



CITY OF EVANSVILLE

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

For the Year Ended December 31, 2025

**City of Evansville, Wisconsin
Table of Contents
December 31, 2025**

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	i - iii
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position.....	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet – Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	4
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statement of Net Position – Proprietary Funds	7 - 8
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	9
Statement of Cash Flows – Proprietary Funds	10 - 11
Statement of Fiduciary Net Position – Fiduciary Funds	12
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	13
Notes to the Financial Statements.....	14 - 57
REQUIRED SUPPLEMENTARY INFORMATION	
Major Funds	
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
General Fund	58
Stormwater Fund	59
Wisconsin Retirement System Schedules	60
Local Retiree Life Insurance Fund Schedules	61
Schedule of Changes in the City’s Total OPEB Liability and Related Ratios-Health Plan.....	62
Notes to Required Supplementary Information	63 - 66
OTHER SUPPLEMENTARY INFORMATION	
Nonmajor Funds	
Combining Statements	
Balance Sheet – Nonmajor Governmental Funds	67 - 68
Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	69 - 70



INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Evansville
Evansville, Wisconsin

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evansville, Wisconsin, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City of Evansville, Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Evansville, Wisconsin, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Evansville, Wisconsin's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Evansville, Wisconsin's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 59-60, the Wisconsin Retirement System schedules on page 61, the Local Retiree Life Insurance Fund schedules on page 62, and the other postemployment benefits health plan schedule on page 63 be presented to the supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evansville, Wisconsin's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
August 31, 2026

BASIC FINANCIAL STATEMENTS

City of Evansville, Wisconsin

**Statement of Net Position
December 31, 2025**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 15,067,288	\$ 1,165,704	\$ 16,232,992
Receivables	4,266,230	1,306,211	5,572,441
Internal Balances	98,107	(98,107)	-
Leases Receivable	-	799,025	799,025
Inventories	-	448,716	448,716
Other Assets	127,338	30,745	158,083
Restricted Assets:			
Cash and Investments	210,299	3,653,568	3,863,867
Capital Assets:			
Land and construction in progress	3,853,103	5,070,338	8,923,441
Other Capital Assets, net of depreciation	25,386,484	33,792,692	59,179,176
Net Capital Assets	<u>29,239,587</u>	<u>38,863,030</u>	<u>68,102,617</u>
Total Assets	<u>49,008,849</u>	<u>46,168,892</u>	<u>95,177,741</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	1,314,817	616,182	1,930,999
Deferred OPEB Outflows	176,692	24,087	200,779
Total Deferred Outflows of Resources	<u>1,491,509</u>	<u>640,269</u>	<u>2,131,778</u>
 Total Assets and Deferred Outflows of Resources	<u><u>\$ 50,500,358</u></u>	<u><u>\$ 46,809,161</u></u>	<u><u>\$ 97,309,519</u></u>
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 1,719,249	\$ 1,419,932	\$ 3,139,181
Net Pension Liability	225,078	105,482	330,560
Grant Advance	142,650	-	142,650
OPEB Liability - Health Insurance	306,117	56,170	362,287
OPEB Liability - Life Insurance	135,345	44,779	180,124
Long-Term Liabilities:			
Due Within One Year:			
Bonds and Notes	1,774,531	1,473,398	3,247,929
Accrued Interest	245,719	65,897	311,616
Compensated Absences	80,301	14,823	95,124
Due in More Than One Year:			
Bonds and Notes, including premium	24,568,186	12,817,720	37,385,906
Compensated Absences	564,129	121,627	685,756
Total Liabilities	<u>29,761,305</u>	<u>16,119,828</u>	<u>45,881,133</u>
DEFERRED INFLOWS OF RESOURCES	<u>6,721,788</u>	<u>1,653,889</u>	<u>8,375,677</u>
NET POSITION			
Net Investment in Capital Assets	3,392,369	26,004,595	29,396,964
Restricted for:			
Special Revenue	114,218	-	114,218
Capital	-	1,250,606	1,250,606
Debt	-	991,971	991,971
Other Purposes	681,638	-	681,638
Unrestricted	9,829,040	788,272	10,617,312
Total Net Position	<u>14,017,265</u>	<u>29,035,444</u>	<u>43,052,709</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 50,500,358</u></u>	<u><u>\$ 46,809,161</u></u>	<u><u>\$ 97,309,519</u></u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net position		
		Charges for	Operating	Capital Grants	Governmental	Business-type	Total
Primary government		Services	Grants and	and	Activities	Activities	
			Contributions	Contributions			
Governmental Activities:							
General Government	\$ 683,771	\$ 156,036	\$ 600	\$ -	\$ (527,135)		\$ (527,135)
Public Safety	2,931,006	764,145	340,462	-	(1,826,399)		(1,826,399)
Public Works	2,450,264	958,179	648,245	60,683	(783,157)		(783,157)
Health and Human Services	310,647	49,785	-	-	(260,862)		(260,862)
Culture, Recreation, and Education	2,468,109	332,789	96,642	324,583	(1,714,095)		(1,714,095)
Conservation and Development	394,115	12,884	850	-	(380,381)		(380,381)
Interest on Long-term Debt	922,600	280	-	-	(922,320)		(922,320)
Total governmental activities	10,160,512	2,274,098	1,086,799	385,266	(6,414,349)		(6,414,349)
Business-type Activities:							
Electric and Water	9,472,554	10,514,260	-	496,975	-	\$ 1,538,681	1,538,681
Sewer	1,566,194	1,621,287	-	26,100	-	81,193	81,193
Total business-type activities	11,038,748	12,135,547	-	523,075	-	1,619,874	1,619,874
Total primary government	\$ 21,199,260	\$ 14,409,645	\$ 1,086,799	\$ 908,341	(6,414,349)	1,619,874	(4,794,475)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					3,316,975	-	3,316,975
Property taxes, levied for debt service					1,886,089	-	1,886,089
Other taxes					18,771	-	18,771
Grants and contributions not restricted to specific programs					782,582	-	782,582
Unrestricted investment earnings					676,697	228,298	904,995
Miscellaneous					2,614,017	122,592	2,736,609
Special item - gain (loss) on disposal of asset					48,607	-	48,607
Transfers					441,806	(441,806)	-
Total general revenues, special item, and transfers					9,785,544	(90,916)	9,694,628
Change in net position					3,371,195	1,528,958	4,900,153
Net position - beginning of year					10,646,070	27,506,486	38,152,556
Net position - end of year					\$ 14,017,265	\$ 29,035,444	\$ 43,052,709

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Balance Sheet
Governmental Funds
December 31, 2025**

	General Fund	Debt Service	Capital Projects	Stormwater	TIF 5	Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 3,950,821	\$ 1,676,060	\$ 5,513,717	\$ 496,937	\$ 295,783	\$ 3,133,970	\$ 15,067,288
Receivables:							
Taxes	1,274,847	1,273,559	-	-	227,117	688,032	3,463,555
Special Assessments	253,704	281,769	-	-	-	-	535,473
Accounts, net	-	-	-	59,205	-	168,798	228,003
Other	39,199	-	-	-	-	-	39,199
Due from Other Funds	1,175,535	-	-	-	-	-	1,175,535
Prepaid Expenses	117,330	-	-	145	-	9,863	127,338
Restricted Cash	-	-	91,427	118,872	-	-	210,299
Advances Receivable	8,374	-	-	-	-	-	8,374
Total Assets	<u>\$ 6,819,810</u>	<u>\$ 3,231,388</u>	<u>\$ 5,605,144</u>	<u>\$ 675,159</u>	<u>\$ 522,900</u>	<u>\$ 4,000,663</u>	<u>\$ 20,855,064</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 320,707	\$ 817	\$ 757,236	\$ 236,330	\$ 138	\$ 114,106	\$ 1,429,334
Accrued Liabilities	289,915	-	-	-	-	-	289,915
Due to Other Funds	-	-	-	-	-	41,216	41,216
Grant Advance	-	-	-	-	-	142,650	142,650
Advances Payable	-	-	-	-	1,044,586	-	1,044,586
Total Liabilities	<u>610,622</u>	<u>817</u>	<u>757,236</u>	<u>236,330</u>	<u>1,044,724</u>	<u>297,972</u>	<u>2,947,701</u>
Deferred Inflows of Resources	<u>2,463,617</u>	<u>2,222,064</u>	<u>-</u>	<u>-</u>	<u>351,547</u>	<u>1,171,836</u>	<u>6,209,064</u>
Fund Balances (Deficit):							
Nonspendable	125,704	-	-	145	-	9,863	135,712
Restricted	101,404	1,008,507	4,847,908	438,684	-	1,194,448	7,590,951
Committed	-	-	-	-	-	1,330,194	1,330,194
Unassigned (Deficit)	3,518,463	-	-	-	(873,371)	(3,650)	2,641,442
Total Fund Balances (Deficit)	<u>3,745,571</u>	<u>1,008,507</u>	<u>4,847,908</u>	<u>438,829</u>	<u>(873,371)</u>	<u>2,530,855</u>	<u>11,698,299</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 6,819,810</u>	<u>\$ 3,231,388</u>	<u>\$ 5,605,144</u>	<u>\$ 675,159</u>	<u>\$ 522,900</u>	<u>\$ 4,000,663</u>	<u>\$ 20,855,064</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, 2025**

Total fund balance, governmental funds	\$ 11,698,299
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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.	29,239,587
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The net pension liability is not a current financial liability and is, therefore, not reported in the fund statements.	(225,078)
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The OPEB liabilities are not current financial usages and are, therefore, not reported in the fund statements.	(441,462)
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Pension and OPEB deferred outflows of resources and inflows of resources are actuarially determined. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and inflows of resources are not financial resources and therefore are not reported in the fund statements.

Deferred Outflows of Resources	1,491,509
Deferred Inflows of Resources	(870,339)

Special assessment 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.	357,615
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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	26,342,717	
Compensated absences	644,430	
Accrued interest	245,719	
		(27,232,866)

Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 14,017,265</u></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, 2025

	General Fund	Debt Service	Capital Projects	Stormwater	TIF 5	Nonmajor Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 2,095,149	\$ 1,886,089	\$ -	\$ -	\$ 331,107	\$ 890,719	\$ 5,203,064
Other Taxes	6,841	-	-	-	-	13,349	20,190
Special Assessment Revenue	-	150,530	-	-	-	-	150,530
Intergovernmental	1,147,440	-	-	-	7,607	489,694	1,644,741
License and Permits	450,329	-	-	-	-	-	450,329
Fines, Forfeits, and Penalties	74,563	-	-	-	-	-	74,563
Public Charges for Services	733,290	-	123,579	536,775	-	556,450	1,950,094
Interest Income	281,595	4,666	222,589	11,915	593	115,968	637,326
Miscellaneous Income	114,845	201,004	2,734,188	1,622	199	33,929	3,085,787
Total Revenues	<u>4,904,052</u>	<u>2,242,289</u>	<u>3,080,356</u>	<u>550,312</u>	<u>339,506</u>	<u>2,100,109</u>	<u>13,216,624</u>
EXPENDITURES							
Current:							
General Government	579,795	-	-	-	150	45,510	625,455
Public Safety	2,015,253	-	-	-	-	674,210	2,689,463
Public Works	1,250,492	-	-	94,983	-	21,433	1,366,908
Health and Human Services	34,195	-	-	-	-	178,432	212,627
Culture, Recreation, and Education	558,016	-	-	-	-	531,211	1,089,227
Conservation and Development	162,771	-	-	-	-	45,743	208,514
Capital Outlay	-	-	2,486,125	1,049,198	19,235	312,902	3,867,460
Debt Service:							
Principal Repayment	-	1,366,359	-	175,500	-	-	1,541,859
Interest Expense	-	864,603	-	164,823	-	-	1,029,426
Total Expenditures	<u>4,600,522</u>	<u>2,230,962</u>	<u>2,486,125</u>	<u>1,484,504</u>	<u>19,385</u>	<u>1,809,441</u>	<u>12,630,939</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>303,530</u>	<u>11,327</u>	<u>594,231</u>	<u>(934,192)</u>	<u>320,121</u>	<u>290,668</u>	<u>585,685</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from Long-Term Debt	-	-	1,915,000	680,000	-	-	2,595,000
Debt Premium	-	-	97,415	43,537	-	-	140,952
Transfers In	441,806	343,873	-	-	-	-	785,679
Transfers Out	-	-	-	-	(148,863)	(195,010)	(343,873)
Total Other Financing Sources (Uses)	<u>441,806</u>	<u>343,873</u>	<u>2,012,415</u>	<u>723,537</u>	<u>(148,863)</u>	<u>(195,010)</u>	<u>3,177,758</u>
Net Change in Fund Balances	745,336	355,200	2,606,646	(210,655)	171,258	95,658	3,763,443
Fund Balances (Deficit) - Beginning of year	<u>3,000,235</u>	<u>653,307</u>	<u>2,241,262</u>	<u>649,484</u>	<u>(1,044,629)</u>	<u>2,435,197</u>	<u>7,934,856</u>
Fund Balances (Deficit) - End of year	<u>\$ 3,745,571</u>	<u>\$ 1,008,507</u>	<u>\$ 4,847,908</u>	<u>\$ 438,829</u>	<u>\$ (873,371)</u>	<u>\$ 2,530,855</u>	<u>\$ 11,698,299</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, 2025**

Net change in fund balances - total governmental funds: \$ 3,763,443

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	3,023,273	
Loss on disposal	(46,517)	
Depreciation expenses reported in the Statement of Activities	(1,947,865)	
Amount by which capital outlays are greater (less) than depreciation in the current period.		1,028,891

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	(32,801)
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Governmental funds report note and 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	(2,595,000)
Debt premium	(140,952)
Long-term debt principal payments	1,541,859

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	26,928
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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 current year on government-wide statements	(74,483)
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Pension and OPEB expenses reported in the governmental funds represent current year required contributions into the defined benefit pension and OPEB plans. Pension and OPEB expenses in the Statement of Activities are actuarially determined by the defined benefit pension and OPEB plans as the difference between the net pension asset/liability and OPEB liability from the prior year to the current year, with some adjustments.

(146,690)

Change in Net Position of governmental activities	\$ 3,371,195
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See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Net Position
Proprietary Funds
December 31, 2025**

	Enterprise Funds		
	Electric and Water	Sewer	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ 1,165,704	\$ 1,165,704
Receivables:			
Special Assessments	1,788	-	1,788
Accounts	1,121,464	178,621	1,300,085
Other	4,338	-	4,338
Due from Other Funds	119,211	41,216	160,427
Short-Term Lease Receivable	15,955	-	15,955
Inventories	448,716	-	448,716
Prepaid Expenses	20,816	3,059	23,875
Total Current Assets	<u>1,732,288</u>	<u>1,388,600</u>	<u>3,120,888</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	<u>1,166,618</u>	<u>2,486,950</u>	<u>3,653,568</u>
Total Restricted Assets	<u>1,166,618</u>	<u>2,486,950</u>	<u>3,653,568</u>
Capital Assets:			
Land and Improvements	76,448	94,914	171,362
Construction Work in Progress	2,893,543	2,005,433	4,898,976
Other Capital Assets	37,797,639	23,337,479	61,135,118
Less Accumulated Depreciation	<u>(18,342,339)</u>	<u>(9,000,087)</u>	<u>(27,342,426)</u>
Net Capital Assets	<u>22,425,291</u>	<u>16,437,739</u>	<u>38,863,030</u>
Noncurrent Assets:			
Advances Receivable	943,799	92,413	1,036,212
Unamortized Debt Discount	6,870	-	6,870
Long-Term Lease Receivable	<u>783,070</u>	<u>-</u>	<u>783,070</u>
Total Noncurrent Assets	<u>1,733,739</u>	<u>92,413</u>	<u>1,826,152</u>
Total Assets	<u>27,057,936</u>	<u>20,405,702</u>	<u>47,463,638</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	506,887	109,295	616,182
Deferred OPEB Outflows	<u>19,213</u>	<u>4,874</u>	<u>24,087</u>
Total Deferred Outflows of Resources	<u>526,100</u>	<u>114,169</u>	<u>640,269</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 27,584,036</u>	<u>\$ 20,519,871</u>	<u>\$ 48,103,907</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Net Position
Proprietary Funds
December 31, 2025**

	Enterprise Funds		
	Electric and Water	Sewer	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 1,180,547	\$ 226,177	\$ 1,406,724
Accrued Liabilities	13,208	-	13,208
Accrued Interest Payable	23,532	42,365	65,897
Due to Other Funds	1,175,535	119,211	1,294,746
Compensated Absences	14,823	-	14,823
Bonds and Notes Payable	805,000	668,398	1,473,398
Total Current Liabilities	<u>3,212,645</u>	<u>1,056,151</u>	<u>4,268,796</u>
Non-Current Liabilities:			
Long-Term Debt			
Bond Premium	27,963	104,848	132,811
Bonds and Notes Payable	4,600,000	8,084,909	12,684,909
Total Long-Term Debt	<u>4,627,963</u>	<u>8,189,757</u>	<u>12,817,720</u>
Other Liabilities			
Compensated Absences	121,627	-	121,627
OPEB Liability - Health Insurance	34,466	21,704	56,170
OPEB Liability - Life Insurance	35,719	9,060	44,779
Net Pension Liability	86,772	18,710	105,482
Total Other Liabilities	<u>278,584</u>	<u>49,474</u>	<u>328,058</u>
Total Non-Current Liabilities	<u>4,906,547</u>	<u>8,239,231</u>	<u>13,145,778</u>
Total Liabilities	<u>8,119,192</u>	<u>9,295,382</u>	<u>17,414,574</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,591,969</u>	<u>61,920</u>	<u>1,653,889</u>
NET POSITION			
Net Investment in Capital Assets	17,626,678	8,377,917	26,004,595
Restricted for Capital	-	1,250,606	1,250,606
Restricted for Debt	560,198	431,773	991,971
Unrestricted	(314,001)	1,102,273	788,272
Total Net Position	<u>17,872,875</u>	<u>11,162,569</u>	<u>29,035,444</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 27,584,036</u>	<u>\$ 20,519,871</u>	<u>\$ 48,103,907</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025**

	Enterprise Funds		
	Electric and Water	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 10,403,194	\$ 1,618,712	\$ 12,021,906
Other Operating Revenues	111,066	2,575	113,641
Total Operating Revenues	<u>10,514,260</u>	<u>1,621,287</u>	<u>12,135,547</u>
OPERATING EXPENSES			
Operation and Maintenance	8,343,936	751,368	9,095,304
Depreciation	976,748	576,120	1,552,868
Total Operating Expenses	<u>9,320,684</u>	<u>1,327,488</u>	<u>10,648,172</u>
Operating Income (Loss)	<u>1,193,576</u>	<u>293,799</u>	<u>1,487,375</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	108,806	119,492	228,298
Miscellaneous Non-Operating Revenue	155,372	-	155,372
Interest Expense	(151,870)	(238,706)	(390,576)
Net Amortization Revenue (Expense)	(9,954)	(22,826)	(32,780)
Total Non-Operating Revenue (Expenses)	<u>102,354</u>	<u>(142,040)</u>	<u>(39,686)</u>
Income (Loss) Before Contributions and Transfers	1,295,930	151,759	1,447,689
Capital Contributions	496,975	26,100	523,075
Transfers Out	(441,806)	-	(441,806)
Change in Net Position	<u>1,351,099</u>	<u>177,859</u>	<u>1,528,958</u>
Total Net Position - Beginning of year	16,521,776	10,984,710	27,506,486
Total Net Position - End of year	<u>\$ 17,872,875</u>	<u>\$ 11,162,569</u>	<u>\$ 29,035,444</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, 2025**

	Enterprise Funds		
	Electric and Water	Sewer	Total
<u>Cash Flows From Operating Activities:</u>			
Receipts from customers	\$ 10,322,904	\$ 1,603,975	\$ 11,926,879
Payments to suppliers	(6,448,601)	(530,216)	(6,978,817)
Payments to employees	(1,404,414)	(6,600)	(1,411,014)
Taxes paid	(441,806)	-	(441,806)
Net cash provided (used) by operating activities	<u>2,028,083</u>	<u>1,067,159</u>	<u>3,095,242</u>
<u>Cash Flows From Capital and Related</u>			
<u>Financing Activities:</u>			
Acquisition and construction of plant assets	(3,074,454)	(1,417,832)	(4,492,286)
Proceeds from long-term debt	-	610,000	610,000
Interfund for capital	1,175,535	-	1,175,535
Principal payments on long-term debt	(890,367)	(644,106)	(1,534,473)
Deferred charges	-	(22,826)	(22,826)
Interest and fiscal charges	(157,497)	(230,931)	(388,428)
Connection fees	-	26,100	26,100
Contributions for plant	546,334	-	546,334
Net cash provided (used) by capital and related financing activities	<u>(2,400,449)</u>	<u>(1,679,595)</u>	<u>(4,080,044)</u>
<u>Cash Flows From Investing Activities:</u>			
Interest on investments	108,806	119,492	228,298
Net cash provided (used) by investing activities	<u>108,806</u>	<u>119,492</u>	<u>228,298</u>
Net increase (decrease) in cash and equivalents	(263,560)	(492,944)	(756,504)
Cash and cash equivalents - beginning of year	1,430,178	4,145,598	5,575,776
Cash and cash equivalents - end of year	<u>\$ 1,166,618</u>	<u>\$ 3,652,654</u>	<u>\$ 4,819,272</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, 2025**

	Enterprise Funds		
	Electric and Water	Sewer	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 1,193,576	\$ 293,799	\$ 1,487,375
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Non-Operating revenues	155,372	-	155,372
Tax equivalent	(441,806)	-	(441,806)
Depreciation	976,748	576,120	1,552,868
Joint meter allocation	28,785	(28,785)	-
Pension expense	21,944	5,429	27,373
OPEB expense	3,712	3,602	7,314
Changes in Assets and Liabilities:			
Receivables	(191,356)	(17,312)	(208,668)
Lease receivables	(31,832)	-	(31,832)
Due to/from other funds	(61,717)	61,717	-
Inventories	(106,281)	-	(106,281)
Prepays	5,825	2,398	8,223
Accounts payable	486,422	173,944	660,366
Other Accrued liabilities	(11,309)	(3,753)	(15,062)
Net cash provided (used) by operating activities	<u>\$ 2,028,083</u>	<u>\$ 1,067,159</u>	<u>\$ 3,095,242</u>
Reconciliation of cash and cash equivalents to balance sheet accounts			
Cash and investments	\$ -	\$ 1,165,704	\$ 1,165,704
Restricted assets	1,166,618	2,486,950	3,653,568
Cash and cash equivalents- End of year	<u>\$ 1,166,618</u>	<u>\$ 3,652,654</u>	<u>\$ 4,819,272</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025**

	Tax Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 4,661,345
Receivables:	
Taxes Receivable	4,496,893
Total Assets	<u>\$ 9,158,238</u>
LIABILITIES	
Due to Other Governments	\$ 9,158,238
Total Liabilities	<u>\$ 9,158,238</u>

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2025**

	<u>Tax Custodial Fund</u>
ADDITIONS	
Property tax collections for other governments	<u>\$ 9,719,207</u>
Total additions	<u>9,719,207</u>
DEDUCTIONS	
Payments of taxes to other governments	<u>9,719,207</u>
Total deductions	<u>9,719,207</u>
Net increase (decrease) in fiduciary net position	-
Total Net Position - Beginning of year	<u>-</u>
Total Net Position - End of year	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

The Evansville Housing Authority

Management of the City has determined that the Evansville Housing Authority (the “Authority”) is excluded as a component unit. The Authority is a legally separate organization and appointments to the board of the Authority are approved by the City Council; however, since the City cannot impose its will on the Authority and there is no material financial benefit or burden on the City, the 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 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.

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

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets 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, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

The City reports the following major governmental funds:

Major Governmental

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

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

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

Stormwater Fund – special revenue fund that accounts for the proceeds of stormwater fees that are legally restricted for expenditure.

Tax Increment Financing District #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 nonmajor governmental funds:

Nonmajor 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 Loan Fund
- K9 Fund
- American Rescue Plan Act Fund

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

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

Capital Projects Levy

TIF #6

TIF #7

TIF #8

TIF #9

TIF #10

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

The City reports the following fiduciary fund:

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

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

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

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 nonspendable fund balance.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

Fund Financial Statements (Continued)

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.

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 nonmajor and custodial funds.

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 custodial fund statement of net position.

Property tax calendar – 2025 tax roll:

Lien date and levy date	December 2025
Tax bills mailed	December 2025
Payment in full, or	
First installment due	January 31, 2026
Second installment due	July 31, 2026

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 \$40,300 has been made.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds”. Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

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

<u>Purpose</u>	<u>Capital Projects</u>	<u>Stormwater</u>	<u>Electric & Water</u>	<u>Sewer</u>
Debt reserve/redemption	\$ 91,427	\$ 118,872	\$ 1,166,618	\$ 1,236,344
Replacement fund	-	-	-	1,250,606
	<u>\$ 91,427</u>	<u>\$ 118,872</u>	<u>\$ 1,166,618</u>	<u>\$ 2,486,950</u>

5. Capital Assets

Government-Wide Statements

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

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

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Capital Assets (Continued)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. 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, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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. Benefits considered more likely than not to be used or settled at termination are recognized in the financial statements.

Amounts of accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the Statement of Net Position. A liability is also recorded for accumulating rights to receive sick pay benefits for the portion more likely than not to be used by employees. Additionally, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will more likely than not be paid upon termination. The City accrues salary-related payments associated with payments of compensated absences. The City applies a Last-In, First-Out (“LIFO”) flows assumption when estimating its compensated absences liability. Under this assumption, employees are considered to use current-year leave before leave earned in prior years.

The balance in compensated absences is as follows:

	<u>Governmental</u>	<u>Business-type</u>
Compensated time-off liability	\$ 5,776	\$ 2,981
Year-end excess sick hours liability	17,716	2,065
Accumulated sick leave	564,130	121,627
Vacation and holiday liability	56,808	9,777
	<u>\$ 644,430</u>	<u>\$ 136,450</u>

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.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

8. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board (“GASB”) 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.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Equity Classifications (Continued)

- 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.

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 resources first, followed by committed, assigned and unassigned amounts respectively.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Pensions

The fiduciary net position of the Wisconsin Retirement System (“WRS”) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS’ fiduciary net position have been determined on the same basis as they are reported by the WRS. 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.

12. Other Postemployment Benefits

The fiduciary net position of the Local Retiree Life Insurance Fund (“LRLIF”) and Health Plan has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs, and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and Health Plan and additions to/deductions from LRLIF’s and Health Plan fiduciary net position have been determined on the same basis as they are reported by the LRLIF and Health Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

E. UTILITY RATES AND USER CHARGES

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

F. INCOME TAXES

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

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. CHANGES IN ACCOUNTING PRINCIPLES

Effective January 1, 2025, the City adopted GASB Statement No. 102, Certain Risk Disclosures. GASB 102 was issued to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The City does not have any certain risks requiring disclosure in the financial statements.

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 six Tax Incremental Districts ("TID"). The transactions of the Districts are shown in the Capital Projects 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, 2025, the cash and investments consist of the following:

Petty cash/cash on hand	\$ 1,827
Deposits with financial institutions	24,131,936
Wisconsin Local Government Investment Pool	193,480
RESCO stock certificates	196,039
Mutual funds	173,882
Certificates of deposit	61,040
	<u>\$ 24,758,204</u>

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 16,232,992
Restricted cash and investments	3,863,867
Fiduciary Funds:	
Cash and investments	4,661,345
	<u>\$ 24,758,204</u>

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND CASH EQUIVALENTS/INVESTMENTS (Continued)

Investments Authorized by Wisconsin Statutes

Investment of City funds are 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;
- (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, technical college district, village, city, town, 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 or the Wisconsin Aerospace Authority.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater sensitivity its fair value has to changes in market interest rates. The City's policy is that the City will not directly invest in securities maturing more than five years from purchase unless matched to a specific cash flow. As of December 31, 2025, the City has \$193,480 invested in the Local Government Investment Pool ("LGIP") which has an average maturity of 13 days. The City had CDs with an original maturity of one year totaling \$61,040. All of the CDs mature in 2026.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND CASH EQUIVALENTS/INVESTMENTS (Continued)

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, 2025, the City's investment in the Wisconsin Local Government Investment Pool was not rated. Additionally, the U.S. Treasury investment funds have an AAA rating from Moody's Investor Services.

The Wisconsin LGIP is part of the State Investment Fund ("SIF"), and is managed by the State of Wisconsin Investment Board ("SWIB"). 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 <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2025, 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, 2025 was: 97% in U.S. Government Securities and 3% in Certificates of Deposit, Commercial Paper and Time Deposits. 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. The City's mutual funds had \$164,685 in funds rated four stars and \$9,277 rated three stars by Morningstar.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND CASH EQUIVALENTS/INVESTMENTS (Continued)

Custodial Credit Risk (continued)

Deposits in each local and area bank are insured by the Federal Deposit Insurance Corporation (“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 \$1,000,000. 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.

As of December 31, 2025, the City’s deposits with financial institutions in excess of federal depository insurance limits were exposed to custodial credit risk as follows:

Uninsured and collateralized by letter of credit	\$ 19,500,000
Uninsured and uncollateralized	-
Total	<u><u>\$ 19,500,000</u></u>

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, 2025				
	Fair Value	Level 1	Level 2	Level 3
Mutual Funds	\$ 173,882	\$ 173,882	\$ -	\$ -
Certificates of Deposit	61,040	61,040	-	-
	<u><u>\$ 234,922</u></u>	<u><u>\$ 234,922</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

B. CAPITAL ASSETS

Capital asset activity in the governmental activities for the year ended December 31, 2025 was as follows:

	Balance 01/01/25	Additions	Retirements	Balance 12/31/25
Governmental Activities				
Non-Depreciable Capital Assets:				
Land	\$ 798,411	\$ 309,170	\$ -	\$ 1,107,581
Infrastructure CWIP	799,878	1,770,154	(20,000)	2,550,032
Building CWIP	-	129,418	-	129,418
Equipment CWIP	-	66,072	-	66,072
Total Non-Depreciable Capital Assets	<u>1,598,289</u>	<u>2,274,814</u>	<u>(20,000)</u>	<u>3,853,103</u>
Capital Assets being Depreciated				
Land Improvements	7,745,404	154,489	-	7,899,893
Buildings and Structures	17,017,350	327,732	-	17,345,082
Equipment	5,101,977	258,088	(411,016)	4,949,049
Infrastructure	9,715,108	28,150	-	9,743,258
Total Capital Assets being Depreciated	<u>39,579,839</u>	<u>768,459</u>	<u>(411,016)</u>	<u>39,937,282</u>
Total Capital Assets	41,178,128	3,043,273	(431,016)	43,790,385
Less Accumulated Depreciation	<u>(12,967,432)</u>	<u>(1,947,865)</u>	<u>364,499</u>	<u>(14,550,798)</u>
Capital Assets Net of Depreciation	<u>\$ 28,210,696</u>	<u>\$ 1,095,408</u>	<u>\$ (66,517)</u>	<u>\$ 29,239,587</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 66,630
Public Safety	141,378
Public Works	552,446
Health and Human Services	6,676
Stormwater	161,658
Culture, Recreation and Education	1,019,077
Total Governmental Activities Depreciation Expense	<u>\$ 1,947,865</u>

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

B. CAPITAL ASSETS (Continued)

Capital asset activity in the business-type activities for the year ended December 31, 2025 was as follows:

	Balance 01/01/25	Additions	Retirements	Balance 12/31/25
Electric and Water				
Non-Depreciable Capital Assets:				
Land	\$ 76,448	\$ -	\$ -	\$ 76,448
Construction in progress	1,260,980	1,658,766	(26,203)	2,893,543
Total Non-Depreciable Capital Assets	1,337,428	1,658,766	(26,203)	2,969,991
Capital Assets being Depreciated				
Buildings and structures	1,181,348	-	-	1,181,348
Equipment	2,330,407	31,140	-	2,361,547
Infrastructure	33,237,093	1,272,750	(255,099)	34,254,744
Total Capital Assets being Depreciated	36,748,848	1,303,890	(255,099)	37,797,639
Total Capital Assets	38,086,276	2,962,656	(281,302)	40,767,630
Less Accumulated Depreciation	(17,729,906)	(867,532)	255,099	(18,342,339)
Capital Assets Net of Depreciation	\$ 20,356,370	\$ 2,095,124	\$ (26,203)	\$ 22,425,291

	Balance 01/01/25	Additions	Retirements	Balance 12/31/25
Sewer				
Non-Depreciable Capital Assets:				
Land	\$ 94,914	\$ -	\$ -	\$ 94,914
Construction in progress	587,602	1,417,831	-	2,005,433
Total Non-Depreciable Capital Assets	682,516	1,417,831	2,100,347	2,100,347
Capital Assets being Depreciated				
Buildings and structures	8,030,949	-	-	8,030,949
Equipment	5,751,908	-	-	5,751,908
Infrastructure	9,554,622	-	-	9,554,622
Total Capital Assets being Depreciated	23,337,479	-	-	23,337,479
Total Capital Assets	24,019,995	1,417,831	2,100,347	25,437,826
Less Accumulated Depreciation	(8,452,753)	(547,334)	-	(9,000,087)
Capital Assets Net of Depreciation	\$ 15,567,242	\$ 870,497	\$ 2,100,347	\$ 16,437,739

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

B. CAPITAL ASSETS (Continued)

	Balance 01/01/25	Additions	Retirements	Balance 12/31/25
Business-Type Activities				
Non-Depreciable Capital Assets:				
Land	\$ 171,362	\$ -	\$ -	\$ 171,362
Construction in progress	1,848,582	3,076,597	(26,203)	4,898,976
Total Non-Depreciable Capital Assets	<u>2,019,944</u>	<u>3,076,597</u>	<u>(26,203)</u>	<u>5,070,338</u>
Capital Assets being Depreciated				
Buildings and structures	9,212,297	-	-	9,212,297
Equipment	8,082,315	31,140	-	8,113,455
Infrastructure	42,791,715	1,272,750	(255,099)	43,809,366
Total Capital Assets being Depreciated	<u>60,086,327</u>	<u>1,303,890</u>	<u>(255,099)</u>	<u>61,135,118</u>
Total Capital Assets	62,106,271	4,380,487	(281,302)	66,205,456
Less Accumulated Depreciation	(26,182,659)	(1,414,866)	255,099	(27,342,426)
Capital Assets Net of Depreciation	<u>\$ 35,923,612</u>	<u>\$ 2,965,621</u>	<u>\$ (26,203)</u>	<u>\$ 38,863,030</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	\$ 292,206
Electric	547,041
Sewer	547,334
Total Business-Type Activities Depreciation Expense	<u>\$ 1,386,581</u>

C. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

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

Interfund Receivables and Payables			
Receivable Fund	Payable Fund	Amount	Purpose
Sewer	Electric and Water	\$ 119,211	Operations
Sewer	TIF 9	41,216	Cash Flow
General	Electric and water	1,175,535	Temporary Cash Flow
Subtotal fund financial statements		<u>\$ 1,335,962</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, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

C. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (Continued)

The City has the following interfund advances outstanding:

Receivable Fund	Payable Fund	Advances Amount	Purpose
General	TIF 5	\$ 8,374	Capital
Electric and water	TIF 5	943,799	Capital
Sewer	TIF 5	92,413	Capital
Subtotal fund financial statements		<u>\$ 1,044,586</u>	
Total interfund receivables		\$ 1,335,962	
Total interfund advances		1,044,586	
less interfund eliminations		(2,282,441)	
Internal balances		<u>\$ 98,107</u>	

None of the TIF advances are set up for repayment. The City passed a resolution stating interest rates on TIF advances will be 0%. The advances to the TIF district are anticipated to be repaid from future tax increments.

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

Transferred to	Transferred from	Amount	Purpose
General	Electric and Water	\$ 441,806	Tax equivalent
Debt service	TIF 5	148,863	Debt payments
Debt service	TIF 6	73,847	Debt payments
Debt service	TIF 7	68,250	Debt payments
Debt service	TIF 8	52,913	Debt payments
Subtotal fund statements		<u>785,679</u>	
less City transfers for utility capital			
less inter-fund eliminations		(343,873)	
Total per government-wide statements		<u>\$ 441,806</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

D. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2025 was as follows:

	Balance 1/1/25	Issued	Retired	Balance 12/31/25
Governmental Activities				
Direct Borrowings and Direct Placements	\$ 237,187	\$ -	\$ (76,359)	\$ 160,828
Other Notes and Bonds	24,797,000	2,595,000	(1,465,500)	25,926,500
Total Notes and Bonds	<u>25,034,187</u>	<u>2,595,000</u>	<u>(1,541,859)</u>	<u>26,087,328</u>
Bond Premium	120,460	140,952	(6,023)	255,389
Compensated Absences*	<u>611,629</u>	<u>32,801</u>	<u>-</u>	<u>644,430</u>
Total Governmental Long-Term Debt	<u><u>\$ 25,766,276</u></u>	<u><u>\$ 2,768,753</u></u>	<u><u>\$ (1,547,882)</u></u>	<u><u>\$ 26,987,147</u></u>
	Balance 1/1/25	Issued	Retired	Balance 12/31/25
Business-Type Activities				
Direct Borrowings and Direct Placements	\$ 3,932,781	\$ -	\$ (493,974)	\$ 3,438,807
Other Notes and Bonds	11,150,000	610,000	(1,040,500)	10,719,500
Total Notes and Bonds	<u>15,082,781</u>	<u>610,000</u>	<u>(1,534,474)</u>	<u>14,158,307</u>
Bond Premium	102,481	35,735	(5,405)	132,811
Compensated Absences*	<u>133,650</u>	<u>2,800</u>	<u>-</u>	<u>136,450</u>
Total Business-Type Long-Term Debt	<u><u>\$ 15,318,912</u></u>	<u><u>\$ 648,535</u></u>	<u><u>\$ (1,539,879)</u></u>	<u><u>\$ 14,427,568</u></u>

*The change in compensated absences liability is presented as a net change.

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.

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, 2025 was \$38,780,495. Total general obligation debt outstanding at year-end was \$26,545,000.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

D. LONG-TERM OBLIGATIONS (Continued)

The following is a list of long-term obligations at December 31, 2025:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/25	Amounts Due within One Year
Governmental Activities						
Direct Borrowings and Direct Placements						
2017 State Trust Fund Loan	9/19/2017	3/15/2027	3.50%	\$ 717,920	\$ 160,828	\$ 79,031
Total Direct Borrowings and Direct Placements					<u>\$ 160,828</u>	<u>\$ 79,031</u>
Other Notes and Bonds						
General Obligation Debt						
2018 General Obligation Notes	5/30/2018	4/1/2028	2.65%-2.85%	\$ 4,180,000	\$ 1,380,000	\$ 445,000
2019 General Obligation Notes	6/1/2019	4/1/2029	3.00%	\$ 790,000	230,000	100,000
2021 General Obligation Notes	9/2/2021	4/1/2031	1.00%-1.25%	\$ 2,420,000	1,835,000	200,000
2022 General Obligation Notes	9/1/2022	4/1/2041	3.00-4.00%	\$ 1,305,000	615,000	85,000
2024 General Obligation Notes	8/8/2024	4/1/2044	4.00%-5.00%	\$ 3,030,000	2,740,000	90,000
2025 General Obligation Notes	12/4/2025	4/1/2035	4.00%	\$ 2,595,000	2,595,000	275,000
Total General Obligation Notes					<u>9,395,000</u>	<u>1,195,000</u>
2012 Taxable General Obligation Bond	5/24/2012	10/1/2027	3.90%	\$ 460,000	70,000	35,000
2017 General Obligation Refunding Bonds	8/30/2017	4/1/2027	2.00%	\$ 1,855,000	435,000	205,000
2021 General Obligation Bonds	9/2/2021	4/1/2041	0.70%-2.00%	\$ 790,000	625,000	35,000
2023 General Obligation Bonds	11/9/2023	4/1/2043	4.25%-5.00%	\$ 15,205,000	15,205,000	160,000
Total General Obligation Bonds					<u>16,335,000</u>	<u>435,000</u>
Total General Obligation Debt					<u>25,730,000</u>	<u>1,630,000</u>
Stormwater Revenue Bonds	5/30/2018	5/1/2028	3.875%	\$ 655,000	196,500	65,500
Total Other Notes and Bonds					<u>\$ 25,926,500</u>	<u>\$ 1,695,500</u>
Total Governmental Long-Term Debt					<u>\$ 26,087,328</u>	<u>\$ 1,774,531</u>

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

Years	Governmental Activities					
	Bonds and Notes from direct borrowings and placements		Bonds and Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 79,031	\$ 5,629	\$ 1,695,500	\$ 1,015,051	\$ 1,774,531	\$ 1,020,680
2027	81,797	2,863	1,675,500	894,900	1,757,297	897,763
2028	-	-	1,370,500	858,583	1,370,500	858,583
2029	-	-	1,410,000	820,113	1,410,000	820,113
2030	-	-	1,490,000	777,333	1,490,000	777,333
2031-2035	-	-	7,305,000	3,083,768	7,305,000	3,083,768
2036-2040	-	-	6,535,000	1,715,493	6,535,000	1,715,493
2041-2044	-	-	4,445,000	319,463	4,445,000	319,463
	<u>\$ 160,828</u>	<u>\$ 8,492</u>	<u>\$ 25,926,500</u>	<u>\$ 9,484,704</u>	<u>\$ 26,087,328</u>	<u>\$ 9,493,196</u>

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

D. LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/25	Amounts Due within One Year
Electric and Water						
Mortgage Revenue Bonds						
2016 Revenue Bonds	7/21/2016	5/1/2036	2.00%-3.15%	\$ 3,240,000	\$ 1,395,000	\$ 360,000
2019 Revenue Bonds	6/6/2019	5/1/2029	3.00%	\$ 1,575,000	840,000	290,000
2021 Revenue Bonds	9/2/2021	5/1/2041	1.00%-2.50%	\$ 2,050,000	1,840,000	105,000
2022 Revenue Bonds	8/31/2022	5/1/1942	3.00%-4.00%	\$ 1,630,000	1,330,000	50,000
Total Electric and Water Mortgage Revenue Bonds					5,405,000	805,000
Total Electric and Water Other Bonds and Notes					5,405,000	805,000
Sewer Utility						
General Obligation Debt						
2019 General Obligation Notes	6/1/2019	4/1/2029	3.00%	\$ 480,000	205,000	50,000
2019 General Obligation Notes	12/4/2025	4/1/2035	4.00%	\$ 610,000	610,000	-
Total Sewer General Obligation Debt					815,000	50,000
Mortgage Revenue Bonds						
2016 Revenue Bonds	7/29/2016	5/1/2026	1.97%	\$ 185,000	18,500	18,500
2018 Revenue Bonds	5/30/2018	5/1/2028	3.875%	\$ 270,000	81,000	27,000
2021 Revenue Bonds	9/2/2021	5/1/2041	2.00%-3.00%	\$ 1,235,000	1,120,000	45,000
2022 Revenue Bonds	8/31/2022	5/1/2042	3.625%-4.00%	\$ 1,570,000	1,480,000	20,000
2024 Revenue Bonds	8/8/2024	5/1/2044	4.00%-5.00%	\$ 1,800,000	1,800,000	130,000
Total Sewer Mortgage Revenue Bonds					4,499,500	240,500
Total Sewer Other Bonds and Notes					5,314,500	290,500
Total Business-Type Other Notes and Bonds					\$ 10,719,500	\$ 1,095,500
Direct Borrowings and Direct Placements						
2009 Clean Water Fund Debt	11/25/2009	5/1/2029	2.668%	\$ 3,248,127	\$ 826,421	\$ 198,518
2018 Clean Water Fund Debt	6/27/2018	5/1/2038	1.87%	\$ 3,994,925	2,612,386	179,380
Total Direct Borrowings and Direct Placements					\$ 3,438,807	\$ 377,898
Total Business-Type Activities Long-Term Debt					\$ 14,158,307	\$ 1,473,398

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

D. LONG-TERM OBLIGATIONS (Continued)

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

Debt service requirements to maturity are as follows:

Years	Business-Type Activities					
	Bonds and Notes from direct borrowings and placements		Bonds and Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 377,898	\$ 66,576	\$ 1,095,500	\$ 318,402	\$ 1,473,398	\$ 384,978
2027	386,549	57,823	1,022,000	305,331	1,408,549	363,154
2028	395,404	48,863	652,000	266,545	1,047,404	315,408
2029	404,467	39,693	650,000	247,041	1,054,467	286,734
2030	193,178	33,246	600,000	228,616	793,178	261,862
2031-2035	1,021,448	110,156	3,045,000	890,811	4,066,448	1,000,967
2036-2040	659,864	18,664	2,565,000	483,189	3,224,864	501,853
2041-2044	-	-	1,085,000	77,613	1,085,000	77,613
	<u>\$ 3,438,808</u>	<u>\$ 375,021</u>	<u>\$ 10,714,500</u>	<u>\$ 2,817,548</u>	<u>\$ 14,153,308</u>	<u>\$ 3,192,569</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 June 1, 2026.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

D. LONG-TERM OBLIGATIONS (Continued)

The utilities are covered under the following insurance policies at December 31, 2025:

Type	Coverage
Buildings and Contents	\$ 14,900,000
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 Stormwater-Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation and capital (defined net earnings) must exceed 1.25 or 1.10 times the annual debt service of the bonds. The coverage requirement was met for electric and water, sewer, and stormwater is as follows:

	Electric and		
	Water	Sewer	Stormwater
Maximum annual debt service	\$ 939,717	\$ 868,122	\$ 71,845
Total debt service	939,717	868,122	71,845
Ratio	125%	110%	110%
Net Revenues required	\$ 1,174,646	\$ 954,934	\$ 79,030
REVENUES			
Charges for Services	\$ 10,403,194	\$ 1,618,712	\$ 536,775
Other Operating Revenues	111,066	2,575	1,622
Total Operating Revenues	10,514,260	1,621,287	538,397
OPERATING EXPENSES			
Operation and Maintenance	8,343,936	751,370	94,983
Total expenses for coverage ratio calculation	8,343,936	751,370	94,983
Net from operations for coverage ratio calculation	2,170,324	869,917	443,414
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	108,806	119,492	11,915
Miscellaneous Non-Operating Revenue (Expense)	155,372	-	-
Capital Contributions and Impact Fees Received	496,975	26,100	43,537
Net Revenues per bond ordinance	\$ 2,931,477	\$ 1,015,509	\$ 498,866
Net Revenues Above (Below) Required Amount	\$ 1,756,831	\$ 60,575	\$ 419,836

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

D. LONG-TERM OBLIGATIONS (Continued)

Number of Customers

The Water and Electric, Sewer, and Stormwater utilities had the following number of customers and billed volumes for 2025:

		Sales
<u>Water</u>	<u>Customers</u>	<u>(000 gals)</u>
Residential	2,296	88,260
Commercial	190	12,983
Industrial	7	3,982
Public Authority	28	10,123
Multifamily	13	5,232
	<u>2,534</u>	<u>120,580</u>
<u>Electric</u>	<u>Customers</u>	
Residential	3,549	
Commercial/Industrial	614	
Lighting Service	46	
	<u>4,209</u>	
		Sales
<u>Sewer</u>	<u>Customers</u>	<u>(000 gals)</u>
Residential	2,273	87,209
Commercial	197	17,093
Industrial	7	6,767
Public Authority	22	4,729
	<u>2,499</u>	<u>115,798</u>
<u>Stormwater</u>	<u>Customers</u>	
Residential	2,183	
Non-Residential	243	
	<u>2,426</u>	

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

E. DEFERRED INFLOWS OF RESOURCES

At the end of the 2025, 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	\$ -	\$ 5,847,894	\$ 5,847,894
Special assessments not yet due	250,762	-	250,762
Crime prevention fund	-	3,554	3,554
Ambulance billings	106,854	-	106,854
Total Deferred Inflows of Resources			
For Governmental Funds	<u>\$ 357,616</u>	<u>\$ 5,851,448</u>	<u>\$ 6,209,064</u>
Less special assessments accrued for government wide statements			(357,616)
Plus WRS pension and OPEB inflows accrued for government-wide statements			<u>870,340</u>
Total Deferred Inflows of Resources for Government Wide Statements			<u><u>\$ 6,721,788</u></u>
	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Proprietary Funds			
Construction advances	\$ 485,413	\$ -	\$ 485,413
Energy efficient	29,034	-	29,034
ATC advance	26,942	-	26,942
WRS pension inflows	310,276	-	310,276
OPEB inflows	34,027	-	34,027
Deferred leases	761,255	-	761,255
Other deferred inflows	6,942	-	6,942
Total Deferred Inflows of Resources for Proprietary Funds	<u><u>\$ 1,653,889</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,653,889</u></u>

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

F. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

Net position reported on the government-wide statement of net position at December 31, 2025 includes the following:

	Governmental	Electric and Water	Sewer	Total Business-type
Capital assets	\$ 29,239,587	\$ 22,425,291	\$ 16,437,739	\$ 38,863,030
less current portion LT debt	(1,774,531)	(805,000)	(668,398)	(1,473,398)
less LT debt	(24,568,187)	(4,600,000)	(8,084,909)	(12,684,909)
plus bond reserve	65,500	606,387	693,485	1,299,872
plus unspent proceeds	430,000	-	-	-
Net investment in capital assets	<u>\$ 3,392,369</u>	<u>\$ 17,626,678</u>	<u>\$ 8,377,917</u>	<u>\$ 26,004,595</u>

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

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Unassigned</u>
General Fund:				
Advances (net of deferred interest)	\$ 8,374	\$ -	\$ -	\$ -
Revolving loan	-	92,404	-	-
Building improvement grant	-	9,000	-	-
Prepaid expenses	117,330	-	-	-
Unassigned	-	-	-	3,518,463
Total General Fund	<u>125,704</u>	<u>101,404</u>	<u>-</u>	<u>3,518,463</u>
Debt Service Fund:				
Debt service	-	1,008,507	-	-
Total Debt Service Fund	<u>-</u>	<u>1,008,507</u>	<u>-</u>	<u>-</u>
Capital Projects Fund:				
Capital outlay	-	4,847,908	-	-
Total Capital Projects Fund	<u>-</u>	<u>4,847,908</u>	<u>-</u>	<u>-</u>
TIF 5:				
Unassigned (deficit)	-	-	-	(873,371)
Stormwater Fund:				
Prepaid expenses	145	-	-	-
Stormwater	-	438,684	-	-
Total Stormwater Fund	<u>145</u>	<u>438,684</u>	<u>-</u>	<u>-</u>

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

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

Nonmajor Governmental Funds:

	Nonspendable	Restricted	Committed	Unassigned
EMS	\$ 8,155	\$ -	\$ 786,045	\$ -
Library	193	398,592	97,960	-
Cemetery	1,515	-	193,495	-
Tourism Commission Fund	-	47,149	-	-
Revolving Loan Fund	-	-	214,939	-
ARPA	-	67,069	-	-
K9	-	-	23,885	-
Capital Projects - Levy	-	-	13,870	-
TIF 6	-	223,282	-	-
TIF 7	-	367,390	-	-
TIF 8	-	83,841	-	-
TIF 9	-	7,125	-	-
TIF 10	-	-	-	(3,650)
Total Nonmajor Governmental Funds	<u>9,863</u>	<u>1,194,448</u>	<u>1,330,194</u>	<u>(3,650)</u>
Grand Total	<u>\$ 135,712</u>	<u>\$ 7,590,951</u>	<u>\$ 1,330,194</u>	<u>\$ 2,641,442</u>

The TIF deficits are anticipated to be recovered through future tax increments.

G. LEASE RECEIVABLE AND REVENUE

The City's water utility has two water tower leases with cell providers to put up antennas. The first lease term is through March 2031, and the second lease term is through July 2049. A summary of the 2025 revenue and future lease revenue is below.

Lease-related Revenue	Year Ending 2025
Lease Revenue	
Water Tower Space	<u>\$ 48,246</u>
Total Lease Revenue	<u>48,246</u>
Interest Revenue	<u>27,852</u>
Total	<u><u>\$ 76,098</u></u>

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

G. LEASE RECEIVABLE AND REVENUE (Continued)

Year	Principal	Interest	Total Receipts
2026	\$ 15,955	\$ 23,707	\$ 39,662
2027	12,206	23,329	35,535
2028	13,658	22,943	36,601
2029	15,186	22,513	37,699
2030	16,795	22,035	38,830
2031-2035	111,143	101,194	212,337
2036-2040	165,476	80,681	246,157
2041-2045	234,382	50,981	285,363
2046-2049	214,224	11,911	226,135
Total Future Receipts	\$ 799,025	\$ 359,294	\$ 1,158,319

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 and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (“ACFR”), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE IV – OTHER INFORMATION (Continued)

A. EMPLOYEE RETIREMENT PLAN (Continued)

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

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE IV – OTHER INFORMATION (Continued)

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 \$304,894 in contributions from the employer.

Contribution rates as of December 31, 2025 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.95%	6.95%
Protective with Social Security	6.95%	14.95%
Protective without Social Security	6.95%	18.95%

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

At December 31, 2025, the City reported a liability (asset) of \$330,560 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2024, and the Total Pension Liability (Asset) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. 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, 2024, the City's proportion was 0.02011732%, which was an increase of 0.00058976% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized pension expense of \$441,530.

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE IV – OTHER INFORMATION (Continued)

A. EMPLOYEE RETIREMENT PLAN (Continued)

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,026,572	\$ (964,656)
Net differences between projected and actual earnings on pension plan investments	502,305	-
Changes in assumptions	98,083	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	376	(7,690)
Employer contributions subsequent to the measurement date	303,663	-
Total	<u>\$ 1,930,999</u>	<u>\$ (972,346)</u>

\$303,663 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, 2026.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension will be recognized in pension expense (revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2026	\$ 196,330
2027	682,631
2028	(170,930)
2029	(53,041)
Total	<u>\$ 654,990</u>

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE IV – OTHER INFORMATION (Continued)

A. EMPLOYEE RETIREMENT PLAN (Continued)

Actuarial Assumptions. The Total Pension Liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
	January 1, 2021 - December 31 2023
Experience Study:	Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.7%

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 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.

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE IV – OTHER INFORMATION (Continued)

A. EMPLOYEE RETIREMENT PLAN (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns¹

As of December 31, 2024

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Public Equity	38	7.0	4.3
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage ³	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6%

³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE IV – OTHER INFORMATION (Continued)

A. EMPLOYEE RETIREMENT PLAN (Continued)

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 6.80 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 one percentage point lower (5.80 percent) or one percentage point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 3,101,092	\$ 330,560	\$ (1,637,822)

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

B. OTHER POSTEMPLOYMENT BENEFITS

Multiple-Employer Life Insurance Plan

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

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (“ACFR”), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

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.

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE IV – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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, 2025 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
25% Post Retirement Coverage	20% of Member Contribution

Member 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, 2024 are as listed below:

Life Insurance Member Contribution Rates*		
For the year ended December 31, 2024		
<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$968 in contributions from the employer.

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE IV – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

At December 31, 2025, the LRLIF Employer reported a liability (asset) of \$190,352 for its proportionate share of the Net OPEB Liability (Asset). The Net OPEB Liability (Asset) was measured as of December 31, 2024, and the Total OPEB Liability used to calculate the Net OPEB Liability (Asset) was determined by an actuarial valuation as of January 1, 2024, rolled forward to December 31, 2024. 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, 2024, the City's proportion was 0.046041%, which was an increase of 0.004666% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized OPEB expense of \$13,611.

At December 31, 2025, 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	\$ -	\$ (18,740)
Net differences between projected and actual earnings on plan investments	2,473	-
Changes in actuarial assumptions	44,198	(101,028)
Changes in proportion and differences between employer contributions and proportionate share of contributions	43,744	(17,104)
Employer contributions subsequent to the measurement date	6,475	-
Totals	<u>\$ 96,890</u>	<u>\$ (136,872)</u>

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE IV – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

\$6,475 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2026	\$ (2,098)
2027	(10,377)
2028	(18,135)
2029	(12,063)
2030	(668)
Thereafter	(3,116)
Total	<u>\$ (46,457)</u>

Actuarial Assumptions. The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability (Asset)	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023, Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.10% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
* Based on the Bond Buyers GO 20-Bond Municipal Index.	

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2021. The Total OPEB Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE IV – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2024**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40%	2.41%
U.S. Mortgages	Bloomberg U.S. MBS	60%	2.71%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Single Discount Rate. A single discount rate of 4.09% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2037.

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

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE IV – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 4.09 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 (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
City's proportionate share of the net OPEB liability (asset)	\$ 240,761	\$ 180,124	\$ 133,398

Single Employer Health Insurance Plan

Plan Description. The City operates a single-employer, retiree benefit plan that provides postemployment health insurance benefits to eligible employees and their spouses. There are 42 active and 2 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, 2024, 42 active employees were eligible for the benefit terms, while two retirees were eligible.

Total OPEB Liability. The City's Total OPEB Liability of \$362,287 was measured at December 31, 2024, and was determined by an actuarial valuation as of December 31, 2024.

Actuarial Assumptions and Other Inputs. The Total OPEB Liability in the December 31, 2024 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	4.28 percent
Healthcare cost trend rates	Actual first year increase, then 7.00% decreasing to 6.50%, then decreasing by 0.10% down to 4.50% and level thereafter
Retirees' share of benefit-related costs	Retirees are responsible for the full (100%) amount of premiums

City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE IV – OTHER INFORMATION (Continued)

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Index published by the Federal Reserve as of the week of the measurement date.

Mortality rates were based on the 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a based year of 2010.

The actuarial assumptions used in the December 31, 2023 valuation were based on a study conducted in 2021 using the Wisconsin Retirement System (WRS) experience from 2018-2020.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2023	<u>\$ 349,008</u>
Changes for the year:	
Service cost	25,897
Interest	14,357
Changes of benefit terms	-
Differences between expected and actual experience	(14,287)
Changes in assumptions or other inputs	(6,623)
Benefit payments	<u>(6,065)</u>
Net Changes	<u>13,279</u>
 Balance at 12/31/2024	 <u><u>\$ 362,287</u></u>

There were no changes of benefit terms.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current discount rate:

		1% Decrease 3.28%	Current Discount Rate 4.28%	1% Increase 5.28%
Total OPEB Liability	12/31/2024	<u>\$ 386,624</u>	<u>\$ 362,287</u>	<u>\$ 339,651</u>

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE IV – OTHER INFORMATION (Continued)

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 3.5 percent) or 1-percentage-point higher (actual first year increase, then 8.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

		1% Decrease (Actual first year increase, then 6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (Actual first year increase, then 7.0% decreasing to 4.5%)	1% Increase (Actual first year increase, then 8.0% decreasing to 5.5%)
Total OPEB Liability	12/31/2024	<u>\$ 330,399</u>	<u>\$ 362,287</u>	<u>\$ 400,066</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2024, the City recognized OPEB expense of \$37,752.

\$6,475 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, 2025. 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. PURCHASED POWER CONTRACT

Evansville Electric and Water has a long-term contract and purchases its power from WPPI, Wisconsin Public Power Incorporated. Purchased power expenses were \$5,960,326.

**City of Evansville, Wisconsin
Notes to Financial Statements
December 31, 2025**

NOTE IV – OTHER INFORMATION (Continued)

E. EVANSVILLE FIRE DISTRICT

The City 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 2025, the City contributed \$318,064 to the District for dues. The City’s portion of the District’s 2026 budget is \$315,643. The District issues separate financial statements.

The City had a residual non-equity interest of approximately 61% in the District in 2025.

F. EVANSVILLE MEDICAL EMERGENCY SERVICES

The City 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 \$28.63 per capita. For 2025, the City received payments from the townships in the amount of \$82,600.

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

GASB has adopted GASB Statement No. 103, Financial Reporting Model Improvements, effective for periods beginning after June 15, 2025, GASB Statement No. 104, Disclosure of Certain Capital Assets, effective for periods beginning after June 15, 2025 and GASB Statement No. 105, Subsequent Events, effective for periods beginning after June 15, 2026. When these become effective, application of these standards may restate portions of these financial statements.

H. COMMITMENTS AND SUBSEQUENT EVENTS

Subsequent to year end, the City approved the following:

- In March 2026, the City obtained Revenue Bond Anticipation Notes in the amount of \$3,125,000 to be used for Water capital projects. The interest rate is 3.93% and semi-annual interest payments are due beginning in May 2027 with a balloon principal payment due in 2029.
- In June 2026, the City obtained Revenue Bond Anticipation Notes in the amount of \$6,040,000 to be used for Electric capital projects. The interest rate is 4.00% and semi-annual interest payments are due beginning in May 2027 with a balloon principal payment due in 2029.
- In May 2026, the City purchased a truck to be used by the Electric utility. The total cost was approximately \$306,000.
- In May 2026, the City contracted for substation construction not to exceed \$959,000.
- In April 2026, the City contracted for 2026 road and utility projects in the amount of \$1,430,000.

REQUIRED SUPPLEMENTARY INFORMATION

City of Evansville, Wisconsin

**Schedules of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (with Variances)
General Fund
For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 2,095,149	\$ 2,095,149	\$ 2,095,149	\$ -
Other Taxes	3,300	3,300	6,841	3,541
Intergovernmental	1,080,644	1,080,644	1,147,440	66,796
License and Permits	311,000	311,000	450,329	139,329
Fines, Forfeits, and Penalties	78,000	78,000	74,563	(3,437)
Public Charges for Services	671,985	671,985	733,290	61,305
Interest Income	73,000	73,000	281,595	208,595
Miscellaneous Income	92,248	92,248	114,845	22,597
Total Revenues	<u>4,405,326</u>	<u>4,405,326</u>	<u>4,904,052</u>	<u>498,726</u>
EXPENDITURES				
Current:				
General Government	592,897	592,897	579,795	13,102
Public Safety	2,227,282	2,227,282	2,015,253	212,029
Public Works	1,265,661	1,265,661	1,250,492	15,169
Health and Human Services	40,960	40,960	34,195	6,765
Culture, Recreation, and Education	536,977	536,977	558,016	(21,039)
Conservation and Development	180,349	180,349	162,771	17,578
Total Expenditures	<u>4,844,126</u>	<u>4,844,126</u>	<u>4,600,522</u>	<u>243,604</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(438,800)</u>	<u>(438,800)</u>	<u>303,530</u>	<u>742,330</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (including tax equivalent)	438,800	438,800	441,806	3,006
Total Other Financing Sources (Uses)	<u>438,800</u>	<u>438,800</u>	<u>441,806</u>	<u>3,006</u>
Net Change in Fund Balance	-	-	745,336	745,336
Fund Balance - Beginning of year	3,000,235	3,000,235	3,000,235	-
Fund Balance - End of year	<u>\$ 3,000,235</u>	<u>\$ 3,000,235</u>	<u>\$ 3,745,571</u>	<u>\$ 745,336</u>

See accompanying notes to the required supplementary information.

City of Evansville, Wisconsin

**Schedules of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (with Variances)
Stormwater Fund
For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Public Charges for Services	\$ 521,659	\$ 521,659	\$ 536,775	\$ 15,116
Interest Income	1,000	1,000	11,915	10,915
Miscellaneous Income	650	650	1,622	972
Total Revenues	<u>523,309</u>	<u>523,309</u>	<u>550,312</u>	<u>27,003</u>
EXPENDITURES				
Current:				
Public Works	145,454	145,454	94,983	50,471
Capital Outlay	653,022	653,022	1,049,198	(396,176)
Debt Service:				
Principal Repayment	175,500	175,500	175,500	-
Interest Expense	138,793	138,793	164,823	(26,030)
Total Expenditures	<u>1,112,769</u>	<u>1,112,769</u>	<u>1,484,504</u>	<u>(371,735)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(589,460)</u>	<u>(589,460)</u>	<u>(934,192)</u>	<u>(344,732)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-Term Debt	592,021	592,021	680,000	(87,979)
Debt Premium	-	-	43,537	(43,537)
Total Other Financing Sources and Uses	<u>592,021</u>	<u>592,021</u>	<u>723,537</u>	<u>131,516</u>
Net Change in Fund Balance	2,561	2,561	(210,655)	(213,216)
Fund Balance - Beginning of year	649,484	649,484	649,484	-
Fund Balance - End of year	<u>\$ 652,045</u>	<u>\$ 652,045</u>	<u>\$ 438,829</u>	<u>\$ (213,216)</u>

See accompanying notes to the required supplementary information.

City of Evansville, Wisconsin
WISCONSIN RETIREMENT SYSTEM SCHEDULES
December 31, 2025

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

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2024	0.02011732%	\$ 330,560	\$ 3,353,936	9.86%	98.79%
2023	0.01952756%	290,336	3,014,156	9.63%	98.85%
2022	0.01902411%	1,007,841	2,865,084	35.18%	95.72%
2021	(0.01870805%)	(1,507,904)	2,728,963	(55.26%)	106.02%
2020	(0.01856156%)	(1,158,823)	2,564,075	(45.19%)	105.26%
2019	0.01848869%	(596,159)	2,572,717	(23.17%)	102.96%
2018	0.01787635%	635,984	2,478,433	25.66%	96.45%
2017	(0.01711788%)	(508,250)	2,302,788	(22.07%)	102.93%
2016	0.01675753%	138,122	2,145,280	6.44%	99.12%
2015	0.01676696%	272,460	2,099,883	12.98%	98.20%

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
2025	\$ 303,663	\$ (303,663)	\$ -	\$ 3,371,769	9.01%
2024	304,894	(304,894)	-	3,353,936	9.09%
2023	262,624	(262,624)	-	3,014,156	8.71%
2022	230,454	(230,454)	-	2,865,084	8.04%
2021	223,506	(223,506)	-	2,728,963	8.19%
2020	208,517	(208,517)	-	2,564,075	8.13%
2019	192,927	(192,927)	-	2,572,717	7.50%
2018	194,559	(194,559)	-	2,478,433	7.85%
2017	183,611	(183,611)	-	2,302,788	7.97%
2016	163,344	(163,344)	-	2,145,280	7.61%

See accompanying notes to the required supplementary information

City of Evansville, Wisconsin
LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
December 31, 2025

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

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2024	0.04604100%	\$ 180,124	\$ 2,966,000	6.07%	37.20%
2023	0.04137500%	190,352	2,625,000	7.25%	33.90%
2022	0.04041600%	153,978	2,598,000	5.93%	38.81%
2021	0.03438700%	203,241	2,478,000	8.20%	29.57%
2020	0.04451500%	244,865	2,414,000	10.14%	31.36%
2019	0.04101900%	174,667	2,212,000	7.90%	37.58%
2018	0.04140400%	106,836	2,358,390	4.53%	48.69%
2017	0.04210500%	126,676	1,770,636	7.15%	44.81%

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
2025	\$ 6,475	\$ (6,475)	\$ -	\$ 3,028,000	0.21%
2024	6,065	(6,065)	-	2,966,000	0.20%
2023	5,447	(5,447)	-	2,625,000	0.21%
2022	4,963	(4,963)	-	2,598,000	0.19%
2021	4,612	(4,612)	-	2,478,000	0.19%
2020	4,913	(4,913)	-	2,414,000	0.20%
2019	5,659	(5,659)	-	2,212,000	0.26%
2018	4,852	(4,852)	-	2,358,390	0.21%

See accompanying notes to the required supplementary information

City of Evansville, Wisconsin
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS-HEALTH PLAN
December 31, 2025

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Cost	\$ 25,897	\$ 19,756	\$ 26,810	\$ 25,618	\$ 23,269	\$ 19,623	\$ 21,069	\$ 21,069
Interest	14,357	9,657	5,682	6,145	6,548	9,348	7,575	6,735
Differences between expected and actual experience	(14,287)	100,570	(7,038)	(25,533)	-	(43,640)	-	-
Changes of assumptions or other inputs	(6,623)	4,416	(42,057)	(23,423)	9,148	22,137	(7,620)	-
Benefit payments	(6,065)	(5,451)	(4,963)	(2,956)	(7,354)	(2,378)	(3,679)	(3,926)
Net change in total OPEB	13,279	128,948	(21,566)	(20,149)	31,611	5,090	17,345	23,878
Total OPEB Liability - Beginning of year	349,008	220,060	241,626	261,775	230,164	225,074	207,729	183,851
Total OPEB Liability - End of year	<u>\$ 362,287</u>	<u>\$ 349,008</u>	<u>\$ 220,060</u>	<u>\$ 241,626</u>	<u>\$ 261,775</u>	<u>\$ 230,164</u>	<u>\$ 225,074</u>	<u>\$ 207,729</u>
Covered Employee Payroll	\$ 2,986,043	\$ 2,986,043	\$ 2,640,198	\$ 2,640,198	\$ 2,253,487	\$ 2,253,478	\$ 2,349,378	\$ 2,349,378
Total OPEB Liability as a Percentage of Covered-Employee Payroll	12.13%	11.69%	8.33%	9.15%	11.62%	10.21%	9.58%	8.84%

See accompanying notes to the required supplementary information

City of Evansville, Wisconsin
Notes to Required Supplementary Information
December 31, 2025

A. BUDGETARY INFORMATION

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

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Budgetary expenditure control is exercised at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those can be found in the City's year-end budget to actual schedules. Overall, the City departmental expenditures were less than budget. The City's General Fund and Stormwater Fund had expenditures in excess of budget as follows:

General Fund:		
Culture, Recreation, and Education	\$	21,039
Stormwater Fund:		
Capital Outlay	\$	396,176
Debt Service		26,030

C. WISCONSIN RETIREMENT SYSTEM SCHEDULES

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

Changes of assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

City of Evansville, Wisconsin
Notes to Required Supplementary Information
December 31, 2025

C. WISCONSIN RETIREMENT SYSTEM SCHEDULES (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2024	2023	2022	2021	2020
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Period:	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return: Weighted based on assumed rate for:	5.4%	5.4%	5.4%	5.4%	5.4%
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1%-5.7%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.7%	1.9%	1.9%	1.9%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).

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

City of Evansville, Wisconsin
Notes to Required Supplementary Information
December 31, 2025

C. WISCONSIN RETIREMENT SYSTEM SCHEDULES (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Period:	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS	Amortization Period 30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality

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

City of Evansville, Wisconsin
Notes to Required Supplementary Information
December 31, 2025

D. LOCAL RETIREE LIFE INSURANCE SCHEDULES

GASB Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 2 preceding years.

Benefit Terms. There were no recent changes in benefit terms.

Assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

E. CITY NET OPEB LIABILITY SCHEDULES – HEALTH PLAN

GASB Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 2 preceding years.

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

Changes of assumptions. The *Single Discount Rate* assumption used to develop Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section in Note IV-B on page 56 for additional detail.

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

OTHER SUPPLEMENTARY INFORMATION

City of Evansville, Wisconsin

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025**

	Special Revenue Funds							
	EMS	Library	Cemetery	Tourism Commission	Revolving Loan	K9	ARPA	Page Total
ASSETS								
Cash and Cash Equivalents	\$ 812,582	\$ 628,295	\$ 231,583	\$ 50,098	\$ 234,163	\$ 23,885	\$ 267,607	\$ 2,248,213
Receivables:								
Taxes	103,789	222,489	68,889	-	-	-	-	395,167
Accounts, net	161,031	-	-	-	-	-	-	161,031
Prepaid Expenses	8,155	193	1,515	-	-	-	-	9,863
Total Assets	<u>\$ 1,085,557</u>	<u>\$ 850,977</u>	<u>\$ 301,987</u>	<u>\$ 50,098</u>	<u>\$ 234,163</u>	<u>\$ 23,885</u>	<u>\$ 267,607</u>	<u>\$ 2,814,274</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 23,851	\$ 9,848	\$ 346	\$ 2,949	\$ 19,224	\$ -	\$ 57,888	\$ 114,106
Grant Advance	-	-	-	-	-	-	142,650	142,650
Total Liabilities	<u>23,851</u>	<u>9,848</u>	<u>346</u>	<u>2,949</u>	<u>19,224</u>	<u>-</u>	<u>200,538</u>	<u>256,756</u>
Deferred Inflows of Resources	<u>267,506</u>	<u>344,384</u>	<u>106,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>718,521</u>
Fund Balances:								
Nonspendable	8,155	193	1,515	-	-	-	-	9,863
Restricted	-	398,592	-	47,149	-	-	67,069	512,810
Committed	786,045	97,960	193,495	-	214,939	23,885	-	1,316,324
Total Fund Balances	<u>794,200</u>	<u>496,745</u>	<u>195,010</u>	<u>47,149</u>	<u>214,939</u>	<u>23,885</u>	<u>67,069</u>	<u>1,838,997</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,085,557</u>	<u>\$ 850,977</u>	<u>\$ 301,987</u>	<u>\$ 50,098</u>	<u>\$ 234,163</u>	<u>\$ 23,885</u>	<u>\$ 267,607</u>	<u>\$ 2,814,274</u>

City of Evansville, Wisconsin

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025**

	Capital Projects Funds							Nonmajor Funds
	Capital Projects Levy	TIF 6	TIF 7	TIF 8	TIF 9	TIF 10	Page Total	
ASSETS								
Cash and Cash Equivalents	\$ 77,935	\$ 270,807	\$ 367,390	\$ 107,468	\$ 65,675	\$ (3,518)	\$ 885,757	\$ 3,133,970
Receivables:								
Taxes	116,935	100,923	-	43,126	31,639	242	292,865	688,032
Accounts, net	-	7,767	-	-	-	-	7,767	168,798
Prepaid Expenses	-	-	-	-	-	-	-	9,863
Total Assets	<u>\$ 194,870</u>	<u>\$ 379,497</u>	<u>\$ 367,390</u>	<u>\$ 150,594</u>	<u>\$ 97,314</u>	<u>\$ (3,276)</u>	<u>\$ 1,186,389</u>	<u>\$ 4,000,663</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,106
Due to Other Funds	-	-	-	-	41,216	-	41,216	41,216
Grant Advance	-	-	-	-	-	-	-	142,650
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,216</u>	<u>-</u>	<u>41,216</u>	<u>297,972</u>
Deferred Inflows of Resources	<u>181,000</u>	<u>156,215</u>	<u>-</u>	<u>66,753</u>	<u>48,973</u>	<u>374</u>	<u>453,315</u>	<u>1,171,836</u>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	9,863
Restricted	-	223,282	367,390	83,841	7,125	-	681,638	1,194,448
Committed	13,870	-	-	-	-	-	13,870	1,330,194
Unassigned (Deficit)	-	-	-	-	-	(3,650)	(3,650)	(3,650)
Total Fund Balances (Deficit)	<u>13,870</u>	<u>223,282</u>	<u>367,390</u>	<u>83,841</u>	<u>7,125</u>	<u>(3,650)</u>	<u>691,858</u>	<u>2,530,855</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 194,870</u>	<u>\$ 379,497</u>	<u>\$ 367,390</u>	<u>\$ 150,594</u>	<u>\$ 97,314</u>	<u>\$ (3,276)</u>	<u>\$ 1,186,389</u>	<u>\$ 4,000,663</u>

City of Evansville, Wisconsin

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025**

	Special Revenue Funds							
	EMS	Library	Cemetery	Tourism Commission	Revolving Loan	K9	ARPA	Page Total
REVENUES								
Property Taxes	\$ 158,001	\$ 335,994	\$ 96,339	\$ -	\$ -	\$ -	\$ -	\$ 590,334
Other Taxes	-	-	-	13,349	-	-	-	13,349
Intergovernmental	160,216	90,381	-	-	-	-	228,061	478,658
Public Charges for Services	485,604	21,511	48,685	-	650	-	-	556,450
Interest Income	11,031	75,840	3,502	1,315	5,718	498	8,815	106,719
Miscellaneous Income	351	24,560	100	-	1,000	150	-	26,161
Total Revenues	<u>815,203</u>	<u>548,286</u>	<u>148,626</u>	<u>14,664</u>	<u>7,368</u>	<u>648</u>	<u>236,876</u>	<u>1,771,671</u>
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	45,360	45,360
Public Safety	656,816	-	-	-	-	-	8,294	665,110
Health and Human Services	-	-	141,611	-	-	-	-	141,611
Culture, Recreation, and Education	-	506,854	-	-	-	-	7,357	514,211
Conservation and Development	-	-	-	45,443	-	-	-	45,443
Capital Outlay	-	-	-	-	60,780	-	154,850	215,630
Total Expenditures	<u>656,816</u>	<u>506,854</u>	<u>141,611</u>	<u>45,443</u>	<u>60,780</u>	<u>-</u>	<u>215,861</u>	<u>1,627,365</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>158,387</u>	<u>41,432</u>	<u>7,015</u>	<u>(30,779)</u>	<u>(53,412)</u>	<u>648</u>	<u>21,015</u>	<u>144,306</u>
Net Change in Fund Balances	158,387	41,432	7,015	(30,779)	(53,412)	648	21,015	144,306
Fund Balances (Deficit) - Beginning of year	635,813	455,313	187,995	77,928	268,351	23,237	46,054	1,694,691
Fund Balances (Deficit) - End of year	<u>\$ 794,200</u>	<u>\$ 496,745</u>	<u>\$ 195,010</u>	<u>\$ 47,149</u>	<u>\$ 214,939</u>	<u>\$ 23,885</u>	<u>\$ 67,069</u>	<u>\$ 1,838,997</u>

City of Evansville, Wisconsin

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025**

	Capital Projects Fund							
	Capital Projects Levy	TIF 6	TIF 7	TIF 8	TIF 9	TIF 10	Page Total	Nonmajor Funds
REVENUES								
Property Taxes	\$ 34,315	\$ 153,116	\$ -	\$ 64,744	\$ 48,210	\$ -	\$ 300,385	\$ 890,719
Other Taxes	-	-	-	-	-	-	-	13,349
Intergovernmental	-	9,351	-	1,685	-	-	11,036	489,694
Public Charges for Services	-	-	-	-	-	-	-	556,450
Interest Income	-	2,516	6,054	398	281	-	9,249	115,968
Miscellaneous Income	-	7,768	-	-	-	-	7,768	33,929
Total Revenues	<u>34,315</u>	<u>172,751</u>	<u>6,054</u>	<u>66,827</u>	<u>48,491</u>	<u>-</u>	<u>328,438</u>	<u>2,100,109</u>
EXPENDITURES								
Current:								
General Government	-	150	-	-	-	-	150	45,510
Public Safety	9,100	-	-	-	-	-	9,100	674,210
Public Works	21,433	-	-	-	-	-	21,433	21,433
Health and Human Services	36,821	-	-	-	-	-	36,821	178,432
Culture, Recreation, and Education	17,000	-	-	-	-	-	17,000	531,211
Conservation and Development	-	-	-	-	150	150	300	45,743
Capital Outlay	-	97,122	-	150	-	-	97,272	312,902
Total Expenditures	<u>84,354</u>	<u>97,272</u>	<u>-</u>	<u>150</u>	<u>150</u>	<u>150</u>	<u>182,076</u>	<u>1,809,441</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(50,039)</u>	<u>75,479</u>	<u>6,054</u>	<u>66,677</u>	<u>48,341</u>	<u>(150)</u>	<u>146,362</u>	<u>290,668</u>
OTHER FINANCING SOURCES (USES)								
Transfers Out	-	(73,848)	(68,250)	(52,912)	-	-	(195,010)	(195,010)
Total Other Financing Sources and Uses	<u>-</u>	<u>(73,848)</u>	<u>(68,250)</u>	<u>(52,912)</u>	<u>-</u>	<u>-</u>	<u>(195,010)</u>	<u>(195,010)</u>
Net Change in Fund Balances	(50,039)	1,631	(62,196)	13,765	48,341	(150)	(48,648)	95,658
Fund Balances (Deficit) - Beginning of year	63,909	221,651	429,586	70,076	(41,216)	(3,500)	740,506	2,435,197
Fund Balances (Deficit) - End of year	<u>\$ 13,870</u>	<u>\$ 223,282</u>	<u>\$ 367,390</u>	<u>\$ 83,841</u>	<u>\$ 7,125</u>	<u>\$ (3,650)</u>	<u>\$ 691,858</u>	<u>\$ 2,530,855</u>