	5,898,705	5,613,564	10,160,998	9,309,284	16,059,703	14,922,848
Increase (Decrease) in Net Position						
Before Transfers	67,463	260,202	764,256	1,211,672	831,719	1,471,874
Transfers	437,241	436,320	(437,241)	(436,320)	-	-
Increase (Decrease) in Net Position	504,704	696,522	327,015	775,352	831,719	1,471,874
Net Position - January 1	7,157,119	6,460,597	25,831,423	25,056,071	32,988,542	31,516,668
Net Position - December 31	\$ 7,661,823	\$ 7,157,119	\$ 26,158,438	\$ 25,831,423	\$ 33,820,261	\$ 32,988,542

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities: Governmental activities increased the City's net position by \$504,704.

Business-type activities: Business-type activities increased City of Evansville's net position by \$327,015. Key elements of this increase are as follows:

- The City's electric and water utility had an increase in net position of \$22,220. This is due to steady energy costs to the electric utility.
- The City's sewer had an increase in net position of \$304,795. This is due to an increase in rates for sewer utility in anticipation of debt payments for major improvements to the WWTP. The plant upgrade was completed in 2019.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds. The focus of City of Evansville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of December 31, 2021, the City's governmental funds reported combined ending fund balances of \$3,969,675. Of the combined ending fund balance, \$1,705,727 is nonspendable, \$585,364 is restricted, \$1,609,795 is committed, and \$15,400 is assigned. The remaining \$53,389 is unassigned fund balance.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$1,537,110, while total fund balance reached \$2,276,640. 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 fund expenditures. Unassigned fund balance represents 43% of total general fund expenditures, while total fund balance represents 64% of that same amount.

During the current year, the City's general fund balance increased by \$26,883. Key factors in this increase are as follows:

- The total expenditures were \$92,230 less than budgeted amounts.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (Continued)

Proprietary funds. City of Evansville's proprietary funds provide the same type of information found in the City's government-wide financial statements, but in more detail.

The Electric and Water Utility had an increase in net position of \$22,220 in 2021 after deducting a transfer of \$437,241 to the City's General Fund. Net position was \$15,753,323 as of December 31, 2021.

The Wastewater Treatment Plant Utility (Sewer Fund) had an increase in net position of \$304,795 in 2021. Net position was \$10,405,115 as of December 31, 2021.

The Electric and Water Utility's outstanding debt at December 31, 2021 was \$7,571,761, an increase of \$1,194,559 from the balance at December 31, 2020. Fixed assets, net of accumulated depreciation, of \$18,513,335 increased \$71,303 from \$18,442,032.

The Wastewater Treatment Plant Utility's outstanding debt at December 31, 2021 was \$7,297,408 an increase of \$681,652 from the balance at December 31, 2020. Fixed assets, net of accumulated depreciation, of \$15,553,856 increased \$539,790 from \$15,014,066.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Evansville's general fund expenditures had an original budget of \$3,631,113 and a final budget of \$3,671,729. Actual expenditures totaled \$3,579,499. Budgeted differences can be briefly summarized as follows:

- Actual expenditures were less than budgeted expenditures by \$92,230.
- The general fund had revenues and other financing sources that were greater than expenditures and financing uses by \$26,883.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. City of Evansville’s investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$47,371,698 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, public domain infrastructure (highway and bridges), and construction in progress.

- A summary of the fixed assets is identified below:

City of Evansville Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 727,411	\$ 607,181	\$ 171,362	\$ 171,362	\$ 898,773	\$ 778,543
Infrastructure Work in Process	1,617,234	821,659	618,065	640,008	2,235,299	1,461,667
Depreciable Capital Assets	20,893,664	19,561,314	55,028,034	52,976,076	75,921,698	72,537,390
Accumulated depreciation	(9,933,802)	(9,022,158)	(21,750,270)	(20,331,348)	(31,684,072)	(29,353,506)
Total	\$ 13,304,507	\$ 11,967,996	\$ 34,067,191	\$ 33,456,098	\$ 47,371,698	\$ 45,424,094

Additional information on the City of Evansville’s capital assets can be found in Note III-B on pages 30-32 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term debt. At the end of the current fiscal year, the City of Evansville had total debt outstanding of \$24,669,261. Of this amount, \$9,245,000 was backed by City's taxing ability.

**City of Evansville Outstanding Debt
Long-term Debt**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
2005 CWFL	\$ -	\$ -	\$ 383,102	\$ 473,411	\$ 383,102	\$ 473,411
2009 CWFL	-	-	1,570,231	1,744,262	1,570,231	1,744,262
2011 WPPI Loan	-	2,549	-	-	-	2,549
2012 GO Bond	200,000	230,000	-	-	200,000	230,000
2013 GO Notes	70,000	155,000	130,000	290,000	200,000	445,000
2014 Revenue Bonds	-	-	1,380,000	1,705,000	1,380,000	1,705,000
2015 GO Notes	60,000	80,000	280,000	350,000	340,000	430,000
2015 WPPI Loan	-	-	121,761	152,203	121,761	152,203
2016 Revenue Bonds	-	-	2,467,500	2,691,000	2,467,500	2,691,000
2017 GO Refunding Bonds	1,245,000	1,420,000	-	-	1,245,000	1,420,000
2017 STFL	451,088	517,631	-	-	451,088	517,631
2018 CWFL	-	-	3,297,575	3,461,084	3,297,575	3,461,084
2018 GO Notes	3,060,000	3,450,000	-	-	3,060,000	3,450,000
2018 NAN	25,000	50,000	-	-	25,000	50,000
2018 Revenue Bonds	-	-	189,000	216,000	189,000	216,000
2018 Revenue Bonds-Storm	458,500	524,000	-	-	458,500	524,000
2019 GO Notes	600,000	685,000	390,000	435,000	990,000	1,120,000
2019 Revenue Bonds	-	-	1,375,000	1,475,000	1,375,000	1,475,000
2021 GO Notes	2,420,000	-	-	-	2,420,000	-
2021 GO Bonds	790,000	-	-	-	790,000	-
2021 Revenue Bonds	-	-	3,285,000	-	3,285,000	-
Compensated absences	352,134	314,610	68,370	60,102	420,504	374,712
Total	\$ 9,731,722	\$ 7,428,790	\$ 14,937,539	\$ 13,053,062	\$ 24,669,261	\$ 20,481,852

Additional information on the City's long-term debt can be found in Note III-D on pages 34-40 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's financial results are dependent on these main factors:

- Meeting City policies on fund balance through spending reserve balances.
- Providing requested services and improvements to the public while maintaining a mill rate within the median of comparable communities.
- Supporting economic growth through continued residential and commercial development.

Where appropriate, services should be funded by reasonable user charges:

- The City continues to monitor revenue in utilities and service charges to prevent tax subsidization of services that are user based.
- Reviews of charges for service include water, electric, sewer, stormwater, refuse/recycling, and building permits.
- In 2021 the City started a water rate case. All remaining rate schedules seem stable for 2021 and into 2022.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Evansville's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Evansville Finance Department, 31 South Madison Street, Evansville, Wisconsin, 53536. General information relating to the City of Evansville, Wisconsin, can be found at the City's website, <http://www.ci.evansville.wi.gov>.

City of Evansville, Wisconsin

Statement of Net Position
December 31, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 5,944,754	\$ 1,643,013	\$ 7,587,767
Receivables	3,020,239	1,603,140	4,623,379
Internal Balances	(1,071,051)	1,071,051	-
Inventories	-	274,233	274,233
Other assets	63,421	110,375	173,796
Restricted Assets			
Cash and Investments	1,364,988	3,610,897	4,975,885
Net Pension Asset	787,577	371,246	1,158,823
Capital Assets			
Land, improvements, and construction in progress	2,344,645	789,427	3,134,072
Other Capital Assets, net of depreciation	10,959,862	33,277,764	44,237,626
Net Capital Assets	<u>13,304,507</u>	<u>34,067,191</u>	<u>47,371,698</u>
Total Assets	<u>23,414,435</u>	<u>42,751,146</u>	<u>66,165,581</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	1,310,499	617,738	1,928,237
Deferred OPEB Outflows	110,015	35,015	145,030
Total Deferred Outflows of Resources	<u>1,420,514</u>	<u>652,753</u>	<u>2,073,267</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 24,834,949</u>	 <u>\$ 43,403,899</u>	 <u>\$ 68,238,848</u>
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 535,005	\$ 752,275	\$ 1,287,280
Grant Advance	284,698	-	284,698
OPEB Liability - Health Insurance	217,666	44,108	261,774
OPEB Liability - Life Insurance	171,036	73,830	244,866
Long-Term Liabilities			
Due Within One Year			
Bonds and Notes	1,199,372	1,493,625	2,692,997
Accrued Interest	56,182	65,377	121,559
Compensated Absences	48,877	8,792	57,669
Due in More Than One Year			
Bonds and Notes	8,180,216	13,375,544	21,555,760
Compensated Absences	303,257	59,578	362,835
Total liabilities	<u>10,996,309</u>	<u>15,873,129</u>	<u>26,869,438</u>
DEFERRED INFLOWS OF RESOURCES	<u>6,176,817</u>	<u>1,372,332</u>	<u>7,549,149</u>
NET POSITION			
Net Investment in Capital Assets	5,289,907	20,195,189	25,485,096
Restricted for:			
Net Pension Asset	787,577	371,246	1,158,823
Special Revenue	48,645	-	48,645
Capital	-	1,307,294	1,307,294
Debt	-	1,023,708	1,023,708
Other Purposes	249,789	-	249,789
Unrestricted	<u>1,285,905</u>	<u>3,261,001</u>	<u>4,546,906</u>
Total Net Position	<u>7,661,823</u>	<u>26,158,438</u>	<u>33,820,261</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 24,834,949</u>	<u>\$ 43,403,899</u>	<u>\$ 68,238,848</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental Activities							
General Government	\$ 527,253	\$ 105,114	\$ -	\$ -	\$ (422,139)		\$ (422,139)
Public Safety	2,224,127	493,951	28,572	-	(1,701,604)		(1,701,604)
Public Works	1,562,034	629,431	423,741	9,627	(499,235)		(499,235)
Health, Welfare and Sanitation	160,673	44,540	-	-	(116,133)		(116,133)
Culture and Recreation	838,815	78,127	64,132	-	(696,556)		(696,556)
Conservation and Development	229,324	13,399	21,723	-	(194,202)		(194,202)
Interest on Long-term debt	251,319	15	-	-	(251,304)		(251,304)
Capital Outlay	105,160	-	-	-	(105,160)		(105,160)
Total governmental activities	<u>5,898,705</u>	<u>1,364,577</u>	<u>538,168</u>	<u>9,627</u>	<u>(3,986,333)</u>		<u>(3,986,333)</u>
Business-type activities:							
Electric and Water	8,905,934	9,269,025	-	74,647	-	\$ 437,738	437,738
Sewer	1,255,064	1,487,535	-	68,400	-	300,871	300,871
Total business-type activities	<u>10,160,998</u>	<u>10,756,560</u>	<u>-</u>	<u>143,047</u>	<u>-</u>	<u>738,609</u>	<u>738,609</u>
Total primary government	<u>\$ 16,059,703</u>	<u>\$ 12,121,137</u>	<u>\$ 538,168</u>	<u>\$ 152,674</u>	<u>(3,986,333)</u>	<u>738,609</u>	<u>(3,247,724)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					2,830,118	-	2,830,118
Property taxes, levied for debt service					573,284	-	573,284
Other taxes					17,309	-	17,309
Grants and contributions not restricted to specific programs					589,335	-	589,335
Unrestricted investment earnings					11,554	9,521	21,075
Miscellaneous					27,196	16,126	43,322
Special item - gain (loss) on disposal of asset					5,000	-	5,000
Transfers					437,241	(437,241)	-
Total general revenues, special items and transfers					<u>4,491,037</u>	<u>(411,594)</u>	<u>4,079,443</u>
Change in Net position					504,704	327,015	831,719
Net position - beginning					7,157,119	25,831,423	32,988,542
Net position - ending					<u>\$ 7,661,823</u>	<u>\$ 26,158,438</u>	<u>\$ 33,820,261</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

Balance Sheet
Governmental Funds
December 31, 2021

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Stormwater</u>	<u>TIF 5</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and Cash Equivalents	\$ 2,903,369	\$ 288,444	\$ 140,044	\$ 399,454	\$ 122,332	\$ 2,091,111	\$ 5,944,754
Receivables:							
Taxes	1,144,937	523,133	70,006	-	180,892	630,952	2,549,920
Special Assessments	191,639	168,722	-	-	-	-	360,361
Accounts	-	-	-	-	-	54,213	54,213
Other	55,745	-	-	-	-	-	55,745
Prepaid Expenses	50,419	-	-	1,004	-	11,998	63,421
Restricted Cash	-	-	1,164,988	200,000	-	-	1,364,988
Advances Receivable	449,254	-	-	-	-	-	449,254
Total Assets	<u>\$ 4,795,363</u>	<u>\$ 980,299</u>	<u>\$ 1,375,038</u>	<u>\$ 600,458</u>	<u>\$ 303,224</u>	<u>\$ 2,788,274</u>	<u>\$ 10,842,656</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 194,544	\$ -	\$ 100,200	\$ 79,676	\$ 73	\$ 20,645	\$ 395,138
Accrued Liabilities	139,867	-	-	-	-	-	139,867
Due to Other Funds	-	-	-	-	-	34,839	34,839
Grant Advance	-	-	-	-	-	284,698	284,698
Advances Payable	-	-	-	-	1,485,466	-	1,485,466
Total Liabilities	<u>334,411</u>	<u>-</u>	<u>100,200</u>	<u>79,676</u>	<u>1,485,539</u>	<u>340,182</u>	<u>2,340,008</u>
Deferred Inflows of Resources	<u>2,184,312</u>	<u>964,899</u>	<u>109,850</u>	<u>-</u>	<u>283,874</u>	<u>990,038</u>	<u>4,532,973</u>
Fund Balances (Deficit)							
Nonspendable	527,737	-	1,164,988	1,004	-	11,998	1,705,727
Restricted	86,793	-	-	200,000	-	298,571	585,364
Committed	125,000	-	-	319,778	-	1,165,017	1,609,795
Assigned	-	15,400	-	-	-	-	15,400
Unassigned	1,537,110	-	-	-	(1,466,189)	(17,532)	53,389
Total Fund Balances (Deficit)	<u>2,276,640</u>	<u>15,400</u>	<u>1,164,988</u>	<u>520,782</u>	<u>(1,466,189)</u>	<u>1,458,054</u>	<u>3,969,675</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 4,795,363</u>	<u>\$ 980,299</u>	<u>\$ 1,375,038</u>	<u>\$ 600,458</u>	<u>\$ 303,224</u>	<u>\$ 2,788,274</u>	<u>\$ 10,842,656</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2021**

Total fund balance, governmental funds		\$ 3,969,675
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		13,304,507
The net pension asset is not a current financial liability and is, therefore, not reported in the fund statements.		787,577
The OPEB liabilities are not current financial usages and are, therefore, not reported in the fund statements.		(388,702)
Pension and OPEB deferred outflows of resources and inflows of resources are actuarially determined. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and inflows of resources are not financial resources and therefore are not reported in the fund statements.		
Deferred Outflows of Resources		1,420,514
Deferred Inflows of Resources		(1,787,864)
Special assessment and loan receivables are fully accrued and recognized as revenue when the receivable is established for the governmental activities of the Statement of Net Position. They are reported as deferred inflows in the fund financial statements to the extent they are not available.		144,020
Some liabilities (such as Notes Payable, Long-term Compensated Absences, and Bonds Payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Bonds and notes - due within one year	1,199,372	
Bonds and notes - due in more than one year	8,180,216	
Compensated absences - current	48,877	
Compensated absences - non-current	303,257	
Accrued interest	56,182	
		(9,787,904)
Net Position of Governmental Activities in the Statement of Net Position		\$ 7,661,823

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Debt Service	Capital Projects	Stormwater	TIF 5	Non-Major Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 1,562,500	\$ 573,284	\$ 228,821	\$ -	\$ 281,927	\$ 709,520	\$ 3,356,052
Other Taxes	7,061	-	-	-	-	57,944	65,005
Special Assessment Revenue	-	22,852	-	-	-	-	22,852
Intergovernmental	772,743	-	54,839	-	12,571	228,263	1,068,416
License and Permits	239,760	-	-	-	-	-	239,760
Fines, Forfeits and Penalties	74,099	-	-	-	-	-	74,099
Public Charges for Services	435,375	-	-	244,788	-	337,615	1,017,778
Interest Income	2,778	5,651	521	611	7	1,659	11,227
Miscellaneous Income	56,575	-	5,110	851	9,628	61,668	133,832
Total Revenues	<u>3,150,891</u>	<u>601,787</u>	<u>289,291</u>	<u>246,250</u>	<u>304,133</u>	<u>1,396,669</u>	<u>5,989,021</u>
EXPENDITURES							
Current:							
General Government	383,499	-	-	-	166	150	383,815
Public Safety	1,842,501	-	-	-	-	350,572	2,193,073
Public Works	959,728	-	-	94,498	-	-	1,054,226
Health and Human Services	37,610	-	-	-	-	116,431	154,041
Culture, Recreation and Education	241,264	-	-	-	-	367,460	608,724
Conservation and Development	114,897	-	-	-	-	67,893	182,790
Capital Outlay	-	-	1,498,719	741,410	146,500	102,499	2,489,128
Debt Service							
Principal Repayment	-	814,093	-	105,500	-	25,000	944,593
Interest Expense	-	162,135	40,505	65,409	-	869	268,918
Total Expenditures	<u>3,579,499</u>	<u>976,228</u>	<u>1,539,224</u>	<u>1,006,817</u>	<u>146,666</u>	<u>1,030,874</u>	<u>8,279,308</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(428,608)</u>	<u>(374,441)</u>	<u>(1,249,933)</u>	<u>(760,567)</u>	<u>157,467</u>	<u>365,795</u>	<u>(2,290,287)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from Long-Term Debt	-	-	2,265,000	945,000	-	-	3,210,000
Transfers In	455,491	344,251	-	-	26,000	-	825,742
Transfers Out	-	-	-	-	(163,340)	(225,275)	(388,615)
Total Other Financing Sources and Uses	<u>455,491</u>	<u>344,251</u>	<u>2,265,000</u>	<u>945,000</u>	<u>(137,340)</u>	<u>(225,275)</u>	<u>3,647,127</u>
Net Change in Fund Balances	26,883	(30,190)	1,015,067	184,433	20,127	140,520	1,356,840
Fund Balances (Deficits) - Beginning	2,249,757	45,590	149,921	336,349	(1,486,316)	1,317,534	2,612,835
Fund Balances (Deficits) - Ending	<u>\$ 2,276,640</u>	<u>\$ 15,400</u>	<u>\$ 1,164,988</u>	<u>\$ 520,782</u>	<u>\$ (1,466,189)</u>	<u>\$ 1,458,054</u>	<u>\$ 3,969,675</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

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

Net change in fund balances - total governmental funds:	\$	1,356,840
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p> <p>The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.</p>		
Capital outlay reported in governmental fund statements		2,259,729
Depreciation expenses reported in the Statement of Activities		<u>(923,218)</u>
Amount by which capital outlays are greater (less) than depreciation in the current period.		1,336,511
<p>Compensated absences are reported in the governmental funds as an expenditure when paid, but are reported as a liability in long-term debt in the Statement of Net Position when incurred.</p>		
Amount by which the compensated absences liability increased		(37,525)
<p>Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.</p>		
Debt proceeds for the year		(3,210,000)
The amount of long-term debt principal payments in the current year is:		944,593
<p>In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the Statement of Activities, interest is reported as incurred.</p>		
Interest accrual change		(5,727)
<p>In governmental funds, revenues are reported when measurable and available. In the Statements of Activities, revenue is reported when earned.</p>		
Special assessments revenue accrued in current year on government-wide statements		(22,852)
<p>Pension and OPEB expenses reported in the governmental funds represent current year required contributions into the defined benefit pension and OPEB plans. Pension and OPEB expenses in the Statement of Activities are actuarially determined by the defined benefit pension and OPEB plans as the difference between the net pension asset/liability and OPEB liability from the prior year to the current year, with some adjustments</p>		
		142,864
	<u>\$</u>	<u>504,704</u>
Change in Net Position of governmental activities		

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

Statement of Net Position
Proprietary Funds
December 31, 2021

	<u>Enterprise Funds</u>		
	<u>Electric and Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 905,872	\$ 737,141	\$ 1,643,013
Receivables			
Taxes	29,479	-	29,479
Special Assessments	1,788	-	1,788
Accounts	1,571,873	-	1,571,873
Due from Other Funds	103,962	34,839	138,801
Inventories	274,233	-	274,233
Prepaid Expenses	23,054	5,829	28,883
Total Current Assets	<u>2,910,261</u>	<u>777,809</u>	<u>3,688,070</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	2,080,873	1,530,024	3,610,897
Net Pension Asset	304,356	66,890	371,246
Total Restricted Assets	<u>2,385,229</u>	<u>1,596,914</u>	<u>3,982,143</u>
Capital Assets:			
Land and Improvements	76,448	94,914	171,362
Construction Work in Progress	585,586	32,479	618,065
Other Capital Assets	32,809,304	22,218,730	55,028,034
Less Accumulated Depreciation	(14,958,003)	(6,792,267)	(21,750,270)
Net Capital Assets	<u>18,513,335</u>	<u>15,553,856</u>	<u>34,067,191</u>
Noncurrent Assets:			
Advances Receivable	943,799	92,413	1,036,212
Unamortized Debt Discount	22,355	-	22,355
Other Deferred Debits	59,137	-	59,137
Total Noncurrent Assets	<u>1,025,291</u>	<u>92,413</u>	<u>1,117,704</u>
Total Assets	<u>24,834,116</u>	<u>18,020,992</u>	<u>42,855,108</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	506,435	111,303	617,738
Deferred OPEB Outflows	30,553	4,462	35,015
Total Deferred Outflows of Resources	<u>536,988</u>	<u>115,765</u>	<u>652,753</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 25,371,104</u>	<u>\$ 18,136,757</u>	<u>\$ 43,507,861</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

Statement of Net Position
Proprietary Funds
December 31, 2021

	Enterprise Funds		
	Electric and Water	Sewer	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 631,006	\$ 94,844	\$ 725,850
Accrued Liabilities	26,425	-	26,425
Accrued Interest Payable	33,097	32,280	65,377
Due to Other Funds	-	103,962	103,962
Compensated Absences	8,792	-	8,792
Bonds and Notes Payable	905,441	588,184	1,493,625
Total Current Liabilities	<u>1,604,761</u>	<u>819,270</u>	<u>2,424,031</u>
Non-Current Liabilities:			
Long-Term Debt			
Bonds and Notes Payable	6,666,320	6,709,224	13,375,544
Total Long-Term Debt	<u>6,666,320</u>	<u>6,709,224</u>	<u>13,375,544</u>
Other Liabilities			
Compensated Absences	59,578	-	59,578
OPEB Liability - Health Insurance	27,864	16,244	44,108
OPEB Liability - Life Insurance	64,420	9,410	73,830
Total Other Liabilities	<u>151,862</u>	<u>25,654</u>	<u>177,516</u>
Total Non-Current Liabilities	<u>6,818,182</u>	<u>6,734,878</u>	<u>13,553,060</u>
Total Liabilities	<u>8,422,943</u>	<u>7,554,148</u>	<u>15,977,091</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,194,838</u>	<u>177,494</u>	<u>1,372,332</u>
NET POSITION			
Net Investment in Capital Assets	11,768,741	8,426,448	20,195,189
Restricted for net pension asset	304,356	66,890	371,246
Restricted for capital	136,211	1,171,083	1,307,294
Restricted for debt	704,359	319,349	1,023,708
Unrestricted	2,839,656	421,345	3,261,001
Total Net Position	<u>15,753,323</u>	<u>10,405,115</u>	<u>26,158,438</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & NET POSITION	<u>\$ 25,371,104</u>	<u>\$ 18,136,757</u>	<u>\$ 43,507,861</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021**

	<u>Enterprise Funds</u>		
	<u>Electric and Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$ 9,214,920	\$ 1,464,543	\$ 10,679,463
Other Operating Revenues	54,105	22,992	77,097
Total Operating Revenues	<u>9,269,025</u>	<u>1,487,535</u>	<u>10,756,560</u>
OPERATING EXPENSES			
Operation and Maintenance	7,803,271	557,312	8,360,583
Depreciation	878,932	547,699	1,426,631
Total Operating Expenses	<u>8,682,203</u>	<u>1,105,011</u>	<u>9,787,214</u>
Operating Income (Loss)	<u>586,822</u>	<u>382,524</u>	<u>969,346</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	7,063	2,458	9,521
Miscellaneous Non-Operating Revenue	7,846	1,466	9,312
Interest Expense	(151,767)	(150,053)	(301,820)
Miscellaneous Non-Operating Expenses	(71,964)	-	(71,964)
Net Amortization Revenue (Expense)	6,814	-	6,814
Total Non-Operating Revenue (Expenses)	<u>(202,008)</u>	<u>(146,129)</u>	<u>(348,137)</u>
Income (Loss) Before Contributions and Transfers	384,814	236,395	621,209
Capital Contributions	74,647	68,400	143,047
Transfers Out	(437,241)	-	(437,241)
Change in Net Position	<u>22,220</u>	<u>304,795</u>	<u>327,015</u>
Total Net Position - Beginning	15,731,103	10,100,320	25,831,423
Total Net Position - Ending	<u>\$ 15,753,323</u>	<u>\$ 10,405,115</u>	<u>\$ 26,158,438</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021**

	Electric & Water	Sewer	Total
<u>Cash Flows From Operating Activities:</u>			
Receipts from customers	\$ 9,260,453	\$ 1,487,535	\$ 10,747,988
Payments to suppliers	(6,846,869)	(228,700)	(7,075,569)
Payments to employees	(1,170,671)	(269,075)	(1,439,746)
Taxes paid	(437,241)	-	(437,241)
Net cash provided (used) by operating activities	805,672	989,760	1,795,432
<u>Cash Flows From Capital and Related</u>			
<u>Financing Activities:</u>			
Acquisition and construction of plant assets	(973,654)	(1,064,070)	(2,037,724)
Proceeds from long-term debt	2,000,000	1,235,000	3,235,000
Principal payments on long-term debt	(805,441)	(553,348)	(1,358,789)
Interest and fiscal charges	(151,767)	(150,053)	(301,820)
Connection fees	-	68,400	68,400
Contributions for plant	74,647	-	74,647
Net cash provided (used) for capital and related financing activities	333,836	(464,071)	(130,235)
<u>Cash Flows From Investing Activities:</u>			
Interest on investments	7,063	2,458	9,521
Net cash provided (used) for investing activities	7,063	2,458	9,521
Net increase (decrease) in cash and equivalents	1,146,571	528,147	1,674,718
Cash and equivalents - beginning of year	1,840,174	1,739,018	3,579,192
Cash and equivalents - end of year	\$ 2,986,745	\$ 2,267,165	\$ 5,253,910

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021**

	<u>Electric & Water</u>	<u>Sewer</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 586,822	\$ 382,524	\$ 969,346
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Non-Operating revenues	7,846	1,466	9,312
Amortization	-	(19,800)	(19,800)
Tax equivalent	(437,241)	-	(437,241)
Depreciation	878,932	547,699	1,426,631
Joint meter allocation	23,419	(23,419)	-
Pension expense	(272,457)	(19,234)	(291,691)
OPEB expense	52,385	3,084	
Changes in Assets and Liabilities:			
Receivables	(8,572)	-	(8,572)
Due to/from other funds	(53,316)	53,316	-
Inventories	(34,559)	-	(34,559)
Prepays	(6,662)	(1,953)	(8,615)
Accounts payable	142,762	70,307	213,069
Other Accrued liabilities	(73,687)	(4,230)	(77,917)
Net cash provided (used) by operating activities	<u>\$ 805,672</u>	<u>\$ 989,760</u>	<u>\$ 1,739,963</u>
Reconciliation of cash and cash equivalents to balance sheet accounts			
Cash and investments	\$ 905,872	\$ 737,141	\$ 1,643,013
Restricted assets	<u>2,080,873</u>	<u>1,530,024</u>	<u>3,610,897</u>
Total Cash and Investments	<u>2,986,745</u>	<u>2,267,165</u>	<u>5,253,910</u>
Cash and cash equivalents- End of year	<u>\$ 2,986,745</u>	<u>\$ 2,267,165</u>	<u>\$ 5,253,910</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021**

	Tax Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 2,855,866
Receivables:	
Taxes Receivable	5,017,722
Total Assets	<u>\$ 7,873,588</u>
LIABILITIES	
Due to Other Governments	\$ 7,873,588
Total Liabilities	<u>\$ 7,873,588</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021**

	<u>Tax Custodial Fund</u>
ADDITIONS	
Property tax collections for other governments	\$ 6,395,062
Total additions	<u>6,395,062</u>
DEDUCTIONS	
Payments of taxes to other governments	<u>6,395,062</u>
Total deductions	<u>6,395,062</u>
Net increase (decrease) in fiduciary net position	-
Total Net Position - Beginning	-
Total Net Position - Ending	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Evansville, Wisconsin conform to U.S. generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

This report includes all of the funds of the City of Evansville. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) 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 or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

The Evansville Housing Authority

Management of the City has determined that the Housing Authority of the City of Evansville is excluded as a component unit. The Housing Authority is a legally separate organization and appointments to the board of the Housing Authority are approved by the City Council; however, since the City cannot impose its will on the Housing Authority and there is no material financial benefit or burden on the City, the Housing Authority does not meet the criteria for inclusion in the reporting entity. The Authority issues separate financial statements. Financial statements of the Authority can be obtained by contacting the Housing Authority.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

“Government-wide” financial statements are basic financial statements required for all governmental units. The statement of net position and the statement of activities are the two required statements. Both statements are prepared on the full accrual basis. In accordance with accounting standards for governmental units, the city uses the modified accrual basis of accounting for certain funds. The modified accrual basis of accounting is the appropriate basis of accounting for governmental activity fund financial statements.

In addition, all funds in the fund financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note I.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, accounting standards concentrates on major funds versus non-major funds.

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.

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. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues included 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 instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual 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 and deferred outflows of resources, liabilities and deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

Funds are organized as major funds or non-major 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 and deferred outflows of resources, liabilities and deferred inflows and outflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows and outflows, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

The City reports the following major governmental funds:

Major Governmental

General Fund – accounts for the City’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise debt.

Capital Projects Fund – accounts for proceeds of specific capital improvements that are legally restricted to expenditures for specific purposes.

Stormwater Fund – accounts for the operations of the stormwater system.

Tax Increment Financing Districts #5 – accounts for proceeds from long-term borrowings and other resources to be used for capital improvement projects in the TIF boundaries.

The City reports the following enterprise funds:

Enterprise Funds

Electric and Water Utility – accounts for the operations of the electric and water system. (Major)

Sewer Utility – accounts for the operations of the sewer system. (Major)

The City reports the following non-major governmental funds:

Non-Major Governmental Funds

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Emergency Medical Services Fund

Eager Free Public Library Fund

Cemetery Fund

Tourism Commission Fund

Revolving Housing Fund

Capital Projects Funds – used to account for the proceeds of specific capital improvement projects that are legally restricted to expenditures for specific purposes.

TIF #6

TIF #7

TIF #8

TIF #9

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government *controls* the assets that finance the activity, b) Assets are *not* generated from the *government's own-source revenues* or from government-mandated or voluntary nonexchange transactions, c) Assets are administered through a *qualifying trust* or the government does *not* have *administrative involvement* and the assets are *not* generated from the *government's delivery of goods or services* to the beneficiaries, *or* the assets are for the benefit of *entities that are not part of the government's reporting entity*.

The City reports the following fiduciary fund:

Custodial Funds - used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The City accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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 deferred outflows of resources, and liabilities and deferred inflows of resources 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 of resources. Grants and similar items are recognized 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, electric, stormwater and sewer utilities 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.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Government-Wide Financial Statements (Continued)

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. “Measurable” means the amount of the transaction can be determined. 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 sixty 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 recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding 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 to the resources and the amounts are available. Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources. Delinquent special assessments being held for collection by the county are reported as receivables and non-spendable fund balance.

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.

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year’s operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as described previously in this note.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Government-Wide Financial Statements (Continued)

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 funds' principal ongoing operations. The principal operating revenues of the water, electric, and sewer utilities are charges to customers for sales and 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 non-operating revenues and expenses.

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

D. ASSETS AND DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS, AND NET POSITION OR EQUITY

1. Deposits and Investments

The City has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the City's individual major funds, and in the aggregate for non-major and custodial funds.

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.

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 quoted market prices. 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.

See footnote III A for additional information.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

**D. ASSETS AND DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS,
AND NET POSITION OR EQUITY (Continued)**

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying custodial fund statement of net position.

Property tax calendar – 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible utility accounts receivable has been made for the water, electric and sewer utilities because they have the right by law to place delinquent bills on the tax roll.

A provision for uncollectible ambulance accounts receivable of \$15,990 has been made.

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 government-wide financial statements as “internal balances”.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, 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.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. ASSETS AND DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS, AND NET POSITION OR EQUITY (Continued)

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position. The City had the following restricted cash accounts:

Purpose	Capital		Electric &	
	Projects	Stormwater	Water	Sewer
Unspent bond proceeds	\$ 1,164,988	\$ 200,000	\$ 450,000	\$ 170,000
Debt reserve/redemption	-	-	356,403	319,349
Replacement fund	-	-	1,138,259	942,195
Impact Fees	-	-	136,211	-
	<u>\$ 1,164,988</u>	<u>\$ 200,000</u>	<u>\$ 2,080,873</u>	<u>\$ 1,431,544</u>

5. Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. 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 for general capital assets and infrastructure assets. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. After 1/1/04, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is not required. The City has not retroactively reported all infrastructure acquired by its governmental fund types. The infrastructure reported only includes additions since January 1, 2004.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

**D. ASSETS AND DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS,
AND NET POSITION OR EQUITY (Continued)**

5. Capital Assets (Continued)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. There was no interest required to be capitalized during the current year. The cost of renewals and betterments relating to retirement units are 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 fixed 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 of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Improvements	10-50 Years
Machinery and Equipment	3-50 Years
Infrastructure	25-50 Years
Water Utility	6.67-150 Years
Electric Utility	6.67-40 Years
Sewer Utility	5-100 Years

Fund Financial Statements

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. ASSETS AND DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS, AND NET POSITION OR EQUITY (Continued)

6. Compensated Absences

Under terms of employment, City employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

The balance in compensated absences is as follows:

	Governmental	Business-type
Compensated time-off liability	\$ 952	\$ 991
Accumulated sick leave	303,257	59,578
Vacation and holiday liability	47,925	7,801
	\$ 352,134	\$ 68,370

City employees earn sick leave at various rates depending on the union or nonunion contracts. Employees can accumulate sick leave as follows:

Police	1,080 hours
DPW, Water & Light, Clerical	720 hours
Library	720 hours

One-half the accumulation in excess of 1,080 or 720 hours may be payable in cash at the end of each year or paid for health insurance in retirement at the option of the employee. Sick leave is payable upon termination at their current pay rate times one-half the accumulated sick days up to a maximum number of hours listed above.

7. Long-Term Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bond payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

**D. ASSETS AND DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS,
AND NET POSITION OR EQUITY (Continued)**

8. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

9. Deferred Outflows and Inflows of Resources

Deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

10. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances 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 position that do not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

**D. ASSETS AND DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS,
AND NET POSITION OR EQUITY (Continued)**

10. Equity Classifications (Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned – resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes.

Unassigned – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

When restricted and other fund balance resources are available for use, it is the City's policy to use restricted sources first, followed by committed, assigned and unassigned amounts respectively.

11. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources, and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS), and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported for WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

**D. ASSETS AND DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS,
AND NET POSITION OR EQUITY (Continued)**

12. Other Postemployment Benefits

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) and Health Plan has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and Health Plan and additions to/deductions from LRLIF's and Health Plan fiduciary net position have been determined on the same basis as they are reported by LRLIF and health Plan. 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.

E. UTILITY RATES AND USER CHARGES

The City of Evansville Sewer and Stormwater Utility user charges are regulated and established by the City Council. The City of Evansville Electric and Water Utilities operate under service rules, which are established by the Public Service Commission of Wisconsin. Rates charged are regulated by the Public Service Commission. Billings are made to customers on a monthly basis for water, electric, stormwater and sewer service.

F. INCOME TAXES

The City of Evansville Utilities are municipal utilities. Municipal utilities are exempt from income taxes and therefore no income tax liability is recorded.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LIMITATIONS ON THE CITY TAX LEVY

As part of Wisconsin's Act 25 (2005), legislation was passed that limits the city's future tax levies. In 2008 this legislation was amended and extended. Generally, the city is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the percentage change in the city's equalized value due to new construction. Changes in debt service from one year to the next are generally exempt from this limit.

B. TAX INCREMENTAL FINANCING DISTRICTS

The City has four Tax Incremental Districts (TID). The transactions of the Districts are shown in the Capital Projects and Special Revenue Funds. TIDs are authorized by Section 66.1105 of the Wisconsin Statutes. It is a method by which the City can recover its project costs in designated districts of the City. Those costs are recovered through tax increments, which are placed on the tax rolls.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

NOTE III– DETAILED NOTES ON ALL FUNDS

A. CASH AND CASH EQUIVALENTS/INVESTMENTS

As previously discussed, cash for City funds is pooled for investment purposes. At December 31, 2021, the cash and investments consist of the following:

Petty cash/cash on hand	\$ 1,830
Deposits with financial institutions	14,702,693
Wisconsin Local Government Investment Pool	165,608
U.S. Treasury notes	549,387
	\$ 15,419,518

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 7,587,767
Restricted cash and investments	4,975,885
Fiduciary Funds:	
Cash and investments	2,855,866
	\$ 15,419,518

Investments Authorized by Wisconsin Statutes

Investment of City funds is restricted by State statutes. Available investments are limited to:

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State if the time deposits mature in not more than three years;
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
- (3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, district or school district of this State;
- (4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;
- (5) Bonds or securities issued under the authority of the municipality;
- (6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. CASH AND CASH EQUIVALENTS/INVESTMENTS (Continued)

Investments Authorized by Wisconsin Statutes (Continued)

- (7) Agreements in which a public depository agrees to repay funds advanced to it by the City plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- (8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- (9) Repurchase agreements with public depositories, with certain conditions.
- (10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority or the Wisconsin Aerospace Authority.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater sensitivity its fair value has to changes in market interest rates. The City's policy is that the City will not directly invest in securities maturing more than five years from purchase unless matched to a specific cash flow. As of December 31, 2021, the City has \$165,608 invested in the Local Government Investment Pool (LGIP) which has an average maturity of 61 days.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investments choices. As of December 31, 2021, the City's investment in the Wisconsin Local Government Investment Pool was not rated. On a scale of one to five stars, the Mutual Fund was rated four stars by Morningstar Ratings. Additionally, the U.S. Treasury investment funds have an AAA rating from Moody's Investor Services.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. CASH AND CASH EQUIVALENTS/INVESTMENTS (Continued)

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund investment guidelines.

Investment allocation in the LGIP as of December 31, 2021 was: 81% in U.S. Government Securities, 3% in Certificates of Deposit and Bankers' Acceptances and 16% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the City would not be able to recover the value of its investment of collateral securities that are in the possession of another party. The City's investment policy requires collateralization on all demand deposits as well as certificates of deposit and repurchase agreements.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings deposit accounts. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations. The City also has deposits at one of the financial institutions that are invested in separate financial institutions under the FDIC insurance level. These totaled \$0.

As of December 31, 2021, the City's deposits with financial institutions in excess of federal depository insurance limits were exposed to custodial credit risk as follows:

Uninsured and collateralized by letter of credit	<u>\$ 11,099,604</u>
Total	<u><u>\$ 11,099,604</u></u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. CAPITAL ASSETS

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

	<u>Balance</u> <u>01/01/21</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/21</u>
Governmental Activities				
Non-Depreciable Capital Assets:				
Land	\$ 607,181	\$ 120,230	\$ -	\$ 727,411
Infrastructure CWIP	821,659	1,583,783	(788,208)	1,617,234
Total Non-Depreciable Capital Assets	<u>1,428,840</u>	<u>1,704,013</u>	<u>(788,208)</u>	<u>2,344,645</u>
Capital Assets being Depreciated				
Land Improvements	2,913,310	234,111	-	3,147,421
Buildings and Structures	6,566,401	11,875	-	6,578,276
Equipment	3,756,474	309,730	(11,574)	4,054,630
Infrastructure	6,325,129	788,208	-	7,113,337
Total Capital Assets being Depreciated	<u>19,561,314</u>	<u>1,343,924</u>	<u>(11,574)</u>	<u>20,893,664</u>
Total Capital Assets	20,990,154	3,047,937	(799,782)	23,238,309
Less Accumulated Depreciation	<u>(9,022,158)</u>	<u>(923,218)</u>	<u>11,574</u>	<u>(9,933,802)</u>
Capital Assets Net of Depreciation	<u>\$ 11,967,996</u>	<u>\$ 2,124,719</u>	<u>\$ (788,208)</u>	<u>\$ 13,304,507</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 43,538
Public Safety	129,515
Public Works	394,095
Health and Human Services	6,774
Stormwater	99,283
Culture, Recreation and Education	<u>250,013</u>
Total Governmental Activities Depreciation Expense	<u>\$ 923,218</u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. CAPITAL ASSETS (Continued)

Capital asset activity in the business-type activities for the year ended December 31, 2021 was as follows:

	Balance 01/01/21	Additions	Retirements	Balance 12/31/21
Electric and Water				
Non-Depreciable Capital Assets:				
Land	\$ 76,448	\$ -	\$ -	\$ 76,448
Construction in progress	640,008	604,066	(658,488)	585,586
Total Non-Depreciable Capital Assets	<u>716,456</u>	<u>604,066</u>	<u>(658,488)</u>	<u>662,034</u>
Capital Assets being Depreciated				
Buildings and structures	790,598	-	-	790,598
Equipment	1,979,586	18,653	-	1,998,239
Infrastructure	29,018,753	1,026,674	(24,960)	30,020,467
Total Capital Assets being Depreciated	<u>31,788,937</u>	<u>1,045,327</u>	<u>(24,960)</u>	<u>32,809,304</u>
Total Capital Assets	32,505,393	1,649,393	(683,448)	33,471,338
Less Accumulated Depreciation	(14,063,361)	(919,602)	24,960	(14,958,003)
Capital Assets Net of Depreciation	<u>\$ 18,442,032</u>	<u>\$ 729,791</u>	<u>\$ (658,488)</u>	<u>\$ 18,513,335</u>
	Balance 01/01/21	Additions	Retirements	Balance 12/31/21
Wastewater Treatment:				
Non-Depreciable Capital Assets:				
Land	\$ 94,914	\$ -	\$ -	\$ 94,914
Construction in progress	-	32,479	-	32,479
Total Non-Depreciable Capital Assets	<u>94,914</u>	<u>32,479</u>	<u>-</u>	<u>127,393</u>
Capital Assets being Depreciated				
Buildings and structures	7,898,872	-	-	7,898,872
Equipment	5,239,094	506,714	-	5,745,808
Infrastructure	8,049,173	524,877	-	8,574,050
Total Capital Assets being Depreciated	<u>21,187,139</u>	<u>1,031,591</u>	<u>-</u>	<u>22,218,730</u>
Total Capital Assets	21,282,053	-	-	22,346,123
Less Accumulated Depreciation	(6,267,987)	(524,280)	-	(6,792,267)
Capital Assets Net of Depreciation	<u>\$ 15,014,066</u>	<u>\$ (524,280)</u>	<u>\$ -</u>	<u>\$ 15,553,856</u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. CAPITAL ASSETS (Continued)

	Balance 01/01/21	Additions	Retirements	Balance 12/31/21
Business-Type Activities				
Non-Depreciable Capital Assets:				
Land	\$ 171,362	\$ -	\$ -	\$ 171,362
Construction in progress	640,008	636,545	(658,488)	618,065
Total Non-Depreciable Capital Assets	<u>811,370</u>	<u>636,545</u>	<u>(658,488)</u>	<u>789,427</u>
Capital Assets being Depreciated				
Buildings and structures	8,689,470	-	-	8,689,470
Equipment	7,218,680	525,367	-	7,744,047
Infrastructure	37,067,926	1,551,551	(24,960)	38,594,517
Total Capital Assets being Depreciated	<u>52,976,076</u>	<u>2,076,918</u>	<u>(24,960)</u>	<u>55,028,034</u>
Total Capital Assets	53,787,446	2,713,463	(683,448)	55,817,461
Less Accumulated Depreciation	(20,331,348)	(1,443,882)	24,960	(21,750,270)
Capital Assets Net of Depreciation	<u>\$ 33,456,098</u>	<u>\$ 1,269,581</u>	<u>\$ (658,488)</u>	<u>\$ 34,067,191</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	\$ 291,821
Electric	627,781
Sewer	524,280
Total Business-Type Activities Depreciation Expense	<u>\$ 1,443,882</u>

C. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

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

<u>Interfund Receivables and Payables</u>			
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Electric and water	Sewer	\$ 103,962	Operations
Sewer	TIF 9	34,839	Cash Flow
Subtotal fund financial statements		<u>\$ 138,801</u>	

The principal purpose of these interfunds is due to pooled cash between the governmental funds. In addition, the general fund collects delinquent utility charges that the utilities have placed on the current tax roll. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payment between funds are made.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

C. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (Continued)

The City has the following interfund advances outstanding:

Receivable Fund	Payable Fund	Amount	Purpose
General	TIF 5	\$ 449,254	Capital
Electric and water	TIF 5	943,799	Capital
Sewer	TIF 5	92,413	Capital
Subtotal fund financial statements		<u>\$ 1,485,466</u>	
Total interfund receivables		\$ 138,801	
Total inter-fund advances		1,485,466	
less inter-fund eliminations		(553,216)	
Internal balances		<u>\$ 1,071,051</u>	

None of the TIF advances are set up for repayment. The City passed a resolution stating interest rates on TIF advances will be 0%. No interest rates exist on the other advances. The advances to the TIF district are anticipated to be repaid from future tax increments.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated. The following is a schedule of interfund transfers:

Transferred to	Transferred from	Amount	Purpose
General	Electric and Water	\$ 437,241	Tax equivalent
General	TIFS 5-9	18,250	Administration
TIF 5	TIF 8	26,000	Allocation transfer
Debt service	TIF 5	163,340	Debt payments
Debt service	TIF 6	74,948	Debt payments
Debt service	TIF 7	69,050	Debt payments
Debt service	TIF 8	81,163	Debt payments
Subtotal fund statements		869,992	
less inter-fund eliminations		(432,751)	
Total per government-wide statements		<u>\$ 437,241</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
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS

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

	<u>Balance</u> <u>1/1/21</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/21</u>
Governmental Activities				
Direct Borrowings and Direct Placements	\$ 570,180	\$ -	\$ 94,092	\$ 476,088
Other Notes and Bonds	6,544,000	3,210,000	850,500	8,903,500
Total Notes and Bonds	<u>7,114,180</u>	<u>3,210,000</u>	<u>944,592</u>	<u>9,379,588</u>
Compensated Absences	<u>314,610</u>	<u>40,026</u>	<u>2,502</u>	<u>352,134</u>
Total Governmental Long-Term Debt	<u>\$ 7,428,790</u>	<u>\$ 3,250,026</u>	<u>\$ 947,094</u>	<u>\$ 9,731,722</u>
	<u>Balance</u> <u>1/1/21</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/21</u>
Business-Type Activities				
Direct Borrowings and Direct Placements	\$ 5,830,960	\$ -	\$ 458,291	\$ 5,372,669
Other Bonds and Notes	7,162,000	3,285,000	950,500	9,496,500
Total Notes and Bonds	<u>12,992,960</u>	<u>3,285,000</u>	<u>1,408,791</u>	<u>14,869,169</u>
Compensated Absences	<u>60,102</u>	<u>8,268</u>	<u>-</u>	<u>68,370</u>
Total Business-Type Long-Term Debt	<u>\$ 13,053,062</u>	<u>\$ 3,293,268</u>	<u>\$ 1,408,791</u>	<u>\$ 14,937,539</u>

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2021 was \$26,017,315. Total general obligation debt outstanding at year-end was \$9,245,000.

The following is a list of long-term obligations at December 31, 2021:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21	Amounts Due within One Year
Governmental Activities						
Direct Borrowings and Direct Placements						
2017 State Trust Fund Loan	9/19/2017	3/15/2027	3.50%	\$ 717,920	\$ 451,088	\$ 68,872
2018 Bank Note	10/19/2018	10/19/2023	2.297%	\$ 100,000	25,000	25,000
Total Direct Borrowings and Direct Placements					<u>\$ 476,088</u>	<u>\$ 93,872</u>
Other Notes and Bonds						
General Obligation Debt						
2013 General Obligation Notes	1/24/2013	4/1/2022	0.4%-1.6%	\$ 260,000	\$ 70,000	\$ 70,000
2015 General Obligation Notes	5/28/2015	10/1/2025	0.5%-2.2%	\$ 390,000	60,000	20,000
2018 General Obligation Notes	5/30/2018	4/1/2028	1.9%-2.85%	\$ 4,180,000	3,060,000	400,000
2019 General Obligation Notes	6/1/2019	4/1/2029	3.0%-4.0%	\$ 790,000	600,000	90,000
2021 General Obligation Notes	9/2/2021	4/1/2031	0.25%-1.25%	\$ 2,420,000	2,420,000	180,000
2021 General Obligation Bonds	9/2/2021	4/1/2041	0.7%-2.0%	\$ 790,000	790,000	50,000
Total General Obligation Notes					<u>7,000,000</u>	<u>810,000</u>
2012 Taxable General Obligation Bond	5/24/2012	10/1/2027	1.25%-3.90%	\$ 460,000	200,000	30,000
2017 General Obligation Refunding Bonds	8/30/2017	4/1/2027	2.00-3.00%	\$ 1,855,000	1,245,000	200,000
Total General Obligation Bonds					<u>1,445,000</u>	<u>230,000</u>
Total General Obligation Debt					<u>8,445,000</u>	<u>1,040,000</u>
Stormwater Revenue Bonds	5/30/2018	5/1/2028	3.875%	\$ 655,000	458,500	65,500
Total Other Notes and Bonds					<u>\$ 8,903,500</u>	<u>\$ 1,105,500</u>

The purpose of governmental activities long-term debt is to finance various capital improvements and Tax Incremental District planned projects. Debt service requirements to maturity are as follows:

Years	Governmental Activities					
	Bonds and Notes from direct borrowings and placements		Bonds and Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 93,872	\$ 16,077	\$ 1,105,500	\$ 178,214	\$ 1,199,372	\$ 194,291
2023	71,282	13,378	925,500	154,647	996,782	168,025
2024	73,748	10,913	1,010,500	132,255	1,084,248	143,168
2025	76,359	8,302	1,090,500	109,897	1,166,859	118,199
2026	79,031	5,629	1,085,500	87,157	1,164,531	92,786
2027-2031	81,797	2,863	3,276,000	206,582	3,357,797	209,445
2032-2036	-	-	200,000	29,500	200,000	29,500
2037-2041	-	-	210,000	10,900	210,000	10,900
	<u>\$ 476,089</u>	<u>\$ 57,162</u>	<u>\$ 8,903,500</u>	<u>\$ 909,152</u>	<u>\$ 9,379,589</u>	<u>\$ 966,314</u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21	Amounts Due within One Year
Electric and Water						
General Obligation Debt						
2013 General Obligation Notes	1/24/2013	4/1/2022	0.4%-1.6%	\$ 1,390,000	\$ 130,000	\$ 130,000
2015 General Obligation Notes	5/28/2015	10/1/2025	0.5%-2.2%	\$ 330,000	140,000	35,000
Total Electric and Water General Obligation Debt					<u>270,000</u>	<u>165,000</u>
Mortgage Revenue Bonds						
2014 Revenue Bonds	7/2/2014	5/1/2025	0.7%-3.1%	\$ 3,165,000	1,380,000	335,000
2016 Revenue Bonds	7/21/2016	5/1/2036	0.9%-3.15%	\$ 3,239,999	2,375,000	230,000
2019 Revenue Bonds	6/6/2019	5/1/2029	3%	\$ 3,240,000	1,375,000	100,000
2021 Revenue Bonds	9/2/2021	5/1/2041	0.4%-2.5%	\$ 2,050,000	2,050,000	45,000
Total Electric and Water Mortgage Revenue Bonds					<u>7,180,000</u>	<u>710,000</u>
Total Electric and Water Other Bonds and Notes					<u>7,450,000</u>	<u>875,000</u>
Sewer Utility						
Other Notes and Bonds						
General Obligation Debt						
2015 General Obligation Notes	5/28/2015	10/1/2025	0.5%-2.2%	\$ 240,000	140,000	35,000
2019 General Obligation Notes	6/1/2019	4/1/2029	3.0%-4.0%	\$ 480,000	390,000	45,000
Total Sewer General Obligation Debt					<u>530,000</u>	<u>80,000</u>
Mortgage Revenue Bonds						
2016 Revenue Bonds	7/29/2016	5/1/2026	1.970%	\$ 185,000	92,500	18,500
2018 Revenue Bonds	5/30/2018	5/1/2028	3.875%	\$ 270,000	189,000	27,000
2021 Revenue Bonds	9/2/2021	5/1/2041	2.0%-3.0%	\$ 1,235,000	1,235,000	25,000
Total Sewer Mortgage Revenue Bonds					<u>1,516,500</u>	<u>70,500</u>
Total Sewer Other Bonds and Notes					<u>2,046,500</u>	<u>150,500</u>
Total Business-Type Other Notes and Bonds					<u>\$ 9,496,500</u>	<u>\$ 1,025,500</u>
Direct Borrowings and Direct Placements						
WPPI Loan - Electric	11/30/2015	11/28/2025	0%	\$ 304,406	\$ 121,761	\$ 30,441
2005 Clean Water Fund Debt	7/27/2005	5/1/2025	2.365%	\$ 1,602,737	383,102	92,444
2009 Clean Water Fund Debt	11/25/2009	5/1/2029	2.668%	\$ 3,248,127	1,570,231	178,674
2018 Clean Water Fund Debt	6/27/2018	5/1/2038	1.870%	\$ 3,994,925	3,297,575	166,567
Total Direct Borrowings and Direct Placements					<u>\$ 5,372,669</u>	<u>\$ 468,126</u>
Total Business-Type Activities Long-Term Debt					<u>\$ 14,869,169</u>	<u>\$ 1,493,626</u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

The purpose of business type activities long-term debt is to finance capital improvements.

Debt service requirements to maturity are as follows:

Years	Business-Type activities					
	Bonds and Notes from direct borrowings and placements		Bonds and Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 468,126	\$ 107,584	\$ 1,025,500	\$ 220,698	\$ 1,493,626	\$ 575,710
2023	478,193	97,397	980,500	187,982	1,458,693	575,590
2024	488,498	86,971	1,010,500	163,934	1,498,998	575,469
2025	499,046	76,298	980,500	138,492	1,479,546	575,344
2026	377,898	66,576	895,500	115,979	1,273,398	444,474
2027-2031	1,576,389	209,225	2,154,000	377,544	3,730,389	1,785,614
2032-2036	1,040,549	90,877	1,410,000	197,693	2,450,549	1,131,426
2037-2041	443,971	8,343	1,040,000	59,888	1,483,971	452,314
	<u>\$ 5,372,670</u>	<u>\$ 743,271</u>	<u>\$ 9,496,500</u>	<u>\$ 1,462,208</u>	<u>\$ 14,869,170</u>	<u>\$ 6,115,941</u>

Other Debt Information

Estimated payments of accumulated employee benefits, leases and other commitments are not included in the above debt service requirements schedules.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The City believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

General long-term obligations do not include water and sewer fund revenue bonds or bond anticipation notes issued in accordance with Wisconsin Statutes. The revenue bonds are secured by water and sewer revenue and are payable solely from water and sewer revenue of the water and sewer funds. The bonds do not constitute general indebtedness of the City.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

Bond Covenant Disclosures

The following information is provided in compliance with the resolution creating the revenue bonds:

Insurance

The utilities are 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. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year. Expiration for the following policies is September 1, 2022.

The utilities are covered under the following insurance policies at December 31, 2021:

Type	Coverage
Valuation Policy	
Buildings and Contents	\$ 15,187,899
Contractors Equipment	1,185,038
Property in the Open	7,514,462
Water Supply	2,860,198
Water Treatment	6,358,281

Debt Coverage – Electric/Water, Sewer, and Storm-Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation and capital (defined net earnings) must exceed 1.25 or 1.10 times the annual debt service of the bonds. The coverage requirement was met for both electric and water and sewer as follows:

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

	Electric and Water	Sewer	Storm
Maximum annual debt service electric and water	\$ 937,518	\$ -	\$ -
Maximum annual debt service Sewer		656,083	-
Maximum annual debt service Storm		-	81,997
Total debt service	937,518	656,083	81,997
Ratio	125%	110%	110%
Net Revenues required	\$ 1,171,898	\$ 721,691	\$ 90,197
REVENUES			
Charges for Services	\$ 9,214,920	\$ 1,464,543	\$ 244,788
Other Operating Revenues	54,105	22,992	850
Total Operating Revenues	9,269,025	1,487,535	245,638
OPERATING EXPENSES			
Operation and Maintenance	7,803,271	557,312	94,498
Total expenses for coverage ratio calculation	7,803,271	557,312	94,498
Net from operations for coverage ratio calculation	1,465,754	930,223	151,140
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	7,062	2,460	611
Miscellaneous Non-Operating Revenue (Expense)	7,846	1,466	-
Capital Contributions and Impact Fees Received	74,647	68,400	-
Net Revenues per bond ordinance	\$ 1,555,309	\$ 1,002,549	\$ 151,751
Net Revenues Above (Below) Required Amount	\$ 383,411	\$ 280,858	\$ 61,554

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

Number of Customers

The Water/Electric, Sewer, and Storm utilities had the following number of customers and billed volumes for 2021:

Water	Customers	Sales (000 gals)
Residential	2,231	91,251
Commercial	191	14,556
Industrial	10	3,039
Public Authority	21	2,746
Multifamily	10	3,131
	2,463	114,723
Electric	Customers	
Residential	3,926	
Commercial/Industrial	636	
Lighting Service	22	
	4,584	
Sewer	Customers	Sales (000 gals)
Residential	2,170	89,479
Commercial	179	15,705
Industrial	10	2,664
Public Authority	11	1,727
	2,370	109,575
Storm	Customers	
Residential	2,120	
Non-Residential	240	
	2,360	

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

E. DEFERRED INFLOWS OF RESOURCES

At the end of the 2021, the various components of deferred inflows of resources reported in the governmental and proprietary funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Governmental Funds			
Property taxes receivable	\$ -	\$ 4,673,650	\$ 4,673,650
Special assessments not yet due	144,021	-	144,021
Total Deferred Inflows of Resources For Governmental Funds	<u>\$ 144,021</u>	<u>\$ 4,673,650</u>	\$ 4,817,671
less special assessments accrued for government-wide statements			(144,021)
plus WRS pension and OPEB inflows accrued for government-wide statements			1,503,167
Deferred Inflows of Resources-government wide statements			<u>\$ 6,176,817</u>
	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Proprietary Funds			
Wind turbine power	\$ 29,700	\$ -	\$ 29,700
Construction advances	409,705	-	409,705
Regulatory credit	56,743	-	56,743
Energy efficient	6,846	-	6,846
ATC advance	26,942	-	26,942
WRS pension inflows	813,775	-	813,775
OPEB inflows	9,170	-	9,170
Other deferred inflows	19,451	-	19,451
Total Deferred Inflows of Resources for Proprietary Funds	<u>\$ 1,372,332</u>	<u>\$ -</u>	<u>\$ 1,372,332</u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

F. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

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

	Governmental	Water and Light	Sewer	Total Business-type
Capital assets	\$ 13,304,507	\$ 18,513,345	\$ 15,553,856	\$ 34,067,201
less current portion LT debt	(1,199,372)	(905,441)	(588,184)	(1,493,625)
less LT debt	(8,180,216)	(6,666,320)	(6,709,224)	(13,375,544)
less deferred regulatory credit	-	(56,743)	-	(56,743)
plus bond reserve	-	433,900	-	433,900
plus unspent proceeds	1,364,988	450,000	170,000	620,000
Net investment in capital assets	<u>\$ 5,289,907</u>	<u>\$ 11,768,741</u>	<u>\$ 8,426,448</u>	<u>\$ 20,195,189</u>

The following is a detail schedule of ending fund balances as reported in the fund financial statements:

	Non- spendable	Restricted	Committed	Assigned	Unassigned
General Fund:					
Advances (net of deferred interest)	\$ 449,254	\$ -	\$ -	\$ -	\$ -
Revolving loan	-	77,793	-	-	-
Building improvement grant	-	9,000	-	-	-
Prepaid expenses	50,419	-	-	-	-
Delinquent personal property taxes	28,064	-	-	-	-
Applied surplus	-	-	125,000	-	-
Unassigned	-	-	-	-	1,537,110
Total General Fund	<u>527,737</u>	<u>86,793</u>	<u>125,000</u>	<u>-</u>	<u>1,537,110</u>
Debt Service Fund:					
Debt service	-	-	-	15,400	-
Total Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,400</u>	<u>-</u>
Capital Projects Fund:					
Capital outlay	-	1,164,988	-	-	-
Total Capital Projects Fund	<u>-</u>	<u>1,164,988</u>	<u>-</u>	<u>-</u>	<u>-</u>
TIF 5:					
Unassigned (Deficit)	-	-	-	-	(1,466,189)
Stormwater Fund:					
Prepaid expenses	1,004	-	-	-	-
Stormwater	-	-	319,778	-	-
Unassigned	-	200,000	-	-	-
Total Stormwater Fund	<u>1,004</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

F. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (Continued)

Non-Major Governmental Funds:	Non- spendable	Restricted	Committed	Assigned	Unassigned
EMS	8,966	-	304,219	-	-
Library	941	-	390,683	-	-
Cemetery	2,091	-	107,883	-	-
Tourism Commission Fund	-	48,645	-	-	-
Revolving Loan Fund	-	-	362,233	-	-
ARPA	-	137	-	-	-
TIF 6	-	106,056	-	-	-
TIF 7	-	107,377	-	-	-
TIF 8	-	36,356	-	-	-
TIF 9	-	-	-	-	(17,532)
Total Non-Major Governmental Funds	11,998	298,571	1,165,018	-	(17,532)
Grand Total	\$ 539,735	\$ 1,550,352	\$ 1,165,018	\$ 15,400	\$ 178,389

The TIF deficits are anticipated to be recovered through future tax increments. The capital outlay fund is anticipated to be spent for 2022 projects.

NOTE IV – OTHER INFORMATION

A. EMPLOYEE RETIREMENT PLAN

Defined Benefit Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting in January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$206,862 in contributions from the employer.

Contribution rates as of December 31, 2020 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported a liability (asset) of (\$1,158,823) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.01856156%, which was an increase of 0.00007287% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension income of (\$126,437).

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,677,174	\$ (361,260)
Net differences between projected and actual earnings on pension plan investments	-	(2,175,597)
Changes in assumptions	26,284	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,273	(3,294)
Employer contributions subsequent to the measurement date	223,506	-
Total	\$ 1,928,237	\$ (2,540,151)

\$223,506 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2022	\$ (214,604)
2023	(58,966)
2024	(394,567)
2025	(167,283)
2026	-
Total	\$ (835,420)

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments	1.9%*

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

Long-term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

Asset Allocation Targets and Expected Returns
As of December 31, 2020

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	<u>115</u>	6.6	4.1
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	<u>100</u>	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

Single Discount Rate. A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 1,103,039	\$ (1,158,823)	\$ (2,820,145)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

B. OTHER POSTEMPLOYMENT BENEFITS

Multiple-Employer Life Insurance Plan

Plan Description. The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Benefits Provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2021 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of Member Contribution

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2020 are as listed below:

Life Insurance
Employee Contribution Rates*
For the year ended December 31, 2020

<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$887 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2021, the LRLIF Employer reported a liability (asset) of \$244,865 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.044515%, which was an increase of 0.003496% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized OPEB expense of \$32,039.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (11,684)
Net differences between projected and actual earnings on plan investments	3,565	-
Changes in actuarial assumptions	95,256	(16,801)
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,698	(1,927)
Employer contributions subsequent to the measurement date	4,612	-
Totals	\$ 116,131	\$ (30,412)

\$4,612 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2022	\$ 15,241
2023	14,856
2024	14,458
2025	12,870
2026	15,498
Thereafter	8,184
Total	\$ 81,107

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.25%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

Long-term Expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2020

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Credit Bonds	Barclays Credit	50%	1.47%
US Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Single Discount Rate. A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.25 percent, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
City's proportionate share of the net OPEB liability (asset)	\$ 333,086	\$ 244,865	\$ 178,145

Single Employer Health Insurance Plan

Plan Description. The City operates a single-employer retiree benefit plan that provides postemployment health insurance benefits to eligible employees and their spouses. There are 40 active and 1 retired members in the plan. Benefits and eligibility are established and amended by the governing body. The plan does not issue stand-alone financial statements.

Benefits. Upon retirement, those retirees eligible for the Wisconsin Retirement System may choose to remain on the City’s group medical plan indefinitely provided that they self-pay the full premiums. This is typically done with the use of accumulated sick and vacation pay.

Funding Policy. The City will fund the OPEB on a pay-as-you-go basis.

Employees Covered by Benefit Terms. At December 31, 2019, 38 active employees were eligible for the benefit terms, while one retiree was eligible.

Total OPEB Liability. The City’s total OPEB liability of \$261,775 was measured at December 31, 2020, and was determined by an actuarial valuation as of December 31, 2019.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.0 percent
Salary increases:	3.0 percent, average, including inflation
Discount rate	2.25 percent
Healthcare cost trend rates	Actual first year increase, then 6.50% decreasing by 0.10% down to 5.00% and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums

The discount rate is based on the Bond Buyer GO 20-Year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the December 31, 2019 valuation were based on a study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015-2017.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2019	<u>\$ 230,164</u>
Changes for the year:	
Service cost	23,269
Interest	6,548
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	9,148
Benefit payments	<u>(7,354)</u>
Net Changes	<u>31,611</u>
 Balance at 12/31/2020	 <u><u>\$ 261,775</u></u>

There were no changes of benefit terms nor in assumptions.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

		1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	12/31/2020	\$ 281,077	\$ 261,775	\$ 243,815

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents 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 (actual first year increase, then 5.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (actual first year increase, then 7.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

		1% Decrease (Actual first year increase, then 5.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (Actual first year increase, then 6.5% decreasing to 5.0%)	1% Increase (Actual first year increase, then 7.5% decreasing to 6.0%)
Total OPEB Liability	12/31/2020	\$ 232,258	\$ 261,775	\$ 297,138

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$27,820.

\$2,956 is reported as deferred outflows related to OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2021. There are no other amounts reported as deferred outflows of resources or deferred inflows of resources related to OPEB that will be recognized in OPEB expense in future years.

C. 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.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. REGULATORY CREDIT

In 2004 the Public Service Commission of Wisconsin required regulated utilities to create a deferred regulatory credit account. The amount of the credit was equal to the estimated accumulated depreciation on contributed utility plant as of December 31, 2003. The credit has the effect of reducing the rate base used by the Commission in approving user rates charged by the utilities. The credit is reported in the statement of net position as a liability. The credit is being amortized to non-operating income over a period of 20 years. As of December 31, 2021, the balance was \$53,743.

E. PURCHASED POWER CONTRACT

The Evansville Water and Light has a long-term contract and purchases its power from WPPI, Wisconsin Public Power Incorporated. Purchased power expenses were \$5,761,446.

F. EVANSVILLE FIRE DISTRICT

The City of Evansville is a participant in the Evansville Fire Protection District (“District”), along with the townships of Brooklyn, Magnolia, Porter and Union. The entire city is within the district. Only portions of the aforementioned townships are included. The District was created on January 1, 1996. The District Board consists of 6 trustees; one from each township and two from the City. The District owns the Fire equipment. A budget is adopted annually by the District and each municipality contributes to the District based on the respective portion of equalized value within the District.

For 2021, the City contributed \$266,984 to the District for dues. The City’s portion of the District’s 2022 budget is \$278,871. The District issues separate financial statements.

The City had a residual non-equity interest of approximately 58% in the District in 2021.

G. EVANSVILLE MEDICAL EMERGENCY SERVICES

The City of Evansville provides emergency medical services to the City and portions of the Towns of Union, Brooklyn, Porter and Magnolia. The contract with the participating townships requires a payment of \$20 per capita. For 2021, the City received payments from the townships in the amount of \$64,701.

H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 87, *Leases*. When this become effective, application of this standard may restate portions of these financial statements.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

I. COMMITMENTS AND SUBSEQUENT EVENTS

In 2022, the City approved the following:

- Housing Extension in Tax Incremental District 7
- Purchase of a new fire truck, not to exceed an amount of \$850,000
- Plans for an Aquatic Center, Park, and Splashpad
- Lake Leota Base Alternate bid for \$257,340
- Bid totaling \$13,452,486 for Park improvements, to be funded with interim financing
- Issuance and Establishing Parameters for the Sale of Not to Exceed \$1,740,000 Water and Electric System Revenue Bonds, Series 2022A
- Issuance and Establishing Parameters for the Sale of Not to Exceed \$1,665,000 Sewerage System Revenue Bonds, Series 2022B
- Issuance and Establishing Parameters for the Sale of Not to Exceed \$1,325,000 General Obligation Promissory Notes

REQUIRED SUPPLEMENTARY INFORMATION

City of Evansville, Wisconsin

Schedules of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (with Variances)
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,562,500	\$ 1,562,500	\$ 1,562,500	\$ -
Other Taxes	3,300	3,300	7,061	3,761
Intergovernmental	765,022	765,022	772,743	7,721
License and Permits	256,282	256,282	239,760	(16,522)
Fines, Forfeits and Penalties	72,500	72,500	74,099	1,599
Public Charges for Services	463,258	463,258	435,375	(27,883)
Interest Income	35,400	35,400	2,778	(32,622)
Miscellaneous Income	50,217	50,217	56,575	6,358
Total Revenues	<u>3,208,479</u>	<u>3,208,479</u>	<u>3,150,891</u>	<u>(57,588)</u>
EXPENDITURES				
Current:				
General Government	367,220	367,220	383,499	(16,279)
Public Safety	1,872,218	1,872,218	1,842,501	29,717
Public Works	948,860	948,860	959,728	(10,868)
Health and Human Services	38,760	38,760	37,610	1,150
Culture, Recreation and Education	306,500	306,500	241,264	65,236
Conservation and Development	138,171	138,171	114,897	23,274
Total Expenditures	<u>3,671,729</u>	<u>3,671,729</u>	<u>3,579,499</u>	<u>92,230</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(463,250)</u>	<u>(463,250)</u>	<u>(428,608)</u>	<u>34,642</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (including tax equivalent)	<u>463,250</u>	<u>463,250</u>	<u>455,491</u>	<u>(7,759)</u>
Total Other Financing Sources and Uses	<u>463,250</u>	<u>463,250</u>	<u>455,491</u>	<u>(7,759)</u>
Net Change in Fund Balances	-	-	26,883	26,883
Fund Balances - Beginning	<u>2,249,757</u>	<u>2,249,757</u>	<u>2,249,757</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,249,757</u>	<u>\$ 2,249,757</u>	<u>\$ 2,276,640</u>	<u>\$ 26,883</u>

See accompanying notes to the required supplementary information.

**CITY OF EVANSVILLE
WISCONSIN RETIREMENT SYSTEM SCHEDULES
December 31, 2021**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE**

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2020	(0.01856156%)	\$ (1,158,823)	\$ 2,564,075	(45.19%)	105.26%
2019	0.01848869%	(596,159)	2,572,717	(23.17%)	102.96%
2018	0.01787635%	635,984	2,478,433	25.66%	96.45%
2017	(0.01711788%)	(508,250)	2,302,788	(22.07%)	102.93%
2016	0.01675753%	138,122	2,145,280	6.44%	99.12%
2015	0.01676696%	272,460	2,099,883	12.98%	98.20%
2014	(0.01669259%)	(409,903)	2,109,101	(19.43%)	102.74%

**SCHEDULE OF CITY'S CONTRIBUTIONS
FOR THE YEAR ENDED**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2021	\$ 223,506	\$ (223,506)	\$ -	\$ 2,758,135	8.10%
2020	208,517	(208,517)	-	2,564,075	8.13%
2019	192,927	(192,927)	-	2,572,717	7.50%
2018	194,559	(194,559)	-	2,478,433	7.85%
2017	183,611	(183,611)	-	2,302,788	7.97%
2016	163,344	(163,344)	-	2,145,280	7.61%
2015	169,557	(169,557)	-	2,099,883	8.07%

See accompanying notes to the required supplementary information

CITY OF EVANSVILLE
LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
December 31, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective share of the net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2020	0.04515000%	\$ 244,865	\$ 2,414,000	10.14%	31.36%
2019	0.04101900%	174,667	2,212,000	7.90%	37.58%
2018	0.04140400%	106,836	2,358,390	4.53%	48.69%
2017	0.04210500%	126,676	1,770,636	7.15%	44.81%

See accompanying notes to the required supplementary information

CITY OF EVANSVILLE
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS-HEALTH PLAN
December 31, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service Cost	\$ 23,269	\$ 19,623	\$ 21,069	\$ 21,069
Interest	6,548	9,348	7,575	6,735
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	(43,640)	-	-
Changes of assumptions or other inputs	9,148	22,137	(7,620)	-
Benefit payments	(7,354)	(2,378)	(3,679)	(3,926)
Net change in total OPEB	31,611	5,090	17,345	23,878
Total OPEB Liability - Beginning	230,164	225,074	207,729	183,851
Total OPEB Liability - Ending	<u>\$ 261,775</u>	<u>\$ 230,164</u>	<u>\$ 225,074</u>	<u>\$ 207,729</u>
Covered Employee Payroll	\$ 2,253,487	\$ 2,253,478	\$ 2,349,378	\$ 2,349,378
Total OPEB Liability as a Percentage of Covered-Employee Payroll	11.62%	10.21%	9.58%	8.84%

See accompanying notes to the required supplementary information

CITY OF EVANSVILLE
Notes to Required Supplementary Information
December 31, 2021

A. BUDGETARY INFORMATION

A budget has been adopted for all governmental funds of the City.

The budgeted amounts include any amendments made. Transfers between departments and changes to the overall budget must be approved by City Council. Appropriations lapse at year-end unless specifically carried over. There were carryovers in the capital projects fund shown as assigned fund balance.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Some individual expenditure line items experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report. Overall, the City departmental expenditures were less than budget.

C. WISCONSIN RETIRMENT SYSTEM SCHEDULES

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 4 preceding years.

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. No significant change in assumptions were noted from the prior year.

D. LOCAL RETIREE LIFE INSURANCE SCHEDULES

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 6 preceding years.

Changes of benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes of assumptions. *The Single Discount Rate* assumption used to develop Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section in Note IV for additional detail.

CITY OF EVANSVILLE
Notes to Required Supplementary Information
December 31, 2021

E. CITY NET OPEB LIABILITY SCHEDULES – HEALTH PLAN

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 6 preceding years.

Changes of benefit terms. There were no changes of benefit terms during the year.

Changes of assumptions. The *Single Discount Rate* assumption used to develop Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section in Note IV for additional detail.

Assets. There were no assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

OTHER SUPPLEMENTARY INFORMATION

City of Evansville, Wisconsin

Combining Statement of Governmental Balance Sheet
Non-Major Funds
December 31, 2021

	Special Revenue Funds					Capital Projects Funds				Non-Major Funds	
	EMS	Library	Cemetery	Tourism Commission	Revolving Loan	ARPA	TIF 6	TIF 7	TIF 8		TIF 9
ASSETS											
Cash and Cash Equivalents	\$ 302,836	\$ 506,810	\$ 140,622	\$ 50,145	\$ 362,233	\$ 284,835	\$ 153,703	\$ 193,497	\$ 59,582	\$ 36,848	\$ 2,091,111
Receivables:											
Taxes	74,100	190,245	57,022	-	-	-	83,121	151,325	40,807	34,332	630,952
Accounts	54,213	-	-	-	-	-	-	-	-	-	54,213
Prepaid Expenses	8,966	941	2,091	-	-	-	-	-	-	-	11,998
Total Assets	<u>\$ 440,115</u>	<u>\$ 697,996</u>	<u>\$ 199,735</u>	<u>\$ 50,145</u>	<u>\$ 362,233</u>	<u>\$ 284,835</u>	<u>\$ 236,824</u>	<u>\$ 344,822</u>	<u>\$ 100,389</u>	<u>\$ 71,180</u>	<u>\$ 2,788,274</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
Liabilities:											
Accounts Payable	\$ 10,656	\$ 7,848	\$ 284	\$ 1,500	\$ -	\$ -	\$ 357	\$ -	\$ -	\$ -	\$ 20,645
Due to Other Funds	-	-	-	-	-	-	-	-	-	34,839	34,839
Grant Advance	-	-	-	-	-	284,698	-	-	-	-	284,698
Total Liabilities	<u>10,656</u>	<u>7,848</u>	<u>284</u>	<u>1,500</u>	<u>-</u>	<u>284,698</u>	<u>357</u>	<u>-</u>	<u>-</u>	<u>34,839</u>	<u>340,182</u>
Deferred Inflows of Resources	<u>116,275</u>	<u>298,524</u>	<u>89,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,411</u>	<u>237,445</u>	<u>64,033</u>	<u>53,873</u>	<u>990,038</u>
Fund Balance:											
Nonspendable	8,966	941	2,091	-	-	-	-	-	-	-	11,998
Restricted	-	-	-	48,645	-	137	106,056	107,377	36,356	-	298,571
Committed	304,218	390,683	107,883	-	362,233	-	-	-	-	-	1,165,017
Unassigned	-	-	-	-	-	-	-	-	-	(17,532)	(17,532)
Total Fund Balance (Deficit)	<u>313,184</u>	<u>391,624</u>	<u>109,974</u>	<u>48,645</u>	<u>362,233</u>	<u>137</u>	<u>106,056</u>	<u>107,377</u>	<u>36,356</u>	<u>(17,532)</u>	<u>1,458,054</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 440,115</u>	<u>\$ 697,996</u>	<u>\$ 199,735</u>	<u>\$ 50,145</u>	<u>\$ 362,233</u>	<u>\$ 284,835</u>	<u>\$ 236,824</u>	<u>\$ 344,822</u>	<u>\$ 100,389</u>	<u>\$ 71,180</u>	<u>\$ 2,788,274</u>

City of Evansville, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue Funds					Capital Projects Fund				Non-Major Funds	
	EMS	Library	Cemetery	Tourism Commission	Revolving Loan	ARPA	TIF 6	TIF 7	TIF 8		TIF 9
REVENUES											
Property Taxes	\$ 102,863	\$ 292,671	\$ 86,910	\$ -	\$ -	\$ -	\$ 117,680	\$ 49,652	\$ 59,744	\$ -	\$ 709,520
Other Taxes	-	-	-	14,009	-	-	-	-	-	43,935	57,944
Intergovernmental	64,701	64,132	-	-	-	-	17,504	80,314	1,612	-	228,263
Public Charges for Services	277,592	16,398	43,025	-	600	-	-	-	-	-	337,615
Interest Income	200	628	115	50	353	137	71	60	29	16	1,659
Miscellaneous Income	2,440	24,632	2,333	-	-	-	9,639	1,501	21,123	-	61,668
Total Revenues	<u>447,796</u>	<u>398,461</u>	<u>132,383</u>	<u>14,059</u>	<u>953</u>	<u>137</u>	<u>144,894</u>	<u>131,527</u>	<u>82,508</u>	<u>43,951</u>	<u>1,396,669</u>
EXPENDITURES											
Current:											
General Government	-	-	-	-	-	-	150	-	-	-	150
Public Safety	350,572	-	-	-	-	-	-	-	-	-	350,572
Health and Human Services	-	-	116,431	-	-	-	-	-	-	-	116,431
Culture, Recreation and Education	-	367,460	-	-	-	-	-	-	-	-	367,460
Conservation and Development	-	-	-	19,146	5,671	-	41,456	-	735	885	67,893
Capital Outlay	-	-	-	-	56,435	-	1,092	885	150	43,937	102,499
Debt Service:											
Principal Repayment	25,000	-	-	-	-	-	-	-	-	-	25,000
Interest Expense	869	-	-	-	-	-	-	-	-	-	869
Total Expenditures	<u>376,441</u>	<u>367,460</u>	<u>116,431</u>	<u>19,146</u>	<u>62,106</u>	<u>-</u>	<u>42,698</u>	<u>885</u>	<u>885</u>	<u>44,822</u>	<u>1,030,874</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>71,355</u>	<u>31,001</u>	<u>15,952</u>	<u>(5,087)</u>	<u>(61,153)</u>	<u>137</u>	<u>102,196</u>	<u>130,642</u>	<u>81,623</u>	<u>(871)</u>	<u>365,795</u>
OTHER FINANCING SOURCES (USES)											
Transfers Out	-	-	(114)	-	-	-	(74,948)	(69,050)	(81,163)	-	(225,275)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>(114)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(74,948)</u>	<u>(69,050)</u>	<u>(81,163)</u>	<u>-</u>	<u>(225,275)</u>
Net Change in Fund Balances	71,355	31,001	15,838	(5,087)	(61,153)	137	27,248	61,592	460	(871)	140,520
Fund Balances (Deficit)- Beginning	241,829	360,623	94,136	53,732	423,386	-	78,808	45,785	35,896	(16,661)	1,317,534
Fund Balances (Deficit) - Ending	<u>\$ 313,184</u>	<u>\$ 391,624</u>	<u>\$ 109,974</u>	<u>\$ 48,645</u>	<u>\$ 362,233</u>	<u>\$ 137</u>	<u>\$ 106,056</u>	<u>\$ 107,377</u>	<u>\$ 36,356</u>	<u>\$ (17,532)</u>	<u>\$ 1,458,054</u>