

*This Final Official Statement is dated March 26, 2019*

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, ("Bond Counsel") under existing laws, interest on the 2019A Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2019A Bonds, is not an item of tax preference for purposes of the federal alternative minimum tax. In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, under existing laws, interest on the 2019A Bonds is exempt from income taxation in the State of Indiana, except for the Indiana financial institutions tax. See "TAX MATTERS" and Appendix D herein. The 2019A Bonds are not bank qualified.

**\$30,000,000**  
**CITY OF EVANSVILLE, INDIANA**  
**SEWAGE WORKS REVENUE BONDS, SERIES 2019A**

Original Date: Date of Delivery (April 9, 2019)

Due: July 1, as shown on inside cover page  
(and January 1, beginning January 1, 2038)

The City of Evansville, Indiana (the "City") is issuing \$30,000,000 of Sewage Works Revenue Bonds, Series 2019A (the "2019A Bonds") for the purpose of paying the costs of certain additions, extensions and improvements (the "Project") to the City's municipal sewage works (the "Sewage Works"), and to pay issuance expenses.

The scheduled payment of principal of and interest on the 2019A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2019A Bonds by **ASSURED GUARANTY MUNICIPAL CORP.**



The 2019A Bonds will be issued as provided in Ordinance No. G-2019-02 adopted by the Common Council of the City on February 25, 2019 (the "Bond Ordinance" or "Ordinance"). The 2019A Bonds are payable solely from and constitute a first charge upon the Net Revenues (hereinafter defined) of the City's Sewage Works as more fully described in this Official Statement. The 2019A Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana. The 2019A Bonds will rank on parity with Sewage Works Revenue Bonds of 2007, Series A, dated April 10, 2007 (the "2007A Bonds"), now outstanding in the amount of \$17,674,000; the Sewage Works Revenue Bonds of 2007, Series B, (reissued) dated April 26, 2007 (the "2007B Bonds"), now outstanding in the amount of \$3,420,000; the Sewage Works Revenue Bonds of 2008, Series B, dated October 3, 2008 (the "2008 Bonds"), now outstanding in the amount of \$10,726,000; the Sewage Works Revenue Bonds of 2009 (2018 Reissued Bonds), dated December 4, 2018 (the "Reissued 2009 Bonds"), now outstanding in the amount of \$27,723,000; the Sewage Works Revenue Bonds, Series 2010A (2018 Reissued Bonds), dated December 4, 2018 (the "Reissued 2010A Bonds"), now outstanding in the amount of \$7,113,000; the Sewage Works Revenue Bonds, Series 2010B-1, dated December 1, 2010 (the "2010B-1 Bonds"), now outstanding in the amount of \$23,010,000; the Sewage Works Revenue Bonds, Series 2011C, dated June 9, 2011 (the "2011C Bonds"), now outstanding in the amount of \$2,756,000; the Sewage Works Revenue Bonds, Series 2011D, dated October 26, 2011 (the "2011D Bonds"), now outstanding in the amount of \$1,209,000; the Sewage Works Revenue Bonds, Series 2012E (2018 Reissued Bonds), dated December 4, 2018 (the "Reissued 2012E Bonds"), now outstanding in the amount of \$5,969,000; the Sewage Works Revenue Refunding Bonds, Series 2013A, dated May 2, 2013 (the "2013A Bonds"), now outstanding in the amount of \$16,550,000; the Sewage Works Revenue Bonds, Series 2013B, dated November 26, 2013 (the "2013B Bonds"), now outstanding in the amount of \$28,530,000; the Sewage Works Revenue Bonds, Series 2014A, dated January 31, 2014 (the "2014A Bonds"), now outstanding in the amount of \$6,313,000; the Sewage Works Revenue Bonds, Series 2014B, dated June 13, 2014 (the "2014B Bonds"), now outstanding in the amount of \$4,796,000; the Sewage Works Revenue Bonds, Series 2014C, dated August 21, 2014 (the "2014C Bonds"), now outstanding in the amount of \$22,310,000; the Sewage Works Revenue Bonds, Series 2014D, dated December 15, 2014 (the "2014D Bonds"), now outstanding in the amount of \$30,954,000; the Sewage Works Revenue Bonds, Series 2016A, dated July 28, 2016 (the "2016A Bonds"), now outstanding in the amount of \$25,220,000; the Sewage Works Revenue Bonds, Series 2016B, dated December 15, 2016 (the "2016B Bonds"), now outstanding in the amount of \$12,715,000; the Sewage Works Revenue Bonds, Series 2016C, dated December 15, 2016 (the "2016C Bonds"), now outstanding in the amount of \$8,835,000; the Sewage Works Revenue Bonds, Series 2017A, dated May 11, 2017 (the "2017A Bonds"), now outstanding in the amount of \$21,850,000; the Sewage Works Revenue Bonds, Series 2018A, dated April 24, 2018 (the "2018A Bonds"), now outstanding in the amount of \$16,960,000; the Sewage Works Revenue Bonds, Series 2018B-1, dated December 4, 2018 (the "2018B-1 Bonds"), now outstanding in the amount of \$35,020,000; and the Sewage Works Revenue Bonds, Series 2018B-2, dated December 4, 2018 (the "2018B-2 Bonds"), now outstanding in the amount of \$72,335,000 (collectively, the "Outstanding Bonds").

The 2019A Bonds will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Purchases of beneficial interests in the 2019A Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the 2019A Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the 2019A Bonds. Interest on the 2019A Bonds will be payable semiannually on January 1 and July 1 of each year, beginning July 1, 2019. Principal and interest will be disbursed on behalf of the City by Old National Wealth Management, in Evansville, Indiana (the "Registrar" and "Paying Agent"). Interest on the 2019A Bonds will be paid by check, mailed one business day prior to the interest payment date or by wire transfer to depositories. The principal of and premium, if any, on the 2019A Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent. Interest on, together with the principal of, the 2019A Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the 2019A Bonds. The final disbursement of such payments to the Beneficial Owners of the 2019A Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See "BOOK-ENTRY-ONLY SYSTEM". The 2019A Bonds will be subject to optional redemption prior to maturity, as more fully described herein. The 2019A Bonds issued as "Term Bonds" are subject to mandatory sinking fund redemption as more fully described herein.

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*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*

MATURITY SCHEDULE  
(Base CUSIP\* 299461)

<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
July 1, 2024	\$1,355,000	2.000%	1.900%	RE5	July 1, 2031	\$1,665,000	3.000%	2.700%	RM7
July 1, 2025	1,395,000	2.000%	1.950%	RF2	July 1, 2034	1,835,000	3.000%	3.050%	RQ8
July 1, 2026	1,435,000	3.000%	2.000%	RG0	July 1, 2035	1,900,000	3.000%	3.100%	RR6
July 1, 2027	1,480,000	3.000%	2.100%	RH8	July 1, 2036	1,975,000	3.125%	3.150%	RS4
July 1, 2028	1,525,000	3.000%	2.200%	RJ4	July 1, 2037	2,045,000	3.125%	3.190%	RT2
July 1, 2029	1,570,000	3.000%	2.300%	RK1	January 1, 2038	1,065,000	3.125%	3.200%	RU9
July 1, 2030	1,615,000	3.000%	2.500%	RL9	July 1, 2038	1,085,000	3.125%	3.220%	RV7

Term Bonds

\$3,495,000 of Term Bonds at 3.000% due July 1, 2033, Yield 3.000%, CUSIP RP0  
\$4,560,000 of Term Bonds at 3.250% due July 1, 2040, Yield 3.250%, CUSIP RZ8

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The 2019A Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on by Ziemer, Stayman, Wietzel and Shoulders, LLP, as Counsel for the City. The 2019A Bonds are expected to be available for delivery to DTC, in New York, New York on April 9, 2019.

THE CITY IS NOT OBLIGATED TO PAY THE 2019A BONDS OR INTEREST THEREON EXCEPT FROM THE NET REVENUES, AS DESCRIBED HEREIN, OF ITS SEWAGE WORKS, AND THE 2019A BONDS ARE NOT IN ANY RESPECT A CORPORATE INDEBTEDNESS OF THE CITY WITHIN THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2019A BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations, other than those contained in this 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 Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the securities described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of delivery of the securities described herein to the initial purchaser thereof. However, upon delivery of the securities, the City will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE 2019A BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the 2019A Bonds or the advisability of investing in the 2019A Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "Bond Insurance" and "Appendix F - Specimen Municipal Bond Insurance Policy".

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\*The General Information section contains information regarding the tax base of the City; however, NO PROPERTY TAXES ARE PLEDGED TO PAYMENT OF THE 2019A BONDS.

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## PROJECT PERSONNEL

Names and positions of officials and professionals who have taken part in the planning of the project and bond issue are:

### Mayor

Honorable Lloyd Winnecke

### Common Council

Jim Brinkmeyer, President  
Dr. H. Dan Adams, Vice President  
Justin Elpers  
John Hayden  
Dan McGinn  
Michelle Mercer  
Missy Mosby  
Constance Robinson  
Jonathan Weaver

### Water and Sewer Utility Board

Robert Dillow, President  
Steven Heidorn, Vice President  
Archie Carter  
Barry Russell  
Mike Weber

### Director of Utilities

Allen R. Mounts

### Controller

Russell Lloyd, Jr., CPA

### Deputy Director of Utilities-Program Management

Michael D. Labitzke

### Corporation Counsel

Marco L. Delucio  
Ziemer, Stayman, Weitzel and  
Shoulders, LLP  
20 N.W. First Street, 9<sup>th</sup> Floor  
Evansville, Indiana 47706

### Chief Financial Officer

Jenny Collins

### Bond Counsel

Thomas A. Pitman  
Adam G. Steuerwald  
Barnes & Thornburg LLP  
11 South Meridian Street  
Indianapolis, Indiana 46204

### Engineers

Bernardin, Lochmueller &  
Associates, Inc.  
Evansville, Indiana  
  
American Structurepoint Inc.  
Evansville, Indiana

### Municipal Advisor

Douglas L. Baldessari  
Andre J. Riley  
Baker Tilly Municipal Advisors, LLC  
8365 Keystone Crossing, Suite 300  
Indianapolis, Indiana 46240

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*This introduction to the Official Statement contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*

## **FINAL OFFICIAL STATEMENT**

**\$30,000,000**

### **CITY OF EVANSVILLE, INDIANA SEWAGE WORKS REVENUE BONDS, SERIES 2019A**

#### **INTRODUCTION TO THE OFFICIAL STATEMENT**

The City of Evansville, Indiana (the “City” or “Issuer”) is issuing \$30,000,000 of Sewage Works Revenue Bonds, Series 2019A (the “2019A Bonds”). The City owns and operates the City’s municipal sewage works (the “Sewage Works”).

#### **SECURITY AND SOURCES OF PAYMENT**

The 2019A Bonds are payable from the Net Revenues (defined in the Bond Ordinance as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance but excluding transfers to the City as payments in lieu of taxes) of the Sewage Works. The 2019A Bonds will rank on parity with the City’s Sewage Works Revenue Bonds of 2007, Series A, dated April 10, 2007 (the “2007A Bonds”), originally issued in the amount of \$37,518,000 and currently outstanding in the amount of \$17,674,000 and maturing annually over a period ending July 1, 2026; the Sewage Works Revenue Bonds of 2007, Series B, (reissued) dated April 26, 2007 (the “2007B Bonds”), originally issued in the amount of \$7,130,000 and currently outstanding in the amount of \$3,420,000 and maturing annually over a period ending July 1, 2026; the Sewage Works Revenue Bonds of 2008, Series B, dated October 3, 2008 (the “2008 Bonds”), originally issued in the amount of \$18,452,000 and currently outstanding in the amount of \$10,726,000 and maturing annually over a period ending July 1, 2028; the Sewage Works Revenue Bonds, Series 2009 (2018 Reissued Bonds), dated December 4, 2018 (the “Reissued 2009 Bonds”), originally issued in the amount of \$27,723,000 and currently outstanding in the amount of \$27,723,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2044; the Sewage Works Revenue Bonds, Series 2010A (2018 Reissued Bonds), dated December 4, 2018 (the “Reissued 2010A Bonds”) originally issued in the amount of \$7,113,000 and currently outstanding in the amount of \$7,113,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2045; the Sewage Works Revenue Bonds, Series 2010B-1, dated December 1, 2010 (the “2010B-1 Bonds”) originally issued in the amount of \$27,450,000 and currently outstanding in the amount of \$23,010,000 and maturing annually over a period ending July 1, 2031; the Sewage Works Revenue Bonds, Series 2011C, dated June 9, 2011 (the “2011C Bonds”), originally issued in the amount of \$3,800,000 and currently outstanding in the amount of \$2,756,000 and maturing annually over a period ending July 1, 2031; the Sewage Works Revenue Bonds, Series 2011D, dated October 26, 2011 (the “2011D Bonds”), originally issued in the amount of \$1,215,000 and currently outstanding in the amount of \$1,209,000 and maturing annually over a period ending July 1, 2031; the Sewage Works Revenue Bonds, Series 2012E (2018 Reissued Bonds), dated December 4, 2018 (the “Reissued 2012E Bonds”), originally issued in the amount of \$5,969,000 and currently outstanding in the amount of \$5,969,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending January 1, 2047; the Sewage Works Revenue Refunding Bonds, Series 2013A, dated May 2, 2013 (the “2013A Bonds”), originally issued in the amount of \$32,440,000 and currently outstanding in the amount of \$16,550,000 and maturing annually over a period ending July 1, 2023; the Sewage Works Revenue Bonds, Series 2013B, dated November 26, 2013 (the “2013B Bonds”), originally issued in the amount \$29,255,000 and currently outstanding in the amount of \$28,530,000 and maturing annually over a period ending July 1, 2036; the Sewage Works Revenue Bonds, Series 2014A, dated January 31, 2014 (the “2014A Bonds”), originally issued in the amount of \$7,510,000 and currently outstanding in the amount of \$6,313,000 and maturing annually over a period ending July 1, 2031; the Sewage Works Revenue Bonds, Series 2014B, dated June 13, 2014 (the “2014B Bonds”), originally issued in the amount of \$5,760,000 and currently outstanding in the amount of \$4,796,000 and maturing annually over a period ending July 1, 2034; the Sewage Works Revenue Bonds, Series 2014C, dated August 21, 2014 (the “2014C Bonds”), originally issued in the amount of \$25,255,000 and currently outstanding in the amount of \$22,310,000 and maturing annually over a period ending July 1, 2035; the Sewage Works Revenue Bonds, Series 2014D, dated December 15, 2014 (the “2014D Bonds”), originally issued in the amount of \$35,415,000 and currently outstanding in the amount of \$30,954,000 and maturing annually over a period ending July 1, 2035; the Sewage Works Revenue Bonds, Series 2016A, dated July 28, 2016 (the “2016A Bonds”), originally issued in the amount of \$25,855,000 and currently outstanding in the amount of \$25,220,000 and maturing annually over a period ending July 1, 2037; the

Sewage Works Revenue Bonds, Series 2016B, dated December 15, 2016 (the “2016B Bonds”), originally issued in the amount of \$12,715,000 and currently outstanding in the amount of \$12,715,000 and maturing annually over a period ending July 1, 2037; the Sewage Works Revenue Bonds, Series 2016C, dated December 15, 2016 (the “2016C Bonds”), originally issued in the amount of \$8,835,000 and currently outstanding in the amount of \$8,835,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2038; the Sewage Works Revenue Bonds, Series 2017A, dated May 11, 2017 (the “2017A Bonds”), originally issued in the amount of \$21,850,000 and currently outstanding in the amount of \$21,850,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2038; the Sewage Works Revenue Bonds, Series 2018A, dated April 24, 2018 (the “2018A Bonds”), originally issued in the amount of \$16,960,000 and currently outstanding in the amount of \$16,960,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2038; the Sewage Works Revenue Bonds, Series 2018B-1, dated December 4, 2018 (the “2018B-1 Bonds”), originally issued in the amount of \$35,020,000 and currently outstanding in the amount of \$35,020,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2040; and the Sewage Works Revenue Bonds, Series 2018B-2, dated December 4, 2018 (the “2018B-2 Bonds”), originally issued in the amount of \$72,335,000 and currently outstanding in the amount of \$72,335,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2053 (collectively, the “Outstanding Bonds”).

#### PURPOSE

The 2019A Bonds are being issued for the purpose of paying the costs of certain additions, extensions and improvements to the Sewage Works, including various system upgrades and expansions (the “Project”), and to pay issuance expenses. Funding for the Project will be provided from proceeds of the 2019A Bonds and interest earnings during construction.

#### REDEMPTION PROVISIONS

The 2019A Bonds are subject to optional redemption beginning July 1, 2029 as more fully described herein. The 2019A Bonds issued as Term Bonds are subject to mandatory sinking fund redemption as more fully described herein.

#### DENOMINATIONS

The 2019A Bonds are being issued in the denomination of \$5,000 or integral multiple thereof.

#### REGISTRATION AND EXCHANGE FEATURES

Each registered bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the Registrar and Paying Agent, Old National Wealth Management, at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. A further description of the registration and exchange features of the 2019A Bonds can be found in the Bond Ordinance.

#### BOOK-ENTRY-ONLY SYSTEM

When issued, the 2019A Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the 2019A Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the 2019A Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interests in the 2019A Bonds. For so long as the 2019A Bonds are held in book-entry-only form, payments of principal of and interest on the 2019A Bonds will be paid by the Paying Agent only to DTC or its nominee. Neither the Issuer nor the Paying Agent will have any responsibility for a Beneficial Owner’s receipt from DTC or its nominee, or from any Direct Participant (as hereinafter defined) or Indirect Participant (as hereinafter defined), of any payments of principal of or interest on any 2019A Bonds. See “Book-Entry-Only System” under this caption of this Official Statement.

#### PROVISIONS FOR PAYMENT

The principal on the 2019A Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the 2019A Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners as the names appear as of the fifteenth day of the month immediately preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the 2019A Bonds shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

For so long as the 2019A Bonds are held in book-entry-only form, the Registrar will send notices of redemption of the 2019A Bonds only to DTC or its nominee, as the registered owner of the 2019A Bonds, in accordance with the preceding paragraphs. Neither the Issuer nor the Registrar will have any responsibility for any Beneficial Owners' receipt from DTC or its nominee, or from any Direct Participant or Indirect Participant, of any notices of redemption. See "Book-Entry-Only System" under this caption of this Official Statement.

#### NOTICES

Notice of redemption shall be mailed to the registered owners of all 2019A Bonds, not less than 30 nor more than 45 days prior to the date fixed for redemption.

#### TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, ("Bond Counsel") under existing laws, interest on the 2019A Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2019A Bonds (the "Code"), is not an item of tax preference for purposes of the federal alternative minimum tax. In the opinion of Bond Counsel, under existing laws, interest on the 2019A Bonds is exempt from income taxation in the State of Indiana, except for the Indiana financial institutions tax. See "TAX MATTERS" and Appendix D herein.

The 2019A Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

#### MISCELLANEOUS

The information contained in this Official Statement has been compiled from City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the 2019A Bonds, the security for the payment of the 2019A Bonds and the rights and obligations of the owners thereof. Additional information may be requested from the Controller, City of Evansville, 1 Martin Luther King Jr. Blvd, Room 300, Evansville, Indiana, 47708, phone number (812) 436-4919

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the 2019A Bonds.

## THE PROJECT

### PROJECT DESCRIPTION

The Projects may include but are not limited to the acquisition, construction, installation and equipping of various improvements to the City's Sewage Works, including the following and related improvements: improvements to waste treatment plants and the sewage collection system; expansion of treatment plant capacity; sewer pipe lining; sewer main line rehabilitation; storm water redirection projects; various other capital projects, including those relating to the City's Integrated Overflow Control Plan ("IOCP") in accordance with a plan required by consent decree, as amended with EPA; Master Plan Projects; and Advance Facility Planning projects.

### CONSTRUCTION PROGRAM

Construction bids for the Project are expected to be received over the next 12 months. Construction of the Project will begin shortly after closing on the 2019A Bonds and is anticipated to be completed in the first quarter of 2020.

### PROJECT COSTS AND FUNDING

#### Project Costs

##### Construction Costs, Contingencies and Engineering:

##### Combined Sewer Overflow:

Akin Park	\$4,000,000
Green Infrastructure	13,540,000
State Hospital	2,190,144

##### Treatment Plant:

East WWTP Secondary Rehab	6,878,000
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##### Engineering:

Program Management Fees	600,000
Engineering Services - CES/RPR	1,000,000
AFP Bee Slough II	500,000
Additional Funds	<u>1,186,517</u>

Total Construction Costs, Contingencies and Engineering	<u>29,894,661</u>
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##### Non-Construction Costs:

Underwriter's discount	489,863
Allowance for legal, financial advisory, bond issuance costs, general project contingencies and rounding	<u>200,556</u>

Total Estimated Non-Construction Costs	<u>690,419</u>
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Total Project Costs	<u><u>\$30,585,080</u></u>
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#### Project Funding

Sewage Works Revenue Bonds, Series 2019A	\$30,000,000
Reoffering premium	438,480
Estimated Interest Earnings	<u>146,600</u>

Total Project Funding	<u><u>\$30,585,080</u></u>
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SCHEDULE OF AMORTIZATION OF \$30,000,000 PRINCIPAL AMOUNT OF  
SEWAGE WORKS REVENUE BONDS, SERIES 2019A

<u>Payment Date</u>	<u>Principal Outstanding</u> (-----In Thousands-----)	<u>Principal</u>	<u>Interest Rates</u> (%)	<u>Interest</u>	<u>Total</u>	<u>Budget Year Total</u>
07/01/2019	\$30,000			\$203,089.51	\$203,089.51	\$203,089.51
01/01/2020				445,806.25	445,806.25	
07/01/2020	30,000			445,806.25	445,806.25	891,612.50
01/01/2021				445,806.25	445,806.25	
07/01/2021	30,000			445,806.25	445,806.25	891,612.50
01/01/2022				445,806.25	445,806.25	
07/01/2022	30,000			445,806.25	445,806.25	891,612.50
01/01/2023				445,806.25	445,806.25	
07/01/2023	30,000			445,806.25	445,806.25	891,612.50
01/01/2024				445,806.25	445,806.25	
07/01/2024	30,000	\$1,355	2.000	445,806.25	1,800,806.25	2,246,612.50
01/01/2025				432,256.25	432,256.25	
07/01/2025	28,645	1,395	2.000	432,256.25	1,827,256.25	2,259,512.50
01/01/2026				418,306.25	418,306.25	
07/01/2026	27,250	1,435	3.000	418,306.25	1,853,306.25	2,271,612.50
01/01/2027				396,781.25	396,781.25	
07/01/2027	25,815	1,480	3.000	396,781.25	1,876,781.25	2,273,562.50
01/01/2028				374,581.25	374,581.25	
07/01/2028	24,335	1,525	3.000	374,581.25	1,899,581.25	2,274,162.50
01/01/2029				351,706.25	351,706.25	
07/01/2029	22,810	1,570	3.000	351,706.25	1,921,706.25	2,273,412.50
01/01/2030				328,156.25	328,156.25	
07/01/2030	21,240	1,615	3.000	328,156.25	1,943,156.25	2,271,312.50
01/01/2031				303,931.25	303,931.25	
07/01/2031	19,625	1,665	3.000	303,931.25	1,968,931.25	2,272,862.50
01/01/2032				278,956.25	278,956.25	
07/01/2032	17,960	1,720 (1)	3.000	278,956.25	1,998,956.25	2,277,912.50
01/01/2033				253,156.25	253,156.25	
07/01/2033	16,240	1,775 (1)	3.000	253,156.25	2,028,156.25	2,281,312.50
01/01/2034				226,531.25	226,531.25	
07/01/2034	14,465	1,835	3.000	226,531.25	2,061,531.25	2,288,062.50
01/01/2035				199,006.25	199,006.25	
07/01/2035	12,630	1,900	3.000	199,006.25	2,099,006.25	2,298,012.50
01/01/2036				170,506.25	170,506.25	
07/01/2036	10,730	1,975	3.125	170,506.25	2,145,506.25	2,316,012.50
01/01/2037				139,646.88	139,646.88	
07/01/2037	8,755	2,045	3.125	139,646.88	2,184,646.88	2,324,293.76
01/01/2038	6,710	1,065	3.125	107,693.75	1,172,693.75	
07/01/2038	5,645	1,085	3.125	91,053.13	1,176,053.13	2,348,746.88
01/01/2039	4,560	1,110 (2)	3.250	74,100.00	1,184,100.00	
07/01/2039	3,450	1,125 (2)	3.250	56,062.50	1,181,062.50	2,365,162.50
01/01/2040	2,325	1,150 (2)	3.250	37,781.25	1,187,781.25	
07/01/2040	<u>1,175</u>	<u>1,175</u> (2)	3.250	<u>19,093.75</u>	<u>1,194,093.75</u>	<u>2,381,875.00</u>
Totals		<u>\$30,000</u>		<u>\$12,793,980.15</u>	<u>\$42,793,980.15</u>	<u>\$42,793,980.15</u>

(1) \$3,495,000 of Term Bonds due July 1, 2033.

(2) \$4,560,000 of Term Bonds due July 1, 2040.

## SECURITIES BEING OFFERED

### AUTHORIZATION AND APPROVAL PROCESS

The 2019A Bonds are to be issued under the authority of Indiana law, including, without limitation, Indiana Code Title 36, Article 9, Chapter 23, as in effect on the date of delivery of the 2019A Bonds and pursuant to the Bond Ordinance (Appendix C) adopted by the Common Council of the City of Evansville, Indiana on February 25, 2019.

Prior to issuing revenue bonds, the political subdivision must adopt a bond ordinance to authorize the issuance and sale of such bonds. The revenues pledged in the bond ordinance must not already be pledged to another bond issue, unless permitted by the terms of the prior issue. The political subdivision prepares a report showing the sufficiency of the proposed revenues to finance the bonds. With a few exceptions, revenue bonds are normally sold through a competitive public sale and are not negotiated.

The political subdivision may also need to adopt a rate ordinance authorizing a sufficient increase in rates and charges in order to pay debt service on the revenue bonds. Owners of property served by the utility may file a petition objecting to the increased rates and charges. If the petition is filed properly, a court hearing will be set to hear evidence from the political subdivision and the objecting petitioners. In this circumstance, the court will confirm the rates and charges set by the political subdivision or the court will set rates and charges they deem appropriate and the political subdivision must follow the decision of the court.

### SECURITY AND SOURCES OF PAYMENT

The 2019A Bonds are payable solely out of the Net Revenues (defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance but excluding transfers to the City as payments in lieu of taxes) of the Sewage Works. The 2019A Bonds constitute a first charge upon the Net Revenues of the Sewage Works and will rank on parity with the City's Sewage Works Revenue Bonds of 2007, Series A, dated April 10, 2007 (the "2007A Bonds"), originally issued in the amount of \$37,518,000 and currently outstanding in the amount of \$17,674,000 and maturing annually over a period ending July 1, 2026; the Sewage Works Revenue Bonds of 2007, Series B, (reissued) dated April 26, 2007 (the "2007B Bonds"), originally issued in the amount of \$7,130,000 and currently outstanding in the amount of \$3,420,000 and maturing annually over a period ending July 1, 2026; the Sewage Works Revenue Bonds of 2008, Series B, dated October 3, 2008 (the "2008 Bonds"), originally issued in the amount of \$18,452,000 and currently outstanding in the amount of \$10,726,000 and maturing annually over a period ending July 1, 2028; the Sewage Works Revenue Bonds, Series 2009 (2018 Reissued Bonds), dated December 4, 2018 (the "Reissued 2009 Bonds"), originally issued in the amount of \$27,723,000 and currently outstanding in the amount of \$27,723,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2044; the Sewage Works Revenue Bonds, Series 2010A (2018 Reissued Bonds), dated December 4, 2018 (the "Reissued 2010A Bonds") originally issued in the amount of \$7,113,000 and currently outstanding in the amount of \$7,113,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2045; the Sewage Works Revenue Bonds, Series 2010B-1, dated December 1, 2010 (the "2010B-1 Bonds") originally issued in the amount of \$27,450,000 and currently outstanding in the amount of \$23,010,000 and maturing annually over a period ending July 1, 2031; the Sewage Works Revenue Bonds, Series 2011C, dated June 9, 2011 (the "2011C Bonds"), originally issued in the amount of \$3,800,000 and currently outstanding in the amount of \$2,756,000 and maturing annually over a period ending July 1, 2031; the Sewage Works Revenue Bonds, Series 2011D, dated October 26, 2011 (the "2011D Bonds"), originally issued in the amount of \$1,215,000 and currently outstanding in the amount of \$1,209,000 and maturing annually over a period ending July 1, 2031; the Sewage Works Revenue Bonds, Series 2012E (2018 Reissued Bonds), dated December 4, 2018 (the "Reissued 2012E Bonds"), originally issued in the amount of \$5,969,000 and currently outstanding in the amount of \$5,969,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending January 1, 2047; the Sewage Works Revenue Refunding Bonds, Series 2013A, dated May 2, 2013 (the "2013A Bonds"), originally issued in the amount of \$32,440,000 and currently outstanding in the amount of \$16,550,000 and maturing annually over a period ending July 1, 2023; the Sewage Works Revenue Bonds, Series 2013B, dated November 26, 2013 (the "2013B Bonds"), originally issued in the amount \$29,255,000 and currently outstanding in the amount of \$28,530,000 and maturing annually over a period ending July 1, 2036; the Sewage Works Revenue Bonds, Series 2014A, dated January 31, 2014 (the "2014A Bonds"), originally issued in the amount of \$7,510,000 and currently outstanding in the amount of \$6,313,000 and maturing annually over a period ending July 1, 2031; the Sewage Works Revenue Bonds, Series 2014B, dated June 13, 2014 (the "2014B Bonds"), originally issued in the amount of \$5,760,000 and currently outstanding in the amount of \$4,796,000 and maturing annually over a period ending July 1, 2034; the Sewage Works Revenue Bonds, Series

2014C, dated August 21, 2014 (the “2014C Bonds”), originally issued in the amount of \$25,255,000 and currently outstanding in the amount of \$22,310,000 and maturing annually over a period ending July 1, 2035; the Sewage Works Revenue Bonds, Series 2014D, dated December 15, 2014 (the “2014D Bonds”), originally issued in the amount of \$35,415,000 and currently outstanding in the amount of \$30,954,000 and maturing annually over a period ending July 1, 2035; the Sewage Works Revenue Bonds, Series 2016A, dated July 28, 2016 (the “2016A Bonds”), originally issued in the amount of \$25,855,000 and currently outstanding in the amount of \$25,220,000 and maturing annually over a period ending July 1, 2037; the Sewage Works Revenue Bonds, Series 2016B, dated December 15, 2016 (the “2016B Bonds”), originally issued in the amount of \$12,715,000 and currently outstanding in the amount of \$12,715,000 and maturing annually over a period ending July 1, 2037; the Sewage Works Revenue Bonds, Series 2016C, dated December 15, 2016 (the “2016C Bonds”), originally issued in the amount of \$8,835,000 and currently outstanding in the amount of \$8,835,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2038; the Sewage Works Revenue Bonds, Series 2017A, dated May 11, 2017 (the “2017A Bonds”), originally issued in the amount of \$21,850,000 and currently outstanding in the amount of \$21,850,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2038; the Sewage Works Revenue Bonds, Series 2018A, dated April 24, 2018 (the “2018A Bonds”), originally issued in the amount of \$16,960,000 and currently outstanding in the amount of \$16,960,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2038; the Sewage Works Revenue Bonds, Series 2018B-1, dated December 4, 2018 (the “2018B-1 Bonds”), originally issued in the amount of \$35,020,000 and currently outstanding in the amount of \$35,020,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2040; and the Sewage Works Revenue Bonds, Series 2018B-2, dated December 4, 2018 (the “2018B-2 Bonds”), originally issued in the amount of \$72,335,000 and currently outstanding in the amount of \$72,335,000 and maturing annually over a period ending July 1, 2037 and semiannually over a period ending July 1, 2053 (collectively, the “Outstanding Bonds”).

The 2019A Bonds are further secured by an Evansville Sewerage System Bond Reserve Fund (the “Reserve Fund”) which is a combined debt service reserve account with the Outstanding Bonds. It is anticipated that the Reserve Fund will be funded over a five-year period from the date of delivery of the 2019A Bonds.

The City irrevocably pledges the Net Revenues of the Sewage Works to the payment of the principal of and interest on the 2019A Bonds and any bonds ranking on parity therewith to the extent necessary. The City covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the Sewage Works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the Sewage Works and for the payment of the sums required by the Evansville Sewerage System Bond Fund (the “Bond Fund”) under the provisions of the Bond Ordinance.

The Net Revenues of the Sewage Works that are pledged to payment of the 2019A Bonds are fully described in the Bond Ordinance, as is the pledge of net revenues (Section 9), flow of funds (Sections 13 through 14), covenants regarding operations of the system (Section 15), prior lien and parity bonds (Section 17), tax representations and covenants (Section 19) and other pertinent matters. Only the Net Revenues of the Sewage Works are pledged as security for the 2019A Bonds.

#### FUNDS AND ACCOUNTS

*Construction Account:* Accrued interest and any premium received at the time of delivery of the 2019A Bonds shall be deposited in the Bond Fund (hereinafter defined). The remaining proceeds from the sale of the 2019A Bonds will be deposited in the Sewage Works Construction Account (the “Construction Account”) and shall be expended only for the purpose of paying the costs of the Project, to pay costs of issuance, the necessary engineering and legal expenses, and the necessary equipment costs, all in accordance with the Act. Any balances remaining unexpended in the Construction Account after completion of the Project, which are not required to meet unpaid obligations incurred in connection with the Project, shall either (i) be deposited into the Bond Fund and used solely for the purposes of the Bond Fund; (ii) be deposited in the Reserve Fund and used solely for the purposes of the Reserve Fund; or (iii) be used for the same purpose or type of Project for which the 2019A Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented. This is in accordance with Section 13 of the Bond Ordinance.

*Revenue Fund:* All revenues derived from the operation of the Sewage Works and from the collection of sewer rates and charges are deposited in the Revenue Fund for the payment of current operating expenses. This is in accordance with Section 14(a) of the Bond Ordinance.

*Bond Fund:* Net Revenues of the Sewage Works shall be credited to the Bond Fund on the 15th day of each calendar month in an amount equal to at least one-sixth (1/6) of the interest and at least one-sixth (1/12) (or one-sixth, as appropriate) of the principal on all then outstanding bonds payable on the next succeeding interest and principal payment date. Money in the Bond Fund shall be used solely for the purpose of paying principal of and the interest on the 2019A Bonds, the Outstanding Bonds and any bonds hereafter issued on parity therewith and the necessary fiscal agency charges. This is in accordance with Section 14(b) of the Bond Ordinance.

*Reserve Fund:* The Reserve Fund provides the margin for safety against default on the 2019A Bonds, the Outstanding Bonds or any bonds hereafter issued on parity therewith. The balance to be maintained in the Reserve Fund shall equal the maximum annual debt service on the 2019A Bonds, the Outstanding Bonds and any bonds hereafter issued on parity therewith (the "Reserve Requirement"). The Reserve Requirement for the 2019A Bonds is anticipated to be funded over a five-year period from the date of delivery of the 2019A Bonds; provided, however, that for Outstanding Bonds and parity bonds that are issued to the Indiana Finance Authority as part of its State Revolving Fund Program, the portion of the Reserve Account allocable to such bonds shall not be required to be funded more quickly than over a five-year period in accordance with the schedule of funding applicable to such bonds as approved by the Indiana Finance Authority. This is in accordance with Section 14(c) of the Bond Ordinance.

*Improvement Fund:* The Improvement Fund is to be used for improvements, replacements, additions and extensions of the Sewage Works, and for payments in lieu of taxes, but none of the moneys in such Fund shall be used for depreciation, replacements, improvements, extensions or additions. Moneys in the Improvement Fund may be transferred to the Bond Fund, if necessary to prevent a default in the payment of principal of or interest on any outstanding bonds, or, if necessary, to eliminate any deficiencies in the minimum balance in the Reserve Fund or may be used to pay Current Expenses (defined in the Bond Ordinance) to meet unforeseen contingencies in the operation and maintenance of the Sewage Works. This is in accordance with Section 14(f) of the Bond Ordinance.

See Sections 13-14 of the Bond Ordinance for a complete description of the funds of the Sewage Works.

#### ADDITIONAL BONDS

The City reserves the right to authorize and issue additional bonds payable out of the Net Revenues of the Sewage Works ranking on parity with the 2019A Bonds for the purpose of financing the cost of future additions, extensions and improvements to the Sewage Works, or to refund obligations. See Section 17 of the Bond Ordinance.

#### INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly Indiana Code 5-13, and the acts amendatory thereof and supplemental thereto. The City shall direct the investment of bond proceeds.

### THE BONDS

#### INTEREST CALCULATION

Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

#### REDEMPTION PROVISIONS

##### Optional Redemption:

The 2019A Bonds maturing on or after July 1, 2030 are redeemable prior to maturity at the option of the City, in whole or in part, in any order of maturity as determined by the City and by lot within maturities, on any date not earlier than July 1, 2029, at face value plus accrued interest to the date fixed for redemption and without any redemption premium.

##### Mandatory Sinking Fund Redemption:

The 2019A Bonds maturing on July 1, 2033 and July 1, 2040 (collectively, the "Term Bonds") are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest on the dates and in the amounts in accordance with the following schedules:



<u>Term Bond due July 1, 2033</u>		<u>Term Bond due July 1, 2040</u>	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
07/01/32	\$1,720,000	01/01/39	\$1,110,000
07/01/33 Final maturity	<u>1,775,000</u>	07/01/39	1,125,000
		01/01/40	1,150,000
Total	<u>\$3,495,000</u>	07/01/40 Final maturity	<u>1,175,000</u>
		Total	<u>\$4,560,000</u>

The Paying Agent shall credit against the mandatory sinking fund requirement for the Term Bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Term Bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Paying Agent for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Term Bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of that Term Bond to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit such Term Bond only to the extent received on or before 45 days preceding the applicable mandatory redemption date.

If fewer than all the 2019A Bonds are called for redemption at one time, the 2019A Bonds shall be redeemed in order of maturity determined by the City and by lot within maturity. Each \$5,000 principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If some 2019A Bonds are to be redeemed by optional and mandatory sinking redemption on the same date, the Paying Agent shall select by lot the 2019A Bonds for optional redemption before selecting the 2019A Bonds by lot for the mandatory sinking fund redemption.

#### Notice of Redemption:

Notice of redemption shall be mailed to the registered owners of all 2019A Bonds to be redeemed at least 30 days but not more than 45 days prior to the date fixed for such redemption. If any of the 2019A Bonds are so called for redemption, and payment therefore is made to the Paying Agent in accordance with the terms of the Bond Ordinance, then such 2019A Bonds shall cease to bear interest from and after the date fixed for redemption in the call.

#### BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the 2019A Bonds. The 2019A Bonds 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 2019A Bond certificate will be issued for each maturity of the 2019A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 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](http://www.dtcc.com).

Purchases of 2019A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019A Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2019A Bond (“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 2019A Bonds 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 the 2019A Bonds, except in the event that use of the book-entry system for the 2019A Bonds is discontinued.

To facilitate subsequent transfers, all 2019A Bonds 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 2019A Bonds 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 2019A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2019A Bonds 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.

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 the 2019A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2019A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Ordinance. For example, Beneficial Owners of the 2019A Bonds may wish to ascertain that the nominee holding the 2019A Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the 2019A Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2019A Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the C 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 the 2019A Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the 2019A Bonds 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 the Paying Agent on the 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, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying 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.

DTC may discontinue providing its services as depository with respect to the 2019A Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, 2019A Bond certificates are required to be printed and delivered.

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, 2019A Bond certificates will be printed and delivered to DTC.

The information in this subcaption 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.

#### *Discontinuation of Book-Entry System*

In the event that the book-entry system for the 2019A Bonds is discontinued, the Registrar would provide for the registration of the 2019A Bonds in the name of the Beneficial Owners thereof. The City and the Registrar would treat the person in whose name any 2019A Bond is registered as the absolute owner of such 2019A Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and neither the City nor the Registrar would be bound by any notice or knowledge to the contrary.

Each 2019A Bond would be transferable or exchangeable only upon the presentation and surrender thereof at the corporate trust office of the Registrar, duly endorsed for transfer or exchange, or accompanied by a written assignment duly executed by the owner or its authorized representative in form satisfactory to the Registrar. Upon due presentation of any 2019A Bonds for transfer or exchange, the Registrar would authenticate and deliver in exchange therefor, within a reasonable time after such presentation, a new 2019A Bond, registered in the name of the transferee or transferees (in the case of a transfer), or the owner (in the case of an exchange), in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the 2019A Bond so presented. The City or the Registrar would require the owner of any 2019A Bonds to pay a sum sufficient to cover any tax, fee or other governmental charge required to be paid in connection with the transfer or exchange of such 2019A Bonds.

#### CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "SEC Rule"), the City will enter into a Continuing Disclosure Contract (the "Contract"), in connection with the sale of the 2019A Bonds. Pursuant to the terms of the Contract, the City agrees to provide the information detailed in the Contract, the form of which is attached hereto as Appendix E.

The purpose of the Contract is to enable the Underwriter to purchase the 2019A Bonds by providing for an Contract by the City in satisfaction of the SEC Rule. Additionally, prior to closing on the 2019A Bonds, the City's Sewage Works plans to implement disclosure operating procedures for its Sewage Works to assist with compliance of the SEC Rule, including amendments effective February 27, 2019. The City will provide, in a timely manner not in the excess of ten business days after the occurrence of the event, notice of any of the listed material events listed within the SEC Rule, as set forth the Contract, with respect to the sewage works bonds being offered. The City's failure to honor its covenants under the Contract shall not constitute a breach or default of the 2019A Bonds, the Bond Ordinance or any other agreement.

In order to assist the Underwriter in complying with the Underwriter's obligations pursuant to the SEC Rule, the City represents that it has conducted or caused to be conducted what it believes to be a reasonable review of the City's compliance with its continuing disclosure obligations. Based upon such review, the City represents that in the previous five years it has not fully complied with its previous contracts. The statement above regarding compliance is based on a user connection report not filed on time, failure to file notices of defeasance for certain previously outstanding bonds and a failure to file underlying rating changes.

The City makes no representations as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances. The City has instituted procedures for ongoing compliance with such previous contracts thereafter. The City has retained Baker Tilly (as hereinafter defined) as its dissemination agent. The City has conducted a review of compliance of its previous contracts, and the list above represents any instances of non-compliance of which the City is aware.

## BOND INSURANCE

### BOND INSURANCE POLICY

Concurrently with the issuance of the 2019A Bonds, Assured Guaranty Municipal Corp. (“AGM”) will issue its Municipal Bond Insurance Policy for the 2019A Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the 2019A Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement. (Appendix F)

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

#### *Current Financial Strength Ratings*

On December 21, 2018, KBRA announced it had affirmed AGM’s insurance financial strength rating of “AA+” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On June 26, 2018, S&P announced it had affirmed AGM’s financial strength rating of “AA” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On May 7, 2018, Moody’s announced it had affirmed AGM’s insurance financial strength rating of “A2” (stable outlook). AGM can give no assurance as to any further ratings action that Moody’s may take.

For more information regarding AGM’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

#### *Capitalization of AGM*

At December 31, 2018:

- The policyholders’ surplus of AGM was approximately \$2,533 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. (“MAC”) (as described below) were approximately \$1,034 million. Such amount includes 100% of AGM’s contingency reserve and 60.7% of MAC’s contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$1,873 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM’s wholly owned subsidiary Assured Guaranty (Europe) plc (“AGE”), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders’ surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

#### *Incorporation of Certain Documents by Reference*

Portions of the following document filed by AGL with the Securities and Exchange Commission (the “SEC”) that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (filed by AGL with the SEC on March 1, 2019).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the 2019A Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC’s website at <http://www.sec.gov>, at AGL’s website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL’s website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption “BOND INSURANCE – Assured Guaranty Municipal Corp.” or included in a document incorporated by reference herein (collectively, the “AGM Information”) shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

#### *Miscellaneous Matters*

AGM makes no representation regarding the 2019A Bonds or the advisability of investing in the 2019A Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE”.

#### BOND RATING

S&P Global Ratings (“S&P Global”) has assigned a long term bond rating, without consideration of municipal bond insurance or other credit enhancements, of “A+” to the 2019A Bonds. S&P Global Ratings (“S&P Global”) assigned a bond rating of “AA” to the 2019A Bonds with an understanding that upon delivery of the 2019A Bonds, a policy insuring the payments when due of principal and interest on the 2019A Bonds will be issued by Assured Guaranty

Municipal Corp. Such rating reflects only the view of S&P Global and any explanation of the significance of such rating may only be obtained from S&P Global.

The rating is not a recommendation to buy, sell or hold the 2019A Bonds, and such rating may be subject to revision or withdrawal at any time by S&P Global. Any downward revision or withdrawal of the rating may have an adverse effect upon the market price of the 2019A Bonds.

The City did not apply to any other rating service for a rating on the 2019A Bonds.

#### UNDERWRITING

The 2019A Bonds are being purchased by Robert W. Baird & Co., Inc. (the “Underwriter”) at a purchase price of \$29,948,617.10, which is the par amount of the 2019A Bonds of \$30,000,000.00 less the underwriter’s discount of \$489,862.50 plus the original issue premium of \$438,479.60.

The Underwriter intends to offer the 2019A Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the 2019A Bonds into investment trusts), who may reallocate concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

#### MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC (successor to H.J. Umbaugh & Associates, Certified Public Accountants, LLP) (the “Municipal Advisor” or “Baker Tilly”) has been retained by the City to provide certain financial advisory services including, among other things, preparation of the deemed “nearly final” Preliminary Official Statement and the Final Official Statement (the “Official Statements”). The information contained in the Official Statements has been compiled from records and other materials provided by City officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Municipal Advisor’s duties, responsibilities and fees arise solely as Municipal Advisor to the City and they have no secondary obligations or other responsibility. However, Baker Tilly is preparing the Parity Report for the 2019A Bonds. The Municipal Advisor’s fees are expected to be paid from proceeds of the 2019A Bonds.

#### *Municipal Advisor Registration:*

Baker Tilly is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, Baker Tilly is providing certain specific municipal advisory services to the City, but is neither a placement agent to the City nor a broker/dealer and cannot participate in the underwriting of the 2019A Bonds.

The offer and sale of the 2019A Bonds shall be made by the City, in the sole discretion of the City, and under its control and supervision. The City agrees that Baker Tilly does not undertake to sell or attempt to sell the 2019A Bonds, and will take no part in the sale thereof.

On March 1, 2019, H.J. Umbaugh & Associates, Certified Public Accountants, LLP (“Umbaugh”) effected a business combination with Baker Tilly Virchow Krause, LLP, (Chicago, Illinois), a financial services and accounting firm (“Umbaugh/Baker Tilly Combination”). Baker Tilly Virchow Krause, LLP also anticipates combining with Springsted Incorporated, (Saint Paul, Minnesota), a municipal and management advisory firm, which is expected to become effective the second quarter of 2019. As part of the Umbaugh/Baker Tilly Combination, (a) the City consented to the assignment of its engagement to perform municipal advisory services from Umbaugh to Baker Tilly and (b) Umbaugh’s former municipal advisor representatives became representatives of Baker Tilly.

#### *Other Financial Industry Activities and Affiliations:*

Umbaugh Cash Advisory Services, LLC (“UCAS”) is a wholly-owned subsidiary of Umbaugh. Since the Umbaugh/Baker Tilly Combination, all the representatives of UCAS are employees of Baker Tilly Virchow Krause,

LLP, an advisory, tax and assurance firm headquartered in Chicago, Illinois. Baker Tilly Virchow Krause, LLP, and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. UCAS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

UCAS is registered as an investment adviser with the Securities and Exchange Commission under the federal Investment Advisers Act. UCAS provides non-discretionary investment advice with the purpose of helping clients create and maintain a disciplined approach to investing their funds prudently and effectively. UCAS may provide advisory services to the clients of Baker Tilly.

UCAS has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

### LEGISLATIVE PROPOSALS

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2019A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the 2019A Bonds. Prospective purchasers of the 2019A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch, including some proposed changes under consideration at the time of issuance of the 2019A Bonds. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the 2019A Bonds. It is possible that legislation enacted after the date of issuance of the 2019A Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the 2019A Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the 2019A Bonds.

Legislation affecting municipal bonds is considered from time to time by the Indiana legislature and Executive Branch. It is possible that legislation enacted after the date of the 2019A Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the 2019A Bonds.

The City cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the 2019A Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

### TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana ("Bond Counsel"), under existing laws, interest on the 2019A Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2019A Bonds (the "Code"). The opinion of Bond Counsel is based on certain certifications, covenants and representations of the City and is conditioned on continuing compliance therewith. In the opinion of Bond Counsel, under existing laws, interest on the 2019A Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax. See Appendix D for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the 2019A Bonds as a condition to the excludability of the interest on the 2019A Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on the 2019A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issue, regardless of the date on which noncompliance occurs. Should the 2019A Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the 2019A Bonds would be materially and adversely affected. It is not an event of default if interest on the 2019A Bonds is not excludable from gross income for federal income tax purposes pursuant to any provision of the Code which is not in effect on the date of issuance of the 2019A Bonds.

The interest on the 2019A Bonds is not a specific preference item for purposes of the federal alternative minimum tax.

The 2019A Bonds are not “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Indiana Code 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in the State. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code.

Although Bond Counsel will render an opinion that interest on the 2019A Bonds is excludable from gross income for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on the 2019A Bonds may otherwise affect an owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner’s particular tax status and the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the 2019A Bonds should consult their own tax advisors with regard to the other tax consequences of owning the 2019A Bonds.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the 2019A Bonds. Prospective purchasers of the 2019A Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the 2019A Bonds.

#### ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the 2019A Bonds maturing on July 1, 2034, through and including July 1, 2038 (collectively the “Discount Bonds”), are less than the principal amounts thereof payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of each maturity of the Discount Bonds, as set forth on the front cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the “Issue Price” for such maturity), and the amount payable at its maturity, will be treated as “original issue discount.” The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on January 1 and July 1 (with straight line interpolation between compounding dates). An owner who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity will treat the accrued amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes.

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner’s tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial public offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.



Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes that accrued interest on the Discount 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.

#### AMORTIZABLE BOND PREMIUM

The initial public offering prices of the 2019A Bonds maturing on July 1, 2024, through and including July 1, 2031 (collectively, the “Premium Bonds”), are greater than the principal amounts thereof payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial public offering will be required to adjust the owner’s basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer’s yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found in Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning the treatment of Bond Premium.

#### LITIGATION

The United States Department of Justice (“DOJ”), Environmental Protection Agency (“EPA”) and Indiana Department of Environmental Management (“IDEM”) have undertaken legal proceedings against the City, by and through its Water and Sewer Utilities, concerning an enforcement action of the Clean Water Act. The City, DOJ, EPA, and IDEM have reached a settlement with respect to a consent decree to its combined and sanitary sewer overflows. The City is not unique in its need to address with the regulatory agencies overflows from its combined sewer system. Approximately forty percent (40%) of the sewer systems in the City are combined, sanitary and storm drains which result in overflows into streams, and, ultimately, Ohio River in severe wet weather events. The City has been very active in attempts at mitigating the penalties and damages which may be assessed, including pursuing legal actions for indemnity and contribution from EMC, the City’s prior private management firm for the Sewage Works utility, and previous and current insurance carriers. The City has paid a \$490,000 civil penalty to resolve all claims and liability for alleged past violations. The City submitted the Integrated Overflow Control Plan (“IOCP”) to the EPA on May 31, 2013. The IOCP submitted called for \$540 million program implemented over 28 years.

The EPA and IDEM, on June 16, 2014 informed the City that it was not going to approve the IOCP as submitted due to several technical reasons. In response the City issued a Notice of Dispute regarding the disapproval as allowed by the consent decree. On December 16, 2015 the City reached an agreement with the EPA, DOJ and IDEM for Evansville’s federally mandated IOCP, known as *Renew Evansville*. Under the terms of the agreement, Evansville will spend \$729,000,000 over 24 ½ years to significantly upgrade the City’s Sewage Works infrastructure, improve operations and dramatically reduce water pollution to comply with the Clean Water Act. The City’s Sewage Works utility must reduce the number of combined sewer overflow (CSO) events – wastewater that overflows into the Ohio River and Pigeon Creek during weather events – to no more than four per year. These improvements and related bond issues will require increases in sewer rates and charges in order to provide adequate revenues for the resulting debt service requirements and the debt service coverage. The City’s Common Council must adopt a rate ordinance to adjust sewage rates.

Due to revisions in planning level costs, on January 11, 2019 the City re-opened discussions with the DOJ, EPA and IDEM in order to seek revisions to the proposed timing and nature of the improvements to the City’s Sewage Works

infrastructure. At the time of this document, no agreement has been reached between the parties. See AUTHORIZATION AND APPROVAL PROCESS described herein.

To the knowledge of the officers and counsel for the City, there is no litigation pending or threatened, against the City, which in any way questions or affects the validity of the 2019A Bonds, the collection of revenues of the Sewage Works, the pledge of Net Revenues to the payment of the 2019A Bonds, or any proceedings or transactions relating to the issuance, sale or delivery thereof.

The officers and counsel for the City will certify at the time of delivery of the 2019A Bonds that there is no litigation pending or in any way threatened questioning the validity of the 2019A Bonds, or any of the proceedings had relating to the authorization, issuance and sale of the 2019A Bonds, the Bond Ordinance or the Project would result in a material adverse impact on the financial condition of the City.

#### CERTAIN LEGAL MATTERS

Legal matters incident to the authorization and issuance of the 2019A Bonds are subject to the unqualified approving opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be available at the time of delivery of the 2019A Bonds. Barnes & Thornburg LLP has not been asked nor has it undertaken to review the accuracy or sufficiency of this Official Statement, and will express no opinion thereon. The form of opinion of Bond Counsel is included as Appendix D of this Official Statement.

#### LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

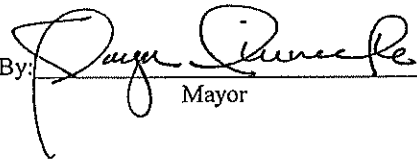
The enforceability of the rights and remedies of the registered owners of the 2019A Bonds under the Bond Ordinance and the availability of remedies to any party seeking to enforce the lien on the Net Revenues are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the enforceability of the rights and remedies under the Bond Ordinance and the availability of remedies to any party seeking to enforce the lien on the Net Revenues may be limited.

The various legal opinions to be delivered concurrently with the delivery of the 2019A Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Those exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the City and the State), in a manner consistent with the public health and welfare. The enforceability of the Bond Ordinance and the availability of remedies to a party seeking to enforce the lien on the Net Revenues, in a situation where such enforcement or availability may adversely affect the public health and welfare, may be subject to those police powers.

The City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

CITY OF EVANSVILLE, INDIANA

By:   
Mayor

Attest:   
Controller

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## APPENDIX A



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For Utility Bonds: \*The General Information section contains information regarding the tax base of the City; however, NO PROPERTY TAXES ARE PLEDGED TO PAYMENT OF THE SEWAGE WORKS REVENUE BONDS OF 2019A.

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## CITY OF EVANSVILLE

### SYSTEM OVERVIEW

The City of Evansville (the “City”) wastewater collection and treatment system is composed of approximately 900 miles of separate and combined sewers, 94 lift (pumping) stations, and two major wastewater treatment plants, the Eastside and Westside plants. The Eastside plant currently uses conventional activated sludge treatment process with a design capacity of 22.5 MGD and wet weather capacity of 27 MGD. The Westside plant uses conventional activated sludge and a Biological Activated Filter (BAF) process with a design capacity of 30.6 MGD and wet weather capacity of 40 MGD. Total dry weather treatment capacity for Evansville is 53.1 MGD. Digested sludge from the Westside plant is pumped through a four-mile force main to the Eastside plant for dewatering and disposal. Dewatered sludge from the Eastside plant is stockpiled and trucked to nearby agricultural land or landfills for final disposal.

### FACILITIES

#### Eastside Wastewater Treatment Facilities:

The initial Eastside Wastewater Treatment Plant was constructed in 1955 and consisted of two primary clarifiers. In 1958, additional primary clarifiers, chlorination facilities, and anaerobic digesters were constructed. In 1973, the plant was expanded by adding secondary treatment and sludge digestion and dewatering facilities. These facilities included aeration tanks, secondary clarifiers, a chlorine contact tank, and belt presses. The plant’s rated design flow is 18.0 MGD dry weather and 22.5 MGD wet weather with a 27.0 MGD wet weather peak.

Today, the Eastside Wastewater Treatment Plant’s preliminary treatment facilities consist of a mechanically cleaned bar screen, three raw wastewater pumps, and two operating Smith & Loveless grit systems. The wastewater goes from preliminary treatment facilities to seven rectangular primary clarifiers and then three aeration basins. Three blowers located in the secondary control building provide air to the aeration basins. Flow then passes through three secondary clarifiers and two chlorine contact tanks. Six return activated sludge (RAS) pumps are utilized to return sludge to the aeration basins and three waste activated sludge (WAS) pumps are used to waste activated sludge. There are three primary anaerobic digesters and one secondary anaerobic digester. Three centrifuges are used to dewater sludge before disposal on agricultural land or in the local landfill.

The average wastewater flows and Biochemical Oxygen Demand (“BOD”) and Suspended Solids loadings for the Calendar Year 2018 for the Eastside Wastewater Treatment Plant are as follows:

Average Wastewater Flow	15.8 MGD
Average BOD loading	17,945 lbs./day
Average Suspended Solids loading	20,551 lbs./day

#### Westside Wastewater Treatment Facilities:

The initial primary treatment facilities at the Westside Wastewater Treatment Plant were constructed in 1956. The treatment plant at that time consisted of six primary clarifiers. The plant was expanded in 1973 to provide secondary treatment and a Biological Activated Filter (BAF) was placed online in 2009 providing an additional 14 MGD of wet weather treatment. The secondary treatment facilities included aeration tanks, secondary clarifiers, a chlorine contact tank, anaerobic digesters, and a sludge force main with pumps to transport sludge to the Eastside Wastewater Treatment Plant. The plant design capacity is rated at 30.6 MGD dry weather and 40 MGD peak wet weather.

The preliminary treatment facilities include a mechanically cleaned bar screen, three raw wastewater pumps, and one functioning Smith & Loveless grit system. Six primary clarifiers are followed by three aeration basins. Three secondary clarifiers are followed by one chlorine contact tank. Three aeration blowers provide air to the aeration tanks. The secondary clarifier facilities also include six RAS pumps and three WAS pumps for returning and wasting secondary sludge. Waste activated sludge is thickened by two gravity belt thickeners before being pumped to the primary digesters. The BAF is a fixed film biological process and provides an additional 10 MGD of dry weather treatment with a capacity to treat up to 14 MGD wet weather. There are three primary anaerobic digesters and one secondary anaerobic digester for sludge treatment. The digested sludge is pumped to the Eastside Wastewater

Treatment Plant for dewatering and disposal. Effluent is pumped by three effluent pumps at high river stage and during sustained wet weather events.

The average wastewater flows and BOD and Suspended Solids loadings for the Calendar Year 2018 for the Westside Wastewater Treatment Plant are as follows:

Average Wastewater Flow	17.5 MGD
Average BOD loading	18,156 lbs/day
Average Suspended Solids loading	23,849 lbs/day

## **RATES**

The rates for the City's Sewage Works (the "Sewage Works") are set and approved by the City Common Council. The current rates were effective on January 1, 2019 pursuant to Ordinance No. F-2016-31 adopted by the Common Council on October 24, 2016. The sewer rates and charges were increased based on a cost of service study which has been or will be implemented in four phases effective January 1, 2017, January 1, 2018, January 1, 2019 and January 1, 2020.

## **RATE HISTORY**

<u>Year</u>	<u>Date Approved</u>	<u>Ordinance</u>	<u>Inside City Bill – 5,000 Gallons</u>
2020	10/24/2016	F-2016-31 Phase IV	\$85.30
2019	10/24/2016	F-2016-31 Phase III	79.80
2018	10/24/2016	F-2016-31 Phase II	70.60
2017	10/24/2016	F-2016-31 Phase I	61.90
2016	10/28/2013	F-2013-14 Phase III	55.05
2015	10/28/2013	F-2013-14 Phase II	46.65
2014	10/28/2013	F-2013-14 Phase I	43.15
2012	07/12/2010	F-2010-7 Phase II	32.95
2011	07/12/2010	F-2010-7 Phase I	29.67

Approved by City Common Council.

## **DEBT SERVICE COVERAGE**

<u>Year</u>	<u>Net Revenues</u>	<u>Debt Service</u>	<u>Coverage</u>
2018	\$48,957,961	\$20,701,912	236%
2017	38,463,433	18,735,264	205%
2016	32,999,419	18,018,057*	183%
2015	25,189,152	13,882,500*	181%
2014	22,803,441	13,201,976	173%

Source: City of Evansville Sewage Works.

\*The Sewage Works made three interest payments during 2015. The interest due on January 1, 2016 for the 2013A Bonds, 2013B Bonds and 2014C Bonds was paid by the registrar and paying agent on December 31, 2015. The debt service amount assumes these payments were made January 1, 2016 to better reflect a normal year's payment cycle of January 1 and July 1.

### USER CONNECTIONS

Based upon information provided by the utility billing personnel, the number of Sewage Works customers is reported as follows:

<u>Year</u>	<u>Number of Customers</u>
2018	53,599*
2017	53,416
2016	53,314
2015	52,961
2014	52,663
2013	53,412**
2012	51,520
2011	51,376
2010	51,107
2009	51,399

\*As of December 31, 2018.

\*\*Billing system change resulted in higher than normal customer count in that year.

### CUSTOMER USE

<u>Year</u>	<u>Percent of Total Billed Flow</u>		<u>Percent of Total Revenues</u>	
	<u>Commercial/Industrial</u>	<u>Residential</u>	<u>Commercial/Industrial</u>	<u>Residential</u>
2018	58.6%	41.4%	52.0%	48.0%
2017	58.3%	41.7%	51.7%	48.3%
2016	57.7%	42.3%	48.3%	51.7%
2015	57.7%	42.3%	47.1%	52.9%
2014*	56.3%	43.7%	45.8%	54.2%

\*Change in rate structure in 2014 resulted in a shift of cost recovery to the commercial and industrial customers.

### LARGE USERS

The following is a list of the ten largest users of the Sewage Works according to the utility records. Total billed revenue for the twelve months ended December 31, 2018 was \$67,727,321. The ten largest users as presented below accounted for approximately 13.6% percent of billed revenue.

<u>Name</u>	<u>Type of Business</u>	Twelve Months Ended December 31, 2018	
		<u>Usage</u> (100/gallons)	<u>Billed Revenue</u>
Mead Johnson Nutritional*	Pharmaceutical manufacturing	1,760,790	\$1,748,848
Ameriqua Foods, Inc.*	Food processing for military	1,295,710	1,468,881
University of Southern Indiana	Higher education	855,070	1,151,651
Azteca Milling LP	Mfg. of corn masa	761,400	898,551
PPG Industries Inc.*	Mfg. of various glass products	818,900	827,192
Deaconess Hospital*	Health care facility	831,300	800,507
Berry Global Inc.*	Mfg. plastics	1,019,170	716,898
SRG Global (Formerly Guardian)	Mfg. plastics	631,240	618,199
St. Vincent Evansville (1)	Health care	566,290	548,905
Evansville-Vanderburgh School Corp.	Public education	392,590	457,352
		<u>8,932,460</u>	<u>\$9,236,984</u>

\*Net of evaporated water credit.

(1) Formerly St. Mary's Hospital.

## **GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION**

### **LOCATION**

The City is located in Vanderburgh County (the “County”) in southwestern Indiana, along the Ohio River. The City is easily accessible to St. Louis, Indianapolis, Cincinnati, Nashville and Louisville.

### **GENERAL CHARACTERISTICS**

Located in southwestern Indiana along the banks of the Ohio River, the Evansville Metropolitan Statistical Area (“MSA”) and the County are known for a wide variety of industries including the production of nutritional products, pharmaceuticals, aluminum sheet, automobiles, auto glass, coal and oil, and plastics. City residents have a variety of cultural and recreational sporting events available. In addition, the City is home to two well-known universities, the University of Evansville and the University of Southern Indiana. The City has been ranked fifth for Lowest Cost of Living in America by Niche.com determined by metrics including home value, rent, gas prices and property taxes, as of 2018.

Indiana's first floating casino, Tropicana Evansville (originally named Casino Aztar), opened along the City's riverfront in 1995. The entertainment facility consists of a 2,700-passenger riverboat casino, a 250-room hotel, a 1,660 vehicle parking garage, retail shops, restaurants and lounge area. In November 2015, the City and Tropicana Entertainment announced a \$50 million project to move the riverboat-based casino inland. The land-based casino opened in December 2017. The 75,000 square-foot facility is one level and includes restaurants, gaming and entertainment. In October 2018, Eldorado Resorts Inc. completed a \$1.85 billion acquisition of Tropicana Entertainment Inc.

The Ford Center, which opened in November 2011, is a multi-purpose 11,000-seat arena and is the region's center for sports and entertainment. The 290,000 square foot facility is the home of NCAA Division I University of Evansville Purple Aces Men's basketball and the Evansville Thunderbolts minor league hockey team. The Ford Center is used for sports, concerts and conventions.

The Old National Events Plaza (formerly the Centre) is located across the street from the Ford Center in the City's downtown area. The Old National Events Plaza includes a 2,500-seat auditorium, a 38,000 square foot exhibit hall, a 14,000 square foot ballroom, and several meeting rooms.

The \$60 million downtown Hilton DoubleTree Convention Center Hotel opened in February 2017. The 241-room, five-story hotel features 12,000 square feet of event space and provides direct access via Sky Bridge to the Ford Center and Old National Events Plaza. The hotel also shares a parking garage with the new Indiana University School of Medicine-Evansville campus.

In March 2018, construction began on an \$18 million Hyatt Place Hotel in downtown Evansville. The 139-room upscale hotel is expected to be complete in the summer of 2019.

On August 13, 2018, Scannell Properties broke ground on The Post House, a \$40 million mixed use development in downtown Evansville. The Post House will provide real-time research to test and utilize smart energy technologies such as rooftop solar panels, small-scale battery energy storage, smart appliances and smart home automation features, electric vehicle charging stations and ultra-efficient heating and cooling systems.

In February 2019, Deaconess Health System broke ground on the approximate \$15 million Deaconess Clinic Downtown. The 100,000 square-foot medical clinic is set for completion in the spring of 2020.

### **ADMINISTRATION AND STAFF**

The management of the Sewage Works is under the direction of the Water and Sewer Utility Board of Directors. The management of the day-to-day operations of the Sewage Works is under the direction of the Utility Director who is appointed by the Mayor. The Sewage Works currently employs 78 personnel with union representation as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Teamsters Union	Sewage Works	67	December 31, 2020

### **PLANNING AND ZONING**

The Area Plan Commission is an appointed 13-member commission which carries out land use planning for the City, the County and the Town of Darmstadt. The County also has a seven-member Board of Zoning Appeals. Vanderburgh County has a very active Redevelopment Commission to help provide for continuous economic development.

### **EDUCATION**

The Evansville-Vanderburgh County School Corporation (the “School Corporation”) provides public education for school-aged children of the City. The School Corporation is the third largest School Corporation in the state and offers a comprehensive academic curriculum and a wide variety of extra-curricular activities at 40 schools. The superintendent's office reported a 2018-2019 enrollment for the School Corporation at 22,018 students, with approximately 1,729 certified and 1,705 non-certified employees. The School Corporation provides special education for its students and for all students living in Vanderburgh County. Vocational education is offered to high school students through the Southern Indiana Career and Technical Center.

### **HIGHER EDUCATION**

The City is home to the University of Evansville (“UE”) which is a fully accredited, private, liberal arts and sciences based university affiliated with the United Methodist Church. Total enrollment for UE is 2,514, and the average class size is 18 students. UE has received national recognition for its dedication to international education and is ranked within the top ten comprehensive universities in the United States for study abroad programs. In the September 2018, U.S. News & World Report has named UE one of the Midwest's top ten regional universities and one of the region's best values in its annual best college's rankings.

The University of Southern Indiana (“USI”) is also located in the City. USI was founded in 1965 and began as a regional campus of Indiana State University. USI has four academic colleges within its structure offering 70 undergraduate majors and 10 master's programs to an enrollment of 11,033 students.

UE and USI partnered with four regional hospitals including St. Vincent's Health System and Deaconess Health System in Evansville, Good Samaritan Hospital in Vincennes, Indiana and Memorial Hospital and Health Center in Jasper, Indiana to build a medical educational and research facility to be anchored by the Indiana University (“IU”) School of Medicine. The \$70 million Stone Family Center for Health Sciences opened in August 2018. The facility houses the IU School of Medicine-Evansville four-year medical education program and the IU School of Dentistry training and public clinic. USI offers its Masters of Science in Occupational Therapy, Masters of Science in Nursing and Doctor of Nursing Practice programs. The UE offers its Doctor of Physical Therapy and Masters of Physician Assistant program at the facility.

## **PENSION OBLIGATIONS**

*The following has been excerpted from the Evansville Water and Wastewater Utilities January 1, 2017 to December 31, 2017 State Board of Accounts audit report B51162. For further information, assumptions and other inputs, the complete audit is available at <http://www.in.gov/sboa/resources/reports/audit/>.*

### **Cost-Sharing Multiple Employer Defined Benefit Pension Plan**

#### **Public Employees' Retirement Fund**

**Plan Description:** The Utilities contribute to the Public Employees' Retirement Fund (PERF), which is administered by the Indiana Public Retirement System (INPRS). As part of the implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB No. 25* (GASB No. 67), PERF changed from an agent to a cost sharing, multiple-employer defined benefit plan effective July 1, 2013, based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the Public Employees' Annuity Savings Account Only Plan (PERF ASA Only Plan).

The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with IC 5-10.2, IC 5-10.3 and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the annuity savings account (ASA) that supplements the defined benefit at retirement.

The PERF ASA Only Plan was established by the Indiana Legislature in 2011, and is governed by the INPRS Board of Trustees in accordance with IC 5-10.3-12 and IC 5-10.5. This plan is funded by an employer and a member for the use of the member, or the member's beneficiaries or survivors, after the member's retirement. The PERF ASA Only Plan members are full-time employees of the State (as defined in IC 5-10.3-7-1(d)), who are in a position eligible for membership in the PERF Hybrid Plan and who elect to become members of the PERF ASA Only Plan. The PERF ASA Only Plan membership does not include individuals who: (1) before March 1, 2013; were members of the PERF Hybrid Plan or (2) on or after March 1, 2013, do not elect to participate in the PERF ASA Only Plan. Any government agency that pays employees through the Auditor of the State is a mandatory participant in the PERF ASA Only Plan and must offer eligible employees the PERF ASA Only Plan option. Quasigovernment agencies and State educational institutions may choose to offer the PERF ASA Only Plan as an option to their employees. Since inception, 395 members have selected the PERF ASA Only Plan, or approximately 9 percent of eligible new hires of the State.

Members are required to participate in the ASA. The ASA consists of the member's contributions, set by statute at three (3) percent of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their ASA. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

Investments in the members' ASA are individually directed and controlled by plan participants who direct the investment of their account balances among eight (8) investment options, with varying degrees of risk and return potential. All contributions made to a member's account (member contribution subaccount and employer contribution subaccount) are invested as a combined total according to the member's investment elections. Members may make changes to their investment directions daily and investments are reported at fair value.

**Retirement Benefits:** Defined Benefit Pension: The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's ASA. Pension benefits (non ASA) vest after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their ASA. At retirement, a member may choose to receive a lump sum

payment of the amount credited to the member's ASA, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their ASA and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the ASA. A non-vested member who terminates employment prior to retirement may withdraw his/her ASA after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. For PERF members who serve as an elected official, the highest one (1) year (total of four (4) consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2017; however, eligible members received a one-time check (a.k.a. 13<sup>th</sup> check) September 2016. The amount of the one-time check ranged from \$150 to \$450, depending upon a member's years of service. The September 2016 one-time check was for a member who retired or was disabled on or before December 1, 2015, and who was entitled to receive a monthly benefit on July 1, 2016.

The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

**Funding Policy:** Members are obligated by statute to make contributions to the PERF Hybrid Plan or the PERF ASA Only Plan. Any political subdivision that elects to participate in the PERF Hybrid Plan is obligated by statute to make contributions to the plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers.



During fiscal year 2017, any political subdivision that elects to participate in PERF Hybrid is obligated by statute to make contributions to the plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During the year ended June 30, 2017, participating employers were required to contribute 11.2 percent of covered payroll for members employed by the State and Political Subdivisions.

The PERF Hybrid Plan or the PERF ASA Only Plan members contribute three (3) percent of covered payroll to their ASA, which is not used to fund the defined benefit pension for the PERF Hybrid Plan. For the PERF Hybrid Plan, the employer may elect to make the contributions on behalf of the member. The employer shall pay the member's contributions on behalf of the member for the PERF ASA Only Plan. In addition, members of the PERF Hybrid Plan (effective July 1, 2014, the PERF ASA Only Plan may also participate) may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their ASA.

PERF covered employees are required to contribute 3% of their compensation to the Fund and the Utilities are required to contribute amounts, which are actuarially determined, sufficient to fund the retirement benefits. The Utilities contribute the 3% employee's portion. In addition, some employees elect to make additional voluntary contributions to their PERF ASA Only Plans.

The following represents the Utilities' annual required contributions:

<u>Year Ended</u> <u>December 31</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2017	\$1,257,370	100%

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (888) 526-1687, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

Investment Valuation and Benefit Payment Policies: The pooled and non-pooled investments are reported at fair value by INPRS. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Short-term investments consist primarily of cash, money market funds, certificates of deposits and fixed income instruments with maturities of less than one year. Short-term investments are reported at cost, which approximates fair value or, for fixed income instruments, valued using similar methodologies as other fixed income securities described below.

Fixed income securities consist primarily of the U.S. government, U.S. government-sponsored agencies, publicly traded debt and commingled investment debt instruments. Equity securities consist primarily of domestic and international stocks in addition to commingled equity instruments. Fixed income and equity securities are generally valued based on published market prices and quotations from national security exchanges and securities pricing services. Securities that are not traded on a national security exchange are valued using modeling techniques that include market observable inputs required to develop a fair value. Commingled funds are valued using the net asset value (NAV) of the entity. Alternative investments include limited partnership interests in private equity, absolute return, private real estate and risk parity investment strategies. Publicly traded alternative investments are valued based on quoted market prices. In the absence of readily determinable public market values, alternative investments are valued using current estimates of fair value obtained from the general partner or investment manager. Moreover, holdings are generally valued by a general partner or investment manager on a quarterly or semi-annual basis. Valuation assumptions are based upon the nature of the investment and the underlying business.

Additionally, valuation techniques will vary by investment type and involve a certain degree of expert judgment. Alternative investments, such as investments in private equity or real estate, are generally considered to be illiquid long-term investments. Due to the inherent uncertainty that exists in the valuation of alternative investments, the realized value upon the sale of an asset may differ from the fair value.

Derivative instruments are marked to market daily with changes in fair value recognized as part of investments and investment income.

Pension, disability, special death benefits, and distributions of contributions and interest are recognized when due and payable to members or beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. Distributions of contributions and interest are distributions from inactive, non-vested members' ASAs. These distributions may be requested by members or auto-distributed by the fund when certain criteria are met.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2017, the Water and Wastewater Utilities reported a liability of \$5,938,565 and \$4,197,616 respectively, for their proportionate share of the net pension liability. The Utilities' proportionate share of the net pension liability was based on the Utilities' wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2017 measurement date was 0.0022719.

For the year ended December 31, 2017, the Utilities recognized pension expense of \$2,201,225 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions. At December 31, 2017, the Utilities reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$192,497	\$7,867
Net difference between projected and actual earnings on pension plan investments	1,603,366	508,193
Changes in assumptions	162,745	-
Changes in proportion and differences between Utility contributions and proportionate share of contributions	<u>128,382</u>	<u>106,965</u>
Total that will be recognized in pension expense (income) based on table below	2,086,990	623,025
Pension contributions subsequent to measurement date	<u>796,133</u>	<u>-</u>
Total	<u>\$ 2,883,123</u>	<u>\$ 623,025</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2017 measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2017. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5 year period. A change in an employer's proportionate share: represents the change as of the current year measurement date versus the prior year measurement date, and is amortized over the average expected remaining service lives of the plan. The difference between an employer's contributions and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31	Amount
2018	\$630,871
2019	661,837
2020	225,787
2021	(54,530)
2022	-
Thereafter	<u>-</u>
Total	<u>\$1,463,965</u>

WATER AND WASTEWATER UTILITIES  
CITY OF EVANSVILLE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT FUND

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Utilities' Portion of the Net Pension Liability	0.22719%	0.22858%	0.22721%	0.20815%	0.19685%
Utilities' Proportionate Share of the Net Pension Liability	\$10,136,181	\$10,373,977	\$9,254,041	\$5,470,047	\$6,742,268
Utilities' Covered-Employee Payroll	\$11,271,318	\$10,954,725	\$10,882,763	\$10,162,470	\$9,451,288
Utilities' Proportionate Share of the Net Pension Liability as of Percentage of its Covered-Employee Payroll	89.9%	94.7%	85.0%	53.8%	71.3%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability.	76.6%	75.3%	77.3%	84.3%	78.8%

Note: The Utilities implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years. The amounts presented for each year were determined as of the Plan's June 30 year-end that occurred within the Utilities' fiscal year.

WATER AND WASTEWATER UTILITIES  
CITY OF EVANSVILLE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTION  
PUBLIC EMPLOYEES RETIREMENT FUND

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2017	\$1,262,388	\$1,257,370	\$5,018	\$11,271,318	11.16%
2016	1,226,929	1,222,024	4,905	10,954,725	11.16%
2015	1,218,869	1,213,697	5,172	10,882,763	11.15%
2014	1,138,197	1,067,687	70,510	10,162,470	10.51%

Note: Information is not available for previous years.

Note: The Utilities implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

Note: Covered payroll for the purposes of this schedule was determined as of the Plan's June 30 year-end that occurred within the Utilities' fiscal year.

## **GENERAL ECONOMIC AND FINANCIAL INFORMATION**

### **COMMERCE AND INDUSTRY**

The Evansville MSA is known for the production of a wide variety of manufactured products including motor vehicles, nutritional products, pharmaceuticals, prepared foods, aluminum sheets and billots, auto glass, cold rolled steel, paints, plastic compounds, and plastic products. A report from Business Review USA published in 2015 ranked Evansville fifth on the list of top 10 places to do business, with average revenue of businesses over \$1.8 million per year. The new I-69 will serve as a major artery for Evansville and southwestern Indiana. It will create the capability for increased commerce and ease of access to Indianapolis' markets for Evansville and southwestern Indiana. Evansville's Midwest location, cost of living, tax climate, and strong working relationships between economic development and government partners helped rank Evansville as #5 out of 228 cities in the 2018 Niche.com "Cities with the Lowest Cost of Living in America" ranking.

Additionally, Evansville is home to many corporate headquarters. Some of these companies include Berry Global Group, Inc. (formerly Berry Plastics), Accuride International, Shoe Carnival, Old National Bank, Koch Enterprises, Anchor Industries, and Atlas Van Lines.

Mead Johnson Nutrition began operations in Evansville in 1916. In 2010, the company opened two new facilities in Evansville, representing a combined investment of \$60 million. In October 2014, Mead Johnson announced a \$35 million investment in expansion and equipment upgrades at its manufacturing facilities. The company currently employs approximately 900 employees. On February 10, 2017, it was announced that The Reckitt Benckiser Group ("RB") would buy Mead Johnson for \$16.6 billion, according to a report from Bloomberg News. On October 22, 2018, RB announced plans to invest \$25 million to update and increase capabilities at their Evansville facility and to create 95 new jobs over the next five years.

Berry Global Group, Inc. ("Berry") is a manufacturer of plastic packaging products and protection materials for the food and beverage, personal care, pet care, household chemical, foodservice, healthcare, and industrial markets. The company has its corporate headquarters and a manufacturing plant in Evansville and a manufacturing plant in nearby Princeton, Indiana. In 2014, the company announced plans to invest approximately \$31 million in its Indiana facilities to create 280 new jobs in Evansville and to transfer existing equipment from its facilities outside Indiana to its downtown Evansville, Evansville Airport, Princeton, and Richmond facilities to maximize production efficiencies. In August 2016, Berry acquired AEP Industries in a \$765 million deal and in February 2018, Berry acquired Clipay Plastic Products Co. Inc. in a \$475 million acquisition. In March 2018, Berry announced plans to expand its manufacturing operations in downtown Evansville by investing \$70 million in new equipment and creating up to 150 new jobs by 2020.

In February 2016, eLuxurySupply.com announced the relocation of their mattress pad manufacturing operations from Martin, Tennessee to Evansville, creating up to 87 new jobs by 2019.

In July 2016, Evansville-based Shield Global Partners, an auto services firm, announced plans to invest more than \$4 million to expand its headquarters and create up to 135 jobs over the next few years. The expansion will help fulfill recently awarded contracts with General Motors and Mercedes-Benz.

An Israeli-based manufacturer announced plans to locate its first U.S. production facility in Evansville. Polyram Group, a global plastics supplier, will lease, renovate, and equip a 100,000 square-foot facility in the Vanderburgh Industrial Park. The expansion is expected to create more than 50 jobs by 2022. Operations at the plant began in January 2018.

In November 2017, Warehouse Services Inc. (WSI), a global third-party logistics provider, announced plans to expand operations in Evansville to accommodate a centralized distribution center for TaylorMade Golf Company, creating 52 new jobs in 2019.

According to the City of Evansville, EnCom Polymers, Inc., a custom compounder of high performance polymers, announced plans in July 2018 to expand its headquarters in Evansville by integrating volume from out-of-state production locations to the City, creating 56 new jobs by 2021. The company will invest \$2.4 million to purchase and

renovate its existing 58,000 square-foot headquarters that it is currently renting and invest \$8.3 million in state-of-the-art laboratory and production equipment.

According to the Indiana Business Journal, officials at Evansville Regional Airport celebrated the completion of \$20 million in renovations at the airport's terminal in October 2018. The project, which was partially funded by the Regional Cities Indiana Initiative, features a new consolidated TSA security line, passenger amenities and updated restrooms. The new passenger amenities include a new Wi-Fi business lounge, a children's play area, a pets area and a nursing room. The Airport also added new digital flight information boards.

Toyota Motor Manufacturing, Indiana ("TMMI"), located in nearby Princeton, Indiana, employs approximately 5,400 within its four million square foot facility. The TMMI plant produces the Sequoia full-size sport utility vehicle, the Sienna minivan, and the Highlander mid-size sport utility vehicle. On January 17, 2018, Toyota announced it would invest \$600 million into the Princeton plant and add 400 employees by 2019. The TMMI plant produced 412,438 vehicles in 2017 compared to 401,859 in 2016.

Toyota Boshoku, Indiana operations covers 524,000 square-feet across 57 acres and manufactures vehicle seats and doors for the Toyota Highlander and Sienna produced at TMMI.

In March 2018, Vuteq USA Inc., a manufacturer of components for Toyota vehicles, announced plans to invest \$27 million to construct a new support center and 200,000 square-foot production plant in nearby Princeton, Indiana. The new facility will be located just southwest of the TMMI plant and is expected to employ 400 people by 2022.

In March 2019, Atlas World Group Inc. announced plans to expand its headquarters. The transportation company will move its international relocation services to Evansville from Seattle and form a new leasing company, AWG Equipment Leasing Inc., to offer financing to its agents and owner-operators. The company plans to invest over \$1.1 million in relocation, software and equipment for its 65,000 square-foot facility and add up to 75 new jobs by the end of 2023. The company currently has 389 Evansville associates.

### **LARGE EMPLOYERS**

Below is a list of the major employers in southwest Indiana as provided by the Economic Development Coalition of Southwest Indiana as of October 2018. Because of reporting time lags and other factors inherent in collecting and reporting such information, the statistics may not reflect recent employment levels.

<u>Name</u>	<u>Year Established</u>	<u>Type of Business</u>	<u>Reported Employment</u>
Deaconess Hospital	1893	Health care	6,450
Toyota Motor Manufacturing, Indiana, Inc.	1996	Automobile manufacturing	5,400
University of Southern Indiana	1985	Higher education	3,681
Evansville-Vanderburgh School Corporation	-	Public education	3,434 (1)
St. Vincent's Evansville	1872	Health care	3,160
Berry Global Inc.	1967	Plastic container and packaging manufacturing	2,699
Koch Enterprises, Inc.	-	Industrial and auto parts manufacturing	2,100
Alcoa Warrick Operations	-	Aluminum sheet and ingot manufacturing	1,635
T.J. Maxx	1986	Retail distribution center	1,600
SKANSKA	1999	Construction and engineering	1,550

(1) Includes 1,729 certified and 1,705 non-certified employees.

## EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>	
	<u>Vanderburgh</u>	<u>Indiana</u>
2013	7.1%	7.7%
2014	5.4%	6.0%
2015	4.3%	4.8%
2016	4.1%	4.4%
2017	3.2%	3.5%
2018, Dec.	3.1%	3.4%

Source: Indiana Business Research Center. Data collected as of January 28, 2019.

## POPULATION

<u>Year</u>	<u>City of Evansville</u>		<u>Vanderburgh County</u>	
	<u>Population</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>
1970	138,764	-1.96%	168,772	1.80%
1980	130,496	-5.96%	167,515	-0.74%
1990	126,272	-3.24%	165,058	-1.47%
2000	121,582	-3.71%	171,922	4.16%
2010	117,429	-3.42%	179,703	4.53%
2017, Est.	118,930	1.28%	181,616	1.06%

Source: U.S. Census Bureau.



### AGE STATISTICS

	City of <u>Evansville</u>	Vanderburgh <u>County</u>
Under 25 Years	39,572	61,085
25 to 44 Years	30,595	44,498
45 to 64 Years	30,378	48,224
65 Years and Over	16,884	25,896
Totals	117,429	179,703

Source: U.S. Census Bureau's 2010 Census.

### EDUCATIONAL ATTAINMENT

	Persons 25 and Over	
Years of <u>School Completed</u>	City of <u>Evansville</u>	Vanderburgh <u>County</u>
Less than 9th grade	3.3%	2.6%
9th to 12th grade, no diploma	9.8%	7.9%
High school graduate	34.8%	32.7%
Some college, no degree	23.2%	21.8%
Associate's degree	8.2%	8.8%
Bachelor's degree	13.7%	16.8%
Graduate or professional degree	7.0%	9.4%

Source: U.S. Census Bureau's 2013-2017 American Community Survey 5-Year Estimates.

### MISCELLANEOUS ECONOMIC INFORMATION

	<u>City of Evansville</u>	<u>Vanderburgh County</u>	<u>Indiana</u>
Per capita income, past 12 months*	\$22,375	\$26,917	\$27,305
Median household income, past 12 months*	\$36,956	\$44,815	\$52,182
Average weekly earnings in manufacturing (2nd qtr. of 2018)	N/A	\$1,160	\$1,138
Land area in square miles - 2010	44.15	233.48	35,826.11
Population per land square mile - 2010	2,659.8	769.7	181.0
Retail sales in 2012:			
Total retail sales	\$2,871,928,000	\$3,141,650,000	\$85,857,962,000
Sales per capita**	\$24,457	\$17,482	\$13,242
Sales per establishment	\$3,934,148	\$3,971,745	\$3,974,722

\*In 2017 inflation-adjusted dollars – 5-year estimates

\*\*Based on 2010 Population.

Source: Bureau of Census Reports and the Indiana Business Research Center. Data collected as of January 28, 2019.

<u>Employment and Earnings - Vanderburgh County 2017</u>	<u>Earnings (In 1,000s)</u>	<u>Percent of Earnings</u>	<u>Labor Force</u>	<u>Distribution of Labor Force</u>
Services	\$3,101,326	43.83%	63,097	47.56%
Manufacturing	1,163,925	16.45%	12,941	9.75%
Wholesale and retail trade	801,089	11.32%	19,227	14.49%
Government	625,255	8.84%	11,390	8.59%
Construction	531,273	7.51%	8,398	6.33%
Other*	392,538	5.55%	6,274	4.73%
Finance, insurance and real estate	351,146	4.96%	8,305	6.26%
Information	89,541	1.27%	1,481	1.12%
Farming	10,147	0.14%	283	0.21%
Mining	9,790	0.13%	1,271	0.96%
Totals	<u>\$7,076,030</u>	<u>100.00%</u>	<u>132,667</u>	<u>100.00%</u>

Source: Bureau of Economic Analysis and the Indiana Business Research Center. Data collected as of January 28, 2019.

\* In order to avoid disclosure of confidential information, specific earnings and employment figures are not available for the "forestry, fishing, related activities, utilities, and transportation and warehousing" sectors. The data is incorporated here.

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>Vanderburgh County Total</u>
	2011	\$3,821,036,845
	2012	3,995,665,594
	2013	3,948,736,690
	2014	4,229,062,520
	2015	4,346,723,191

Source: Indiana Department of Revenue.

## SCHEDULE OF INDEBTEDNESS

The following schedule shows the outstanding indebtedness of the City and the taxing units within and overlapping its jurisdiction as of January 28, 2019, including issuance of the Bonds as reported by the respective taxing units.

<u>Direct Debt</u>	<u>Original Par Amount</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
<b>Self-Supporting Revenue Debt</b>			
Sewage Works Revenue Bonds, Series 2019A	\$30,000,000	07/01/40	\$30,000,000
Sewage Works Revenue Bonds, Series 2018B-1 (SRF)	35,020,000	07/01/40	35,020,000
Sewage Works Revenue Bonds, Series 2018B-2 (SRF)	72,335,000	07/01/53	72,335,000
Sewage Works Revenue Bonds, Series 2018A	16,960,000	07/01/38	16,960,000
Sewage Works Revenue Bonds, Series 2017A	21,850,000	07/01/38	21,850,000
Sewage Works Revenue Bonds, Series 2016C (SRF)	8,835,000	07/01/38	8,835,000
Sewage Works Revenue Bonds, Series 2016B (SRF)	12,715,000	07/01/37	12,715,000
Sewage Works Revenue Bonds, Series 2016A	25,855,000	07/01/37	25,220,000
Sewage Works Revenue Bonds, Series 2014 D (SRF)	35,415,000	07/01/35	30,954,000
Sewage Works Revenue Bonds, Series 2014C	25,255,000	07/01/35	22,310,000
Sewage Works Revenue Bonds, Series 2014 B (SRF)	5,760,000	07/01/34	4,796,000
Sewage Works Revenue Bonds, Series 2014 A (SRF)	7,510,000	07/01/31	6,313,000
Sewage Works Revenue Bonds, Series 2013B (Bond Bank 13A)	29,255,000	07/01/36	28,530,000
Sewage Works Revenue Refunding Bonds, Series 2013A	32,440,000	07/01/23	16,550,000
Sewage Works Revenue Bonds, Series 2012E (2018 Reissued Bonds) (SRF)	5,969,000	01/01/47	5,969,000
Sewage Works Revenue Bonds, Series 2011D (SRF)	1,215,000	07/01/31	1,209,000
Sewage Works Revenue Bonds, Series 2011C (SRF)	3,800,000	07/01/31	2,756,000
Sewage Works Revenue Bonds, Series 2010 B-1 (BABs)	27,450,000	07/01/31	23,010,000
Sewage Works Revenue Bonds, Series 2010A (2018 Reissued Bonds) (SRF)	7,113,000	07/01/45	7,113,000
Sewage Works Revenue Bonds of 2009 (2018 Reissued Bonds) (SRF)	27,723,000	07/01/44	27,723,000
Sewage Works Revenue Bonds of 2008, Series B (SRF)	18,452,000	07/01/28	10,726,000
Sewage Works Revenue Bonds of 2007, Series B (SRF)	7,130,000	07/01/26	3,420,000
Sewage Works Revenue Bonds of 2007, Series A (SRF)	37,518,000	07/01/26	17,674,000
Waterworks District Revenue Bonds, Series 2018A-1	5,308,000	01/01/22	5,308,000
Waterworks District Revenue Bonds, Series 2018A-2	71,912,000	01/01/40	71,912,000
Waterworks District Revenue Bonds, Series 2016A	39,640,000	01/01/38	38,055,000
Waterworks District Refunding Revenue Bonds, Series 2016B	31,370,000	01/01/30	29,125,000
Waterworks District Refunding Revenue Bonds, Series 2014B	20,320,000	01/01/25	13,180,000
Waterworks District Revenue Bonds, Series 2013C (Bond Bank 13B)	15,500,000	01/01/36	14,735,000
Waterworks District Revenue Bonds, Series 2013A	29,060,000	01/01/35	28,835,000
Subtotal			<u>633,138,000</u>
Note: The City anticipates issuing approximately \$39,765,000 of Waterworks District Revenue Bonds in April 2019 and \$63,000,000 of Sewage Works Revenue Bonds in December 2019.			
<b>Tax Supported Debt</b>			
Redevelopment Authority Lease Rental Revenue Refunding Bonds, Series 2016	\$92,425,000	02/01/39	\$92,425,000
Economic Development Lease Rental Revenue Bonds, Series 2016A (Downtown Convention Hotel)	7,500,000	02/15/39	7,285,000
Redevelopment District Tax Increment Revenue Bonds, Series 2016 (Jacobsville Project)	15,740,000	02/01/40	14,510,000
Economic Development Revenue Bonds, Series 2016A (Medical School Project)	18,000,000	02/01/39	17,110,000
Economic Development Revenue Bonds, Series 2016B (Medical School Project)	12,345,000	02/01/31	10,940,000
Taxable Economic Development Lease Rental Revenue Bonds, Series 2015D	12,080,000	02/15/39	12,080,000
Economic Development Lease Rental Revenue Bonds, Series 2015C	9,225,000	02/15/39	9,225,000
Economic Development Revenue Refunding Bonds, Series 2015	10,990,000	02/01/24	6,915,000
Economic Development Revenue Bonds, Series 2015A (Downtown Convention Hotel)	10,235,000	02/01/39	9,705,000
Redevelopment District Taxable Tax Increment Revenue Bonds, Series 2014 (Haier Project)	1,500,000	02/01/40	1,460,000
Taxable Economic Development Revenue Bonds of 2011 (Berry Plastics)	22,435,000	02/01/34	17,355,000
Redevelopment Authority Taxable Lease Rental Bonds, Series 2010B (Unrefunded)	122,410,000	02/01/20	6,705,000
Evansville Park District Refunding Bonds, Series 2012	13,850,000	01/15/22	4,530,000
Evansville Park District Refunding Bonds of 2010	9,390,000	01/01/21	2,110,000
Evansville Park District Bonds, Series 2018	18,150,000	08/15/38	18,150,000
Levee Authority Taxable Note, Series 2018	1,600,000	10/17/20	1,600,000
Capital Leases			848,143
Energy Savings Contracts			<u>712,227</u>
Subtotal			<u>233,665,370</u>
Total Direct Debt			<u><u>\$866,803,370</u></u>

The schedule presented above is based on information furnished by the obligors or other sources and is deemed reliable. The City makes no representation or warranty as to its accuracy or completeness.

(Continued on next page)

**SCHEDULE OF INDEBTEDNESS**

(Cont'd)

<u>Overlapping Debt</u>	<u>Total Debt</u>	<u>Percent Allocable to City (1)</u>	<u>Amount Allocable to City</u>
Tax Supported Debt			
Evansville-Vanderburgh County Building Authority	\$18,535,000	58.58%	\$10,857,803
Evansville-Vanderburgh Public Library	15,310,000	58.58%	8,968,598
Evansville-Vanderburgh Public Schools	181,150,232	58.58%	106,117,806
Vanderburgh County	47,869,322	58.58%	28,041,849
Vanderburgh County Convention and Visitor's Building Corporation	11,915,000	58.58%	<u>6,979,807</u>
Tax Supported Overlapping Debt			<u>160,965,863</u>
Self-Supporting Revenue Debt			
Evansville-Vanderburgh Airport Authority	\$9,870,879	58.58%	5,782,361
Self-Supporting Overlapping Debt			<u>5,782,361</u>
Total Overlapping Debt			<u>\$166,748,224</u>

(1) Based upon the 2017 payable 2018 net assessed valuations of the respective taxing units

The schedule presented above is based on information furnished by the obligors or other sources and is deemed reliable. The City makes no representation or warranty as to its accuracy or completeness.

**DEBT RATIOS**

The following presents the ratios relative to the revenue supported indebtedness of the taxing units within and overlapping the City as of January 28, 2019, including issuance of the Bonds.

	<u>Direct Sewage Works Revenue Supported Debt \$431,988,000</u>	<u>Direct Waterworks Revenue Supported Debt \$201,150,000</u>	<u>Total Direct Utility Revenue Debt \$633,138,000</u>
Per capita (1)	\$3,632.29	\$1,691.33	\$5,323.62
Per user (2)			
Sewage Works	\$8,059.63		
Waterworks		\$3,201.50	

(1) According to the U.S. Census Bureau, the estimated 2017 population of the City is 118,930

(2) Based upon the billing records, the current number of users are as follows

Sewer	53,599
Water	62,830

**SCHEDULE OF HISTORICAL NET ASSESSED VALUATION**

(As Provided by the Vanderburgh County Auditor's Office)

<u>Year</u> <u>Payable</u>	<u>Real Estate</u>	<u>Utilities</u>	<u>Personal</u> <u>Property</u>	<u>Total</u> <u>Taxable Value</u>
2014	\$3,201,457,325	\$169,533,950	\$564,441,663	\$3,935,432,938
2015	3,171,755,572	170,704,500	568,754,889	3,911,214,961
2016	3,182,646,838	162,721,700	581,936,559	3,927,305,097
2017	3,237,098,467	159,196,320	618,774,221	4,015,069,008
2018	3,267,852,550	144,691,750	622,129,447	4,034,673,747
2019 (1)	N/A	N/A	N/A	4,431,520,220

(1) Certified net assessed valuation per the Department of Local Government Finance ("DLGF").

NOTE: Net assessed valuations represent the assessed value less certain deductions for mortgages, veterans, the aged and the blind, as well as tax-exempt property.

Real property is valued for assessment purposes at its true tax value as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4, and the 2011 Real Property Assessment Guidelines ("Guidelines"), as adopted by the DLGF. In the case of agricultural land, true tax value is the value determined in accordance with the Guidelines adopted by the DLGF and IC 6-1.1-4-13. In the case of all other real property, true tax value is defined as "the market value-in-use of a property for its current use, as reflected by the utility received by the owner or by a similar user, from the property."

P.L. 180-2016 revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016 assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a City. Lower assessed values of a City may result in higher tax rates in order for a City to receive its approved property tax levy.

Real property assessments are annually adjusted to market value based on sales data. The process of adjusting real property assessments to reflect market values has been termed "trending" by the DLGF.

The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method.

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES

CITY OF EVANSVILLE, INDIANA

DETAIL OF NET ASSESSED VALUATION OF THE CITY OF EVANSVILLE

Assessed 2017 for taxes payable in 2018  
(According to the Vanderburgh County Auditor's Office)

	Evansville - <u>Center</u>	Evansville - <u>Perry</u>	Evansville - <u>Knight</u>	Evansville - <u>Pigeon</u>	<u>Totals</u>
Gross Value of Land	\$167,348,500	\$88,927,400	\$866,788,800	\$242,867,500	\$1,365,932,200
Gross Value of Improvements	<u>646,744,500</u>	<u>335,644,700</u>	<u>2,737,503,700</u>	<u>1,031,585,400</u>	<u>4,751,478,300</u>
Total Gross Value of Real Estate	814,093,000	424,572,100	3,604,292,500	1,274,452,900	6,117,410,500
Less: Mortgage Exemptions, Veterans, Blind					
Age 65 & Other Exemptions	(317,202,319)	(177,128,545)	(1,071,819,740)	(242,214,790)	(1,808,365,394)
Tax Exempt Property	(42,249,700)	(17,180,692)	(266,566,648)	(175,394,142)	(501,391,182)
TIF	<u></u>	<u></u>	<u>(321,372,857)</u>	<u>(218,428,517)</u>	<u>(539,801,374)</u>
Net Assessed Value of Real Estate	<u>454,640,981</u>	<u>230,262,863</u>	<u>\$1,944,533,255</u>	<u>638,415,451</u>	<u>3,267,852,550</u>
Business Personal Property	106,187,590	15,357,030	287,318,350	480,500,210	889,363,180
Less: Deductions	<u>(20,256,914)</u>	<u>(1,067,730)</u>	<u>(67,748,202)</u>	<u>(178,160,887)</u>	<u>(267,233,733)</u>
Net Assessed Value of Personal Property	<u>85,930,676</u>	<u>14,289,300</u>	<u>219,570,148</u>	<u>302,339,323</u>	<u>622,129,447</u>
Net Assessed Value of Utility Property	<u>50,809,620</u>	<u>5,484,760</u>	<u>25,858,810</u>	<u>62,538,560</u>	<u>144,691,750</u>
Total Net Assessed Value	<u><u>\$591,381,277</u></u>	<u><u>\$250,036,923</u></u>	<u><u>\$2,189,962,213</u></u>	<u><u>\$1,003,293,334</u></u>	<u><u>\$4,034,673,747</u></u>

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES

**COMPARATIVE SCHEDULE OF CERTIFIED TAX RATES**

Per \$100 of Net Assessed Valuation

	Year Taxes Payable				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Detail of Certified Tax Rate:					
City General	\$1.3590	\$1.3844	\$1.3998	\$1.4503	\$1.4784
Parks & Recreation (1)	0.1060	0.1140	0.1170	0.1180	0.1210
Park Bond (1)	<u>0.0231</u>	<u>0.0155</u>	<u>0.0179</u>	<u>0.0122</u>	<u>0.0150</u>
Totals	<u>\$1.4881</u>	<u>\$1.5139</u>	<u>\$1.5347</u>	<u>\$1.5805</u>	<u>\$1.6144</u>
Total District Certified Tax Rate (2)					
Evansville - Center	\$3.4067	\$3.4623	\$3.4610	\$3.5613	\$3.6055
Evansville - Knight	3.3955	3.4512	3.4497	3.5488	3.5942
Evansville - Perry	3.4087	3.4651	3.4625	3.5614	3.6064
Evansville - Pigeon	3.4909	3.5485	3.5484	3.6538	3.7021
Evansville - Knight Burk Org (TIF Memo)	1.3590	1.3844	1.3998	1.4503	1.4784
Evansville - Knight Burk Exp (TIF Memo)	1.3590	1.3844	1.3998	1.4503	1.4784

(1) Represents tax rates of the City of Evansville Park & Recreation District, which encompasses all of Vanderburgh County.

(2) Includes certified tax rates of overlapping taxing units.

Source: DLGF Certified Budget Orders for the City.

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES

**PROPERTY TAXES LEVIED AND COLLECTED**

<u>Collection Year</u>	<u>Certified Taxes Levied</u>	<u>Circuit Breaker Tax Credit (1)</u>	<u>Certified Taxes Levied Net of Circuit Breaker Tax Credit</u>	<u>Taxes Collected</u>	<u>Collected as Percent of Gross Levy</u>	<u>Collected as Percent of Net Levy</u>
2014	\$63,672,729	(\$8,320,907)	\$55,351,822	\$54,104,548	84.97%	97.75%
2015	66,322,738	(9,659,167)	56,663,571	55,594,583	83.82%	98.11%
2016	67,333,972	(10,336,843)	56,997,129	53,635,889	79.66%	94.10% (2)
2017	70,038,979	(10,967,158)	59,071,821	55,091,501	78.66%	93.26% (2)
2018	72,418,336	(13,024,809)	59,393,527	56,942,614	78.63%	95.87%

Source: The Vanderburgh County Auditor's Office and the DLGF Certified Budget Orders for the City.

(1) Circuit Breaker Tax Credits allocable to the City per the DLGF.

(2) The low collections are due to an increase in delinquencies as reported by the Vanderburgh County Auditor's office.

Indiana Code 6-1.1-20.6 (the "Statute") provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit ("Circuit Breaker Tax Credit").

Property taxes for residential homesteads are limited to 1.0% of the gross assessed value of the homestead; property taxes for agricultural, other residential property and long term care facilities are limited to 2.0% of their gross assessed value; and property taxes for all other real and personal property are limited to 3.0% of gross assessed value. Additional property tax limits have been made available to certain senior citizens. School corporations are authorized to impose a referendum tax levy to replace property tax revenue that the school corporation will not receive due to the Circuit Breaker Tax Credit. Other political subdivisions may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

The Statute categorizes property taxes levied to pay Debt Service Obligations as "protected taxes," regardless of whether the property taxes were approved at a referendum, and all other property taxes as "unprotected taxes." The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The political subdivision may allocate the reduction by using a combination of unprotected taxes of the political subdivision in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES



## **LARGE TAXPAYERS**

The following is a list of the ten largest taxpayers located within the City.

<u>Name</u>	<u>Type of Business</u>	<u>2017/2018 Net Assessed Valuation</u>	<u>Percent of Total Net Assessed Valuation (1)</u>
Vectren (formerly SIGECO) (2)	Gas and electric utility	\$133,866,640	3.32%
Berry Global Inc. (2)	Mfg. of plastic products	127,119,474	3.15%
Mead Johnson Nutrition Company (2)	Nutrition/pharmaceutical mfg.	112,550,397	2.79%
Eastland Mall	Shopping mall	59,046,390	1.46%
Casino Aztar Gaming Corp	Riverboat casino	57,440,580	1.42%
Old National Bank (2)	Financial institution	48,835,105	1.21%
Spurling Properties/Development	Develop/lease commercial real estate	41,287,250	1.02%
Windstream Norlight, Inc.	Telecommunications	36,302,380	0.90%
General Auto Outlet of Evansville	Retail strip center	33,830,100	0.84%
Lloyd Crossing Shopping Center	Shopping mall	31,855,700	0.79%
		<u><u>\$682,134,016</u></u>	<u><u>16.90%</u></u>

(1) The total net assessed valuation of the City of Evansville is \$4,034,673,747 for taxes payable in 2018, according to the Vanderburgh County Auditor's office.

(2) Located in a tax increment allocation area ("TIF"); therefore, all or a portion of the taxes are captured as TIF and not distributed to individual taxing units.


Source: County Auditor's office and the DLGF. Individual parcel data is submitted by the County Auditor to the DLGF once a year for preparation of the county abstract.

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES

The City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

CITY OF EVANSVILLE, INDIANA

By: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
Controller

## APPENDIX B

The following information has not been updated to reflect the actual results of the bond sale.



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MUNICIPAL  
ADVISORS

## ACCOUNTANTS' FORECAST AND COMPILATION REPORT

March 11, 2019

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Board of Directors  
Evansville Water and Sewer Utility  
One N.W. Martin Luther King Jr., #104  
Evansville, IN 47708-1833

We have compiled the accompanying forecasted statement of net position, statement of revenues, expenses and changes in net position and cash flows and supplementary data of the Evansville Municipal Sewage Works as of December 31, 2019, 2020 and 2021 and for the years then ending in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We have also compiled the accompanying comparative statement of net position of the Sewage Works as of December 31, 2016, 2017 and 2018, and the related comparative statements of revenues, expenses, and changes in net position, and cash flows for the periods then ended and supplementary data. We have not audited or reviewed the accompanying historical financial statements and supplementary data, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Sewage Works' financial position, results of operations and its cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.





**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**FORECASTED FINANCIAL STATEMENTS**



**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**FORECASTED COMPARATIVE STATEMENT OF NET POSITION**

**(Amounts rounded to the nearest \$100)**

<b>ASSETS:</b>	12/31/2019	As of 12/31/2020	12/31/2021
Current Assets:			
Operating cash and cash equivalents	\$5,389,300	\$5,732,300	\$5,984,500
Improvement fund cash and cash equivalents	27,276,200	28,846,400	29,595,600
Restricted cash and cash equivalents:			
Bond and interest cash and cash equivalents	14,024,200	14,791,700	14,805,100
Debt service reserve cash and cash equivalents	7,756,900	8,842,300	8,320,600
WWTP replacement fund cash and cash equivalents	3,000,000	3,000,000	3,000,000
Construction fund cash and cash equivalents	42,142,000	15,794,400	5,251,600
Accounts receivable (net of allowance)	6,102,000	6,468,100	6,468,100
Materials and supplies inventory	380,200	380,200	380,200
Prepays	5,025,500	5,214,700	5,214,700
Total Current Assets	<u>111,096,300</u>	<u>89,070,100</u>	<u>79,020,400</u>
Noncurrent Assets:			
Restricted Assets:			
Debt service reserve investments	15,300,000	18,300,000	22,300,000
Construction fund investments	57,448,700	19,448,700	6,448,700
Other receivable	3,700	3,700	3,700
Interest receivable	283,100	283,100	283,100
Total Restricted Assets	<u>73,035,500</u>	<u>38,035,500</u>	<u>29,035,500</u>
Capital Assets:			
Depreciable capital assets	569,155,700	658,220,100	794,555,200
Leased vehicles	55,300	55,300	55,300
Less accumulated depreciation	(222,255,800)	(239,330,500)	(259,077,100)
Less accumulated lease amortization	(11,400)	(22,000)	(33,100)
Sub-totals	346,943,800	418,922,900	535,500,300
Land and improvements to land	4,029,700	4,029,700	4,029,700
Construction work in progress	103,183,300	126,181,300	55,562,100
Net Capital Assets	<u>454,156,800</u>	<u>549,133,900</u>	<u>595,092,100</u>
Total Noncurrent Assets	<u>527,192,300</u>	<u>587,169,400</u>	<u>624,127,600</u>
Total Assets	<u><u>\$638,288,600</u></u>	<u><u>\$676,239,500</u></u>	<u><u>\$703,148,000</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Regulatory Assets	\$2,620,800	\$2,410,000	\$2,220,300
Deferred Amount on Refunding	507,600	366,000	224,400
Defined Benefit Pension Deferred Outflows	444,900	444,900	444,900
Total Deferred Outflows of Resources	<u><u>\$3,573,300</u></u>	<u><u>\$3,220,900</u></u>	<u><u>\$2,889,600</u></u>
Total Assets and Deferred Outflows	<u><u>\$641,861,900</u></u>	<u><u>\$679,460,400</u></u>	<u><u>\$706,037,600</u></u>

(The Accountants' Compilation Report and the summary  
of significant accounting policies, assumptions and notes  
are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**(Cont'd)**

**FORECASTED COMPARATIVE STATEMENT OF NET POSITION**

**(Amounts rounded to the nearest \$100)**

<b>LIABILITIES:</b>	<u>12/31/2019</u>	<u>As of 12/31/2020</u>	<u>12/31/2021</u>
Current Liabilities:			
Accounts payable	\$888,900	\$915,600	\$943,100
Leases payable	44,000	33,400	22,300
Accrued payroll and withholdings payable	119,100	119,100	119,100
Net pension liability	2,919,700	2,919,700	2,919,700
Interfund services provided and used	598,800	612,100	625,800
Compensated absences	460,700	460,700	460,700
Payable from restricted assets:			
Contracts payable	3,546,700	3,546,700	3,546,700
Accrued interest	6,600,200	7,173,200	6,966,200
Retainage payable	1,235,200	1,235,200	1,235,200
Bonds payable - current maturities	7,400,000	7,595,000	7,805,000
State Revolving Fund loan - current maturities	<u>7,448,000</u>	<u>7,642,000</u>	<u>7,872,700</u>
Total Current Liabilities	<u>31,261,300</u>	<u>32,252,700</u>	<u>32,516,500</u>
Noncurrent Liabilities:			
Bonds payable:			
Bonds payable	152,850,000	145,255,000	137,450,000
State Revolving Fund loan payable	252,281,300	275,316,200	292,578,700
Unamortized bond premium and discount, net	<u>2,228,800</u>	<u>2,106,900</u>	<u>1,985,000</u>
Total Noncurrent Liabilities	<u>407,360,100</u>	<u>422,678,100</u>	<u>432,013,700</u>
Total Liabilities	<u>\$438,621,400</u>	<u>\$454,930,800</u>	<u>\$464,530,200</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Defined Benefit Pension Deferred Inflows	<u>\$505,300</u>	<u>\$505,300</u>	<u>\$505,300</u>
Total Liabilities and Deferred Inflows	<u>\$439,126,700</u>	<u>\$455,436,100</u>	<u>\$465,035,500</u>
<b>NET POSITION:</b>			
Invested in Capital Assets, Net of Related Debt	\$134,667,800	\$149,237,900	\$161,545,700
Restricted	26,005,700	30,285,600	33,984,300
Unrestricted	<u>42,061,700</u>	<u>44,500,800</u>	<u>45,472,100</u>
Total Net Position	<u>\$202,735,200</u>	<u>\$224,024,300</u>	<u>\$241,002,100</u>

(The Accountants' Compilation Report and the summary  
of significant accounting policies, assumptions and notes  
are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**FORECASTED COMPARATIVE STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**(Amounts rounded to the nearest \$100)**

	Calendar Year Ending		
	12/31/2019	12/31/2020	12/31/2021
Operating Revenues:			
Residential	\$36,593,800	\$38,789,400	\$38,789,400
Industrial	11,459,000	12,146,500	12,146,500
Commercial	24,005,600	25,445,900	25,445,900
Public authority	3,118,900	3,306,000	3,306,000
Refuse services	5,310,100	5,469,400	5,633,500
Delinquent charges	1,052,700	1,115,900	1,115,900
Connection fees	1,121,800	1,121,800	1,121,800
Pretreatment charges	554,800	554,800	554,800
Industrial surcharges and fines	410,900	410,900	410,900
Other	574,200	574,200	574,200
Total Operating Revenues	84,201,800	88,934,800	89,098,900
Operating Expenses:			
Collection system	6,379,800	6,635,000	6,900,400
Treatment and disposal	9,216,200	9,764,900	10,347,400
Customer service	8,522,200	8,863,100	9,217,700
Administrative and general	8,217,900	9,131,000	9,441,600
Sub-totals	32,336,100	34,394,000	35,907,100
Depreciation expense	15,495,500	17,074,700	19,746,600
Lease amortization	10,200	10,600	11,100
Total Operating Expenses	47,841,800	51,479,300	55,664,800
Net Operating Revenues	36,360,000	37,455,500	33,434,100
Nonoperating Revenues:			
Interest income	2,213,500	1,650,600	1,072,500
Other	202,300	202,300	202,300
BAB Subsidy income	432,800	418,100	402,000
Totals	2,848,600	2,271,000	1,676,800
Nonoperating Expense:			
Interest expense	13,093,200	14,666,300	14,160,500
Interest expense - amortization	204,900	210,800	189,700
Totals	13,298,100	14,877,100	14,350,200
Income (Loss) Before Contributions and Transfers	25,910,500	24,849,400	20,760,700
Capital Contributions and (Transfers):			
Contributed capital	1,473,300	1,473,300	1,473,300
Payment in lieu of property taxes	(4,396,300)	(5,033,600)	(5,256,200)
Totals	(2,923,000)	(3,560,300)	(3,782,900)
Change In Net Position	22,987,500	21,289,100	16,977,800
Total Net Position - Beginning	179,747,700	202,735,200	224,024,300
Total Net Position - Ending	\$202,735,200	\$224,024,300	\$241,002,100

(The Accountants' Compilation Report and the summary  
of significant accounting policies, assumptions and notes  
are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**FORECASTED COMPARATIVE STATEMENT OF CASH FLOWS**

**Increase (Decrease) in Cash & Cash Equivalents**

**(Amounts rounded to the nearest \$100)**

	<u>Calendar Year Ending</u>		
	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>
Cash flows from operating activities:			
Cash received from customers	\$83,597,100	\$88,568,700	\$89,098,900
Cash paid to suppliers, employees and others	<u>(32,849,200)</u>	<u>(34,553,800)</u>	<u>(35,877,000)</u>
Net cash from operating activities	<u>50,747,900</u>	<u>54,014,900</u>	<u>53,221,900</u>
Cash flows from noncapital financing activities:			
Transfers out - payment in lieu of property taxes	<u>(4,396,300)</u>	<u>(5,033,600)</u>	<u>(5,256,200)</u>
Cash flows from capital and related financing activities:			
Additions to capital assets	(106,853,500)	(112,062,400)	(65,715,900)
Principal paid on revenue bonds	(7,220,000)	(7,400,000)	(7,595,000)
Principal paid on SRF bonds	(7,254,000)	(7,448,000)	(7,642,000)
Bond proceeds	30,000,000	-	-
SRF Loan drawdowns	37,632,800	30,676,900	25,135,200
Contributed capital	1,473,300	1,473,300	1,473,300
Interest paid	(10,358,200)	(14,073,600)	(14,347,800)
Non-operating revenue	202,300	202,300	202,300
BAB Subsidy payment	432,800	418,100	402,000
Deferred debits	<u>(500,600)</u>	<u>-</u>	<u>-</u>
Net cash from capital and related financing activities	<u>(62,445,100)</u>	<u>(108,213,400)</u>	<u>(68,087,900)</u>
Cash flows from investing activities:			
Interest income	2,213,500	1,650,600	1,072,500
Purchase/sale of investments	<u>19,000,000</u>	<u>35,000,000</u>	<u>9,000,000</u>
Net cash from investing activities	<u>21,213,500</u>	<u>36,650,600</u>	<u>10,072,500</u>
Cash and Cash Equivalents:			
Increase (decrease)	5,120,000	(22,581,500)	(10,049,700)
Beginning balance	<u>94,468,600</u>	<u>99,588,600</u>	<u>77,007,100</u>
Ending balance	<u><u>\$99,588,600</u></u>	<u><u>\$77,007,100</u></u>	<u><u>\$66,957,400</u></u>

(The Accountants' Compilation Report and the summary of significant accounting policies, assumptions and notes are an integral part of this statement.)

## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES**

#### **See Accountants' Compilation Report**

The City of Evansville, Indiana (the "City") owns and operates the Evansville Municipal Sewage Works (the "Utility"). The Utility provides sewer services to approximately 53,600 residential, commercial, industrial and public authority customers. These financial forecasts present, to the best of management's knowledge and belief, the Evansville Municipal Sewage Works' expected financial position, results of operations, and cash flows for the forecast period. Accordingly, the forecast reflects management's judgment of the expected conditions and its expected course of action as of March 11, 2019, the date of this forecast. The financial forecast is based on management's assumptions concerning future events and circumstances. The assumptions disclosed herein are those which management believes are significant to the forecast or are key factors upon which the financial results of the enterprise depend.

Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to March 11, 2019, the date of this forecast. Therefore, the actual results achieved during the forecast period could vary from the forecast and the variations may be material. Management does not intend to revise this forecast to reflect changes in present circumstances or the occurrence of unanticipated events.

The financial forecast has been prepared in conjunction with the following:

- (1) The \$30,000,000 proposed Sewage Works Revenue Bonds, Series 2019A (the "Series 2019A Bonds" or the "Proposed Financing") are assumed to be issued on April 9, 2019 and will finance parts of the Integrated Overflow Control Plan ("IOCP") and the Sewage Works Master Plan ("SWMP").
- (2) The Utility also anticipates issuing the Sewage Works Revenue Bonds, Series 2019B (the "Series 2019B Bonds" or the "Future Bonds") in the par amount of \$63,000,000. The Future Bonds will finance other parts of the IOCP and SWMP projects.

#### **Significant Accounting Policies**

##### **Reporting Entity:**

The financial statements of the Utility, a component unit (Enterprise Fund) of the City of Evansville, Indiana, conform to generally accepted accounting principles for state and local governments. The Utility provides sewer services for the greater Evansville area. These services primarily consist of sewage collection and treatment services to the City of Evansville and the surrounding area. The Utility had 53,599 customers at December 31, 2018.

(Continued on next page)

## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES**

#### **See Accountants' Compilation Report**

#### **Basis of Accounting:**

The Utility reports its financial statements using the economic resources measurement focus and the accrual basis of accounting as prescribed by the Governmental Accounting Standards Board. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Capital Assets:** Property and equipment are recorded at actual or estimated historical cost. Maintenance and repairs are charged to operating expense as incurred; major renewals and betterments are capitalized. Contributed or donated assets are reported at estimated fair value at the time received. The capitalization threshold for the Utility is \$5,000.

**Depreciation:** Depreciation is computed on the straight-line method, using a composite depreciation rate based on the estimated useful service lives of various classes of property.

**Operating revenue:** Operating revenues are based on monthly billings and are recorded when billed.

**Prepaid items:** 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.

**Accounts Receivable:** Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for uncollectibles.

**Deferred Outflows of Resources:** A consumption of net position that is applicable to a future reporting period, and have a positive effect on net position. However, are not assets and are classified as such.

**Deferred Inflows of Resources:** An acquisition of net position that is applicable to a future reporting period, and have a negative effect on net position. However, are not liabilities and are classified as such.

**Regulatory Assets:** Costs associated with the issuance of bonds are capitalized as regulatory assets and amortized over the life of the related bonds.

**Net Pension Liability, Pension Expense and Defined Benefit Pension Deferred Outflows and Inflows:** Presented in accordance with GASB 68 with the liability, deferred outflows, expense and contributions.

**Basis of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(Continued on next page)



## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

See Accountants' Compilation Report

#### Significant Assumptions and Notes

##### (1) Proposed Improvement Projects and Related Bond Issues

The Utility, acting through the Water and Sewer Board and the Common Council, has proposed multiple projects and bond issues as follows:

- (A) The Proposed Financing includes construction, construction contingencies and engineering for the Combined Sewer Overflow (“CSO”) projects, the East Wastewater Treatment Plant (“WWTP”) Secondary Rehab and engineering. The proposed construction and contingency costs are estimated to be \$29,646,044. Construction and engineering costs are based on a combination of estimates provided by the consulting engineers, as not all the projects have been bid as of the date of this report. Estimated non-construction costs include an underwriter’s discount and an allowance for bond issuance costs and are estimated to be \$500,556. Construction is assumed to commence April 2019 and be substantially complete by year end 2020. The project will be financed from the proceeds of the Series 2019A Bonds anticipated to be issued through the open market and interest earnings during construction.
- (B) The Future Financing or the Series 2019B Bonds are anticipated to be issued through the Indiana State Revolving Fund Loan Program (“SRF”). The par amount for the Bonds is anticipated to be \$63,000,000. The Series 2019B Bonds are anticipated to be issued in December of 2019.
- (C) The Utility is currently in discussions with the Environmental Protection Agency (“EPA”) regarding the timing and sizes of future projects. Based on their discussions with the EPA, the timing and sizes of any additional future bonds are subject to change. Since the timing and size of any additional debt is not currently known, no additional bonds have been included for purposes of the forecast report. Once the final size and timing of the Future Bonds has been determined, the Utility may need to evaluate their current rates and charges as well as seek additional authorization to issue debt through the Water and Sewer Board and the Common Council.

##### (2) Revenues

- (A) The metered revenues and industrial surcharges for forecasted years 2019 and 2020 are based on calendar year 2018 revenues and have been adjusted to reflect the increased revenues from the rate increases of 13% and 7% respectively based on Ordinance No. F-2016-31 approved by the Common Council on October 24, 2016. In addition, the revenues reflect information provided in the City’s IOCP with an assumed 88% realization of revenue increases to account for rate fatigue. 2021 assumes no additional increase in rates at this time. However, the Utility is expected to complete an analysis of rates and charges to update rates for 2021 and thereafter. Since the results of that analysis are currently unknown, the forecast does not include any increase in rates for 2021.

(Continued on next page)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

(Cont'd)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES**

**See Accountants' Compilation Report**

(2) Revenues: (Cont'd)

- (B) The refuse service revenues for forecasted years 2019 through 2021 are based on the assumption that the expenses for residential refuse service and recycling contract and street sweeping increase 3% annually.
- (C) The connection fees for forecasted years 2019 through 2021 are based on normalized collections for the Test Year and adjusted for the adopted increases in connection fees pursuant to Ordinance No. G-2015-13.
- (D) The pretreatment charges for forecasted years 2019 through 2021 are based on the Cost of Service Study dated August 1, 2016 (the "COSS") and Ordinance No. G-2017-10.
- (E) Other operating revenues are based on the historical three-year average from 2016 through 2018. They are forecasted to remain constant through 2021.
- (F) Industrial surcharges and fines were abnormally high in 2018 due to certain companies not filing timely for their evaporated water credit. Forecasted years 2019 through 2021 assume the abnormalities will be corrected and forecasted amounts are based on the 2019 budgeted amount for industrial surcharges and fines.

(3) Operating and Maintenance Expenses

Forecasted operating expenses are based upon the recorded results of operations for the twelve months ended December 31, 2018 (the "Test Year"), adjusted for fixed, known and measurable changes. The significant assumptions underlying the forecasted operating expenses are summarized as follows:

- (A) Expenses for forecasted years 2019, 2020 and 2021 have been forecasted based on a historical five-year average (2014 – 2018) by expense line item plus additional budget information from management on anticipated increases or decreases in costs. In addition, due to the wastewater expansion project, certain expenses have been further adjusted as described in the following paragraphs.
- (B) Forecasted years 2019 through 2021 each assume an annual inflationary factor of 4.00%, except for refuse, which assumes a 3% annual inflationary factor.
- (C) Management anticipates moving toward ultraviolet (UV) disinfection at the WWTPs which will increase power costs but will also reduce chemical costs by eliminating chlorine and sodium bisulfite needed in the treatment process. Management anticipates the increase in purchased power associated with the UV disinfection will be partially offset by the Sewage Works ability to generate electricity using methane from the East WWTP.

(Continued on next page)

## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

#### See Accountants' Compilation Report

(3) Operation and Maintenance Expenses (Cont'd)

- (D) Management anticipates additional expenses associated with projects that were financed from proceeds of the Sewage Works Revenues Bonds, Series 2018B-1 and 2018B-2. It is anticipated an extra \$180,000 annually in purchased power will be required starting in 2020 to power the Effluent Pump Station once construction is complete. An additional \$192,000 annually in purchased power will be required to power the West WWTP starting in 2021 once the expansion project is complete.
- (E) Finally, management anticipates an additional \$1,262,000 from 2019 through the end of the forecast period to be paid to the Evansville Waterworks District for the sewer's portion of the computer services contract for the Evansville Water and Sewer Utilities. Additionally, \$637,500 will be paid to the Waterworks for the sewer's portion of the West Monroe IT Infrastructure contract for forecasted years 2020 and 2021.

(4) Non-Operating Revenues

- (A) Other non-operating revenues are based on the historical average for years 2016 through 2018.
- (B) Forecasted interest income: Based upon the assumed investment of 75% of available operating funds at an assumed annual interest rate of 0.5% on the average cash balance. The reserve fund assumes a 100% investment of the available fund balance at an assumed annual interest rate of 2.0%. The construction fund assumes a 100% investment of available funds at an assumed 1.50% annual interest rate on the average cash balance.
- (C) The Series 2010B-1 Bonds are Build America Bonds or ("BABs") and the City has elected to receive a credit from the United States Treasury equal to 35% of the stated interest paid. Due to the sequestration by the United States Congress for fiscal year 2019, the subsidy payment has been reduced 6.2% for each year through July 1, 2027.

(5) Debt Service

Debt Service Payments: Principal and interest payments on the Utility's outstanding bonds and proposed Series 2019A Bonds are forecasted to average \$27,568,485 annually as shown on page B-22 based on the five years ending July 1, 2024.

Principal and interest payments on the outstanding bonds and proposed Series 2019A Bonds and proposed Series 2019B Bonds are forecasted to average \$29,236,537 annually as shown on page B-25 based on the five years ending July 1, 2024.

The Series 2019A Bonds have been amortized over a 21 year 3 month period at assumed interest rates thorough a competitive sale as shown on page B-20. This forecast assumes the Series 2019A Bonds are sold on the open market with closing anticipated to be April 9, 2019.

(Continued on next page)

## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

#### See Accountants' Compilation Report

(5) Debt Service (Cont'd)

The Series 2019A Bond's first principal payment is scheduled to be made July 1, 2024. Principal is to be paid annually thereafter through July 1, 2037 and semiannually beginning January 1, 2038. Interest payments are scheduled to be made semiannually on January 1<sup>st</sup> and July 1<sup>st</sup> beginning July 1, 2019

The Series 2019B Bonds are assumed to be issued December 11, 2019 and are amortized at an assumed interest rate resulting from a sale to the Indiana State Revolving Loan Program ("SRF") as shown on page B-24.

The outstanding sewage works revenue bonds are presented on pages B-36 to B-58 and include the 2007 Series A Bonds, the 2007 Series B Bonds, the 2008 Series B Bonds, the 2009 Bonds (2018 Reissued Bonds), the Series 2010A Bonds (2018 Reissued Bonds), the Series 2010B-1 Bonds, the Series 2011C Bonds, the Series 2011D Bonds, the Series 2012E Bonds (2018 Reissued Bonds), the Series 2013A Bonds, the Series 2013B Bonds, the Series 2014A Bonds, the Series 2014B Bonds, the Series 2014C Bonds, the Series 2014D the Series 2016A Bonds, the Series 2016B Bonds, the Series 2016C Bonds, the Series 2017A Bonds, the Series 2018A Bonds, the Series 2018B-1 Bonds and the Series 2018B-2 Bonds.

(6) Debt Service Reserve Account

The Reserve Fund requirement is assumed to be the maximum annual combined principal and interest payment on the outstanding, proposed and future bonds.

The additional debt service reserve requirements for the proposed Series 2019A Bonds and the Future Bonds are anticipated to be funded over a five-year period from the date of issuance through Utility revenues.

(7) Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired.

(8) Interfund Transactions

During the course of its operation, the Utility has numerous transactions with the governmental funds and other enterprise funds to provide goods and services. To the extent that these transactions have not been paid or received at year-end, balances of these assets/liabilities have been recorded in the statement of net position. The forecasted statement of net position assumes the balance at December 31, 2018 will change based on 1 months forecasted expense for the customer account expense line in the corresponding year. The subsequent forecasted years each assume a 3% inflationary factor.

(Continued on next page)

## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

#### See Accountants' Compilation Report

(9) Deposits and Investments

State statute (IC 5-13-9) authorizes the City to invest in securities holding, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Nonparticipating certificates of deposit, demand deposits, and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

(10) Pension Liabilities

Most employees of the City have pensions funded under the Public Employees' Retirement Fund of the State of Indiana. As of December 31, 2018, the Utility had an accrued net pension liability of \$2,919,731.

(9) Risk Management

The City, including the Utilities, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties.

(10) Compensated Absences

i) Sick Leave: Full-time Non-Union Utility employees are awarded 8 sick days per year. Unused sick leave may be accumulated to a maximum of 60 days. Accumulated sick leave is paid to employees through cash payments upon retirement to a maximum of 30 days, provided the employee has 5 years of continuous service.

Union Utility employees earn sick leave at the rate of 9 days per year. Unused sick leave may be accumulated indefinitely. Accumulated sick leave is paid to an employee through cash payments upon retirement up to a maximum of 42 days.

ii) Vacation Leave: Utility employees earn vacation leave at rates from 10 days to 30 days per year based upon the number of years of service. Employees are expected to use earned vacation time by the end of the next succeeding employment year. Non-Union employees can carry over 50 percent of their annual vacation entitlement for use in the following year. Accumulated vacation leave is paid to employees through cash payments upon death, retirement, or termination. If an employee is terminated for cause, all accrued benefits are forfeited.

(Continued on next page)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

(Cont'd)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES**

**See Accountants' Compilation Report**

(10) Compensated Absences (Cont'd)

- iii) Compensatory time is available to employees for hours they work beyond 40 hours in a week with approval of the employee's supervisor.
- iv) Personal Leave: Utility employees earn personal leave at a rate of 3 days per year. Personal leave is not paid to employees upon termination and does not accumulate from year to year.

(11) Replacements and Improvements (Capital Additions)

The Utility's cash expenditures for replacement and improvements are assumed to be \$15,564,600 for forecasted years 2019 through 2021 based on information from Management and the recent IOCP submittal which includes CMOM. It is assumed that 30% of annual expenditures will accumulate in Construction Work in Progress and will close to Utility Plant in the subsequent year.

(12) Restricted Accounts

- (A) Operation and Maintenance Fund - The forecasted balance is assumed to be equal to two months' forecasted cash operating expenses.
- (B) Bond and Interest Fund – The forecasted balance assumes the interest payments due January 1<sup>st</sup> each year are paid on January 1<sup>st</sup>. It is also assumed the bond fund at December 31<sup>st</sup> of each forecasted year has six (6) months of accumulated principal transfers of the principal payments due July 1<sup>st</sup> of the succeeding year.
- (C) Debt Service Reserve Fund – The Reserve requirement for the Utility's outstanding bonds is currently being funded by monthly transfers until the account is equal to the maximum annual combined principal and interest payment on the outstanding bonds (\$26,732,949). The additional reserve requirements for the proposed Series 2019A Bonds and the future Series 2019B Bonds will be equal to the maximum annual combined principal and interest payments on the then outstanding bonds and will be funded over a five-year period through Utility revenues.
- (D) WWTP Replacement Fund – No minimum balance is required per the bond resolution. However, the Reserve Policy established by the Water and Sewer Board on November 1, 2016 has a targeted minimum balance of \$3,000,000.
- (E) Improvement Fund – Any additional funds which are over the targeted minimum balance in the WWTP Replacement Fund are set aside in the Improvement Fund and are available for transfer to the Operation and Maintenance Fund or can be used for capital improvements. The funds in the Improvement Fund are unrestricted.

(Continued on next page)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

(Cont'd)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES**

**See Accountants' Compilation Report**

(12) Restricted Accounts (Cont'd)

- (F) Construction Fund - The forecasted balance assumes that the remaining proceeds from the Series 2019A Bonds, after the payment of current costs of issuance are deposited to the construction fund. Construction cash related to the Series 2019A Bonds is assumed to be drawn down over the assumed construction period of 20 months.

The Utility issued the Series 2018A Bonds through the SRF in April of 2018. The Series 2018A Bonds are assumed to be drawn down over the assumed construction period. Therefore, proceeds are not reflected in the Construction Fund balance, but are reflected through the State Revolving loans payable and Construction Work in Progress accounts on the Statement of Net Position.

The Utility issued the Series 2018B Bonds through the SRF in December of 2018. A contingent liability has been booked for year end 2018 to show that the remaining \$25,305,399 to be drawn down from SRF was received by the Utility in January of 2019. These funds are assumed to be drawn down by the end of June 2021.

The Utility anticipates issuing the Series 2019B Bonds through the SRF. The Series 2019B Bonds are issued as draw loans assumed to be drawn down over the assumed construction period. Therefore, proceeds are not reflected in the Construction Fund balance, but are reflected through the State Revolving loans payable and Construction Work in Progress accounts on the Statement of Net Position.

The Utility's current Construction Fund balance includes proceeds from the 2013B Bonds, 2014A Bonds, 2014B Bonds, 2014C Bonds, 2016A Bonds, 2017A Bonds, and the 2018B Bonds. The construction cash related to the 2013B Bonds, 2014A Bonds, 2014B Bonds, and 2014C Bonds is assumed to be expended by the end of 2019. Construction cash related to the 2016A Bonds is assumed to be expended by the end of 2020. Construction cash related to the 2017A Bonds and the 2018B Bonds is assumed to be to be expended by the end of 2021. The Utility is also in the process of drawing down amounts on the 2014D Bonds, the 2016B Bonds, the 2016C Bonds and 2018A Bonds issued through the SRF. The drawdown of these funds are paid directly to the contractors and are not reflected in the Construction Fund balance, but are reflected through the State Revolving loans payable and Construction Work in Progress accounts on the Statement of Net Position.

(13) Build America Bonds 35% Interest Subsidy Payment

These financial forecasts assume a subsidy payment from the U.S. Treasury equal to 35% of the interest payments due on the Build America Bonds displayed on page B-41 adjusted for the 6.2% sequestration reduction. Federal tax law contains a number of requirements that apply to the 2010 B-1 Bonds in order for them to be and remain qualified as "Build America Bonds" under Section 54AA(d) of the Code and "qualified bonds" under Section 54Aa(g) of the Code (any bonds which are so qualified, "Qualified Build America Bonds"), including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. Failure to comply with certain of such requirements could cause the 2010 B-1 Bonds to not be Qualified Build America

(Continued on next page)

## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES

#### See Accountants' Compilation Report

(13) Build America Bonds 35% Interest Subsidy Payment (Cont'd)

Bonds retroactively to the date of issuance of the 2010 B-1 Bonds. If for any reason the 2010 B-1 Bonds are not Qualified Build America Bonds, the City will not be entitled to receive a Subsidy Payment.

No assurances are provided that the City will receive any Subsidy Payments. The amount of any Subsidy Payment is subject to legislative changes by Congress. There are currently no procedures for requesting a Subsidy Payment after the 45th day prior to an interest payment date; therefore, if the City fails to file the necessary tax return in a timely fashion, it is possible that the City will never receive such Subsidy Payment. Also, such Subsidy Payments are subject to offset against certain amounts that may, for unrelated reasons, be owed by the City to an agency of the United States of America.

(14) Litigation

The United States Department of Justice ("DOJ"), Environmental Protection Agency ("EPA") and Indiana Department of Environmental Management ("IDEM") have undertaken legal proceedings against the City, by and through its Water and Sewer Utility, concerning an enforcement action of the Clean Water Act. The City, DOJ, EPA, and IDEM have reached a settlement with respect to a consent decree to its combined and sanitary sewer overflows. The City is not unique in its need to address with the regulatory agencies overflows from its combined sewer system. Approximately forty percent (40%) of the sewer systems in Evansville are combined, sanitary and storm drains which result in overflows into streams, and, ultimately, the Ohio River in severe wet weather events. The City has been very active in its attempts at mitigating the severe penalties and damages which may be assessed, including pursuing legal actions for indemnity and contribution from EMC, the City's prior private management firm, and previous and current insurance carriers. The City has paid a \$490,000 civil penalty to resolve all claims and liability for alleged past violations. The City submitted the Integrated Overflow Control Plan ("IOCP") to the EPA on May 31, 2013. The IOCP submitted provides for a \$540 million program implemented over 28 years.

On June 16, 2014 the EPA and IDEM, informed the City that they were not going to approve the IOCP as submitted due to several technical reasons. In response the City issued a Notice of Dispute regarding the disapproval as allowed by the consent decree.

On December 16, 2015 the City reached an agreement with the EPA, DOJ and IDEM for Evansville's federally mandated IOCP, known as Renew Evansville. Under the terms of the agreement, Evansville will spend \$729,000,000 over 24 ½ years to significantly upgrade the City's Sewage Works infrastructure, improve operations and dramatically reduce water pollution to comply with the Clean Water Act.

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**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

(Cont'd)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ASSUMPTIONS AND NOTES**

**See Accountants' Compilation Report**

(14) Litigation (Cont'd)

The City's Sewage Works Utility must reduce the number of combined sewer overflow ("CSO") events – wastewater that overflows into the Ohio River and Pigeon Creek during wet weather events – to no more than four per year. These improvements and related bond issues will require increases in sewer rates and charges in order to provide adequate revenues for the resulting debt service requirements and the necessary debt service coverage. The City's Common Council must adopt a rate ordinance to adjust sewage rates. Due to revisions in planning level costs, the City has re-opened discussion with the DOJ, EPA and IDEM in order to seek revisions to the proposed timing and nature of the upgrades to the City's Sewage Works Infrastructure. At the time of this forecast, no decisions or agreements have been made with the City and the DOJ, EPA or IDEM.

(15) Union Contracts

The Utility currently employs 78 personnel with representation by a union as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Teamsters Union	Sewage Works	67	December 31, 2020

(16) Long-Term Debt

Long-term debt consists of sewage works revenue bonds secured by the net revenues of the Utility. The amortization of the proposed Series 2019A Bonds is shown on page B-20. The amortization schedule for the proposed Series 2019B Bonds are shown on page B-24. The amortization of the outstanding bonds is shown on pages B-36 to B-58. The proposed bonds will be issued on parity with the outstanding bonds.

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**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SUPPLEMENTAL INFORMATION TO FORECASTED FINANCIAL STATEMENTS**



## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

### GENERAL COMMENTS

The City of Evansville, Indiana (the "City"), proposes to issue \$30,000,000 par amount of Sewage Works Revenue Bonds, Series 2019A (the "Series 2019A Bonds"). Proceeds from the sale of the Series 2019A Bonds, after payment of issuance costs, will be used to provide funds to be applied to the costs of the various capital improvements for the IOCP and SWMP projects.

#### Schedule of Estimated Project Costs and Funding - *Proposed Financing* - Page B-19

This schedule presents estimated project costs and sources of funding. The construction costs and contingencies are based on estimates provided by the consulting engineers.

The primary funding sources for the projects are the proposed Series 2019A Bonds and interest earnings during construction.

#### Schedule of Amortization of \$30,000,000 Principal Amount of Proposed Sewage Works Revenue Bonds, Series 2019A - Page B-20

The amortization of the \$30,000,000 par amount of the Series 2019A Bonds is presented in this schedule. The Series 2019A Bonds are anticipated to be dated April 9, 2019 and will mature over a period of approximately 21 years and 3 months ending July 1, 2040. Principal is scheduled to be payable annually on July 1<sup>st</sup> beginning July 1, 2024 through July 1, 2037 and semiannually January 1<sup>st</sup> and July 1<sup>st</sup> thereafter. Interest will be payable semiannually on January 1<sup>st</sup> and July 1<sup>st</sup> beginning July 1, 2019 at tax-exempt interest rates resulting from a competitive sale.

#### Schedule of Proposed Combined Bond Amortization – Pages B-21 and B-22

This schedule combines the amortization of the proposed Series 2019A Bonds and the outstanding indebtedness of the Utility.

#### Schedule of Estimated Project Costs and Funding - *Future Financing* - Page B-23

This schedule presents estimated project costs and estimated sources of funding for the proposed future financing. The construction costs and contingencies are based on estimates provided by Utility Management and consulting engineers.

The primary funding source for the projects is the proposed Series 2019B Bonds.

#### Schedule of Amortization of \$63,000,000 Principal Amount of Proposed Sewage Works Revenue Bonds, Series 2019B - Page B-24

The amortization of the \$63,000,000 of Series 2019B Bonds is presented in this schedule. The Series 2019B Bonds are assumed to be dated December 11, 2019 and will mature over a period of 21 years and 7 months ending July 1, 2041. Principal is scheduled to be payable annually on July 1<sup>st</sup>, beginning July 1, 2022 through July 1, 2037 and semiannually January 1<sup>st</sup> and July 1<sup>st</sup> thereafter. Interest will be payable semiannually on January 1<sup>st</sup> and July 1<sup>st</sup> beginning July 1, 2020 at a blended SRF subsidized and pooled interest rate of 2.905%.

(Continued on next page)

## **EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**(Cont'd)**

### **GENERAL COMMENTS**

#### **Schedule of Proposed Combined Bond Amortization - Page B-25**

This schedule combines the amortization of the proposed Series 2019A Bonds and the Future Bonds with the outstanding indebtedness of the Utility.

#### **Computation of Forecasted Bond Coverage - Page B-26**

This schedule presents the forecasted annual debt service coverage based upon the forecasted annual principal and interest payments on the outstanding, proposed and future bonds assuming semiannual interest rates on the proposed bonds as shown on pages B-20 and B-24. The computations are based upon forecasted operating revenues and interest income less the forecasted annual operation and maintenance expenses for the forecasted calendar years 2019, 2020 and 2021.

#### **Summary of Present and Future Rates and Charges - Pages B-27 and B-28**

These schedules display the present and future rates and charges. The present rates were effective beginning January 1, 2019 and were adopted pursuant to Ordinance No. F-2016-31 by the Common Council on October 24, 2016. The future rates provide for an additional phase which becomes effective on January 1, 2020.

## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

### **SCHEDULE OF ESTIMATED PROJECT COSTS AND FUNDING -*PROPOSED FINANCING*** **(Per Utility Management & Consulting Engineers)**

#### Estimated Project Costs

##### Estimated Construction Costs, Contingencies and Engineering:

###### Combined Sewer Overflow:

Akin Park	\$4,000,000
Green Infrastructure	13,540,000
State Hospital	2,190,144

###### Treatment Plant:

East WWTP Secondary Rehab	6,878,000
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###### Engineering:

Program Management Fees	600,000
Engineering Services - CES/RPR	1,000,000
AFP Bee Slough II	500,000
Additional Funds	937,900

Total Estimated Construction Costs, Contingencies and Engineering	29,646,044
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##### Estimated Non-Construction Costs:

Underwriter's discount (1%)	300,000
Allowance for legal, financial advisory, bond issuance costs, general project contingencies and rounding	200,556

Total Estimated Non-Construction Costs	500,556
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Total Estimated Project Costs	\$30,146,600
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#### Estimated Project Funding

Proposed Sewage Works Revenue Bonds, Series 2019A	\$30,000,000
Estimated Interest Earnings	146,600

Total Estimated Project Funding	\$30,146,600
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(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$30,000,000 PRINCIPAL AMOUNT OF  
PROPOSED SEWAGE WORKS REVENUE BONDS, SERIES 2019A**

**Principal payable annually July 1st, beginning July 1, 2021  
and semiannually on January 1st and July 1st beginning January 1, 2038.  
Interest payable semiannually January 1st and July 1st, beginning July 1, 2019.  
Assumes bonds dated April 9, 2019.  
Assumed interest rates as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Assumed Interest Rates (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$30,000			\$238,269.79	\$238,269.79	\$238,269.79
01/01/20				523,031.25	523,031.25	
07/01/20	30,000			523,031.25	523,031.25	1,046,062.50
01/01/21				523,031.25	523,031.25	
07/01/21	30,000			523,031.25	523,031.25	1,046,062.50
01/01/22				523,031.25	523,031.25	
07/01/22	30,000			523,031.25	523,031.25	1,046,062.50
01/01/23				523,031.25	523,031.25	
07/01/23	30,000			523,031.25	523,031.25	1,046,062.50
01/01/24				523,031.25	523,031.25	
07/01/24	30,000	3.00	\$1,355	523,031.25	1,878,031.25	2,401,062.50
01/01/25				502,706.25	502,706.25	
07/01/25	28,645	3.00	1,395	502,706.25	1,897,706.25	2,400,412.50
01/01/26				481,781.25	481,781.25	
07/01/26	27,250	3.00	1,435	481,781.25	1,916,781.25	2,398,562.50
01/01/27				460,256.25	460,256.25	
07/01/27	25,815	3.00	1,480	460,256.25	1,940,256.25	2,400,512.50
01/01/28				438,056.25	438,056.25	
07/01/28	24,335	3.00	1,525	438,056.25	1,963,056.25	2,401,112.50
01/01/29				415,181.25	415,181.25	
07/01/29	22,810	3.00	1,570	415,181.25	1,985,181.25	2,400,362.50
01/01/30				391,631.25	391,631.25	
07/01/30	21,240	3.00	1,615	391,631.25	2,006,631.25	2,398,262.50
01/01/31				367,406.25	367,406.25	
07/01/31	19,625	3.25	1,665	367,406.25	2,032,406.25	2,399,812.50
01/01/32				340,350.00	340,350.00	
07/01/32	17,960	3.25	1,720	340,350.00	2,060,350.00	2,400,700.00
01/01/33				312,400.00	312,400.00	
07/01/33	16,240	3.50	1,775	312,400.00	2,087,400.00	2,399,800.00
01/01/34				281,337.50	281,337.50	
07/01/34	14,465	3.50	1,835	281,337.50	2,116,337.50	2,397,675.00
01/01/35				249,225.00	249,225.00	
07/01/35	12,630	3.75	1,900	249,225.00	2,149,225.00	2,398,450.00
01/01/36				213,600.00	213,600.00	
07/01/36	10,730	3.75	1,975	213,600.00	2,188,600.00	2,402,200.00
01/01/37				176,568.75	176,568.75	
07/01/37	8,755	4.00	2,045	176,568.75	2,221,568.75	2,398,137.50
01/01/38	6,710	4.00	1,065	135,668.75	1,200,668.75	
07/01/38	5,645	4.00	1,085	114,368.75	1,199,368.75	2,400,037.50
01/01/39	4,560	4.00	1,110	92,668.75	1,202,668.75	
07/01/39	3,450	4.00	1,125	70,468.75	1,195,468.75	2,398,137.50
01/01/40	2,325	4.00	1,150	47,968.75	1,197,968.75	
07/01/40	1,175	4.25	1,175	24,968.75	1,199,968.75	2,397,937.50
Totals			<u>\$30,000</u>	<u>\$15,215,694.79</u>	<u>\$45,215,694.79</u>	<u>\$45,215,694.79</u>

(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)



**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF PROPOSED COMBINED BOND AMORTIZATION**  
**(Proposed Financing)**

Payment Date	Outstanding											Totals	Bond Year Totals
	2007 Series A Bonds	2007 Series B Bonds	2008 Series B Bonds	2009 Bonds (2018 Reissued)	Series 2010 A Bonds (2018 Reissued)	Series 2010 B-1 Bonds (1)	Series 2011 C Bonds	Series 2011 D Bonds	Series 2012 E Bonds (2018 Reissued)	Series 2013 A Refunding Bonds	Series 2013B Bonds		
7/1/19	\$2,257,086.20	\$436,943.00	\$1,098,833.80	\$319,814.50	\$82,799.50	\$1,395,003.74	\$218,438.60	\$20,622.07	\$69,643.50	\$3,334,125.00	\$1,327,950.00	\$10,561,259.91	\$10,561,259.91
1/1/20	255,991.50	50,616.00	159,772.60	318,803.00	81,788.00	435,404.34	43,540.40	19,605.84	68,632.00	100,050.00	692,450.00	2,226,653.68	
7/1/20	2,289,991.50	443,616.00	1,114,772.60	319,803.00	82,788.00	1,405,404.34	221,540.40	20,605.84	69,632.00	3,360,050.00	1,352,450.00	10,680,653.68	12,907,307.36
1/1/21	222,837.30	44,072.55	144,206.10	318,791.50	81,776.50	419,930.05	40,541.10	19,589.61	68,620.50	75,600.00	675,950.00	2,111,915.21	
7/1/21	2,322,837.30	450,072.55	1,130,206.10	319,791.50	82,776.50	1,419,930.05	224,541.10	20,589.61	69,620.50	3,385,600.00	1,525,950.00	10,951,915.21	13,063,830.42
1/1/22	188,607.30	37,312.65	128,134.30	318,780.00	81,765.00	402,465.85	37,440.70	19,573.38	68,609.00	50,775.00	654,700.00	1,988,163.18	
7/1/22	2,356,607.30	456,312.65	1,146,134.30	319,780.00	82,765.00	1,432,465.85	228,440.70	20,573.38	69,609.00	3,410,775.00	1,589,700.00	11,113,163.18	13,101,326.36
1/1/23	153,268.90	30,336.30	111,540.90	318,768.50	81,753.50	384,477.72	34,222.35	19,557.15	68,597.50	25,575.00	631,325.00	1,859,422.82	
7/1/23	2,392,268.90	463,336.30	1,162,540.90	319,768.50	82,753.50	1,444,477.72	231,222.35	20,557.15	69,597.50	3,435,575.00	1,591,325.00	11,213,422.82	13,072,845.64
1/1/24	116,773.20	23,126.85	94,409.60	318,757.00	81,742.00	365,965.67	30,902.90	19,540.92	68,586.00		607,325.00	1,727,129.14	
7/1/24	2,428,773.20	471,126.85	1,179,409.60	319,757.00	82,742.00	2,345,965.67	234,902.90	144,540.92	69,586.00		1,667,325.00	8,944,129.14	10,671,258.28
1/1/25	79,087.60	15,667.65	76,724.10	318,745.50	81,730.50	331,386.55	27,465.50	17,512.17	68,574.50		586,125.00	1,603,019.07	
7/1/25	2,466,087.60	478,667.65	1,197,724.10	319,745.50	82,730.50	2,381,386.55	237,465.50	145,512.17	69,574.50		1,701,125.00	9,080,019.07	10,683,038.14
1/1/26	40,179.50	7,958.70	58,451.80	318,734.00	81,719.00	295,584.94	23,927.00	15,434.73	68,563.00		558,250.00	1,468,802.67	
7/1/26	2,505,179.50	485,958.70	1,215,451.80	319,734.00	82,719.00	2,415,584.94	241,927.00	145,434.73	69,563.00		1,833,250.00	9,314,802.67	10,783,605.34
1/1/27			39,592.70	318,722.50	81,707.50	254,288.83	20,253.70	13,324.83	68,551.50		526,375.00	1,322,816.56	
7/1/27			1,234,592.70	319,722.50	82,707.50	2,449,288.83	245,253.70	154,324.83	69,551.50		1,926,375.00	6,481,816.56	7,804,633.12
1/1/28			20,114.20	318,711.00	81,696.00	201,844.50	16,462.45	11,036.40	68,540.00		491,375.00	1,209,779.55	
7/1/28			1,254,114.20	319,711.00	82,696.00	2,481,844.50	248,462.45	161,036.40	69,540.00		2,121,375.00	6,738,779.55	7,948,559.10
1/1/29				318,699.50	81,684.50	155,902.50	12,553.25	8,601.90	68,528.50		450,625.00	1,096,595.15	
7/1/29				319,699.50	82,684.50	2,520,902.50	252,553.25	172,601.90	69,528.50		2,250,625.00	5,668,595.15	6,765,190.30
1/1/30				318,688.00	81,673.00	105,941.87	8,509.25	5,940.18	68,517.00		405,625.00	994,894.30	
7/1/30				319,688.00	82,673.00	2,565,941.87	256,509.25	180,940.18	69,517.00		2,445,625.00	5,920,894.30	6,915,788.60
1/1/31				318,676.50	81,661.50	53,974.37	4,330.45	3,099.93	68,505.50		354,625.00	884,873.25	
7/1/31				319,676.50	82,661.50	2,608,974.37	261,330.45	194,099.93	69,505.50		2,514,625.00	6,050,873.25	6,935,746.50
1/1/32				318,665.00	81,650.00				68,494.00		300,625.00	769,434.00	
7/1/32				319,665.00	82,650.00				69,494.00		2,565,625.00	3,037,434.00	3,806,868.00
1/1/33				318,653.50	81,638.50				68,482.50		244,000.00	712,774.50	
7/1/33				319,653.50	82,638.50				69,482.50		2,624,000.00	3,095,774.50	3,808,549.00
1/1/34				318,642.00	81,627.00				68,471.00		184,500.00	653,240.00	
7/1/34				319,642.00	82,627.00				69,471.00		2,684,500.00	3,156,240.00	3,809,480.00
1/1/35				318,630.50	81,615.50				68,459.50		122,000.00	590,705.50	
7/1/35				319,630.50	82,615.50				69,459.50		2,747,000.00	3,218,705.50	3,809,411.00
1/1/36				318,619.00	81,604.00				68,448.00		56,375.00	525,046.00	
7/1/36				319,619.00	82,604.00				69,448.00		2,311,375.00	2,783,046.00	3,308,092.00
1/1/37				318,607.50	81,592.50				68,436.50			468,636.50	
7/1/37				319,607.50	82,592.50				69,436.50			471,636.50	940,273.00
1/1/38				1,148,596.00	82,581.00				69,425.00			1,300,602.00	
7/1/38				1,149,051.00	82,569.50				69,413.50			1,301,034.00	2,601,636.00
1/1/39				2,635,391.00	551,558.00				69,402.00			3,256,351.00	
7/1/39				2,633,527.00	551,153.00				69,390.50			3,254,070.50	6,510,421.50
1/1/40				2,269,375.50	551,690.50				434,379.00			3,255,445.00	
7/1/40				2,270,099.50	551,159.00				434,170.00			3,255,428.50	6,510,873.50
1/1/41				2,271,547.50	551,570.00				433,915.00			3,257,032.50	
7/1/41				2,270,708.00	551,912.00				433,614.00			3,256,234.00	6,513,266.50
1/1/42				2,270,604.00	551,185.00				434,267.00			3,256,056.00	
7/1/42				2,271,224.00	551,400.50				433,862.50			3,256,487.00	6,512,543.00
1/1/43				2,271,556.50	551,547.00				433,412.00			3,256,515.50	
7/1/43				2,271,601.50	551,624.50				433,915.50			3,257,141.50	6,513,657.00
1/1/44				2,271,359.00	550,633.00				433,361.50			3,255,353.50	
7/1/44				2,271,584.00	551,584.00				433,761.50			3,257,174.50	6,512,528.00
1/1/45				550,454.50					434,104.00			984,558.50	
7/1/45				551,267.50					433,389.00			984,656.50	1,969,215.00
1/1/46									433,628.00			433,628.00	
7/1/46									433,809.50			433,809.50	867,437.50
1/1/47									433,933.50			433,933.50	
7/1/47												-	433,933.50
Totals	\$20,075,576.80	\$3,895,124.40	\$12,566,726.40	\$42,087,673.00	\$10,925,537.50	\$30,274,338.12	\$3,402,736.70	\$1,574,256.15	\$9,340,029.50	\$17,178,125.00	\$44,322,450.00	\$195,642,573.57	\$195,642,573.57

(1) Shown net of the BAB Subsidy revenues.

(Continued on next page)

(The Accountants' Compilation Report and the accompanying comments are an integral part of this statement.)

(Cont'd)

(Proposed Financing)

(3) Maximum principal and interest payment

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**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF ESTIMATED PROJECT COSTS AND FUNDING - *FUTURE FINANCING***

**(Per Utility Management & Consulting Engineers)**

**(Amounts rounded to nearest \$100)**

Estimated Project Costs

Estimated Construction Costs, Contingencies and Engineering:

Treatment Plant:

East WWTP Effluent Pumping Station	\$10,960,000
Expand Peak Treatment Capacity East WWTP	45,000,000

Engineering:

Program Management Fees	600,000
Engineering Services - CES/RPR	4,933,200
Additional Funds	<u>1,344,200</u>

Total Estimated Construction Costs, Contingencies and Engineering	<u>62,837,400</u>
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Estimated Non-Construction Costs:

Allowance for legal, financial advisory, bond issuance costs, general project contingencies and rounding	<u>162,600</u>
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Total Estimated Non-Construction Costs	<u>162,600</u>
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Total Estimated Project Costs	<u><u>\$63,000,000</u></u>
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Estimated Project Funding

Proposed Sewage Works Revenues Bonds, Series 2019B	<u><u>\$63,000,000</u></u>
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(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$63,000,000 PRINCIPAL AMOUNT OF  
PROPOSED SEWAGE WORKS REVENUE BONDS, SERIES 2019B**

**Principal payable annually July 1st, beginning July 1, 2022**

**and semiannually on January 1st and July 1st beginning January 1, 2038.**

**Interest payable semiannually January 1st and July 1st, beginning July 1, 2020.**

**Assumes bonds dated December 11, 2019.**

**Assumed interest rate as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Assumed Interest Rate * (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total (-----In Dollars-----)	
07/01/20	\$63,000			\$1,016,750.09	\$1,016,750.09	\$1,016,750.09
01/01/21				915,075.08	915,075.08	
07/01/21	63,000			915,075.08	915,075.08	1,830,150.16
01/01/22				915,075.08	915,075.08	
07/01/22	63,000	2.905	\$1	915,075.08	916,075.08	1,831,150.16
01/01/23				915,060.55	915,060.55	
07/01/23	62,999	2.905	1	915,060.55	916,060.55	1,831,121.10
01/01/24				915,046.02	915,046.02	
07/01/24	62,998	2.905	1	915,046.02	916,046.02	1,831,092.04
01/01/25				915,031.49	915,031.49	
07/01/25	62,997	2.905	1	915,031.49	916,031.49	1,831,062.98
01/01/26				915,016.96	915,016.96	
07/01/26	62,996	2.905	1	915,016.96	916,016.96	1,831,033.92
01/01/27				915,002.43	915,002.43	
07/01/27	62,995	2.905	1	915,002.43	916,002.43	1,831,004.86
01/01/28				914,987.90	914,987.90	
07/01/28	62,994	2.905	1	914,987.90	915,987.90	1,830,975.80
01/01/29				914,973.37	914,973.37	
07/01/29	62,993	2.905	12	914,973.37	926,973.37	1,841,946.74
01/01/30				914,799.07	914,799.07	
07/01/30	62,981	2.905	49	914,799.07	963,799.07	1,878,598.14
01/01/31				914,087.34	914,087.34	
07/01/31	62,932	2.905	88	914,087.34	1,002,087.34	1,916,174.68
01/01/32				912,809.14	912,809.14	
07/01/32	62,844	2.905	1,693	912,809.14	2,605,809.14	3,518,618.28
01/01/33				888,218.31	888,218.31	
07/01/33	61,151	2.905	1,779	888,218.31	2,667,218.31	3,555,436.62
01/01/34				862,378.33	862,378.33	
07/01/34	59,372	2.905	1,865	862,378.33	2,727,378.33	3,589,756.66
01/01/35				835,289.20	835,289.20	
07/01/35	57,507	2.905	2,320	835,289.20	3,155,289.20	3,990,578.40
01/01/36				801,591.20	801,591.20	
07/01/36	55,187	2.905	6,820	801,591.20	7,621,591.20	8,423,182.40
01/01/37				702,530.70	702,530.70	
07/01/37	48,367	2.905	9,407	702,530.70	10,109,530.70	10,812,061.40
01/01/38	38,960	2.905	5,031	565,894.02	5,596,894.02	
07/01/38	33,929	2.905	5,104	492,818.74	5,596,818.74	11,193,712.76
01/01/39	28,825	2.905	5,179	418,683.14	5,597,683.14	
07/01/39	23,646	2.905	5,254	343,458.16	5,597,458.16	11,195,141.30
01/01/40	18,392	2.905	5,330	267,143.81	5,597,143.81	
07/01/40	13,062	2.905	5,408	189,725.56	5,597,725.56	11,194,869.37
01/01/41	7,654	2.905	3,799	111,174.36	3,910,174.36	
07/01/41	3,855	2.905	3,855	55,993.88	3,910,993.88	7,821,168.24
Totals			<u>\$63,000</u>	<u>\$33,595,586.10</u>	<u>\$96,595,586.10</u>	<u>\$96,595,586.10</u>

\* Assumes a blended SRF subsidized and pooled interest rate adjusted for an allowance for interest rate risk.

(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)

## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

**SCHEDULE OF PROPOSED COMBINED BOND AMORTIZATION**  
(Proposed and Future Financing)

Payment Date	Total Outstanding	Outstanding											Proposed Series 2019A Bonds	Future Series 2019B Bonds	Net Totals	Net Bond Year Totals	Add back: BAB Debt Service Subsidy Payment	Gross Bond Year Totals
		Series 2014A Bonds	Series 2014B Bonds	Series 2014C Bonds	Series 2014D Bonds	Series 2016A Bonds	Series 2016B Bonds	Series 2016C Bonds	Series 2017A Bonds	Series 2018A Bonds	Series 2018B-1 Bonds	Series 2018B-2 Bonds						
	(Page B-21)																	
7/1/19	\$10,561,259.91	\$495,018.60	\$305,358.00	\$1,371,409.38	\$1,856,540.00	\$974,681.25	\$684,150.00	\$418,350.00	\$1,133,212.50	\$867,600.00	\$583,958.50	\$1,380,875.15	\$238,269.79		\$20,870,683.08	\$20,870,683.08	\$219,943.76 (2)	\$21,090,626.84
1/1/20	2,226,653.68	71,919.00	47,680.50	336,109.38	294,070.00	338,381.25	121,580.00	85,050.00	326,287.50	162,620.00	507,790.00	1,200,761.00	523,031.25		6,241,933.56			
7/1/20	10,680,653.68	500,919.00	308,680.50	1,381,109.38	1,872,070.00	983,381.25	689,580.00	421,050.00	1,146,287.50	874,620.00	507,790.00	1,200,761.00	523,031.25	\$1,016,750.09	22,106,683.65	28,348,617.21	425,616.32 (2)	28,774,233.53
1/1/21	2,111,915.21	66,685.20	44,940.00	320,434.38	278,290.00	331,931.25	115,900.00	81,690.00	313,987.50	155,500.00	507,790.00	1,200,761.00	523,031.25	915,075.08	6,967,930.87			
7/1/21	10,951,915.21	505,685.20	310,940.00	1,395,434.38	1,887,290.00	846,931.25	694,900.00	424,690.00	1,158,987.50	881,500.00	507,790.00	1,200,761.00	523,031.25	915,075.08	22,204,930.87	29,172,861.74	410,489.90 (2)	29,583,351.64
1/1/22	1,988,163.18	61,329.40	42,147.00	304,309.38	262,200.00	326,781.25	110,110.00	78,260.00	301,312.50	148,240.00	507,790.00	1,200,761.00	523,031.25	915,075.08	6,769,510.04			
7/1/22	11,113,163.18	511,329.40	314,147.00	1,409,309.38	1,903,200.00	831,781.25	701,110.00	428,260.00	1,171,312.50	888,240.00	534,513.00	1,201,761.00	523,031.25	916,075.08	22,447,233.04	29,216,743.08	393,418.30 (2)	29,610,161.38 (3)
1/1/23	1,859,422.82	55,839.40	39,291.00	287,734.38	245,790.00	321,731.25	104,200.00	74,760.00	288,262.50	140,840.00	507,402.52	1,200,744.40	523,031.25	915,060.55	6,564,110.07			
7/1/23	11,213,422.82	516,839.40	316,291.00	1,427,734.38	1,919,790.00	881,731.25	707,200.00	431,760.00	1,183,262.50	895,840.00	534,125.52	1,201,744.40	523,031.25	916,060.55	22,668,833.07	29,232,943.14	375,834.56	29,608,777.70
1/1/24	1,727,129.14	50,215.20	36,382.50	270,634.38	229,050.00	316,131.25	98,170.00	71,190.00	274,837.50	133,290.00	507,015.03	1,200,727.80	523,031.25	915,046.02	6,352,850.07			
7/1/24	8,944,129.14	522,215.20	319,382.50	1,445,634.38	1,937,050.00	951,131.25	713,170.00	435,190.00	1,194,837.50	903,290.00	533,738.03	1,201,727.80	1,878,031.25	916,046.02	21,895,573.07	28,248,423.14	357,738.66	28,606,161.80
1/1/25	1,603,019.07	44,456.80	33,411.00	253,009.38	211,970.00	309,781.25	92,020.00	67,550.00	261,037.50	125,590.00	506,627.55	1,200,711.20	502,706.25	915,031.49	6,126,921.49			
7/1/25	9,080,019.07	528,456.80	322,411.00	1,463,009.38	1,953,970.00	979,781.25	719,020.00	439,550.00	1,211,037.50	911,590.00	533,350.55	1,201,711.20	1,897,706.25	916,031.49	22,157,644.49	28,284,565.98	323,936.90	28,608,502.88
1/1/26	1,468,802.67	38,552.00	30,376.50	234,859.38	194,550.00	303,081.25	85,750.00	63,830.00	246,787.50	117,730.00	506,240.07	1,200,694.60	481,781.25	915,016.96	5,888,052.18			
7/1/26	9,314,802.67	533,552.00	325,376.50	1,479,859.38	1,971,550.00	923,081.25	724,750.00	443,830.00	1,226,787.50	918,730.00	532,963.07	1,201,694.60	1,916,781.25	916,016.96	22,429,775.18	28,317,827.36	288,940.12	28,606,767.48
1/1/27	1,322,816.56	32,513.00	27,279.00	216,184.38	176,780.00	296,881.25	79,360.00	60,030.00	232,087.50	109,720.00	505,852.58	1,200,678.00	460,256.25	915,002.43	5,635,440.95			
7/1/27	6,481,816.56	539,513.00	328,279.00	1,501,184.38	1,988,780.00	916,881.25	731,360.00	447,030.00	1,237,087.50	926,720.00	2,690,922.58	1,201,678.00	1,940,256.25	916,002.43	21,847,510.95	27,482,951.90	248,572.34	27,731,524.24
1/1/28	1,209,779.55	26,327.60	24,118.50	196,909.38	158,660.00	290,681.25	72,840.00	56,160.00	217,012.50	101,550.00	474,169.07	1,200,661.40	438,056.25	914,987.90	5,381,913.40			
7/1/28	6,738,779.55	546,327.60	332,118.50	1,521,909.38	2,007,660.00	815,681.25	737,840.00	451,160.00	1,252,012.50	935,550.00	2,682,401.07	1,201,661.40	1,963,056.25	915,987.90	22,102,145.40	27,484,058.80	217,371.00	27,701,429.80
1/1/29	1,096,595.15	19,983.60	20,884.50	177,034.38	140,170.00	285,103.13	66,190.00	52,210.00	201,487.50	93,210.00	442,149.70	1,200,644.80	415,181.25	914,973.37	5,125,817.38			
7/1/29	5,666,595.15	552,983.60	334,884.50	1,547,034.38	2,025,170.00	785,103.13	745,190.00	454,210.00	1,271,487.50	944,210.00	2,910,665.70	1,201,644.80	1,985,181.25	926,973.37	21,553,333.38	26,479,150.76	167,895.00	26,647,045.76
1/1/30	994,894.30	13,481.00	17,587.50	155,628.13	121,320.00	279,478.13	59,400.00	48,190.00	185,437.50	84,700.00	406,356.22	1,200,628.20	391,631.25	914,799.07	4,873,531.30			
7/1/30	5,920,894.30	559,481.00	338,587.50	1,575,628.13	2,044,320.00	694,478.13	751,400.00	459,190.00	1,285,437.50	952,700.00	2,904,946.22	1,201,628.20	2,006,631.25	963,799.07	21,659,121.30	26,532,652.60	114,091.26	26,646,743.86
1/1/31	884,873.25	6,819.80	14,217.00	133,440.63	102,090.00	274,550.00	52,480.00	44,080.00	168,937.50	76,020.00	370,126.67	1,200,611.60	367,406.25	914,087.34	4,609,740.04			
7/1/31	6,050,873.25	565,819.80	342,217.00	1,603,440.63	2,064,090.00	734,550.00	758,480.00	463,080.00	1,313,937.50	961,020.00	2,888,559.67	1,201,611.60	2,032,406.25	1,002,087.34	21,982,173.04	26,591,913.08	58,126.26	26,650,039.34
1/1/32	769,434.00	10,773.00	109,553.13	82,470.00	268,800.00	45,420.00	39,890.00	38,980.00	151,762.50	67,170.00	333,609.39	1,200,595.00	340,350.00	912,809.14	4,332,636.16			
7/1/32	3,037,434.00	345,773.00	1,629,553.13	2,083,470.00	3,003,800.00	765,420.00	466,890.00	1,341,762.50	970,170.00	2,805,481.39	1,201,595.00	2,060,350.00	2,605,809.14	2,231,508.16	22,317,508.16	26,650,144.32	-	26,650,144.32
1/1/33	712,774.50	7,255.50	84,853.13	62,460.00	227,775.00	38,220.00	35,620.00	33,912.50	133,912.50	58,140.00	297,767.24	1,200,578.40	312,400.00	888,218.31	4,059,974.58			
7/1/33	3,095,774.50	349,255.50	1,659,853.13	2,103,460.00	3,052,775.00	773,220.00	470,620.00	1,373,912.50	979,140.00	2,777,227.24	1,201,578.40	2,087,400.00	2,667,218.31	2,291,434.58	22,591,434.58	26,651,409.16	-	26,651,409.16
1/1/34	653,240.00	3,664.50	58,275.00	42,050.00	185,400.00	30,870.00	31,270.00	114,537.50	48,930.00	261,815.07	1,200,561.80	281,337.50	862,378.33	3,774,329.70				
7/1/34	3,156,240.00	352,664.50	1,693,275.00	2,124,050.00	3,110,400.00	779,870.00	475,270.00	1,399,537.50	987,930.00	2,749,850.07	1,201,561.80	2,116,337.50	2,727,378.33	2,287,436.70	22,874,364.70	26,648,694.40	-	26,648,694.40
1/1/35	590,705.50		29,662.50	21,230.00	141,525.00	23,380.00	26,830.00	93,656.25	39,540.00	225,738.57	1,200,545.20	249,225.00	835,289.20	3,477,327.22				
7/1/35	3,218,705.50		1,724,662.50	2,144,230.00	3,171,525.00	787,380.00	479,830.00	1,433,656.25	997,540.00	2,705,772.57	1,201,545.20	2,149,225.00	3,155,289.20	23,169,361.22	26,646,688.44	-	26,646,688.44	
1/1/36	525,046.00				96,075.00	15,740.00	22,300.00	71,881.25	29,960.00	189,778.07	1,200,528.60	213,600.00	801,591.20	3,166,500.12				
7/1/36	2,783,046.00				3,241,075.00	794,740.00	485,300.00	1,466,881.25	1,006,960.00	2,695,166.07	1,201,528.60	2,188,600.00	7,621,591.20	23,484,888.12	26,651,388.24	-	26,651,388.24	
1/1/37	468,636.50				48,900.00	7,950.00	17,670.00	49,212.50	20,190.00	153,449.95	1,200,512.00	176,568.75	702,530.70	2,845,620.40				
7/1/37	471,636.50				3,308,900.00	802,950.00	488,670.00	1,499,212.50	1,017,190.00	2,683,035.95	1,201,512.00	2,221,568.75	10,109,530.70	23,804,206.40	26,649,826.80	-	26,649,826.80	
1/1/38	1,300,602.00						657,960.00	775,650.00	519,220.00	1,339,347.95	1,934,598.40	1,200,668.75	5,596,894.02	13,324,941.12				
7/1/38	1,301,034.00						657,510.00	782,993.75	518,130.00	1,335,272.58	1,934,599.29	1,199,368.75	5,596,818.74	13,325,727.11	26,650,668.23	-	26,650,668.23	
1/1/39	3,256,351.00									1,334,111.26	1,938,610.88	1,202,668.75	5,597,683.14	13,329,425.03				
7/1/39	3,254,070.50									1,329,964.87	1,943,611.22	1,195,468.75	5,597,458.16	13,320,573.50	26,649,998.53	-	26,649,998.53	
1/1/40	3,255,445.00									1,573,152.15	1,702,343.40	1,197,968.75	5,597,143.81	13,326,053.11				
7/1/40	3,255,428.50									1,568,194.82	1,702,342.58	1,199,968.75	5,597,725.56	13,323,660.21	26,649,713.32	-	26,649,713.32	
1/1/41	3,257,032.50										3,250,267.66		3,910,174.36	10,417,474.52				
7/1/41	3,256,234.00										3,250,267.54		3,910,993.88	10,417,495.42	20,834,969.94	-	20,834,969.94	

# EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

## COMPUTATION OF FORECASTED BOND COVERAGE

(Amounts rounded to the nearest \$100)

	Calendar Year Ending		
	2019	2020	2021
Operating Revenues: (1)			
Residential	\$36,593,800	\$38,789,400	\$38,789,400
Industrial	11,459,000	12,146,500	12,146,500
Commercial	24,005,600	25,445,900	25,445,900
Public authority	3,118,900	3,306,000	3,306,000
Refuse services	5,310,100	5,469,400	5,633,500
Delinquent charges	1,052,700	1,115,900	1,115,900
Connection fees	1,121,800	1,121,800	1,121,800
Pretreatment charges	554,800	554,800	554,800
Industrial surcharges and fines	410,900	410,900	410,900
Other	574,200	574,200	574,200
Sub-totals	84,201,800	88,934,800	89,098,900
Forecasted Interest Income (1)	549,500	639,300	720,400
BAB Debt Service Subsidy Payment (1)	432,800	418,100	402,000
Total Available Revenues	85,184,100	89,992,200	90,221,300
Less: Forecasted Annual Operation and Maintenance Expense (1)	(32,336,100)	(34,394,000)	(35,907,100)
Forecasted Net Revenues Available for Debt Service	<u>\$52,848,000</u>	<u>\$55,598,200</u>	<u>\$54,314,200</u>
Forecasted Annual Principal and Interest Payment on the Outstanding, Proposed and future Bonds	<u>\$25,105,300</u>	<u>\$28,774,200</u>	<u>\$29,610,200</u> (2)
Forecasted Debt Service Coverage (3)	<u>211%</u>	<u>193%</u>	<u>183%</u>

(1) See page B-4. Interest income excludes income generated from construction cash and investments.  
BAB Subsidy amounts reflect actual cash collections.

(2) Maximum annual debt service payment. See page B-25.

(3) The forecasted debt service coverage including the payment in lieu of property taxes transfer of \$4,396,300, \$5,033,600 and \$5,256,200 is 193%, 176% and 166% for years 2019, 2020 and 2021, respectively.

(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)

# EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

## SUMMARY OF PRESENT AND FUTURE RATES AND CHARGES - INSIDE CITY (4 Year Phase-In)

	Present (1)	Future (2)
	Phase III	Phase IV
<b>INSIDE CITY</b>		
<b>Effective Date</b>	01/01/19	01/01/20
<b>Base Charge (Per Month)</b>		
<u>Meter Size:</u>		
5/8 inch meter	\$9.00	\$9.55
1 inch meter	16.30	17.35
1 1/2 inch meter	32.40	34.55
2 inch meter	52.75	56.35
3 inch meter	115.90	123.95
4 inch meter	198.55	212.35
6 inch meter	446.50	477.55
8 inch meter	791.65	846.75
10 inch meter	1,234.05	1,319.95
<b>Volumetric Rate (Per 1,000 Gallons) - COS Rates</b>		
Residential and Commercial	\$9.49	\$10.16
Industrial	6.23	6.66
Public Authority	6.73	7.21
<b>Volumetric Rate (Per 1,000 Gallons) - EPA Consent Decree Rates</b>		
Residential and Commercial	\$4.67	\$4.99
Industrial	4.80	5.14
Public Authority	4.34	4.65
<b>Property Not Using Water (Per Month)</b>		
Unmetered user (assumes 8,000 gals.)	\$122.28	\$130.75
Unmetered user - Reduced Rate (assumes 4,000 gals.)	65.64	70.15
<b>Excessive Strength Surcharges (Per loading in excess of 200 mg/l)</b>		
BOD	\$0.37	\$0.37
SS	0.35	0.35

(1) Present rates and charges were approved by the Common Council on October 24, 2016 pursuant to Ordinance F-2016-31.

(2) Future rates and charges were approved by the Common Council on October 24, 2016 pursuant to Ordinance F-2016-31.

(The Accountants' Compilation Report and the accompanying comments are an integral part of this statement.)

# EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

## SUMMARY OF PRESENT AND FUTURE RATES AND CHARGES - OUTSIDE CITY (4 Year Phase-In)

OUTSIDE CITY	Present (1)	Future (2)
	Phase III	Phase IV
Effective Date	01/01/19	01/01/20
<b>Base Charge (Per Month)</b>		
<u>Meter Size:</u>		
5/8 inch meter	\$12.10	\$12.90
1 inch meter	21.95	23.40
1 1/2 inch meter	43.65	46.65
2 inch meter	71.20	76.10
3 inch meter	156.55	167.35
4 inch meter	268.05	286.70
6 inch meter	602.70	644.70
8 inch meter	1,068.65	1,143.10
10 inch meter	1,665.85	1,781.95
<b>Volumetric Rate (Per 1,000 Gallons) - COS Rates</b>		
Residential and Commercial	\$12.81	\$13.71
Industrial (up to 3,000,000 gallons)	8.40	8.99
Industrial (over to 3,000,000 gallons)	7.10	7.59
Public Authority	9.10	9.73
<b>Volumetric Rate (Per 1,000 Gallons) - EPA Consent Decree Rates</b>		
Residential and Commercial	\$6.29	\$6.74
Industrial (up to 3,000,000 gallons)	6.50	6.94
Industrial (over to 3,000,000 gallons)	5.48	5.86
Public Authority	5.88	6.28
<b>Property Not Using Water (Per Month)</b>		
Unmetered user (assumes 8,000 gals.)	\$164.90	\$176.50
Unmetered user - Reduced Rate (assumes 4,000 gals.)	88.50	94.70
<b>Excessive Strength Surcharges (Per loading in excess of 200 mg/l)</b>		
BOD	\$0.50	\$0.50
SS	0.47	0.47

(1) Present rates and charges were approved by the Common Council on October 24, 2016 pursuant to Ordinance F-2016-31.

(2) Future rates and charges were approved by the Common Council on October 24, 2016 pursuant to Ordinance F-2016-31.

(The Accountants' Compilation Report and the accompanying comments are an integral part of this statement.)



**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SUPPLEMENTARY HISTORICAL DATA**



**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**COMPARATIVE STATEMENT OF NET POSITION**

<b>ASSETS</b>	As of December 31st,		
	2016	2017	2018
Current Assets:			
Operating cash and cash equivalents	\$5,100,550	\$8,374,733	\$14,660,078
Improvement fund cash and cash equivalents *	-	-	13,296,208
Restricted cash and cash equivalents:			
Bond and interest cash and cash equivalents	10,895,495	12,116,935	13,579,555
Debt service reserve cash and cash equivalents	3,881,476	4,566,507	5,107,403
WWTP replacement fund cash and cash equivalents	9,154,693	12,504,386	3,000,000
Construction fund cash and cash equivalents	17,235,387	28,340,577	44,825,358
Cash with fiscal agent cash and cash equivalents	400,004	-	-
Accounts receivable (net of allowance)	4,355,351	4,663,248	5,497,335
Materials and supplies inventory	365,216	328,483	380,177
Due from other	-	39,786	-
Prepaid insurance	3,571,240	4,117,800	4,483,822
Total Current Assets	54,959,412	75,052,455	104,829,936
Noncurrent Assets:			
Restricted Assets:			
Debt service reserve investments	12,501,000	13,150,000	14,300,000
Construction fund investments	17,857,725	21,920,757	77,448,703
Other receivable	-	4,146	3,703
Interest receivable	118,130	142,428	283,121
Total Restricted Assets	30,476,855	35,217,331	92,035,527
Capital Assets:			
Depreciable capital assets	434,417,923	499,445,498	516,517,550
Leased Vehicles	-	-	55,328
Less accumulated depreciation	(179,238,943)	(191,193,888)	(206,760,281)
Less accumulated amortization for leased assets	-	-	(1,162)
Sub-total	255,178,980	308,251,610	309,811,435
Land and improvements to land	3,779,669	3,779,669	4,029,669
Construction work in progress	64,248,775	26,921,435	48,967,930
Net Capital Assets	323,207,424	338,952,714	362,809,034
Total Noncurrent Assets	353,684,279	374,170,045	454,844,561
Total Assets	\$408,643,691	\$449,222,500	\$559,674,497
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Regulatory Assets	\$2,229,757	\$2,507,364	\$2,325,127
Deferred Amount on Refunding	932,416	790,783	649,150
Defined Benefit Pension Deferred Outflows	2,134,988	1,193,965	444,826
Total Deferred Outflows of Resources	\$5,297,161	\$4,492,112	\$3,419,103
Total Assets and Deferred Outflows	\$413,940,852	\$453,714,612	\$563,093,600

\* Improvement fund cash and cash equivalents is the portion of the WWTP replacement fund cash and cash equivalents that is not restricted.

(Continued on next page)

(See Accountants' Compilation Report and the accompanying summary of accounting policies.)

## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

COMPARATIVE STATEMENT OF NET POSITION

	As of December 31st,		
	2016	2017	2018
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$615,016	\$983,273	\$862,954
Leases Payable	-	-	54,166
Accrued payroll and withholdings payable	122,665	94,030	119,114
Net pension liability	4,506,881	4,197,616	2,919,731
Interfund services provided and used	444,085	448,665	585,925
Intergovernmental payable	2,790	2,790	-
Compensated absences	495,680	504,553	460,734
Payable from restricted assets:			
Contracts payable	2,714,325	3,421,539	3,546,679
Accrued interest	4,003,822	4,372,820	3,884,915
Retainage payable	1,284,156	1,054,229	1,235,196
Bonds payable - current maturities	5,170,000	5,895,000	7,220,000
State Revolving Fund loan - current maturities	5,366,000	5,515,000	7,254,000
Total Current Liabilities	24,725,420	26,489,515	28,143,414
Noncurrent Liabilities:			
Bonds payable:			
Bonds payable	121,515,000	137,470,000	130,250,000
State Revolving Fund loan payable	125,624,051	130,654,793	222,096,458
Unamortized bond premium and discount, net	2,368,355	2,484,177	2,350,721
Total Noncurrent Liabilities	249,507,406	270,608,970	354,697,179
Total Liabilities	\$274,232,826	\$297,098,485	\$382,840,593
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Defined Benefit Pension Deferred Inflows	\$569,480	\$258,008	\$505,305
Total Liabilities and Deferred Inflows	\$274,802,306	\$297,356,493	\$383,345,898
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	\$101,419,303	\$110,493,225	\$118,886,193
Restricted	26,007,122	30,374,155	24,626,782
Unrestricted	11,712,121	15,490,739	36,234,727
Total Net Position	\$139,138,546	\$156,358,119	\$179,747,702

(See Accountants' Compilation Report and the accompanying summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

	Calendar Year Ended		
	2016	2017	2018
Operating Revenues:			
Residential	\$26,212,292	\$28,843,808	\$32,967,426
Industrial	6,053,915	8,720,409	10,323,407
Commercial	16,730,578	19,362,918	21,626,664
Public authority	1,731,462	2,437,762	2,809,824
Refuse services	4,973,606	5,038,418	4,923,744
Delinquent charges	675,164	812,919	948,365
Connection fees	1,060,419	1,278,137	1,112,311
Pretreatment charges	443,306	446,300	554,800
Industrial surcharges and fines	400,533	1,140,075	1,507,129
Other income	538,343	382,306	802,027
Total Operating Revenues	<u>58,819,618</u>	<u>68,463,052</u>	<u>77,575,697</u>
Operating Expenses:			
Collection system	5,880,441	7,880,070	6,246,775
Treatment and disposal	8,701,357	9,306,295	8,693,414
Customer service	5,604,778	6,716,288	7,326,490
Administrative and general	6,645,137	7,037,314	6,780,348
Sub-totals	<u>26,831,713</u>	<u>30,939,967</u>	<u>29,047,027</u>
Depreciation expense	<u>10,859,446</u>	<u>12,026,627</u>	<u>15,967,624</u>
Total Operating Expenses	<u>37,691,159</u>	<u>42,966,594</u>	<u>45,014,651</u>
Net Operating Revenues	<u>21,128,459</u>	<u>25,496,458</u>	<u>32,561,046</u>
Nonoperating Revenue:			
Interest income	181,960	285,637	674,824
Other	373,730	210,364	22,658
BAB Subsidy income	455,824	444,347	442,350
Totals	<u>1,011,514</u>	<u>940,348</u>	<u>1,139,832</u>
Nonoperating Expenses:			
Interest expense	5,653,749	6,612,866	7,087,471
Interest expense - amortization	219,963	180,103	187,236
(Gain) Loss on disposal of assets	5,963	-	(8,706)
Lease Amortization	-	-	1,162
Totals	<u>5,879,675</u>	<u>6,792,969</u>	<u>7,267,163</u>
Net Income Before Contributions and Transfers	<u>16,260,298</u>	<u>19,643,837</u>	<u>26,433,715</u>
Capital Contributions and (Transfers):			
Contributed capital	1,303,019	1,563,136	1,553,685
Payment in lieu of property taxes	(3,966,100)	(3,987,400)	(4,117,800)
Contributed Capital (Other)	-	-	(480,017)
Totals	<u>(2,663,081)</u>	<u>(2,424,264)</u>	<u>(3,044,132)</u>
Change In Net Position	13,597,217	17,219,573	23,389,583
Total Net Position - Beginning	<u>125,541,329</u>	<u>139,138,546</u>	<u>156,358,119</u>
Total Net Position - Ending	<u><u>\$139,138,546</u></u>	<u><u>\$156,358,119</u></u>	<u><u>\$179,747,702</u></u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**COMPARATIVE STATEMENT OF CASH FLOWS**  
**Increase (Decrease) in Cash and Cash Equivalents**

	Calendar Year Ended		
	2016	2017	2018
Cash Flows From Operating Activities:			
Cash received from customers	\$59,000,208	\$68,155,155	\$76,741,610
Cash paid to suppliers, employees and others	(28,733,275)	(31,445,770)	(30,653,260)
Net cash from operating activities	30,266,933	36,709,385	46,088,350
Cash Flows From Noncapital Financing Activities:			
Payment in lieu of taxes	(3,966,100)	(3,987,400)	(4,117,800)
Cash Flows From Capital and Related Financing Activities:			
Additions to capital assets	(27,549,112)	(26,062,524)	(38,755,258)
Principal paid on revenue bonds	(5,275,000)	(5,170,000)	(5,895,000)
Principal paid on SRF bonds	(5,221,000)	(5,366,000)	(5,515,498)
Bond proceeds	25,855,000	21,850,000	-
SRF loan proceeds	-	-	82,049,601
SRF Loan drawdowns	9,658,318	10,545,742	16,646,562
Redemption of BAN	(2,900,000)	-	-
Other receivable	2,338	(4,146)	443
BAB debt service subsidy receivable	236,818	-	-
Contracts payable	(3,042,645)	707,214	125,140
Retainage	(560,954)	(229,927)	180,967
Contributed capital	1,303,019	1,563,136	1,553,685
Contributed capital (Other)	-	-	(480,017)
Interest paid	(6,221,698)	(8,198,393)	(9,293,063)
Non-operating revenue	373,730	210,364	22,658
Non-operating expense	(5,963)	-	8,706
BAB Subsidy income	467,627	456,920	442,350
Deferred debits	(694,422)	417,255	991,438
Net Cash From Capital and Related Financing Activities	(13,573,944)	(9,280,358)	42,082,714
Cash Flows From Investing Activities:			
Interest received	155,588	505,938	1,190,146
Purchase/sale of investments	(13,624,953)	(4,712,032)	(56,677,946)
Net Cash From Investing Activities	(13,469,365)	(4,206,094)	(55,487,800)
Cash and Cash Equivalents:			
Increase (decrease)	(742,476)	19,235,533	28,565,464
Beginning balance	47,410,081	46,667,605	65,903,138
Ending Balance	\$46,667,605	\$65,903,138	\$94,468,602

(Continued on next page)

(See Accountants' Compilation Report and the accompanying summary of accounting policies.)

## EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS

(Cont'd)

**COMPARATIVE STATEMENT OF CASH FLOWS**  
**Increase (Decrease) in Cash and Cash Equivalents**

	Calendar Year Ended		
	2016	2017	2018
Reconciliation of Net Operating Revenues to Cash Provided From Operations:			
Net Operating Revenues	\$21,204,086	\$25,496,458	\$32,561,046
Adjustments to Reconcile Net Operating Revenue to Net Cash Provided From Operating Activities:			
Depreciation expense	10,783,819	12,026,627	15,967,624
Change in assets and liabilities			
Decrease (increase) in:			
Accounts receivable - customer	180,590	(307,897)	(834,087)
Prepaid expenses	(2,114,115)	(546,560)	(366,022)
Due from other	76,884	(39,786)	39,786
Materials and supplies inventory	(56,674)	36,733	(51,694)
Increase (decrease) in:			
Accounts payable	(167,109)	368,257	(120,319)
Lease payable	-	-	54,166
Accrued payroll and withholdings payable	(602,609)	(28,635)	25,084
Net pension liability	467,170	(309,265)	(1,277,885)
Interfund services provided and used	(789)	4,580	137,260
Intergovernmental payable	-	-	(2,790)
Compensated absences	495,680	8,873	(43,819)
Net Cash Provided From Operations	<u>\$30,266,933</u>	<u>\$36,709,385</u>	<u>\$46,088,350</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**COMPARISON OF ACCOUNT BALANCES  
WITH MINIMUM BALANCES REQUIRED**

<u>Accounts:</u>	<u>Account Balance *</u> 12/31/2018	<u>Minimum Balance Required **</u>	<u>Ref.</u>	<u>Variance</u>
Operation and maintenance	\$14,660,078	\$5,390,428	(1)	\$9,269,650
Bond and interest	13,579,555	11,251,656	(2)	2,327,899
Debt service reserve	19,407,403	19,324,009	(3)	83,394
Replacement fund	3,000,000	3,000,000	(4)	-
Improvement fund	13,296,208	-	(5)	13,296,208
Construction fund	<u>122,274,061</u>	<u>122,274,061</u>	(6)	<u>-</u>
Totals	<u>\$186,217,305</u>	<u>\$161,240,154</u>		<u>\$24,977,151</u>

\* Cash and investment balances.

\*\* Per Bond Ordinances.

- (1) A balance sufficient to provide for the payment of current operating expenses is required to be on deposit in this account.

Forecasted cash operating expenses - 2019	\$32,336,100
Times factor for 2 months	<u>0.1667</u>
Minimum Balance Required	<u>\$5,390,428</u>

(Continued on next page)

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)



**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**(Cont'd)**

**COMPARISON OF ACCOUNT BALANCES  
WITH MINIMUM BALANCES REQUIRED**

- (2) The balance of this account should be equal to the accrued monthly transfers of 1/6 of the interest on all outstanding bonds payable on the then next succeeding interest payment date and 1/12th of the principal on all outstanding bonds payable on the then next succeeding principal payment date.

	<u>Amount</u>		<u>Factor</u>		<u>Months</u>		<u>Totals</u>
Principal due 7/1/19:							
2007 Series A Bonds	\$1,969,000	x	1/12	x	6	=	\$984,500
2007 Series B Bonds	380,000	x	1/12	x	6	=	190,000
2008 Series B Bonds	924,000	x	1/12	x	6	=	462,000
2009 Bonds (2018 reissued)	1,000	x	1/12	x	6	=	500
2010 Series A Bonds (2018 reissued)	1,000	x	1/12	x	6	=	500
2010 Series B-1 Bonds	945,000	x	1/12	x	6	=	472,500
2011 Series C Bonds	172,000	x	1/12	x	6	=	86,000
2011 Series D Bonds	1,000	x	1/12	x	6	=	500
2012 Series E Bonds (2018 reissued)	1,000	x	1/12	x	6	=	500
2013 Series A Bonds	3,210,000	x	1/12	x	6	=	1,605,000
2013 Series B Bonds	620,000	x	1/12	x	6	=	310,000
2014 Series A Bonds	418,000	x	1/12	x	6	=	209,000
2014 Series B Bonds	255,000	x	1/12	x	6	=	127,500
2014 Series C Bonds	1,020,000	x	1/12	x	6	=	510,000
2014 Series D Bonds	1,547,000	x	1/12	x	6	=	773,500
2016 Series A Bonds	630,000	x	1/12	x	6	=	315,000
2016 Series B Bonds	557,000	x	1/12	x	6	=	278,500
2016 Series C Bonds	330,000	x	1/12	x	6	=	165,000
2017 Series A Bonds	795,000	x	1/12	x	6	=	397,500
2018 Series A Bonds	698,000	x	1/12	x	6	=	349,000
Interest due 1/1/19:							
2007 Series A Bonds	288,086	x	1/6	x	6	=	288,086
2007 Series B Bonds	56,943	x	1/6	x	6	=	56,943
2008 Series B Bonds	174,834	x	1/6	x	6	=	174,834
2009 Bonds (2018 reissued)	47,822	x	1/6	x	6	=	47,822
2010 Series A Bonds (2018 reissued)	12,270	x	1/6	x	6	=	12,270
2010 Series B-1 Bonds	669,948	x	1/6	x	6	=	669,948
2011 Series C Bonds	46,439	x	1/6	x	6	=	46,439
2011 Series D Bonds	19,622	x	1/6	x	6	=	19,622
2012 Series E Bonds (2018 reissued)	10,297	x	1/6	x	6	=	10,297
2013 Series A Bonds	124,125	x	1/6	x	6	=	124,125
2013 Series B Bonds	707,950	x	1/6	x	6	=	707,950
2014 Series A Bonds	77,019	x	1/6	x	6	=	77,019
2014 Series B Bonds	50,358	x	1/6	x	6	=	50,358
2014 Series C Bonds	351,409	x	1/6	x	6	=	351,409
2014 Series D Bonds	309,540	x	1/6	x	6	=	309,540
2016 Series A Bonds	344,681	x	1/6	x	6	=	344,681
2016 Series B Bonds	127,150	x	1/6	x	6	=	127,150
2016 Series C Bonds	88,350	x	1/6	x	6	=	88,350
2017 Series A Bonds	338,213	x	1/6	x	6	=	338,213
2018 Series A Bonds	169,600	x	1/6	x	6	=	169,600
Minimum Balance Required							<u>\$11,251,656</u>

- (3) The balance of this account shall be equal to the maximum principal and interest payment of the outstanding bonds equal to \$26,732,949 when fully funded.

Calculated as follows:

Required reserve as of 12/31/18:

Balance in account (11/12/18)	\$19,081,417
2017A Bonds (\$106,961 monthly transfer @ 2 months)	213,922
2018A Bonds (\$14,335 monthly transfer @ 2 months)	28,670
	<hr/>
Minimum Balance Required	\$19,324,009

- (4) No minimum balance required per the bond resolution. However, the Reserve Policy established by the Water and Sewer Board on November 1, 2016 has a targeted minimum balance of \$3,000,000.
- (5) No minimum balance required.
- (6) Balances fully restricted.

(See Accountants' Compilation Report and the accompanying summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$17,674,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS OF 2007, SERIES A**

**Principal payable annually July 1st.**

**Interest payable semiannually on January 1st and July 1st.**

**Interest rate as indicated.**

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
7/1/19	\$17,674	3.26	\$1,969	\$288,086.20	\$2,257,086.20	\$2,257,086.20
1/1/20				255,991.50	255,991.50	
7/1/20	15,705	3.26	2,034	255,991.50	2,289,991.50	2,545,983.00
1/1/21				222,837.30	222,837.30	
7/1/21	13,671	3.26	2,100	222,837.30	2,322,837.30	2,545,674.60
1/1/22				188,607.30	188,607.30	
7/1/22	11,571	3.26	2,168	188,607.30	2,356,607.30	2,545,214.60
1/1/23				153,268.90	153,268.90	
7/1/23	9,403	3.26	2,239	153,268.90	2,392,268.90	2,545,537.80
1/1/24				116,773.20	116,773.20	
7/1/24	7,164	3.26	2,312	116,773.20	2,428,773.20	2,545,546.40
1/1/25				79,087.60	79,087.60	
7/1/25	4,852	3.26	2,387	79,087.60	2,466,087.60	2,545,175.20
1/1/26				40,179.50	40,179.50	
7/1/26	2,465	3.26	2,465	40,179.50	2,505,179.50	2,545,359.00
Totals			<u>\$17,674</u>	<u>\$2,401,576.80</u>	<u>\$20,075,576.80</u>	<u>\$20,075,576.80</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$3,420,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS OF 2007, SERIES B**

**Principal payable annually July 1st.**

**Interest payable semiannually on January 1st and July 1st.**

**Interest rate as indicated.**

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000s)	Interest (-----In Dollars-----)	Total	
7/1/19	\$3,420	3.33	\$380	\$56,943.00	\$436,943.00	\$436,943.00
1/1/20				50,616.00	50,616.00	
7/1/20	3,040	3.33	393	50,616.00	443,616.00	494,232.00
1/1/21				44,072.55	44,072.55	
7/1/21	2,647	3.33	406	44,072.55	450,072.55	494,145.10
1/1/22				37,312.65	37,312.65	
7/1/22	2,241	3.33	419	37,312.65	456,312.65	493,625.30
1/1/23				30,336.30	30,336.30	
7/1/23	1,822	3.33	433	30,336.30	463,336.30	493,672.60
1/1/24				23,126.85	23,126.85	
7/1/24	1,389	3.33	448	23,126.85	471,126.85	494,253.70
1/1/25				15,667.65	15,667.65	
7/1/25	941	3.33	463	15,667.65	478,667.65	494,335.30
1/1/26				7,958.70	7,958.70	
7/1/26	478	3.33	478	7,958.70	485,958.70	493,917.40
Totals			<u>\$3,420</u>	<u>\$475,124.40</u>	<u>\$3,895,124.40</u>	<u>\$3,895,124.40</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$10,726,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS OF 2008, SERIES B**

**Principal payable annually July 1st.**

**Interest payable semiannually on January 1st and July 1st.**

**Interest rate as indicated.**

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
7/1/19	\$10,726	3.26	\$924	\$174,833.80	\$1,098,833.80	\$1,098,833.80
1/1/20				159,772.60	159,772.60	
7/1/20	9,802	3.26	955	159,772.60	1,114,772.60	1,274,545.20
1/1/21				144,206.10	144,206.10	
7/1/21	8,847	3.26	986	144,206.10	1,130,206.10	1,274,412.20
1/1/22				128,134.30	128,134.30	
7/1/22	7,861	3.26	1,018	128,134.30	1,146,134.30	1,274,268.60
1/1/23				111,540.90	111,540.90	
7/1/23	6,843	3.26	1,051	111,540.90	1,162,540.90	1,274,081.80
1/1/24				94,409.60	94,409.60	
7/1/24	5,792	3.26	1,085	94,409.60	1,179,409.60	1,273,819.20
1/1/25				76,724.10	76,724.10	
7/1/25	4,707	3.26	1,121	76,724.10	1,197,724.10	1,274,448.20
1/1/26				58,451.80	58,451.80	
7/1/26	3,586	3.26	1,157	58,451.80	1,215,451.80	1,273,903.60
1/1/27				39,592.70	39,592.70	
7/1/27	2,429	3.26	1,195	39,592.70	1,234,592.70	1,274,185.40
1/1/28				20,114.20	20,114.20	
7/1/28	1,234	3.26	1,234	20,114.20	1,254,114.20	1,274,228.40
Totals			<u>\$10,726</u>	<u>\$1,840,726.40</u>	<u>\$12,566,726.40</u>	<u>\$12,566,726.40</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$27,723,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS OF 2009 (2018 REISSUED BONDS)**

Principal payable annually on July 1st  
and semiannually January 1st and July 1st, beginning January 1, 2038.  
Interest payable semiannually January 1st and July 1st.  
Interest rate as indicated.

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$27,723	2.30	\$1	\$318,814.50	\$319,814.50	\$319,814.50
01/01/20				318,803.00	318,803.00	
07/01/20	27,722	2.30	1	318,803.00	319,803.00	638,606.00
01/01/21				318,791.50	318,791.50	
07/01/21	27,721	2.30	1	318,791.50	319,791.50	638,583.00
01/01/22				318,780.00	318,780.00	
07/01/22	27,720	2.30	1	318,780.00	319,780.00	638,560.00
01/01/23				318,768.50	318,768.50	
07/01/23	27,719	2.30	1	318,768.50	319,768.50	638,537.00
01/01/24				318,757.00	318,757.00	
07/01/24	27,718	2.30	1	318,757.00	319,757.00	638,514.00
01/01/25				318,745.50	318,745.50	
07/01/25	27,717	2.30	1	318,745.50	319,745.50	638,491.00
01/01/26				318,734.00	318,734.00	
07/01/26	27,716	2.30	1	318,734.00	319,734.00	638,468.00
01/01/27				318,722.50	318,722.50	
07/01/27	27,715	2.30	1	318,722.50	319,722.50	638,445.00
01/01/28				318,711.00	318,711.00	
07/01/28	27,714	2.30	1	318,711.00	319,711.00	638,422.00
01/01/29				318,699.50	318,699.50	
07/01/29	27,713	2.30	1	318,699.50	319,699.50	638,399.00
01/01/30				318,688.00	318,688.00	
07/01/30	27,712	2.30	1	318,688.00	319,688.00	638,376.00
01/01/31				318,676.50	318,676.50	
07/01/31	27,711	2.30	1	318,676.50	319,676.50	638,353.00
01/01/32				318,665.00	318,665.00	
07/01/32	27,710	2.30	1	318,665.00	319,665.00	638,330.00
01/01/33				318,653.50	318,653.50	
07/01/33	27,709	2.30	1	318,653.50	319,653.50	638,307.00
01/01/34				318,642.00	318,642.00	
07/01/34	27,708	2.30	1	318,642.00	319,642.00	638,284.00
01/01/35				318,630.50	318,630.50	
07/01/35	27,707	2.30	1	318,630.50	319,630.50	638,261.00
01/01/36				318,619.00	318,619.00	
07/01/36	27,706	2.30	1	318,619.00	319,619.00	638,238.00
01/01/37				318,607.50	318,607.50	
07/01/37	27,705	2.30	1	318,607.50	319,607.50	638,215.00
01/01/38	27,704	2.30	830	318,596.00	1,148,596.00	
07/01/38	26,874	2.30	840	309,051.00	1,149,051.00	2,297,647.00
01/01/39	26,034	2.30	2,336	299,391.00	2,635,391.00	
07/01/39	23,698	2.30	2,361	272,527.00	2,633,527.00	5,268,918.00
01/01/40	21,337	2.30	2,024	245,375.50	2,269,375.50	
07/01/40	19,313	2.30	2,048	222,099.50	2,270,099.50	4,539,475.00
01/01/41	17,265	2.30	2,073	198,547.50	2,271,547.50	
07/01/41	15,192	2.30	2,096	174,708.00	2,270,708.00	4,542,255.50
01/01/42	13,096	2.30	2,120	150,604.00	2,270,604.00	
07/01/42	10,976	2.30	2,145	126,224.00	2,271,224.00	4,541,828.00
01/01/43	8,831	2.30	2,170	101,556.50	2,271,556.50	
07/01/43	6,661	2.30	2,195	76,601.50	2,271,601.50	4,543,158.00
01/01/44	4,466	2.30	2,220	51,359.00	2,271,359.00	
07/01/44	2,246	2.30	2,246	25,829.00	2,271,829.00	4,543,188.00
Totals			\$27,723	\$14,364,673.00	\$42,087,673.00	\$42,087,673.00

(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$7,113,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2010 A (2018 REISSUED BONDS)**

Principal payable annually on July 1st  
and semiannually January 1st and July 1st, beginning January 1, 2038.  
Interest payable semiannually January 1st and July 1st.  
Interest rate as indicated.

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$7,113	2.30	\$1	\$81,799.50	\$82,799.50	\$82,799.50
01/01/20				81,788.00	81,788.00	
07/01/20	7,112	2.30	1	81,788.00	82,788.00	164,576.00
01/01/21				81,776.50	81,776.50	
07/01/21	7,111	2.30	1	81,776.50	82,776.50	164,553.00
01/01/22				81,765.00	81,765.00	
07/01/22	7,110	2.30	1	81,765.00	82,765.00	164,530.00
01/01/23				81,753.50	81,753.50	
07/01/23	7,109	2.30	1	81,753.50	82,753.50	164,507.00
01/01/24				81,742.00	81,742.00	
07/01/24	7,108	2.30	1	81,742.00	82,742.00	164,484.00
01/01/25				81,730.50	81,730.50	
07/01/25	7,107	2.30	1	81,730.50	82,730.50	164,461.00
01/01/26				81,719.00	81,719.00	
07/01/26	7,106	2.30	1	81,719.00	82,719.00	164,438.00
01/01/27				81,707.50	81,707.50	
07/01/27	7,105	2.30	1	81,707.50	82,707.50	164,415.00
01/01/28				81,696.00	81,696.00	
07/01/28	7,104	2.30	1	81,696.00	82,696.00	164,392.00
01/01/29				81,684.50	81,684.50	
07/01/29	7,103	2.30	1	81,684.50	82,684.50	164,369.00
01/01/30				81,673.00	81,673.00	
07/01/30	7,102	2.30	1	81,673.00	82,673.00	164,346.00
01/01/31				81,661.50	81,661.50	
07/01/31	7,101	2.30	1	81,661.50	82,661.50	164,323.00
01/01/32				81,650.00	81,650.00	
07/01/32	7,100	2.30	1	81,650.00	82,650.00	164,300.00
01/01/33				81,638.50	81,638.50	
07/01/33	7,099	2.30	1	81,638.50	82,638.50	164,277.00
01/01/34				81,627.00	81,627.00	
07/01/34	7,098	2.30	1	81,627.00	82,627.00	164,254.00
01/01/35				81,615.50	81,615.50	
07/01/35	7,097	2.30	1	81,615.50	82,615.50	164,231.00
01/01/36				81,604.00	81,604.00	
07/01/36	7,096	2.30	1	81,604.00	82,604.00	164,208.00
01/01/37				81,592.50	81,592.50	
07/01/37	7,095	2.30	1	81,592.50	82,592.50	164,185.00
01/01/38	7,094	2.30	1	81,581.00	82,581.00	
07/01/38	7,093	2.30	1	81,569.50	82,569.50	165,150.50
01/01/39	7,092	2.30	470	81,558.00	551,558.00	
07/01/39	6,622	2.30	475	76,153.00	551,153.00	1,102,711.00
01/01/40	6,147	2.30	481	70,690.50	551,690.50	
07/01/40	5,666	2.30	486	65,159.00	551,159.00	1,102,849.50
01/01/41	5,180	2.30	492	59,570.00	551,570.00	
07/01/41	4,688	2.30	498	53,912.00	551,912.00	1,103,482.00
01/01/42	4,190	2.30	503	48,185.00	551,185.00	
07/01/42	3,687	2.30	509	42,400.50	551,400.50	1,102,585.50
01/01/43	3,178	2.30	515	36,547.00	551,547.00	
07/01/43	2,663	2.30	521	30,624.50	551,624.50	1,103,171.50
01/01/44	2,142	2.30	526	24,633.00	550,633.00	
07/01/44	1,616	2.30	533	18,584.00	551,584.00	1,102,217.00
01/01/45	1,083	2.30	538	12,454.50	550,454.50	
07/01/45	545	2.30	545	6,267.50	551,267.50	1,101,722.00
Totals			\$7,113	\$3,812,537.50	\$10,925,537.50	\$10,925,537.50

(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$23,010,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2010 B-1**

**Principal payable annually July 1st.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rates as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rates (%)	Principal (In \$1,000's)	Interest (-----)	Gross Total	Bond Year Gross Total	35% Interest Subsidy	Net Total	Bond Year Net Total
-----In Dollars-----									
07/01/19	\$23,010	4.600	\$945	\$669,947.50	\$1,614,947.50	\$1,614,947.50	(\$219,943.76) (4)	\$1,395,003.74	\$1,395,003.74
01/01/20				648,212.50	648,212.50		(212,808.16) (4)	435,404.34	
07/01/20	22,065	4.750	970	648,212.50	1,618,212.50	2,266,425.00	(212,808.16) (4)	1,405,404.34	1,840,808.68
01/01/21				625,175.00	625,175.00		(205,244.95) (4)	419,930.05	
07/01/21	21,095	5.200	1,000 (1)	625,175.00	1,625,175.00	2,250,350.00	(205,244.95) (4)	1,419,930.05	1,839,860.10
01/01/22				599,175.00	599,175.00		(196,709.15) (4)	402,465.85	
07/01/22	20,095	5.200	1,030 (1)	599,175.00	1,629,175.00	2,228,350.00	(196,709.15) (4)	1,432,465.85	1,834,931.70
01/01/23				572,395.00	572,395.00		(187,917.28) (4)	384,477.72	
07/01/23	19,065	5.200	1,060 (1)	572,395.00	1,632,395.00	2,204,790.00	(187,917.28) (4)	1,444,477.72	1,828,955.44
01/01/24				544,835.00	544,835.00		(178,869.33) (4)	365,965.67	
07/01/24	18,005	5.200	1,980 (1)	544,835.00	2,524,835.00	3,069,670.00	(178,869.33) (4)	2,345,965.67	2,711,931.34
01/01/25				493,355.00	493,355.00		(161,968.45) (4)	331,386.55	
07/01/25	16,025	5.200	2,050 (1)	493,355.00	2,543,355.00	3,036,710.00	(161,968.45) (4)	2,381,386.55	2,712,773.10
01/01/26				440,055.00	440,055.00		(144,470.06) (4)	295,584.94	
07/01/26	13,975	5.800	2,120	440,055.00	2,560,055.00	3,000,110.00	(144,470.06) (4)	2,415,584.94	2,711,169.88
01/01/27				378,575.00	378,575.00		(124,286.17) (4)	254,288.83	
07/01/27	11,855	6.200	2,195 (2)	378,575.00	2,573,575.00	2,952,150.00	(124,286.17) (4)	2,449,288.83	2,703,577.66
01/01/28				310,530.00	310,530.00		(108,685.50)	201,844.50	
07/01/28	9,660	6.200	2,280 (2)	310,530.00	2,590,530.00	2,901,060.00	(108,685.50)	2,481,844.50	2,683,689.00
01/01/29				239,850.00	239,850.00		(83,947.50)	155,902.50	
07/01/29	7,380	6.500	2,365 (3)	239,850.00	2,604,850.00	2,844,700.00	(83,947.50)	2,520,902.50	2,676,805.00
01/01/30				162,987.50	162,987.50		(57,045.63)	105,941.87	
07/01/30	5,015	6.500	2,460 (3)	162,987.50	2,622,987.50	2,785,975.00	(57,045.63)	2,565,941.87	2,671,883.74
01/01/31				83,037.50	83,037.50		(29,063.13)	53,974.37	
07/01/31	2,555	6.500	2,555 (3)	83,037.50	2,638,037.50	2,721,075.00	(29,063.13)	2,608,974.37	2,662,948.74
Totals			\$23,010	\$10,866,312.50	\$33,876,312.50	\$33,876,312.50	(\$3,601,974.38)	\$30,274,338.12	\$30,274,338.12

(1) \$7,120,000 of Term Bonds due July 1, 2025.

(2) \$4,475,000 of Term Bonds due July 1, 2028.

(3) \$7,380,000 of Term Bonds due July 1, 2031.

(4) The BAB Subsidy payment from the United States Treasury is reduced 6.2% due to the sequestration.

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$2,756,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2011 C**

**Principal payable annually July 1st.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rate as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$2,756	3.37	\$172	\$46,438.60	\$218,438.60	\$218,438.60
01/01/20				43,540.40	43,540.40	
07/01/20	2,584	3.37	178	43,540.40	221,540.40	265,080.80
01/01/21				40,541.10	40,541.10	
07/01/21	2,406	3.37	184	40,541.10	224,541.10	265,082.20
01/01/22				37,440.70	37,440.70	
07/01/22	2,222	3.37	191	37,440.70	228,440.70	265,881.40
01/01/23				34,222.35	34,222.35	
07/01/23	2,031	3.37	197	34,222.35	231,222.35	265,444.70
01/01/24				30,902.90	30,902.90	
07/01/24	1,834	3.37	204	30,902.90	234,902.90	265,805.80
01/01/25				27,465.50	27,465.50	
07/01/25	1,630	3.37	210	27,465.50	237,465.50	264,931.00
01/01/26				23,927.00	23,927.00	
07/01/26	1,420	3.37	218	23,927.00	241,927.00	265,854.00
01/01/27				20,253.70	20,253.70	
07/01/27	1,202	3.37	225	20,253.70	245,253.70	265,507.40
01/01/28				16,462.45	16,462.45	
07/01/28	977	3.37	232	16,462.45	248,462.45	264,924.90
01/01/29				12,553.25	12,553.25	
07/01/29	745	3.37	240	12,553.25	252,553.25	265,106.50
01/01/30				8,509.25	8,509.25	
07/01/30	505	3.37	248	8,509.25	256,509.25	265,018.50
01/01/31				4,330.45	4,330.45	
07/01/31	257	3.37	257	4,330.45	261,330.45	265,660.90
Totals			<u>\$2,756</u>	<u>\$646,736.70</u>	<u>\$3,402,736.70</u>	<u>\$3,402,736.70</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)



**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$1,209,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2011 D**

**Principal payable annually July 1st.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rate as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$1,209	3.246	\$1	\$19,622.07	\$20,622.07	\$20,622.07
01/01/20				19,605.84	19,605.84	
07/01/20	1,208	3.246	1	19,605.84	20,605.84	40,211.68
01/01/21				19,589.61	19,589.61	
07/01/21	1,207	3.246	1	19,589.61	20,589.61	40,179.22
01/01/22				19,573.38	19,573.38	
07/01/22	1,206	3.246	1	19,573.38	20,573.38	40,146.76
01/01/23				19,557.15	19,557.15	
07/01/23	1,205	3.246	1	19,557.15	20,557.15	40,114.30
01/01/24				19,540.92	19,540.92	
07/01/24	1,204	3.246	125	19,540.92	144,540.92	164,081.84
01/01/25				17,512.17	17,512.17	
07/01/25	1,079	3.246	128	17,512.17	145,512.17	163,024.34
01/01/26				15,434.73	15,434.73	
07/01/26	951	3.246	130	15,434.73	145,434.73	160,869.46
01/01/27				13,324.83	13,324.83	
07/01/27	821	3.246	141	13,324.83	154,324.83	167,649.66
01/01/28				11,036.40	11,036.40	
07/01/28	680	3.246	150	11,036.40	161,036.40	172,072.80
01/01/29				8,601.90	8,601.90	
07/01/29	530	3.246	164	8,601.90	172,601.90	181,203.80
01/01/30				5,940.18	5,940.18	
07/01/30	366	3.246	175	5,940.18	180,940.18	186,880.36
01/01/31				3,099.93	3,099.93	
07/01/31	191	3.246	191	3,099.93	194,099.93	197,199.86
Totals			<u>\$1,209</u>	<u>\$365,256.15</u>	<u>\$1,574,256.15</u>	<u>\$1,574,256.15</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$5,969,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2012 E (2018 REISSUED BONDS)**

Principal payable annually on July 1st  
and semiannually January 1st and July 1st, beginning January 1, 2038.  
Interest payable semi-annually January 1st and July 1st.  
Interest rate as indicated.

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest	Total (-----In Dollars-----)	
07/01/19	\$5,969	2.30	\$1	\$68,643.50	\$69,643.50	\$69,643.50
01/01/20				68,632.00	68,632.00	
07/01/20	5,968	2.30	1	68,632.00	69,632.00	138,264.00
01/01/21				68,620.50	68,620.50	
07/01/21	5,967	2.30	1	68,620.50	69,620.50	138,241.00
01/01/22				68,609.00	68,609.00	
07/01/22	5,966	2.30	1	68,609.00	69,609.00	138,218.00
01/01/23				68,597.50	68,597.50	
07/01/23	5,965	2.30	1	68,597.50	69,597.50	138,195.00
01/01/24				68,586.00	68,586.00	
07/01/24	5,964	2.30	1	68,586.00	69,586.00	138,172.00
01/01/25				68,574.50	68,574.50	
07/01/25	5,963	2.30	1	68,574.50	69,574.50	138,149.00
01/01/26				68,563.00	68,563.00	
07/01/26	5,962	2.30	1	68,563.00	69,563.00	138,126.00
01/01/27				68,551.50	68,551.50	
07/01/27	5,961	2.30	1	68,551.50	69,551.50	138,103.00
01/01/28				68,540.00	68,540.00	
07/01/28	5,960	2.30	1	68,540.00	69,540.00	138,080.00
01/01/29				68,528.50	68,528.50	
07/01/29	5,959	2.30	1	68,528.50	69,528.50	138,057.00
01/01/30				68,517.00	68,517.00	
07/01/30	5,958	2.30	1	68,517.00	69,517.00	138,034.00
01/01/31				68,505.50	68,505.50	
07/01/31	5,957	2.30	1	68,505.50	69,505.50	138,011.00
01/01/32				68,494.00	68,494.00	
07/01/32	5,956	2.30	1	68,494.00	69,494.00	137,988.00
01/01/33				68,482.50	68,482.50	
07/01/33	5,955	2.30	1	68,482.50	69,482.50	137,965.00
01/01/34				68,471.00	68,471.00	
07/01/34	5,954	2.30	1	68,471.00	69,471.00	137,942.00
01/01/35				68,459.50	68,459.50	
07/01/35	5,953	2.30	1	68,459.50	69,459.50	137,919.00
01/01/36				68,448.00	68,448.00	
07/01/36	5,952	2.30	1	68,448.00	69,448.00	137,896.00
01/01/37				68,436.50	68,436.50	
07/01/37	5,951	2.30	1	68,436.50	69,436.50	137,873.00
01/01/38	5,950	2.30	1	68,425.00	69,425.00	
07/01/38	5,949	2.30	1	68,413.50	69,413.50	138,838.50
01/01/39	5,948	2.30	1	68,402.00	69,402.00	
07/01/39	5,947	2.30	1	68,390.50	69,390.50	138,792.50
01/01/40	5,946	2.30	366	68,379.00	434,379.00	
07/01/40	5,580	2.30	370	64,170.00	434,170.00	868,549.00
01/01/41	5,210	2.30	374	59,915.00	433,915.00	
07/01/41	4,836	2.30	378	55,614.00	433,614.00	867,529.00
01/01/42	4,458	2.30	383	51,267.00	434,267.00	
07/01/42	4,075	2.30	387	46,862.50	433,862.50	868,129.50
01/01/43	3,688	2.30	391	42,412.00	433,412.00	
07/01/43	3,297	2.30	396	37,915.50	433,915.50	867,327.50
01/01/44	2,901	2.30	400	33,361.50	433,361.50	
07/01/44	2,501	2.30	405	28,761.50	433,761.50	867,123.00
01/01/45	2,096	2.30	410	24,104.00	434,104.00	
07/01/45	1,686	2.30	414	19,389.00	433,389.00	867,493.00
01/01/46	1,272	2.30	419	14,628.00	433,628.00	
07/01/46	853	2.30	424	9,809.50	433,809.50	867,437.50
01/01/47	429	2.30	429	4,933.50	433,933.50	
Totals			\$5,969	\$3,371,029.50	\$9,340,029.50	\$9,340,029.50

(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$16,550,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE REFUNDING BONDS, SERIES 2013A**

**Principal payable annually July 1st.**

**Interest payable semiannually on January 1st and July 1st.**

**Interest rate as indicated.**

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
7/1/19	\$16,550	1.50	\$3,210	\$124,125.00	\$3,334,125.00	\$3,334,125.00
1/1/20				100,050.00	100,050.00	
7/1/20	13,340	1.50	3,260	100,050.00	3,360,050.00	3,460,100.00
1/1/21				75,600.00	75,600.00	
7/1/21	10,080	1.50	3,310	75,600.00	3,385,600.00	3,461,200.00
1/1/22				50,775.00	50,775.00	
7/1/22	6,770	1.50	3,360	50,775.00	3,410,775.00	3,461,550.00
1/1/23				25,575.00	25,575.00	
7/1/23	3,410	1.50	3,410	25,575.00	3,435,575.00	3,461,150.00
Totals			<u>\$16,550</u>	<u>\$628,125.00</u>	<u>\$17,178,125.00</u>	<u>\$17,178,125.00</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$28,530,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2013B**

**Principal payable annually July 1st.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rates as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rates (%)	Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total (-----In Dollars-----)	Bond Year Total
07/01/19	\$28,530	5.00	\$620	\$707,950.00	\$1,327,950.00	\$1,327,950.00
01/01/20				692,450.00	692,450.00	
07/01/20	27,910	5.00	660	692,450.00	1,352,450.00	2,044,900.00
01/01/21				675,950.00	675,950.00	
07/01/21	27,250	5.00	850	675,950.00	1,525,950.00	2,201,900.00
01/01/22				654,700.00	654,700.00	
07/01/22	26,400	5.00	935	654,700.00	1,589,700.00	2,244,400.00
01/01/23				631,325.00	631,325.00	
07/01/23	25,465	5.00	960	631,325.00	1,591,325.00	2,222,650.00
01/01/24				607,325.00	607,325.00	
07/01/24	24,505	4.00	1,060	607,325.00	1,667,325.00	2,274,650.00
01/01/25				586,125.00	586,125.00	
07/01/25	23,445	5.00	1,115	586,125.00	1,701,125.00	2,287,250.00
01/01/26				558,250.00	558,250.00	
07/01/26	22,330	5.00	1,275	558,250.00	1,833,250.00	2,391,500.00
01/01/27				526,375.00	526,375.00	
07/01/27	21,055	5.00	1,400	526,375.00	1,926,375.00	2,452,750.00
01/01/28				491,375.00	491,375.00	
07/01/28	19,655	5.00	1,630	491,375.00	2,121,375.00	2,612,750.00
01/01/29				450,625.00	450,625.00	
07/01/29	18,025	5.00	1,800	450,625.00	2,250,625.00	2,701,250.00
01/01/30				405,625.00	405,625.00	
07/01/30	16,225	5.00	2,040	405,625.00	2,445,625.00	2,851,250.00
01/01/31				354,625.00	354,625.00	
07/01/31	14,185	5.00	2,160	354,625.00	2,514,625.00	2,869,250.00
01/01/32				300,625.00	300,625.00	
07/01/32	12,025	5.00	2,265	300,625.00	2,565,625.00	2,866,250.00
01/01/33				244,000.00	244,000.00	
07/01/33	9,760	5.00	2,380 (1)	244,000.00	2,624,000.00	2,868,000.00
01/01/34				184,500.00	184,500.00	
07/01/34	7,380	5.00	2,500 (1)	184,500.00	2,684,500.00	2,869,000.00
01/01/35				122,000.00	122,000.00	
07/01/35	4,880	5.00	2,625 (1)	122,000.00	2,747,000.00	2,869,000.00
01/01/36				56,375.00	56,375.00	
07/01/36	2,255	5.00	2,255 (1)	56,375.00	2,311,375.00	2,367,750.00
Totals			<u>\$28,530</u>	<u>\$15,792,450.00</u>	<u>\$44,322,450.00</u>	<u>\$44,322,450.00</u>

(1) \$9,760,000 of Term Bonds due July 1, 2036.

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$6,313,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2014A**

**Principal payable annually July 1st.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rate as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$6,313	2.44	\$418	\$77,018.60	\$495,018.60	\$495,018.60
01/01/20				71,919.00	71,919.00	
07/01/20	5,895	2.44	429	71,919.00	500,919.00	572,838.00
01/01/21				66,685.20	66,685.20	
07/01/21	5,466	2.44	439	66,685.20	505,685.20	572,370.40
01/01/22				61,329.40	61,329.40	
07/01/22	5,027	2.44	450	61,329.40	511,329.40	572,658.80
01/01/23				55,839.40	55,839.40	
07/01/23	4,577	2.44	461	55,839.40	516,839.40	572,678.80
01/01/24				50,215.20	50,215.20	
07/01/24	4,116	2.44	472	50,215.20	522,215.20	572,430.40
01/01/25				44,456.80	44,456.80	
07/01/25	3,644	2.44	484	44,456.80	528,456.80	572,913.60
01/01/26				38,552.00	38,552.00	
07/01/26	3,160	2.44	495	38,552.00	533,552.00	572,104.00
01/01/27				32,513.00	32,513.00	
07/01/27	2,665	2.44	507	32,513.00	539,513.00	572,026.00
01/01/28				26,327.60	26,327.60	
07/01/28	2,158	2.44	520	26,327.60	546,327.60	572,655.20
01/01/29				19,983.60	19,983.60	
07/01/29	1,638	2.44	533	19,983.60	552,983.60	572,967.20
01/01/30				13,481.00	13,481.00	
07/01/30	1,105	2.44	546	13,481.00	559,481.00	572,962.00
01/01/31				6,819.80	6,819.80	
07/01/31	559	2.44	559	6,819.80	565,819.80	572,639.60
Totals			<u>\$6,313</u>	<u>\$1,053,262.60</u>	<u>\$7,366,262.60</u>	<u>\$7,366,262.60</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$4,796,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2014B**

**Principal payable annually July 1st.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rate as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$4,796	2.10	\$255	\$50,358.00	\$305,358.00	\$305,358.00
01/01/20				47,680.50	47,680.50	
07/01/20	4,541	2.10	261	47,680.50	308,680.50	356,361.00
01/01/21				44,940.00	44,940.00	
07/01/21	4,280	2.10	266	44,940.00	310,940.00	355,880.00
01/01/22				42,147.00	42,147.00	
07/01/22	4,014	2.10	272	42,147.00	314,147.00	356,294.00
01/01/23				39,291.00	39,291.00	
07/01/23	3,742	2.10	277	39,291.00	316,291.00	355,582.00
01/01/24				36,382.50	36,382.50	
07/01/24	3,465	2.10	283	36,382.50	319,382.50	355,765.00
01/01/25				33,411.00	33,411.00	
07/01/25	3,182	2.10	289	33,411.00	322,411.00	355,822.00
01/01/26				30,376.50	30,376.50	
07/01/26	2,893	2.10	295	30,376.50	325,376.50	355,753.00
01/01/27				27,279.00	27,279.00	
07/01/27	2,598	2.10	301	27,279.00	328,279.00	355,558.00
01/01/28				24,118.50	24,118.50	
07/01/28	2,297	2.10	308	24,118.50	332,118.50	356,237.00
01/01/29				20,884.50	20,884.50	
07/01/29	1,989	2.10	314	20,884.50	334,884.50	355,769.00
01/01/30				17,587.50	17,587.50	
07/01/30	1,675	2.10	321	17,587.50	338,587.50	356,175.00
01/01/31				14,217.00	14,217.00	
07/01/31	1,354	2.10	328	14,217.00	342,217.00	356,434.00
01/01/32				10,773.00	10,773.00	
07/01/32	1,026	2.10	335	10,773.00	345,773.00	356,546.00
01/01/33				7,255.50	7,255.50	
07/01/33	691	2.10	342	7,255.50	349,255.50	356,511.00
01/01/34				3,664.50	3,664.50	
07/01/34	349	2.10	349	3,664.50	352,664.50	356,329.00
Totals			<u>\$4,796</u>	<u>\$850,374.00</u>	<u>\$5,646,374.00</u>	<u>\$5,646,374.00</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$22,310,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2014C**

**Principal payable annually July 1st.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rates as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rates (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$22,310	3.000	\$1,020	\$351,409.38	\$1,371,409.38	\$1,371,409.38
01/01/20				336,109.38	336,109.38	
07/01/20	21,290	3.000	1,045	336,109.38	1,381,109.38	1,717,218.76
01/01/21				320,434.38	320,434.38	
07/01/21	20,245	3.000	1,075	320,434.38	1,395,434.38	1,715,868.76
01/01/22				304,309.38	304,309.38	
07/01/22	19,170	3.000	1,105	304,309.38	1,409,309.38	1,713,618.76
01/01/23				287,734.38	287,734.38	
07/01/23	18,065	3.000	1,140	287,734.38	1,427,734.38	1,715,468.76
01/01/24				270,634.38	270,634.38	
07/01/24	16,925	3.000	1,175	270,634.38	1,445,634.38	1,716,268.76
01/01/25				253,009.38	253,009.38	
07/01/25	15,750	3.000	1,210	253,009.38	1,463,009.38	1,716,018.76
01/01/26				234,859.38	234,859.38	
07/01/26	14,540	3.000	1,245	234,859.38	1,479,859.38	1,714,718.76
01/01/27				216,184.38	216,184.38	
07/01/27	13,295	3.000	1,285	216,184.38	1,501,184.38	1,717,368.76
01/01/28				196,909.38	196,909.38	
07/01/28	12,010	3.000	1,325	196,909.38	1,521,909.38	1,718,818.76
01/01/29				177,034.38	177,034.38	
07/01/29	10,685	3.125	1,370	177,034.38	1,547,034.38	1,724,068.76
01/01/30				155,628.13	155,628.13	
07/01/30	9,315	3.125	1,420	155,628.13	1,575,628.13	1,731,256.26
01/01/31				133,440.63	133,440.63	
07/01/31	7,895	3.250	1,470	133,440.63	1,603,440.63	1,736,881.26
01/01/32				109,553.13	109,553.13	
07/01/32	6,425	3.250	1,520	109,553.13	1,629,553.13	1,739,106.26
01/01/33				84,853.13	84,853.13	
07/01/33	4,905	3.375	1,575	84,853.13	1,659,853.13	1,744,706.26
01/01/34				58,275.00	58,275.00	
07/01/34	3,330	3.500	1,635	58,275.00	1,693,275.00	1,751,550.00
01/01/35				29,662.50	29,662.50	
07/01/35	1,695	3.500	1,695	29,662.50	1,724,662.50	1,754,325.00
Totals			<u>\$22,310</u>	<u>\$6,688,672.02</u>	<u>\$28,998,672.02</u>	<u>\$28,998,672.02</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$30,954,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2014D**

**Principal payable annually July 1st.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rate as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$30,954	2.00	\$1,547	\$309,540.00	\$1,856,540.00	\$1,856,540.00
01/01/20				294,070.00	294,070.00	
07/01/20	29,407	2.00	1,578	294,070.00	1,872,070.00	2,166,140.00
01/01/21				278,290.00	278,290.00	
07/01/21	27,829	2.00	1,609	278,290.00	1,887,290.00	2,165,580.00
01/01/22				262,200.00	262,200.00	
07/01/22	26,220	2.00	1,641	262,200.00	1,903,200.00	2,165,400.00
01/01/23				245,790.00	245,790.00	
07/01/23	24,579	2.00	1,674	245,790.00	1,919,790.00	2,165,580.00
01/01/24				229,050.00	229,050.00	
07/01/24	22,905	2.00	1,708	229,050.00	1,937,050.00	2,166,100.00
01/01/25				211,970.00	211,970.00	
07/01/25	21,197	2.00	1,742	211,970.00	1,953,970.00	2,165,940.00
01/01/26				194,550.00	194,550.00	
07/01/26	19,455	2.00	1,777	194,550.00	1,971,550.00	2,166,100.00
01/01/27				176,780.00	176,780.00	
07/01/27	17,678	2.00	1,812	176,780.00	1,988,780.00	2,165,560.00
01/01/28				158,660.00	158,660.00	
07/01/28	15,866	2.00	1,849	158,660.00	2,007,660.00	2,166,320.00
01/01/29				140,170.00	140,170.00	
07/01/29	14,017	2.00	1,885	140,170.00	2,025,170.00	2,165,340.00
01/01/30				121,320.00	121,320.00	
07/01/30	12,132	2.00	1,923	121,320.00	2,044,320.00	2,165,640.00
01/01/31				102,090.00	102,090.00	
07/01/31	10,209	2.00	1,962	102,090.00	2,064,090.00	2,166,180.00
01/01/32				82,470.00	82,470.00	
07/01/32	8,247	2.00	2,001	82,470.00	2,083,470.00	2,165,940.00
01/01/33				62,460.00	62,460.00	
07/01/33	6,246	2.00	2,041	62,460.00	2,103,460.00	2,165,920.00
01/01/34				42,050.00	42,050.00	
07/01/34	4,205	2.00	2,082	42,050.00	2,124,050.00	2,166,100.00
01/01/35				21,230.00	21,230.00	
07/01/35	2,123	2.00	2,123	21,230.00	2,144,230.00	2,165,460.00
Totals			<u>\$30,954</u>	<u>\$5,555,840.00</u>	<u>\$36,509,840.00</u>	<u>\$36,509,840.00</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)



**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$25,220,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2016A**

**Principal payable annually July 1st.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rates as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rates (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$25,220	2.000	\$630	\$344,681.25	\$974,681.25	\$974,681.25
01/01/20				338,381.25	338,381.25	
07/01/20	24,590	2.000	645	338,381.25	983,381.25	1,321,762.50
01/01/21				331,931.25	331,931.25	
07/01/21	23,945	2.000	515	331,931.25	846,931.25	1,178,862.50
01/01/22				326,781.25	326,781.25	
07/01/22	23,430	2.000	505	326,781.25	831,781.25	1,158,562.50
01/01/23				321,731.25	321,731.25	
07/01/23	22,925	2.000	560	321,731.25	881,731.25	1,203,462.50
01/01/24				316,131.25	316,131.25	
07/01/24	22,365	2.000	635	316,131.25	951,131.25	1,267,262.50
01/01/25				309,781.25	309,781.25	
07/01/25	21,730	2.000	670	309,781.25	979,781.25	1,289,562.50
01/01/26				303,081.25	303,081.25	
07/01/26	21,060	2.000	620	303,081.25	923,081.25	1,226,162.50
01/01/27				296,881.25	296,881.25	
07/01/27	20,440	2.000	620	296,881.25	916,881.25	1,213,762.50
01/01/28				290,681.25	290,681.25	
07/01/28	19,820	2.125	525	290,681.25	815,681.25	1,106,362.50
01/01/29				285,103.13	285,103.13	
07/01/29	19,295	2.250	500	285,103.13	785,103.13	1,070,206.26
01/01/30				279,478.13	279,478.13	
07/01/30	18,795	2.375	415	279,478.13	694,478.13	973,956.26
01/01/31				274,550.00	274,550.00	
07/01/31	18,380	2.500	460	274,550.00	734,550.00	1,009,100.00
01/01/32				268,800.00	268,800.00	
07/01/32	17,920	3.000	2,735	268,800.00	3,003,800.00	3,272,600.00
01/01/33				227,775.00	227,775.00	
07/01/33	15,185	3.000	2,825	227,775.00	3,052,775.00	3,280,550.00
01/01/34				185,400.00	185,400.00	
07/01/34	12,360	3.000	2,925 (1)	185,400.00	3,110,400.00	3,295,800.00
01/01/35				141,525.00	141,525.00	
07/01/35	9,435	3.000	3,030 (1)	141,525.00	3,171,525.00	3,313,050.00
01/01/36				96,075.00	96,075.00	
07/01/36	6,405	3.000	3,145 (1)	96,075.00	3,241,075.00	3,337,150.00
01/01/37				48,900.00	48,900.00	
07/01/37	3,260	3.000	3,260 (1)	48,900.00	3,308,900.00	3,357,800.00
Totals			<u>\$25,220</u>	<u>\$9,630,656.27</u>	<u>\$34,850,656.27</u>	<u>\$34,850,656.27</u>

(1) \$12,360,000 of Term Bonds due July 1, 2037.

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$12,715,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2016B**

**Principal payable annually July 1st.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rate as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$12,715	2.00	\$557	\$127,150.00	\$684,150.00	\$684,150.00
01/01/20				121,580.00	121,580.00	
07/01/20	12,158	2.00	568	121,580.00	689,580.00	811,160.00
01/01/21				115,900.00	115,900.00	
07/01/21	11,590	2.00	579	115,900.00	694,900.00	810,800.00
01/01/22				110,110.00	110,110.00	
07/01/22	11,011	2.00	591	110,110.00	701,110.00	811,220.00
01/01/23				104,200.00	104,200.00	
07/01/23	10,420	2.00	603	104,200.00	707,200.00	811,400.00
01/01/24				98,170.00	98,170.00	
07/01/24	9,817	2.00	615	98,170.00	713,170.00	811,340.00
01/01/25				92,020.00	92,020.00	
07/01/25	9,202	2.00	627	92,020.00	719,020.00	811,040.00
01/01/26				85,750.00	85,750.00	
07/01/26	8,575	2.00	639	85,750.00	724,750.00	810,500.00
01/01/27				79,360.00	79,360.00	
07/01/27	7,936	2.00	652	79,360.00	731,360.00	810,720.00
01/01/28				72,840.00	72,840.00	
07/01/28	7,284	2.00	665	72,840.00	737,840.00	810,680.00
01/01/29				66,190.00	66,190.00	
07/01/29	6,619	2.00	679	66,190.00	745,190.00	811,380.00
01/01/30				59,400.00	59,400.00	
07/01/30	5,940	2.00	692	59,400.00	751,400.00	810,800.00
01/01/31				52,480.00	52,480.00	
07/01/31	5,248	2.00	706	52,480.00	758,480.00	810,960.00
01/01/32				45,420.00	45,420.00	
07/01/32	4,542	2.00	720	45,420.00	765,420.00	810,840.00
01/01/33				38,220.00	38,220.00	
07/01/33	3,822	2.00	735	38,220.00	773,220.00	811,440.00
01/01/34				30,870.00	30,870.00	
07/01/34	3,087	2.00	749	30,870.00	779,870.00	810,740.00
01/01/35				23,380.00	23,380.00	
07/01/35	2,338	2.00	764	23,380.00	787,380.00	810,760.00
01/01/36				15,740.00	15,740.00	
07/01/36	1,574	2.00	779	15,740.00	794,740.00	810,480.00
01/01/37				7,950.00	7,950.00	
07/01/37	795	2.00	795	7,950.00	802,950.00	810,900.00
Totals			<u>\$12,715</u>	<u>\$2,566,310.00</u>	<u>\$15,281,310.00</u>	<u>\$15,281,310.00</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$8,835,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2016C**

Principal payable annually July 1st  
and semiannually on January 1st and July 1st beginning January 1, 2038.  
Interest payable semiannually January 1st and July 1st.  
Interest rate as indicated.

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$8,835	2.00	\$330	\$88,350.00	\$418,350.00	\$418,350.00
01/01/20				85,050.00	85,050.00	
07/01/20	8,505	2.00	336	85,050.00	421,050.00	506,100.00
01/01/21				81,690.00	81,690.00	
07/01/21	8,169	2.00	343	81,690.00	424,690.00	506,380.00
01/01/22				78,260.00	78,260.00	
07/01/22	7,826	2.00	350	78,260.00	428,260.00	506,520.00
01/01/23				74,760.00	74,760.00	
07/01/23	7,476	2.00	357	74,760.00	431,760.00	506,520.00
01/01/24				71,190.00	71,190.00	
07/01/24	7,119	2.00	364	71,190.00	435,190.00	506,380.00
01/01/25				67,550.00	67,550.00	
07/01/25	6,755	2.00	372	67,550.00	439,550.00	507,100.00
01/01/26				63,830.00	63,830.00	
07/01/26	6,383	2.00	380	63,830.00	443,830.00	507,660.00
01/01/27				60,030.00	60,030.00	
07/01/27	6,003	2.00	387	60,030.00	447,030.00	507,060.00
01/01/28				56,160.00	56,160.00	
07/01/28	5,616	2.00	395	56,160.00	451,160.00	507,320.00
01/01/29				52,210.00	52,210.00	
07/01/29	5,221	2.00	402	52,210.00	454,210.00	506,420.00
01/01/30				48,190.00	48,190.00	
07/01/30	4,819	2.00	411	48,190.00	459,190.00	507,380.00
01/01/31				44,080.00	44,080.00	
07/01/31	4,408	2.00	419	44,080.00	463,080.00	507,160.00
01/01/32				39,890.00	39,890.00	
07/01/32	3,989	2.00	427	39,890.00	466,890.00	506,780.00
01/01/33				35,620.00	35,620.00	
07/01/33	3,562	2.00	435	35,620.00	470,620.00	506,240.00
01/01/34				31,270.00	31,270.00	
07/01/34	3,127	2.00	444	31,270.00	475,270.00	506,540.00
01/01/35				26,830.00	26,830.00	
07/01/35	2,683	2.00	453	26,830.00	479,830.00	506,660.00
01/01/36				22,300.00	22,300.00	
07/01/36	2,230	2.00	463	22,300.00	485,300.00	507,600.00
01/01/37				17,670.00	17,670.00	
07/01/37	1,767	2.00	471	17,670.00	488,670.00	506,340.00
01/01/38	1,296	2.00	645	12,960.00	657,960.00	
07/01/38	651	2.00	651	6,510.00	657,510.00	1,315,470.00
Totals			<u>\$8,835</u>	<u>\$2,020,980.00</u>	<u>\$10,855,980.00</u>	<u>\$10,855,980.00</u>

(See Accountants' Compilation Report and the accompanying  
summary of accounting policies.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$21,850,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2017A**

**Principal payable annually July 1st  
and semiannually on January 1st and July 1st beginning January 1, 2038.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rates as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rates (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$21,850	3.000	\$795	\$338,212.50	\$1,133,212.50	\$1,133,212.50
01/01/20				326,287.50	326,287.50	
07/01/20	21,055	3.000	820	326,287.50	1,146,287.50	1,472,575.00
01/01/21				313,987.50	313,987.50	
07/01/21	20,235	3.000	845	313,987.50	1,158,987.50	1,472,975.00
01/01/22				301,312.50	301,312.50	
07/01/22	19,390	3.000	870	301,312.50	1,171,312.50	1,472,625.00
01/01/23				288,262.50	288,262.50	
07/01/23	18,520	3.000	895	288,262.50	1,183,262.50	1,471,525.00
01/01/24				274,837.50	274,837.50	
07/01/24	17,625	3.000	920	274,837.50	1,194,837.50	1,469,675.00
01/01/25				261,037.50	261,037.50	
07/01/25	16,705	3.000	950	261,037.50	1,211,037.50	1,472,075.00
01/01/26				246,787.50	246,787.50	
07/01/26	15,755	3.000	980	246,787.50	1,226,787.50	1,473,575.00
01/01/27				232,087.50	232,087.50	
07/01/27	14,775	3.000	1,005	232,087.50	1,237,087.50	1,469,175.00
01/01/28				217,012.50	217,012.50	
07/01/28	13,770	3.000	1,035	217,012.50	1,252,012.50	1,469,025.00
01/01/29				201,487.50	201,487.50	
07/01/29	12,735	3.000	1,070	201,487.50	1,271,487.50	1,472,975.00
01/01/30				185,437.50	185,437.50	
07/01/30	11,665	3.000	1,100	185,437.50	1,285,437.50	1,470,875.00
01/01/31				168,937.50	168,937.50	
07/01/31	10,565	3.000	1,145	168,937.50	1,313,937.50	1,482,875.00
01/01/32				151,762.50	151,762.50	
07/01/32	9,420	3.000	1,190	151,762.50	1,341,762.50	1,493,525.00
01/01/33				133,912.50	133,912.50	
07/01/33	8,230	3.125	1,240	133,912.50	1,373,912.50	1,507,825.00
01/01/34				114,537.50	114,537.50	
07/01/34	6,990	3.250	1,285	114,537.50	1,399,537.50	1,514,075.00
01/01/35				93,656.25	93,656.25	
07/01/35	5,705	3.250	1,340	93,656.25	1,433,656.25	1,527,312.50
01/01/36				71,881.25	71,881.25	
07/01/36	4,365	3.250	1,395	71,881.25	1,466,881.25	1,538,762.50
01/01/37				49,212.50	49,212.50	
07/01/37	2,970	3.250	1,450	49,212.50	1,499,212.50	1,548,425.00
01/01/38	1,520	3.375	750 (1)	25,650.00	775,650.00	
07/01/38	770	3.375	770 (1)	12,993.75	782,993.75	1,558,643.75
Totals			<u>\$21,850</u>	<u>\$7,641,731.25</u>	<u>\$29,491,731.25</u>	<u>\$29,491,731.25</u>

(1) \$1,520,000 of Term Bonds due July 1, 2038.

(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$16,960,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2018A**

**Principal payable annually July 1st  
and semiannually on January 1st and July 1st beginning January 1, 2038.  
Interest payable semiannually January 1st and July 1st.  
Interest rate as indicated.**

Payment Date	Principal Outstanding (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
07/01/19	\$16,960	2.00	\$698	\$169,600.00 *	\$867,600.00	\$867,600.00
01/01/20				162,620.00	162,620.00	
07/01/20	16,262	2.00	712	162,620.00	874,620.00	1,037,240.00
01/01/21				155,500.00	155,500.00	
07/01/21	15,550	2.00	726	155,500.00	881,500.00	1,037,000.00
01/01/22				148,240.00	148,240.00	
07/01/22	14,824	2.00	740	148,240.00	888,240.00	1,036,480.00
01/01/23				140,840.00	140,840.00	
07/01/23	14,084	2.00	755	140,840.00	895,840.00	1,036,680.00
01/01/24				133,290.00	133,290.00	
07/01/24	13,329	2.00	770	133,290.00	903,290.00	1,036,580.00
01/01/25				125,590.00	125,590.00	
07/01/25	12,559	2.00	786	125,590.00	911,590.00	1,037,180.00
01/01/26				117,730.00	117,730.00	
07/01/26	11,773	2.00	801	117,730.00	918,730.00	1,036,460.00
01/01/27				109,720.00	109,720.00	
07/01/27	10,972	2.00	817	109,720.00	926,720.00	1,036,440.00
01/01/28				101,550.00	101,550.00	
07/01/28	10,155	2.00	834	101,550.00	935,550.00	1,037,100.00
01/01/29				93,210.00	93,210.00	
07/01/29	9,321	2.00	851	93,210.00	944,210.00	1,037,420.00
01/01/30				84,700.00	84,700.00	
07/01/30	8,470	2.00	868	84,700.00	952,700.00	1,037,400.00
01/01/31				76,020.00	76,020.00	
07/01/31	7,602	2.00	885	76,020.00	961,020.00	1,037,040.00
01/01/32				67,170.00	67,170.00	
07/01/32	6,717	2.00	903	67,170.00	970,170.00	1,037,340.00
01/01/33				58,140.00	58,140.00	
07/01/33	5,814	2.00	921	58,140.00	979,140.00	1,037,280.00
01/01/34				48,930.00	48,930.00	
07/01/34	4,893	2.00	939	48,930.00	987,930.00	1,036,860.00
01/01/35				39,540.00	39,540.00	
07/01/35	3,954	2.00	958	39,540.00	997,540.00	1,037,080.00
01/01/36				29,960.00	29,960.00	
07/01/36	2,996	2.00	977	29,960.00	1,006,960.00	1,036,920.00
01/01/37				20,190.00	20,190.00	
07/01/37	2,019	2.00	997	20,190.00	1,017,190.00	1,037,380.00
01/01/38	1,022	2.00	509	10,220.00	519,220.00	
07/01/38	513	2.00	513	5,130.00	518,130.00	1,037,350.00
Totals			<u>\$16,960</u>	<u>\$3,610,830.00</u>	<u>\$20,570,830.00</u>	<u>\$20,570,830.00</u>

\* Subject to change. Interest payments will be calculated based upon principal amounts drawn down.

(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$35,020,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2018B-1**

**Principal payable annually July 1st  
and semiannually on January 1st and July 1st beginning January 1, 2038.  
Interest payable semiannually January 1st and July 1st.  
Interest rate as indicated.**

Payment Date	Principal Outstanding (In Dollars)	Interest Rate (%)	Debt Service			Bond Year
			Principal	Interest	Total	Total
			(-----In Dollars-----)			
07/01/19	\$35,020,000			\$583,958.50	\$583,958.50	\$583,958.50
01/01/20				507,790.00	507,790.00	
07/01/20	35,020,000			507,790.00	507,790.00	1,015,580.00
01/01/21				507,790.00	507,790.00	
07/01/21	35,020,000			507,790.00	507,790.00	1,015,580.00
01/01/22				507,790.00	507,790.00	
07/01/22	35,020,000	2.90	\$26,723	507,790.00	534,513.00	1,042,303.00
01/01/23				507,402.52	507,402.52	
07/01/23	34,993,277	2.90	26,723	507,402.52	534,125.52	1,041,528.04
01/01/24				507,015.03	507,015.03	
07/01/24	34,966,554	2.90	26,723	507,015.03	533,738.03	1,040,753.06
01/01/25				506,627.55	506,627.55	
07/01/25	34,939,831	2.90	26,723	506,627.55	533,350.55	1,039,978.10
01/01/26				506,240.07	506,240.07	
07/01/26	34,913,108	2.90	26,723	506,240.07	532,963.07	1,039,203.14
01/01/27				505,852.58	505,852.58	
07/01/27	34,886,385	2.90	2,185,070	505,852.58	2,690,922.58	3,196,775.16
01/01/28				474,169.07	474,169.07	
07/01/28	32,701,315	2.90	2,208,232	474,169.07	2,682,401.07	3,156,570.14
01/01/29				442,149.70	442,149.70	
07/01/29	30,493,083	2.90	2,468,516	442,149.70	2,910,665.70	3,352,815.40
01/01/30				406,356.22	406,356.22	
07/01/30	28,024,567	2.90	2,498,590	406,356.22	2,904,946.22	3,311,302.44
01/01/31				370,126.67	370,126.67	
07/01/31	25,525,977	2.90	2,518,433	370,126.67	2,888,559.67	3,258,686.34
01/01/32				333,609.39	333,609.39	
07/01/32	23,007,544	2.90	2,471,872	333,609.39	2,805,481.39	3,139,090.78
01/01/33				297,767.24	297,767.24	
07/01/33	20,535,672	2.90	2,479,460	297,767.24	2,777,227.24	3,074,994.48
01/01/34				261,815.07	261,815.07	
07/01/34	18,056,212	2.90	2,488,035	261,815.07	2,749,850.07	3,011,665.14
01/01/35				225,738.57	225,738.57	
07/01/35	15,568,177	2.90	2,480,034	225,738.57	2,705,772.57	2,931,511.14
01/01/36				189,778.07	189,778.07	
07/01/36	13,088,143	2.90	2,505,388	189,778.07	2,695,166.07	2,884,944.14
01/01/37				153,449.95	153,449.95	
07/01/37	10,582,755	2.90	2,529,586	153,449.95	2,683,035.95	2,836,485.90
01/01/38	8,053,169	2.90	1,222,577	116,770.95	1,339,347.95	
07/01/38	6,830,592	2.90	1,236,229	99,043.58	1,335,272.58	2,674,620.53
01/01/39	5,594,363	2.90	1,252,993	81,118.26	1,334,111.26	
07/01/39	4,341,370	2.90	1,267,015	62,949.87	1,329,964.87	2,664,076.13
01/01/40	3,074,355	2.90	1,528,574	44,578.15	1,573,152.15	
07/01/40	1,545,781	2.90	1,545,781	22,413.82	1,568,194.82	3,141,346.97
Totals			\$35,020,000	\$15,433,768.53	\$50,453,768.53	\$50,453,768.53

(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

**SCHEDULE OF AMORTIZATION OF \$72,335,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2018B-2**

**Principal payable annually July 1st  
and semiannually on January 1st and July 1st beginning January 1, 2038.**

**Interest payable semiannually January 1st and July 1st.**

**Interest rate as indicated.**

Payment Date	Principal	Interest	Debt Service			Bond Year
	Outstanding	Rate	Principal	Interest	Total	Total
	(In Dollars)	(%)	(-----In Dollars-----)			
07/01/19	\$72,335,000			\$1,380,875.15	\$1,380,875.15	\$1,380,875.15
01/01/20				1,200,761.00	1,200,761.00	
07/01/20	72,335,000			1,200,761.00	1,200,761.00	2,401,522.00
01/01/21				1,200,761.00	1,200,761.00	
07/01/21	72,335,000			1,200,761.00	1,200,761.00	2,401,522.00
01/01/22				1,200,761.00	1,200,761.00	
07/01/22	72,335,000	3.32	\$1,000	1,200,761.00	1,201,761.00	2,402,522.00
01/01/23				1,200,744.40	1,200,744.40	
07/01/23	72,334,000	3.32	1,000	1,200,744.40	1,201,744.40	2,402,488.80
01/01/24				1,200,727.80	1,200,727.80	
07/01/24	72,333,000	3.32	1,000	1,200,727.80	1,201,727.80	2,402,455.60
01/01/25				1,200,711.20	1,200,711.20	
07/01/25	72,332,000	3.32	1,000	1,200,711.20	1,201,711.20	2,402,422.40
01/01/26				1,200,694.60	1,200,694.60	
07/01/26	72,331,000	3.32	1,000	1,200,694.60	1,201,694.60	2,402,389.20
01/01/27				1,200,678.00	1,200,678.00	
07/01/27	72,330,000	3.32	1,000	1,200,678.00	1,201,678.00	2,402,356.00
01/01/28				1,200,661.40	1,200,661.40	
07/01/28	72,329,000	3.32	1,000	1,200,661.40	1,201,661.40	2,402,322.80
01/01/29				1,200,644.80	1,200,644.80	
07/01/29	72,328,000	3.32	1,000	1,200,644.80	1,201,644.80	2,402,289.60
01/01/30				1,200,628.20	1,200,628.20	
07/01/30	72,327,000	3.32	1,000	1,200,628.20	1,201,628.20	2,402,256.40
01/01/31				1,200,611.60	1,200,611.60	
07/01/31	72,326,000	3.32	1,000	1,200,611.60	1,201,611.60	2,402,223.20
01/01/32				1,200,595.00	1,200,595.00	
07/01/32	72,325,000	3.32	1,000	1,200,595.00	1,201,595.00	2,402,190.00
01/01/33				1,200,578.40	1,200,578.40	
07/01/33	72,324,000	3.32	1,000	1,200,578.40	1,201,578.40	2,402,156.80
01/01/34				1,200,561.80	1,200,561.80	
07/01/34	72,323,000	3.32	1,000	1,200,561.80	1,201,561.80	2,402,123.60
01/01/35				1,200,545.20	1,200,545.20	
07/01/35	72,322,000	3.32	1,000	1,200,545.20	1,201,545.20	2,402,090.40
01/01/36				1,200,528.60	1,200,528.60	
07/01/36	72,321,000	3.32	1,000	1,200,528.60	1,201,528.60	2,402,057.20
01/01/37				1,200,512.00	1,200,512.00	
07/01/37	72,320,000	3.32	1,000	1,200,512.00	1,201,512.00	2,402,024.00
01/01/38	72,319,000	3.32	734,103	1,200,495.40	1,934,598.40	
07/01/38	71,584,897	3.32	746,290	1,188,309.29	1,934,599.29	3,869,197.69
01/01/39	70,838,607	3.32	762,690	1,175,920.88	1,938,610.88	
07/01/39	70,075,917	3.32	780,351	1,163,260.22	1,943,611.22	3,882,222.10
01/01/40	69,295,566	3.32	552,037	1,150,306.40	1,702,343.40	
07/01/40	68,743,529	3.32	561,200	1,141,142.58	1,702,342.58	3,404,685.98
Sub-totals			\$4,152,671	\$51,623,721.92	\$55,776,392.92	\$55,776,392.92

(Continued on next page)

(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)

**EVANSVILLE (INDIANA) MUNICIPAL SEWAGE WORKS**

(Cont'd)

**SCHEDULE OF AMORTIZATION OF \$72,335,000 PRINCIPAL AMOUNT OF  
OUTSTANDING SEWAGE WORKS REVENUE BONDS, SERIES 2018B-2**

**Principal payable annually July 1st  
and semiannually on January 1st and July 1st beginning January 1, 2038.  
Interest payable semiannually January 1st and July 1st.  
Interest rate as indicated.**

Payment Date	Principal Outstanding (In Dollars)	Interest Rate (%)	Debt Service			Bond Year
			Principal	Interest	Total	Total
(-----In Dollars-----)						
Sub-totals carried forward			\$4,152,671	\$51,623,721.92	\$55,776,392.92	\$55,776,392.92
01/01/41	\$68,182,329	3.32	2,118,441	1,131,826.66	3,250,267.66	
07/01/41	66,063,888	3.32	2,153,607	1,096,660.54	3,250,267.54	6,500,535.20
01/01/42	63,910,281	3.32	2,189,357	1,060,910.66	3,250,267.66	
07/01/42	61,720,924	3.32	2,225,701	1,024,567.34	3,250,268.34	6,500,536.00
01/01/43	59,495,223	3.32	2,262,647	987,620.70	3,250,267.70	
07/01/43	57,232,576	3.32	2,300,207	950,060.76	3,250,267.76	6,500,535.46
01/01/44	54,932,369	3.32	2,338,391	911,877.33	3,250,268.33	
07/01/44	52,593,978	3.32	2,377,208	873,060.03	3,250,268.03	6,500,536.36
01/01/45	50,216,770	3.32	2,416,669	833,598.38	3,250,267.38	
07/01/45	47,800,101	3.32	2,456,786	793,481.68	3,250,267.68	6,500,535.06
01/01/46	45,343,315	3.32	2,497,569	752,699.03	3,250,268.03	
07/01/46	42,845,746	3.32	2,539,028	711,239.38	3,250,267.38	6,500,535.41
01/01/47	40,306,718	3.32	2,581,176	669,091.52	3,250,267.52	
07/01/47	37,725,542	3.32	2,624,024	626,244.00	3,250,268.00	6,500,535.52
01/01/48	35,101,518	3.32	2,667,583	582,685.20	3,250,268.20	
07/01/48	32,433,935	3.32	2,711,865	538,403.32	3,250,268.32	6,500,536.52
01/01/49	29,722,070	3.32	2,756,881	493,386.36	3,250,267.36	
07/01/49	26,965,189	3.32	2,802,646	447,622.14	3,250,268.14	6,500,535.50
01/01/50	24,162,543	3.32	2,849,170	401,098.21	3,250,268.21	
07/01/50	21,313,373	3.32	2,896,466	353,801.99	3,250,267.99	6,500,536.20
01/01/51	18,416,907	3.32	2,944,547	305,720.66	3,250,267.66	
07/01/51	15,472,360	3.32	2,993,427	256,841.18	3,250,268.18	6,500,535.84
01/01/52	12,478,933	3.32	3,043,118	207,150.29	3,250,268.29	
07/01/52	9,435,815	3.32	3,093,633	156,634.53	3,250,267.53	6,500,535.82
01/01/53	6,342,182	3.32	3,144,988	105,280.22	3,250,268.22	
07/01/53	3,197,194	3.32	3,197,194	53,073.42	3,250,267.42	6,500,535.64
Totals			\$72,335,000	\$67,948,357.45	\$140,283,357.45	\$140,283,357.45

(The Accountants' Compilation Report and the accompanying  
comments are an integral part of this statement.)



## APPENDIX C



PERMANENT RECORD

INTRODUCED BY: J. BRINKMEYER  
J. ELPERS

**PASSED**

ORDINANCE NO. G-2019-02

An Ordinance authorizing the issuance of sewage works revenue bonds of the City of Evansville, Indiana, and issuance of notes in anticipation of the issuance of bonds; prescribing the form and other details of the bonds; providing for the collection and disposition of the revenues to be derived from its sewerage system; making other provisions with respect to the operation of the system and the issuance and sale of the bonds and notes; and providing for the security and payment of the bonds and notes; other matters connected therewith, and repealing ordinances inconsistent herewith.

WHEREAS, the City of Evansville, Indiana (the "City"), now owns and operates a municipal sewage works system (the "System") pursuant to IC 36-9-23; and

WHEREAS, the City provides sewage collection and disposal service in the City, imposes charges for such service, and accounts for the income from and expenses of such service as revenues and expenses of the System, respectively; and

WHEREAS, the City's Sewage Works Revenue Bonds of 2007, Series A, dated April 10, 2007 (the "2007A Bonds"), are now outstanding in the principal amount of Seventeen Million Six Hundred Seventy-Four Thousand Dollars (\$17,674,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2007A Bonds are payable from the Net Revenues of the System, and were issued to the Indiana Finance Authority (the "Authority") as part of its wastewater loan program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 (the "SRF Program"); and

**FILED**

**FEB 05 2019**

*Anna Windham*  
CITY CLERK

WHEREAS, the City's Sewage Works Revenue Bonds of 2007, Series B, dated April 26, 2007 (the "2007B Bonds"), are now outstanding in the principal amount of Three Million Four Hundred Twenty Thousand Dollars (\$3,420,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2007B Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, and were issued to the State of Indiana Wastewater Revolving Loan Fund (now operated by the Authority through its SRF Program); and

WHEREAS, the City's Sewage Works Revenue Bonds of 2008, Series B, dated October 3, 2008 (the "2008 Bonds"), are now outstanding in the principal amount of Ten Million Seven Hundred Twenty-Six Thousand Dollars (\$10,726,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2008 Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds and the 2007B Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2010B-1, dated December 1, 2010 (the "2010B-1 Bonds") are now outstanding in the principal amount of Twenty-Three Million Ten Thousand Dollars (\$23,010,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2010B-1 Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, and the 2008 Bonds; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2011C, dated June 9, 2011 (the "2011C Bonds") are now outstanding in the principal amount of Two Million Seven Hundred Fifty-Six Thousand Dollars (\$2,756,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2011C Bonds are payable

from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, and the 2010B-1 Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2011D, dated October 26, 2011 (the "2011D Bonds") are now outstanding in the principal amount of One Million Two Hundred Nine Thousand Dollars (\$1,209,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2011D Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the 2010B-1 Bonds, and the 2011C Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Refunding Revenue Bonds, Series 2013A, dated May 2, 2013 (the "2013A Refunding Bonds"), are now outstanding in the principal amount of Sixteen Million Five Hundred Fifty Thousand Dollars (\$16,550,000), having been issued by the City for the purpose of refunding the City's Sewage Works Revenue Bonds of 1998, Series C, and the City's Sewage Works Refunding Revenue Bonds of 2003, Series A, which 2013A Refunding Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, and the 2011D Bonds; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2013B, dated November 26, 2013 (the "2013B Bonds"), are now outstanding in the principal amount of Twenty-Eight Million Five Hundred Thirty Thousand Dollars (\$28,530,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2013B Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B

Bonds, the 2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, and the 2013A Refunding Bonds; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2014A, dated January 31, 2014 (the "2014A Bonds"), are now outstanding in the principal amount of Six Million Three Hundred Thirteen Thousand Dollars (\$6,313,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2014A Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A Refunding Bonds and the 2013B Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2014B, dated June 13, 2014 (the "2014B Bonds"), are now outstanding in the principal amount of Four Million Seven Hundred Ninety-Six Thousand Dollars (\$4,796,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2014B Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A Refunding Bonds, the 2013B Bonds, and the 2014A Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2014C, dated August 21, 2014 (the "2014C Bonds"), are now outstanding in the principal amount of Twenty-Two Million Three Hundred Ten Thousand Dollars (\$22,310,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2014C Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the

2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, and the 2014B Bonds; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2014D, dated December 15, 2014 (the "2014D Bonds"), are now outstanding in the principal amount of Thirty Million Nine Hundred Fifty-Four Thousand Dollars (\$30,954,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2014D Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, and the 2014C Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2016A, dated July 28, 2016 (the "2016A Bonds"), are now outstanding in the principal amount of Twenty-Five Million Two Hundred Twenty Thousand Dollars (\$25,220,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2016A Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, and the 2014D Bonds; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2016B, dated December 15, 2016 (the "2016B Bonds"), are now outstanding in the principal amount of Twelve Million Seven Hundred Fifteen Thousand Dollars (\$12,715,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2016B Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the

2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, and the 2016A Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2016C, dated December 15, 2016 (the "2016C Bonds"), are now outstanding in the principal amount of Eight Million Eight Hundred Thirty-Five Thousand Dollars (\$8,835,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2016C Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, and the 2016B Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2017A, dated May 11, 2017 (the "2017A Bonds"), are now outstanding in the principal amount of Twenty-One Million Eight Hundred Fifty Thousand Dollars (\$21,850,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2017A Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, the 2016B Bonds, and the 2016C Bonds; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2018A, dated April 24, 2018 (the "2018A Bonds"), are now outstanding in the principal amount of Sixteen Million Nine Hundred Sixty Thousand Dollars (\$16,960,000), having been issued by the City for the purpose



of constructing, improving and extending the System, which 2018A Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, the 2016B Bonds, the 2016C Bonds, and the 2017A Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2018B-1 and Series 2018B-2, dated December 4, 2018 (the "2018B Bonds"), are now outstanding in the aggregate principal amount of One Hundred Seven Million Three Hundred Fifty-Five Thousand Dollars (\$107,355,000), having been issued by the City for the purpose of constructing, improving and extending the System, which 2018B Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the Reissued 2009 Bonds (as hereinafter defined), the Reissued 2010A Bonds (as hereinafter defined), the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the Reissued 2012E Bonds (as hereinafter defined), the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, the 2016B Bonds, the 2016C Bonds, the 2017A Bonds, and the 2018A Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Revenue Bonds of 2009 (2018 Reissued Bonds), dated December 4, 2018 (the "Reissued 2009 Bonds") are now outstanding in the principal amount of Twenty-Seven Million Seven Hundred Twenty-Three Thousand Dollars (\$27,723,000), having been issued by the City for the purpose of constructing, improving and extending the System, which Reissued 2009 Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the Reissued

2010A Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the Reissued 2012E Bonds, the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, the 2016B Bonds, the 2016C Bonds, the 2017A Bonds, the 2018A Bonds, and the 2018B Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2010A (2018 Reissued Bonds), dated December 4, 2018 (the "Reissued 2010A Bonds") are now outstanding in the principal amount of Seven Million One Hundred Thirteen Thousand Dollars (\$7,113,000), having been issued by the City for the purpose of constructing, improving and extending the System, which Reissued 2010 Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the Reissued 2009 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the Reissued 2012E Bonds, the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, the 2016B Bonds, the 2016C Bonds, the 2017A Bonds, the 2018A Bonds, the 2018B Bonds, and the Reissued 2009 Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the City's Sewage Works Revenue Bonds, Series 2012E (2018 Reissued Bonds), dated December 4, 2018 (the "Reissued 2012E Bonds") are now outstanding in the principal amount of Five Million Nine Hundred Sixty-Nine Thousand Dollars (\$5,969,000), having been issued by the City for the purpose of constructing, improving and extending the System, which Reissued 2012E Bonds are payable from the Net Revenues of the System, on parity with the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the Reissued 2009 Bonds, the Reissued 2010A Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A

Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2016A Bonds, the 2016B Bonds, the 2016C Bonds, the 2017A Bonds, the 2018A Bonds, the 2018B Bonds, the Reissued 2009 Bonds, and the Reissued 2010A Bonds, and were issued to the Authority as part of its SRF Program; and

WHEREAS, the Common Council of the City (the “Common Council”) now finds that certain improvements, additions and extensions to the System are necessary; that plans, specifications and estimates have been prepared and filed by the engineers employed by the City for the construction of said improvements and extensions (including without limitation those set forth in the Financial Assistance Agreement with the Authority as part of its SRF Program, pertaining to all or a portion of the Project and the financing thereof (the “Financial Assistance Agreement”), and any amendment thereto, attached hereto and made a part hereof, and in Exhibit A attached hereto) (the “Project”), which plans and specifications have been approved by the Common Council and have been submitted to all governmental authorities having jurisdiction, including, particularly, the Indiana Department of Environmental Management (the “Department”), and have been approved by the aforesaid governmental authorities and are incorporated herein by reference and are open for inspection at the office of the water and sewer utility department as required by law; and

WHEREAS, the City has obtained engineers’ estimates of the costs for the construction of the Project and will advertise for and receive bids for the construction of the Project which bids will be subject to the City’s obtaining funds to pay for the Project; that on the basis of these engineers’ estimates, the cost of the Project, including funding a debt service reserve, incidental expenses and costs of issuance are in the approximate amount of One Hundred Ten Million Dollars (\$110,000,000) (collectively, “Costs of the Project”); and

WHEREAS, the City has no funds on hand available for application to the Costs of the Project, and therefore, such Costs of the Project shall be financed by the issuance of sewage works revenue bonds, in one or more series (which series may consist of one or more series of tax-exempt bonds or taxable bonds, as described below) in an aggregate principal amount not to exceed One Hundred Ten Million Dollars (\$110,000,000) and, if necessary, bond anticipation notes, in one or more series (the “BANs”); and

WHEREAS, the ordinances authorizing the issuance of the 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2014D Bonds, the 2016A Bonds, the 2016B Bonds, the 2016C Bonds, the 2017A, the 2018A Bonds, the 2018B Bonds, the Reissued 2009 Bonds, the Reissued 2010A Bonds, and the Reissued 2012E Bonds (collectively, the “Existing Ordinances”) permit the issuance of additional bonds ranking on parity with the outstanding 2007A Bonds, the 2007B Bonds, the 2008 Bonds, the 2010B-1 Bonds, the 2011C Bonds, the 2011D Bonds, the 2013A Refunding Bonds, the 2013B Bonds, the 2014A Bonds, the 2014B Bonds, the 2014C Bonds, the 2014D Bonds, the 2016A Bonds, the 2016B Bonds, the 2016C Bonds, the 2017A, the 2018A Bonds, the 2018B Bonds, the Reissued 2009 Bonds, the Reissued 2010A Bonds, and the Reissued 2012E Bonds (collectively, “Outstanding Bonds”) provided certain conditions can be met, and the City finds that the finances of the System will enable the City to meet the conditions for the issuance of additional parity bonds, and that, accordingly, the bonds authorized herein shall rank on a parity with the Outstanding Bonds; and

WHEREAS, the bonds issued under this ordinance will constitute a first charge against the Net Revenues of the System, on a parity with the Outstanding Bonds, and are to be issued

subject to the provisions of the laws of the State of Indiana, including, without limitation IC 36-9-23, as in effect on the date of delivery of the bonds (the "Act"), and the terms and restrictions of this ordinance; and

WHEREAS, the City desires to authorize the issuance of BANs hereunder, in one or more series, if necessary, payable solely from the proceeds of the sewage works revenue bonds issued to finance the aforementioned Costs of the Project and to authorize the refunding of the BANs, if issued; and

WHEREAS, the Common Council has been advised that the purchase of a reserve fund surety policy may be cost efficient; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of revenue bonds and BANs have been complied with in accordance with the provisions of the Act; and

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF EVANSVILLE, INDIANA, AS FOLLOWS:

Section 1. Project Authorization. (a) The bonds authorized by this ordinance shall be issued pursuant to the Act and other applicable provisions of law. The BANs authorized by this ordinance shall be issued pursuant to the Act and other applicable provisions of law.

(b) The City shall proceed with the construction of the Project in accordance with the plans and specifications prepared and filed by the consulting engineers employed by the City, which plans and specifications are by reference made a part of this ordinance as fully as if the same were attached to and incorporated herein and two copies of which are now on file or shall be placed on file in the office of the water and sewer utility department of the City and are open for public inspection pursuant to IC 36-1-5-4. The total Costs of the Project shall not exceed the sum of One Hundred Ten Million Dollars (\$110,000,000), plus investment earnings on the BAN

and bond proceeds, without further authorization from this Common Council. The terms “System,” “sewage treatment works,” “works,” and other like terms where used in this ordinance shall be construed to mean the Treatment Works, as defined in the Financial Assistance Agreement entered into between the City and the Authority, and includes all structures and property of the City’s sewer utility, including the Project and the items defined in IC 36-9-1-8 and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned, which plans and specifications are hereby approved. The Project shall be constructed and the BANs and bonds herein authorized shall be issued pursuant to and in accordance with the Act.

Section 2. Definitions. The following terms shall have the following meanings in this ordinance unless the context expressly or by necessary implication requires otherwise:

“Authority” shall mean the Indiana Finance Authority;

“BANs” shall mean the [Taxable] Sewage Works Bond Anticipation Notes of the year in which the BANs are issued, and with the appropriate series designation, if any, of the City authorized to be issued by this ordinance;

“Bonds” shall mean the Sewage Works Revenue Bonds of the year in which the Bonds are issued, and with the appropriate series designation, if any, of the City, authorized to be issued by this ordinance;

“Current Expenses” shall mean expenses incurred by the City under the Act in the operation of the System determined in accordance with generally accepted accounting principles, including expenses of providing refuse collection and disposal service, but shall exclude interest, depreciation, amortization and payments in lieu of taxes;

“Fiscal Year” shall mean the twelve month period beginning on January 1 of each year and ending on the last day of December next succeeding, or such other annual fiscal period as the City may hereafter adopt;

“Gross Revenues” shall mean all revenues and income of the City derived from the operation of the System as permitted by the Act, including (a) tapping privileges and fees reported as contributions in aid of construction; including revenues derived from providing refuse collection and disposal service; (b) proceeds from the sale of property; (c) proceeds of insurance and condemnation awards and compensation for damages, to the extent not applied to the payment of the cost of repairs, replacements and improvements; (d) System Development Charges and (e) all amounts realized from the investment of money in the accounts and funds continued or created by this ordinance; but excluding any amount received under an industrial cost recovery system pursuant to the Federal Water Pollution Control Act or similar legislation and which is required to be returned to a governmental body or to be reserved by the City for a purpose inconsistent with its application under subsections (a), (b), (c) or (d) of Section 14; the term “Gross Revenues” shall also include payments received by the City in connection with the issuance by the City of sewage works revenue bonds issued as Build America Bonds pursuant to the authority of the American Recovery and Reinvestment Act of 2009.

“Net Revenues” shall mean Gross Revenues after deduction of Current Expenses;

“Original Purchaser” shall mean the purchaser of the Bonds pursuant to the provisions of Section 11;

“Parity Bonds” shall mean bonds issued on parity with the Outstanding Bonds and the Bonds in accordance with the provisions of Section 17;

“Paying Agent” shall mean the paying agent selected pursuant to Section 6;

“Qualified Investments” shall mean, only to the extent permitted by Indiana law,

(A) investments for all purposes, including defeasance investments in refunding escrow accounts:

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (A)(2) below), or

(2) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

(B) investments for all purposes, other than defeasance investments in refunding escrow accounts:

(1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America;

- (a) Farmers Home Administration
- (b) General Services Administration
- (c) U.S. Maritime Administration
- (d) Small Business Administration
- (e) Government National Mortgage Association
- (f) U.S. Department of Housing and Urban Development
- (g) Federal Housing Administration
- (h) Export-Import Bank
- (i) Farm Credit System Financial Assistance Corporation

(2) Senior Debt Obligations rated “AAA” by Standard & Poor’s Corporation and “Aaa” by Moody’s Investors Services issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;



(3) U.S. Dollar denominated deposit accounts, federal funds and banker's acceptances with commercial banks (foreign or domestic) which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 360 days after the date of purchase;

(4) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by Standard & Poor's Corporation and "P-1" by Moody's Investors Services and which matures not more than 270 days after the date of purchase;

(5) Money market funds rated "AAAm" by Standard & Poor's Corporation and "AAAm-G" or better by Standard & Poor's Corporation.

(6) Pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and (ii) (A) which are rated, based on the escrow, in the highest rating category by Moody's Investor Service, Inc. and Standard & Poor's Corporation or any successor thereto; or (B)(1) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in (a) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (2) which fund is sufficient, as verified by an independent certified public accountant, to pay principal of and interest

and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this paragraph, as appropriate;

The value of the above investments shall be determined as provided in “Value” below.

“Rate Ordinance” shall mean Title 13 of the Municipal Code of Evansville, as last amended by Ordinance No. F-2016-31, establishing sewer rates and charges;

“Registrar” shall mean the registrar selected pursuant to Section 6;

“System” shall mean the entire sewerage system of the City and all System properties of every nature hereafter owned by the City while any of the Outstanding Bonds or the Bonds remain outstanding, including all property and facilities used in providing refuse collection and disposal service, including all real and personal property of every nature comprising part of or used or useful in connection with such System and including all appurtenances, contracts, leases, franchises and other intangibles;

“System Development Charges” shall mean the proceeds and balances from any non-recurring charges such as tap fees, subsequent connector fees, capacity or contribution fees, and other similar one-time charges that are available for deposit under this ordinance; provided, however, that any System Development Charges that are enacted under IC 36-26-11-7, shall be considered as Net Revenues of the sewage works; and

“Value” as of any particular time of determination, means that the value of any investments shall be calculated as follows:

(a) As to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*): the average of the

bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) As to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the City in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; and

(c) As to certificates of deposit and banker's acceptances: the face amount thereof, plus accrued interest.

Section 3. Authorization and Terms of BANs. The City shall issue, if necessary, its BANs for the purpose of procuring interim financing to apply to the Costs of the Project. The City may issue its BANs, in one or more series, in an aggregate amount not to exceed One Hundred Ten Million Dollars (\$110,000,000) to be designated "[Taxable] Sewage Works Bond Anticipation Notes of \_\_\_\_" (to be completed with the year in which issued and appropriate series designation, if any). Each series of BANs shall be sold at a price not less than one hundred percent (100%) of their par value if sold to the Authority as part of its SRF Program, or ninety-nine percent (99.0%) of their par value if sold to any other purchaser, shall be numbered consecutively from 1 upward, shall be in multiples of One Dollar (\$1) if sold to the Authority as part of its SRF Program, or denominations of One Thousand Dollars (\$1,000) if sold to any other purchaser, as designated in the hereinafter defined BAN Purchase Agreement, shall be dated as of the date of delivery, and shall bear interest at a rate not to exceed four percent (4.0%) per annum (the exact rate or rates to be negotiated with the purchaser of the BANs) payable upon maturity or upon prepayment prior to maturity. Each series of BANs will mature no later than

five years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed four percent (4.0%) per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of the BANs and all renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers. Notwithstanding anything in this ordinance to the contrary, any series of BANs issued hereunder may bear interest that is taxable and included in the gross income of the owners thereof. If any such BANs are issued on a taxable basis, the designated name shall include the term “taxable” as the first word in the designated name.

The BANs shall be issued pursuant to IC 5-1.5-8-6.1 if sold to the Indiana Bond Bank, pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 if sold to the Authority, or pursuant to IC 5-1-14-5 if sold to a financial institution or any other purchaser. The principal of and the interest on the BANs shall be payable solely from the issuance of revenue bonds pursuant to and in the manner prescribed by the Act.

Section 4. Authorization and Terms of Bonds. (a) For the purpose of procuring funds to pay the Costs of the Project, including the premium for a reserve fund surety policy, if any, funding a debt service reserve, refunding the BANs, if issued, and costs of issuance, the City is hereby authorized to issue the Bonds, in one or more series, in the aggregate principal amount not to exceed One Hundred Ten Million Dollars (\$110,000,000). The Bonds shall be designated as “[Taxable] Sewage Works Revenue Bonds, Series \_\_\_\_,” to be completed with the year in which issued and the appropriate series designation, if any. Each series of Bonds shall be in fully registered form; shall be in denominations of One Dollar (\$1) or integral multiples thereof if sold to the Authority as part of its SRF Program, or in denominations of Five Thousand Dollars (\$5,000) or integral multiples thereof if sold to any other purchaser (or such different

denominations as the Controller may determine prior to the sale of the Bonds); shall be numbered consecutively beginning with number 1; shall be originally dated as of the first day of the month in which sold or issued, or as of the date of delivery, as determined by the Controller with the advice of the City's municipal advisor, provided that if sold to the Authority as part of its SRF Program, the Bonds shall be dated as of their date of delivery. Each series of Bonds shall be sold at a price not less than the par value thereof if sold to the Authority as part of its SRF Program, or not less than ninety-eight and five-tenths percent (98.5%) of their par value if sold to any other purchaser; and shall mature annually, or shall be subject to mandatory sinking fund redemption, on July 1 of each year through July 1, 2037, and semiannually thereafter. Each series of Bonds shall mature not later than July 1, 2057, or, with respect to any series of Bonds sold to the Authority as part of its SRF Program over a period ending no later than thirty-five (35) years after the dated date of any such Bonds (as determined under the Financial Assistance Agreement for any Bonds sold to the Authority as part of its SRF Program), and in such amounts as will allow the City to meet the coverage and/or amortization requirements of the SRF Program if sold to the Authority as part of its SRF Program. Such debt service schedule for any Bonds sold to the Authority as part of its SRF Program shall be finalized and set forth in the Financial Assistance Agreement. For any Bonds not sold to the Authority as part of its SRF Program, such Bonds may mature in amounts that will produce as level debt service as practicable with Five Thousand Dollar (\$5,000) denominations, taking into account the annual debt service on the Outstanding Bonds and all other series of Bonds issued under this ordinance. Each series of Bonds shall bear interest at a rate or rates not to exceed six percent (6.0%) per annum (the exact rate or rates to be determined by bidding or through negotiation). Interest is payable semiannually on January 1 and July 1 in each year, commencing on the first January 1 or the first

July 1 following the date of delivery of the Bonds as determined by the Controller with the advice of the City's municipal advisor, and as set forth in the Financial Assistance Agreement as to any series of Bonds sold to the Authority as part of its SRF Program, or in the form of the Bonds for any series of Bonds which are sold to any other purchaser.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the Original Purchaser. Such term bonds shall have a stated maturity or maturities in the years as determined by the Original Purchaser, but in no event later than the final serial maturity date of the Bonds as determined in the above paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, on principal payment dates which are hereafter determined in accordance with the above paragraph.

Each series of Bonds shall rank on parity with the other for all purposes, including the pledge of Net Revenues under this ordinance.

Interest on the Bonds and BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months.

Notwithstanding anything contained herein, the City may accept any other forms of financial assistance, as and if available, from the SRF Program (including without limitation: (i) any forgivable loans, grants or other assistance whether available as an alternative to any Bond or BAN related provision otherwise provided for herein or as a supplement or addition thereto; and (ii) one or more series or combination of series of Bonds and/or BANs). If required by the SRF Program to be eligible for such financial assistance, one or more of the series of the Bonds issued hereunder may be issued on a basis such that the payment of the principal of or interest on (or both) such series of Bonds is junior and subordinate to the payment of the principal of and

interest on other series of Bonds issued hereunder (and/or any other revenue bonds secured by a pledge of Net Revenues, whether now outstanding or hereafter issued), all as provided by the terms of such series of Bonds as modified pursuant to this authorization. Such financial assistance, if any, shall be as provided in the Financial Assistance Agreement and the Bonds of each series of Bonds and the BANs of each series of BANs issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bond otherwise contained herein).

(b) The Controller of the City, following consultation with the City's bond counsel for the Bonds, will also determine whether any series of the Bonds will be issued as bonds the interest on which is included in the gross income of the owners thereof for federal income tax purposes. In such event, the form of bond set forth in Section 10 hereof shall be appropriately revised to reflect such taxable status, and the provisions of this ordinance that are designed to preserve the Tax Exemption shall not apply to such series of Bonds.

Section 5. Redemption Prior to Maturity. (a) Commencing no sooner than ninety (90) days after their date of issuance, the BANs are prepayable by the City, in whole or in part, at any time upon twenty days' notice to the registered owner of the BANs with no premium.

(b) For any Bonds not sold to the Authority as part of its SRF Program, the Bonds are redeemable at the option of the City, not sooner than July 1, 2029, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the City and by lot within a maturity, at face value, together with a premium no greater than one and five-tenths percent (1.5%) plus in each case accrued interest to the date fixed for redemption. The exact redemption features shall be established by the Controller, with the advice of the City's municipal advisor, prior to the sale of the Bonds.

For any Bonds sold to the Authority as part of its SRF Program, such Bonds are redeemable at the option of the City, with the consent of the Authority, but no sooner than ten (10) years after their date of delivery, and thereafter on any date, on sixty (60) days' notice, in whole or in part, in inverse order of maturity, and by lot within a maturity, at face value together with a premium no greater than two percent (2%), plus accrued interest to the date fixed for redemption; provided, however, if the Bonds are sold to the SRF Program and registered in the name of the Authority, the Bond shall not be redeemable at the option of the City unless and until consented to by the Authority. The exact redemption dates and premiums shall be established by the Controller, with the advice of the City's municipal advisor, prior to the sale of the Bonds.

(c) If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or cancelled shall be credited by the Paying Agent at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, that the Paying Agent shall credit such Bonds



maturing as term bonds only to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

(d) Each authorized denomination shall be considered a separate bond for purposes of redemption. If less than an entire maturity of a series is called for redemption at one time, the Bonds to be redeemed shall be selected by the Registrar and by lot within a maturity. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

(e) In either case, notice of redemption shall be given not less than sixty (60) days prior to the date fixed for redemption of Bonds sold to the Authority as part of its SRF Program, or not less than thirty (30) days for Bonds sold to any other purchaser, unless such redemption notice is waived by the owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the City as of the date which is sixty-five (65) days prior to such redemption date for Bonds sold to the Authority as part of its SRF Program; or forty-five (45) days prior to such redemption date for Bonds sold to any other purchaser; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such Bond shall not affect the validity of any proceedings for the redemption of other Bonds. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City.

(f) On and after the redemption date specified in the notice, the BANs or the Bonds, or portions thereof, thus called (provided funds for their redemption are on deposit at the place of payment) shall no longer bear interest, shall no longer be protected by this ordinance and shall

not be deemed to be outstanding under the provisions of this ordinance, and the owners shall have the right to receive only the redemption price of the BANs or the Bonds plus accrued interest thereon to the date fixed for redemption.

(g) All BANs or Bonds which have been redeemed shall be cancelled and cremated or otherwise destroyed by the Registrar and shall not be reissued and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished by the Registrar to the City; provided, however, that one or more new BANs or Bonds shall be issued for the unredeemed portion of any BAN or Bond without charge to the registered owner.

Section 6. Registrar and Paying Agent; Payment of Bonds; Transfer of Bonds; Designation as Book Entry Bonds; Record Dates; Execution; Authentication. (a) The Controller is hereby authorized to contract with a qualified financial institution to serve as Registrar and Paying Agent for the Bonds (the "Registrar" or the "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the Bonds. The Controller is hereby authorized to enter into such agreements or understandings with the Registrar as will enable the institution to perform the services required of a registrar and paying agent. The Controller is further authorized to pay such fees as the Registrar may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Sewerage System Bond Fund continued to pay the principal of and interest on the Bonds and fiscal agency charges.

As to the BANS and as to the Bonds, if any purchaser does not object to such designation, the Controller may serve as Registrar and Paying Agent and is hereby charged with the duties of a Registrar and Paying Agent.

(b) Except as provided below, the principal of the Bonds and the principal and interest on the BANs shall be payable at the principal office of the Paying Agent. Interest on the Bonds sold to the Authority as part of its SRF Program shall be paid from the date or dates specified in the Financial Assistance Agreement. Interest on the Bonds issued to any other purchaser shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Bonds unless the Bonds are authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date, in which case they shall bear interest from such interest payment date, or unless the Bonds are authenticated on or before the fifteenth day of the month preceding the first interest payment date, in which case they shall bear interest from the original date until the principal shall be fully paid.

(c) If any Bonds or BANs are sold to the Authority as part of its SRF Program, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Authority on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the Authority is the owner of the Bonds or BANs, such Bonds and BANs shall be presented for payment as directed by the Authority.

If wire transfer payment is not required, and for any Bonds not sold to the Authority, the principal of the Bonds shall be payable at the principal corporate trust office of the Paying Agent. All payments of interest on the Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners thereof as the names appear as of the fifteenth day of the month preceding the interest payment date (the "Record Date") and at the addresses as they appear on the registration books kept by the Registrar or at such other address

as is provided to the Paying Agent in writing by such registered owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).

All payments on the Bonds and BANs shall be made in any coin or currency of the United States of America which, on the date of such payment, shall be legal tender for the payment of public and private debts.

Each Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal corporate trust office of the Registrar by the registered owner in person, or by its attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the City except for any tax or governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The City, Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving 30 days' notice in writing to the City and by first class mail to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such 30 day period or upon the earlier appointment of a successor registrar and paying agent by the City. Any such notice to the City may be served personally or sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor registrar and paying agent. The City shall notify each registered owner of the Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the City, the Controller is authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Bonds. The Controller is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent and such fees may be paid from the Sewerage System Bond Fund continued in Section 14 hereof. Any predecessor registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

(d) The City has determined that it may be beneficial to the City to have the Bonds held by a central depository system pursuant to an agreement between the City and The Depository Trust Company, New York, New York ("Depository Trust Company") and have

transfers of the Bonds effected by book-entry on the books of the central depository system (the "Book Entry System"). The Bonds may be initially issued in the form of a separate single authenticated fully registered Bond for the aggregate principal amount of each separate maturity of the Bonds of a series. In such case, upon initial issuance, the ownership of such Bonds shall be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company.

With respect to the Bonds registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, the City and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner ("Beneficial Owner")) of the Bonds with respect to (i) the accuracy of the records of the Depository Trust Company, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Bonds including any notice of redemption, or (iii) the payment to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, or premium, if any, or interest on the Bonds except as otherwise provided herein.

With respect to Bonds registered in the register kept by the Registrar in the name of CEDE & CO., no person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the City to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this ordinance. The City and the Registrar and Paying Agent may treat as and deem the Depository Trust Company or CEDE & CO. to be the absolute bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium,

if any, and interest on such Bonds; (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of the Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the City's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by the Depository Trust Company to the City of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this ordinance shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of CEDE & CO., as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter from the City to the Depository Trust Company.

Upon receipt by the City of written notice from the Depository Trust Company to the effect that the Depository Trust Company is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the Depository Trust Company hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the register of the City kept by the Registrar in the name of CEDE & CO., as nominee of the

Depository Trust Company, but may be registered in whatever name or names the bondholders transferring or exchanging the Bonds shall designate, in accordance with the provisions of this ordinance.

If the City determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Bonds, the City may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial Owners of the availability through the Depository Trust Company of certificates for the Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the Bonds as requested by the Depository Trust Company and any Beneficial Owners in appropriate amounts, and whenever the Depository Trust Company requests the City and the Registrar to do so, the Registrar and the City will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Bonds of any Beneficial Owner's Depository Trust Company account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing the Bonds.

If the Bonds shall no longer be restricted to being registered in the name of the Depository Trust Company, the Registrar shall cause said Bonds to be printed in blank in such number as the Registrar shall determine to be necessary or customary; provided, however, that the Registrar shall not be required to have such Bonds printed until it shall have received from the City indemnification for all costs and expenses associated with such printing.

In connection with any notice or other communication to be provided to bondholders by the City or the Registrar with respect to any consent or other action to be taken by bondholders, the City or the Registrar, as the case may be, shall establish a record date for such consent or



other action and give the Depository Trust Company notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

So long as the Bonds are registered in the name of the Depository Trust Company or CEDE & CO. or any substitute nominee, the City and the Registrar and Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Bonds or from the Depository Trust Company on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership interests in the Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Registrar and the Depository Trust Company, to the same extent as if such consent, advice, direction, demand or vote were made by the bondholders for purposes of this ordinance, and the City and the Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the bondholders. Along with any such certificate or representation, the Registrar may request the Depository Trust Company to deliver, or cause to be delivered, to the Registrar a list of all Beneficial Owners of the Bonds, together with the dollar amount of each Beneficial Owner's interest in the Bonds and the current addresses of such Beneficial Owners.

(e) Each of the Bonds and BANs shall be executed in the name of the City by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Controller and the seal of the City shall be affixed, imprinted or impressed to or on each of the Bonds and BANs manually, by facsimile or any other means; and these officials, by the execution of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures the facsimile signatures appearing on the Bonds and BANs.

In case any officer of the City who shall have signed or sealed any Bond or BAN shall cease to be such officer before the Bond or BAN so signed or sealed shall actually have been delivered or issued, such Bond or BAN may be delivered and issued with the same effect as though the person who had signed and sealed such Bond or BAN had not ceased to be an officer of the City.

No Bond shall be deemed to be issued and outstanding hereunder unless it shall have been authenticated by the manual signature of an authorized officer of the Registrar.

Section 7. Lost, Destroyed or Mutilated Bonds. If any Bond or BAN shall become mutilated, lost, stolen or destroyed, the appropriate officers of the City, at their discretion, may issue a new Bond or BAN, of like tenor, amount, maturity, series and date, and bearing the same or a different number, in exchange and substitution for, and upon the cancellation of the mutilated Bond or BAN, or in lieu of and substitution for such lost, stolen or destroyed Bond or BAN; or if any such Bond or BAN shall have matured or shall be about to mature, instead of issuing a substituted Bond or BAN the officers may pay such Bond or BAN, without surrender. In every case the applicant shall furnish evidence satisfactory to the officers of the destruction, theft or loss of such Bond or BAN, and indemnity satisfactory to these officers; and the officers shall charge for the issue of such new Bond or BAN an amount sufficient to reimburse the City for the expenses incurred by it in the issuance of it.

Section 8. Negotiability. Subject to the provisions of this ordinance for registration, the Bonds and the BANs shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

Section 9. Source of Payment and Pledge of Net Revenues. (a) The BANs, if issued, shall be payable solely from the proceeds of the Bonds.

(b) The Bonds and any Parity Bonds hereafter issued, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon all the Net Revenues of the System on parity with the Outstanding Bonds. The City shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the System, and the Bonds shall not constitute an indebtedness of the City, within the meaning of the provisions and limitations of the constitution of the State of Indiana. The punctual payment of principal of and interest on the Bonds and the Outstanding Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery.

Section 10. Form of Bond and Registration Provision. The form and tenor of the Bonds shall be substantially as follows, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof:

(Form of Bond)

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City of Evansville, Indiana, or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

NO. \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF VANDERBURGH

CITY OF EVANSVILLE

[TAXABLE] SEWAGE WORKS REVENUE BOND, SERIES 20\_\_ \_

[Maturity Date]      Interest Rate      Original Date      Authentication Date      [CUSIP]

REGISTERED OWNER:

PRINCIPAL SUM:

The City of Evansville, in Vanderburgh County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner stated above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), or registered assigns, the Principal Sum stated above[, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this bond, or its assigns] on [the Maturity Date stated above,] OR [the dates and in the amounts as set forth on Exhibit A attached hereto] and to pay interest hereon, until the Principal Sum shall be paid at the Interest Rate per annum stated above, from [the dates of payment made on this bond] OR [the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the 15<sup>th</sup> day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before \_\_\_\_\_ 15, 20\_\_, in which case it shall bear interest from the Original Date,] until the principal is paid, which interest is payable semiannually on the first days of January and July of each year, beginning on \_\_\_\_\_ 1, 20\_\_\_. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

[The principal on this Bond is payable at the [principal corporate trust] office of \_\_\_\_\_ (the "Registrar" or "Paying Agent"), in the City of [East Syracuse, New York] [\_\_\_\_\_, Indiana.]] All payments of [principal of and] interest on this bond shall be paid by [check, mailed one day prior to the interest payment date] OR [wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority (the "Authority") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date] to the Registered Owner at the address as it appears on the registration books kept by [\_\_\_\_\_] (the "Registrar" or "Paying Agent") in the \_\_\_\_\_ of \_\_\_\_\_, Indiana] OR [the Registrar] as of the fifteenth day of the month preceding an interest payment date or at such other address as is provided to the Paying Agent in writing by the Registered Owner. [If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York City time) so that such payments are received at the depository by 2:30 p.m. (New York City time)]. All payments on the bonds shall be made in any coin or currency of the United States of America which, on the dates of such payment, shall be legal tender for the payment of public and private debts.

THE CITY SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON EXCEPT FROM THE HEREINAFTER DESCRIBED SPECIAL FUND, AND NEITHER THIS BOND NOR THE ISSUE OF WHICH IT IS A PART SHALL IN ANY RESPECT CONSTITUTE A CORPORATE INDEBTEDNESS OF THE CITY WITHIN THE

PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA.

This bond is [the only] one of an authorized issue of bonds of the City, [[to be] [issued in series] of like date, tenor and effect, [except as to rates of interest[, series designation,] and dates of maturity]], in the aggregate amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) [for this series]; numbered consecutively from 1 up; issued for the purpose of providing funds to be applied to the cost of additions, extensions and improvements to the System (as defined in the hereinafter defined Ordinance) of the City (the "Project")[, to refund interim notes issued in anticipation of the bonds], to fund a debt service reserve, and to pay issuance expenses[, including a premium for a reserve fund surety policy]. This bond is issued pursuant to an ordinance adopted by the Common Council of the City on \_\_\_\_\_, 2019 entitled "An Ordinance authorizing the issuance of sewage works revenue bonds of the City of Evansville, Indiana and issuance of notes in anticipation of the issuance of bonds; prescribing the form and other details of the bonds; providing for the collection and disposition of the revenues to be derived from its sewerage system; making other provisions with respect to the operation of the system and the issuance and sale of the bonds and notes; and providing for the security and payment of the bonds and notes; other matters connected therewith, and repealing ordinances inconsistent herewith" (the "Ordinance"), and in strict compliance with Indiana Code 36-9-23 as in effect on the date of delivery of the bonds, and other applicable provisions of Indiana law (the "Act") for the purpose of paying the costs of the Project, to fund a debt service reserve [, the payment of notes issued in anticipation of the bonds,] and expenses necessarily incurred in connection with these proceedings and with the issuance of the Bonds[, including a premium for a reserve fund surety policy].

[Reference is hereby made to the Financial Assistance Agreement (the "Financial Assistance Agreement") between the City and the Authority concerning certain terms and covenants pertaining to the Project and the purchase of this bond as part of the wastewater loan program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10.]

[The bonds shall be initially issued in a Book Entry System (as defined in the Ordinance). The provisions of this bond and of the Ordinance are subject in all respects to the provisions of the Letter of Representations among the City, the Registrar and The Depository Trust Company, or any substitute agreement, effecting such Book Entry System.]

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this bond and all other bonds of this issue, [including the Sewage Works Revenue Bonds of 20\_\_\_\_, Series \_\_\_\_ ("Series \_\_\_\_ Bonds")] and any bonds hereafter issued on a parity therewith, are payable solely from the Sewerage System Bond Fund (continued by the Ordinance) (the "Bond Fund") and the Sewerage System Bond Reserve Fund (the "Reserve Fund") to be provided from the Net Revenues (defined as gross revenues of the System after deduction of current expenses of the System) of the System, including the existing works, the improvements and extensions constructed or acquired by the use of the proceeds of the bonds, and all additions and improvements and replacements thereof subsequently constructed or acquired. The bonds of this issue rank on a parity with the Outstanding Bonds as defined in the Ordinance [and the Series \_\_\_\_ Bonds].

The City irrevocably pledges the entire Net Revenues of the System to the prompt payment of the principal of and interest on the bonds authorized by the Ordinance, of which this bond is one, and any bonds ranking on a parity therewith, including the Outstanding Bonds [and the Series \_\_\_\_ Bonds], to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by the System as are sufficient in each year for the payment of the proper and reasonable expenses of Operation and Maintenance (as defined in the [Financial Assistance Agreement] OR [Ordinance]), to provide for proper depreciation, and for the payment of the sums required to be paid into the Bond Fund and the Reserve Fund under the provisions of the Act and the Ordinance. If the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the owner of this bond shall have all the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The City further covenants that it will set aside and pay into its Bond Fund and Reserve Fund sufficient amount of the Net Revenues of the works to meet: (a) the interest on all bonds payable from the revenues of the sewage works, as such interest shall fall due; (b) the principal of all bonds payable from the Net Revenues of the System, as such principal shall fall due; (c) the necessary fiscal agency charges for paying all bonds and interest; and (d) an additional amount, if necessary, to [create and] maintain the reserve as provided in the Ordinance. Such required payments with respect to the bonds shall constitute a first charge upon all the Net Revenues of the works on a parity with the payments on the Outstanding Bonds [and the Series \_\_\_\_ Bonds]. Reference is made to the Ordinance for a more complete statement of the revenues from which and conditions under which this bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this bond, the manner in which the Ordinance may be amended, and the general covenants and provisions pursuant to which this bond has been issued.

The bonds of this issue maturing on and after July 1, 20\_\_ are subject to redemption at the option of the City, on \_\_\_\_\_ 1, 20\_\_ or any date thereafter, on [sixty (60)][thirty (30)] days' notice, in whole or in part, in [inverse order of maturity][the order of maturity selected by the City] and by lot within a maturity, at face value, together with the following premiums:

\_\_\_\_% if redeemed on \_\_\_\_\_ 1, \_\_\_\_,  
or thereafter on or before \_\_\_\_\_, \_\_\_\_;  
\_\_\_\_% if redeemed on \_\_\_\_\_ 1, \_\_\_\_,  
or thereafter on or before \_\_\_\_\_, \_\_\_\_;  
0% if redeemed on \_\_\_\_\_ 1, \_\_\_\_,  
or thereafter prior to maturity;

plus accrued interest to the date fixed for redemption[]; provided, however, if the Bonds are sold to the SRF Program and registered in the name of the Indiana Finance Authority, the Bond shall not be redeemable at the option of the City unless and until consented to by the Indiana Finance Authority].

[The bonds maturing on July 1, 20\_\_ are subject to mandatory sinking fund redemption on July 1 in the years and in the amounts set forth below:

<u>20__</u>	<u>Term Bond</u>
<u>Year</u>	<u>Amount</u>

\*

\*Final Maturity]

Each [Five Thousand Dollars (\$5,000)] [One Dollar (\$1)] principal amount shall be considered a separate bond for purposes of optional [and mandatory] redemption. If less than an entire maturity is called for redemption at one time, the bonds to be redeemed shall be selected by the Registrar and by lot within a maturity. Each authorized denomination shall be considered a separate bond for purposes of redemption. [If some bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the bonds by lot for the mandatory sinking fund redemption.]

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration record of the City, as of the date which is [sixty-five (65)] [forty-five (45)] days prior to such redemption date, not less than [sixty (60)][thirty (30)] days prior to the date fixed for redemption unless the notice is waived by the registered owners of this bond. The notice shall specify the date and place of redemption and the dates of maturity of the bonds called for redemption. The place of redemption may be determined by the City. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

If this bond is not presented for payment or redemption on the date fixed therefor, the City may deposit in trust with its depository bank, an amount sufficient to pay such bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with the depository bank for payment, and the City shall have no further obligation or liability in respect to this bond.

This bond is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the [principal corporate trust] office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance and upon surrender and cancellation of this bond. Upon such transfer a new registered bond or bonds of the same series and the same maturity, of authorized denomination or denominations, of the same aggregate principal amount will be issued to the transferee in exchange therefor.

The bonds are subject to defeasance prior to redemption or payment as provided in the Ordinance, and the owner of this bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Ordinance.

The bonds maturing in any one year are issuable only in fully registered form in the denomination of [Five Thousand Dollars (\$5,000)] [One Dollar (\$1)] or any integral multiple thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

It is hereby certified and recited that all conditions, acts and things required by law and the constitution of the State of Indiana to be done precedent to and in the issuance, sale and delivery of this bond exist, have happened and have been performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance authorizing this bond until this bond shall have been manually authenticated by the Registrar.

IN WITNESS WHEREOF, the City of Evansville, Indiana, has caused this bond to be executed by the manual or facsimile signature of the Mayor of the City, and attested by the manual or facsimile signature of the Controller, and has caused the seal of the City to be impressed or reproduced hereon as of the Original Date stated above.

CITY OF EVANSVILLE, INDIANA

By \_\_\_\_\_  
Mayor

(Seal)

ATTEST:

\_\_\_\_\_  
Controller

#### REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this bond is one of the bonds described in the within-mentioned Ordinance duly authenticated by the Registrar.

\_\_\_\_\_  
as Registrar

By: \_\_\_\_\_  
Authorized Representative



## ASSIGNMENT

For value received, the undersigned hereby sells and transfers unto

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Transferee)

the within bond, and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer this bond on the books kept for registration thereof with full power or substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

\_\_\_\_\_  
Registered Owner  
(NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this bond in every particular without alteration or enlargement or any change whatsoever.)

### [EXHIBIT A

[To be completed on a separate page]]

Section 11. Authorization for Preparation and Sale of BANs and Bonds; Continuing Disclosure. (a) The Controller is hereby authorized and directed to have the Bonds and BANs prepared, and the Mayor and Controller are hereby authorized and directed to execute the Bonds and BANs in the form and manner provided in this ordinance. The Controller is hereby authorized and directed to deliver the Bonds and BANs to the respective purchasers after sale made in accordance with the provisions of this ordinance, provided that at the time of this delivery the Controller shall collect the full amount which the purchasers have agreed to pay for the Bonds or BANs, which amount shall not be less than par value of the Bonds if sold to the Authority as part of its SRF Program or not less than ninety-eight and five-tenths percent (98.5%) of the par value of the Bonds if sold to any other purchaser, as the case may be, or not

less than one hundred percent (100%) of the par value of the BANs if sold to the Authority as part of its SRF Program or not less than ninety-nine percent (99%) of the par value of the BANs if sold to any other purchaser, plus interest accrued to the date of delivery, if any. The City may receive payment for the Bonds and BANs in installments. Each series of Bonds herein authorized, as and to the extent paid for and delivered to the Original Purchasers, shall be the binding special revenue obligations of the City, payable solely out of the Net Revenues of the City's sewage works to be set aside into the Bond Fund as provided in Section 14 of this ordinance, and the proceeds derived from the sale of the Bonds shall be and are hereby set aside for application to the Costs of the Project, the Refunding, the funding of a debt service reserve, and the cost of redemption of the BANs, if issued, together with any outstanding accrued interest. The BANs, as and to the extent paid for and delivered to the purchasers, shall be binding special obligations of the City, payable solely out of proceeds of the Bonds. The proceeds derived from the sale of the BANs shall be and are hereby set aside for application to the Costs of the Project. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

With respect to Bonds that are not sold to the Authority, as part of its SRF Program, distribution of an Official Statement (preliminary and final) prepared by the City's municipal advisor on behalf of the City, is hereby approved, and the Mayor and Controller are authorized and directed to execute the Official Statement on behalf of the City in a form consistent with this ordinance. The Mayor and Controller are hereby authorized to designate the preliminary Official Statement as "nearly final" for purposes of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission.

If necessary to comply with the Rule, the City shall execute and deliver a form of Continuing Disclosure Undertaking Agreement (the “Undertaking”). The Mayor or the Controller are hereby authorized and directed to complete and execute the Undertaking on behalf of the City, if necessary to comply with the Rule. Notwithstanding any other provisions of this ordinance, failure of the City to comply with the Undertaking shall not be considered an event of default under the Bonds or this ordinance.

(b) Prior to the sale of any series of Bonds to be sold at a public bond sale, the Controller shall cause to be published either: (i) a notice of bond sale in *The Evansville Courier & Press*, the only newspaper published in Evansville, Indiana, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in *The Evansville Courier & Press* and the *Court & Commercial Record* all in accordance with IC 5-1-11 and IC 5-3-1. A notice or summary notice of sale may also be published in any financial journal or in other publications, in the discretion of the Controller with the advice of the City’s municipal advisor. The notice may state the time and place of sale, the character and amount of the Bonds, the maximum rates of interest on the Bonds, the terms and conditions upon which bids will be received and the sale made, and such other information as the Controller and the attorneys and advisers employed by the City shall deem advisable, and any summary notice may contain any information deemed so advisable. The notice may provide, among other things, that each bid shall be accompanied by a certified or cashier’s check or a financial surety bond in the amount of one percent of the principal amount of the Bonds to guarantee performance on the part of the bidder. If a financial surety bond is used, it must be from an insurance company licensed to issue such bond in the State of Indiana, and such bond must be submitted to the City

prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser is required to submit to the City a certified or cashier's check (or wire transfer such amount as instructed by the City) not later than 3:30 p.m. (Evansville Time) on the next business day following the award. In the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the Bonds as soon as the Bonds are ready for delivery, or at the time fixed in the notice, then the check and the proceeds of the check shall be the property of the City and shall be considered as its liquidated damages on account of such default; that bidders for the Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rates fixed in this ordinance, and that such interest rate or rates shall be in multiples of one-eighth ( $1/8$ ) or one-hundredth ( $1/100$ ) of one percent (1%). The rate bid on a maturity of a series shall be equal to or greater than the rate bid on the immediately preceding maturity of such series. No conditional bids or bids for less than ninety-eight and five-tenths percent (98.5%) of the face value of the Bonds will be considered.

The Bonds shall be awarded by the Controller to the best bidder who has submitted its bid in accordance with the terms of this ordinance, IC 5-1-11 and the notice of sale. The best bidder will be the one who offers the lowest net interest cost to the City to be determined by computing the total interest on all of the Bonds to their maturities and deducting therefrom the premium bid, if any, and adding thereto the discount bid, if any. The right to reject any and all bids is hereby reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30)

days, during which time no bid which provides a higher net interest cost to the City than the best bid received at the time of the advertised sale will be considered.

(c) As an alternative to a public sale, the Controller, upon the advice of bond counsel, may elect to issue any series of Bonds upon the terms and conditions set forth in a purchase agreement (the "Purchase Agreement"), to be entered into between the City and The Evansville Local Public Improvement Bond Bank or, as permitted by Indiana Code 5-1-11-1(a)(2), as amended, to an underwriter or a financial institution selected by the City (the "Underwriter"). The City hereby approves the sale of the Bonds to the Underwriter, and authorizes the Controller, for and on behalf of the City, to execute and deliver, and to perform the obligations of the City under the Purchase Agreement, in the form the Controller, with the advice of counsel, determine to be necessary or appropriate, such determination to be conclusively evidenced by the Controller's execution thereof.

(d) As an alternative to a public sale or sale to an Underwriter, the Controller may negotiate the sale of the Bonds to the Authority as part of its SRF Program. The Mayor and the Controller are hereby authorized to: (i) submit an application to the Authority as part of its SRF Program; (ii) execute a Financial Assistance Agreement with the Authority with terms conforming to this ordinance; and (iii) sell such Bonds upon such terms as are acceptable to the Mayor and the Controller consistent with the terms of this ordinance. The substantially final form of Financial Assistance Agreement attached hereto and incorporated herein by reference is hereby approved by the Common Council, and the Mayor and Controller are authorized to execute and deliver the same, and to approve any changes in form or substance to the Financial Assistance Agreement, which are consistent with the terms of this ordinance, such changes to be conclusively evidenced by its execution.

Section 12. Designation of Bond Counsel. The Controller is hereby authorized and directed to obtain legal opinions as to the validity of the BANs and the Bonds, respectively, from Barnes & Thornburg LLP, bond counsel of Indianapolis, Indiana, and to furnish such opinions to the purchasers of the BANs and the Bonds, respectively. The costs of these opinions shall be considered a part of the Costs of Project and shall be paid out of the proceeds of the BANs and the Bonds.

Section 13. Disposition of BAN and Bond Proceeds. (a) The accrued interest and premium, if any, received at the time of the delivery of the BANs and the Bonds, shall be deposited in the Bond Fund.

(b) Proceeds of the Bonds shall be used to pay the principal of and interest on the BANs, if issued, to the date of redemption. The Controller is hereby directed to give appropriate notice of redemption of the BANs as provided in this ordinance to accomplish redemption of the BANs.

(c) Bond proceeds in an amount not to exceed ten percent (10%) of the proceeds of each series of the Bonds may be deposited into the Reserve Fund and held in accordance with Section 14(c). The amount of the deposit, if any, shall be determined by the Controller after consultation with the municipal advisor and bond counsel.

(d) (1) The balance of the proceeds of the Bonds (to the extent not used for the repayment of the BANs) and the balance of the BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City and accounted for on the City's books, in a special account or accounts, separate and apart from other accounts of the City, to be designated as "Sewage Works Construction Account" (the "Construction Account").

(2) Unless subsection (3) below is applicable at the direction of the Authority as part of its SRF Program, any balance or balances remaining unexpended in the Construction Account after completion of the Project which are not required to meet unpaid obligations incurred in connection with such Project shall either (i) be deposited in the Bond Fund and be used solely for the purposes of the Bond Fund; (ii) be deposited in the Reserve Fund and used solely for the purposes of the Reserve Fund; or (iii) be used for the same purpose or type of project for which the Bonds were issued, all in accordance with IC 5-1-13, as amended and supplemented.

(3) With respect to any Bonds sold to the Authority as part of its SRF Program, to the extent that (a) the total principal amount of the Bonds is not paid by the purchaser or drawn down by the City or (b) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved by the Department and the Authority), the City shall reduce the principal amount of the Bond maturities to effect such reduction in a manner that will still achieve the annual debt service as described in Section 4 subject to and upon the terms set forth in the Financial Assistance Agreement.

(e) All moneys deposited to the credit of the Improvement Fund or the Construction Account shall be deposited, held secured or invested in Qualified Investments in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly IC 5-13, as amended and supplemented, including pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10. Any income from investments of funds in the Construction Account shall be deposited in the Construction Account. The funds in the Construction Account shall be expended only for the purpose of paying the Costs of the Project, including the incidental expenses incurred in connection with the Project or the issuance of the

BANs and the Bonds, the necessary engineering and legal expenses, and necessary equipment all in accordance with the Act.

Section 14. Application of Revenues. From and after the delivery of any Bonds, and as long as any of the Outstanding Bonds or the Bonds shall be outstanding and unpaid either as to principal or as to interest, the entire Gross Revenues shall be deposited as collected in the “Evansville Sewerage System Revenue Fund” (the “Revenue Fund”), hereby continued, and shall be disbursed only as follows:

- (a) First from month to month for the payment of Current Expenses.
- (b) Next to make deposits into a separate and special fund, hereby continued, to pay principal of and interest on the Outstanding Bonds, the Bonds and any Parity Bonds as they become due, which fund is known as the “Evansville Sewerage System Bond Fund” (the “Bond Fund”). Such transfers shall be made on or before the 15<sup>th</sup> day of each month, and, unless there shall be on deposit in the Bond Fund an amount sufficient to pay all interest coming due on the next interest payment date, and all principal coming due on the July 1 next succeeding (and after July 1, 2037, all principal coming due on the January 1 or July 1 next succeeding, as applicable), the minimum amount to be deposited in the Bond Fund in any month shall be an amount equal to the sum of one-sixth of the interest coming due on the next succeeding interest payment date on all of the Bonds, the Outstanding Bonds and any Parity Bonds, and one-twelfth (or one-sixth, as appropriate) of the principal coming due on the principal payment date next succeeding on all of the Bonds, the Outstanding Bonds and any Parity Bonds, or such greater amount as may be necessary to pay such interest and principal. There shall also be deposited in the Bond Fund from time to time amounts sufficient to pay the necessary fiscal agency charges. Money in the Bond Fund shall be used solely for the purpose of paying principal of and interest on the Bonds,



the Outstanding Bonds and any Parity Bonds and the necessary fiscal agency charges, all as set forth above.

(c) Next, to continue, fund and maintain a debt service reserve in an amount equal to at least the maximum annual principal and interest requirements of the outstanding Bonds, the Outstanding Bonds and Parity Bonds. Such fund shall be known as the “Evansville Sewerage System Bond Reserve Fund” (the “Reserve Fund”). On or before the 15<sup>th</sup> day of each month there shall be deposited in the Reserve Fund an amount equal to at least twenty percent of the amount required by the preceding subsection to be deposited in such month in the Bond Fund (which requirement shall be deemed satisfied by the City by depositing thereto on a monthly basis in equal installments such amount as will enable the City to fully satisfy such reserve requirement within sixty (60) months following the issuance of the bonds), unless the amount in the Reserve Fund shall be equal to or exceed the maximum annual principal and interest requirements of the outstanding Bonds, the Outstanding Bonds and any Parity Bonds, in which case no deposit need be made into the Reserve Fund except to maintain the Reserve Fund at such level. The requirements of the Reserve Fund may be met by the purchase of a reserve fund surety policy, provided, however, that the City must obtain the consent of the Authority if any Bonds are sold to the Authority as part of its SRF Program.

Money in the Reserve Fund shall be used solely for the purpose of paying principal at maturity of or interest on the Bonds, the Outstanding Bonds and any Parity Bonds for the payment of which no money shall be available in the Bond Fund. Whenever it becomes necessary to so use money in the Reserve Fund, the payments required above shall be continued or resumed until it shall have been restored to the required minimum amount, which restoration to the required minimum amount shall occur within one year of the time that the Reserve Fund

falls below the required amount. Such restoration may include the purchase of an additional surety policy to meet the requirements of the Reserve Fund, provided, however, that the City must obtain the consent of the Authority if any Bonds are sold to the Authority as part of its SRF Program.

To the extent the Reserve Fund contains one or more surety policies for any of the Outstanding Bonds, Bonds or Parity Bonds, the following shall apply:

(1) If it should ever be necessary to draw on the Reserve Fund, draws must be made on surety policies and the cash held in the Reserve Fund proportionately; and

(2) If it becomes necessary to restore the cash drawn from the Reserve Fund or make payments to restore a surety policy, such payments must be made on a pari passu (parity) basis.

If the Reserve Fund allocable to the Bonds exceeds the least of: (i) maximum annual debt service on the Bonds; (ii) ten percent (10%) of the proceeds of the Bonds, plus a minor portion thereof as defined in the Internal Revenue Code of 1986, as amended; or (iii) one hundred twenty-five percent (125%) of average annual principal and interest on the Bonds, such excess shall be invested at a yield which does not exceed the yield on the Bonds. The Reserve Fund shall be allocated to the Bonds according to the original face amounts of the Outstanding Bonds, the Bonds and any Parity Bonds or according to the total amount of debt service on the issues that will actually be paid from the Bond Fund and the Reserve Fund as determined by the Controller.

(d) Next, to pay the principal of and interest on (including reasonable reserves therefor) any other obligations which by their terms are payable from the Net Revenues of the System, but junior and subordinate to the Bonds, the Outstanding Bonds and any Parity Bonds.

(e) Next, for the redemption or purchase of Outstanding Bonds, Bonds or Parity Bonds, as determined by the Common Council.

(f) Next, to a fund designated the "Sewage Works Improvement Fund" (the "Improvement Fund"), hereby continued. The City shall deposit, if necessary, each month a sum of remaining Net Revenues into the Improvement Fund until the balance therein equals One Million Dollars (\$1,000,000). The monthly deposits shall be equal in amount and sufficient to accumulate the required balance in the Improvement Fund within eighteen (18) months of the date of delivery of the Bonds; if the balance in the Improvement Fund falls below One Million Dollars (\$1,000,000), the City shall resume its monthly deposits into the Improvement Fund until the required balance is once again attained. Any invested amounts held for wastewater treatment plant replacement shall be considered a part of the required Improvement Fund balance.

Moneys in the Improvement Fund shall be used solely for improvements, replacements, additions and extensions to the System, but none of the moneys in the Improvement Fund shall be used for depreciation, replacements, improvements, extensions or additions. Moneys in the Improvement Fund shall be transferred to the Bond Fund if necessary to prevent a default in the payment of principal of or interest on any outstanding bonds or BANs or, if necessary, to eliminate any deficiencies and credits or to the minimum balance in the Reserve Fund or may be used to pay Current Expenses as provided in subsection (a) of this section to meet unforeseen contingencies in the operation and maintenance of the System.

(g) If the requirements of subsections (a) through (f) of this Section have been met and if the Common Council determines by ordinance that there are sufficient funds in the Improvement Fund for improvements, replacements, additions and extensions of the System, any excess amounts in the Revenue Fund may be used for any other lawful purpose related to the

System, including payments in lieu of tax payments to the City consistent with Section 15(s) herein.

The money in the Revenue Fund shall be allotted and paid into the various funds referred to above in the order in which those funds are listed, on a cumulative basis, and if in any month the money in the Revenue Fund shall be insufficient to place the required amount in any of these funds, the deficiency shall be made up in the following month or months after payment into all funds enjoying a prior claim to the Gross Revenues shall have been met in full.

All of the funds provided by this section, other than the Improvement Fund, shall be kept on deposit with a bank or banks which shall be members of Federal Deposit Insurance Corporation and shall be secured to the fullest extent required by law.

To the extent permitted by Indiana law, money in any fund, other than the Improvement Fund, continued by this section may be invested in Qualified Investments maturing not later than the date on which the money so invested shall be required for the purpose for which such fund was created. The Improvement Fund shall be invested as provided in Section 13(e). All income derived from such investments, and from investments of moneys held in the Improvement Fund, shall be regarded as revenues of the System and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds applied to the purpose for which the respective fund was created.

The Bond Fund, the Reserve Fund (or any portions thereof applicable to the Bonds) and the Construction Account, may be held by a financial institution acceptable to the Authority as part of its SRF Program, pursuant to terms acceptable to the Authority. If the Bond Fund and the Reserve Fund, or any portions thereof applicable to the Bonds are so held in trust, the City shall transfer the monthly required amounts of Net Revenues to the Bond Fund and the Reserve Fund

in accordance with Section 14 of this ordinance, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules for the Bonds. If the Construction Account is so held in trust, the City shall deposit the proceeds of the Bonds therein until such proceeds are applied consistent with this ordinance and the Financial Assistance Agreement. The financial institution selected to serve in this role may also serve as the Registrar and the Paying Agent for any outstanding bonds of the City, including the Bonds. The Mayor and Controller are hereby authorized to execute and deliver an agreement with a financial institution to reflect this trust arrangement for the Bond Fund, the Reserve Fund and the Construction Account in the form of trust agreement as approved by the Mayor and Controller, consistent with the terms and provisions of this ordinance.

Section 15. Covenants Regarding the Operation of the System. The City hereby covenants and agrees, to the extent permitted by law, with each and every owner of the Bonds and BANs:

(a) That the City will maintain the System in good condition and will operate the System in an efficient manner and at reasonable cost.

(b) That it will establish and maintain just and equitable rates or charges for the use of and the service rendered by the System, to be paid by the owner of each and every lot, parcel of real estate, or building that is connected with and uses the sewage works by or through any part of the System, or that in any way uses or is served by such works; that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of Operation and Maintenance (as defined in the Financial Assistance Agreement), to comply with and satisfy all covenants contained in this ordinance and the Financial Assistance Agreement, and for the payment of the sums required to be paid into the Bond Fund and the Reserve Fund by

the Act and this ordinance. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of Operation and Maintenance, and the requirements of the Bond Fund and the Reserve Fund. The rates or charges so established shall apply to any and all use of the System by and service rendered to the City and all departments of the City, and shall be paid no less frequently than semiannually by the City or the various departments as the charges accrue. So long as any Bonds issued pursuant to this ordinance are outstanding and owned by the Authority as part of its SRF Program, System Development Charges shall be excluded, to the extent permitted by law, when determining if such rates and charges are sufficient under this Section 15(b).

(c) That so long as any of the Bonds, or BANs are outstanding, the City will acquire and maintain insurance on the insurable parts of the System, other than public liability insurance, of the kinds and in the amounts which is usually carried by private companies engaged in a similar type of business, including fidelity bonds, to protect the System and its operations and, if any Bonds or BANs are sold to the Authority as part of its SRF Program, acceptable to the Authority.

(d) That the City will cause to be kept proper books and accounts adapted to the System, and will cause the books and accounts to be audited annually by a recognized firm of independent certified public accountants, or by the State Board of Accounts. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein, shall include the following:

(1) A statement in detail of the income and expenditures of the System for such Fiscal Year;

(2) A balance sheet as of the end of such Fiscal Year;

(3) The accountants' comments, if any, regarding the manner in which the City has carried out the requirements of this ordinance;

(4) A list of the insurance policies in force at the end of the Fiscal Year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy.

All expenses incurred in the making of the audits required by this subsection shall be regarded and paid as a Current Expense. The City further agrees to furnish copies of such audits to the owner of any of the BANs or the Bonds at its request within 240 days after the close of each Fiscal Year. The Original Purchasers and owners of any of the BANs or the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the City relating thereto. It is further agreed that if the City shall fail to provide the audits and reports required by this subsection, the Original Purchasers or the owners of twenty-five percent in principal amount of the Outstanding Bonds and the BANs or the Bonds may cause such audits and reports to be prepared at the expense of the City as a Current Expense payable solely out of revenues of the System.

If the Bonds or BANs are sold to the Authority as part of its SRF Program, the City shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the sewage works in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

(e) That the City will faithfully and punctually perform all duties with reference to the System required by the constitution and laws of the State of Indiana, including the making

and collecting of reasonable and sufficient rates for services rendered by the System as above provided, and will segregate the revenues of the System and apply the revenues to the funds specified in this ordinance.

(f) That, with respect to the Bonds or BANs that are not sold to the Authority as part of its SRF Program, the City will not sell, mortgage or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, except to replace equipment which may become worn out or obsolete. If any such BANs or Bonds are sold to the SRF Program, so long as any of the BANs or Bonds are outstanding, the City shall not sell, transfer, lease or otherwise encumber the System, or any portion thereof, or any interest therein without the prior written consent of the Authority.

(g) That each officer of the City having custody of funds of the System shall be under fidelity bond at all times in an amount as prescribed by the City.

(h) That the City will not grant a franchise to any competing sewerage system.

(i) That the City will not reduce the sewer rates and charges provided in the Rate Ordinance, or postpone the effective date of any rate increase provided therein, unless the Net Revenues for each of the three last preceding Fiscal Years shall have been not less than 150 percent of the amount of principal and interest coming due on the Bonds, the Outstanding Bonds and Parity Bonds in the respective Fiscal Years next succeeding.

(j) That the City will diligently enforce and collect all fees, rates or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates or other charges which shall become delinquent to the full extent permitted by law.



(k) That the City will, to the extent permitted by law, require the owner, tenant or occupant of each block or parcel of land abutting upon a street or other public way in the City containing an accessible sanitary sewer and upon which lot or parcel a building for residential, commercial or industrial use is situated, to connect such building with such sanitary sewer and to cease to use other means for the disposal of sewage, sewage waste or other polluting matter.

(l) The City will permit no free sewer service to be furnished to any user whatsoever, including the City and all its departments, and the rates for all services rendered by the System and the charges for all sewer service supplied through the medium of the System to all users shall be reasonable and just, taking into account and consideration the cost and value of the System and the cost of maintaining and operating the System, and the proper and necessary allowance for the depreciation thereof, and the amounts necessary for the payment of principal of and interest on the obligations payable from such revenues, and there shall be charged against all users of sewer service such rates as shall be fully adequate to meet the requirements of Sections 14 and 15(b) of this ordinance.

(m) That all contracts let by the City in connection with the Project shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of those contracts to ensure the completion of those contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required in the laws of the State of Indiana in the case of a public contract, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(n) That the Project shall be constructed under the supervision and subject to the approval of the Engineers.

(o) That, except as provided in Section 17, as long as any of the Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the System shall be authorized, executed or issued by the City except as such shall be made subordinate and junior in all respects to the Outstanding Bonds and the Bonds, unless all of the Bonds, the Outstanding Bonds and any Parity Bonds are redeemed, retired or defeased pursuant to Section 18 coincidentally with the delivery of such additional bonds or other obligations.

(p) That the provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the BANs and the proceeds of the Bonds for the uses and purposes set forth in this ordinance, and the owners of the BANs and the Bonds shall retain a lien on such proceeds until the proceeds are applied in accordance with the provisions of this ordinance and of the Act. The provisions of this ordinance shall also be construed to create a trust in the portion of the Net Revenues directed to be set apart and paid into the Bond Fund and the Reserve Fund for the uses and purposes of those funds as this ordinance sets forth.

(q) So long as any of the BANs or Bonds are sold to the Authority as part of its SRF Program, the City shall not, without the prior written consent of the Authority, (i) enter into any lease, contract or agreement or incur any other liabilities in connection with the System other than for normal operating expenditures, or (ii) borrow any money (including without limitation any loan from other utilities operated by the City).

(r) For purposes of this Section 15, the term "lease" shall include any lease, contract, or other instrument conferring a right upon the City to use property in exchange for a periodic payments made from the revenues of the System, whether the City desires to cause such to be, or

by its terms (or its intended effects) is to be, (i) payable as rent, (ii) booked as an expense or an expenditure, or (iii) classified for accounting or other purposes as a capital lease, financing lease, operating lease, non-appropriation leases, installment purchase agreement or lease, or otherwise (including any combination thereof).

(s) The City has reserved the right to transfer PILOTs from the Improvement Fund in accordance with the Act (and such shall occur no more frequently than semiannually if (a) any of the Bonds are owned by the Authority and remain outstanding and (b) the Authority provides notice to the City so requiring), and only if Revenue Fund and the Bond Fund contain their required balances as of the date the PILOTs are so transferred. None of the monies in the Improvement Fund shall be transferred to the general fund of the City (other than any payment constituting PILOTs as provided in the prior sentence) or otherwise be used for any purpose not connected with the System. Notwithstanding the previous sentence, the City may transfer PILOT payments in accordance with this Section, unless the Authority provides notice to the City that the Authority has determined in its reasonable discretion that such transfer adversely affects the Authority.

(t) Nothing in this ordinance shall be construed to require that separate bank accounts be established and maintained for the funds and accounts created by this ordinance except that (a) the Bond Fund, the Reserve Fund and the Construction Account shall be maintained as a separate bank account from the other funds and accounts of the System, and (b) the other funds and accounts of the System shall be maintained as a separate bank account from the other funds and accounts of the City.

Section 16. Remedies of Bondholders. Except as expressly limited in this ordinance, the owners of the Bonds and the BANs shall have and possess all the rights of action and

remedies afforded by the common law, the constitution and statutes of the State of Indiana and of the United States of America for the enforcement of payment of their Bonds and BANs and of the pledge of the Net Revenues made under this ordinance, and of all covenants of the City hereunder, including all the benefits and rights granted by the Act.

The owners of the Outstanding Bonds, the Bonds, and any Parity Bonds shall in addition to all other remedies and rights, have the right by appropriate proceedings in any court of competent jurisdiction if the City fails or refuses to fix and collect sufficient rates and charges, or fails or refuses to operate and maintain said system and to apply the revenues derived from the operation thereof, or in the event of default in the payment of principal or interest or in the event of default in respect to any of the provisions of this ordinance or the governing Act, to obtain the appointment of a receiver for the System, which receiver may enter upon and take possession of the System and fix rates and collect all revenue arising therefrom in as full a manner and to the same extent as the City itself might do. The receiver shall collect and dispose of such revenues in accordance with the terms and conditions of this ordinance and as the court shall direct.

Section 17. Prior Lien and Parity Bonds. (a) The City will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the Net Revenues of the System having priority over the Bonds or the Outstanding Bonds.

The City reserves the right to authorize and issue additional BANs at any time ranking on parity with the BANs.

(b) The City reserves the right to authorize and issue additional Parity Bonds, payable out of the Net Revenues of its System, ranking on a parity with the Bonds, for the purpose of financing the cost of future additions, extensions and improvements to the System, or for refunding outstanding bonds, subject to the following conditions:

(1) The interest on and principal of all bonds payable from the Net Revenues of the System shall have been paid to date in accordance with their respective terms. The Reserve Requirement shall be satisfied for additional Parity Bonds either at the time of delivery of the additional Parity Bonds or over a period, and in a manner, which is commensurate with the requirements established in Section 14(c) of this ordinance.

(2) The Net Revenues of the System in the fiscal year immediately preceding the issuance of any such Parity Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding Bonds, Outstanding Bonds, any Parity Bonds and the additional Parity Bonds proposed to be issued; or, prior to the issuance of the Parity Bonds, the sewage rates and charges shall be increased sufficiently so that the increased rates and charges applied to the previous fiscal year's operations would have produced Net Revenues for that year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding Bonds, Outstanding Bonds, any Parity Bonds and the additional Parity Bonds proposed to be issued. In addition, for purposes of this subsection (2), with respect to any Parity Bonds hereafter issued while any Bonds remain outstanding and owned by the Authority as part of its SRF Program, Net Revenues may not include any revenues from the System Development Charges unless the Authority provides its consent to include all or some portion of the System Development Charges as part of the Net Revenues or otherwise consents to the issuance of such Parity Bonds without satisfying this subsection (2).

For purposes of issuing future Parity Bonds, independent certified public accountants shall be employed by the City to analyze records of the System and present showings appropriate to such issues.

(3) The principal of the additional Parity Bonds shall be payable annually on July 1 through July 1, 2037, and semiannually on January 1 and July 1 thereafter, and the interest on the additional Parity Bonds shall be payable semiannually on January 1 and July 1 in the years in which such principal and interest are payable.

(c) In addition to satisfying the requirements of this Section 17, if any Bonds are sold to the Authority as part of its SRF Program, the City shall not issue Parity Bonds until: (i) the City obtains the consent of the Authority; (ii) the City has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreement and this ordinance; and (iii) the City is in compliance with its National Pollutant Discharge Elimination System permits, except for non-compliance for which purpose the Parity Bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

Section 18. Discharge and Satisfaction of Bonds. If, when any Bonds shall have become due and payable in accordance with their terms, or shall have been duly called for redemption or irrevocable instructions to call all or any portion of the Bonds for redemption shall have been given, and the whole amount of the principal of, interest on and premium, if any, so due and payable upon all or any portion of the Bonds then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and

expenses for the redemption, then and in that case, such Bonds shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's System.

Section 19. Tax Representations and Covenants. In order to preserve the exclusion of interest on the Bonds and BANs from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of issuance of the Bonds or BANs, as the case may be (the "Code"), and as an inducement to purchasers of the Bonds and BANs, the City represents, covenants and agrees that:

(a) The System will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the City or another state or local governmental unit will use more than ten percent (10%) of the proceeds of the Bonds or BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by Bond or BAN proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from use by the general public, unless such uses in the aggregate relate to no more than ten percent (10%) of the proceeds of the Bonds or BANs, as the case may be.

(b) No more than ten percent (10%) of the principal of or interest on the Bonds or BANs is (under the terms of the Bonds or BANs, this ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such

property or to be derived from payments (whether or not to the City) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than five percent (5%) of the Bond or BAN proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than five percent (5%) of the Bond or BAN proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond or BAN proceeds.

(d) The City reasonably expects, as of the date hereof, that the Bonds and BANs will not meet either the private business use test described in paragraph (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Bonds or BANs, as the case may be.

(e) No more than five percent (5%) of the proceeds of the Bonds or BANs will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The City will not take any action nor fail to take any action with respect to the Bonds or BANs that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds or BANs pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds or BANs to be treated as private activity bonds under Section 141 of the Code.



(g) It shall not be an event of default under this ordinance if the interest on any Bond or BAN is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds.

(h) The City represents that it will rebate any arbitrage profits to the United States in accordance with the Code.

(i) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds or BANs, as the case may be.

(j) Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance (the "Tax Sections") which are designed to preserve the exclusion of interest on the Bonds and BANs from gross income under federal law (the "Tax Exemption") need not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 20. Ordinance a Contract. The provisions of this ordinance shall constitute a contract between the City and the owners of the Bonds and BANs, and after the issuance of any of the Bonds and BANs no change, variation or alteration of any kind in the provisions of this ordinance shall be made in any manner, except as provided in this section and the next section, until such time as all of the Bonds and the BANs and interest due thereon, shall have been paid in full. Subject to Section 21(b), this ordinance may be amended, however, without the consent of Bond owners or BAN owners, respectively, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds, the Outstanding Bonds or the BANs, respectively; provided, however, that if any Bonds or BANs

are sold to the Authority as part of its SRF Program, the City shall obtain the prior written consent of the Authority.

Section 21. Modification of Ordinance. (a) In addition to amendments made under Section 20, this ordinance may be amended from time to time if such amendment shall have been consented to by owners of not less than two-thirds in principal amount of the Bonds, and, if the owners of the Outstanding Bonds and any Parity Bonds are affected by such amendment as determined in the sole discretion of the Common Council, the Outstanding Bonds and any Parity Bonds at any time outstanding (not including in any case any Bonds, Outstanding Bonds or Parity Bonds which may then be held or owned by or for the account of the City, but including such refunding bonds as may have been issued for the purpose of refunding any of the Bonds, Outstanding Bonds or Parity Bonds if such refunding bonds shall not then be owned by the City); provided, however, that if any Bonds or BANs are sold to the Authority as part of its SRF Program, the City shall obtain the prior written consent of the Authority.

(b) However, this ordinance may not be amended in such manner as to:

(i) Make any change in the maturity or interest rate of the Bonds, or modify the terms of payment of principal of or interest on the Bonds or any of them or impose any conditions with respect to such payment;

(ii) Materially affect the rights of the holders or owners of the Bonds then outstanding;

(iii) Reduce the percentage of the principal amount of Bonds the consent of the holders or owners of which is required to effect a further amendment;

(iv) Alter the manner in which the covenants, liens and pledges entered into pursuant to this ordinance may be satisfied and discharged; or

(v) Reduce the balance required to be maintained in the Reserve Fund.

(c) Whenever the City shall propose to amend this ordinance under the provisions of this section it shall cause notice of the proposed amendment to be filed with the Original Purchasers and to be mailed to each registered owner of the Bonds at the address shown on the records of the Registrar. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory ordinance is on file in the office of the City Clerk. If the proposed amendment affects the owners of the Outstanding Bonds, notice shall be given and published as provided in the Existing Ordinances.

(d) (1) Whenever at any time within one year from the date of the publication of this notice there shall be filed with the City Clerk an instrument or instruments executed by the owners of at least two-thirds in aggregate principal amount of the Bonds and, to the extent affected by such amendment as determined in the sole discretion of the Common Council, the Outstanding Bonds and any Parity Bonds then outstanding, which instrument or instruments shall refer to the proposed amendatory ordinance described in the notice and shall specifically consent to and approve the adoption the amendatory ordinance, thereupon, but not otherwise, the Common Council may adopt such amendatory ordinance and such ordinance shall become effective and binding upon the holders or owners of all of the Bonds, Outstanding Bonds and Parity Bonds.

(2) Any consent given by the owner of a Bond, Outstanding Bond or Parity Bond pursuant to the provisions of this section shall be irrevocable for a period of six months from the

date of the instrument evidencing such consent and shall be conclusive and binding upon all future owners of the same bonds or notes during such period.

(3) The facts and date of the execution of any instrument under the provisions of this section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

(4) The amount and numbers of the Bonds, Outstanding Bonds and any Parity Bonds held by any person executing such instrument and the date of its holding the same may be proved by an affidavit by such person or by a certificate executed by an officer of a bank or trust company showing that on the date therein mentioned such person had on deposit with such bank or trust company the Bonds, Outstanding Bonds or Parity Bonds described in such certificate.

Section 22. Issuance of BANs. (a) The City, having satisfied all the statutory requirements for the issuance of its Bonds, may elect to issue its BAN or BANs pursuant to a Bond Anticipation Note Purchase Agreement (the "BAN Purchase Agreement") to be entered into between the City and the purchaser of the BAN or BANs. If the BANs are sold to the Authority as part of its SRF Program, the Financial Assistance Agreement shall serve as the BAN Purchase Agreement. The Common Council hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing Bonds to provide interim construction financing for the Project described in this ordinance until permanent financing becomes available. It shall not be necessary for the City to repeat the procedures for the issuance of its Bonds, because the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs.


(b) The Mayor and Controller are hereby authorized to execute a BAN Purchase Agreement or Financial Assistance Agreement (and any amendments made from time to time) in such form or substance as they shall approve acting upon the advice of counsel. The Mayor, the Controller and the Clerk may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and other documents needed for the financing as they deem necessary or desirable in connection therewith.

Section 23. Notice of Adoption and Purport. The publication of the notice of adoption and purport relating to the Project is hereby ratified and approved.


Section 24. Severability. If any section, paragraph, or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

Section 25. Repeal of Conflicting Ordinances and Resolutions; Effective Date. All other ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this ordinance, are, to the extent of such conflict, hereby repealed; provided, however, that this ordinance shall not be construed as repealing or amending the Existing Ordinances or as adversely affecting the rights of the owners of the Outstanding Bonds. This ordinance shall be in immediate effect from and after its adoption and approval by the Mayor.

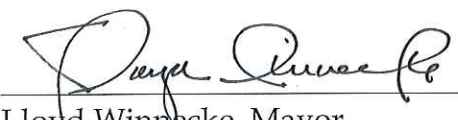
Passed and adopted by the Common Council of the City of Evansville, Indiana, on the 25<sup>th</sup> day of February, 2019, and signed by the President of the Common Council and attested by the City Clerk.

  
James Brinkmeyer, President  
Common Council of Evansville, Indiana

I attest to the passage and adoption of the foregoing by the Common Council of the City of Evansville, Indiana, on the above date and that the same, having been presented to me, was delivered to the Mayor of said City, the 26 day of February, 2019, at 4:30 o'clock P.m. for the Mayor's consideration and action thereon.

  
Laura Windhorst, City Clerk  
City of Evansville, Indiana

Having examined the foregoing ordinance, I do now, as Mayor of the City of Evansville, Indiana, approve said ordinance and return the same to the City Clerk this 27<sup>th</sup> day of FEBRUARY, 2019.

  
Lloyd Winnecke, Mayor  
City of Evansville, Indiana

## EXHIBIT A

### Description of Project

The Project consists of the acquisition, construction, installation and equipping of various improvements to the City's sewage works, including without limitation the following and related improvements: improvements to waste treatment plants and the sewage collection system; expansion of treatment plant capacity; lift station rehabilitation; sewer pipe lining; sewer main line rehabilitation; storm water redirection projects; increasing of effluent pumping capacity; solids handling improvements; anaerobic digester improvements; various other capital projects, including those relating to the City's Long Range Control Plan in accordance with a Plan required by consent decree with the EPA; projects related to Master Plan Projects; and Advance Facility Planning projects.

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## APPENDIX D



April 9, 2019

Robert W. Baird & Co., Inc.  
Milwaukee, Wisconsin

City of Evansville, Indiana  
Evansville, Indiana

Re: City of Evansville, Indiana, Sewage Works Revenue Bonds, Series 2019A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Evansville, Indiana (the “Issuer”) of its City of Evansville, Indiana, Sewage Works Revenue Bonds, Series 2019A, issued on the date hereof in the aggregate principal amount of \$30,000,000 (the “2019A Bonds”), pursuant to Indiana Code 36-9-23, as amended, and Ordinance No. G-2019-02, adopted by the Common Council of the Issuer on February 25, 2019 (the “Ordinance”). 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 representations of the Issuer contained in the Ordinance, the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer and others, including without limitation certifications contained in the Arbitrage and Tax Representation Certificate of the Issuer, dated the date hereof, without undertaking to verify the same by independent investigation. We have relied on the opinion of Ziemer, Stayman, Weitzel & Shoulders, LLP, Evansville, Indiana, counsel to the Issuer, dated the date hereof, as to the matters stated therein. We have relied upon the report, prepared by Baker Tilly Municipal Advisors, LLC, municipal advisor to the Issuer, dated the date hereof, as to the matters stated therein.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Issuer is a municipal corporation validly existing under the laws of the State of Indiana, with the corporate power to adopt the Ordinance and perform its obligations thereunder and to issue the 2019A Bonds.

2. The 2019A Bonds have been duly authorized, executed and delivered by the Issuer, and are valid and binding special revenue obligations of the Issuer enforceable in accordance with their terms. The 2019A Bonds rank on a parity basis with the Issuer’s (1) Sewage Works Revenue Bonds of 2007, Series A, dated April 10, 2007 (the “2007A Bonds”), (2) Sewage Works Revenue Bonds of 2007, Series B, dated April 26, 2007 (the “2007B Bonds”),

(3) Sewage Works Revenue Bonds of 2008, Series B, dated October 3, 2008 (the “2008 Bonds”), (4) Sewage Works Revenue Bonds, Series 2010B-1, dated December 1, 2010 (the “2010B-1 Bonds”), (5) Sewage Works Revenue Bonds, Series 2011C, dated June 9, 2011 (the “2011C Bonds”), (6) Sewage Works Revenue Bonds, Series 2011D, dated October 26, 2011 (the “2011D Bonds”), (7) Sewage Works Revenue Refunding Bonds, Series 2013A, dated May 2, 2013 (the “2013A Bonds”), (8) Sewage Works Revenue Bonds, Series 2013B, dated November 26, 2013 (the “2013B Bonds”), (9) Sewage Works Revenue Bonds, Series 2014A, dated January 31, 2014 (the “2014A Bonds”), (10) Sewage Works Revenue Bonds, Series 2014B, dated June 13, 2014 (the “2014B Bonds”), (11) Sewage Works Revenue Bonds, Series 2014C, dated August 21, 2014 (the “2014C Bonds”), (12) Sewage Works Revenue Bonds, Series 2014D, dated December 15, 2014 (the “2014D Bonds”), (13) Sewage Works Revenue Bonds, Series 2016A, dated July 28, 2016 (the “2016A Bonds”), (14) Sewage Works Revenue Bonds, Series 2016B, dated December 15, 2016 (the “2016B Bonds”), (15) Sewage Works Revenue Bonds, Series 2016C, dated December 15, 2016 (the “2016C Bonds”), (16) Sewage Works Revenue Bonds, Series 2017A, dated May 11, 2017 (the “2017A Bonds”), (17) Sewage Works Revenue Bonds, Series 2018A, dated April 24, 2018 (the “2018A Bonds”), (18) Sewage Works Revenue Bonds Series 2018B-1, dated December 4, 2018 (the “2018B-1 Bonds”), (19) Sewage Works Revenue Bonds Series 2018B-2, dated December 4, 2018 (the “2018B-2 Bonds”), (20) Sewage Works Revenue Bonds of 2009 (2018 Reissued Bonds), dated December 4, 2018 (the “Reissued 2009 Bonds”), (21) Sewage Works Revenue Bonds, Series 2010A (2018 Reissued Bonds), dated December 4, 2018 (the “Reissued 2010A Bonds”), and (22) Sewage Works Revenue Bonds, Series 2012E (2018 Reissued Bonds), dated December 4, 2018 (the “Reissued 2012E Bonds”) (the 2007A Bonds, 2007B Bonds, 2008 Bonds, 2010B-1 Bonds, 2011C Bonds, 2011D Bonds, 2013A Bonds, 2013B Bonds, 2014A Bonds, 2014B Bonds, 2014C Bonds, 2014D Bonds, 2016A Bonds, 2016B Bonds, 2016C Bonds, 2017A Bonds, 2018A Bonds, 2018B-1 Bonds, 2018B-2 Bonds, Reissued 2009 Bonds, Reissued 2010A Bonds and Reissued 2012E Bonds collectively, the “Prior Bonds”). The 2019A Bonds, the Prior Bonds and any other bonds hereafter issued on parity therewith, are payable solely from the Sewerage System Bond Fund (as defined in the Ordinance) and the Sewerage System Bond Reserve Fund (as defined in the Ordinance), to be provided from the Net Revenues (as defined in the Ordinance) of the sewage works of the Issuer. The Issuer has pledged the Net Revenues to the payment of the principal of and interest on the 2019A Bonds, the Prior Bonds and any bonds hereafter issued on parity therewith, to the extent necessary for that purpose.

3. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the “Code”), interest on the 2019A Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2019A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted or represented that it will comply with such requirements. Failure to comply with certain of such requirements may cause interest on the 2019A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2019A Bonds.

4. Interest on the 2019A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

5. Interest on the 2019A Bonds is exempt from income taxation in the State of Indiana (the "State") for all purposes, except the State financial institutions tax.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated March 26, 2019, or any other offering material relating to the 2019A Bonds, and we express no opinion relating thereto.

We express no opinion regarding any tax consequences arising with respect to the 2019A Bonds, other than as expressly set forth herein.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that in our opinion the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

This opinion is given only 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.

Very truly yours,

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## APPENDIX E





## **CONTINUING DISCLOSURE CONTRACT**

This Continuing Disclosure Contract (this “Contract”) is made this 9<sup>th</sup> day of April, 2019, from the City of Evansville, Indiana (the “Promisor”), to each registered owner or holder of any Bond (as hereinafter defined) (each, a “Promisee”);

WITNESSETH THAT:

WHEREAS, the Promisor is issuing on the date hereof its \$30,000,000 City of Evansville, Indiana, Sewage Works Revenue Bonds, Series 2019A (the “Bonds”), pursuant to Ordinance No. G-2019-02 adopted by the Common Council of the Promisor on February 25, 2019 (the “Ordinance”); and

WHEREAS, Robert W. Baird & Co., Inc., as the representative for itself, C.L. King & Associates WMBE, Edward Jones, Wintrust Investments, LLC, Fidelity Capital Markets, Bernardi Securities, Inc., Davenport & Co. L.L.C., Oppenheimer & Co., Alamo Capital WMBE, George K. Baum & Co., Dinosaur Securities, First Bankers’ Banc Securities, Inc., Multi-Bank Securities Corp., Tribal Capital Markets LLC, Mountainside Securities LLC, RBC Capital Markets, Dougherty & Company, LLC, Crews & Associates, Inc., Loop Capital Markets, Davenport & Co. L.L.C., SumRidge Partners, Sierra Pacific Securities, Midland Securities, FMS Bonds Inc., First Kentucky Securities Corp., Multi-Bank Securities Inc., and First Southern Securities (collectively, the “Underwriter”) is, in connection with an offering of the Bonds directly or indirectly by or on behalf of the Promisor, purchasing the Bonds from the Promisor and selling the Bonds to certain purchasers; and

WHEREAS, Rule 15c2-12, as amended (the “Rule”), promulgated by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Act”), provides that, except as otherwise provided in the Rule, a participating underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an offering (as defined in the Rule) unless the participating underwriter has reasonably determined that an issuer of municipal securities (as defined in the Rule) or an obligated person (as defined in the Rule) for whom financial or operating data is presented in the final official statement (as defined in the Rule) has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide certain information; and

WHEREAS, the Promisor desires to enter into this Contract in order to assist the Underwriter in complying with the Rule; and

WHEREAS, any registered owner or holder of any Bond shall, by its payment for and acceptance of such Bond, accept and assent to this Contract and the exchange of (i) such payment and acceptance for (ii) the promises of the Promisor contained herein;

NOW, THEREFORE, in consideration of the Underwriter’s and any Promisee’s payment for and acceptance of any Bonds, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Promisor hereby promises to each Promisee as follows:

Section 1. Definitions. The terms defined herein, including the terms defined above and in this Section 1, shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Any terms defined in the Rule, but not otherwise defined herein, shall have the meanings specified in the Rule unless the context or use clearly indicates another or different meaning or intent.

- (a) “Bond” shall mean any of the Bonds.
- (b) “Bondholder” shall mean any registered or beneficial owner or holder of any Bond.
- (c) “Final Official Statement” shall mean the Official Statement, dated March 26, 2019, relating to the Bonds, including any document included therein by specific reference which is available to the public on the MSRB’s Internet Web site or filed with the Commission.
- (d) “Financial Obligation” shall mean (i) a debt obligation, (ii) a 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) a guarantee of either clause (i) or (ii); provided, however, “Financial Obligation” shall not include any municipal securities (as defined in the Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.
- (e) “Fiscal Year” of any person shall mean any period from time to time adopted by such person as its fiscal year for accounting purposes, which as of the date of this Contract for this Contract and all prior undertakings shall be January 1 through and including the immediately following December 31.
- (f) “MSRB” shall mean the Municipal Securities Rulemaking Board.
- (g) “Obligated Person” shall mean any person who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than any providers of municipal bond insurance, letters of credit or liquidity facilities), for whom financial information or operating data is presented in the Final Official Statement.
- (h) “State” shall mean the State of Indiana.

Section 2. Term. The term of this Contract shall commence on the date of delivery of the Bonds by the Promisor to the Underwriter and shall expire on the earlier of (a) the date of payment in full of principal of and premium, if any, and interest on the Bonds, whether upon scheduled maturity, redemption, acceleration or otherwise, or (b) the date of defeasance of the Bonds in accordance with the terms of the Ordinance.

Section 3. Obligated Person(s). The Promisor hereby represents and warrants that, as of the date hereof:

- (a) The only Obligated Person with respect to the Bonds is the Promisor; and
- (b) In the previous five years, the Promisor has failed to consistently comply with its previous undertaking agreements, including but not limited to, the following: user connection report was not filed on time, failure to file notices of defeasance for certain previously outstanding bonds, and a failure to file underlying rating changes. The Promisor has corrected these errors and omissions disclosed herein prior to closing of the Bonds and has instituted procedures for ongoing compliance with such undertakings.

Section 4. Undertaking to Provide Information.

- (a) The Promisor hereby undertakes to provide the following to the MSRB in an electronic format as prescribed by the MSRB, either directly or indirectly through a registrar or designated agent, for the Promisor:
  - (i) Annual Financial Information. Within one hundred eighty (180) days after the close of each Fiscal Year of such Obligated Person beginning with the Fiscal Year ending in the year after the year in which the Bonds are issued, unaudited financial statements of such Obligated Person and the financial information and operating data for such Obligated Person as identified in Appendix A of the Final Official Statement under the heading “LARGE USERS;”  
  
(the financial information and operating data set forth in Section 4(a)(i) hereof, collectively, the “Annual Financial Information”);
  - (ii) If not submitted as part of the Annual Financial Information, then when and if available, audited financial statements for such Obligated Person;
  - (iii) Within 10 business days of the occurrence of any of the following events with respect to the Bonds, if material (which determination of materiality shall be made by the Promisor in accordance with the standards established by federal securities laws):
    - (A) Non-payment related defaults;
    - (B) Modifications to rights of Bondholders;
    - (C) Bond calls (other than mandatory, scheduled redemptions, not otherwise contingent upon the occurrence of an event, the terms of which redemptions are set forth in detail in the Final Official Statement);

- (D) Release, substitution or sale of property securing repayment of the Bonds;
  - (E) The consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the Obligated Person, or entry into or termination of a definitive agreement relating to the foregoing;
  - (F) Appointment of a successor or additional trustee or the change of name of a trustee; and
  - (G) Incurrence of a Financial Obligation of the Obligated Person or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Obligated Person, any of which affect Bondholders.
- (iv) Within 10 business days of the occurrence of any of the following events with respect to the Bonds, regardless of materiality:
- (A) Principal and interest payment delinquencies;
  - (B) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - (C) Unscheduled draws on credit enhancements reflecting financial difficulties;
  - (D) Substitution of credit or liquidity providers, or their failure to perform;
  - (E) Adverse tax opinions or events affecting the tax-exempt status of the security;
  - (F) Defeasances;
  - (G) Rating changes;
  - (H) The issuance by the IRS 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 security;
  - (I) Tender offers;
  - (J) Bankruptcy, insolvency, receivership or similar events of the Obligated Person; and

- (K) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.
- (v) In a timely manner, notice of a failure of such Obligated Person to provide required Annual Financial Information or audited financial statements, on or before the date specified in this Contract.
- (b) Any financial statements of any Obligated Person provided pursuant to subsection (a)(i) of this Section 4 shall be prepared in accordance with any accounting principles mandated by the laws of the State, as in effect from time to time, or any other consistent accounting principles that enable market participants to evaluate results and perform year to year comparisons, but need not be audited.
- (c) Any Annual Financial Information or audited financial statements may be set forth in a document or set of documents, or may be included by specific reference to documents available to the public on the MSRB's Internet Web site or filed with the Commission.
- (d) If any Annual Financial Information otherwise required by subsection (a)(i) of this Section 4 no longer can be generated because the operations to which it relates have been materially changed or discontinued, a statement to that effect shall be deemed to satisfy the requirements of such subsection.
- (e) All documents provided to the MSRB under this Contract shall be accompanied by identifying information as prescribed by the MSRB.

Section 5. Termination of Obligation. The obligation to provide Annual Financial Information, audited financial statements and notices of events under Section 4(a) hereof shall terminate with respect to any Obligated Person, if and when such Obligated Person no longer remains an obligated person (as defined in the Rule) with respect to the Bonds.

Section 6. Bondholders. Each Bondholder is an intended beneficiary of the obligations of the Promisor under this Contract, such obligations create a duty in the Promisor to each Bondholder to perform such obligations, and each Bondholder shall have the right to enforce such duty.

Section 7. Limitation of Rights. Nothing expressed or implied in this Contract is intended to give, or shall give, to the Underwriter, the Commission or any Obligated Person, or any underwriters, brokers or dealers, or any other person, other than the Promisor, each Promisee and each Bondholder, any legal or equitable right, remedy or claim under or with respect to this Contract or any rights or obligations hereunder. This Contract and the rights and obligations hereunder are intended to be, and shall be, for the sole and exclusive benefit of the Promisor, each Promisee and each Bondholder.

Section 8. Remedies.

- (a) The sole and exclusive remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be the remedy of specific performance by the Promisor of such obligation. Neither any Promisee nor any Bondholder shall have any right to monetary damages or any other remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Contract, except the remedy of specific performance by the Promisor of such obligation.
- (b) No breach or violation by the Promisor of any obligation of the Promisor under this Contract shall constitute a breach or violation of or default under the Bonds or the Ordinance.
- (c) Any action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be instituted, prosecuted and maintained only in a court of competent jurisdiction in Vanderburgh County, Indiana.
- (d) No action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be instituted, prosecuted or maintained by any Promisee or any Bondholder unless, prior to instituting such action, suit or other proceeding: (i) such Promisee or such Bondholder has given the Promisor notice of such breach or violation and demand for performance; and (ii) the Promisor has failed to cure such breach or violation within sixty (60) days after such notice.

Section 9. Waiver. Any failure by any Promisee or any Bondholder to institute any suit, action or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract, within three hundred sixty (360) days after the date such Promisee or such Bondholder first has knowledge of such breach or violation, shall constitute a waiver by such Promisee or such Bondholder of such breach or violation and, after such waiver, no remedy shall be available to such Promisee or such Bondholder for such breach or violation.

Section 10. Annual Appropriations. This Contract and the obligations of the Promisor hereunder are subject to annual appropriation by the fiscal body of the Promisor.

Section 11. Limitation of Liability. The obligations of the Promisor under this Contract are special and limited obligations of the Promisor, payable solely from funds on deposit in the Promisor's Sewerage System Bond Fund. The obligations of the Promisor under this Contract are not and shall never constitute a general obligation, debt or liability of the Promisor or the State, or any political subdivision thereof, within the meaning of any constitutional limitation or provision, or a pledge of the faith, credit or taxing power of the Promisor or the State, or any political subdivision thereof, and do not and shall never constitute or give rise to any pecuniary liability or charge against the general credit or taxing power of the Promisor or the State, or any political subdivision thereof.

Section 12. Immunity of Officers, Directors, Members, Employees and Agents. No recourse shall be had for any claim based upon any obligation in this Contract against any past, present or future officer, director, member, employee or agent of the Promisor, as such, either directly or through the Promisor, under any rule of law or equity, statute or constitution.

Section 13. Amendment of Obligations. The Promisor may, from time to time, amend any obligation of the Promisor under this Contract, without notice to or consent from any Promisee or any Bondholder, if: (a)(i) such amendment 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 any Obligated Person, or type of business conducted, (ii) this Contract, after giving effect to such amendment, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment does not materially impair the interests of any Bondholders, as determined either by (A) any person selected by the Promisor that is unaffiliated with the Promisor or any Obligated Person (such as any registrar under the Ordinance) or (B) an approving vote of the Bondholders pursuant to the terms of the Ordinance at the time of such amendment; or (b) such amendment is otherwise permitted by the Rule.

Section 14. Assignment and Delegation. Neither any Promisee nor any Bondholder may, without the prior written consent of the Promisor, assign any of its rights under this Contract to any other person. The Promisor may not assign any of its rights or delegate any of its obligations under this Contract to any other person, except that the Promisor may assign any of its rights or delegate any of such obligations to any entity (a) into which the Promisor merges, with which the Promisor consolidates or to which the Promisor transfers all or substantially all of its assets or (b) which agrees in writing for the benefit of Bondholders to assume such rights or obligations.

Section 15. Communications. Any information, datum, statement, notice, certificate or other communication required or permitted to be provided, delivered or otherwise given hereunder by any person to any other person shall be in writing and, if such other person is the Promisor, shall be provided, delivered or otherwise given to the Promisor at the following address:

City of Evansville, Indiana  
300 Civic Center Complex  
One Martin Luther King Jr. Blvd.  
Evansville, IN 47708-1833  
Attention: Controller

(or at such other address as the Promisor may, by notice to the MSRB, provide), or, if such other person is not the Promisor, shall be provided, delivered or otherwise given to such other person at any address that the person providing, delivering or otherwise giving such information, datum, statement, notice, certificate or other communication believes, in good faith but without any investigation, to be an address for receipt by such other person of such information, datum, statement, notice, certificate or other communication. For purposes of this Contract, any such information, datum, statement, notice, certificate or other communication shall be deemed to be provided, delivered or otherwise given on the date that such information, datum, notice, certificate or other communication is (a) delivered by hand to such other person, (b) deposited with the United States Postal Service for mailing by registered or certified mail, (c) deposited with Express Mail,

Federal Express or any other courier service for delivery on the following business day, or (d) sent by facsimile transmission, telecopy or telegram.

Section 16. Knowledge. For purposes of this Contract, each Promisee and each Bondholder shall be deemed to have knowledge of the provision and content of any information, datum, statement or notice provided by the Promisor to the MSRB on the date such information, datum, statement or notice is so provided, regardless of whether such Promisee or such Bondholder was a registered or beneficial owner or holder of any Bond at the time such information, datum, statement or notice was so provided.

Section 17. Performance Due on other than Business Days. If the last day for taking any action under this Contract is a day other than a business day, such action may be taken on the next succeeding business day and, if so taken, shall have the same effect as if taken on the day required by this Contract.

Section 18. Waiver of Assent. Notice of acceptance of or other assent to this Contract is hereby waived.

Section 19. Governing Law. This Contract and the rights and obligations hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State, without reference to any choice of law principles.

Section 20. Severability. If any portion of this Contract is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability and enforceability of the remaining portions of this Contract shall not be affected, and this Contract shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Section 21. Rule. This Contract is intended to be a contract in which the Promisor has undertaken to provide that which is required by paragraph (b)(5) of the Rule. If and to the extent this Contract is not such a contract, this Contract shall be deemed to include such terms not otherwise included herein, and to exclude such terms not otherwise excluded herefrom, as are necessary to cause this Contract to be such a contract.

Section 22. Interpretation. The use herein of the singular shall be construed to include the plural, and vice versa, and the use herein of the neuter shall be construed to include the masculine and feminine. Unless otherwise indicated, the words “hereof,” “herein,” “hereby” and “hereunder,” or words of similar import, refer to this Contract as a whole and not to any particular section, subsection, clause or other portion of this Contract.

Section 23. Captions. The captions appearing in this Contract are included herein for convenience of reference only, and shall not be deemed to define, limit or extend the scope or intent of any rights or obligations under this Contract.

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IN WITNESS WHEREOF, the Promisor has caused this Contract to be executed on the date first above written.

CITY OF EVANSVILLE, INDIANA

By: \_\_\_\_\_  
Russell Lloyd, Jr., Controller of the  
City of Evansville, Indiana

*[Signature Page of Continuing Disclosure Contract]*

## APPENDIX F





## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By \_\_\_\_\_  
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.  
1633 Broadway, New York, N.Y. 10019  
(212) 974-0100

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