

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 8, 2022

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Non-Rated

CITY OF EVANSVILLE, WISCONSIN (Rock County)

\$1,690,000 WATER AND ELECTRIC SYSTEM REVENUE BONDS, SERIES 2022A

BID OPENING: August 11, 2022, 10:00 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on August 11, 2022 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$1,690,000* Water and Electric System Revenue Bonds, Series 2022A (the "Bonds") of the City of Evansville, Wisconsin (the "City") are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of financing additions, improvements and extensions to the City's Water and Electric Utility System (the "Water and Electric System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge of Net Revenues (defined herein) of the Water and Electric System. The Bonds are being issued on a parity with the City's outstanding Water and Electric System Revenue Bonds, Series 2014A, dated July 2, 2014, the Water and Electric System Revenue Bonds, Series 2016A, dated July 21, 2016, the Water and Electric System Revenue Bonds, Series 2019A, dated June 6, 2019 and the Water and Electric System Revenue Bonds, Series 2021A, dated September 2, 2021. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: September 1, 2022

MATURITY: May 1 as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$165,000	2030	\$90,000	2037	\$85,000
2024	105,000	2031	60,000	2038	90,000
2025	60,000	2032	65,000	2039	95,000
2026	50,000	2033	70,000	2040	100,000
2027	50,000	2034	70,000	2041	100,000
2028	85,000	2035	75,000	2042	100,000
2029	95,000	2036	80,000		

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$50,000 per maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: May 1, 2023 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on May 1, 2030 and thereafter are subject to call for prior optional redemption on May 1, 2029 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$1,668,875.

MAXIMUM BID: \$1,808,300.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$33,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL AND

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF EVANSVILLE COMMON COUNCIL

		<u>Term Expires</u>
Dianne Duggan	Mayor	April 2024
Jim Brooks	Council President	April 2023
Susan Becker	Aldersperson	April 2023
Ben Corridon	Aldersperson	April 2024
Ben Ladick	Aldersperson	April 2024
Gene Lewis	Aldersperson	April 2023
Joy Morrison	Aldersperson	April 2024
Cory Neeley	Aldersperson	April 2024
Erika Stuart	Aldersperson	April 2024

ADMINISTRATION

Jason Sergeant, City Administrator/Finance Director

Julie Roberts, City Treasurer/Utility Accountant

Leah Hurtley, Deputy City Clerk¹

Chad Renly, Municipal Services Director

PROFESSIONAL SERVICES

Mark Kopp, City Attorney, Consigny Law Firm, Janesville, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other office located in Roseville, Minnesota)

¹The City is currently seeking a candidate for a permanent City Clerk.

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Evansville, Wisconsin (the "City") and the issuance of its \$1,690,000* Water and Electric System Revenue Bonds, Series 2022A (the "Bonds"). **The Common Council adopted a resolution on July 12, 2022 (the "Parameters Resolution"), which authorized the Mayor, the City Administrator or the City Treasurer (each an "Authorized Officer") to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on August 11, 2022, neither the Mayor, the City Administrator or the City Treasurer will have the authority to accept a bid for the Bonds, and all bids for the Bonds will be rejected.**

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of September 1, 2022. The Bonds will mature on May 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Parameters Resolution.

The City has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after May 1, 2030 shall be subject to optional redemption prior to maturity on May 1, 2029 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of financing additions, improvements and extensions to the City’s Water and Electric Utility System (the "Water and Electric System").

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	\$1,690,000	
Transfers from Prior Bonds Debt Service Reserve Fund	517,769	
Estimated Interest Earnings	<u>374</u>	
Total Sources		\$2,208,143
Uses		
Estimated Underwriter's Discount	\$21,125	
Costs of Issuance	54,200	
Deposit to Debt Service Reserve Fund	633,688	
Deposit to Project Construction Fund	1,497,036	
Rounding Amount	<u>2,095</u>	
Total Uses		\$2,208,143

*Preliminary, subject to change.

SECURITY

This section is a summary of security provisions. A detailed explanation of the security provisions is contained in the Parameters Resolution, which is available upon request from Ehlers.

Source of Payment: THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY NOR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER BUT ARE payable only out of “Net Revenues” that are deposited into or pledged to the Special Redemption Fund provided for in the Parameters Resolution. Net Revenues are defined as all revenues of the Water and Electric System derived from any source less current expenses, excluding depreciation, debt service, tax equivalents and capital expenditures. In the Parameters Resolution, the City covenants to deposit Net Revenues in an amount sufficient to pay principal of and interest the Water and Electric System Revenue Bonds, Series 2014A, dated July 2, 2014, the Water and Electric System Revenue Bonds, Series

2016A, dated July 21, 2016, the Water and Electric System Revenue Bonds, Series 2019A, dated June 6, 2019 and the Water and Electric System Revenue Bonds, Series 2021A, dated September 2, 2021 (collectively, the "Prior Bonds") and the Bonds in the Special Redemption Fund and to use the funds in the Special Redemption Fund only for the purpose of paying principal and interest on the Prior Bonds and the Bonds. The claim of the owners of the Bonds with respect to the Special Redemption Fund is on a parity with the claim granted to the owners of the Prior Bonds.

Rate Covenant: The City covenants to establish, charge and collect such lawfully established rates and charges for the services provided by the Water and Electric System so that each year Net Revenues will be at least 1.25 times the amount of principal and interest coming due on all outstanding bonds payable from the income and revenues of the Water and Electric System in that same year.

Additional Bonds Test: The City reserves the right and privilege to issue additional revenue bonds, from time to time, payable from Net Revenues of the Water and Electric System and ranking on a parity with the Bonds and Prior Bonds. Before such additional parity bonds are issued, the City must demonstrate that either (1) The Net Revenues of the Water and Electric System for the fiscal year immediately preceding the issuance of such additional obligations must have been equal to at least 1.25 times the average combined annual interest and principal requirements on all bonds outstanding payable from Revenues of the Water and Electric System and on the bonds then to be issued. Should an increase in permanent rates and charges, including those made to the City, be properly ordered and made effective during the fiscal year immediately prior to the issuance of such additional obligations or during that part of the fiscal year of issuance prior to such issuance, then Revenues for purposes of such computation shall include such additional Revenues as an independent certified public accountant, consulting professional engineer, municipal advisor or the Wisconsin Public Service Commission may certify would have accrued during the prior fiscal year had the new rates been in effect during that entire immediately prior fiscal year; or (2) An independent certified public accountant, consulting professional engineer or municipal advisor provides a certificate setting forth for each of the three fiscal years commencing with the fiscal year following that in which the projects financed by such additional bonds are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the Revenues of the Water and Electric System and on the bonds then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such fiscal year the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement.

Service to City: The City is to pay the reasonable cost and value of any services rendered to the City by the Water and Electric System in an amount which, together with other revenues of the Water and Electric System, will produce Net Revenues equivalent to not less than 1.25 times the annual debt service requirements on the Bonds and any other outstanding bonds payable from the Water and Electric System. Such payment by the City is subject to annual appropriation by the Common Council and other conditions set forth in the Parameters Resolution.

Bond Reserve Account: The City covenants to establish and maintain a Reserve Account in an amount equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of the Bonds, plus the amount permitted to be on deposit therein from proceeds of the Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) maximum annual debt service on the outstanding Bonds and the Prior Bonds in any bond year; or (c) 125% of average annual debt service on the outstanding Bonds and the Prior Bonds; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the Bonds and the Prior Bonds in any bond year. If parity bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the parity bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such parity bonds, plus the amount permitted to be deposited therein from proceeds of the parity bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service in any bond year on outstanding obligations secured by the Reserve Account and the parity bonds to be issued; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the parity bonds to be issued, provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the

outstanding obligations secured by the Reserve Account and parity bonds in any bond year. Upon issuance of the Bonds, an amount necessary to make the amount on deposit in the Reserve Account equal to the reserve requirement will be deposited in the Reserve Account.

WATER AND ELECTRIC SYSTEM REVENUE DEBT OUTSTANDING

All outstanding bonds payable from the Net Revenues of the Water and Electric System are listed on the following page. The debt service coverage ratios on this page are calculated using audited Net Revenues for 2021. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2021, and future Net Revenues may be materially different.

HISTORIC WATER AND ELECTRIC SYSTEM DEBT SERVICE COVERAGES

The exhibit on the Page 6 presents the three-year historic Net Revenues and debt service coverages of the Water and Electric System.

City of Evansville, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water and Electric Revenues
(As of 09/01/2022)

Dated Amount	Water & Electric System Revenue Bonds Series 2014A		Water & Electric System Revenue Bonds Series 2016A		Water & Electric System Revenue Bonds Series 2019A		Water & Electric System Revenue Bonds Series 2021A		Water & Electric System Revenue Bonds Series 2022A		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending	Coverage
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest							
2022	0	15,178	0	23,471	0	19,125	0	17,090	0	87,584	0	74,864	8,160,000	100%	2022	1.25	
2023	335,000	25,833	245,000	44,983	145,000	36,075	65,000	34,050	165,000	87,584	955,000	228,324	1,183,324	11.70%	2023	1.33	
2024	350,000	16,235	255,000	40,791	140,000	31,800	70,000	33,693	105,000	70,091	920,000	192,610	1,112,610	22.98%	2024	1.45	
2025	360,000	5,580	250,000	36,185	150,000	27,450	30,000	33,668	60,000	67,035	850,000	169,618	1,019,618	33.39%	2025	1.55	
2026			360,000	30,210	280,000	20,850	105,000	32,745	50,000	64,920	805,000	148,725	953,725	43.26%	2026	1.55	
2027			330,000	23,145	290,000	12,300	75,000	31,845	50,000	62,933	735,000	130,223	865,223	52.27%	2027	1.71	
2028			85,000	16,639	135,000	6,075	105,000	30,840	85,000	60,135	415,000	115,889	525,889	57.29%	2028	2.82	
2029			80,000	16,618	135,000	2,025	105,000	29,580	95,000	56,284	415,000	104,506	3,070,000	62.38%	2029	2.85	
2030			80,000	14,658	135,000		105,000	28,215	90,000	52,215	275,000	95,088	2,750,000	65.75%	2030	4.00	
2031			75,000	12,646	110,000		110,000	26,710	60,000	48,848	250,000	88,204	333,004	68.75%	2031	4.44	
2032			70,000	10,653	115,000		115,000	24,991	65,000	45,971	250,000	81,615	3,311,151	71.81%	2032	4.47	
2033			75,000	8,565	120,000		120,000	23,094	70,000	42,763	260,000	74,421	2,040,000	75.00%	2033	4.43	
2034			80,000	6,240	125,000		125,000	21,005	75,000	38,325	265,000	66,578	1,770,000	78.31%	2034	4.43	
2035			80,000	3,780	130,000		130,000	19,178	80,000	31,830	265,000	58,183	1,615,000	81.74%	2035	4.38	
2036			80,000	1,260	135,000		135,000	16,178	85,000	27,643	210,000	41,195	1,205,000	85.23%	2036	4.43	
2037					125,000		125,000	13,553	85,000	21,643	215,000	33,960	995,000	87.81%	2037	5.89	
2038					130,000		130,000	10,803	90,000	23,158	215,000	24,860	780,000	90.44%	2038	5.95	
2039					78,700		130,000	7,870	95,000	18,370	225,000	26,240	251,240	93.20%	2039	5.89	
2040					4,875		120,000	4,875	100,000	13,275	220,000	18,150	335,000	95.89%	2040	6.22	
2041							135,000	1,688	100,000	8,000	235,000	9,888	244,688	98.77%	2041	6.05	
2042									100,000	2,675	100,000	2,675	0	100.00%	2042	14.42	
											8,160,000	1,810,020	9,970,020				
												</					

2021
Net Revenue
Available
for Debt
Service**
1,480,663.00

* Preliminary, subject to change.

**The debt service coverage ratios included on this page are calculated using audited 2021 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2021 and future Net Revenues may be materially different.

Evansville, Wisconsin

HISTORIC STATEMENT OF NET REVENUES

The following table sets for the historic comparison of Net Revenues and debt service secured by Net Revenues of the Water and Electric System for the three-year period ending December 31, 2021.

	Audited 2019	Audited 2020	Audited 2021
Operating Revenues			
Water and Electric Service Fees	\$ 8,676,744	\$ 8,600,606	\$ 9,214,920
Other Operating Revenues	87,411	30,886	54,105
Total Operating Revenues	8,764,155	8,631,492	9,269,025
Operating Expenses			
Operation and Maintenance	6,984,543	7,055,137	7,803,271
Depreciation and Amortization	873,116	852,035	878,932
Total Operating Expenses	7,857,659	7,907,172	8,682,203
Operating Income	906,496	724,320	586,822
Plus: Depreciation and Amortization	873,116	852,035	878,932
Plus: Interest Income	67,074	52,830	7,063
Plus: Miscellaneous non-operating revenue	18,362	14,681	7,846
Net Revenues Available for Debt Service	\$ 1,865,048	\$ 1,643,866	\$ 1,480,663
Debt Service			
2009 Water/Electric Sys Rev Bonds*	68,845	0	0
2014 Water/Electric Sys Rev Bonds	365,240	369,405	367,468
2016 Water/Electric Sys Rev Bonds	261,210	249,064	256,610
2019 Water/Electric Sys Rev Bonds	19,031	145,750	142,750
Total Debt Service	\$ 714,326	\$ 764,219	\$ 766,828
Debt Service Coverage	2.61	2.15	1.93

* Issue was refunded June 19, 2019.

DESCRIPTION OF THE WATER AND ELECTRIC SYSTEM

The City's Water and Electric System is a separate enterprise fund. It operates under service rules established by the Wisconsin Public Service Commission ("PSC") which regulates the rates charged. The Water and Electric System, established in 1906, is governed by the Municipal Services Committee (the "Committee") which consists of three members appointed by the Mayor, subject to approval of the Common Council. The Committee is the policy making body of the Water and Electric Systems, overseeing all projects and programs, reviewing and approving the budget, and determining Water and Electric Systems projects. Water and Electric Systems operations are directed by the Municipal Services Director.

DESCRIPTION OF WATER SYSTEM

The City owns, operates and maintains the municipal Water System and related appurtenance serving customers located within the City and the Township of Union. The Water System consists of three wells with electric pumping equipment and a water distribution system. The wells have a yield of 3,168,000 gallons per day. The wells pumped an average of 366,175 gallons per day in 2021. The maximum gallons pumped in any one day during 2021 was 544,000 gallons and the minimum gallons pumped in any one day was 245,000 gallons. In addition, the Water System owns one steel elevated storage tank and one reservoir with a total storage capacity of 700,000 gallons.

The Water System includes other related appurtenances including 144,318 feet of various types of 2"-12" water mains; 2,614 feet of various types of 1/4"-10" water pipe, 2,711 utility-owned meters; and 334 hydrants.

History of Water Customers

Year	Residential	Commercial	Other Customers ¹	Industrial	Total
2017	2,045	176	63	21	2,305
2018	2,081	164	13	15	2,273
2019	2,131	177	15	15	2,338
2020	2,223	191	18	9	2,441
2021	2,241	191	22	10	2,464

History of Water Billings by Customer Type

Year	Residential	Commercial	Industrial	Other Services ²	Total Billings
2017	\$629,193	\$60,769	\$18,797	\$331,882	\$1,040,641
2018	618,703	79,380	15,005	329,163	1,042,251
2019	646,018	85,706	15,104	323,021	1,069,849
2020	686,791	78,791	13,917	325,901	1,105,400
2021	708,478	87,467	14,618	339,364	1,149,927

¹Excludes fire protection services.

²Includes fire protection services.

History of Water Sales

Year	No. of Customers ¹	Gallons Sold (in 000's) ²	Total Billings ²
2017	2,305	113,344	\$1,040,641
2018	2,273	98,883	1,042,251
2019	2,338	115,853	1,069,849
2020	2,441	113,759	1,105,400
2021	2,464	114,723	1,149,927

2021 Larger Water Customers

Total 2021 Gallons Sold: 114,723,000

Total 2021 Billings: \$1,149,927

Customer	Gallons Sold	Billings	% of Total Billings
EVM Operating LLC - Manor	280,612	\$9,638	0.84%
Disposal Plant	137,542	4,762	0.41%
Baker Manufacturing Co- Foundry	102,254	3,609	0.31%
Evansville School District - Ball Diamond	110,786	3,552	0.31%
Vet Mem Swimming Pool	92,459	2,936	0.26%
Evansville School Dist - Elementary	70,380	2,530	0.22%
Who's Crazy LLC - Car Wash	65,005	2,312	0.20%
Helgensen Laundry LLC	64,028	2,298	0.20%
Dollin LLC - Apt Building	54,852	1,993	0.17%
Grange Store LLC	56,413	1,981	0.17%

¹Excludes fire protection services.

²Includes fire protection services.

Water Rates and Charges

Rates and charges for the Water System are subject to approval by the PSC. The following monthly water rates have been in effect since September 30, 2021. Following completion of the Water System additions and improvements being financed by the Bonds, the City expects further rate increases to be instituted.

Monthly Service Charge:

5/8 inch meter	\$ 11.00	3 inch meter	\$ 76.00
3/4 inch meter	11.00	4 inch meter	116.00
1 inch meter	18.00	6 inch meter	205.00
1 1/4 inch meter	24.00	8 inch meter	312.00
1 1/2 inch meter	31.00	10 inch meter	452.00
2 inch meter	47.00	12 inch meter	592.00

Plus Volume Charge:

First 1,300 cubic feet used each month	\$ 3.74	per 100 cubic feet
Next 32,000 cubic feet used each month	\$ 2.95	per 100 cubic feet
Over 33,300 cubic feet used each month	\$ 2.45	per 100 cubic feet

Plus Public Fire Protection Service:

5/8 inch meter	\$ 3.94	3 inch meter	\$ 59.00
3/4 inch meter	3.94	4 inch meter	99.00
1 inch meter	9.90	6 inch meter	197.00
1 1/4 inch meter	15.00	8 inch meter	319.00
1 1/2 inch meter	20.00	10 inch meter	473.00
2 inch meter	32.00	12 inch meter	631.00

Average Bill for Residential Service in 2021

Avg. Monthly Usage in Gallons

3,510

Avg. Monthly Bill

\$26.35

Bills for water service are rendered monthly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 3% but not less than \$.50 will be added to bills not paid within 20 days of issuance. This one time late payment charge will be applied only to any unpaid balance for the current billing period's usage. Unless payment or satisfactory arrangement for payment is made within the next 10 days after written notice is given, service may be disconnected pursuant to Chapter PSC 185, Wisconsin Adm. Code. Under the Wisconsin Statutes, delinquent charges may be placed on the tax roll and levied as a special charge against the property.

Due to the spread of COVID-19, on March 22, 2020, Governor Tony Evers issued emergency order #11, temporarily suspending certain provisions of the Wisconsin Administrative Code relating to service rules for electric, natural gas and water public utilities. The WPSC accordingly issued an order stating that water public utilities may not disconnect or refuse service to customers, shall offer customers a deferred payment agreement if the customer is unable to pay a bill in full, and may not assess any fee or charge for late payment during the period of the order. The order was amended several times and expired April 15, 2021.

DESCRIPTION OF ELECTRIC SYSTEM

The City owns and operates the Electric System consisting of two substations with seven circuits, and a distribution plant for its service area which includes the City and the Townships of Albany, Brooklyn, Center, Magnolia, Porter and Union, totaling approximately 125 square miles of territory and 184 miles of line. The Electric System was established in 1901. The City purchases all of its power and energy requirements from WPPI under a contract that expires in 2037.

History of Electric Sales (excluding sales for resale)

Year	Total kWh (000's)	Total Billings
2017	63,659	\$7,668,601
2018	66,710	7,766,690
2019	68,630	7,542,112
2020	65,686	7,449,691
2021	68,419	8,030,500

History of Electric Meter Connections by Customer Type

	2017	2018	2019	2020	2021¹
Residential	3,260	3,851	3,977	3,980	3,996
Small Commercial	21	22	19	23	18
Large Commercial	12	13	11	13	10
Public Street & Highway Lighting	41	56	46	39	42
General Sale	621	651	648	665	622
Industrial Service	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	3,956	4,594	4,702	4,721	4,689

History of Electric Billings by Customer Type

	2017	2018	2019	2020	2021
Residential	\$3,504,209	\$3,525,414	\$3,498,727	\$3,641,055	\$3,830,065
Small Commercial	503,544	521,124	507,034	529,051	518,486
Large Commercial	1,472,937	1,476,937	1,457,696	1,394,877	1,611,655
Public Street & Highway Lighting	39,527	51,196	68,386	62,002	69,590
General Sale	1,223,527	1,315,355	1,195,840	1,085,622	1,146,415
Industrial Service	<u>924,857</u>	<u>876,664</u>	<u>814,429</u>	<u>737,084</u>	<u>854,289</u>
Total	\$7,668,601	\$7,766,690	\$7,542,112	\$7,449,691	\$8,030,500

¹Numbers shown vary from current PSC Report as difference is most likely temporary services that were disconnected. The City plans to contact the PSC to update the report.

History of Electricity Produced, Purchased and Cost

Year	kWh Purchased (000's)	Cost of kWh Purchased
2017	67,468	\$5,544,631
2018	69,778	5,428,731
2019	69,505	5,236,713
2020	68,103	5,150,028
2021	71,386	5,761,445

History of Peak Demand

Year	Peak Demand (kW)
2017	14,550
2018	15,195
2019	15,741
2020	16,022
2021	16,022

2021 Larger Electric Customers

Total 2021 kWh Sold:	68,419,397
Total 2021 Billings:	\$8,030,500

Customer	kWh Sold	Billings	% of Total Billings
Baker Manufacturing	9,023,638	\$607,957	7.57%
Bluescope Buildings	1,368,360	261,385	3.25%
Stoughton Trailers	3,194,400	248,085	3.09%
Larson Acres Parlor	2,527,488	186,002	2.32%
Evansville School District High School	1,944,000	150,873	1.88%
Kopecky's Piggly Wiggly	1,306,560	97,039	1.21%
Landmark Service Coop	1,043,712	76,586	0.95%
Landmark Service Coop	864,768	65,222	0.81%
Evansville School District Elementary School	547,840	42,706	0.53%
Evansville School District Middle School	524,700	40,431	0.50%

Electric Rates and Charges

Electric rates are subject to approval by the PSC. The following electric rates and charges became effective September 1, 2012. Billings for all customers are rendered monthly. A charge of 3% but not less than 50 cents will be added to bills not paid within 20 days from date of issuance. A late payment charge shall be applied only once to any given amount outstanding. This charge is applicable to all customers. Under the Wisconsin statutes, if a municipality has adopted an ordinance to do so, delinquent charges may be placed on the tax roll and levied as a special charge against the property. The City has adopted such ordinance for customers within City limits. The City is in the process of having an electric rate study prepared, which is expected to be concluded in 2023. The City expects to apply to the PSC for rate increases consistent with the results of the study.

Monthly Charge	Residential <u>(a)</u>	General Service <u>(b)</u>	Small Power <u>(c)</u>	Large Power <u>(d)</u>	Industrial Power <u>(e)</u>
Customer Charge			\$40.00	\$100.00	\$200.00
Single Phase	\$7.00	\$7.00			
Three Phase	\$14.00	\$14.00			
Customer Demand Charge per kW of Max. Demand			\$1.50	\$1.50	\$1.50
Demand Charge per kW of billed demand			\$7.25	\$7.85	\$9.50
Energy Charge per kWh	\$0.1178	\$0.1203	\$0.0784		
On-peak				\$0.0889	\$0.0806
Off-peak				\$0.0645	\$0.0536

(a) Residential single-phase customers for ordinary household purposes)

(b) Commercial, institutional, government, farm and other single and three-phase customers)

(c) Maximum Measured Demand in excess of 45 kW per month for three or more months

(d) Monthly Maximum Measured Demand is in excess of 200 kW per month for three or more months

(e) Monthly Maximum Measured Demand in excess of 1,000 kW per month for three or more months

Average Bill for Residential Service in 2021

Avg. Monthly Usage in kWh	Avg. Monthly Bill
643	\$79.87

PCAC (Purchase Power Cost Adjustment Clause): All metered rates are subject to a positive or negative power cost adjustment charge equivalent to the amount by which the current cost of power (per kilowatt-hour of sales) is greater or lesser than the base cost of power purchased and produced (per kilowatt-hour of sales).

The current cost per kilowatt-hour of energy billed is equal to the adjusted cost of power purchased for the most recent month divided by the kilowatt-hours of energy sold. The monthly adjustment is equal to the current cost less the base cost. The base cost of power is \$0.0855 per kilowatt-hour.

Due to the spread of COVID-19, on March 22, 2020, Governor Tony Evers issued emergency order #11, temporarily suspending certain provisions of the Wisconsin Administrative Code relating to service rules for electric, natural gas and water public utilities. The WPSC accordingly issued an order stating that water public utilities may not disconnect or refuse service to customers, shall offer customers a deferred payment agreement if the customer is unable to pay a bill in full, and may not assess any fee or charge for late payment during the period of the order. The order was amended several times and expired April 15, 2021.

RATING

None of the outstanding Water and Electric System revenue indebtedness of the City is currently rated, and the City has not requested a rating on the Bonds. A rating for the Bonds may not be requested without contacting Ehlers and receiving the permission of the City.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with the Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The City's operating data filings for the fiscal years ended December 31, 2016 and December 31, 2017 did not include certain information required under prior continuing disclosure undertakings. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of

the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the

initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2021 have been audited by Johnson Block & Company, Inc., Middleton, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A - FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should review this Official Statement, including the appendices, in its entirety.

System Revenues: Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the Water and Electric System to be inoperable, a shortfall of revenues could result in a delay of debt payments.

Larger Users: Should larger users increase or decrease usage of the water and electric service currently provided, the revenues of the Water and Electric System will be affected proportionately.

Interest Rates: In the future, interest rates for this type of obligation may rise generally, possibly resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the City with the covenants in the Parameters Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Rates: State or federal action to create oversight on rate setting by municipal utilities could affect the ability of the Electric System to produce future revenues. No such regulations are currently proposed or anticipated.

Electric Utility Industry: The electric utility industry is constantly changing in the face of market forces and regulatory actions. Changes in the electric utility industry may impact the financial condition of the Electric System. Such changes include, but are not limited to, (a) the effects of competition from other suppliers of electricity, (b) the effects of compliance with rapidly changing environmental, safety, licensing, and regulatory requirements, (c) the changes resulting from conservation and demand side management programs on the timing and use of electric energy, and (d) the challenges to the Electric System's ability to issue tax exempt obligations. Any of these factors could have an impact on the financial condition of the Electric System.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and former President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus continues to impact the City and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the City, including the duration of the outbreak and future measures taken to address the outbreak.

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the State in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order (the "Order") on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the Order was extended from April 24, 2020 through May 26, 2020. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

On July 30, 2020, Governor Evers issued Executive Order #82, declaring a public health emergency in Wisconsin to combat the spread of COVID-19. In conjunction with Executive Order #82, Governor Evers issued Emergency Order #1, requiring most people to wear face coverings when indoors, with certain exemptions in accordance with CDC guidelines. The public health emergency and mask orders have been extended multiple times, with the most recent extension on January 19, 2021 through March 20, 2021. On February 4, 2021, the Wisconsin Assembly voted to repeal the Governor's order requiring face coverings. Later the same day, Governor Evers issued a new Emergency Order #1 requiring the use of face coverings through April 5, 2021. On March 31, 2021, the Wisconsin Supreme Court struck down Emergency Order #1, finding that legislative approval was required to continue the order beyond its original 60-day period. The ruling does not impact the validity of local mandates.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The City's allocation was \$88,002. These funds were disbursed up to the amount of the allocation after eligible expenditures were reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic, with half received in 2021 and half received in 2022. The City's allocation is \$569,397.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

CURRENT PROPERTY VALUATIONS

2022 Equalized Value ¹	\$608,900,700
2021 Equalized Value	\$520,346,300
2021 Equalized Value Reduced by Tax Increment Valuation	\$486,612,600
2021 Assessed Value	\$387,674,900

2022 EQUALIZED VALUE BY CLASSIFICATION¹

	2022 Equalized Value²	Percent of Total Equalized Value
Residential	\$500,558,300	82.207%
Commercial	92,700,700	15.224%
Manufacturing	10,907,900	1.791%
Agricultural	111,000	0.018%
Undeveloped	21,500	0.004%
Ag Forest	2,000	0.000%
Personal Property	4,599,300	0.755%
Total	<u>\$608,900,700</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value²	Percent Increase/Decrease in Equalized Value
2018	\$359,483,300	\$407,994,600	9.99%
2019	366,220,300	437,027,300	7.12%
2020	374,141,600	476,251,800	8.98%
2021	387,674,900	520,346,300	9.26%
2022	N/A	608,900,700	17.02%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹Preliminary equalized value subject to review and revision. Final amounts will be certified August 15, 2022.

²Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2021 Equalized Value¹	Percent of City's Total Equalized Value
Landmark Services	Feed Manufacturer	\$17,634,432	3.39%
Grove Partners LLC	Commercial/Residential Real Estate	8,197,664	1.58%
Stoughton Trailers Inc	Trailer Manufacturer	6,447,535	1.24%
Bluescope Buildings	Construction/Manufacturing	4,310,236	0.83%
Prairie Crossing LLC	Residential Real Estate	3,605,289	0.69%
Adevco	Commercial Real Estate	3,546,655	0.68%
Triple B Investments	Investment Management	3,413,250	0.66%
Berg Trust	Commercial/Residential Real Estate	3,136,758	0.60%
Evansville Nursing Realty	Nursing/Rehab Facility	3,105,290	0.60%
Union Bank and Trust Company	Bank/Financial Services	2,515,593	0.48%
Total		\$55,912,702	10.75%
City's Total 2021 Equalized Value ²		\$520,346,300	

Source: The City.

¹Calculated by dividing the 2021 Assessed Values by the 2021 Aggregate Ratio of assessment for the City. 2022 information is not yet available.

²Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the 2022C Notes, defined herein)* \$9,667,217

Revenue Debt (see schedules following)

Total revenue debt secured by water and electric revenues (includes the Bonds)(See schedules on page 5)* \$8,160,000

Total revenue debt secured by sewer revenues (includes the 2022B Bonds, defined herein)* \$7,874,224

Total revenue debt secured by stormwater revenues \$393,000

Other Obligations

Issue Date	Original Amount	Name of Issue	Final Maturity	Amount Outstanding
11/30/15	\$ 304,406	WPPI Loan	11/28/25	\$73,563

*Preliminary, subject to change.

¹Outstanding debt is as of the dated date of the Bonds.

City of Evansville, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 09/01/2022)

Dated Amount Maturity	Taxable Refunding Bonds Series 2012A		Promissory Notes Series 2015A		Refunding Bonds Series 2017A		State Trust Fund Loan		Promissory Notes Series 2018A	
	05/24/2012 \$460,000 04/01	04/01	05/28/2015 \$960,000 04/01	04/01	08/30/2017 \$1,855,000 04/01	04/01	09/19/2017 \$717,920 03/15	04/01	05/30/2018 \$4,180,000 04/01	04/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	0	3,153	0	2,615	0	10,450	0	0	0	34,680
2023	30,000	5,795	90,000	4,375	200,000	18,900	71,282	13,378	420,000	64,425
2024	35,000	4,690	80,000	2,640	200,000	14,900	73,748	10,913	425,000	54,284
2025	35,000	3,413	80,000	880	210,000	10,800	76,359	8,302	435,000	43,531
2026	35,000	2,048	35,000		205,000	6,650	79,031	5,629	445,000	32,089
2027	35,000	683			230,000	2,300	81,797	2,863	455,000	19,936
2028									480,000	6,840
2029										
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
	170,000	19,780	250,000	10,510	1,045,000	64,000	382,217	41,084	2,660,000	255,785

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City of Evansville, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 09/01/2022)

Dated Amount Maturity	Promissory Notes Series 2019B		Promissory Notes Series 2021C		Sewerage Bonds Series 2021D		Promissory Notes Series 2022C		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest						
	06/06/2019 \$1,270,000 04/01	14,200 25,600 20,100 15,225 10,800 6,375 3,225 1,125	0 140,000 135,000 145,000 150,000 145,000 65,000 75,000	0 25,600 20,100 15,225 10,800 6,375 3,225 1,125	09/02/2021 \$2,420,000 04/01	11,398 22,695 22,315 20,960 18,885 16,410 13,335 10,003 6,229 2,094	0 50,000 140,000 215,000 200,000 295,000 320,000 330,000 335,000 335,000	0 25,600 20,100 20,960 18,885 16,410 13,335 10,003 6,229 2,094	0 140,000 135,000 145,000 150,000 145,000 65,000 75,000	0 25,600 20,100 20,960 18,885 16,410 13,335 10,003 6,229 2,094	0 140,000 135,000 145,000 150,000 145,000 65,000 75,000	0 140,000 135,000 145,000 150,000 145,000 65,000 75,000	0 140,000 135,000 145,000 150,000 145,000 65,000 75,000	0 140,000 135,000 145,000 150,000 145,000 65,000 75,000
	09/02/2021 \$790,000 04/01	5,623 10,795 10,188 9,943 9,733 9,505 9,220 8,800 8,320 7,840 7,260 6,580 5,900 5,220 4,540 3,800 3,000 2,200 1,400 500	0 45,000 45,000 25,000 35,000 30,000 30,000 40,000 40,000 40,000 40,000 40,000 40,000 40,000 40,000 40,000 40,000 40,000 40,000 50,000	0 10,795 10,188 9,943 9,733 9,505 9,220 8,800 8,320 7,840 7,260 6,580 5,900 5,220 4,540 3,800 3,000 2,200 1,400 500	09/01/2022 \$1,325,000* 04/01	41,848 28,933 26,125 23,065 19,915 16,675 13,345 9,853 6,098 2,074	0 495,000 80,000 90,000 90,000 90,000 90,000 90,000 95,000 100,000 105,000	0 41,848 28,933 26,125 23,065 19,915 16,675 13,345 9,853 6,098 2,074	0 1,541,282 1,213,748 1,311,359 1,239,031 1,361,797 985,000 535,000 490,000 475,000 145,000 40,000 40,000 40,000 40,000 40,000 40,000 40,000 50,000	0 207,810 168,961 139,178 108,898 77,987 49,295 33,273 24,401 16,031 9,334 6,580 5,900 5,220 4,540 3,800 3,000 2,200 1,400 500	0 1,749,093 1,382,709 1,450,536 1,347,929 1,439,784 1,034,295 568,273 514,401 491,031 154,334 46,580 45,900 45,220 44,540 43,800 43,000 42,200 41,400 50,500	0 8,125,934 6,912,187 5,600,828 4,361,797 3,000,000 2,015,000 1,480,000 990,000 515,000 370,000 330,000 290,000 250,000 210,000 170,000 130,000 90,000 50,000 0	0 15.94% 28.50% 42.06% 54.88% 68.97% 79.16% 84.69% 89.76% 94.67% 96.17% 96.59% 97.00% 97.41% 97.83% 98.24% 98.66% 99.07% 99.48% 100.00%	0 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041
									9,667,217	950,425	10,617,641			

* Preliminary, subject to change.

City of Evansville, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewerage Revenues
(As of 09/01/2022)

	Sewerage System Revenue Bonds (CWFL) Series 2005		Sewerage System Revenue Bonds (CWFL) Series 2009		Sewerage System Revenue Bonds (CWFL) Series 2018	
	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity
	07/27/2005 \$1,602,737	05/01	11/25/2009 \$3,248,127	05/01	05/30/2018 \$270,000	05/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest
2022	0	3,437	0	18,563	0	29,275
2023	94,630	5,755	183,441	34,680	169,681	56,963
2024	96,868	3,491	188,335	29,720	172,854	53,761
2025	99,159	1,173	193,360	24,628	176,087	50,498
2026			198,519	19,401	179,380	47,174
2027			203,815	14,034	182,734	43,789
2028			209,253	8,523	186,151	40,340
2029			214,836	2,866	189,632	36,826
2030					193,178	33,247
2031					196,791	29,601
2032					200,471	25,886
2033					204,219	22,102
2034					208,038	18,248
2035					211,929	14,321
2036					215,892	10,321
2037					219,929	6,246
2038					224,042	2,095
2039						
2040						
2041						
	290,658	13,855	1,391,557	152,415	162,000	21,971
			74,000	3,645	3,131,008	520,691

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City of Evansville, Wisconsin
Schedule of Bonded Indebtedness continued
Revenue Debt Secured by Sewerage Revenues
(As of 09/01/2022)

Sewerage System Revenue Bonds Sewerage System Revenue Bonds
Series 2021B Series 2022B

Dated Amount	09/02/2021 \$1,235,000	09/01/2022 \$1,615,000*								
Maturity	05/01	05/01								
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2022	0	13,175	0	13,094	0	81,412	81,412	7,874,224	.00%	2022
2023	30,000	25,900	50,000	77,613	573,252	207,941	781,193	7,300,971	7.28%	2023
2024	35,000	24,925	30,000	76,093	568,558	193,608	762,166	6,732,413	14.50%	2024
2025	25,000	24,025	30,000	74,953	569,106	179,485	748,591	6,163,308	21.73%	2025
2026	45,000	22,975	30,000	73,730	498,398	166,078	664,476	5,664,909	28.06%	2026
2027	25,000	21,925	30,000	72,425	468,549	153,742	622,291	5,196,360	34.01%	2027
2028	25,000	21,175	30,000	71,120	477,404	141,681	619,085	4,718,956	40.07%	2028
2029	25,000	20,550	30,000	69,815	459,468	130,057	589,525	4,259,489	45.91%	2029
2030	85,000	19,450	105,000	66,826	383,178	119,523	502,701	3,876,310	50.77%	2030
2031	85,000	17,750	105,000	62,101	386,791	109,452	496,242	3,489,520	55.68%	2031
2032	85,000	16,050	105,000	57,271	390,471	99,207	489,678	3,099,049	60.64%	2032
2033	85,000	14,350	105,000	52,284	394,219	88,736	482,956	2,704,829	65.65%	2033
2034	85,000	12,650	105,000	47,139	398,038	78,036	476,075	2,306,791	70.70%	2034
2035	85,000	10,950	105,000	41,915	401,929	67,186	469,115	1,904,862	75.81%	2035
2036	85,000	9,250	105,000	36,639	405,892	56,210	462,101	1,498,971	80.96%	2036
2037	85,000	7,550	105,000	31,310	409,929	45,106	455,035	1,089,042	86.17%	2037
2038	80,000	5,900	105,000	25,929	409,042	33,924	442,965	680,000	91.36%	2038
2039	80,000	4,250	105,000	20,495	185,000	24,745	209,745	495,000	93.71%	2039
2040	80,000	2,550	105,000	15,009	185,000	17,559	202,559	310,000	96.06%	2040
2041	80,000	850	105,000	9,470	185,000	10,320	195,320	125,000	98.41%	2041
			125,000	3,344	125,000	3,344	128,344	0	100.00%	2042
	1,210,000	296,200	1,615,000	998,573	7,874,224	2,007,350	9,881,573			

* Preliminary, subject to change.

**City of Evansville, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Storm Water Revenues
(As of 09/01/2022)**

Storm Water System Revenue Bonds									
Dated Amount	05/30/2018 \$655,000								
Maturity	05/01								
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending	
2022	0	7,614	0	7,614	7,614	393,000	.00%	2022	
2023	65,500	13,960	65,500	13,960	79,460	327,500	16.67%	2023	
2024	65,500	11,422	65,500	11,422	76,922	262,000	33.33%	2024	
2025	65,500	8,883	65,500	8,883	74,383	196,500	50.00%	2025	
2026	65,500	6,345	65,500	6,345	71,845	131,000	66.67%	2026	
2027	65,500	3,807	65,500	3,807	69,307	65,500	83.33%	2027	
2028	65,500	1,269	65,500	1,269	66,769	0	100.00%	2028	
	393,000	53,301	393,000	53,301	446,301				

DEBT LIMIT*

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value ¹	\$608,900,700
Multiply by 5%	0.05
Statutory Debt Limit ²	\$30,445,035
Less: General Obligation Debt*	(9,667,217)
Unused Debt Limit*	<u>\$20,777,818</u>

*Preliminary, subject to change.

OVERLAPPING DEBT³

Taxing District	2022 Equalized Value ⁴	% In City	Total G.O. Debt ⁵	City's Proportionate Share
Rock County	\$16,945,621,900 ¹	3.59%	\$56,270,000	\$2,020,093
Evansville School District	1,017,536,283 ⁶	51.14%	31,595,000	16,157,683
Blackhawk Technical College District	17,225,048,841 ⁶	3.02%	65,870,000	<u>1,989,274</u>
City's Share of Total Overlapping Debt				<u>\$20,167,050</u>

¹Preliminary equalized value subject to review and revision. Final amounts will be certified August 15, 2022.

²The Common Council has adopted a Debt Management Policy, which provides that the City has established a targeted maximum for general obligation debt of 3.75% of the City's equalized value and \$3,700 for direct debt burden per capita.

³Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

⁴Includes tax increment valuation.

⁵Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

⁶2021 equalized values. 2022 equalized values are expected to be certified in October 2022.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$608,900,700¹	Debt/ Per Capita 5,589²
Total General Obligation Debt*	\$9,667,217	1.59%	\$1,729.69
City's Share of Total Overlapping Debt	<u>20,167,050</u>	<u>3.31%</u>	<u>\$3,608.35</u>
Total*	\$29,834,267	4.90%	\$5,338.03

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

Concurrently with the Bonds, the City expects to issue its \$1,615,000* Sewerage System Revenue Bonds, Series 2022B (the "Series 2022B Bonds") and the \$1,325,000* General Obligation Promissory Notes, Series 2022C (the "Series 2022C Notes"). The City also plans to issue approximately \$14 million taxable note anticipation notes for pool and park improvements projects, which notes will be refunded with general obligation debt, in the next 12 months. The City also expects to borrow for capital projects in 2023, but the amount and timing has not yet been determined. Aside from the preceding, the City currently has no plans to issue additional debt in the next 12 months.

*Preliminary, subject to change.

¹Preliminary equalized value subject to review and revision. Final amounts will be certified on August 15, 2022.

²Estimated 2021 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2017/18	\$2,383,483	100%	\$6.64
2018/19	2,756,829	100%	7.01
2019/20	2,809,583	100%	6.70
2020/21	2,847,048	100%	6.28
2021/22	3,228,497	In Process	6.63

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2019 Wisconsin Act 185, which provided that for property taxes payable in 2020, a taxation district could, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and then the taxation district was required to subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county proportionally settled with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settled the remaining unpaid taxes, interest, and penalties on September 20, 2020. Rock County and the City adopted such resolutions. The City cannot predict whether any similar legislation may be adopted in the future.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools¹	County	Local	Total
2017/18	\$12.70	\$6.38	\$6.64	\$25.72
2018/19	11.99	6.07	7.01	25.07
2019/20	12.29	5.86	6.70	24.85
2020/21	11.82	5.72	6.28	23.82
2021/22	10.86	5.33	6.63	22.82

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

¹The Schools tax rate reflects the composite rate of all local school districts and technical college district.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

With respect to revenue bonds issued pursuant to Section 66.0621, Wis. Stats., such as the Bonds, any taxes levied to pay debt service on the Bonds because of a revenue shortfall may be excluded from the levy limits.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1896 and is governed by a Mayor and an eight-member Common Council. The Mayor does not vote except in the case of a tie. All Council Members are elected to two-year terms. The appointed City Administrator/Finance Director, City Clerk and City Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 38 full-time, 27 part-time, and 34 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the fiscal year ended December 31, 2020 ("Fiscal Year 2020") and the fiscal year ended December 31, 2021 ("Fiscal Year 2021"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$192,927, \$208,517 and \$223,506, respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for the fiscal year ended December 31, 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2020, the total pension liability of the WRS was calculated as \$118.72 billion and the fiduciary net position of the WRS was calculated as \$124.97 billion, resulting in a net pension asset of \$6.24 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2021, the City reported an asset of \$1,158,823 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2020 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.01856156% of the aggregate WRS net pension asset as of December 31, 2020.

The calculation of the total pension asset and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note IV.A. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining unit represents employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Wisconsin Professional Police Association, Law Enforcement Employee Relations Division	December 31, 2022

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Eligible retirees may remain on the City's group health plan, but are responsible for payment of the full premiums. Membership of the plan consisted of one retiree receiving benefits and 36 active eligible plan members as of December 31, 2019, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years and be prepared in accordance with Statement No. 75 of the Governmental Accounting Standards Board ("GASB 75"). An actuarial study for the plan prepared in accordance with GASB 75 was most recently completed by Key Benefits Concepts, LLC in October 2020 and updated tables were completed in September 2021 with an actuarial valuation date of December 31, 2020.

For Fiscal Year 2020, benefit payments for the plan totaled \$7,354. The City's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2020, the plan's total OPEB liability was \$261,775 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$261,775.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information, see Note IV.B. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

The City also participates in the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2021, the City's portion of contributions to the LRLIF totaled \$887. For Fiscal Year 2021, the Village reported a liability of \$244,865 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2020 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.04515% of the aggregate LRLIF net OPEB liability as of December 31, 2020.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note IV.B. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would

involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

FUNDS ON HAND (as of June 30, 2022)

Fund	Total Cash and Investments
City General Fund/W&L	\$7,176,772
WWTP DNR Replacement	987,653
Police	8,023
LGIP Investments	165,912
Hometown Bank	29,134
Library	347,048
Revolving Fund Account	86,908
Combined Checking	178,799
BMO Harris	122,011
Greenwoods State Bank	150,981
Wells Fargo/US Treasury	945,827
TID 7 Reserve Account	130,023
Total Funds on Hand	<u><u>\$10,329,091</u></u>

ENTERPRISE FUNDS

Revenues available for debt service for the City's enterprise funds have been as follows as of December 31 each year:

	2019 Audited	2020 Audited	2021 Audited
Electric and Water			
Total Operating Revenues	\$ 8,764,155	\$ 8,631,492	\$ 9,269,025
Less: Operating Expenses	<u>(7,857,659)</u>	<u>(7,907,172)</u>	<u>(8,682,203)</u>
Operating Income	\$ 906,496	\$ 724,320	\$ 586,822
Plus: Depreciation	873,116	852,035	878,932
Miscellaneous Non-Operating Revenue	18,362	14,681	7,846
Interest Income	<u>67,074</u>	<u>52,830</u>	<u>7,063</u>
Revenues Available for Debt Service	<u><u>\$ 1,865,048</u></u>	<u><u>\$ 1,643,866</u></u>	<u><u>\$ 1,480,663</u></u>
Sewer			
Total Operating Revenues	\$ 1,319,925	\$ 1,406,508	\$ 1,487,535
Less: Operating Expenses	<u>(934,476)</u>	<u>(1,091,034)</u>	<u>(1,105,011)</u>
Operating Income	\$ 385,449	\$ 315,474	\$ 382,524
Plus: Depreciation	415,034	545,310	547,699
Miscellaneous Non-Operating Revenue	25,991	40,510	1,466
Interest Income	<u>39,784</u>	<u>14,203</u>	<u>2,458</u>
Revenues Available for Debt Service	<u><u>\$ 866,258</u></u>	<u><u>\$ 915,497</u></u>	<u><u>\$ 934,147</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete audited financial statements are available upon request. See Appendix A for the City's 2021 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Amended Budget ¹
Revenues					
Taxes	\$ 1,463,515	\$ 1,508,164	\$ 1,565,467	\$ 1,569,561	\$ 2,487,372
Intergovernmental	699,852	722,053	837,940	772,743	763,403
Licenses and permits	270,511	344,791	233,460	239,760	226,700
Penalties and forfeitures	77,991	68,005	60,552	74,099	70,636
Public charges for services	445,813	446,433	385,363	435,375	467,540
Interest	35,479	44,366	18,318	2,778	0
Miscellaneous general revenues	53,762	69,825	49,004	56,575	48,375
Total Revenues	<u>\$ 3,046,923</u>	<u>\$ 3,203,637</u>	<u>\$ 3,150,104</u>	<u>\$ 3,150,891</u>	<u>\$ 4,064,026</u>
Expenditures					
Current:					
General government	\$ 422,638	\$ 418,817	\$ 380,282	\$ 383,499	\$ 398,007
Public safety	1,686,991	1,714,248	1,795,644	1,842,501	1,951,899
Public works	925,920	994,939	957,999	959,728	1,008,800
Health and social services	37,610	37,610	37,610	37,610	38,760
Culture and recreation	311,452	300,693	169,559	241,264	311,940
Conservation and development	97,256	100,978	109,313	114,897	150,260
Total Expenditures	<u>\$ 3,481,867</u>	<u>\$ 3,567,285</u>	<u>\$ 3,450,407</u>	<u>\$ 3,579,499</u>	<u>\$ 3,859,666</u>
Excess of revenues over (under) expenditures	\$ (434,944)	\$ (363,648)	\$ (300,303)	\$ (428,608)	\$ 204,360
Other Financing Sources (Uses)					
Transfers in	425,389	439,434	453,887	455,491	144,450
Transfers out	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 425,389</u>	<u>\$ 439,434</u>	<u>\$ 453,887</u>	<u>\$ 455,491</u>	<u>\$ 144,450</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ (9,555)	\$ 75,786	\$ 153,584	\$ 26,883	\$ 348,810
General Fund Balance January 1	2,029,942	2,020,387	2,096,173	2,249,757	2,276,640
General Fund Balance December 31	<u>2,020,387</u>	<u>2,096,173</u>	<u>2,249,757</u>	<u>2,276,640</u>	<u>2,625,450</u>
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$ 633,191	\$ 639,278	\$ 523,928	\$ 527,737	
Restricted	88,026	64,007	86,695	86,793	
Committed	0	0	0	0	
Assigned	0	0	0	0	
Unassigned	1,299,170	1,392,888	1,639,134	1,662,110	
Total	<u>\$ 2,020,387</u>	<u>\$ 2,096,173</u>	<u>\$ 2,249,757</u>	<u>\$ 2,276,640</u>	

¹The 2022 Budget was adopted on December 2, 2021 and the numbers reflect budget amendments to date.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 5,703 and a current estimated population of 5,589 comprises an area of 2,112 acres and is located approximately 23 miles south of Madison.

LARGER EMPLOYERS¹

Larger employers in and around the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
ALCIVIA ²	Agricultural and energy cooperative	800
Evansville Community School District	Elementary and secondary education	247
Baker Manufacturing Co.	Manufacturing	160
Evansville Manor	Nursing home	150
Stoughton Trailer	Manufacturing	130
The City	Municipal government and services	99
Vertex Pharmaceuticals Inc	Pharmaceutical Products-Wholesale	70
Piggly Wiggly	Grocery store	65
Vacro-Pruden Buildings	Manufacturing	60
Union Bank and Trust Co.	Commercial bank	49

Source: *Data Axle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

²Landmark Services Co-Op and Countryside Co-Op combined in 2021.

BUILDING PERMITS

	2018	2019	2020	2021	2022 ¹
<u>New Single Family Homes</u>					
No. of building permits	32	17	27	10	2
Valuation	\$6,011,500	\$4,379,000	\$6,345,000	\$2,330,000	\$680,000
<u>New Multiple Family Buildings</u>					
No. of building permits	2	8	3	13	5
Valuation	\$610,000	\$2,920,000	\$900,000	\$4,950,000	\$2,550,000
<u>New Commercial/Industrial</u>					
No. of building permits	3	4	1	0	1
Valuation	\$1,215,000	\$3,281,400	\$400,000	\$0	\$600,000
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	366	338	310	335	136
Valuation	\$14,622,976	\$50,564,582	\$11,072,390	\$11,659,595	\$5,288,820

Source: The City.

¹As of July 7, 2022.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census	5,012
2020 U.S. Census	5,703
2021 Estimated Population	5,589
Percent of Change 2010 - 2020	13.79%

Income and Age Statistics

	The City	Rock County	State of Wisconsin	United States
2020 per capita income	\$31,275	\$29,924	\$34,450	\$35,384
2020 median household income	\$70,216	\$59,519	\$63,293	\$64,994
2020 median family income	\$94,000	\$72,372	\$80,844	\$80,069
2020 median gross rent	\$769	\$860	\$872	\$1,096
2020 median value owner occupied units	\$192,600	\$156,800	\$189,200	\$229,800
2020 median age	35.7 yrs.	39.8 yrs.	39.6 yrs.	38.2 yrs.
		State of Wisconsin	United States	
City % of 2020 per capita income		90.78%	88.39%	
City % of 2020 median family income		116.27%	117.40%	

Housing Statistics

	<u>The City</u>		
	2010	2020	Percent of Change
All Housing Units	2,067	2,363	14.32%

Source: 2010 and 2020 Census of Population and Housing, and 2020 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Rock County	Rock County	State of Wisconsin
2018	82,522	3.2%	3.0%
2019	82,813	3.5%	3.2%
2020	79,829	7.1%	6.3%
2021 ¹	82,991	4.4%	3.8%
2022, May	83,665 ¹	3.6% ¹	2.9%

Source: Wisconsin Department of Workforce Development.

¹Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

CITY OF EVANSVILLE
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT
For the Year Ended December 31, 2021

City of Evansville
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December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Evansville
Evansville, Wisconsin

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages v through xiv, the budgetary comparison information on page 58, the Wisconsin Retirement System schedules on page 59, the Local Retiree Life Insurance Fund schedules on page 60, and the other postemployment benefits health plan schedule on page 61 be presented to the supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evansville, Wisconsin's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
July 26, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2021

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

THE FINANCIAL HIGHLIGHTS

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

- The assets of the primary government of the City of Evansville exceeded its liabilities as of December 31, 2021, by \$33,820,261 (net position). Of this amount, \$4,546,906 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- General fund revenues including the tax equivalent were less than budgeted amounts by \$57,588 and general fund expenditures were less than budgeted amounts by \$92,230.
- As of December 31, 2021, the City of Evansville's governmental funds reported combined ending fund balances of \$3,963,675.
- As of December 31, 2021, the unassigned fund balance for the general fund was \$1,537,110, or approximately 48 percent of total general fund expenditures.
- The City of Evansville's governmental liability for long-term debt including compensated absences and long-term debt was \$9,731,722. The business-type debt totaled \$14,937,539.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City of Evansville's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

- The *statement of net position* presents information on all of the City of Evansville's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Evansville is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City of Evansville that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Evansville include general government, public safety, public works, health and human services, parks and recreation, and conservation and development. The business-type activities of the City of Evansville include the Water and Light Utility, and the Wastewater Treatment Plant or sanitary sewer utility. The Stormwater utility was reclassified as a governmental fund in 2014. Previously, it was reported as a business-type fund.

Fund financial statements. The City also produces fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The City, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the City-wide statements and provide information that may be useful in evaluating a City's short-term financing requirements. There are two fund financial statements, the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund statements focus on short-term inflows and outflows of expendable resources and their impact on fund balance.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

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

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OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 57 of this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

TABLE 1
City of Evansville Net Position

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

A significant portion of the City's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.). Less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, those assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The restricted portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$4,546,906, may be used to meet the City's ongoing obligations to citizens and creditors.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,364,577	\$ 1,339,249	\$ 10,756,560	\$ 10,038,000	\$ 12,121,137	\$ 11,377,249
Operating Grants and Contributions	538,168	659,902	-	-	538,168	659,902
Capital Grants and Contributions	9,627	3,938	143,047	353,918	152,674	357,856
General Revenues:						
Property Taxes	3,420,711	3,266,815	-	-	3,420,711	3,266,815
Grants and Contributions Not Restricted to Specific Programs	589,335	543,038	-	-	589,335	543,038
Unrestricted Interest/Investment Income	11,354	39,010	9,521	67,033	21,075	106,043
Other Gain (Loss) on Capital Assets	5,000	9,350	-	-	5,000	9,350
Miscellaneous	27,196	12,404	16,126	62,005	43,322	74,409
Total Revenues	5,966,168	5,873,766	10,925,234	10,320,956	16,891,422	16,394,722
Expenses:						
General Government	527,253	459,391	-	-	527,253	459,391
Public Safety	2,224,127	2,308,053	-	-	2,224,127	2,308,053
Public Works	1,302,034	1,497,549	-	-	1,302,034	1,497,549
Health & Human Services	160,673	159,178	-	-	160,673	159,178
Culture and Recreation	838,815	820,465	-	-	838,815	820,465
Conservation and Development	229,324	146,245	-	-	229,324	146,245
Interest on Long-Term Debt	251,319	174,425	-	-	251,319	174,425
Capital Outlay	105,160	48,258	-	-	105,160	48,258
Electric and Water	-	-	8,905,934	8,062,831	8,905,934	8,062,831
Sewer	-	-	1,255,064	1,246,453	1,255,064	1,246,453
Total Expenses	5,898,705	5,613,564	10,160,998	9,309,284	16,059,703	14,922,848
Increase (Decrease) in Net Position						
Before Transfers	67,463	260,202	764,236	1,211,672	831,719	1,471,874
Transfers	487,241	436,320	(437,241)	(436,320)	-	-
Increase (Decrease) in Net Position	504,704	696,522	327,015	775,352	831,719	1,471,874
Net Position - January 1	7,157,119	6,460,597	25,851,423	25,056,071	32,988,542	31,516,606
Net Position - December 31	\$ 7,661,823	\$ 7,157,119	\$ 26,158,438	\$ 25,831,423	\$ 33,820,261	\$ 32,988,542

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

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

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

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$1,537,110, while total fund balance reached \$2,276,640. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 43% of total general fund expenditures, while total fund balance represents 64% of that same amount.

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

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

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (Continued)

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

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

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

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSET AND DEBT ADMINISTRATION

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

- A summary of the fixed assets is identified below:

City of Evansville Capital Assets

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

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

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

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

City of Evansville Outstanding Debt

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

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

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

City of Evansville, Wisconsin
Statement of Net Position
December 31, 2021

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

See accompanying notes to the basic financial statements.

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

	Expenses	Charges for Services	Program Revenue Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Function/Program					
Primary government					
General government					
Public Safety	\$ 577,253	\$ 103,114	-	-	\$ (474,139)
Police	2,224,127	493,551	-	-	(1,730,576)
Fire	1,606,771	423,171	-	-	(1,183,600)
Public Works	168,073	43,540	-	9,677	(116,333)
Health, Welfare and Sanitation	838,815	78,129	64,132	-	(806,556)
Culture and Recreation	278,815	13,599	-	-	(292,414)
Conservation and Development	257,719	15,116	-	-	(272,835)
Community development	105,169	15,116	-	-	(120,285)
Capital Outlay	3,808,705	1,384,577	538,168	-	(3,965,333)
Total primary government	8,945,934	9,205,025	-	76,447	(437,738)
Business-type activities					
Electric and Water	1,755,958	10,872,569	-	14,837	7,100,748
Senior Center	11,998	10,872,569	-	14,837	28,609
Total business-type activities	\$ 18,609,900	\$ 12,121,137	\$ 538,168	\$ 152,674	\$ (2,429,755)
General government:					
Taxes					
Property taxes, levied for general purposes					2,836,418
Property taxes, levied for debt service					575,284
Other taxes					17,309
Grants and contributions not restricted to specific programs					399,335
Investment income					30,475
Unrestricted investment earnings					30,475
Miscellaneous					16,126
Special item - gain (loss) on disposal of asset					5,000
Transfers in					437,232
Total general revenues, special items and transfers					4,091,339
Change in Net Position					357,115
Net position - beginning					25,485,096
Net position - ending					\$ 25,842,211

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

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

Total fund balance, governmental funds \$ 3,969,675

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

13,304,507

The net pension asset is not a current financial liability and is, therefore, not reported in the fund statements

787,577

The OPEB liabilities are not current financial usages and are, therefore, not reported in the fund statements.

(388,702)

Pension and OPEB deferred outflows of resources and inflows of resources are actuarially determined. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and inflows of resources are not financial resources and therefore are not reported in the fund statements.

1,420,514
(1,787,864)

Special assessment and loan receivables are fully accrued and recognized as revenue when the receivable is established for the governmental activities of the Statement of Net Position. They are reported as deferred inflows in the fund financial statements to the extent they are not available.

144,020

Some liabilities (such as Notes Payable, Long-term Compensated Absences, and Bonds Payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

1,199,372
8,180,216
48,877
303,257
56,182

(9,787,904)

\$ 7,661,823

Net Position of Governmental Activities in the Statement of Net Position

See accompanying notes to the basic financial statements

City of Evansville, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Debt Service	Capital Projects	Summator	TIP 5	Non-Major Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 1,901,369	\$ 288,444	\$ 140,844	\$ 399,454	\$ 122,332	\$ 2,091,111	\$ 5,944,754
Receivables							
Taxes	1,144,937	521,133	70,006	*	180,852	638,952	2,549,920
Special Assessment	191,639	168,712	*	*	*	*	360,361
Accounts	*	*	*	*	*	54,210	54,210
Other	55,745	*	*	1,004	*	11,996	53,745
Prepaid Expenses	58,619	*	*	*	*	*	58,619
Restricted Cash	*	*	1,164,988	*	*	*	1,164,988
Advances Receivable	489,254	*	*	*	*	*	489,254
Total Assets	\$ 4,795,303	\$ 980,299	\$ 1,375,038	\$ 600,158	\$ 302,224	\$ 2,780,274	\$ 10,842,656
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Payables							
Accounts Payable	\$ 194,544	\$ *	\$ 102,200	\$ 79,676	\$ 70	\$ 20,645	\$ 395,138
Accounts Payable	139,867	*	*	*	*	*	139,867
Due to Other Funds	*	*	*	*	*	34,839	34,839
Grant, Advance	*	*	*	*	*	284,698	284,698
Advances Payable	*	*	*	*	1,485,466	*	1,485,466
Total Liabilities	\$ 334,411	\$ *	\$ 102,200	\$ 79,676	\$ 1,485,536	\$ 340,182	\$ 2,342,008
Deferred Inflows of Resources							
	2,184,312	164,809	809,830	*	283,874	290,038	4,532,973
Fund Balances (Deficit)							
Nonspendable	527,737	*	1,164,988	1,064	*	11,998	1,703,727
Restricted	86,793	*	200,000	200,000	*	298,571	585,364
Committed	125,000	15,400	*	319,778	*	1,165,017	1,605,195
Assigned	1,372,110	*	*	*	(1,466,189)	477,532	482,453
Unassigned	2,276,600	15,400	1,164,298	520,782	(1,466,189)	1,458,054	3,969,675
Total Fund Balances (Deficit)	\$ 4,795,303	\$ 980,299	\$ 1,375,038	\$ 600,158	\$ 302,224	\$ 2,780,274	\$ 10,842,656

See accompanying notes to the basic financial statements

City of Evansville, Wisconsin

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

Net change in fund balances - total governmental funds: \$ 1,356,840

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 these 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
Depreciation expenses reported in the Statement of Activities

1,336,511

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

(37,525)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.

Debt proceeds for the year

(3,210,000)

The amount of long-term debt principal payments in the current year is:

944,593

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.

(5,727)

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

(22,852)

Special assessments revenue accrued in current year on government-wide statements

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

142,864

Change in Net Position of governmental activities

\$ 504,704

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

	General Fund	Local Service	Capital Projects	Summer	21F5	Non-Major Fund	Total Governmental Funds
REVENUES							
Property Taxes	1,562,556	872,294	229,421		291,527	723,320	3,356,022
Other Taxes	7,061					9,544	5,064
Intergovernmental Revenue		32,939					32,939
License and Permits	772,743				12,731	258,348	1,043,822
Fines, Penalties and Forfeitures	289,795						289,795
Transfer Payments and Services	883,398						883,398
Interest Income	2,774	5,631	321	248,794		377,615	1,012,778
Nonfunction Income	26,375					1,609	11,277
Total Revenues	3,120,929	909,797	229,742	249,038	304,258	1,369,796	5,274,557
EXPENDITURES							
Current							
Public Safety	382,469						382,469
Public Works	1,842,001						1,842,001
Health and Human Services	939,728						939,728
Public Administration	341,964						341,964
Community and Development	114,597						114,597
Capital Outlay							
Debt Principal Retirement		814,031		898,905		24,609	1,716,545
Interest Expense		102,135		6,409		809	258,918
Total Expenditures	3,279,792	916,136		905,314	346,666	1,030,824	5,276,531
Reconciliation of Revenues/Expenses	(228,258)	(174,441)	(1,289,933)	(265,571)	357,467	165,795	(12,287,337)
OTHER FINANCING SOURCES (USES)							
Transfers In	455,491	344,251	2,261,105	941,400			3,002,247
Transfers Out	(455,491)				26,606	(125,375)	(85,260)
Total Other Financing Sources and Uses					1,031,841	(125,375)	906,466
Net Change in Fund Balances	26,887	(20,185)	1,015,667	184,431	20,127	146,720	1,356,840
Fund Balance (Deficit) - Beginning	2,249,752	46,596	186,931	205,240	(1,466,183)	1,312,024	2,612,335
Fund Balance (Deficit) - Ending	2,276,639	15,411	1,064,618	389,671	(1,446,056)	1,458,744	3,968,801

See accompanying notes to the basic financial statements

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See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2021

	Enterprise Funds		
	Electric and Water	Sewer	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 905,872	\$ 737,141	\$ 1,643,013
Receivables			
Taxes	29,479	-	29,479
Special Assessments	1,788	-	1,788
Accounts	1,571,873	-	1,571,873
Due from Other Funds	103,962	34,839	138,801
Inventories	274,233	-	274,233
Prepaid Expenses	23,034	5,829	28,863
Total Current Assets	2,910,261	777,809	3,688,070
Restricted Assets:			
Restricted Cash and Cash Equivalents	2,080,873	1,530,024	3,610,897
Net Pension Asset	304,356	66,890	371,246
Total Restricted Assets	2,385,229	1,596,914	3,982,143
Capital Assets:			
Land and Improvements	76,448	94,914	171,362
Construction Work in Progress	585,586	32,479	618,065
Other Capital Assets	32,809,304	22,218,730	55,028,034
Less Accumulated Depreciation	(14,958,003)	(6,792,267)	(21,750,270)
Net Capital Assets	18,513,335	15,553,856	34,067,191
Noncurrent Assets:			
Advances Receivable	943,799	92,413	1,036,212
Unamortized Debt Discount	22,355	-	22,355
Other Deferred Debits	59,137	-	59,137
Total Noncurrent Assets	1,025,291	92,413	1,117,704
Total Assets	24,834,116	18,020,992	42,855,108
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	506,435	111,303	617,738
Deferred OPEB Outflows	30,553	4,462	35,015
Total Deferred Outflows of Resources	536,988	115,765	652,753
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 25,371,104	\$ 18,136,757	\$ 43,507,861

See accompanying notes to the basic financial statements

City of Evansville, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2021

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

See accompanying notes to the basic financial statements

City of Evansville, Wisconsin

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

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

See accompanying notes to the basic financial statements

City of Evansville, Wisconsin

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

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

See accompanying notes to the basic financial statements

City of Evansville, Wisconsin

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

	Electric & Water	Sewer	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 586,822	\$ 382,524	\$ 969,346
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Non-Operating revenues	7,846	1,466	9,312
Amortization	(437,241)	(19,800)	(457,041)
Tax equivalent	878,932	547,699	1,426,631
Depreciation	23,419	(23,419)	-
Joint meter allocation	(272,457)	(19,234)	(291,691)
Pension expense	52,385	3,084	55,469
OPEB expense			
Changes in Assets and Liabilities:			
Receivables	(8,572)	-	(8,572)
Due to/from other funds	(53,316)	53,316	-
Inventories	(34,559)	-	(34,559)
Prepays	(6,662)	(1,953)	(8,615)
Accounts payable	142,762	70,307	213,069
Other Accrued liabilities	(73,687)	(4,230)	(77,917)
Net cash provided (used) by operating activities	\$ 805,672	\$ 989,760	\$ 1,795,432
Reconciliation of cash and cash equivalents to balance sheet accounts			
Cash and investments	\$ 905,872	\$ 737,141	\$ 1,643,013
Restricted assets	2,080,873	1,530,024	3,610,897
Total Cash and Investments	2,986,745	2,267,165	5,253,910
Cash and cash equivalents- End of year	\$ 2,986,745	\$ 2,267,165	\$ 5,253,910

See accompanying notes to the basic financial statements.

City of Evansville, Wisconsin

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

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

See accompanying notes to the basic financial statements.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

The Evansville Housing Authority

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

In addition, all funds in the fund financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note 1.

See accompanying notes to the basic financial statements
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B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues included 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets and deferred outflows of resources, liabilities and deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

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

- 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
- 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.
- 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.

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

Fund Financial Statements (Continued)

The City reports the following major governmental funds:

Major Governmental

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

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

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

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

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

The City reports the following enterprise funds:

Enterprise Funds

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

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

The City reports the following non-major governmental funds:

Non-Major Governmental Funds

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

Emergency Medical Services Fund

Eager Free Public Library Fund

Cemetery Fund

Tourism Commission Fund

Revolving Housing Fund

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

TIF #6

TIF #7

TIF #8

TIF #9

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

Fund Financial Statements (Continued)

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

The City reports the following fiduciary fund:

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

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

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

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and deferred outflows of resources, and liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water, electric, stormwater and sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Government-Wide Financial Statements (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also reported as deferred inflows of resources.

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

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

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

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

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

Government-Wide Financial Statements (Continued)

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the water, electric, and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

1. Deposits and Investments

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

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

See footnote III A for additional information.

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

2. Receivables

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

Property tax calendar – 2021 tax roll:

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

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

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

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

3. Inventories and Prepaid Items

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

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

4. Restricted Assets

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

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

5. Capital Assets

Government-Wide Statements

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

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

5. Capital Assets (Continued)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. There was no interest required to be capitalized during the current year. The cost of renewals and betterments relating to retirement units are added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

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

Fund Financial Statements

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

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

6. Compensated Absences

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

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

The balance in compensated absences is as follows:

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

7. Long-Term Debt

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

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

8. Claims and Judgments

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

9. Deferred Outflows and Inflows of Resources

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

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

10. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

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

10. Equity Classifications (Continued)

Fund Financial Statements

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

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

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

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

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

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

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

11. Pensions

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

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

12. Other Postemployment Benefits

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) and Health Plan has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and Health Plan and additions to/deductions from LRLIF's and Health Plan fiduciary net position have been determined on the same basis as they are reported by LRLIF and health Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

E. UTILITY RATES AND USER CHARGES

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

F. INCOME TAXES

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

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LIMITATIONS ON THE CITY TAX LEVY

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

B. TAX INCREMENTAL FINANCING DISTRICTS

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

NOTE III-- DETAILED NOTES ON ALL FUNDS

A. CASH AND CASH EQUIVALENTS/INVESTMENTS

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

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

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

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

Investments Authorized by Wisconsin Statutes

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. CASH AND CASH EQUIVALENTS/INVESTMENTS (Continued)

Investments Authorized by Wisconsin Statutes (Continued)

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

Interest Rate Risk

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

Credit Risk

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. CASH AND CASH EQUIVALENTS/INVESTMENTS (Continued)

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

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

Custodial Credit Risk

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

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

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

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

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CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. CAPITAL ASSETS

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

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

Depreciation expense was charged to functions as follows:

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

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CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. CAPITAL ASSETS (Continued)

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

	Balance 01/01/21	Additions	Retirements	Balance 12/31/21
Electric and Water				
Non-Depreciable Capital Assets:				
Land	\$ 76,448	\$ -	\$ -	\$ 76,448
Construction in progress	640,008	604,066	(658,488)	585,586
Total Non-Depreciable Capital Assets	716,456	604,066	(658,488)	662,034
Capital Assets being Depreciated				
Buildings and structures	790,598	-	-	790,598
Equipment	1,979,586	18,653	-	1,998,239
Infrastructure	29,018,753	1,026,674	(24,960)	30,020,467
Total Capital Assets being Depreciated	31,788,937	1,045,327	(24,960)	32,809,304
Total Capital Assets	32,505,393	1,649,393	(683,448)	33,471,338
Less Accumulated Depreciation	(14,063,361)	(919,602)	24,960	(14,958,003)
Capital Assets Net of Depreciation	\$ 18,442,032	\$ 729,791	\$ (658,488)	\$ 18,513,335

	Balance 01/01/21	Additions	Retirements	Balance 12/31/21
Wastewater Treatment:				
Non-Depreciable Capital Assets:				
Land	\$ 94,914	\$ -	\$ -	\$ 94,914
Construction in progress	-	32,479	-	32,479
Total Non-Depreciable Capital Assets	94,914	32,479	-	127,393
Capital Assets being Depreciated				
Buildings and structures	7,898,872	-	-	7,898,872
Equipment	5,239,094	506,714	-	5,745,808
Infrastructure	8,049,173	524,877	-	8,574,050
Total Capital Assets being Depreciated	21,187,139	1,031,591	-	22,218,730
Total Capital Assets	21,282,053	-	-	22,346,123
Less Accumulated Depreciation	(6,267,987)	(524,280)	-	(6,792,267)
Capital Assets Net of Depreciation	\$ 15,014,066	\$ (524,280)	\$ -	\$ 14,489,786

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CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. CAPITAL ASSETS (Continued)

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

Depreciation expense was charged to functions as follows:

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

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:

	Receivable Fund	Payable Fund	Amount	Purpose
Electric and water		Sewer	\$ 103,962	Operations
Sewer		TIF 9	34,839	Cash Flow
Subtotal fund financial statements			\$ 138,801	

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.

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CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

C. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (Continued)

The City has the following interfund advances outstanding:

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

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

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS

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

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

General Obligation Debt

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

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

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

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21	Amounts Due within One Year
Direct Borrowings and Direct Placements						
2017 State Trust Fund Loan	9/19/2017	3/15/2027	3.50%	\$ 717,920	\$ 451,088	\$ 68,872
2018 Bank Note	10/19/2018	10/19/2023	2.297%	\$ 100,000	\$ 25,000	\$ 25,000
Total Direct Borrowings and Direct Placements				\$ 817,920	\$ 476,088	\$ 93,872
Other Notes and Bonds						
General Obligation Debt						
2013 General Obligation Notes	1/24/2013	4/1/2022	0.4%-1.6%	\$ 260,000	\$ 70,000	\$ 70,000
2015 General Obligation Notes	5/28/2015	10/1/2025	0.5%-2.2%	\$ 350,000	\$ 60,000	\$ 60,000
2018 General Obligation Notes	5/30/2018	4/1/2028	1.9%-2.85%	\$ 4,180,000	\$ 3,060,000	\$ 400,000
2019 General Obligation Notes	6/1/2019	4/1/2029	3.0%-4.0%	\$ 750,000	\$ 600,000	\$ 90,000
2021 General Obligation Notes	9/2/2021	4/1/2031	0.25%-1.25%	\$ 2,420,000	\$ 2,420,000	\$ 180,000
2021 General Obligation Bonds	9/2/2021	4/1/2041	0.7%-2.0%	\$ 790,000	\$ 790,000	\$ 50,000
Total General Obligation Notes				\$ 7,000,000	\$ 7,000,000	\$ 810,000
2012 Taxable General Obligation Bond	5/24/2012	10/1/2027	1.25%-3.90%	\$ 460,000	\$ 200,000	\$ 30,000
2017 General Obligation Refunding Bonds	8/30/2017	4/1/2027	2.00%-3.00%	\$ 1,855,000	\$ 1,245,000	\$ 200,000
Total General Obligation Bonds				\$ 2,315,000	\$ 1,445,000	\$ 230,000
Total General Obligation Debt				\$ 9,315,000	\$ 8,445,000	\$ 1,040,000
Stormwater Revenue Bonds	5/30/2018	5/1/2028	3.875%	\$ 635,000	\$ 458,500	\$ 65,500
Total Other Notes and Bonds				\$ 8,950,500	\$ 8,903,500	\$ 1,105,500

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			
	Borrowings and Placements		Bonds and Notes	
	Principal	Interest	Principal	Interest
2022	\$ 93,872	\$ 16,077	\$ 1,105,500	\$ 178,214
2023	71,282	13,378	925,500	154,647
2024	73,748	10,913	1,010,500	132,255
2025	76,359	8,302	1,090,500	109,897
2026	79,031	5,629	1,085,500	87,157
2027-2031	81,797	2,863	3,276,000	206,582
2032-2036	-	-	200,000	29,500
2037-2041	-	-	210,000	10,900
	\$ 476,089	\$ 57,162	\$ 8,903,500	\$ 909,152
			\$ 9,379,589	\$ 966,314

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21	Amounts Due within One Year
Electric and Water						
General Obligation Debt						
2013 General Obligation Notes	1/24/2013	4/1/2022	0.4%-1.6%	\$ 1,390,000	\$ 130,000	\$ 130,000
2015 General Obligation Notes	5/28/2015	10/1/2025	0.5%-2.2%	\$ 330,000	\$ 140,000	\$ 35,000
Total Electric and Water General Obligation Debt				\$ 1,720,000	\$ 270,000	\$ 165,000
Mortgage Revenue Bonds						
2014 Revenue Bonds	7/2/2014	5/1/2025	0.7%-3.1%	\$ 3,165,000	\$ 1,380,000	\$ 335,000
2016 Revenue Bonds	7/21/2016	5/1/2036	0.9%-1.5%	\$ 3,239,999	\$ 2,375,000	\$ 230,000
2019 Revenue Bonds	6/6/2019	5/1/2029	3%	\$ 3,240,000	\$ 1,375,000	\$ 100,000
2021 Revenue Bonds	9/2/2021	5/1/2041	0.4%-2.5%	\$ 2,050,000	\$ 2,050,000	\$ 45,000
Total Electric and Water Mortgage Revenue Bonds				\$ 7,795,000	\$ 7,180,000	\$ 710,000
Total Electric and Water Other Bonds and Notes				\$ 9,515,000	\$ 7,450,000	\$ 875,000
Sewer Utility						
Other Notes and Bonds						
General Obligation Debt						
2015 General Obligation Notes	5/28/2015	10/1/2025	0.5%-2.2%	\$ 240,000	\$ 140,000	\$ 35,000
2019 General Obligation Notes	6/1/2019	4/1/2029	3.0%-4.0%	\$ 480,000	\$ 390,000	\$ 45,000
Total Sewer General Obligation Debt				\$ 720,000	\$ 530,000	\$ 80,000
Mortgage Revenue Bonds						
2016 Revenue Bonds	7/29/2016	5/1/2026	1.970%	\$ 185,000	\$ 92,500	\$ 18,500
2018 Revenue Bonds	5/30/2018	5/1/2028	3.875%	\$ 270,000	\$ 189,000	\$ 27,000
2021 Revenue Bonds	9/2/2021	5/1/2041	2.0%-3.0%	\$ 1,235,000	\$ 1,235,000	\$ 25,000
Total Sewer Mortgage Revenue Bonds				\$ 1,510,000	\$ 1,316,500	\$ 70,500
Total Sewer Other Bonds and Notes				\$ 2,046,500	\$ 2,046,500	\$ 150,500
Total Business-Type Other Notes and Bonds				\$ 9,496,500	\$ 9,496,500	\$ 1,025,500
Direct Borrowings and Direct Placements						
WPP1 Loan - Electric	11/30/2015	11/28/2025	0%	\$ 304,406	\$ 121,761	\$ 30,441
2005 Clean Water Fund Debt	7/27/2005	5/1/2025	2.365%	\$ 1,602,737	\$ 383,102	\$ 92,444
2009 Clean Water Fund Debt	11/25/2009	5/1/2029	2.668%	\$ 3,248,127	\$ 1,570,231	\$ 178,674
2018 Clean Water Fund Debt	6/27/2018	5/1/2038	1.870%	\$ 3,594,925	\$ 3,297,573	\$ 166,567
Total Direct Borrowings and Direct Placements				\$ 8,749,195	\$ 5,372,669	\$ 468,126
Total Business-Type Activities Long-Term Debt				\$ 14,866,169	\$ 14,866,169	\$ 1,493,626

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

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

Debt service requirements to maturity are as follows:

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

Other Debt Information

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

Bond Covenant Disclosures

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

Insurance

The utilities are exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year. Expiration for the following policies is September 1, 2022.

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. LONG-TERM OBLIGATIONS (Continued)

Number of Customers

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

E. DEFERRED INFLOWS OF RESOURCES

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

F. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES

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

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

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

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

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

NOTE IV – OTHER INFORMATION

A. EMPLOYEE RETIREMENT PLAN

Defined Benefit Pension Plan

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

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

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

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

The WRS also provides death and disability benefits for employees.

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

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

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

Contribution rates as of December 31, 2020 are:

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

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

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

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

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

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

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

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

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

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

A. EMPLOYEE RETIREMENT PLAN (Continued)

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

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

B. OTHER POSTEMPLOYMENT BENEFITS

Multiple-Employer Life Insurance Plan

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

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

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

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

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

Contribution rates as of December 31, 2021 are:

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

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CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Attained Age	Life Insurance Employee Contribution Rates*	
	For the year ended December 31, 2020	
	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

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

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

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

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

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CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

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

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2020			
Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Credit Bonds	Barclays Credit	50%	1.47%
US Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

Mortality rates were based on the Wisconsin 2018 Mortality Table.

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

Changes in the Total OPEB Liability

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

There were no changes of benefit terms nor in assumptions.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

B. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (actual first year increase, then 5.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (actual first year increase, then 7.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

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

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

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

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

C. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

D. REGULATORY CREDIT

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

E. PURCHASED POWER CONTRACT

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

F. EVANSVILLE FIRE DISTRICT

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

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

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

G. EVANSVILLE MEDICAL EMERGENCY SERVICES

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

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

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

CITY OF EVANSVILLE
Notes to Financial Statements
December 31, 2021

I. COMMITMENTS AND SUBSEQUENT EVENTS

In 2022, the City approved the following:

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Evansville, Wisconsin

Schedules of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (with Variances)

General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,562,500	\$ 1,562,500	\$ 1,562,500	\$ 3,761
Other Taxes	3,300	3,300	7,061	7,721
Intergovernmental	765,022	765,022	772,743	7,721
License and Permits	256,282	256,282	230,760	(16,522)
Fees, Forfeits and Penalties	72,500	72,500	74,099	1,599
Public Charges for Services	463,258	463,258	453,375	(27,883)
Interest Income	35,400	35,400	2,778	(37,622)
Miscellaneous Income	50,217	50,217	56,575	6,358
Total Revenues	3,208,479	3,208,479	3,150,891	(57,588)
EXPENDITURES				
Current:				
General Government	367,220	367,220	383,499	(16,279)
Public Safety	1,872,218	1,872,218	1,842,501	29,717
Public Works	948,860	948,860	959,728	(10,868)
Health and Human Services	38,760	38,760	37,610	1,150
Culture, Recreation and Education	306,500	306,500	241,264	65,236
Conservation and Development	138,171	138,171	114,897	23,274
Total Expenditures	3,671,729	3,671,729	3,579,499	92,230
Excess (Deficiency) of Revenues Over Expenditures	(463,250)	(463,250)	(428,608)	34,642

OTHER FINANCING SOURCES (USES)

Transfers In (including tax equivalent)	463,250	463,250	455,491	(7,759)
Total Other Financing Sources and Uses	463,250	463,250	455,491	(7,759)
Net Change in Fund Balances	-	-	26,883	26,883
Fund Balances - Beginning	2,249,757	2,249,757	2,249,757	-
Fund Balances - Ending	2,249,757	2,249,757	2,276,640	26,883

See accompanying notes to the required supplementary information.
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CITY OF EVANSVILLE
WISCONSIN RETIREMENT SYSTEM SCHEDULES
December 31, 2021

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

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

SCHEDULE OF CITY'S CONTRIBUTIONS
FOR THE YEAR ENDED

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

See accompanying notes to the required supplementary information.
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CITY OF EVANSVILLE
LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
December 31, 2021

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

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

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

	2020	2019	2018	2017
Total OPEB Liability:				
Service Cost	\$ 23,269	\$ 19,623	\$ 21,069	\$ 21,069
Interest	6,548	9,348	7,375	6,735
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	9,148	(43,640)	(7,620)	-
Changes of assumptions or other inputs	(7,354)	22,137	(3,679)	(3,926)
Benefit payments	31,611	5,000	17,345	23,898
Net change in total OPEB	230,164	225,074	207,729	183,851
Total OPEB Liability - Beginning	\$ 261,775	\$ 230,164	\$ 225,074	\$ 207,729
Total OPEB Liability - Ending	\$ 2,253,487	\$ 2,253,478	\$ 2,349,378	\$ 2,349,378
Covered Employee Payroll				
Total OPEB Liability as a Percentage of Covered-Employee Payroll	11.62%	10.21%	9.58%	8.84%

See accompanying notes to the required supplementary information
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See accompanying notes to the required supplementary information
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CITY OF EVANSVILLE
Notes to Required Supplementary Information
December 31, 2021

A. BUDGETARY INFORMATION

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

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

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

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

C. WISCONSIN RETIREMENT SYSTEM SCHEDULES

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

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

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

D. LOCAL RETIREE LIFE INSURANCE SCHEDULES

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

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

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

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

E. CITY NET OPEB LIABILITY SCHEDULES – HEALTH PLAN

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

City of Knoxville, Tennessee
Combining Statement of Comprehensive Net Assets
Non-Major Funds
December 31, 2021

	ASSETS	Liabilities	Special Revenue Funds			Capital Projects Funds					Non-Major Funds
			Capital Projects	Revenue	ABFA	TIP 6	TIP 7	TIP 8	TIP 9		
Cash and Cash Equivalents	\$ 302,806	\$ 508,810	\$ 146,022	\$ 50,145	\$ 784,835	\$ 137,703	\$ 193,497	\$ 49,542	\$ 36,848	\$ 2,091,811	
Receivables	74,180	190,245	57,022	-	-	81,121	151,375	40,807	34,032	630,552	
Accounts Receivable	34,213	-	-	-	-	-	-	-	-	34,213	
Prepaid Expenses	8,065	941	2,091	-	-	-	-	-	-	11,098	
Total Assets	<u>\$ 465,051</u>	<u>\$ 699,996</u>	<u>\$ 175,135</u>	<u>\$ 50,145</u>	<u>\$ 784,835</u>	<u>\$ 218,824</u>	<u>\$ 344,872</u>	<u>\$ 100,349</u>	<u>\$ 71,100</u>	<u>\$ 2,748,724</u>	
LIABILITIES, DEFERRED INFLUENCE OF RESOURCES, AND FUND BALANCES											
Liabilities	\$ 10,056	\$ 71,608	\$ 2,091	\$ 1,100	\$ -	\$ 833	\$ -	\$ -	\$ 34,439	\$ 29,640	
Accounts Payable	-	-	-	-	-	-	-	-	-	34,439	
Due to Other Funds	-	-	-	-	-	-	-	-	-	34,439	
Grant Advances	10,056	71,608	284	1,100	284,000	35	-	-	34,439	34,439	
Total Liabilities	<u>20,112</u>	<u>74,412</u>	<u>2,375</u>	<u>2,600</u>	<u>284,084</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>68,878</u>	<u>98,518</u>	
Deferred Influence of Resources	115,275	279,534	85,477	-	-	176,411	277,445	4,033	51,871	993,038	
Fund Balances:											
Nonspendable	9,966	941	2,091	48,645	137	100,045	107,377	50,366	-	11,994	
Restricted	304,218	390,683	107,883	302,239	-	-	-	-	-	1,655,017	
Unassigned	313,184	391,024	109,074	48,645	137	100,045	107,377	50,366	(17,532)	(17,532)	
Total Fund Balances (District)	<u>\$ 627,368</u>	<u>\$ 782,657</u>	<u>\$ 219,047</u>	<u>\$ 49,645</u>	<u>\$ 284,274</u>	<u>\$ 200,095</u>	<u>\$ 264,752</u>	<u>\$ 104,765</u>	<u>\$ (17,532)</u>	<u>\$ 1,688,484</u>	
Total Liabilities, Deferred Influence of Resources, and Fund Balances	<u>\$ 466,115</u>	<u>\$ 697,996</u>	<u>\$ 199,215</u>	<u>\$ 50,145</u>	<u>\$ 784,835</u>	<u>\$ 218,824</u>	<u>\$ 344,872</u>	<u>\$ 104,765</u>	<u>\$ 71,100</u>	<u>\$ 2,748,724</u>	

City of Everett, Wisconsin
Cashling Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended December 31, 2021

	Special Revenue Funds			Capital Projects Fund					Non-Major Funds		
	Library	Community	Year-Round	Revolving	ABFA	TIF 6	TIF 7	TIF 8	TIF 9		
REVENUES											
Property Taxes	\$ 102,863	\$ 325,671	\$ 84,510	\$ -	\$ -	\$ 117,680	\$ 46,632	\$ 59,744	\$ -	\$	789,370
Other Taxes	-	-	-	14,009	-	17,547	80,317	1,611	4,935	-	53,944
Grants and Donations	64,201	61,037	-	-	-	-	-	-	-	-	125,238
Public Charges for Services	273,992	16,398	42,025	600	-	-	-	-	-	-	312,615
Interest Income	206	638	115	0	353	371	60	29	16	-	1,609
Investment Income	3	24	3	-	-	-	-	-	-	-	51
Total Revenues	443,265	389,641	133,381	14,009	177	134,928	131,237	82,506	4,951	-	1,356,667
EXPENDITURES											
Current											
General Government	188,127	-	-	-	-	290	-	-	-	-	190
Police and Fire	15,000	-	-	-	-	1,000	-	-	-	-	16,000
Health and Human Services	-	-	-	-	-	-	-	-	-	-	186,411
Public Works, Maintenance and Rehabilitation	147,840	116,431	216,431	-	-	84,496	-	-	-	-	348,797
Capital Outlay	-	-	-	5,671	-	1,672	898	154	49,937	-	102,499
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Interest Expense	24,066	-	-	-	-	-	-	-	-	-	24,066
Total Expenditures	375,033	377,062	116,431	61,006	-	42,698	897	495	4,432	-	862
Expenditures in Excess of Revenues	71,355	31,001	18,552	(47,997)	(177)	(107,770)	(138,242)	(81,633)	(871)	-	(505,795)
OTHER FINANCING SOURCES (USES)											
Transfer Out	-	(11,540)	-	-	-	(74,940)	(60,650)	(81,163)	-	-	(233,293)
Total Other Financing Sources (Uses)	71,355	(11,540)	-	-	-	(74,940)	(60,650)	(81,163)	-	-	(233,293)
Net Change in Fund Balances	-	20,461	(11,540)	(47,997)	(177)	(279,710)	(138,892)	(162,796)	(871)	-	(739,088)
Fund Balances - Beginning	241,875	266,631	84,126	433,284	11	28,846	41,381	35,806	(16,463)	-	1,317,534
Fund Balances - Ending	\$ 311,814	\$ 287,092	\$ 72,586	\$ 385,287	\$ 11	\$ 28,666	\$ 102,489	\$ 18,010	\$ (17,334)	\$	\$ 578,446

FORM OF LEGAL OPINION

(See following pages.)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

September 1, 2022

Re: City of Evansville, Wisconsin ("Issuer")
\$1,690,000 Water and Electric System Revenue Bonds, Series 2022A,
dated September 1, 2022 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are issued pursuant to Section 66.0621, Wisconsin Statutes, and a resolution adopted by the Common Council of the Issuer on July 12, 2022 (the "Bond Resolution"). Pursuant to the Bond Resolution, the Bonds are issued on a parity with the Issuer's outstanding Water and Electric System Revenue Bonds, Series 2014A, dated July 2, 2014, Water and Electric System Revenue Bonds, Series 2016A, dated July 21, 2016, Water and Electric System Revenue Bonds, Series 2019A, dated June 6, 2019 and Water and Electric System Revenue Bonds, Series 2021A, dated September 2, 2021 (collectively, the "Prior Bonds"). The Issuer covenanted in the Bond Resolution that revenues of the Water and Electric Utility System (the "System") of the Issuer which are deposited in the Special Redemption Fund provided by the Bond Resolution (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Prior Bonds and the Bonds as the same falls due.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$165,000	___%
2024	105,000	___
2025	60,000	___
2026	50,000	___
2027	50,000	___
2028	85,000	___
2029	95,000	___
2030	90,000	___
2031	60,000	___
2032	65,000	___
2033	70,000	___
2034	70,000	___
2035	75,000	___

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2036	\$ 80,000	____%
2037	85,000	____
2038	90,000	____
2039	95,000	____
2040	100,000	____
2041	100,000	____
2042	100,000	____

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2023.

The Bonds maturing on May 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on May 1, 2029 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer in accordance with their terms payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.
4. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax

purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created by the Bond Resolution or on the sufficiency of the Revenues.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Evansville, Rock County, Wisconsin (the "Issuer") in connection with the issuance of \$1,690,000 Water and Electric System Revenue Bonds, Series 2022A, dated September 1, 2022 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on July 12, 2022, as supplemented by an Approving Certificate, executed on August 11, 2022 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated August 12, 2022 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of Evansville, Rock County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Administrator of the Issuer who can be contacted at 31 South Madison Street, P.O. Box 529, Evansville, Wisconsin 53536, phone (608) 882-2266, fax (608) 882-2282.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2022, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. THE BONDS - Description of the Water and Electric System

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 1st day of September, 2022.

(SEAL)

Dianne Duggan
Mayor

Leah Hurtley
Deputy City Clerk

NOTICE OF SALE

\$1,690,000* WATER AND ELECTRIC SYSTEM REVENUE BONDS, SERIES 2022A CITY OF EVANSVILLE, WISCONSIN

Bids for the purchase of \$1,690,000* Water and Electric System Revenue Bonds, Series 2022A (the "Bonds") of the City of Evansville, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on August 11, 2022, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on July 12, 2022 (the "Parameters Resolution"), which authorized the Mayor, the City Administrator or the City Treasurer (each an "Authorized Officer") to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on August 11, 2022, neither the Mayor, the City Administrator or the City Treasurer will have the authority to accept a bid for the Bonds, and all bids for the Bonds will be rejected.**

PURPOSE

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of financing additions improvements and extensions to the City's Water and Electric Utility System (the "Water and Electric System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge of Net Revenues of the Water and Electric System. The Bonds are being issued on a parity with the City's outstanding Water and Electric System Revenue Bonds, Series 2014A, dated July 2, 2014, the Water and Electric System Revenue Bonds, Series 2016A, dated July 21, 2016, the Water and Electric System Revenue Bonds, Series 2019A, dated June 6, 2019 and the Water and Electric System Revenue Bonds, Series 2021A, dated September 2, 2021. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATES AND MATURITIES

The Bonds will be dated September 1, 2022, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount</u>
2023	\$165,000	2030	\$90,000	2037	\$85,000
2024	105,000	2031	60,000	2038	90,000
2025	60,000	2032	65,000	2039	95,000
2026	50,000	2033	70,000	2040	100,000
2027	50,000	2034	70,000	2041	100,000
2028	85,000	2035	75,000	2042	100,000
2029	95,000	2036	80,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$50,000 per maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after May 1, 2030 shall be subject to optional redemption prior to maturity on May 1, 2029 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about September 1, 2022, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding) (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$1,668,875 nor more than \$1,808,300 plus accrued interest on the principal sum of \$1,690,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$33,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Bonds will not be awarded if the TIC (computed taking the purchaser's compensation into account) exceeds 5.10% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Julie Roberts, City Treasurer/Utility Accountant
City of Evansville, Wisconsin

BID FORM

City of Evansville, Wisconsin

August 11, 2022

RE: **\$1,690,000* Water and Electric System Revenue Bonds, Series 2022A (the "Bonds")**
DATED: **September 1, 2022**

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$1,668,875 nor more than \$1,808,300) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2023	_____ % due	2030	_____ % due	2037
_____ % due	2024	_____ % due	2031	_____ % due	2038
_____ % due	2025	_____ % due	2032	_____ % due	2039
_____ % due	2026	_____ % due	2033	_____ % due	2040
_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036		

*The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$50,000 per maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$33,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about January 1, 1900.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.
YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from September 1, 2022 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted on behalf of the City of Evansville, Wisconsin, , on August 11, 2022.

By: _____

Title: _____