

**CITY OF EVANSVILLE**

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

**For the Year Ended December 31, 2019**

**City of Evansville  
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December 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Evansville  
Evansville, Wisconsin

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, effective January 1, 2019, the City of Evansville adopted the provisions of GASB Statement No. 84, Fiduciary Funds. Our opinions are not modified with respect to this matter.

### ***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 iv through xiii, the budgetary comparison information on page 55, the Wisconsin Retirement System schedules on page 56, the Local Retiree Life Insurance Fund schedules on page 57, and the other postemployment benefit schedule on page 58 be presented to the 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's financial statements as a whole. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Johnson Block & Company, Inc.

August 14, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended December 31, 2019

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, 2019. 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, 2019, by \$31,516,668 (net position). Of this amount, \$4,957,068 (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 greater than budgeted amounts by 19,827 and general fund expenditures were less than budgeted amounts by \$28,709.
- As of December 31, 2019, the City of Evansville's governmental funds reported combined ending fund balances of \$2,437,534.
- As of December 31, 2019, the unassigned fund balance for the general fund was \$1,392,888, or approximately 39 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 \$8,325,114. The business-type debt totaled \$14,406,555.

## 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 14 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, 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, 2019.

**TABLE 1**  
**City of Evansville Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 6,620,611	\$ 7,829,737	\$ 6,631,505	\$ 5,768,496	\$ 13,252,116	\$ 13,598,233
Capital assets	12,274,172	11,465,755	34,038,493	32,715,780	46,312,665	44,181,535
Total Assets	18,894,783	19,295,492	40,669,998	38,484,276	59,564,781	57,779,768
Deferred Outflows of Resources	1,131,129	659,110	613,964	312,620	1,745,093	971,730
Long-term liabilities outstanding	7,326,060	8,103,515	13,020,562	10,514,909	20,346,622	18,618,424
Other liabilities	2,038,105	1,818,004	2,486,031	3,275,951	4,524,136	5,093,955
Total Liabilities	9,364,165	9,921,519	15,506,593	13,790,860	24,870,758	23,712,379
Deferred Inflows of Resources	4,201,150	4,176,018	721,298	735,279	4,922,448	4,911,297
Net Position:						
Net investment in capital assets	4,196,853	2,657,416	20,361,771	20,473,874	24,558,624	23,131,290
Restricted	185,352	758,973	2,063,366	1,280,491	2,248,718	2,039,464
Unrestricted	2,078,392	2,440,676	2,630,934	2,516,392	4,709,326	4,957,068
Total Net Position	\$ 6,460,597	\$ 5,857,065	\$ 25,056,071	\$ 24,270,757	\$ 31,516,668	\$ 30,127,822

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*, \$4,709,326, 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, 2019. In 2019, the governmental activities relied primarily on property taxes (53%), program revenues (37%), and state aids (8%) to fund its operations. Combined, these account for 98% of all revenues or \$5.49 million. Business-type activities relied primarily on program revenues to fund its operations. Utility charges accounted for 97% of business-type revenues.

**TABLE 2  
City of Evansville's Change in Net Position  
2018 and 2017**

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,517,347	\$ 1,751,689	\$ 10,084,080	\$ 9,970,584	\$ 11,601,427	\$ 11,722,273
Operating Grants and Contributions	591,461	477,666	-	12,977	591,461	490,643
Capital Grants and Contributions	114,745	84,151	114,200	212,581	228,945	296,732
General Revenues:						
Property Taxes	3,150,436	2,722,297	-	-	3,150,436	2,722,297
Grants and Contributions Not Restricted to Specific Programs	480,209	420,638	-	-	480,209	420,638
Unrestricted Interest/Investment Income	94,032	105,054	106,858	51,660	200,890	156,714
Other- Gain (Loss) on Capital Assets	(15,343)	3,033	-	-	(15,343)	3,033
Miscellaneous	50,234	26,642	51,167	33,431	101,401	60,073
Total Revenues	5,983,121	5,591,170	10,356,305	10,281,233	16,339,426	15,872,403
Expenses:						
General Government	489,611	504,719	-	-	489,611	504,719
Public Safety	2,238,388	2,303,841	-	-	2,238,388	2,303,841
Public Works	1,542,764	1,412,153	-	-	1,542,764	1,412,153
Health & Human Services	167,598	157,684	-	-	167,598	157,684
Culture and Recreation	956,190	808,084	-	-	956,190	808,084
Conservation and Development	190,193	437,847	-	-	190,193	437,847
Interest on Long-Term Debt	215,332	232,278	-	-	215,332	232,278
Capital Outlay	850	500	-	-	850	500
Electric and Water	-	-	8,065,057	8,000,124	8,065,057	8,000,124
Sewer	-	-	1,084,597	1,014,524	1,084,597	1,014,524
Total Expenses	5,800,926	5,857,106	9,149,654	9,014,648	14,950,580	14,871,754
Increase (Decrease) in Net Position						
Before Transfers and avance write-down	182,195	(265,936)	1,206,651	1,266,585	1,388,846	1,000,649
Transfers	421,337	425,389	(421,337)	(425,389)	-	-
Increase (Decrease) in Net Position	603,532	159,453	785,314	841,196	1,388,846	1,000,649
Net Position - January 1	5,857,065	5,697,612	24,270,777	23,429,581	30,127,842	29,127,193
Net Position - December 31	\$ 6,460,597	\$ 5,857,065	\$ 25,056,091	\$ 24,270,777	\$ 31,516,688	\$ 30,127,842

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

**Governmental Activities:** Governmental activities increased the City's net position by \$603,532.

**Business-type activities:** Business-type activities increased City of Evansville's net position by \$785,314. Key elements of this decrease are as follows:

- The City's electric and water utility had an increase in net position of \$416,811. This is due to steady energy costs to the electric utility.
- The City's sewer had an increase in net position of \$368,503. 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, 2019, the City's governmental funds reported combined ending fund balances of \$2,437,534. Of the combined ending fund balance, \$656,672 is nonspendable, \$249,359 is restricted, \$1,316,965 is committed, and \$404,857 is assigned. The net deficit of \$(190,319) in unassigned fund balance is due mainly to the TIF 5 deficit of \$(1,567,088). This deficit has been financed by advances from the general fund, electric and water utility, and sewer fund.

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 \$1,392,888, while total fund balance reached \$2,096,173. 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 39% of total general fund expenditures, while total fund balance represents 59% of that same amount.

During the current year, the City's general fund balance increased by \$78,786. Key factors in this increase are as follows:

- The total revenues, including the tax equivalent, were \$19,287 more than budgeted amounts and expenditures were \$28,709 under budget.

## **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 \$416,811 in 2019 after deducting a transfer of \$439,434 to the City's General Fund. Net position was \$15,222,719 as of December 31, 2019.

The Wastewater Treatment Plant Utility (Sewer Fund) had an increase in net position of \$368,503 in 2019. Net position was \$9,833,352 as of December 31, 2019.

The Electric and Water Utility's outstanding debt at December 31, 2019 was \$7,217,643, an increase of \$179,560 over the balance at December 31, 2018. Fixed assets, net of accumulated depreciation, of \$18,553,106 increased \$451,879 from 2018.

The Wastewater Treatment Plant Utility's outstanding debt at December 31, 2019 was \$7,134,596 an increase of 2,561,414 from the balance at December 31, 2018. Fixed assets, net of accumulated depreciation, of 15,485,387 increased \$870,834 from 2018.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City of Evansville's general fund expenditures had an original and final budget of \$3,595,994. Actual expenditures totaled \$3,567,285. Budgeted differences can be briefly summarized as follows:

- Actual expenditures were less than budgeted expenditures by \$28,709.
- The general fund had revenues and other financing sources that were greater than expenditures and financing uses by \$75,786.

## 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, 2019, amounts to \$44,181,535 (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	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Land	602,043	602,043	171,362	171,362	773,405	773,405
Infrastructure Work in Process	707,863	4,051,220	757,818	3,668,543	1,465,681	7,719,763
Depreciable Capital Assets	19,236,674	14,325,403	51,984,970	46,577,453	71,221,644	60,902,856
Accumulated depreciation	(8,272,408)	(7,512,911)	(18,875,657)	(17,701,578)	(27,148,065)	(25,214,489)
<b>Total</b>	<b>\$ 12,274,172</b>	<b>\$ 11,465,755</b>	<b>\$ 34,038,493</b>	<b>\$ 32,715,780</b>	<b>\$ 46,312,665</b>	<b>\$ 44,181,535</b>

Additional information on the City of Evansville’s capital assets can be found in Note IV-C on pages 31-33 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 \$22,731,669. Of this amount, \$9,208,991 was backed by the full faith of the City.

	City of Evansville Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
2005 CWFL	\$ -	\$ -	\$ 561,632	\$ 647,817	\$ 561,632	\$ 647,817
2009 CWFL	-	-	1,913,769	2,078,873	1,913,769	2,078,873
2009 GO Refunding Notes	-	710,000	-	-	-	710,000
2009 Water Revenue Bonds	-	-	-	665,000	-	665,000
2010 WPPI Loan	-	-	5,387	21,546	5,387	21,546
2011 WPPI Loan	5,949	9,348	-	-	5,949	9,348
2012 GO Bond	260,000	290,000	-	-	260,000	290,000
2013 GO Notes	240,000	325,000	450,000	605,000	690,000	930,000
2014 Revenue Bonds	-	-	2,025,000	2,335,000	2,025,000	2,335,000
2015 GO Notes	100,000	120,000	420,000	460,000	520,000	580,000
2015 WPPI Loan	-	-	182,644	213,084	182,644	213,084
2016 Revenue Bonds	-	-	2,904,500	3,128,000	2,904,500	3,128,000
2017 GO Refunding Bonds	1,600,000	1,775,000	-	-	1,600,000	1,775,000
2017 NAN	-	-	-	-	-	-
2017 STFL	581,870	643,991	-	-	581,870	643,991
2018 CWFL	-	-	3,591,307	1,186,945	3,591,307	1,186,945
2018 GO Notes	3,835,000	4,180,000	-	-	3,835,000	4,180,000
2018 NAN	75,000	100,000	-	-	75,000	100,000
2018 Revenue Bonds	-	-	243,000	270,000	243,000	270,000
2018 Revenue Bonds-Storm	589,500	655,000	-	-	589,500	655,000
2019 GO Notes	790,000	-	480,000	-	1,270,000	-
2019 Revenue Bonds	-	-	1,575,000	-	1,575,000	-
Compensated absences	247,795	307,386	54,316	57,594	302,111	364,980
<b>Total</b>	<b>\$ 8,325,114</b>	<b>\$ 9,115,725</b>	<b>\$ 14,406,555</b>	<b>\$ 11,668,859</b>	<b>\$ 22,731,669</b>	<b>\$ 20,784,584</b>

Additional information on the City's long-term debt can be found in Note III-E on pages 35-40 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 2020 the City started the process of an electric rate case and in 2021 will officially start a water rate case. All remaining rate schedules seem stable for 2020 and into 2021.

The City started revaluation in 2019 with the intention of finishing in summer of 2020. With COVID 19 all efforts were suspended until spring of 2021.

The financial implications of COVID 19 are not fully known to many municipalities and aid from the CAREs Act is limited to cover all financial impacts. The City of Evansville can expect some of these financial impacts though the amount and source of said impacts remains to be seen. The City has reserves sufficient to cover potential short term impacts such as:

- Reduction in State aid.
- Reduction in hotel/motel tax.
- Reductions in building permit revenues.
- Increases in health insurance premiums.

## **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>.

## **BASIC FINANCIAL STATEMENTS**



**City of Evansville, Wisconsin**

**Statement of Net Position  
December 31, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Investments	\$ 4,632,000	\$ 1,147,123	\$ 5,779,123
Receivables	2,980,760	1,447,476	4,428,236
Internal Balances	(1,071,051)	1,071,051	-
Inventories	-	230,266	230,266
Other assets	78,902	139,666	218,568
Restricted Assets			
Cash and Investments	-	2,595,923	2,595,923
Capital Assets			
Land, improvements, and construction in progress	1,309,906	929,180	2,239,086
Other Capital Assets, net of depreciation	10,964,266	33,109,313	44,073,579
Net Capital Assets	12,274,172	34,038,493	46,312,665
Total Assets	18,894,783	40,669,998	59,564,781
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	1,122,204	605,675	1,727,879
Deferred OPEB Outflows	8,925	8,289	17,214
Total Deferred Outflows of Resources	1,131,129	613,964	1,745,093
Total Assets and Deferred Outflows of Resources	\$ 20,025,912	\$ 41,283,962	\$ 61,309,874
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 354,579	\$ 696,267	\$ 1,050,846
Net Pension Liability	413,052	222,932	635,984
OPEB Liability - Health Insurance	146,943	78,131	225,074
OPEB Liability - Life Insurance	68,241	38,595	106,836
Long-Term Liabilities			
Due Within One Year			
Bonds and Notes	963,138	1,388,223	2,351,361
Accrued Interest	56,236	57,557	113,793
Compensated Absences	35,916	4,326	40,242
Due in More Than One Year			
Bonds and Notes	7,114,181	12,964,016	20,078,197
Compensated Absences	211,879	56,546	268,425
Total liabilities	9,364,165	15,506,593	24,870,758
Total liabilities	4,201,150	721,298	4,922,448
<b>DEFERRED INFLOWS OF RESOURCES</b>			
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,196,853	20,361,771	24,558,624
Restricted for:			
Special Revenue	54,449	-	54,449
Capital	-	1,307,294	1,307,294
Debt	-	756,072	756,072
Other Purposes	130,903	-	130,903
Unrestricted	2,078,392	2,630,934	4,709,326
Total Net Position	6,460,597	25,056,071	31,516,668
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 20,025,912	\$ 41,283,962	\$ 61,309,874

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin  
Evansville, WI

Statement of Activities  
For the Year Ended December 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Primary government</b>							
Governmental Activities							
General Government	\$ 489,611	\$ 131,080	\$ 135,229	\$ -	\$ (223,302)		\$ (223,302)
Public Safety	2,238,388	520,691	29,167	-	(1,688,530)		(1,688,530)
Public Works	1,542,764	594,066	364,563	114,745	(469,390)		(469,390)
Health, Welfare and Sanitation	167,598	26,723	-	-	(140,875)		(140,875)
Culture and Recreation	956,190	230,504	62,502	-	(663,184)		(663,184)
Conservation and Development	190,193	14,263	-	-	(175,930)		(175,930)
Interest on Long-term debt	215,332	20	-	-	(215,312)		(215,312)
Total governmental activities	<u>5,800,926</u>	<u>1,517,347</u>	<u>591,461</u>	<u>114,745</u>	<u>(3,577,373)</u>		<u>(3,577,373)</u>
Business-type activities:							
Electric and Water	8,065,057	8,764,155	-	46,800	-	\$ 745,898	745,898
Sewer	1,084,597	1,319,925	-	67,400	-	302,728	302,728
Total business-type activities	<u>9,149,654</u>	<u>10,084,080</u>	<u>-</u>	<u>114,200</u>	<u>-</u>	<u>1,048,626</u>	<u>1,048,626</u>
Total primary government	<u>\$ 14,950,580</u>	<u>\$ 11,601,427</u>	<u>\$ 591,461</u>	<u>\$ 228,945</u>	<u>(3,577,373)</u>	<u>1,048,626</u>	<u>(2,528,747)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					2,546,749	-	2,546,749
Property taxes, levied for debt service					585,687	-	585,687
Other taxes					18,000	-	18,000
Grants and contributions not restricted to specific programs					480,209	-	480,209
Unrestricted investment earnings					94,032	106,858	200,890
Miscellaneous					50,234	51,167	101,401
<i>Special item</i> - gain (loss) on disposal of asset					(15,343)	-	(15,343)
Transfers					421,337	(421,337)	-
Total general revenues and transfers					<u>4,180,905</u>	<u>(263,312)</u>	<u>3,917,593</u>
Change in Net position					603,532	785,314	1,388,846
Net position - beginning					5,857,065	24,270,757	30,127,822
Net position - ending					<u>\$ 6,460,597</u>	<u>\$ 25,056,071</u>	<u>\$ 31,516,668</u>

See accompanying notes to the basic financial statements.

**City of Evansville, Wisconsin**

**Balance Sheet  
Governmental Funds  
December 31, 2019**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>TIF 5</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 2,168,019	\$ 185,935	\$ 428,711	\$ 83,696	\$ 1,765,639	\$ 4,632,000
Receivables:						
Taxes	1,149,976	451,105	117,032	174,999	507,821	2,400,933
Special Assessments	230,987	241,758	-	-	-	472,745
Accounts	-	-	-	-	33,794	33,794
Other	49,310	-	-	-	-	49,310
Prepaid Expenses	61,507	-	-	-	17,394	78,901
Advances Receivable	551,682	-	-	-	-	551,682
Total Assets	<u>\$ 4,235,459</u>	<u>\$ 878,798</u>	<u>\$ 545,743</u>	<u>\$ 258,695</u>	<u>\$ 2,324,648</u>	<u>\$ 8,243,343</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ 115,611	\$ -	\$ 46,557	\$ -	\$ 77,359	\$ 239,527
Accrued Liabilities	94,770	-	-	-	20,282	115,052
Due to Other Funds	-	-	-	-	34,839	34,839
Advances Payable	-	-	-	1,587,894	-	1,587,894
Total Liabilities	<u>210,381</u>	<u>-</u>	<u>46,557</u>	<u>1,587,894</u>	<u>132,480</u>	<u>1,977,312</u>
Deferred Inflows of Resources	<u>1,928,905</u>	<u>814,022</u>	<u>159,105</u>	<u>237,889</u>	<u>688,576</u>	<u>3,828,497</u>
Fund Balances (Deficit)						
Nonspendable	639,278	-	-	-	17,394	656,672
Restricted	64,007	-	-	-	185,352	249,359
Committed	-	-	-	-	1,316,965	1,316,965
Assigned	-	64,776	340,081	-	-	404,857
Unassigned	1,392,888	-	-	(1,567,088)	(16,119)	(190,319)
Total Fund Balances (Deficit)	<u>2,096,173</u>	<u>64,776</u>	<u>340,081</u>	<u>(1,567,088)</u>	<u>1,503,592</u>	<u>2,437,534</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 4,235,459</u>	<u>\$ 878,798</u>	<u>\$ 545,743</u>	<u>\$ 258,695</u>	<u>\$ 2,324,648</u>	<u>\$ 8,243,343</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, 2019**

Total fund balance, governmental funds		\$ 2,437,534
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.		12,274,172
The net pension liability is not a current financial liability and is, therefore, not reported in the fund statements.		(413,052)
The OPEB liabilities are not current financial usages and are, therefore, not reported in the fund statements.		(215,184)
Pension deferred outflows of resources and inflows of resources are actuarially determined by the defined benefit pension plan. These items are reflected in the Statement of Net Position and are being amortized with pension 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		1,131,129
Deferred Inflows of Resources		(573,395)
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.		200,743
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	963,138	
Bonds and notes - due in more than one year	7,114,181	
Compensated absences - current	35,916	
Compensated absences - non-current	211,879	
Accrued interest	56,236	
		<u>(8,381,350)</u>
Net Position of Governmental Activities in the Statement of Net Position		<u>\$ 6,460,597</u>

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, 2019**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>TIF 5</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Property Taxes	\$ 1,503,305	\$ 585,687	\$ 203,100	\$ 187,083	\$ 652,566	\$ 3,131,741
Other Taxes	4,859	-	-	-	14,700	19,559
Special Assessment Revenue	-	72,816	2,091	-	-	74,907
Intergovernmental	722,053	-	39,584	2,495	140,339	904,471
License and Permits	344,791	-	-	-	-	344,791
Fines, Forfeits and Penalties	68,005	-	-	-	-	68,005
Public Charges for Services	446,433	-	-	-	619,714	1,066,147
Interest Income	44,366	7,704	11,553	399	33,341	97,363
Miscellaneous Income	69,825	21,366	28,351	6,518	159,353	285,413
Total Revenues	<u>3,203,637</u>	<u>687,573</u>	<u>284,679</u>	<u>196,495</u>	<u>1,620,013</u>	<u>5,992,397</u>
<b>EXPENDITURES</b>						
Current:						
General Government	418,817	-	-	2,720	1,650	423,187
Public Safety	1,714,248	-	-	-	322,739	2,036,987
Public Works	994,939	-	8,039	-	129,570	1,132,548
Health and Human Services	37,610	-	8,389	-	118,546	164,545
Culture, Recreation and Education	300,693	-	-	-	358,307	659,000
Conservation and Development	100,978	-	3,083	-	10,791	114,852
Capital Outlay	-	-	1,244,258	3,596	502,033	1,749,887
Principal Repayment	-	1,390,520	-	-	130,500	1,521,020
Interest Expense	-	238,457	-	-	32,301	270,758
Total Expenditures	<u>3,567,285</u>	<u>1,628,977</u>	<u>1,263,769</u>	<u>6,316</u>	<u>1,606,437</u>	<u>8,072,784</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(363,648)</u>	<u>(941,404)</u>	<u>(979,090)</u>	<u>190,179</u>	<u>13,576</u>	<u>(2,080,387)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Long-Term Debt	-	615,000	175,000	-	-	790,000
Transfers In	439,434	354,305	376,140	-	54,549	1,224,428
Transfers Out	-	(96,083)	-	(167,470)	(539,538)	(803,091)
Total Other Financing Sources and Uses	<u>439,434</u>	<u>873,222</u>	<u>551,140</u>	<u>(167,470)</u>	<u>(484,989)</u>	<u>1,211,337</u>
Net Change in Fund Balances	75,786	(68,182)	(427,950)	22,709	(471,413)	(869,050)
Fund Balances (Deficits) - Beginning	2,020,387	132,958	768,031	(1,589,797)	1,975,005	3,306,584
Fund Balances (Deficits) - Ending	<u>\$ 2,096,173</u>	<u>\$ 64,776</u>	<u>\$ 340,081</u>	<u>\$ (1,567,088)</u>	<u>\$ 1,503,592</u>	<u>\$ 2,437,534</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, 2019**

Net change in fund balances - total governmental funds:		\$ (869,050)
<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	1,684,976	
Loss on disposal	(51,595)	
Depreciation expenses reported in the statement of activities	<u>(824,964)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		808,417
<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 decreased		59,592
<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		(790,000)
The amount of long-term debt principal payments in the current year is:		1,521,020
<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		22,961
<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		33,322
<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 and OPEB liability from the prior year to the current year, with some adjustments</p>		
		(182,730)
Change in Net Position of governmental activities		<u><u>\$ 603,532</u></u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

Statement of Net Position  
Proprietary Funds  
December 31, 2019

	<u>Enterprise Funds</u>		
	<u>Electric and Water</u>	<u>Sewer</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 774,850	\$ 372,273	\$ 1,147,123
Receivables			
Taxes	31,594	-	31,594
Special Assessments	1,788	-	1,788
Accounts	1,414,094	-	1,414,094
Due from Other Funds	50,783	34,839	85,622
Inventories	230,266	-	230,266
Prepaid Expenses	16,388	3,741	20,129
Total Current Assets	<u>2,519,763</u>	<u>410,853</u>	<u>2,930,616</u>
Restricted:			
Restricted Cash and Cash Equivalents	1,424,840	1,171,083	2,595,923
Total Restricted Assets	<u>1,424,840</u>	<u>1,171,083</u>	<u>2,595,923</u>
Capital Assets:			
Land and Improvements	76,448	94,914	171,362
Construction Work in Progress	757,818	-	757,818
Other Capital Assets	30,850,043	21,134,927	51,984,970
Less Accumulated Depreciation	(13,131,203)	(5,744,454)	(18,875,657)
Net Capital Assets	<u>18,553,106</u>	<u>15,485,387</u>	<u>34,038,493</u>
Noncurrent Assets			
Advances Receivable	943,799	92,413	1,036,212
Other Deferred Debits	119,537	-	119,537
Total Noncurrent Assets	<u>1,063,336</u>	<u>92,413</u>	<u>1,155,749</u>
Total Assets	<u>23,561,045</u>	<u>17,159,736</u>	<u>40,720,781</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	512,599	93,076	605,675
Deferred OPEB Outflows	7,336	953	8,289
Total Deferred Outflows of Resources	<u>519,935</u>	<u>94,029</u>	<u>613,964</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 24,080,980</u>	<u>\$ 17,253,765</u>	<u>\$ 41,334,745</u>

See accompanying notes to the basic financial statements.

**City of Evansville, Wisconsin**

**Statement of Net Position  
Proprietary Funds  
December 31, 2019**

	<b>Enterprise Funds</b>		
	<b>Electric and Water</b>	<b>Sewer</b>	<b>Total</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 534,227	\$ 34,681	\$ 568,908
Accrued Liabilities	118,884	8,475	127,359
Accrued Interest Payable	28,398	29,159	57,557
Due to Other Funds	-	50,783	50,783
Compensated Absences	4,326	-	4,326
Bonds and Notes Payable	840,441	547,782	1,388,223
Total Current Liabilities	<u>1,526,276</u>	<u>670,880</u>	<u>2,197,156</u>
Non-Current Liabilities:			
Long-Term Debt			
Bonds and Notes Payable	6,377,202	6,586,814	12,964,016
Total Long-Term Debt	<u>6,377,202</u>	<u>6,586,814</u>	<u>12,964,016</u>
Other Liabilities			
Compensated Absences	56,546	-	56,546
OPEB Liability - Health Insurance	71,034	7,097	78,131
OPEB Liability - Life Insurance	34,157	4,438	38,595
Net Pension Liability	188,673	34,259	222,932
Total Other Liabilities	<u>350,410</u>	<u>45,794</u>	<u>396,204</u>
Total Non-Current Liabilities	<u>6,727,612</u>	<u>6,632,608</u>	<u>13,360,220</u>
Total Liabilities	<u>8,253,888</u>	<u>7,303,488</u>	<u>15,557,376</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>604,373</u>	<u>116,925</u>	<u>721,298</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	12,010,980	8,350,791	20,361,771
Restricted for capital	136,211	1,171,083	1,307,294
Restricted for debt	435,840	320,232	756,072
Unrestricted	2,639,688	(8,754)	2,630,934
Total Net Position	<u>15,222,719</u>	<u>9,833,352</u>	<u>25,056,071</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; NET POSITION</b>	<u>\$ 24,080,980</u>	<u>\$ 17,253,765</u>	<u>\$ 41,334,745</u>

See accompanying notes to the basic financial statements.



**City of Evansville, Wisconsin**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2019**

	<u>Enterprise Funds</u>		
	<u>Electric and Water</u>	<u>Sewer</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 8,676,744	\$ 1,289,456	\$ 9,966,200
Other Operating Revenues	87,411	30,469	117,880
Total Operating Revenues	<u>8,764,155</u>	<u>1,319,925</u>	<u>10,084,080</u>
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	6,984,543	519,442	7,503,985
Depreciation	873,116	415,034	1,288,150
Total Operating Expenses	<u>7,857,659</u>	<u>934,476</u>	<u>8,792,135</u>
Operating Income (Loss)	<u>906,496</u>	<u>385,449</u>	<u>1,291,945</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and Investment Revenue	67,074	39,784	106,858
Miscellaneous Non-Operating Revenue	18,362	25,991	44,353
Interest Expense	(162,798)	(150,121)	(312,919)
Miscellaneous Non-Operating Expenses	(44,600)	-	(44,600)
Net Amortization Revenue (Expense)	6,814	-	6,814
Total Non-Operating Revenue (Expenses)	<u>(115,148)</u>	<u>(84,346)</u>	<u>(199,494)</u>
Income (Loss) Before Contributions and Transfers	791,348	301,103	1,092,451
Capital Contributions	46,800	67,400	114,200
Transfers In	18,097	-	18,097
Transfers Out	(439,434)	-	(439,434)
Change in Net Position	<u>416,811</u>	<u>368,503</u>	<u>785,314</u>
Total Net Position - Beginning	14,805,908	9,464,849	24,270,757
Total Net Position - Ending	<u>\$ 15,222,719</u>	<u>\$ 9,833,352</u>	<u>\$ 25,056,071</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, 2019**

	Electric & Water	Sewer
<u>Cash Flows From Operating Activities:</u>		
Receipts from customers	\$ 8,735,247	\$ 1,319,925
Payments to suppliers	(5,705,268)	(283,278)
Payments to employees	(1,103,992)	(242,065)
Taxes paid	(439,434)	-
Net cash provided (used) by operating activities	1,486,553	794,582
<u>Cash Flows From Capital and Related</u>		
<u>Financing Activities:</u>		
Acquisition and construction of plant assets	(1,346,615)	(2,648,056)
Proceeds from long-term debt	1,575,000	3,019,557
Interfund for capital	18,097	-
Principal payments on long-term debt	(1,395,440)	(458,143)
Interest and fiscal charges	(162,798)	(139,456)
Connection fees	-	67,400
Contributions for plant	46,800	-
Net cash provided (used) for capital and related financing activities	(1,260,248)	(158,698)
<u>Cash Flows From Investing Activities:</u>		
Interest on investments	67,074	39,784
Net cash provided (used) for investing activities	67,074	39,784
Net increase (decrease) in cash and equivalents	293,379	675,668
Cash and equivalents - beginning of year	1,906,311	867,688
Cash and equivalents - end of year	\$ 2,199,690	\$ 1,543,356

See accompanying notes to the basic financial statements.

**City of Evansville, Wisconsin**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019**

	Electric & Water	Sewer
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ 906,496	\$ 385,449
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Non-Operating revenues	18,362	25,991
Amortization	-	(19,800)
Tax equivalent	(439,434)	-
Depreciation	873,116	415,034
Joint meter allocation	21,620	(21,620)
Pension expense	78,345	10,417
Changes in Assets and Liabilities:		
Receivables	(28,908)	-
Due to/from other funds	(50,783)	15,944
Inventories	(36,308)	-
Prepays	515	139
Accounts payable	76,301	(18,449)
Other Accrued liabilities	67,231	1,477
Net cash provided (used) by operating activities	\$ 1,486,553	\$ 794,582
Reconciliation of cash and cash equivalents to balance sheet accounts		
Cash and investments	\$ 774,850	\$ 372,273
Restricted assets	1,424,840	1,171,083
Total Cash and Investments	2,199,690	1,543,356
Cash and cash equivalents- End of year	\$ 2,199,690	\$ 1,543,356

See accompanying notes to the basic financial statements.

**City of Evansville, Wisconsin**

**Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2019**

	<b>Tax Custodial Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,011,149
Receivables:	
Taxes Receivable	5,594,219
Total Assets	<u>\$ 7,605,368</u>
<b>LIABILITIES</b>	
Due to Other Governments	\$ 7,605,368
Total Liabilities	<u>\$ 7,605,368</u>

See accompanying notes to the basic financial statements.

**City of Evansville, Wisconsin  
Evansville, WI**

**Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
December 31, 2019**

	<u><b>Tax Custodial Fund</b></u>
<b>ADDITIONS</b>	
Property tax collections for other governments	\$ 4,302,493
Total additions	<u>4,302,493</u>
<b>DEDUCTIONS</b>	
Payments of taxes to other governments	<u>4,302,493</u>
Total deductions	<u>4,302,493</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, 2019**

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**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, 2019**

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**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, 2019**

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**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.

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

Stormwater 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, 2019**

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**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, 2019**

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

**Fund 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 reserved fund balance in the debt service fund.

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, 2019**

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

**Fund 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 agency 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, 2019**

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**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 agency fund balance sheet.

Property tax calendar – 2019 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	July 31, 2019
Personal property taxes in full	January 31, 2019

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”.

The City has a loan receivable of \$280,000 secured by a mortgage to finance apartment renovations. The loan is payable in installments of \$11,200 for 25 years with no interest. Payments are deferred for five years following issuance of the first occupancy permits. The funds were secured by a CDBG grant that was recorded as City revenue to offset costs to fund the renovations. The loan repayment will be used to fund a revolving loan fund. A deferred inflow is recorded to offset the receivable in the general fund. The inflow has been accrued in the government-wide statements.

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

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

**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.

**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:

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
Electric and water	\$ 65,885	Bond reserve on revenue bonds
Electric and water	290,518	Special redemption fund
Electric and water	136,211	Water impact fees
Electric and water	932,226	Treasury notes investment
Sewer	850,083	Replacement fund
Sewer	321,000	Special redemption fund
	<u>\$ 2,595,923</u>	

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

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

**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.

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, 2019**

**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	\$ 106	\$ -
Accumulated sick leave	211,879	56,546
Vacation and holiday liability	35,810	4,326
	\$ 247,795	\$ 60,872

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, 2019**

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**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, 2019**

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**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, 2019**

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**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) 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 additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

**13. Change in Accounting Principle**

Effective January 1, 2019, the City adopted provisions of GASB statement No. 84, Fiduciary Activities. GASB No. 84 on Fiduciary Funds, establishes general criteria for determining what activities should be reported in the fiduciary funds and requires the recognition of a liability when an event has occurred that requires the disbursement of fiduciary resources. Implementation of GASB No. 84 Fiduciary Funds replaces Agency Fund types with Custodial Funds for the accumulation of assets for entities outside the government's reporting entity. Unlike Agency Funds, custodial funds present a statement of net position and a statement of changes in net position. The statement of changes in fiduciary net position report additions and deductions for taxes collected and distributed on behalf of or to other governments.

**E. REVENUE RECOGNITION – ENTERPRISE FUNDS**

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.

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

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**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.

**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, 2019, the cash and investments consist of the following:

Petty cash/cash on hand	\$ 1,830
Deposits with financial institutions	9,225,048
Wisconsin Local Government Investment Pool	164,700
U.S. Treasury notes	932,226
RESCO stock certificates	62,391
	<u>\$ 10,386,195</u>

Cash and investments as of December 31, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 5,779,123
Restricted cash and investments	2,595,923
Fiduciary Funds:	
Cash and investments	2,011,149
	<u>\$ 10,386,195</u>

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

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**A. CASH AND CASH EQUIVALENTS/INVESTMENTS (continued)**

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.
- (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.

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, 2018, the City has \$164,700 invested in the Local Government Investment Pool (LGIP) which has an average maturity of 18 days. Additionally, the City has U.S. Treasury investments with a fair value of \$295,251 maturing 12/31/2020, \$294,924 maturing 12/31/2021 and \$296,275 maturing 12/31/2022.

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, 2019, 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.

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

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**A. CASH AND CASH EQUIVALENTS/INVESTMENTS (Continued)**

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, 2019, 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.

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, 2018 was: 88.05% in U.S. Government Securities, 2.7% in Certificates of Deposit and Bankers' Acceptances and 9.25% 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 \$4,452,733.

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

**A. CASH AND CASH EQUIVALENTS/INVESTMENTS (Continued)**

As of December 31, 2019, 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 in agents name	<u>\$ 4,431,412</u>
Total	<u><u>\$ 4,431,412</u></u>

**B. FAIR VALUE MEASUREMENT**

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurements date.

The City uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the City's assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The City uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the City measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

Assets at Fair Value as of December 31, 2019				
	Fair Value	Level 1	Level 2	Level 3
US Treasury Investments	<u>932,226</u>	<u>932,226</u>	<u>-</u>	<u>-</u>
	<u>\$ 932,226</u>	<u>\$ 932,226</u>	<u>-</u>	<u>\$ -</u>

The City carries investments in exchange-traded funds with readily determinable fair values based on the closing price reported on the active market where the individual securities are traded (level 1 inputs).

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

**C. CAPITAL ASSETS**

Capital asset activity in the governmental activities for the year ended December 31, 2019 was as follows:

	Balance 01/01/19	Additions	Retirements	Balance 12/31/19
<b>Governmental Activities</b>				
Non-Depreciable Capital Assets:				
Land	\$ 602,043	\$ -	\$ -	\$ 602,043
Infrastructure CWIP	4,051,220	934,513	(4,277,870)	707,863
Total Non-Depreciable Capital Assets	<u>4,653,263</u>	<u>934,513</u>	<u>(4,277,870)</u>	<u>1,309,906</u>
Capital Assets being Depreciated				
Land Improvements	2,642,848	246,912	-	2,889,760
Buildings and Structures	2,690,008	3,866,607	-	6,556,615
Equipment	3,255,842	332,670	(117,062)	3,471,450
Infrastructure	5,736,705	582,144	-	6,318,849
Total Capital Assets being Depreciated	<u>14,325,403</u>	<u>5,028,333</u>	<u>(117,062)</u>	<u>19,236,674</u>
Total Capital Assets	18,978,666	5,962,846	(4,394,932)	20,546,580
Less Accumulated Depreciation	<u>(7,512,911)</u>	<u>(824,964)</u>	<u>65,467</u>	<u>(8,272,408)</u>
Capital Assets Net of Depreciation	<u>\$ 11,465,755</u>	<u>\$ 5,137,882</u>	<u>\$ (4,329,465)</u>	<u>\$ 12,274,172</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Government	\$ 39,349
Public Safety	113,905
Public Works	345,824
Health and Human Services	5,146
Stormwater	71,158
Culture, Recreation and Education	<u>249,582</u>
Total Governmental Activities Depreciation Expense	<u>\$ 824,964</u>

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

**C. CAPITAL ASSETS (Continued)**

Capital asset activity in the business-type activities for the year ended December 31, 2019 was as follows:

	Balance 01/01/19	Additions	Retirements	Balance 12/31/19
<b>Electric and Water</b>				
Non-Depreciable Capital Assets:				
Land	\$ 76,448	\$ -	\$ -	\$ 76,448
Construction in progress	618,163	693,821	(554,166)	757,818
Total Non-Depreciable Capital Assets	694,611	693,821	(554,166)	834,266
Capital Assets being Depreciated				
Buildings and structures	790,598	-	-	790,598
Equipment	1,881,283	129,493	-	2,010,776
Infrastructure	27,085,272	1,077,467	(114,070)	28,048,669
Total Capital Assets being Depreciated	29,757,153	1,206,960	(114,070)	30,850,043
Total Capital Assets	30,451,764	1,900,781	(668,236)	31,684,309
Less Accumulated Depreciation	(12,350,537)	(894,736)	114,070	(13,131,203)
Capital Assets Net of Depreciation	<u>\$ 18,101,227</u>	<u>\$ 1,006,045</u>	<u>\$ (554,166)</u>	<u>\$ 18,553,106</u>

	Balance 01/01/19	Additions	Retirements	Balance 12/31/19
<b>Wastewater Treatment:</b>				
Non-Depreciable Capital Assets:				
Land	\$ 94,914	\$ -	\$ -	\$ 94,914
Construction in progress	3,050,380	885,231	(3,935,611)	-
Total Non-Depreciable Capital Assets	3,145,294	885,231	(3,935,611)	94,914
Capital Assets being Depreciated				
Buildings and structures	4,837,057	2,647,185	-	7,484,242
Equipment	5,270,809	1,071,596	-	6,342,405
Infrastructure	6,712,434	595,846	-	7,308,280
Total Capital Assets being Depreciated	16,820,300	4,314,627	-	21,134,927
Total Capital Assets	19,965,594			21,229,841
Less Accumulated Depreciation	(5,351,041)	(393,413)	-	(5,744,454)
Capital Assets Net of Depreciation	<u>\$ 14,614,553</u>	<u>\$ (393,413)</u>	<u>\$ -</u>	<u>\$ 15,485,387</u>



**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

**C. CAPITAL ASSETS (Continued)**

	Balance 01/01/19	Additions	Retirements	Balance 12/31/19
<b>Business-Type Activities</b>				
Non-Depreciable Capital Assets:				
Land	\$ 171,362	\$ -	\$ -	\$ 171,362
Construction in progress	3,668,543	1,579,052	(4,489,777)	757,818
Total Non-Depreciable Capital Assets	<u>3,839,905</u>	<u>1,579,052</u>	<u>(4,489,777)</u>	<u>929,180</u>
Capital Assets being Depreciated				
Buildings and structures	5,627,655	2,647,185	-	8,274,840
Equipment	7,152,092	1,201,089	-	8,353,181
Infrastructure	33,797,706	1,673,313	(114,070)	35,356,949
Total Capital Assets being Depreciated	<u>46,577,453</u>	<u>5,521,587</u>	<u>(114,070)</u>	<u>51,984,970</u>
Total Capital Assets	50,417,358	7,100,639	(4,603,847)	52,914,150
Less Accumulated Depreciation	<u>(17,701,578)</u>	<u>(1,288,149)</u>	<u>114,070</u>	<u>(18,875,657)</u>
Capital Assets Net of Depreciation	<u>\$ 32,715,780</u>	<u>\$ 5,812,490</u>	<u>\$ (4,489,777)</u>	<u>\$ 34,038,493</u>

Depreciation expense was charged to functions as follows:

<b>Business-Type Activities</b>		
Water		\$ 213,084
Electric		681,652
Sewer		393,413
Total Business-Type Activities Depreciation Expense		<u>\$ 1,288,149</u>

**D. 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>			
Receivable Fund	Payable Fund	Amount	Purpose
Electric and water	Sewer	\$ 50,783	Operations
Sewer	TIF 9	34,839	Cash Flow
Subtotal fund financial statements		<u>\$ 85,622</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, 2019**

**D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (Continued)**

The City has the following interfund advances outstanding:

<u>Receivable Fund</u>	<u>Advances Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	TIF 5	\$ 551,682	Capital
Subtotal general fund		<u>551,682</u>	
Electric and water	TIF 5	943,799	Capital
Sewer	TIF 5	92,413	Capital
Subtotal fund financial statements		<u>\$ 1,587,894</u>	
Total interfund receivables		\$ 85,622	
Total inter-fund advances		1,587,894	
less inter-fund eliminations		<u>(602,465)</u>	
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:

<u>Transferred to</u>	<u>Transferred from</u>	<u>Amount</u>	<u>Purpose</u>
General	Electric and Water	\$ 439,434	Tax equivalent
Capital	Library	352,703	Capital costs
Capital	Debt service	23,437	Special assessments
Stormwater	Debt Service	54,549	Special assessments
Electric and Water	Debt Service	18,097	Special assessments
Debt service	TIF 5	167,470	Debt payments
Debt service	TIF 6	68,398	Debt payments
Debt service	TIF 7	65,525	Debt payments
Debt service	TIF 8	52,912	Debt payments
Subtotal fund statements		<u>1,242,525</u>	
less inter-fund eliminations		<u>(821,188)</u>	
Total per government-wide statements		<u>\$ 421,337</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, 2019**

**E. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2019 was as follows:

	<u>Balance 1/1/19</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/19</u>
<b>Governmental Activities</b>				
Bonds and Notes from direct borrowings and direct placements	\$ 753,339	\$ -	\$ 90,520	\$ 662,819
Other Bonds and Notes	8,055,000	790,000	1,430,500	7,414,500
	<u>8,808,339</u>	<u>790,000</u>	<u>1,521,020</u>	<u>8,077,319</u>
Compensated absences	<u>307,386</u>	<u>-</u>	<u>59,591</u>	<u>247,795</u>
Total Governmental Long-Term Debt	<u>\$ 9,115,725</u>	<u>\$ 790,000</u>	<u>\$ 1,580,611</u>	<u>\$ 8,325,114</u>
	<u>Balance 1/1/19</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/19</u>
<b>Business-Type Activities</b>				
Bonds and Notes from direct borrowings and direct placements	\$ 4,148,265	\$ 2,359,559	\$ 253,085	\$ 6,254,739
Bonds and Notes	7,463,000	2,055,000	1,420,500	8,097,500
Total bonds and notes	<u>11,611,265</u>	<u>4,414,559</u>	<u>1,673,585</u>	<u>14,352,239</u>
Compensated absences	<u>57,594</u>	<u>-</u>	<u>3,278</u>	<u>54,316</u>
Total Business-Type Activities	<u>\$ 11,668,859</u>	<u>\$ 4,414,559</u>	<u>\$ 1,676,863</u>	<u>\$ 14,406,555</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, 2019**

**E. 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, 2019 was \$20,399,730. Total general obligation debt outstanding at year-end was \$9,208,991.

The following is a list of long-term obligations at December 31, 2019:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19	Amounts Due within One Year
<b>Governmental Activities</b>						
<b>Direct Borrowings and Direct Placements</b>						
2017 State Trust Fund Loan	9/19/2017	3/15/2027	3.50%	\$ 717,920	581,870	64,239
2018 Bank Note	10/19/2018	10/19/2023	2.297%	\$ 100,000	75,000	25,000
WPPI Note	10/1/2011	10/1/2021	0.000%	\$ 33,994	5,949	3,399
Total Direct Borrowings and Placements					<u>662,819</u>	<u>92,638</u>
<b>General Obligation Debt</b>						
2013 General Obligation Notes	1/24/2013	4/1/2022	0.4%-1.6%	\$ 260,000	\$ 240,000	\$ 85,000
2015 General Obligation Notes	5/28/2015	10/1/2025	.5%-2.2%	\$ 390,000	100,000	20,000
2018 General Obligation Notes	5/30/2018	4/1/2028	1.9%-2.85%	\$ 4,180,000	3,835,000	385,000
2019 General Obligation Notes	6/1/2019	4/1/2029	3.0%-4.0%	\$ 790,000	790,000	105,000
Total General Obligation Notes					<u>4,965,000</u>	<u>595,000</u>
2009 G.O. Refunding Bonds	4/30/2009	4/1/2027	2.30-5.10%	\$ 1,205,000	-	-
2012 Taxable General Obligation Bond	5/24/2012	10/1/2027	1.25%-3.90%	\$ 460,000	260,000	30,000
2017 General Obligation Refunding Bonds	8/30/2017	4/1/2027	2.00-3.00%	\$ 1,855,000	1,600,000	180,000
Total General Obligation Bonds					<u>1,860,000</u>	<u>210,000</u>
Stormwater Revenue Bonds	5/30/2018	5/1/2028	3.875%	\$ 655,000	589,500	65,500
Other Notes and Bonds					<u>\$ 7,414,500</u>	<u>\$ 870,500</u>
Total Governmental Long-Term Debt					<u>\$ 8,077,319</u>	<u>\$ 963,138</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
2020	\$ 92,638	\$ 21,874	\$ 870,500	\$ 181,644	\$ 963,138	\$ 203,518
2021	94,092	18,988	850,500	161,501	944,592	180,489
2022	93,872	16,077	875,500	140,590	969,372	156,667
2023	71,282	13,378	830,500	118,960	901,782	132,338
2024	73,748	10,913	825,500	97,175	899,248	108,088
2025-2029	237,187	16,794	3,162,000	166,028	3,399,187	182,822
	<u>\$ 662,819</u>	<u>\$ 98,024</u>	<u>\$ 7,414,500</u>	<u>\$ 865,898</u>	<u>\$ 8,077,319</u>	<u>\$ 963,922</u>

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

**E. LONG-TERM OBLIGATIONS (Continued)**

**Proprietary Debt**

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19	Amounts Due within One Year
<b>Business-Type Activities</b>						
Electric and Water						
Other Bonds and Notes						
General Obligation Debt						
2013 General Obligation Notes	1/24/2013	4/1/2022	.4%-1.6%	\$ 1,390,000	\$ 450,000	\$ 160,000
2015 General Obligation Notes	5/28/2015	10/1/2025	.5%-2.2%	\$ 330,000	210,000	35,000
Subtotal electric and water general obligation debt					660,000	195,000
Mortgage Revenue Bonds						
2014 Revenue Bonds	7/2/2014	5/1/2025	0.7-3.1%	\$ 3,165,000	2,025,000	320,000
2016 Revenue Bonds	7/21/2016	5/1/2036	0.9-3.15%	\$ 3,239,999	2,775,000	195,000
2019 Revenue Bonds	7/21/2016	5/1/2036	0.9-3.15%	\$ 3,240,000	1,575,000	100,000
Subtotal electric and water revenue bonds					6,375,000	615,000
Total Electric and Water Other Bonds and Notes					7,035,000	810,000
Sewer Utility						
General Obligation Debt						
2015 General Obligation Notes	5/28/2015	10/1/2025	.5%-2.2%	\$ 240,000	210,000	35,000
2019 General Obligation Notes	6/1/2019	4/1/2029	3.0%-4.0%	\$ 480,000	480,000	45,000
Subtotal sewer general obligation debt					690,000	80,000
Other Revenue Bonds						
2016 Revenue Bonds	7/29/2016	5/1/2026	1.970%	\$ 185,000	129,500	18,500
2018 Revenue Bonds	5/30/2018	5/1/2028	3.875%	\$ 270,000	243,000	27,000
Subtotal sewer Other revenue bonds					372,500	45,500
Total Sewer Other Bonds and Notes					1,062,500	125,500
Total Business-Type Other Bonds and Notes					8,097,500	935,500
Direct Borrowings and Direct Placements						
WPPI Loan- electric	11/30/2015	11/28/2025	0%	\$ 304,406	182,644	30,441
WPPI Loan - sewer	3/25/2010	3/25/2020	0%	\$ 161,600	5,387	5,387
2005 Clean Water Fund Debt - s	7/27/2005	5/1/2025	2.365%	\$ 1,602,737	561,632	88,222
2009 Clean Water Fund Debt - s	11/25/2009	5/1/2029	2.668%	\$ 3,248,127	1,913,769	169,508
2018 Clean Water Fund Debt - s	6/27/2018	5/1/2038	1.870%	\$ 3,994,925	3,591,307	159,165
Direct Borrowings and Direct Placements					6,254,739	452,723

**CITY OF EVANSVILLE**  
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**E. 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
2020	\$ 452,723	\$ 126,959	\$ 935,500	\$ 189,322	\$ 1,388,223	\$ 579,682
2021	456,921	117,009	950,500	170,155	1,407,421	573,930
2022	466,733	107,082	955,500	149,630	1,422,233	573,815
2023	476,774	96,921	885,500	128,032	1,362,274	573,695
2024	487,053	86,522	905,500	105,316	1,392,553	573,575
2025-2029	2,055,721	287,424	2,925,000	243,557	4,980,721	2,343,145
2030-2034	994,313	128,003	380,000	52,763	1,374,313	1,122,316
2035-2038	864,501	32,706	160,000	5,040	1,024,501	897,207
	<u>\$ 6,254,739</u>	<u>\$ 982,626</u>	<u>\$ 8,097,500</u>	<u>\$ 1,043,815</u>	<u>\$ 14,352,239</u>	<u>\$ 7,237,365</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.

**Current Refunding**

During 2019, the City issued revenue bonds of \$1,575,000. A portion of these bonds (\$545,000) were used to refinance 2009 revenue bonds. The notes, along with funds on hand, were used to current refund \$625,000 in revenue bonds. The refunding reduced future debt service by \$133,435 resulting in a net present value savings of \$52,086.

In addition, during 2019, the City issued general obligation notes of \$1,270,000. A portion of these notes (\$615,000) were used to refinance 2009 general obligation notes. The notes, along with funds on hand, were used to current refund \$645,000 in general obligation bonds. The refunding reduced future debt service by \$80,746 resulting in a net present value savings of \$68,320.

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

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**E. 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, 2019.

The utilities are covered under the following insurance policies at December 31, 2019:

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, 2019**

**E. LONG-TERM OBLIGATIONS (Continued)**

	<b>Electric and</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Storm</b>
Annual debt service 2005 CWFL	\$ -	\$ 100,486	\$ -
Annual debt service 2009 CWFL	-	208,367	-
Annual debt service 2018 CWFL	-	184,346	-
Annual debt service 2016 MRB	-	21,270	-
Annual debt service 2018 MRB	-	36,939	89,612
Annual debt service 2019 bonds	19,031	-	-
Annual debt service 2009 bonds	54,793	-	-
Annual debt service 2014 bonds	365,240	-	-
Annual debt service 2016 bonds	261,210	-	-
Total debt service	700,274	551,408	89,612
Ratio	125%	110%	110%
Net Revenues required	\$ 875,343	\$ 606,549	\$ 98,573
<b>REVENUES</b>			
Charges for Services	\$ 8,676,744	\$ 1,289,456	\$ 220,775
Other Operating Revenues	87,411	30,469	1,095
Total Operating Revenues	8,764,155	1,319,925	221,870
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	6,984,543	519,442	129,570
Total expenses for coverage ratio calculation	6,984,543	519,442	129,570
Net from operations for coverage ratio calculation	1,779,612	800,483	92,300
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and Investment Revenue	67,074	39,784	13,422
Miscellaneous Non-Operating Revenue (Expense)	18,362	25,992	-
Capital Contributions and Impact Fees Received	46,800	67,400	-
Net Revenues per bond ordinance	\$ 1,929,945	\$ 933,659	\$ 160,271
Net Revenues Above (Below) Required Amount	\$ 1,054,602	\$ 327,110	\$ 61,698



**CITY OF EVANSVILLE**  
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**E. LONG-TERM OBLIGATIONS (Continued)**

**Number of Customers**

The Water/Electric, Sewer, and Storm utilities had the following number of customers and billed volumes for 2019:

Water	Customers	Sales (000 gals)
Residential	2,122	86,416
Commercial	177	15,996
Industrial	15	6,931
Public Authority	15	2,946
Multifamily	9	3,564
	2,338	115,853
Electric	Customers	
Residential	3,977	
Commercial/Industrial	679	
Lighting Service	46	
	4,702	
Sewer	Customers	Sales (000 gals)
Residential	2,140	84,944
Commercial	186	17,452
Industrial	9	3,029
Public Authority	13	2,078
	2,348	107,503
Storm	Customers	
Residential	2,053	
Non-Residential	240	
	2,293	

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
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**F. DEFERRED INFLOWS OF RESOURCES**

At the end of the 2019, 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>
<b>Governmental Funds</b>			
Property taxes receivable	\$ -	\$ 3,627,754	\$ 3,627,754
Special assessments not yet due	200,743	-	200,743
Total Deferred Inflows of Resources For Governmental Funds	<u>\$ 200,743</u>	<u>\$ 3,627,754</u>	\$ 3,828,497
less special assessments accrued for government-wide statements			(200,743)
plus WRS pension and OPEB inflows accrued for government-wide statements			573,396
Deferred Inflows of Resources-government wide statements			<u>\$ 4,201,150</u>
	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
<b>Proprietary Funds</b>			
Wind turbine power	\$ 69,300	\$ -	\$ 69,300
Construction advances	178,886	-	178,886
Regulatory credit	113,483	-	113,483
ATC advance	26,942	-	26,942
WRS pension inflows	308,005	-	308,005
OPEB inflows	2,551	-	2,551
Other deferred inflows	22,131	-	22,131
Total Deferred Inflows of Resources for Proprietary Funds	<u>\$ 721,298</u>	<u>\$ -</u>	<u>\$ 721,298</u>

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
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**G. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES**

Net position reported on the government-wide statement of net position at December 31, 2019 includes the following:

	Governmental	Water and Light	Sewer	Total Business-type
Capital assets	\$ 12,274,172	\$ 18,553,106	\$ 15,485,387	\$ 34,038,493
less current portion LT debt	(963,138)	(840,441)	(547,782)	(1,388,223)
less LT debt	(7,114,181)	(6,377,202)	(6,586,814)	(12,964,016)
less deferred regulatory credit	-	(113,483)	-	(113,483)
plus bond reserve	-	789,000	-	789,000
Net investment in capital assets	<u>\$ 4,196,853</u>	<u>\$ 12,010,980</u>	<u>\$ 8,350,791</u>	<u>\$ 20,361,771</u>

Capital \$ - Regular cash account

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

	<u>Non- spendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
<b>General Fund:</b>					
Advances (net of deferred interest)	\$ 551,682	\$ -	\$ -	\$ -	\$ -
Revolving loan	-	55,007	-	-	-
Building improvement grant	-	9,000	-	-	-
Prepaid expenses	61,507	-	-	-	-
Delinquent personal property taxes	26,089	-	-	-	-
Unassigned	-	-	-	-	1,392,888
Total General Fund	<u>639,278</u>	<u>64,007</u>	<u>-</u>	<u>-</u>	<u>1,392,888</u>
<b>Debt Service Fund:</b>					
Debt service	-	-	-	64,776	-
Total Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,776</u>	<u>-</u>
<b>Capital Projects Fund:</b>					
Capital outlay	-	-	-	340,081	-
Total Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>340,081</u>	<u>-</u>
<b>TIF 5:</b>					
Unassigned (Deficit)	-	-	-	-	(1,567,088)

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

**G. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (Continued)**

**Non-Major Governmental Funds:**

EMS	8,797	-	214,169	-	-
Library	6,328	-	233,369	-	-
Cemetery	1,503	-	73,846	-	-
Stormwater	766	-	374,143	-	-
Tourism Commission Fund	-	54,449	-	-	-
Revolving Loan Fund	-	-	421,438	-	-
TIF 6	-	53,891	-	-	-
TIF 7	-	37,066	-	-	-
TIF 8	-	39,946	-	-	-
TIF 9	-	-	-	-	(16,119)
Total Non-Major Governmental Funds	17,394	185,352	1,316,965	-	(16,119)
Grand Total	\$ 656,672	\$ 249,359	\$ 1,316,965	\$ 404,857	\$ (190,319)

The TIF deficits are anticipated to be recovered through future tax increments. The capital outlay fund is anticipated to be spent for 2019 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 Comprehensive Annual Financial Report (CAFR), 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**  
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**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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2009	(2.1%)	(42%)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17.0

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
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**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 \$192,927 in contributions from the employer.

Contribution rates as of December 31, 2018 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General (including Teachers, Executives and Elected Officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

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

At December 31, 2019, the City reported a liability (asset) of \$635,984 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018, the City's proportion was 0.01787635%, which was an increase of 0.00075847% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized pension expense of \$429,330.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
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**A. EMPLOYEE RETIREMENT PLAN (Continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 495,334	\$ (875,574)
Changes of assumptions	107,202	-
Net difference between projected and actual earnings on pension plan investments	928,812	-
Changes in proportion and difference between Employer contributions and proportionate share of contributions	1,839	(3,110)
Employer contributions subsequent to the measurement date	194,692	-
Total	\$ 1,727,879	\$ (878,684)

\$194,692 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2020	\$ 236,455
2021	\$ 59,727
2022	\$ 104,223
2023	\$ 254,099
2024	\$ -

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

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**A. EMPLOYEE RETIREMENT PLAN (Continued)**

**Actuarial assumptions.** The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market 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. 2.1% 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 using experience from 2015 – 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 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 arithmetic real rates of return for each major asset class are summarized in the following table:



**CITY OF EVANSVILLE**  
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**A. EMPLOYEE RETIREMENT PLAN (Continued)**

<b>Asset Allocation Targets and Expected Returns</b>			
<b>As of December 31, 2018</b>			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49	8.1	5.5
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
<b>Variable Fund Asset Class</b>			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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 as opposed to a discount rate of 7.20% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.71%. 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 long-term expected 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 (7.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

**CITY OF EVANSVILLE**  
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**A. EMPLOYEE RETIREMENT PLAN (Continued)**

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase to Discount Rate (8.00%)</b>
City's proportionate share of the net pension liability (asset)	\$ 2,527,469	\$ 635,984	\$ (770,480)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>

**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 Comprehensive Annual Financial Report (CAFR), 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, 2019 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of employee contribution

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, 2018 are as listed below:

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**B. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

<b>Life Insurance Employee Contribution Rates For the year ended December 31, 2018</b>	
<b>Attained Age</b>	<b>Basic</b>
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$799 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, 2019, the LRLIF Employer reported a liability (asset) of \$106,836 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018, the City's proportion was 0.04140400%, which was an decrease of 0.000701% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized OPEB expense of \$11,169.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (5,419)
Changes of assumptions	10,194	(23,158)
Net differences between projected and actual earnings on OPEB plan investments	2,553	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,542	(1,643)
Employer contributions subsequent to the measurement date	5,659	-
Totals	\$ 22,948	\$ (30,220)

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

**B. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

\$4,852 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, 2019. 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:	<b>Net Outflows (Inflows) of Resources</b>
2020	\$ (1,548)
2021	\$ (1,548)
2022	\$ (1,548)
2023	\$ (1,906)
2024	\$ (2,276)
Thereafter	\$ (4,105)
Total	\$ (12,931)

**Actuarial assumptions.** The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	3.63%
Salary Increases	
Inflation:	3.20%
Seniority/Merit:	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

**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.

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

**B. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Local OPEB Life Insurance**  
**Asset Allocation Targets and Expected Returns**  
**As of December 31, 2018**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Government Bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

**Single Discount rate.** A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. 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.

**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 3.63 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 (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	<b>1% Decrease to Discount Rate (3.22%)</b>	<b>Current Discount Rate (4.22%)</b>	<b>1% Increase to Discount Rate (5.22%)</b>
City's proportionate share of the net OPEB liability (asset)	\$151,982	\$106,836	\$72,017

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

**B. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Single Employer Health Insurance Plan

The City of Evansville implemented GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” for the fiscal year ended December 31, 2018. This superseded GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.” This implementation allows the City to report its liability for other postemployment benefits consistent with newly established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

**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, 2017, 40 active employees were eligible for the benefit terms, while one retiree was eligible.

**Total OPEB Liability.**

The City’s total OPEB liability of \$207,729 was measured at December 31, 2017, and was determined by an actuarial valuation as of December 31, 2017.

**Actuarial assumptions and other inputs.** The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.5 percent
Salary increases:	3.0 percent, average, including inflation
Discount rate	3.5 percent
Healthcare cost trend rates	Actual first year increase, then 7.00% decreasing by 0.50% down to 6.50%, then by 0.10% per year down to 5.0%, 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.

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

**B. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Mortality rates were based on the Wisconsin 2012 Mortality Table.

The actuarial assumptions used in the December 31, 2017 valuation were based on a study conducted in 2015 using the Wisconsin Retirement System (WRS) experience from 2012-2014.

*Changes in the Total OPEB Liability*

	Total OPEB Liability
<b>Balance at 12/31/2016</b>	<b>\$ 207,729</b>
<b>Changes for the year:</b>	
Service cost	21,069
Interest	7,575
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(7,620)
Benefit payments	(3,679)
<b>Net Changes</b>	<b>17,345</b>
 <b>Balance at 12/31/2017</b>	 <b>\$ 225,074</b>

There were no changes of benefit terms nor in assumptions.

*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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

		1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	12/31/2018	\$ 240,581	\$ 225,074	\$ 210,631

**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

**B. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*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 6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (actual first year increase, then 8.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (Actual first year increase, then 6.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (Actual first year increase, then 7.0% decreasing to 5.0%)	1% Increase (Actual first year increase, then 8.0% decreasing to 6.0%)
Total OPEB Liability 12/31/2018	\$ 202,140	\$ 225,074	\$ 252,085

*OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.* For the year ended December 31, 2018, the City recognized OPEB expense of \$27,804.

\$3,679 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, 2019. 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.

**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, 2019, the balance was \$113,483.



**CITY OF EVANSVILLE**  
**Notes to Financial Statements**  
**December 31, 2019**

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**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 \$5,236,713.

**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 2019, the City contributed \$243,973 to the District for dues. The City’s portion of the District’s 2020 budget is \$254,779. The District issues separate financial statements.

The City had a residual non-equity interest of approximately 58.25% in the District in 2019.

**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 2019, 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 these standards may restate portions of these financial statements.

**I. COMMITMENTS AND SUBSEQUENT EVENTS**

There are outstanding capital expenses for 2019 in a estimate amount of \$145,000 to be paid from reserves in the capital Fund, Water Fund, Storm Water fund and Sewer Fund.

The recent spread of the COVID-19 virus has created economic uncertainty internationally. The potential of COVID-19 to have an impact on the City is a possibility although no such impact can be determined at this time.

The City sold principal on US Treasury Bonds that would have matured for \$303,058 in March 2020. The city is considering future reinvestment options.

**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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property Taxes	\$ 1,503,305	\$ 1,503,305	\$ 1,503,305	\$ -
Other Taxes	3,300	3,300	4,859	1,559
Intergovernmental	714,199	716,299	722,053	5,754
License and Permits	256,665	347,765	344,791	(2,974)
Fines, Forfeits and Penalties	82,000	72,500	68,005	(4,495)
Public Charges for Services	466,846	449,446	446,433	(3,013)
Interest Income	31,600	53,100	44,366	(8,734)
Miscellaneous Income	47,200	58,650	69,825	11,175
Total Revenues	<u>3,105,115</u>	<u>3,204,365</u>	<u>3,203,637</u>	<u>(728)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	427,218	425,668	418,817	6,851
Public Safety	1,720,456	1,721,056	1,714,248	6,808
Public Works	945,823	998,323	994,939	3,384
Health and Human Services	38,760	38,760	37,610	1,150
Culture, Recreation and Education	302,314	306,014	300,693	5,321
Conservation and Development	111,423	106,173	100,978	5,195
Total Expenditures	<u>3,545,994</u>	<u>3,595,994</u>	<u>3,567,285</u>	<u>28,709</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(440,879)</u>	<u>(391,629)</u>	<u>(363,648)</u>	<u>27,981</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (including tax equivalent)	440,879	418,879	439,434	20,555
Total Other Financing Sources and Uses	<u>440,879</u>	<u>418,879</u>	<u>439,434</u>	<u>20,555</u>
Net Change in Fund Balances	-	27,250	75,786	48,536
Fund Balances - Beginning	2,020,387	2,020,387	2,020,387	-
Fund Balances - Ending	<u>\$ 2,020,387</u>	<u>\$ 2,047,637</u>	<u>\$ 2,096,173</u>	<u>\$ 48,536</u>

See accompanying notes to the required supplementary information.

**CITY OF EVANSVILLE  
WISCONSIN RETIREMENT SYSTEM  
December 31, 2019**

**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	Proportionate 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)
2018	1.78763500%	\$ 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
2019	\$ 192,927	\$ (192,927)	\$ -	\$ 2,478,433	7.78%
2018	\$ 194,559	\$ (194,559)	\$ -	\$ 2,478,434	7.85%
2017	183,611	(183,611)	-	2,302,788	7.97%
2016	163,344	(163,344)	-	2,146,271	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 SCHEDULES  
December 31, 2019**

**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	Proportionate 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)
2018	4.14040000%	\$ 106,836	\$ 2,252,000	4.74%	48.69%
2017	0.04210500%	\$ 126,676	\$ 1,770,636	7.15%	44.81%

**SCHEDULE OF 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
2019	\$ 797	(797)		\$ 2,252,000	0.04%
2018	\$ 4,852	(4,852)		\$ 2,358,390	0.21%

See accompanying notes to the required supplementary information

**CITY OF EVANSVILLE**  
**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**  
**December 31, 2019**

	<b>2018</b>
<b>Total OPEB Liability</b>	
Service Cost	\$ 21,069
Interest	7,575
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(7,620)
Benefit payments	(3,679)
Net change in total OPEB	17,345
Total OPEB Liability - Beginning	207,729
Total OPEB Liability - Ending	\$ 225,074
 <b>Covered Employee Payroll</b>	 \$ 2,349,378
 <b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	 9.58%

See accompanying notes to the required supplementary information

**CITY OF EVANSVILLE**  
**Notes to Required Supplementary Information**  
**December 31, 2019**

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**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 designated 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 6 preceding years.

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

*Changes of assumptions.* There were no changes of assumptions.

**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 9 preceding years.

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

*Changes of assumptions.* There were no changes of assumptions.

**CITY OF EVANSVILLE**  
**Notes to Required Supplementary Information**  
**December 31, 2019**

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**E. CITY NET OPEB LIABILITY SCHEDULES**

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 9 preceding years.

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

*Changes of assumptions.* There were no changes of assumptions.

*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

Non-Major Funds  
Combining Balance Sheet  
December 31, 2019

	Special Revenue Funds						Capital Projects Funds				Non-Major Funds
	EMS	Library	Cemetery	Tourism Commission	Revolving Loan	Stormwater	TIF 6	TIF 7	TIF 8	TIF 9	
<b>ASSETS</b>											
Cash and Cash Equivalents	\$ 225,109	\$ 321,438	\$ 101,409	\$ 55,303	\$ 421,438	\$ 436,460	\$ 83,234	\$ 46,462	\$ 54,158	\$ 20,628	\$ 1,765,639
Receivables:											
Taxes	75,662	208,893	65,639	-	-	-	86,596	26,165	39,552	5,314	507,821
Accounts	33,794	-	-	-	-	-	-	-	-	-	33,794
Prepaid Expenses	8,797	6,328	1,503	-	-	766	-	-	-	-	17,394
Total Assets	<u>\$ 343,362</u>	<u>\$ 536,659</u>	<u>\$ 168,551</u>	<u>\$ 55,303</u>	<u>\$ 421,438</u>	<u>\$ 437,226</u>	<u>\$ 169,830</u>	<u>\$ 72,627</u>	<u>\$ 93,710</u>	<u>\$ 25,942</u>	<u>\$ 2,324,648</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
Liabilities:											
Accounts Payable	\$ 11,423	\$ 5,066	\$ 237	\$ 854	\$ -	\$ 59,779	\$ -	\$ -	\$ -	\$ -	\$ 77,359
Accrued Liabilities	6,110	7,905	3,729	-	-	2,538	-	-	-	-	20,282
Due to Other Funds	-	-	-	-	-	-	-	-	-	34,839	34,839
Advances Payable	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>17,533</u>	<u>12,971</u>	<u>3,966</u>	<u>854</u>	<u>-</u>	<u>62,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,839</u>	<u>132,480</u>
Deferred Inflows of Resources	<u>102,863</u>	<u>283,991</u>	<u>89,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,939</u>	<u>35,561</u>	<u>53,764</u>	<u>7,222</u>	<u>688,576</u>
Fund Balance:											
Nonspendable	8,797	6,328	1,503	-	-	766	-	-	-	-	17,394
Restricted	-	-	-	54,449	-	-	53,891	37,066	39,946	-	185,352
Committed	214,169	233,369	73,846	-	421,438	374,143	-	-	-	-	1,316,965
Unassigned	-	-	-	-	-	-	-	-	-	(16,119)	(16,119)
Total Fund Balance	<u>222,966</u>	<u>239,697</u>	<u>75,349</u>	<u>54,449</u>	<u>421,438</u>	<u>374,909</u>	<u>53,891</u>	<u>37,066</u>	<u>39,946</u>	<u>(16,119)</u>	<u>1,503,592</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 343,362</u>	<u>\$ 536,659</u>	<u>\$ 168,551</u>	<u>\$ 55,303</u>	<u>\$ 421,438</u>	<u>\$ 437,226</u>	<u>\$ 169,830</u>	<u>\$ 72,627</u>	<u>\$ 93,710</u>	<u>\$ 25,942</u>	<u>\$ 2,324,648</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, 2019

	Special Revenue Funds						Capital Projects Fund				Non-Major Funds
	EMS	Library	Cemetery	Tourism Commission	Revolving Loan	Stormwater	TIF 6	TIF 7	TIF 8	TIF 9	
<b>REVENUES</b>											
Property Taxes	\$ 102,863	\$ 277,011	\$ 84,863	\$ -	\$ -	\$ -	\$ 73,439	\$ 27,152	\$ 87,238	\$ -	\$ 652,566
Other Taxes	-	-	-	14,700	-	-	-	-	-	-	14,700
Intergovernmental	70,521	62,502	-	-	-	-	1,052	4,065	2,199	-	140,339
Public Charges for Services	219,065	19,570	25,075	-	135,229	220,775	-	-	-	-	619,714
Interest Income	3,398	5,047	2,280	985	5,858	13,422	976	650	705	20	33,341
Miscellaneous Income	2,385	145,118	2,255	-	-	1,095	7,000	1,500	-	-	159,353
Total Revenues	<u>398,232</u>	<u>509,248</u>	<u>114,473</u>	<u>15,685</u>	<u>141,087</u>	<u>235,292</u>	<u>82,467</u>	<u>33,367</u>	<u>90,142</u>	<u>20</u>	<u>1,620,013</u>
<b>EXPENDITURES</b>											
Current:											
General Government	-	-	-	-	-	-	1,650	-	-	-	1,650
Public Safety	322,739	-	-	-	-	-	-	-	-	-	322,739
Public Works	-	-	-	-	-	129,570	-	-	-	-	129,570
Health and Human Services	-	-	118,546	-	-	-	-	-	-	-	118,546
Culture, Recreation and Education	-	358,307	-	-	-	-	-	-	-	-	358,307
Conservation and Development	-	-	-	10,141	-	-	-	-	500	150	10,791
Capital Outlay	-	-	-	-	-	498,613	500	2,150	770	-	502,033
Debt Service											
Principal Repayment	25,000	-	-	-	-	105,500	-	-	-	-	130,500
Interest Expense	2,726	-	-	-	-	29,575	-	-	-	-	32,301
Total Expenditures	<u>350,465</u>	<u>358,307</u>	<u>118,546</u>	<u>10,141</u>	<u>-</u>	<u>763,258</u>	<u>2,150</u>	<u>2,150</u>	<u>1,270</u>	<u>150</u>	<u>1,606,437</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>47,767</u>	<u>150,941</u>	<u>(4,073)</u>	<u>5,544</u>	<u>141,087</u>	<u>(527,966)</u>	<u>80,317</u>	<u>31,217</u>	<u>88,872</u>	<u>(130)</u>	<u>13,576</u>
<b>OTHER FINANCING SOURCES (USES)</b>											
Proceeds from Long-Term Debt	-	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	54,549	-	-	-	-	54,549
Transfers Out	-	(352,703)	-	-	-	-	(68,398)	(65,525)	(52,912)	-	(539,538)
Total Other Financing Sources and Uses	<u>-</u>	<u>(352,703)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,549</u>	<u>(68,398)</u>	<u>(65,525)</u>	<u>(52,912)</u>	<u>-</u>	<u>(484,989)</u>
Net Change in Fund Balances	47,767	(201,762)	(4,073)	5,544	141,087	(473,417)	11,919	(34,308)	35,960	(130)	(471,413)
Fund Balances (Deficit)- Beginning	175,199	441,459	79,422	48,905	280,351	848,326	41,972	71,374	3,986	(15,989)	1,975,005
Fund Balances (Deficit) - Ending	<u>\$ 222,966</u>	<u>\$ 239,697</u>	<u>\$ 75,349</u>	<u>\$ 54,449</u>	<u>\$ 421,438</u>	<u>\$ 374,909</u>	<u>\$ 53,891</u>	<u>\$ 37,066</u>	<u>\$ 39,946</u>	<u>\$ (16,119)</u>	<u>\$ 1,503,592</u>

**CITY OF EVANSVILLE  
EVANSVILLE, WISCONSIN  
REQUIRED AUDIT COMMUNICATIONS  
TO THE CITY COUNCIL**

**Year Ended December 31, 2019**

**Johnson Block & Company, Inc.  
Certified Public Accountants  
406 Science Drive, Suite 100  
Madison, Wisconsin 53711  
(608) 274-2002**

**CITY OF EVANSVILLE  
EVANSVILLE, WISCONSIN**

**Year Ended December 31, 2019**

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Appendix

    Adjusting Journal entries

## **AUDIT MATTERS REQUIRING COMMUNICATION TO THE GOVERNING BODY**

To the City Council  
City of Evansville  
Evansville, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evansville for the year ended December 31, 2019 and issued our report thereon dated August 10, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated to you such information in our letter to you dated October 31, 2019. Professional standards require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Evansville are described in Note 1 to the financial statements. In 2019, The City implemented the provisions of GASB Statement No.75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City of Evansville's financial statements were:

Management's estimates of the depreciable lives of property and equipment are based on the expected use of the respective assets and management's experience with similar assets used by the Village. Management's estimates of the OPEB and pension assets and liabilities and the related deferred outflows of resources are based on various factors. These estimates were computed by the pension plan administrator and the City's actuary. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The material misstatements detected as a result of audit procedures were corrected by management: The entries are attached.

### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 10, 2020.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on these statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the budgetary and Wisconsin Retirement System schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Evansville and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Johnson Block & Company, Inc.  
Certified Public Accountants  
Madison, Wisconsin

August 10, 2020



## **COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES**

To the City Council  
City of Evansville  
Evansville, Wisconsin

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Evansville as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Evansville's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Evansville's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Evansville's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the City of Evansville's internal control to be a material weakness:

### **2019-1 Financial Statement Preparation and Material Audit Adjustments**

A consequence of the size, combined with the specific expertise of your accounting and financial reporting department, is that management has elected to rely on the knowledge of its auditors to prepare its annual financial statements and related disclosures. Your City, like many others, has made the determination that because of the ever changing and numerous reporting requirements associated with preparing financial statements that are in conformity with accounting principles generally accepted in the United States of America, it is more cost advantageous to rely on the expertise of its outside auditors to assist in the preparation of its financial statements.

However, since the financial statements are the responsibility of the City's management, the control over the financial statements being prepared in conformity with accounting principles generally accepted in the United States of America, lies with management. Currently, the City financial statements require material audit adjustments and are drafted by the City auditor based on information generated by the City. This results in a more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

In addition, we noted other matters involving the internal control and its operation that we have reported to management of the City of Evansville in a separate letter dated August 10, 2020.

This communication is intended solely for the information and use of management, the City Council, and others within the administration, and is not intended to be and should not be used by anyone other than these specified parties.

Johnson Block & Company, Inc.  
Certified Public Accountants  
Madison, Wisconsin

August 10, 2020

## MANAGEMENT LETTER

To the City Council  
City of Evansville  
Evansville, Wisconsin

In planning and performing our audit of the financial statements of the City of Evansville for the year ended December 31, 2019, we considered the City's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of other matters that are opportunities for strengthening internal controls and operating efficiency. The following pages that accompany this letter summarize our comments and suggestions regarding those matters. This letter does not affect our report dated August 10, 2020 on the financial statements of the City of Evansville.

We would like to take this opportunity to acknowledge the many courtesies extended to us by the City's personnel during the course of our work. In particular, we would like to note the considerable assistance and cooperation provided to us by Ian Rigg, Julie Roberts, Judy Walton, and the staff.

We shall be pleased to discuss any of the matters referred to in this letter. Should you desire assistance in implementing any of the following suggestions, we would welcome the opportunity of assisting you in these matters.

Johnson Block & Company, Inc.  
Certified Public Accountants  
Madison, Wisconsin

August 10, 2020

**CITY OF EVANSVILLE  
EVANSVILLE, WISCONSIN  
Year Ended December 31, 2019**

**ADJUSTING JOURNAL ENTRIES**

We are frequently requested by our clients to discuss the overall condition of their accounting records and what our role is as your audit firm. We believe that these matters should be discussed at each audit. The following section describes your accounting process in general terms and the ways in which we work with your staff.

The City processes accounting transactions based on the type of transaction involved. Money coming in is processed using a cash receipt system. The payment of bills is done through an accounts payable system. Employees' salaries are paid using a payroll system. These three systems are responsible for recording and summarizing the vast majority of your financial transactions.

Beyond the three systems described in the preceding paragraph, another system is used to make corrections and to record non-cash transactions. This system involves preparing general journal entries. Journal entries provide the ability to make changes to the financial data entered in the other systems. As your auditor, our role is to substantiate year end financial balances and information presented by your accounting personnel, and compare it to supporting information and outside confirmations. When information in your records does not agree with audit evidence, an adjusting entry is necessary to correct your records. Sometimes these entries are identified by your staff as they get ready for the audit. Other adjustments are prepared by us as we discover that your general ledger balances need to be changed to reflect the correct balances. Please see the attached journal entries in the appendix.

The proposed entries were accepted by the City's management. All of these changes are reflected properly in your audited financial statements. A copy of the adjusting entries has been provided to your staff and they have been posted to your 2019 general ledger.

Because we are providing assistance to your staff by proposing changes to correct your financial information, you should be aware of these processes. Many of our clients rely on us to make year end adjustments as we have described. In many cases, we have the experience or expertise to compute, and identify, corrections to your records. We work with many clients on similar issues, so it may be more efficient for you to have us do some of the one-time adjustments, rather than your staff spending hours researching the proper adjustment.

Due to the technical nature of financial reporting and complying with financial reporting standards, most clients have their CPA firm prepare the year end financial statements and note disclosures. We have provided these services to your City.

We are communicating this information to you to give you a better understanding of what we do and how the year end process works. Our job as auditors is to bring in an outside perspective and provide a level of comfort that your financial reporting system is materially correct and accurately reflects the financial activity for the year. However, in many cases, our services go beyond auditing. Our experience and training can provide a very cost-effective means of providing the year end accounting assistance that you need.

We hope that by providing this information on what we do, you will have a better understanding of our role, and the various ways that we work with your staff.

**PASSED JOURNAL ENTRIES**

Passed journal entries may occur due to transaction timing, industry practices or lack of overall significance. There were no potential (passed) journal entries identified in our audit that were not posted to the general ledger.

## **ADDITIONAL COMMENTS**

### **PRIOR YEAR COMMENTS**

#### **Internal Accounting Controls**

The City operates its accounting and reporting functions with a small number of people, which precludes a complete segregation of duties. This condition is not unusual in small organizations. The City has implemented a number of compensating controls and established certain policies and procedures. In addition, most of the documented workflow is identified in the accounting system online manual.

It is important for management to be aware of this condition and realize that the concentration of duties and responsibilities in one or two individuals decreases internal control. Under these conditions, the most effective controls rest in management's knowledge and monitoring of matters relating to the city's financial affairs.

## **CONCLUDING REMARKS**

We would like to thank you for allowing us to serve you. We are committed to assisting you in the long-term financial success of the City of Evansville and our comments are intended to draw to your attention issues which need to be addressed by the City to meet its goals and responsibilities.

The comments and suggestions in this communication are not intended to reflect in any way on the integrity or ability of the personnel of the City. They are made solely in the interest of establishing sound internal control practices required by changing professional standards. The City's staff is deeply committed to maintaining the financial reporting system so that informed decisions can be made. They were receptive to our comments and suggestions.

We will review the status of these comments during each audit engagement.

If you have any questions or comments regarding this communication or the financial statements, do not hesitate to contact us.

Client: **City of Evansville**  
Engagement: **2019 CITY OF EVANSVILLE AUDIT**  
Period Ending: **12/31/2019**  
Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 4</b>				
To adjust electric depreciation				
62-51403-001	DEPRECIATION EXPENSE		593,431.77	
62-51403-101	Depreciation Expense - CIAC		88,219.97	
62-1111021	DEPREC STATION EQUIP			86,514.74
62-1111040	DEPREC POLES, TOWERS, FIX			55,674.64
62-1111041	DEPREC POLES, TOWERS, FIX			9,522.25
62-1111050	DEPREC OVERHEAD CONDUCT			109,389.73
62-1111051	DEPREC OVERHEAD CONDUCT			8,301.91
62-1111060	DEPREC UNDERGRND CONDUCT			75,344.44
62-1111061	DEPREC UNDERGRND CONDUCT			43,311.39
62-1111071	DEPREC TRANSFORMERS			76,406.93
62-1111080	DEPREC SERVICES			37,396.04
62-1111081	DEPREC SERVICES - CIAC			7,527.20
62-1111091	DEPREC METERS			28,401.73
62-1111100	ACCUM DEP - YARD LGHTS - CIAC			77.34
62-1111120	CACCUM DEP-STREET LIGHTS			12,830.11
62-1111121	DEPREC STREET LIGHTS			5,216.82
62-1111130	A/D - ORNAMENTAL ST LGTS -CIAC			6,180.76
62-1111131	DEPREC ORNAMENTAL LIGHT			496.79
62-1111141	DEPREC STRUCTURES			14,572.64
62-1111151	DEPREC OFFICE FIXTURES			1,564.33
62-1111171	DEPREC TRANSPORTATION			96,778.03
62-1111280	A/D HISTORIC STREET LGTS-CIAC			469.01
62-1111281	DEPREC HISTORIC LIGHTS			5,560.67
62-1111291	DEPREC STREET LIGHTS-UNION			114.24
<b>Total</b>			<b>681,651.74</b>	<b>681,651.74</b>
<b>Adjusting Journal Entries JE # 5</b>				
To adjust water depreciation				
62-52403-002	DEPRECIATION EXPENSES		7,196.96	
62-1112012	DEPREC WELLS			
62-1112020	DEPREC ELEC PUMP EQUIP			
62-1112022	A/D on Pump Station Structure			
62-1112030	DEPREC PUMPING EQUIP			
62-1112032	A/D on Elec Pumping Equip - CI			
62-1112042	DEPREC GAS PUMP EQUIP			
62-1112082	DEPREC RESERVOIRS			
62-1112092	DEPREC WATER TOWER			
62-1112100	DEPREC MAINS			1,027.12
62-1112101	ACCUM DEP - WELLS - CIAC			
62-1112102	A/D on Mains - CIAC			
62-1112110	DEPREC SERVICES			1,905.07
62-1112112	A/D on Services - CIAC			
62-1112120	DEPREC METERS			
62-1112130	DEPREC HYDRANTS			1,068.40
62-1112132	A/D on Hydrants - CIAC			
62-1112152	DEPREC COMPUTERS			3,196.37
62-1112162	DEPREC TRANSPORTATION			
62-1112202	DEPREC POWER OPERATED			
62-1112242	DEPREC GENERAL PLANT			
62-52403-102	Depreciation Exp - CIAC Plant			
<b>Total</b>			<b>7,196.96</b>	<b>7,196.96</b>
<b>Adjusting Journal Entries JE # 6</b>				
To record JMA				
60-53500-391	WWTP READING & COLLECTION EXP		3,603.00	
60-53500-541	DEPRECIATION-METERS		21,620.00	
60-53500-542	WWTP METER PILOT		7,550.00	
60-53500-543	WWTP RETURN ON METERS		18,010.00	
62-1145003	Due from City - Sewer		50,783.00	
60-2129100	Due to Water & Light Dept			50,783.00
62-42474-002	OTHER WATER REVENUES			18,010.00
62-52403-002	DEPRECIATION EXPENSES			21,620.00
62-52408-001	TAXES			7,550.00
62-52903-002	OPER READING & COLLECTING EXPE			3,603.00
<b>Total</b>			<b>101,566.00</b>	<b>101,566.00</b>
<b>Adjusting Journal Entries JE # 11</b>				
To record tax equivalent				
10-1000100	CASH ALLOCATIONS		439,434.00	
62-51408-021	PROPERTY TAX EQUIVALENT		245,817.00	
62-52408-022	PROPERTY TAX EQUIVALENT-WATER		193,617.00	
10-41310-000	PYMT IN LIEU TAXES-MUN UTILITY			439,434.00
62-1000100	CASH			439,434.00
<b>Total</b>			<b>878,868.00</b>	<b>878,868.00</b>
<b>Adjusting Journal Entries JE # 1000</b>				
To adjust def reg credit				
62-2253111	Def Credit - Reg Liability		21,872.00	
62-2253112	Def Credit - Reg Liability		6,498.00	
62-41425-001	Amortization of Reg Liability			21,872.00
62-42425-002	Amortization of Reg Liability			6,498.00
<b>Total</b>			<b>28,370.00</b>	<b>28,370.00</b>
<b>Adjusting Journal Entries JE # 1001</b>				

Client: **City of Evansville**  
Engagement: **2019 CITY OF EVANSVILLE AUDIT**  
Period Ending: **12/31/2019**  
Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
to adjust for interest payments coded to principal				
60-53500-620	WWTP INT ON LONG TERM DEBT		26,189.69	
60-53500-530	DEBT PRINCIPAL PAYMENT			26,189.69
<b>Total</b>			<b>26,189.69</b>	<b>26,189.69</b>
<b>Adjusting Journal Entries JE # 1002</b>				
to reclass miscellaneous revenue				
60-49100-530	PROCEEDS FROM LONG TERM DEBT		9,881.71	
60-47413-530	MISC REVENUE			9,881.71
<b>Total</b>			<b>9,881.71</b>	<b>9,881.71</b>
<b>Adjusting Journal Entries JE # 1003</b>				
reclass debt payments				
60-2238010	Current Portion, L-T Bonds Pay		45,500.00	
60-2238020	Current Portion, L-T Notes Pay		9,999.96	
60-2238030	Current Portion, CWFL		300,773.00	
60-2301100	WPPI Loan		0.03	
60-2302000	Clean Water Fund Loan		0.48	
60-2302200	2018 CWFL		85,710.80	
60-2302100	2009 CWFL			0.48
60-53500-531	Contra-principal account			441,983.79
<b>Total</b>			<b>441,984.27</b>	<b>441,984.27</b>
<b>Adjusting Journal Entries JE # 1004</b>				
to reclass WPPI payments from January to May coded to interest				
62-2221000	Current Portion, L-T Debt		22,830.48	
62-51427-001	INTEREST EXPENSE			22,830.48
<b>Total</b>			<b>22,830.48</b>	<b>22,830.48</b>
<b>Adjusting Journal Entries JE # 1005</b>				
to reclass principl payments				
62-2221000	Current Portion, L-T Debt		740,000.36	
62-2228005	ELECTRIC REV BOND 2019A		769,999.84	
62-2228006	WATER REV BOND 2019A			770,000.00
62-51427-003	CONTRA DEBT PAYMENTS			462,656.50
62-52427-003	CONTRA DEBT PAYMENTS			277,343.70
<b>Total</b>			<b>1,510,000.20</b>	<b>1,510,000.20</b>
<b>Adjusting Journal Entries JE # 1006</b>				
to reclass current portion of EW and Sewer				
60-2300000	Long-term Bonds Payable		45,000.00	
60-2301000	Long-term Notes Payable		25,000.00	
60-2302000	Clean Water Fund Loan		2,037.85	
60-2302100	2009 CWFL		4,405.11	
60-2302200	2018 CWFL		159,165.28	
60-2302300	2018 270K REVENUE BOND		27,000.00	
62-2228001	2013 GO Notes - Electric		3,000.00	
62-2228002	2013 GO Notes - Water		2,000.00	
62-2228003	2015 GO NOTES		5,000.00	
62-2228006	WATER REV BOND 2019A		95,000.00	
62-2229001	2014 MRB - Electric		5,000.00	
62-2229002	2014 MRB - Water		5,000.00	
62-51427-001	INTEREST EXPENSE		30,440.64	
60-2238010	Current Portion, L-T Bonds Pay			27,000.00
60-2238020	Current Portion, L-T Notes Pay			59,226.28
60-2238030	Current Portion, CWFL			165,608.24
60-2301100	WPPI Loan			10,773.72
62-2221000	Current Portion, L-T Debt			100,440.28
62-2225041	2009 935,000 Revenue Bonds			40,000.00
62-2228004	WPPI LOAN - ELECTRIC			0.36
62-2228005	ELECTRIC REV BOND 2019A			5,000.00
<b>Total</b>			<b>408,048.88</b>	<b>408,048.88</b>
<b>Adjusting Journal Entries JE # 1007</b>				
to adjust accrued interest				
60-53500-620	WWTP INT ON LONG TERM DEBT		10,665.00	
62-2237001	ACCRUED INTEREST PAYABLE		2,654.00	
62-52427-002	INTEREST EXPENSE		3,892.00	
60-2237000	ACCRUED INTEREST PAYABLE			10,665.00
62-2237002	ACCRUED INTEREST PAYABLE			3,892.00
62-51427-001	INTEREST EXPENSE			2,654.00
<b>Total</b>			<b>17,211.00</b>	<b>17,211.00</b>
<b>Adjusting Journal Entries JE # 1008</b>				
To record prior year GASB 68 entries				
GASB 18000 Sewer	Net Pension Asset		24,700.96	
GASB 18000 W&L	Net Pension Asset		138,244.00	
GASB 19100 Sewer	Deferred Outflows of resources-Expected vs. Actual Experience		31,383.10	
GASB 19100 W&L	Deferred Outflows of resources-Expected vs. Actual Experience		175,642.10	
GASB 19300 Sewer	Deferred outflows of resources - Change in proportional share & diff in actual cont		161.35	
GASB 19300 W&L	Deferred outflows of resources - Change in proportional share & diff in actual cont		903.04	
GASB 19400 Sewer	Deferred Outflows - Contributions after measurement date		9,455.56	

Client: **City of Evansville**  
Engagement: **2019 CITY OF EVANSVILLE AUDIT**  
Period Ending: **12/31/2019**  
Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
GASB 19400 W&L	Deferred Outflows - Contributions after measurement date		52,920.05	
GASB 19500 Sewer	DOR-Changes in Assumptions		4,880.41	
GASB 19500 W&L	DOR-Changes in Assumptions		27,314.24	
GASB 19200 Sewer	Deferred outflows of resources - Expected vs. Actual Investment income			33,949.09
GASB 19200 W&L	Deferred outflows of resources - Expected vs. Actual Investment income			190,003.15
GASB 23000 Sewer	Deferred inflows of resources-change in proportional share & diff in actual			125.82
GASB 23000 W&L	Deferred inflows of resources-change in proportional share & diff in actual			704.21
GASB 23100 Sewer	DIR-Diff. between Expected and Actual Experience			14,679.97
GASB 23100 W&L	DIR-Diff. between Expected and Actual Experience			82,159.50
GASB PSC Sewer	Earned Surplus 434 or 435			21,826.50
GASB PSC W&L	Earned Surplus 434 or 435			122,156.57
<b>Total</b>			<b>465,604.81</b>	<b>465,604.81</b>

**Adjusting Journal Entries JE # 1009**  
To adjust unbilled accrual

60-1111110	CASH		10,276.19	
61-1111110	CASH		1,788.05	
62-1142031	UNBILLED AR - ELECTRIC		2,173.77	
62-1142032	UNBILLED AR - WATER		8,889.80	
62-1142033	UNBILLED AR - SEWER		10,276.19	
62-1142034	UNBILLED AR - STORMWATER		1,788.05	
60-46411-530	COMMERCIAL SEWER FEES			10,276.19
61-46409-610	RESIDENTIAL STORMWATER FEES			1,788.05
62-1111110	CASH			12,064.24
62-41440-011	URBAN RESIDENTIAL RG1			2,173.77
62-42461-012	RESIDENTIAL WATER SALES			8,889.80
<b>Total</b>			<b>35,192.05</b>	<b>35,192.05</b>

**Adjusting Journal Entries JE # 1010**

To record additional accounts receivable (4th Q. room tax, Dec. wheel tax)

10-1381090	ACCOUNTS RECEIVABLE		1,121.03	
11-1111110	CASH		1,121.03	
10-1111110	CASH ALLOCATIONS			1,121.03
11-41240-000	ROOM TAX			1,121.03
<b>Total</b>			<b>2,242.06</b>	<b>2,242.06</b>

**Adjusting Journal Entries JE # 1011**

To record special assessment cash payments as revenue, 2019 special assessment project, and adjust 2018 special assessment project to actual (change of final assessment report)

30-1550070	A/R PRINCIPAL-ALL SPEC ASSMNTS		4,559.29	
30-1550070	A/R PRINCIPAL-ALL SPEC ASSMNTS		101,579.18	
30-2550070	DEF REV - PRINC-ALL SPEC.ASSMN		47,562.29	
30-2550070	DEF REV - PRINC-ALL SPEC.ASSMN			4,559.29
30-2550070	DEF REV - PRINC-ALL SPEC.ASSMN			101,579.18
30-42000-000	SPEC ASSESS/SPEC CHRGS			47,562.29
<b>Total</b>			<b>153,700.76</b>	<b>153,700.76</b>

**Adjusting Journal Entries JE # 1012**

to zero out interfunds to cash. This was made as AJE 1049 in 2018. Looks like it was never posted

60-1111110	CASH		89,204.00	
62-1145003	Due from City - Sewer		89,204.00	
60-2129100	Due to Water & Light Dept			89,204.00
62-1111110	CASH			89,204.00
<b>Total</b>			<b>178,408.00</b>	<b>178,408.00</b>

**Adjusting Journal Entries JE # 1013**

To correct write-offs.and interfunds

60-53500-740	Bad Debt Expense		395.69	
61-53580-390	STORMWATER MISC		51.74	
62-1111110	CASH		447.43	
60-1111110	CASH			395.69
61-1111110	CASH			51.74
62-1145003	Due from City - Sewer			395.69
62-1145004	Due To City - Stormwater			51.74
<b>Total</b>			<b>894.86</b>	<b>894.86</b>

**Adjusting Journal Entries JE # 1014**

To adjust clients entry to balance CWIP and customer advances and clear electric contributed account for accounts closed

62-1107001	CONSTRUCTION WIP		38,437.29	
62-2252001	CUSTOMER CONST ADV >01/01/2014		61,992.44	
62-41421-001	Capital Contributions - Electr		6,227.47	
62-1107001	CONSTRUCTION WIP			6,227.47
62-2252011	CUSTOMER CONST ADV DO NOT USE			61,992.44
62-51572-001	MAINT LINES			38,437.29
<b>Total</b>			<b>106,657.20</b>	<b>106,657.20</b>

**Adjusting Journal Entries JE # 1015**

To adjust W&L fund balance for WIP FICA and Benefit clearing account that were to expense at the end of PY instead of CWIP

62-1107002	CONSTRUCTION WIP		29,983.13	
62-3399999	Unrestricted Retained Earnings			29,983.13
<b>Total</b>			<b>29,983.13</b>	<b>29,983.13</b>

**Adjusting Journal Entries JE # 1016**



Client: **City of Evansville**  
Engagement: **2019 CITY OF EVANSVILLE AUDIT**  
Period Ending: **12/31/2019**  
Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
To adjust W&L fund balance for prior year entry (AJE 1015) which was to acct for unrealized loss in AMG investment account				
62-3399999	Unrestricted Retained Earnings		25,701.86	
62-1000100	CASH			25,701.86
<b>Total</b>			<b>25,701.86</b>	<b>25,701.86</b>
<b>Adjusting Journal Entries JE # 1018</b>				
To adjust W&L compensated absences to actual				
62-2238141	Compensated Abs Liability		3,278.01	
62-51902-110	OPER ACCOUNT & COLLECT SALARY			3,278.01
<b>Total</b>			<b>3,278.01</b>	<b>3,278.01</b>
<b>Adjusting Journal Entries JE # 1019</b>				
To record additional AP at YE				
AA02				
40-55720-821	PARK BLDG IMPROVEMENTS		16,785.00	
40-2120000	ACCOUNTS PAYABLE (SYSTEM)			16,785.00
<b>Total</b>			<b>16,785.00</b>	<b>16,785.00</b>
<b>Adjusting Journal Entries JE # 1020</b>				
To record CY GASB 68 pension activity				
BB1-02				
GASB 19200 Sewer	Deferred outflows of resources - Expected vs. Actual Investment income		83,981.79	
GASB 19200 W&L	Deferred outflows of resources - Expected vs. Actual Investment income		465,547.53	
GASB 19400 Sewer	Deferred Outflows - Contributions after measurement date		1,031.99	
GASB 19400 W&L	Deferred Outflows - Contributions after measurement date		4,837.94	
GASB 19500 Sewer	DOR-Changes in Assumptions		894.28	
GASB 19500 W&L	DOR-Changes in Assumptions		4,488.65	
GASB 99999 Sewer	Pension Expense		10,341.37	
GASB 99999 W&L	Pension Expense		58,904.66	
GASB 18000 Sewer	Net Pension Asset			58,959.76
GASB 18000 W&L	Net Pension Asset			326,917.07
GASB 19100 Sewer	Deferred Outflows of resources-Expected vs. Actual Experience			4,700.75
GASB 19100 W&L	Deferred Outflows of resources-Expected vs. Actual Experience			28,694.71
GASB 19300 Sewer	Deferred outflows of resources - Change in proportional share & diff in actual cont			62.29
GASB 19300 W&L	Deferred outflows of resources - Change in proportional share & diff in actual cont			357.48
GASB 23000 Sewer	Deferred inflows of resources-change in proportional share & diff in actual			41.70
GASB 23000 W&L	Deferred inflows of resources-change in proportional share & diff in actual			218.41
GASB 23100 Sewer	DIR-Diff. between Expected and Actual Experience			32,484.93
GASB 23100 W&L	DIR-Diff. between Expected and Actual Experience			177,591.11
<b>Total</b>			<b>630,028.21</b>	<b>630,028.21</b>
<b>Adjusting Journal Entries JE # 1021</b>				
To record meter, main and hydrant disposals				
62-1112100	DEPREC MAINS		47,900.00	
62-1112120	DEPREC METERS		65,170.00	
62-1112130	DEPREC HYDRANTS		1,000.00	
62-1343012	DISTRIBUTION MAINS			47,900.00
62-1346002	METERS			65,170.00
62-1348002	HYDRANTS			1,000.00
<b>Total</b>			<b>114,070.00</b>	<b>114,070.00</b>
<b>Adjusting Journal Entries JE # 1022</b>				
To capitalize various water equip and laterals				
62-1345002	SERVICES		50,485.00	
62-1391012	COMPUTERS		6,300.00	
62-1394002	TOOLS		5,500.00	
62-52605-002	MAINT WATER SOURCE PLANT			62,285.00
<b>Total</b>			<b>62,285.00</b>	<b>62,285.00</b>
<b>Adjusting Journal Entries JE # 1023</b>				
To capitalize utility portion (water and sewer) of 2019 street/utility project				
60-1360000	COLLECTING SEWERS		316,043.72	
62-1343012	DISTRIBUTION MAINS		250,205.20	
62-1345002	SERVICES		120,163.95	
62-1348002	HYDRANTS		63,812.91	
60-53510-211	STWT PROF SERVICES - CIP			43,724.46
60-53510-850	STREET RECONSTRUCTION			272,319.26
62-52605-002	MAINT WATER SOURCE PLANT			434,182.06
<b>Total</b>			<b>750,225.78</b>	<b>750,225.78</b>
<b>Adjusting Journal Entries JE # 1024</b>				
To reclass WWTP expenses to CWIP				
60-1395000	CONSTRUCTION WORK IN PROGRESS		1,016,158.67	
60-53500-211	WWTP PROF SERVICES - CIP			121,248.85
60-53500-820	WWTP UPGRADES			894,909.82
<b>Total</b>			<b>1,016,158.67</b>	<b>1,016,158.67</b>
<b>Adjusting Journal Entries JE # 1025</b>				
To record retainage (Maddrell) 2019 street and utility project- allocated with client percentages				
40-53300-802	DPW Landscaping/Sidewalk Prog		1,820.00	
40-53300-860	DPW Road Construction		7,605.00	
60-1360000	COLLECTING SEWERS		7,543.00	

Client: **City of Evansville**  
Engagement: **2019 CITY OF EVANSVILLE AUDIT**  
Period Ending: **12/31/2019**  
Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
61-53580-850	STWT ROAD CONSTRUCTION		7,174.00	
62-1343012	DISTRIBUTION MAINS		6,111.00	
62-1345002	SERVICES		2,935.00	
62-1348002	HYDRANTS		1,558.00	
40-2120000	ACCOUNTS PAYABLE (SYSTEM)			9,425.00
60-2120000	ACCOUNTS PAYABLE (SYSTEM)			7,543.00
61-2120000	ACCOUNTS PAYABLE (SYSTEM)			7,174.00
62-2120000	ACCOUNTS PAYABLE (SYSTEM)			10,604.00
<b>Total</b>			<b>34,746.00</b>	<b>34,746.00</b>

**Adjusting Journal Entries JE # 1026**

To capitalize rest of 2018 street and utility project in utilities

60-1360000	COLLECTING SEWERS		16,547.92	
62-1343012	DISTRIBUTION MAINS		12,469.02	
62-1345002	SERVICES		8,720.15	
62-1348002	HYDRANTS		2,826.66	
60-53510-211	STWT PROF SERVICES - CIP			921.84
60-53510-850	STREET RECONSTRUCTION			15,626.08
62-52605-002	MAINT WATER SOURCE PLANT			24,015.83
<b>Total</b>			<b>40,563.75</b>	<b>40,563.75</b>

**Adjusting Journal Entries JE # 1027**

To amortize debt discount and debt defeasance

62-51428-001	AMORTIZATION OF DEBT DISC		12,548.00	
62-52428-002	AMORTIZATION OF DEBT DISC		9,008.00	
62-1183001	OTHER DEFERRED DEBITS			8,076.00
62-1183002	OTHER DEFERRED DEBITS			6,608.00
62-1183003	2016 UNAMORITIZED DEBT			4,472.00
62-1183004	2016 UNAMORITIZED DEBT			2,400.00
<b>Total</b>			<b>21,556.00</b>	<b>21,556.00</b>

**Adjusting Journal Entries JE # 1028**

to reclass loan activity

10-51040-210	LEGAL SERVICES		1,460.00	
10-2661000	ECONOMIC DEV REVOLVING LOAN			1,279.95
10-48110-510	INT ON TEMP INVESTMENTS			180.05
<b>Total</b>			<b>1,460.00</b>	<b>1,460.00</b>

**Adjusting Journal Entries JE # 1029**

To capitale misc sewer equipment

60-1367000	MISC EQUIPMENT		38,882.00	
60-53510-840	SANITARY SEWER EQUIPMENT			38,882.00
<b>Total</b>			<b>38,882.00</b>	<b>38,882.00</b>

**Adjusting Journal Entries JE # 1030**

To capitalize/allocate WWTP addition

60-1352000	BUILDINGS & STRUCTURES		2,647,184.87	
60-1362000	LIFT STATIONS		255,711.89	
60-1364000	TREATMENT EQUIPMENT		1,018,151.70	
60-1365000	LABORATORY EQUIPMENT		14,562.43	
60-1395000	CONSTRUCTION WORK IN PROGRESS			3,935,610.89
<b>Total</b>			<b>3,935,610.89</b>	<b>3,935,610.89</b>

**Adjusting Journal Entries JE # 1031**

To record sewer depreciation

60-53500-540	DEPRECIATION-EXPENSE		393,413.56	
60-1410000	ACCUMULATED DEPRECIATION			393,413.56
<b>Total</b>			<b>393,413.56</b>	<b>393,413.56</b>

**Adjusting Journal Entries JE # 1033**

to adjust RESCO capital credits

62-1124001	OTHER INVESTMENTS		8,287.00	
62-41419-001	Interest & Dividends			8,287.00
<b>Total</b>			<b>8,287.00</b>	<b>8,287.00</b>

**Adjusting Journal Entries JE # 1034**

To record Library side of transfer to the General Fund

21-55700-640	TRANSFER TO CAPITAL PROJECTS		352,703.09	
21-1140000	LIBRARY INVESTMENTS			352,703.09
<b>Total</b>			<b>352,703.09</b>	<b>352,703.09</b>

**Adjusting Journal Entries JE # 1035**

To record current year library activity

21-1140000	LIBRARY INVESTMENTS		133,689.84	
21-48110-510	INT ON TEMP INVESTMENTS			1,057.79
21-48500-550	LIBRARY GIFTS			132,632.05
<b>Total</b>			<b>133,689.84</b>	<b>133,689.84</b>

**Adjusting Journal Entries JE # 1036**

to record GASB 75 life insurance

Client: **City of Evansville**  
Engagement: **2019 CITY OF EVANSVILLE AUDIT**  
Period Ending: **12/31/2019**  
Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
60-1910000	NET OPEB ASSET (LIABI) LRIF		710.00	
60-1940000	DEFERRED OUTFLOWS LRLIF		38.00	
60-1950000	DEFERRED OUTFLOWS LRLIF EXPECT		47.00	
62-1910000	NET OPEB ASSET (LIABI) LRIF		13,457.00	
62-1950000	DEFERRED OUTFLOWS LRLIF EXP VS		268.00	
60-1930000	DEFERRED OUTFLOWS LRLIF CHANGE			75.00
60-1960000	DEFERRED OUTFLOWS LRLIF CHANGE			29.00
60-2600000	DEFERRED OUTFLOWS LRLIF DIFFER			152.00
60-2640000	Deferred inflows LRLIF - change in proportional share & difference in actual contributions			68.00
60-99998-000	OPEB CLEARING ACCOUNT- SEWER			471.00
62-1930000	DEFERRED OUTFLOWS LRLIF ASSUMP			1,342.00
62-1940000	DEFERRED OUTFLOWS LRLIF CONTRI			15.00
62-1960000	DEFERRED OUTFLOWS LRLIF CHNAGE			564.00
62-2300000	DEFERRED OUTFLOWS LRLIF DIFFER			1,062.00
62-2340000	Deferred inflows LRLIF - change in proportional share & difference in actual contributions			525.00
62-99998-000	OPEB CLEARING ACCOUNT- LRLIF			10,217.00
<b>Total</b>			<b>14,520.00</b>	<b>14,520.00</b>
<b>Adjusting Journal Entries JE # 1037</b>				
adjust health insurance liability				
60-99999-000	OPEB CLEARING ACCOUNT-SEWER		547.00	
62-99999-000	OPEB CLEARING ACCOUNT- W&L		5,474.00	
60-1900000	NET OPEB ASSET (LIABILITY) H I			547.00
62-1900000	NET OPEB ASSET (LIABILITY) H I			5,474.00
<b>Total</b>			<b>6,021.00</b>	<b>6,021.00</b>
<b>Adjusting Journal Entries JE # 1038</b>				
To correct AJE 1018				
62-51902-110	OPER ACCOUNT & COLLECT SALARY		6,556.02	
62-2238141	Compensated Abs Liability			6,556.02
<b>Total</b>			<b>6,556.02</b>	<b>6,556.02</b>
<b>Adjusting Journal Entries JE # 1039</b>				
To adjust for special assessment transfer				
30-58940-650	TRANSFER TO CAPITAL PROJ FUND		96,082.92	
40-1000100	CASH		23,436.78	
61-1111110	CASH		54,548.76	
62-1111110	CASH		18,097.38	
30-1111110	CASH			96,082.92
40-49200-570	TRANSFER FROM OTHER FUNDS			23,436.78
61-49200-570	TRANSFER IN FROM OTHER FUNDS			54,548.76
62-49200-570	TRANSFER IN FROM OTHER FUNDS			18,097.38
<b>Total</b>			<b>192,165.84</b>	<b>192,165.84</b>