



JOHNSON BLOCK

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CITY OF EVANSVILLE

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

For the Year Ended December 31, 2018

**City of Evansville
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December 31, 2018**

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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, 2018, 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, 2018, 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, 2018, the City of Evansville adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. 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.

Johnson Block & Company, Inc.

July 22, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2018

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, 2018. 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, 2018, by \$30,127,822 (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 were greater than budgeted amounts by \$9,984 and general fund expenses were less than budgeted amounts by \$33,022.
- As of December 31, 2018, the City of Evansville's governmental funds reported combined ending fund balances of \$3,306,584.
- As of December 31, 2018, the unassigned fund balance for the general fund was \$1,299,170, or approximately 37 percent of total general fund expenditures.
- The City of Evansville's governmental liability for long-term debt including compensated absences and long-term debt was \$9,115,725. The business-type debt totaled \$11,668,859.

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 nine 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 Agency 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 page 12 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 13 through 54 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 61 and 62 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, 2018.

TABLE 1
City of Evansville Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
	Current and other assets	\$ 7,829,737	\$5,976,033	\$ 5,768,496	\$ 6,244,099	\$ 13,598,233
Capital assets	11,465,755	7,670,146	32,715,780	29,621,083	44,181,535	37,291,229
Total Assets	19,295,492	13,646,179	38,484,276	35,865,182	57,779,768	49,511,361
Deferred Outflows of Resources	659,110	759,909	312,620	310,687	971,730	1,070,596
Long-term liabilities outstanding	8,103,515	4,103,529	10,514,909	10,226,566	18,618,424	14,330,095
Other liabilities	1,818,004	1,079,544	3,275,951	1,788,421	5,093,955	2,867,965
Total Liabilities	9,921,519	5,183,073	13,790,860	12,014,987	23,712,379	17,198,060
Deferred Inflows of Resources	4,176,018	3,353,728	735,279	627,811	4,911,297	3,981,539
Net Position:						
Net investment in capital assets	2,657,416	3,174,476	20,473,874	19,146,436	23,131,290	22,320,912
Restricted	758,973	383,850	1,280,491	1,346,706	2,039,464	1,730,556
Unrestricted	2,440,676	2,310,961	2,516,392	3,039,929	4,957,068	5,350,890
Total Net Position	\$ 5,857,065	\$5,869,287	\$24,270,757	\$23,533,071	\$ 30,127,822	\$ 29,402,358

A significant portion of the City's net assets 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 assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$4,957,068, 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, 2018. In 2018, the governmental activities relied primarily on property taxes (49%), program revenues (41%), and state aids (8%) to fund its operations. Combined, these account for 98% of all revenues or \$5.46 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	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,751,689	\$ 1,537,831	\$ 9,970,584	\$ 9,730,700	\$ 11,722,273	\$ 11,268,531
Operating Grants and Contributions	477,666	329,280	12,977	22,092	490,643	351,372
Capital Grants and Contributions	84,151	365,488	212,581	132,528	296,732	498,016
General Revenues:						
Property Taxes	2,722,297	2,700,300	-	-	2,722,297	2,700,300
Grants and Contributions Not Restricted to Specific Programs	420,638	464,641	-	-	420,638	464,641
Unrestricted Interest/Investment Income	105,054	32,388	51,660	34,487	156,714	66,875
Other- Gain (Loss) on Capital Assets	3,033	(12,003)	-	-	3,033	(12,003)
Miscellaneous	26,642	41,075	33,411	32,542	60,053	73,617
Total Revenues	5,591,170	5,459,000	10,281,213	9,952,349	15,872,383	15,411,349
Expenses:						
General Government	504,719	471,787	-	-	504,719	471,787
Public Safety	2,303,841	2,212,060	-	-	2,303,841	2,212,060
Public Works	1,412,153	1,321,059	-	-	1,412,153	1,321,059
Health & Human Services	157,684	152,137	-	-	157,684	152,137
Culture and Recreation	808,084	797,992	-	-	808,084	797,992
Conservation and Development	437,847	142,775	-	-	437,847	142,775
Interest on Long-Term Debt	232,278	185,671	-	-	232,278	185,671
Electric and Water	-	-	8,000,124	8,288,615	8,000,124	8,288,615
Sewer	-	-	1,014,524	884,774	1,014,524	884,774
Total Expenses	5,857,106	5,283,481	9,014,648	9,173,389	14,871,754	14,456,870
Increase (Decrease) in Net Position						
Before Transfers and advance write-down	(265,936)	175,519	1,266,565	778,960	1,000,629	954,479
Write-down of interest on advances	-	815,328	-	(522,907)	-	292,421
Transfers	425,389	414,379	(425,389)	(414,379)	-	-
Increase (Decrease) in Net Position	159,453	1,405,226	841,176	(158,326)	1,000,629	1,246,900
Net Position - January 1	5,697,612	4,464,061	23,429,581	23,691,397	29,127,193	28,155,458
Restatement of Net Position	-	(171,675)	-	(103,490)	-	(275,165)
Net Position - December 31	\$ 5,857,065	\$ 5,697,612	\$ 24,270,757	\$ 23,429,581	\$ 30,127,822	\$ 29,127,193

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities: Governmental activities increased the City's net position by \$159,453.

Business-type activities: Business-type activities increased City of Evansville's net position by \$841,176. Key elements of this decrease are as follows:

- The City's electric and water utility had an increase in net position of \$704,209. This is due to steady energy costs to the electric utility.
- The City's sewer had an increase in net position of \$136,967. This is due to the scheduled increase in rates for sewer utility in anticipation of debt payments for major improvements to the WWTP starting in 2020.

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, 2018, the City's governmental funds reported combined ending fund balances of \$3,306,584. Of the combined ending fund balance, \$641,777 is nonspendable, \$758,973 is restricted, \$1,311,461 is committed, and \$900,989 is assigned. The net deficit of \$(306,616) in unassigned fund balance is due mainly to the TIF 5 deficit of \$(1,589,797). 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 \$1,299,170, while total fund balance reached \$2,020,387. 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 37% of total general fund expenditures, while total fund balance represents 58% of that same amount.

During the current year, the City's general fund balance decreased by \$9,555. Key factors in this decrease are as follows:

- The total revenues were \$9,984 more than budgeted amounts and expenditures were \$33,022 under budget.
- Total transfers in amounted to \$425,389, which was \$52,561 less than budgeted.

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 \$704,209 in 2018 after deducting a transfer of \$425,389 to the City's General Fund. Net position was \$14,805,908 as of December 31, 2018.

The Wastewater Treatment Plant Utility (Sewer Fund) had an increase in net position of \$136,967 in 2018. Net position was \$9,464,849 as of December 31, 2018.

The Electric and Water Utility's outstanding debt at December 31, 2018 was \$7,038,084, a decrease of \$755,440 over the balance at December 31, 2017. Fixed assets, net of accumulated depreciation, of \$18,101,227 increased \$438,517 from 2017.

The Wastewater Treatment Plant Utility's outstanding debt at December 31, 2018 was \$4,573,181, an increase of \$1,167,280 from the balance at December 31, 2017. Fixed assets, net of accumulated depreciation, of \$14,614,553 decreased \$2,656,180 from 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Evansville's general fund expenditures had an original budget of \$3,483,339 and a final budget of \$3,514,889. Actual expenditures totaled \$3,481,867. Budgeted differences can be briefly summarized as follows:

- Actual expenditures were less than budgeted expenditures by \$33,022.
- The general fund had revenues and other financing sources that were less than expenditures and financing uses by \$9,555.
- The repayment from TID #5 to the unassigned General Fund balance in the amount of \$40,500 budgeted to cover the difference does not qualify as revenue.

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, 2018, 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		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land	\$ 602,043	\$ 602,043	\$ 171,362	\$ 171,362	\$ 773,405	\$ 773,405
Infrastructure Work in Process	4,051,220	302,523	3,668,543	813,129	7,719,763	1,115,652
Depreciable Capital Assets	14,325,403	13,768,634	46,577,453	45,271,327	60,902,856	59,039,961
Accumulated depreciation	(7,512,911)	(7,003,054)	(17,701,578)	(16,634,735)	(25,214,489)	(23,637,789)
Total	\$ 11,465,755	\$ 7,670,146	\$ 32,715,780	\$ 29,621,083	\$ 44,181,535	\$ 37,291,229

Additional information on the City of Evansville’s capital assets can be found in Note IV-C on pages 29-31 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 \$16,081,218. Of this amount, \$5,742,920 was backed by the full faith of the City.

	City of Evansville Outstanding Debt					
	Long-term Debt					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
2009 GO Refunding Notes	\$ 710,000	\$ 770,000	\$ -	\$ -	\$ 710,000	\$ 770,000
2005 CWFL	-	-	647,817	732,009	647,817	732,009
2009 CWFL	-	-	2,078,873	2,239,686	2,078,873	2,239,686
2018 CWFL	-	-	1,186,945	-	1,186,945	-
2009 Water Revenue Bonds	-	-	665,000	705,000	665,000	705,000
2014 Revenue Bonds	-	-	2,335,000	2,640,000	2,335,000	2,640,000
2016 Revenue Bonds	-	-	3,128,000	3,341,500	3,128,000	3,341,500
2018 Revenue Bonds-Stormwater	655,000	-	-	-	655,000	-
2018 Revenue Bonds	-	-	270,000	-	270,000	-
2010 WPPI Loan	-	-	21,546	37,706	21,546	37,706
2011 WPPI Loan	9,348	12,750	-	-	9,348	12,750
2015 WPPI Loan	-	-	213,084	243,524	213,084	243,524
2012 GO Bond	290,000	320,000	-	-	290,000	320,000
2013 GO Notes	325,000	410,000	605,000	760,000	930,000	1,170,000
2015 GO Notes	120,000	160,000	460,000	500,000	580,000	660,000
2017 GO Refunding Bonds	1,775,000	1,855,000	-	-	1,775,000	1,855,000
2017 STFL	643,991	717,920	-	-	643,991	717,920
2017 NAN	-	250,000	-	-	-	250,000
2018 GO Notes	4,180,000	-	-	-	4,180,000	-
2018 NAN	100,000	-	-	-	100,000	-
Compensated absences	307,386	287,704	57,594	98,419	364,980	386,123
Total	\$ 9,115,725	\$ 4,783,374	\$ 11,668,859	\$ 11,297,844	\$ 20,784,584	\$ 16,081,218

Additional information on the City's long-term debt can be found in Note III-E on pages 33-38 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.
- The City is exploring cost sharing of services with other local government jurisdictions
- The City is having all property valuations revaluated in 2019-2020.

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, 2018**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 4,691,527	\$ 598,508	\$ 5,290,035
Receivables	3,799,267	1,418,568	5,217,835
Internal Balances	(1,036,212)	1,036,212	-
Inventories	-	193,958	193,958
Other assets	29,799	182,814	212,613
Restricted Assets			
Cash and Investments	-	2,175,491	2,175,491
Net Pension Asset	345,356	162,945	508,301
Capital Assets			
Land, improvements, and construction in progress	4,653,263	3,839,905	8,493,168
Other Capital Assets, net of depreciation	6,812,492	28,875,875	35,688,367
Net Capital Assets	11,465,755	32,715,780	44,181,535
Total Assets	19,295,492	38,484,276	57,779,768
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	641,476	302,659	944,135
Deferred OPEB Outflows	17,634	9,961	27,595
Total Deferred Outflows of Resources	659,110	312,620	971,730
Total Assets and Deferred Outflows of Resources	\$ 19,954,602	\$ 38,796,896	\$ 58,751,498
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 517,064	\$ 1,951,475	\$ 2,468,539
OPEB Liability - Health Insurance	135,619	72,110	207,729
OPEB Liability - Life Insurance	73,914	52,762	126,676
Long-Term Liabilities			
Due Within One Year			
Bonds and Notes	951,039	1,142,874	2,093,913
Accrued Interest	79,197	45,654	124,851
Compensated Absences	61,171	11,076	72,247
Due in More Than One Year			
Bonds and Notes	7,857,300	10,468,391	18,325,691
Compensated Absences	246,215	46,518	292,733
Total liabilities	9,921,519	13,790,860	23,712,379
DEFERRED INFLOWS OF RESOURCES	4,176,018	735,279	4,911,297
NET POSITION			
Net Investment in Capital Assets	2,657,416	20,473,874	23,131,290
Restricted for:			
Other Purposes	758,973	1,280,491	2,039,464
Unrestricted	2,440,676	2,516,392	4,957,068
Total Net Position	5,857,065	24,270,757	30,127,822
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 19,954,602	\$ 38,796,896	\$ 58,751,498

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin
Evansville, WI

Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental Activities							
General Government	\$ 504,719	\$ 123,283	\$ -	\$ -	\$ (381,436)		\$ (381,436)
Public Safety	2,303,841	604,532	33,824	-	(1,665,485)		(1,665,485)
Public Works	1,412,153	574,131	378,358	84,151	(375,513)		(375,513)
Health, Welfare and Sanitation	157,684	26,890	-	-	(130,794)		(130,794)
Culture and Recreation	808,084	403,302	62,491	-	(342,291)		(342,291)
Conservation and Development	437,847	19,551	2,993	-	(415,303)		(415,303)
Interest on Long-term debt	232,278	-	-	-	(232,278)		(232,278)
Total governmental activities	<u>5,857,106</u>	<u>1,751,689</u>	<u>477,666</u>	<u>84,151</u>	<u>(3,543,600)</u>		<u>(3,543,600)</u>
Business-type activities:							
Electric and Water	8,000,124	8,917,319	-	152,503	-	\$ 1,069,698	1,069,698
Sewer	1,014,524	1,053,265	12,977	60,078	-	111,796	111,796
Total business-type activities	<u>9,014,648</u>	<u>9,970,584</u>	<u>12,977</u>	<u>212,581</u>	<u>-</u>	<u>1,181,494</u>	<u>1,181,494</u>
Total primary government	<u>\$ 14,871,754</u>	<u>\$ 11,722,273</u>	<u>\$ 490,643</u>	<u>\$ 296,732</u>	<u>(3,543,600)</u>	<u>1,181,494</u>	<u>(2,362,106)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					2,361,910	-	2,361,910
Property taxes, levied for debt service					336,032	-	336,032
Other taxes					24,355	-	24,355
Grants and contributions not restricted to specific programs					420,638	-	420,638
Unrestricted investment earnings					105,054	51,660	156,714
Miscellaneous					26,642	33,411	60,053
<i>Special item</i> - gain (loss) on disposal of asset					3,033	-	3,033
Transfers					425,389	(425,389)	-
Total general revenues and transfers					<u>3,703,053</u>	<u>(340,318)</u>	<u>3,362,735</u>
Change in Net position					159,453	841,176	1,000,629
Net position - beginning (restated)					5,697,612	23,429,581	29,127,193
Net position - ending					<u>\$ 5,857,065</u>	<u>\$ 24,270,757</u>	<u>\$ 30,127,822</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Balance Sheet
Governmental Funds
December 31, 2018**

	<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>
ASSETS						
Cash and Cash Equivalents	\$ 1,476,647	\$ 104,669	\$ 1,106,184	\$ 92	\$ 2,003,935	\$ 4,691,527
Receivables:						
Taxes	1,505,861	585,687	203,100	187,083	652,565	3,134,296
Special Assessments	360,385	195,710	-	-	-	556,095
Accounts	-	-	-	-	40,739	40,739
Other	68,137	-	-	-	-	68,137
Due from Other Funds	15,989	-	-	-	-	15,989
Prepaid Expenses	21,212	-	-	-	8,586	29,798
Advances Receivable	585,558	-	-	-	-	585,558
Total Assets	<u>\$ 4,033,789</u>	<u>\$ 886,066</u>	<u>\$ 1,309,284</u>	<u>\$ 187,175</u>	<u>\$ 2,705,825</u>	<u>\$ 9,122,139</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 95,055	\$ -	\$ 338,153	\$ 1,995	\$ 9,122	\$ 444,325
Accrued Liabilities	53,470	-	-	-	19,267	72,737
Due to Other Funds	-	-	-	-	15,989	15,989
Advances Payable	-	-	-	1,587,894	33,876	1,621,770
Total Liabilities	<u>148,525</u>	<u>-</u>	<u>338,153</u>	<u>1,589,889</u>	<u>78,254</u>	<u>2,154,821</u>
Deferred Inflows of Resources	<u>1,864,877</u>	<u>753,108</u>	<u>203,100</u>	<u>187,083</u>	<u>652,566</u>	<u>3,660,734</u>
Fund Balances (Deficit)						
Nonspendable	633,191	-	-	-	8,586	641,777
Restricted	88,026	-	-	-	670,947	758,973
Committed	-	-	-	-	1,311,461	1,311,461
Assigned	-	132,958	768,031	-	-	900,989
Unassigned	1,299,170	-	-	(1,589,797)	(15,989)	(306,616)
Total Fund Balances (Deficit)	<u>2,020,387</u>	<u>132,958</u>	<u>768,031</u>	<u>(1,589,797)</u>	<u>1,975,005</u>	<u>3,306,584</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 4,033,789</u>	<u>\$ 886,066</u>	<u>\$ 1,309,284</u>	<u>\$ 187,175</u>	<u>\$ 2,705,825</u>	<u>\$ 9,122,139</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, 2018**

Total fund balance, governmental funds		\$ 3,306,584
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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.		11,465,755
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The net pension asset is not a current financial resource and is, therefore, not reported in the fund statements.		345,356
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The OPEB liabilities are not current financial usages and are, therefore, not reported in the fund statements.		(209,533)
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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		659,110
Deferred Inflows of Resources		(682,706)

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.		167,421
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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	782,120	
Bonds and notes - due in more than one year	8,026,219	
Compensated absences - current	61,171	
Compensated absences - non-current	246,215	
Accrued interest	79,197	
		<u>(9,194,922)</u>

Net Position of Governmental Activities in the Statement of Net Position		<u>\$ 5,857,065</u>
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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, 2018

	<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>
REVENUES						
Property Taxes	\$ 1,457,759	\$ 336,032	\$ 159,900	\$ 114,525	\$ 628,069	\$ 2,696,285
Other Taxes	5,756	-	-	-	20,716	26,472
Special Assessment Revenue	-	25,725	-	-	-	25,725
Intergovernmental	699,852	-	12,000	1,593	134,815	848,260
License and Permits	270,511	-	-	-	-	270,511
Fines, Forfeits and Penalties	77,991	-	-	-	-	77,991
Public Charges for Services	445,813	-	-	-	639,510	1,085,323
Interest Income	35,479	4,500	24,769	706	44,565	110,019
Miscellaneous Income	53,762	8,522	12,662	7,269	326,875	409,090
Total Revenues	<u>3,046,923</u>	<u>374,779</u>	<u>209,331</u>	<u>124,093</u>	<u>1,794,550</u>	<u>5,549,676</u>
EXPENDITURES						
Current:						
General Government	422,638	-	-	1,169	1,650	425,457
Public Safety	1,686,991	-	-	-	459,461	2,146,452
Public Works	925,920	-	44,212	-	287,816	1,257,948
Health and Human Services	37,610	-	3,293	-	108,839	149,742
Culture, Recreation and Education	311,452	-	-	-	337,149	648,601
Conservation and Development	97,256	-	1,515	-	27,544	126,315
Capital Outlay	-	-	4,262,107	7,298	530	4,269,935
Principal Repayment	-	2,082,328	-	-	40,000	2,122,328
Interest Expense	-	183,848	-	-	17,118	200,966
Total Expenditures	<u>3,481,867</u>	<u>2,266,176</u>	<u>4,311,127</u>	<u>8,467</u>	<u>1,280,107</u>	<u>11,347,744</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(434,944)</u>	<u>(1,891,397)</u>	<u>(4,101,796)</u>	<u>115,626</u>	<u>514,443</u>	<u>(5,798,068)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Long-Term Debt	-	1,575,000	4,105,000	-	755,000	6,435,000
Transfers In	425,389	263,443	660,263	175,000	280,000	1,804,095
Transfers Out	-	-	-	(356,353)	(1,022,353)	(1,378,706)
Total Other Financing Sources and Uses	<u>425,389</u>	<u>1,838,443</u>	<u>4,765,263</u>	<u>(181,353)</u>	<u>12,647</u>	<u>6,860,389</u>
Net Change in Fund Balances	(9,555)	(52,954)	663,467	(65,727)	527,090	1,062,321
Fund Balances (Deficits) - Beginning	<u>2,029,942</u>	<u>185,912</u>	<u>104,564</u>	<u>(1,524,070)</u>	<u>1,447,915</u>	<u>2,244,263</u>
Fund Balances (Deficits) - Ending	<u>\$ 2,020,387</u>	<u>\$ 132,958</u>	<u>\$ 768,031</u>	<u>\$ (1,589,797)</u>	<u>\$ 1,975,005</u>	<u>\$ 3,306,584</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, 2018**

Net change in fund balances - total governmental funds: \$ 1,062,321

Amounts reported for Governmental Activities in the Statement of Activities are different because:

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.

Capital outlay reported in governmental fund statements	4,458,038
Loss on disposal	(9,662)
Depreciation expenses reported in the statement of activities	<u>(652,767)</u>

Amount by which capital outlays are greater (less) than depreciation in the current period. 3,795,609

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.

Amount by which the compensated absences liability increased (19,682)

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.

Debt proceeds for the year	(6,435,000)
The amount of long-term debt principal payments in the current year is:	2,122,328

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.

Interest accrual change (47,926)

In governmental funds, revenues are reported when measurable and available. In the statements of activities, revenue is reported when earned.

Special assessments revenue accrued in previous years on government-wide	(302,400)
Developer revenue accrued on government-wide but not on the fund financials	51,156

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.

(66,953)

Change in Net Position of governmental activities

\$ 159,453

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Net Position
Proprietary Funds
December 31, 2018**

	Enterprise Funds		
	Electric and Water	Sewer	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 518,697	\$ 79,811	\$ 598,508
Receivables			
Taxes	45,099	-	45,099
Special Assessments	1,788	-	1,788
Accounts	1,371,681	-	1,371,681
Inventories	193,958	-	193,958
Prepaid Expenses	16,903	3,880	20,783
Total Current Assets	2,148,126	83,691	2,231,817
Restricted:			
Restricted Cash and Cash Equivalents	1,387,614	787,877	2,175,491
Net Pension Asset	138,244	24,701	162,945
Total Restricted Assets	1,525,858	812,578	2,338,436
Capital Assets:			
Land and Improvements	76,448	94,914	171,362
Construction Work in Progress	618,163	3,050,380	3,668,543
Other Capital Assets	29,757,153	16,820,300	46,577,453
Less Accumulated Depreciation	(12,350,537)	(5,351,041)	(17,701,578)
Net Capital Assets	18,101,227	14,614,553	32,715,780
Noncurrent Assets			
Advances Receivable	943,799	92,413	1,036,212
Other Deferred Debits	162,031	-	162,031
Total Noncurrent Assets	1,105,830	92,413	1,198,243
Total Assets	22,881,041	15,603,235	38,484,276
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	256,779	45,880	302,659
Deferred OPEB Outflows	8,989	972	9,961
Total Deferred Outflows of Resources	265,768	46,852	312,620
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 23,146,809	\$ 15,650,087	\$ 38,796,896

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

Statement of Net Position
Proprietary Funds
December 31, 2018

	Enterprise Funds		
	Electric and Water	Sewer	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 457,926	\$ 1,436,938	\$ 1,894,864
Accrued Liabilities	76,773	25,492	102,265
Compensated Absences	11,076	-	11,076
Bonds and Notes Payable	770,441	372,433	1,142,874
Total Current Liabilities	<u>1,316,216</u>	<u>1,834,863</u>	<u>3,151,079</u>
Non-Current Liabilities:			
Long-Term Debt			
Bonds and Notes Payable	6,267,642	4,200,749	10,468,391
Total Long-Term Debt	<u>6,267,642</u>	<u>4,200,749</u>	<u>10,468,391</u>
Other Liabilities			
Compensated Absences	46,518	-	46,518
OPEB Liability - Health Insurance	65,560	6,550	72,110
OPEB Liability - Life Insurance	47,614	5,148	52,762
Total Other Liabilities	<u>159,692</u>	<u>11,698</u>	<u>171,390</u>
Total Non-Current Liabilities	<u>6,427,334</u>	<u>4,212,447</u>	<u>10,639,781</u>
Total Liabilities	<u>7,743,550</u>	<u>6,047,310</u>	<u>13,790,860</u>
DEFERRED INFLOWS OF RESOURCES	<u>597,351</u>	<u>137,928</u>	<u>735,279</u>
NET POSITION			
Net Investment in Capital Assets	11,816,291	8,657,563	20,473,854
Restricted Assets	492,614	787,877	1,280,491
Unrestricted	2,497,003	19,409	2,516,412
Total Net Position	<u>14,805,908</u>	<u>9,464,849</u>	<u>24,270,757</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & NET POSITION	<u>\$ 23,146,809</u>	<u>\$ 15,650,087</u>	<u>\$ 38,796,896</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, 2018**

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Electric and Water</u>	<u>Sewer</u>	
OPERATING REVENUES			
Charges for Services	\$ 8,875,943	\$ 1,053,265	\$ 9,929,208
Other Operating Revenues	41,377	18,981	60,358
Total Operating Revenues	<u>8,917,320</u>	<u>1,072,246</u>	<u>9,989,566</u>
OPERATING EXPENSES			
Operation and Maintenance	6,975,621	508,486	7,484,107
Depreciation	842,964	413,429	1,256,393
Total Operating Expenses	<u>7,818,585</u>	<u>921,915</u>	<u>8,740,500</u>
Operating Income (Loss)	<u>1,098,735</u>	<u>150,331</u>	<u>1,249,066</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	28,081	23,578	51,659
Miscellaneous Non-Operating Revenue	21,140	1,593	22,733
Interest Expense	(159,982)	(92,610)	(252,592)
Net Amortization Revenue (Expense)	6,814	-	6,814
Total Non-Operating Revenue (Expenses)	<u>(103,947)</u>	<u>(67,439)</u>	<u>(171,386)</u>
Income (Loss) Before Contributions and Transfers	994,788	82,892	1,077,680
Capital Contributions	134,810	54,075	188,885
Transfers Out	(425,389)	-	(425,389)
Change in Net Position	<u>704,209</u>	<u>136,967</u>	<u>841,176</u>
Total Net Position - Beginning (Restated)	14,101,699	9,327,882	23,429,581
Total Net Position - Ending	<u>\$ 14,805,908</u>	<u>\$ 9,464,849</u>	<u>\$ 24,270,757</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, 2018**

	Electric & Water	Sewer
<u>Cash Flows From Operating Activities:</u>		
Receipts from customers	\$ 8,953,723	\$ 1,072,246
Payments to suppliers	(6,049,863)	(339,737)
Payments to employees	(1,020,370)	(218,246)
Taxes paid	(425,389)	-
Net cash provided (used) by operating activities	1,458,101	514,263
<u>Cash Flows From Capital and Related</u>		
<u>Financing Activities:</u>		
Acquisition and construction of plant assets	(1,301,382)	(1,665,900)
Proceeds from long-term debt	-	1,407,460
Principal payments on long-term debt	(755,441)	(240,178)
Interest and fiscal charges	(159,982)	(88,573)
Connection fees	-	54,075
Contributions for plant	134,810	-
Net cash provided (used) for capital and related financing activities	(2,060,628)	(533,116)
<u>Cash Flows From Non-Capital and Related</u>		
<u>Financing Activities:</u>		
Advance to TIF District	(105,000)	-
Net cash provided (used) for non-capital and related financing activities	(105,000)	-
<u>Cash Flows From Investing Activities:</u>		
Interest on investments	28,081	23,578
Net cash provided (used) for investing activities	28,081	23,578
Net increase (decrease) in cash and equivalents	(679,446)	4,725
Cash and equivalents - beginning of year	2,585,757	862,963
Cash and equivalents - end of year	\$ 1,906,311	\$ 867,688

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018**

	<u>Electric & Water</u>	<u>Sewer</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ 1,098,735	\$ 150,331
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Non-Operating revenues	21,140	1,593
Amortization	-	(19,800)
Tax equivalent	(425,389)	-
Depreciation	842,964	413,429
Joint meter allocation	19,901	(19,901)
Pension expense	(2,732)	2,196
OPEB expense	11,034	1,131
Changes in Assets and Liabilities:		
Receivables	36,403	-
Due to/from other funds	43,078	(43,078)
Inventories	18,094	-
Prepays	(270)	46
Accounts payable	(23,132)	26,238
Other Accrued liabilities	(181,725)	2,078
Net cash provided (used) by operating activities	<u>\$ 1,458,101</u>	<u>\$ 514,263</u>
Schedule of non-cash activity		
Plant financed by accounts payable	<u>\$ -</u>	<u>\$ 1,383,808</u>
Reconciliation of cash and cash equivalents to balance sheet accounts		
Cash and investments	\$ 518,697	\$ 79,811
Restricted assets	1,387,614	787,877
Total Cash and Investments	<u>1,906,311</u>	<u>867,688</u>
Cash and cash equivalents- End of year	<u>\$ 1,906,311</u>	<u>\$ 867,688</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018**

	<u>Tax Agency</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,256,459
Receivables:	
Taxes Receivable	<u>4,838,639</u>
Total Assets	<u><u>\$ 7,095,098</u></u>
LIABILITIES	
Due to Other Governments	<u>\$ 7,095,098</u>
Total Liabilities	<u><u>\$ 7,095,098</u></u>

See accompanying notes to the basic financial statements.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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.

Discretely Presented Component Unit

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, 2018

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, 2018

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, 2018

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

Fund Financial Statements (Continued)

In addition, the City reports the following fund types:

Agency funds are 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 Tax Collection Agency Fund is accounted for in the Agency 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.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. "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.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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

Fund Financial Statements (Continued)

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.

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.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

**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.

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 – 2018 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.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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

2. Receivables (Continued)

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.

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	895,000	Treasury notes investment
Sewer	787,877	Replacement fund
	<u>\$ 2,175,491</u>	

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

**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, 2018

**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	\$ 22,465	\$ 7,318
Accumulated sick leave	246,215	46,518
Vacation and holiday liability	38,706	3,758
	\$ 307,386	\$ 57,594

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, 2018

**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, 2018

**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, 2018

**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, 2018, the City adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Implementation of GASB 75 required beginning net position in the governmental activities and business-type activities to be decreased by \$171,675 and \$103,490, respectively. Additionally, beginning net position the Electric and Water and Sewer utilities were decreased by \$93,822 and \$9,668, respectively. See notes IV-B for additional information on the City's other postemployment benefits.

F. 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.

G. 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, 2018

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, 2018, the cash and investments consist of the following:

Petty cash/cash on hand	\$ 1,850
Deposits with financial institutions	8,593,209
Wisconsin Local Government Investment Pool	161,072
U.S. Treasury notes	895,000
RESCO stock certificates	54,104
Library investments	16,750
	\$ 9,721,985

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 5,290,035
Restricted cash and investments	2,175,491
Fiduciary Funds:	
Cash and investments	2,256,459
	\$ 9,721,985

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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 \$161,072 invested in the Local Government Investment Pool (LGIP) which has an average maturity of 19 days. Additionally, the City has U.S. Treasury investments with a fair value of \$295,000 maturing 12/31/2020, \$294,000 maturing 12/31/2021 and \$292,000 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, 2018, 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, 2018

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, 2018, 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: 87.25% in U.S. Government Securities, 2.19% in Certificates of Deposit and Bankers' Acceptances and 10.56% 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 \$5,002,906.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

A. CASH AND CASH EQUIVALENTS/INVESTMENTS (Continued)

As of December 31, 2018, 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	\$ 2,520,944
Total	\$ 2,520,944

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, 2017				
	Fair Value	Level 1	Level 2	Level 3
Exchange Traded Products	\$ 16,750	\$ 16,750	\$ -	\$ -
US Treasury Investments	895,000	895,000	-	-
	\$ 911,750	\$ 911,750	-	-

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, 2018

C. CAPITAL ASSETS

Capital asset activity in the governmental activities for the year ended December 31, 2018 was as follows:

	Balance 01/01/18	Additions	Retirements	Balance 12/31/18
Governmental Activities				
Non-Depreciable Capital Assets:				
Land	\$ 602,043	\$ -	\$ -	\$ 602,043
Infrastructure CWIP	302,523	3,748,697	-	4,051,220
Total Non-Depreciable Capital Assets	<u>904,566</u>	<u>3,748,697</u>	<u>-</u>	<u>4,653,263</u>
Capital Assets being Depreciated				
Land Improvements	2,637,315	5,533	-	2,642,848
Buildings and Structures	2,631,806	58,202	-	2,690,008
Equipment	2,762,808	645,606	(152,572)	3,255,842
Infrastructure	5,736,705	-	-	5,736,705
Total Capital Assets being Depreciated	<u>13,768,634</u>	<u>709,341</u>	<u>(152,572)</u>	<u>14,325,403</u>
Total Capital Assets	14,673,200	4,458,038	(152,572)	18,978,666
Less Accumulated Depreciation	<u>(7,003,054)</u>	<u>(652,767)</u>	<u>142,910</u>	<u>(7,512,911)</u>
Capital Assets Net of Depreciation	<u>\$ 7,670,146</u>	<u>\$ 3,805,271</u>	<u>\$ (9,662)</u>	<u>\$ 11,465,755</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 38,348
Public Safety	110,489
Public Works	323,277
Health and Human Services	8,333
Stormwater	50,789
Culture, Recreation and Education	<u>121,531</u>
Total Governmental Activities Depreciation Expense	<u>\$ 652,767</u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

C. CAPITAL ASSETS (Continued)

Capital asset activity in the business-type activities for the year ended December 31, 2018 was as follows:

	Balance 01/01/18	Additions	Retirements	Balance 12/31/18
Electric and Water				
Non-Depreciable Capital Assets:				
Land	\$ 76,448	\$ -	\$ -	\$ 76,448
Construction in progress	589,178	618,163	(589,178)	618,163
Total Non-Depreciable Capital Assets	665,626	618,163	(589,178)	694,611
Capital Assets being Depreciated				
Buildings and structures	790,598	-	-	790,598
Equipment	1,961,028	38,255	(118,000)	1,881,283
Infrastructure	25,922,680	1,234,142	(71,550)	27,085,272
Total Capital Assets being Depreciated	28,674,306	1,272,397	(189,550)	29,757,153
Total Capital Assets	29,339,932	1,890,560	(778,728)	30,451,764
Less Accumulated Depreciation	(11,677,222)	(862,865)	189,550	(12,350,537)
Capital Assets Net of Depreciation	<u>\$ 17,662,710</u>	<u>\$ 1,027,695</u>	<u>\$ (589,178)</u>	<u>\$ 18,101,227</u>
	Balance 01/01/18	Additions	Retirements	Balance 12/31/18
Wastewater Treatment:				
Non-Depreciable Capital Assets:				
Land	\$ 94,914	\$ -	\$ -	\$ 94,914
Construction in progress	223,951	2,826,429	-	3,050,380
Total Non-Depreciable Capital Assets	318,865	2,826,429	-	3,145,294
Capital Assets being Depreciated				
Buildings and structures	4,837,057	-	-	4,837,057
Equipment	5,245,289	25,520	-	5,270,809
Infrastructure	6,514,675	197,759	-	6,712,434
Total Capital Assets being Depreciated	16,597,021	223,279	-	16,820,300
Total Capital Assets	16,915,886	-	-	19,965,594
Less Accumulated Depreciation	(4,957,513)	(393,528)	-	(5,351,041)
Capital Assets Net of Depreciation	<u>\$ 11,958,373</u>	<u>\$ (393,528)</u>	<u>\$ -</u>	<u>\$ 14,614,553</u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

C. CAPITAL ASSETS (Continued)

	Balance 01/01/18	Additions	Retirements	Balance 12/31/18
Business-Type Activities				
Non-Depreciable Capital Assets:				
Land	\$ 171,362	\$ -	\$ -	\$ 171,362
Construction in progress	813,129	3,444,592	(589,178)	3,668,543
Total Non-Depreciable Capital Assets	<u>984,491</u>	<u>3,444,592</u>	<u>(589,178)</u>	<u>3,839,905</u>
Capital Assets being Depreciated				
Buildings and structures	5,627,655	-	-	5,627,655
Equipment	7,206,317	63,775	(118,000)	7,152,092
Infrastructure	32,437,355	1,431,901	(71,550)	33,797,706
Total Capital Assets being Depreciated	<u>45,271,327</u>	<u>1,495,676</u>	<u>(189,550)</u>	<u>46,577,453</u>
Total Capital Assets	46,255,818	4,940,268	(778,728)	50,417,358
Less Accumulated Depreciation	<u>(16,634,735)</u>	<u>(1,256,393)</u>	<u>189,550</u>	<u>(17,701,578)</u>
Capital Assets Net of Depreciation	<u>\$ 29,621,083</u>	<u>\$ 3,683,875</u>	<u>\$ (589,178)</u>	<u>\$ 32,715,780</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities		
Water		\$ 197,898
Electric		664,967
Sewer		393,528
Total Business-Type Activities Depreciation Expense		<u>\$ 1,256,393</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:

Receivable Fund	Payable Fund	Amount	Purpose
General	TIF 9	\$ 15,989	Cash shortfall
Subtotal fund financial statements		<u>\$ 15,989</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, 2018

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (Continued)

The City has the following interfund advances outstanding:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Advances</u> <u>Amount</u>	<u>Purpose</u>
General	EMS	\$ 20,254	Operations
General	TIF 5	551,682	Capital
General	Stormwater	13,622	Capital
Subtotal general fund		585,558	
Electric and water	TIF 5	943,799	Capital
Sewer	TIF 5	92,413	Capital
Subtotal fund financial statements		<u>\$ 1,621,770</u>	
Total interfund receivables		\$ 15,989	
Total inter-fund advances		1,621,770	
less inter-fund eliminations		(1,539,253)	
Internal balances		<u>\$ 98,506</u>	

The stormwater fund is set up for repayment with the general fund. Payments of \$16,470 per year include interest at 3.61%. 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	\$ 425,389	Tax equivalent
Revolving Housing Fund	TIF 5	280,000	Fund creation
TIF 5	TIF 8	175,000	Allocation transfer
Debt service	TIF 5	76,353	Debt payments
Debt service	TIF 6	70,356	Debt payments
Debt service	TIF 7	62,913	Debt payments
Debt service	TIF 8	53,821	Debt payments
Capital Projects	EMS	310,263	Capital
Capital Projects	Library	350,000	Capital
Subtotal fund statements		1,804,095	
less inter-fund eliminations		(1,378,706)	
Total per government-wide statements		<u>\$ 425,389</u>	

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (Continued)

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.

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2018 was as follows:

	Balance 1/1/18	Issued	Retired	Balance 12/31/18
Governmental Activities				
General obligation notes	\$ 570,000	\$ 4,180,000	\$ 125,000	\$ 4,625,000
General obligation bonds	2,945,000	-	170,000	2,775,000
State trust fund loans	717,920	-	73,929	643,991
Note anticipation notes	250,000	1,600,000	1,750,000	100,000
Total Governmental General Obligation Debt	<u>4,482,920</u>	<u>5,780,000</u>	<u>2,118,929</u>	<u>8,143,991</u>
Mortgage revenue bonds	-	655,000	-	655,000
WPPI loan	12,750	-	3,402	9,348
Compensated absences	287,704	19,682	-	307,386
Total Governmental Long-Term Debt	<u>\$ 4,783,374</u>	<u>\$ 6,454,682</u>	<u>\$ 2,122,331</u>	<u>\$ 9,115,725</u>
	Balance 1/1/18	Issued	Retired	Balance 12/31/18
Business-Type Activities				
General obligation notes	\$ 1,260,000	\$ -	\$ 195,000	\$ 1,065,000
WPPI loan	281,230	-	46,600	234,630
Mortgage revenue bonds	9,658,195	1,456,946	803,506	10,311,635
Total bonds and notes	<u>11,199,425</u>	<u>1,456,946</u>	<u>1,045,106</u>	<u>11,611,265</u>
Compensated absences	98,419	-	40,825	57,594
Total Business-Type Activities	<u>\$ 11,297,844</u>	<u>\$ 1,456,946</u>	<u>\$ 1,085,931</u>	<u>\$ 11,668,859</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, 2018

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, 2018 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, 2018:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/18	Amounts Due within One Year
Governmental Activities						
General Obligation Debt						
2013 General Obligation Notes	1/24/2013	4/1/2022	0.4%-1.6%	\$ 260,000	\$ 325,000	\$ 85,000
2015 General Obligation Notes	5/28/2015	10/1/2025	.5%-2.2%	\$ 390,000	120,000	20,000
2018 General Obligation Notes	5/30/2018	4/1/2028	1.9%-2.85%	\$ 4,180,000	4,180,000	345,000
Total General Obligation Notes					<u>4,625,000</u>	<u>450,000</u>
2009 G.O. Refunding Bonds	4/30/2009	4/1/2027	2.30-5.10%	\$ 1,205,000	710,000	65,000
2012 Taxable General Obligation Bond	5/24/2012	10/1/2027	1.25%-3.90%	\$ 460,000	290,000	30,000
2017 General Obligation Refunding Bonds	8/30/2017	4/1/2027	2.00-3.00%	\$ 1,855,000	1,775,000	175,000
Total General Obligation Bonds					<u>2,775,000</u>	<u>270,000</u>
2017 State Trust Fund Loan	9/19/2017	3/15/2027	3.50%	\$ 717,920	643,991	62,120
2018 Note Anticipation Notes	10/19/2018	10/19/2023	2.297%	\$ 1,250,000	100,000	100,000
Total Governmental General Obligation Debt					8,143,991	882,120
Other Long-Term Debt						
Stormwater Revenue Bonds	5/30/2018	5/1/2028	3.875%	\$ 655,000	655,000	65,500
WPPI Note	10/1/2011	10/1/2021	0.000%	\$ 33,994	9,348	3,399
Total Governmental Long-Term Bonds and Notes					<u>\$ 8,808,339</u>	<u>\$ 951,019</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		
	Long-term notes and bonds		
	Principal	Interest	Total
2019	\$ 951,019	\$ 263,348	\$ 1,214,367
2020	903,138	206,008	1,109,146
2021	904,592	184,140	1,088,732
2022	929,372	160,953	1,090,325
2023	886,782	136,815	1,023,597
2024-2028	4,233,436	298,925	4,532,361
	<u>\$ 8,808,339</u>	<u>\$ 1,250,189</u>	<u>\$ 10,058,528</u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

E. LONG-TERM OBLIGATIONS (Continued)

Proprietary Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/18	Amounts Due within One Year
Business-Type Activities						
Electric and Water						
General Obligation Debt						
2013 General Obligation Notes	1/24/2013	4/1/2022	0.4%-1.6%	\$ 1,390,000	\$ 605,000	\$ 155,000
2015 General Obligation Notes	5/28/2015	10/1/2025	0.5%-2.2%	\$ 330,000	240,000	30,000
Subtotal electric and water general obligation debt					<u>845,000</u>	<u>185,000</u>
Mortgage Revenue Bonds						
2009 Revenue Bonds	9/24/2009	5/1/2022	2.40-4.70%	\$ 935,000	665,000	40,000
2014 Revenue Bonds	7/2/2014	5/1/2025	0.7-3.1%	\$ 3,165,000	2,335,000	310,000
2016 Revenue Bonds	7/21/2016	5/1/2036	0.9-3.15%	\$ 3,240,000	2,980,000	205,000
Subtotal electric and water revenue bonds					<u>5,980,000</u>	<u>555,000</u>
Other Long-Term Debt						
WPPI Loan	11/30/2015	11/28/2025	0%	\$ 304,406	213,084	30,441
Total Electric and Water long-term notes and bonds					<u>7,038,084</u>	<u>770,441</u>
Sewer Utility						
General Obligation Debt						
2015 General Obligation Notes	5/28/2015	10/1/2025	0.5%-2.2%	\$ 240,000	220,000	10,000
Mortgage Revenue Bonds						
2005 Clean Water Fund Debt	7/27/2005	5/1/2025	2.365%	\$ 1,602,737	647,817	86,184
2009 Clean Water Fund Debt	11/25/2009	5/1/2029	2.668%	\$ 3,248,127	2,078,873	165,103
2016 Revenue Bonds	7/29/2016	5/1/2026	1.970%	\$ 185,000	148,000	18,500
2018 Revenue Bonds	5/30/2018	5/1/2028	3.875%	\$ 270,000	270,000	27,000
2018 Clean Water Fund Debt	6/27/2018	5/1/2038	1.870%	\$ 3,994,925	1,186,945	49,486
Subtotal sewer revenue bonds					<u>4,331,635</u>	<u>346,273</u>
Other Long-Term Debt						
WPPI Loan	3/25/2010	3/25/2020	0%	\$ 161,600	21,546	16,160
Total Sewer long-term notes and bonds					<u>4,573,181</u>	<u>372,433</u>
Total Business-Type Activities long-term notes and bonds					<u>\$ 11,611,265</u>	<u>\$ 1,142,874</u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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 Long-term notes and bonds		
	Principal	Interest	Total
2019	\$ 1,142,874	\$ 256,765	\$ 1,399,639
2020	1,179,470	236,841	1,416,311
2021	1,196,633	212,985	1,409,618
2022	1,209,374	187,578	1,396,952
2023	1,107,305	161,377	1,268,682
2024-2028	4,292,479	416,283	4,708,762
2029-2033	903,979	112,385	1,016,364
2034-2037	508,784	26,712	535,496
2038	70,367	658	71,025
	<u>\$ 11,611,265</u>	<u>\$ 1,611,584</u>	<u>\$13,222,849</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.

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.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

E. LONG-TERM OBLIGATIONS (Continued)

The utilities are covered under the following insurance policies at December 31, 2018:

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 (defined net earnings) must exceed 1.25 times the annual debt service of the bonds. The coverage requirement was met for both electric and water and sewer as follows:

	Electric and		
	Water	Sewer	Storm
Annual debt service 2005 CWFL	\$ -	\$ 100,508	\$ -
Annual debt service 2009 CWFL	-	208,421	-
Annual debt service 2018 CWFL	-	2,935	-
Annual debt service 2016 MRB	-	21,639	-
Annual debt service 2018 MRB	-	-	10,646
Annual debt service 2009 bonds	70,326	-	-
Annual debt service 2014 bonds	365,010	-	-
Annual debt service 2016 bonds	253,113	-	-
Total debt service	688,449	333,503	10,646
Ratio	125%	110%	110%
Net Revenues required	\$ 860,561	\$ 366,853	\$ 11,711
REVENUES			
Charges for Services	\$ 8,875,943	\$ 1,053,265	\$ 216,350
Other Operating Revenues	41,377	18,981	1,071
Total Operating Revenues	8,917,320	1,072,246	217,421
OPERATING EXPENSES			
Operation and Maintenance	6,975,621	508,486	287,816
Total expenses for coverage ratio calculation	6,975,621	508,486	287,816
Net from operations for coverage ratio calculation	1,941,699	563,760	(70,395)
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	28,081	23,578	13,455
Miscellaneous Non-Operating Revenue (Expense)	21,140	1,594	-
Capital Contributions and Impact Fees Received	134,810	54,075	-
Net Revenues per bond ordinance	\$ 2,125,730	\$ 643,007	\$ (56,940)
Net Revenues Above (Below) Required Amount	\$ 1,265,169	\$ 276,154	\$ (68,651)

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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 2018:

<u>Water</u>	<u>Customers</u>	<u>Sales (000 gals)</u>
Residential	2,037	85,658
Commercial	158	13,908
Industrial	9	4,056
Public Authority	21	3,147
Multifamily	23	3,600
	<u>2,248</u>	<u>110,369</u>
<u>Electric</u>	<u>Customers</u>	
Residential	3,851	
Commercial/Industrial	687	
Lighting Service	56	
	<u>4,594</u>	
<u>Sewer</u>	<u>Customers</u>	<u>Sales (000 gals)</u>
Residential	2,024	84,165
Commercial	160	15,573
Industrial	9	2,981
Public Authority	16	2,092
	<u>2,209</u>	<u>104,811</u>
<u>Storm</u>	<u>Customers</u>	
Residential	1,999	
Non-Residential	236	
	<u>2,235</u>	

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

F. DEFERRED INFLOWS OF RESOURCES

At the end of the 2018, the various components of deferred inflows of resources reported in the governmental and proprietary funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Governmental Funds			
Property taxes receivable	\$ -	\$ 3,493,312	\$ 3,493,312
Special assessments not yet due	<u>167,421</u>	<u>-</u>	<u>167,421</u>
Total Deferred Inflows of Resources For Governmental Funds	<u>\$ 167,421</u>	<u>\$ 3,493,312</u>	<u>\$ 3,660,733</u>
less special assessments accrued for government-wide statements			(167,421)
plus WRS pension inflows accrued for government-wide statements			681,665
plus OPEB inflows accrued for government-wide statements			1,041
Deferred Inflows of Resources-government wide statements			<u>\$ 4,176,018</u>
	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Proprietary Funds			
Wind turbine power	\$ 89,100	\$ -	\$ 89,100
Construction advances	130,735	-	130,735
Regulatory credit	141,853	-	141,853
ATC advance	26,942	-	26,942
WRS pension inflows	321,622	-	321,622
OPEB inflows	744	-	744
Other deferred inflows	<u>24,283</u>	<u>-</u>	<u>24,283</u>
Total Deferred Inflows of Resources for Proprietary Funds	<u>\$ 735,279</u>	<u>\$ -</u>	<u>\$ 735,279</u>

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

G. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Net position reported on the government-wide statement of net position at December 31, 2018 includes the following:

	Governmental	Water and Light	Sewer	Total Business-type
Capital assets	\$ 11,465,755	\$ 18,101,227	\$ 14,614,553	\$ 32,715,780
less current portion LT debt	(782,120)	(770,441)	(372,933)	(1,143,374)
less LT debt	(8,026,219)	(6,267,642)	(4,200,249)	(10,467,891)
less payables related to capital			(1,383,808)	(1,383,808)
less deferred regulatory credit	-	(141,853)	-	(141,853)
plus bond reserve	-	895,000	-	895,000
Net investment in capital assets	<u>\$ 2,657,416</u>	<u>\$ 11,816,291</u>	<u>\$ 8,657,563</u>	<u>\$ 20,473,854</u>

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

	Non- spendable	Restricted	Committed	Assigned	Unassigned
General Fund:					
Advances (net of deferred interest)	\$ 585,558	\$ -	\$ -	\$ -	\$ -
Revolving loan	-	79,026	-	-	-
Building improvement grant	-	9,000	-	-	-
Prepaid expenses	21,212	-	-	-	-
Delinquent personal property taxes	26,421	-	-	-	-
Unassigned	-	-	-	-	1,299,170
Total General Fund	<u>633,191</u>	<u>88,026</u>	<u>-</u>	<u>-</u>	<u>1,299,170</u>
Debt Service Fund:					
Debt service	-	-	-	132,958	-
Total Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,958</u>	<u>-</u>
Capital Projects Fund:					
Capital outlay	-	-	-	768,031	-
Total Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>768,031</u>	<u>-</u>
TIF 5:					
Unassigned (Deficit)	-	-	-	-	(1,589,797)

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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

Non-Major Governmental Funds:

EMS	5,618	-	169,581	-	-
Library	457	-	441,002	-	-
Cemetery	1,677	-	77,745	-	-
Stormwater	834	504,710	342,782	-	-
Tourism Commission Fund	-	48,905	-	-	-
Revolving Loan Fund	-	-	280,351	-	-
TIF 6	-	41,972	-	-	-
TIF 7	-	71,374	-	-	-
TIF 8	-	3,986	-	-	-
TIF 9	-	-	-	-	(15,989)
Total Non-Major Governmental Funds	<u>8,586</u>	<u>670,947</u>	<u>1,311,461</u>	<u>-</u>	<u>(15,989)</u>
Grand Total	<u>\$ 641,777</u>	<u>\$ 758,973</u>	<u>\$ 1,311,461</u>	<u>\$ 900,989</u>	<u>\$ (306,616)</u>

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
December 31, 2018

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>
2008	6.6%	0%
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	(5.0)
2017	2.0	4.0

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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 \$182,857 in contributions from the employer.

Contribution rates as of December 31, 2018 are:

Employee Category	Employee	Employer
General (including Teachers, Executives and Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2018, the City reported a liability (asset) of \$508,250 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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, 2017, the City's proportion was 0.01711788%, which was an increase of 0.00036035% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense of \$220,739.

At December 31, 2018, 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
December 31, 2018

A. EMPLOYEE RETIREMENT PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 645,743	\$ (302,057)
Changes of assumptions	100,420	-
Net difference between projected and actual earnings on pension plan investments	-	(698,541)
Changes in proportion and difference between Employer contributions and proportionate share of contributions	3,320	(2,589)
Employer contributions subsequent to the measurement date	194,559	-
Total	\$ 944,042	\$ (1,003,187)

\$194,559 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2019	\$ 55,265
2020	\$ (4,802)
2021	\$ (171,004)
2022	\$ (131,388)
2023	\$ 1,225

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-Retirement Adjustments*	2.1%

* *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 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 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
Notes to Financial Statements
December 31, 2018

A. EMPLOYEE RETIREMENT PLAN (Continued)

Asset Allocation Targets and Expected Returns			
As of December 31, 2017			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50	8.2	5.3
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
Variable Fund Asset Class			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. 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 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 7.20 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension liability (asset)	\$ 1,315,016	\$ (508,250)	\$ (1,893,989)

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

A. EMPLOYEE RETIREMENT PLAN (Continued)

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, 2018 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, 2017 are as listed below:

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Life Insurance	
Employee Contribution Rates	
For the year ended December 31, 2017	
Attained Age	Basic
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, 2018, the LRLIF Employer reported a liability (asset) of \$126,676 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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, 2017, the City's proportion was 0.04210500%, which was an increase of 0.002548% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized OPEB expense of \$14,226.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,785
Changes of assumptions	12,241	-
Net differences between projected and actual earnings on OPEB plan investments	1,459	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,364	-
Employer contributions subsequent to the measurement date	4,852	-
Totals	\$ 23,916	\$ 1,785

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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:	Net Outflows (Inflows) of Resources
2019	\$ 2,788
2020	2,788
2021	2,788
2022	2,788
2023	2,423
Thereafter	3,704
Total	\$ 17,279

Actuarial assumptions. The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (Asset)	December 31, 2017
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, 2018

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2017

<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:

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase to Discount Rate (4.63%)
City's proportionate share of the net OPEB liability (asset)	\$179,042	\$126,676	\$86,491

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, 2018

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, 2018

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
Balance at 12/31/2016	\$ 183,851
Changes for the year:	
Service cost	21,069
Interest	6,735
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments	(3,926)
Net Changes	23,878
 Balance at 12/31/2017	 \$ 207,729

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 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	12/31/2017	\$ 222,315	\$ 207,729	\$ 194,061

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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 12/31/2017	\$ 1,801,923	\$ 1,882,382	\$ 1,969,489

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, 2018, the balance was \$141,853.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2018

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 \$5,428,731.

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 2018, the City contributed \$237,767 to the District for dues. The City’s portion of the District’s 2019 budget is \$243,973. The District issues separate financial statements.

The City had a residual non-equity interest of approximately 58% in the District in 2018 and has a 58.25% interest 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 2018, the City received payments from the townships in the amount of \$61,820.

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

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 87, *Leases*. When these become effective, application of these standards may restate portions of these financial statements.

I. COMMITMENTS AND SUBSEQUENT EVENTS

The City has approximately \$110,000 left to complete on a \$2.837 million library project and \$1,050,000 left on a wastewater treatment plant upgrade. Subsequent to year-end the City had draws of \$2,055,792 on a clean-water loan related to the sewer project.

The City approved street and lot reconstruction projects of \$1,403,570 in March 2019.

The City approved \$1,660,000 in water and electric revenue bonds in May of 2019. A portion of the borrowing is to finance 2018 improvements already incurred.

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, 2018

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,457,769	\$ 1,457,769	\$ 1,457,759	\$ (10)
Other Taxes	3,300	3,300	5,756	2,456
Intergovernmental	698,535	698,535	699,852	1,317
License and Permits	254,565	266,565	270,511	3,946
Fines, Forfeits and Penalties	80,500	86,500	77,991	(8,509)
Public Charges for Services	432,420	438,420	445,813	7,393
Interest Income	28,600	36,150	35,479	(671)
Miscellaneous Income	49,700	49,700	53,762	4,062
Total Revenues	<u>3,005,389</u>	<u>3,036,939</u>	<u>3,046,923</u>	<u>9,984</u>
EXPENDITURES				
Current:				
General Government	434,956	434,956	422,638	12,318
Public Safety	1,678,697	1,696,198	1,686,991	9,207
Public Works	922,393	927,394	925,920	1,474
Health and Human Services	38,760	38,760	37,610	1,150
Culture, Recreation and Education	291,631	316,130	311,452	4,678
Conservation and Development	116,902	101,451	97,256	4,195
Total Expenditures	<u>3,483,339</u>	<u>3,514,889</u>	<u>3,481,867</u>	<u>33,022</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(477,950)</u>	<u>(477,950)</u>	<u>(434,944)</u>	<u>43,006</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (including tax equivalent)	<u>477,950</u>	<u>477,950</u>	<u>425,389</u>	<u>(52,561)</u>
Total Other Financing Sources and Uses	<u>477,950</u>	<u>477,950</u>	<u>425,389</u>	<u>(52,561)</u>
Net Change in Fund Balances	-	-	(9,555)	(9,555)
Fund Balances - Beginning	<u>2,029,942</u>	<u>2,029,942</u>	<u>2,029,942</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,029,942</u>	<u>\$ 2,029,942</u>	<u>\$ 2,020,387</u>	<u>\$ (9,555)</u>

See accompanying notes to the required supplementary information.

**CITY OF EVANSVILLE
WISCONSIN RETIREMENT SYSTEM
December 31, 2018**

**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)
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
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, 2018**

**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)
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
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, 2018

	2017
Total OPEB Liability	
Service Cost	\$ 21,069
Interest	6,735
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	-
Benefit payments	(3,926)
Net change in total OPEB	23,878
Total OPEB Liability - Beginning	183,851
Total OPEB Liability - Ending	\$ 207,729
 Covered Employee Payroll	 \$ 2,349,378
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 8.84%

See accompanying notes to the required supplementary information

CITY OF EVANSVILLE
Notes to Required Supplementary Information
December 31, 2018

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 RETIREMENT 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, 2018

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, 2018

	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	
ASSETS											
Cash and Cash Equivalents	\$ 158,368	\$ 452,996	\$ 80,385	\$ 49,091	\$ 280,351	\$ 865,411	\$ 41,972	\$ 71,374	\$ 3,987	\$ -	\$ 2,003,935
Receivables:											
Taxes	102,863	277,011	84,863	-	-	-	73,439	27,152	87,237	-	652,565
Accounts	40,739	-	-	-	-	-	-	-	-	-	40,739
Prepaid Expenses	5,618	457	1,677	-	-	834	-	-	-	-	8,586
Total Assets	<u>\$ 307,588</u>	<u>\$ 730,464</u>	<u>\$ 166,925</u>	<u>\$ 49,091</u>	<u>\$ 280,351</u>	<u>\$ 866,245</u>	<u>\$ 115,411</u>	<u>\$ 98,526</u>	<u>\$ 91,224</u>	<u>\$ -</u>	<u>\$ 2,705,825</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
Liabilities:											
Accounts Payable	\$ 3,793	\$ 3,188	\$ 228	\$ 186	\$ -	\$ 1,727	\$ -	\$ -	\$ -	\$ -	\$ 9,122
Accrued Liabilities	5,479	8,806	2,412	-	-	2,570	-	-	-	-	19,267
Due to Other Funds	-	-	-	-	-	-	-	-	-	15,989	15,989
Advances Payable	20,254	-	-	-	-	13,622	-	-	-	-	33,876
Total Liabilities	<u>29,526</u>	<u>11,994</u>	<u>2,640</u>	<u>186</u>	<u>-</u>	<u>17,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,989</u>	<u>78,254</u>
Deferred Inflows of Resources	102,863	277,011	84,863	-	-	-	73,439	27,152	87,238	-	652,566
Fund Balance:											
Nonspendable	5,618	457	1,677	-	-	834	-	-	-	-	8,586
Restricted	-	-	-	48,905	-	504,710	41,972	71,374	3,986	-	670,947
Committed	169,581	441,002	77,745	-	280,351	342,782	-	-	-	-	1,311,461
Unassigned	-	-	-	-	-	-	-	-	-	(15,989)	(15,989)
Total Fund Balance	<u>175,199</u>	<u>441,459</u>	<u>79,422</u>	<u>48,905</u>	<u>280,351</u>	<u>848,326</u>	<u>41,972</u>	<u>71,374</u>	<u>3,986</u>	<u>(15,989)</u>	<u>1,975,005</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 307,588</u>	<u>\$ 730,464</u>	<u>\$ 166,925</u>	<u>\$ 49,091</u>	<u>\$ 280,351</u>	<u>\$ 866,245</u>	<u>\$ 115,411</u>	<u>\$ 98,526</u>	<u>\$ 91,224</u>	<u>\$ -</u>	<u>\$ 2,705,825</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, 2018

	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
REVENUES											
Property Taxes	\$ 102,480	\$ 255,598	\$ 71,704	\$ -	\$ -	\$ -	\$ 67,596	\$ 52,817	\$ 77,874	\$ -	\$ 628,069
Other Taxes	-	-	-	20,716	-	-	-	-	-	-	20,716
Intergovernmental	66,641	62,491	-	-	-	-	529	3,580	1,574	-	134,815
Public Charges for Services	378,072	19,713	25,375	-	-	216,350	-	-	-	-	639,510
Interest Income	4,311	20,439	1,453	563	351	13,455	695	953	2,345	-	44,565
Miscellaneous Income	3,051	302,580	2,329	1,000	-	1,071	12,351	1,500	2,993	-	326,875
Total Revenues	<u>554,555</u>	<u>660,821</u>	<u>100,861</u>	<u>22,279</u>	<u>351</u>	<u>230,876</u>	<u>81,171</u>	<u>58,850</u>	<u>84,786</u>	<u>-</u>	<u>1,794,550</u>
EXPENDITURES											
Current:											
General Government	-	-	-	-	-	-	1,650	-	-	-	1,650
Public Safety	459,461	-	-	-	-	-	-	-	-	-	459,461
Public Works	-	-	-	-	-	287,816	-	-	-	-	287,816
Health and Human Services	-	-	108,839	-	-	-	-	-	-	-	108,839
Culture, Recreation and Education	-	337,149	-	-	-	-	-	-	-	-	337,149
Conservation and Development	-	-	-	11,555	-	-	-	-	-	15,989	27,544
Capital Outlay	-	-	-	-	-	-	-	150	380	-	530
Debt Service											
Principal Repayment	-	-	-	-	-	40,000	-	-	-	-	40,000
Interest Expense	602	-	-	-	-	16,516	-	-	-	-	17,118
Total Expenditures	<u>460,063</u>	<u>337,149</u>	<u>108,839</u>	<u>11,555</u>	<u>-</u>	<u>344,332</u>	<u>1,650</u>	<u>150</u>	<u>380</u>	<u>15,989</u>	<u>1,280,107</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>94,492</u>	<u>323,672</u>	<u>(7,978)</u>	<u>10,724</u>	<u>351</u>	<u>(113,456)</u>	<u>79,521</u>	<u>58,700</u>	<u>84,406</u>	<u>(15,989)</u>	<u>514,443</u>
OTHER FINANCING SOURCES (USES)											
Proceeds from Long-Term Debt	100,000	-	-	-	-	655,000	-	-	-	-	755,000
Transfers In	-	-	-	-	280,000	-	-	-	-	-	280,000
Transfers Out	(310,263)	(350,000)	-	-	-	-	(70,356)	(62,913)	(228,821)	-	(1,022,353)
Total Other Financing Sources and Uses	<u>(210,263)</u>	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>280,000</u>	<u>655,000</u>	<u>(70,356)</u>	<u>(62,913)</u>	<u>(228,821)</u>	<u>-</u>	<u>12,647</u>
Net Change in Fund Balances	(115,771)	(26,328)	(7,978)	10,724	280,351	541,544	9,165	(4,213)	(144,415)	(15,989)	527,090
Fund Balances (Deficit)- Beginning	290,970	467,787	87,400	38,181	-	306,782	32,807	75,587	148,401	-	1,447,915
Fund Balances (Deficit) - Ending	<u>\$ 175,199</u>	<u>\$ 441,459</u>	<u>\$ 79,422</u>	<u>\$ 48,905</u>	<u>\$ 280,351</u>	<u>\$ 848,326</u>	<u>\$ 41,972</u>	<u>\$ 71,374</u>	<u>\$ 3,986</u>	<u>\$ (15,989)</u>	<u>\$ 1,975,005</u>