Fort Wayne City Utilities

A Regional Utility
Owned by
City of Fort Wayne, Indiana

CITY UTILITIES

WATER THAT WORKS

Financial Statements

December 31, 2024

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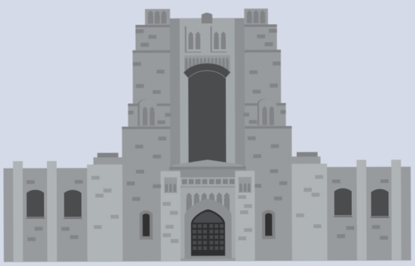
Facts & Figures

Three Rivers Filtration Plant

Built **1931-1933**

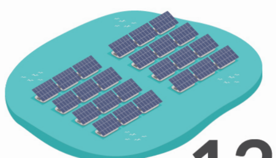
Expanded in **1954** and **1981**



Capacity **72** MGD

Average Demand

37.3 MGD



12,230
floating solar panels installed as part of the City Uitlities Microgrid

3,630 gallons
2024 average monthly residential water consumption

Winner of the **Best Tasting Water in Indiana** from the **Alliance of Indiana Rural Water** for a **third** year in a row

4 scholarships awarded to City Utilities interns

November 14, 2024
the culmination of the Deep Rock Tunnel's construction and its operational inauguration

Commercial customers accounted for
41.2%
of sewer treated in 2024

337
employees

Miles of pipe

1,481
water

1,618
sewer

733
stormwater

Winner of the **2024 Community Green Project of the Year Award** from **Accelerate Indiana Municipalities**

11.25 years
the average tenure of City Utilities employees

Paul L. Brunner Water Pollution Control Plant

Built **1938-1940**

Expanded in **1960** and **1975**

Capacity **100** MGD

Average Demand

45.9 MGD

93.8%
of stormwater customers are single-family households

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Independent Auditor's Report

The Officials of Fort Wayne City Utilities
Fort Wayne City Utilities
Fort Wayne, Indiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of each major fund of Fort Wayne City Utilities (Utilities), a division of the City of Fort Wayne, Indiana (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Utilities' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Utilities as of December 31, 2024, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Utilities, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of Utilities are intended to present the financial position, the changes in financial position and cash flows of only that portion of the business-type activities of each fund of the City that is attributable to the transactions of Utilities. They do not purport to, and do not, present fairly the financial position of the City, as of December 31, 2024, the changes in its financial position, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utilities' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of Net Pension Liability, Schedule of Contributions – Pension Plan, and Schedule of Changes in Total OPEB Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025, on our consideration of Utilities' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Utilities' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Utilities' internal control over financial reporting and compliance.

Forvis Mazars, LLP

Fort Wayne, Indiana
June 25, 2025

FORT WAYNE CITY UTILITIES
Management's Discussion and Analysis (unaudited)
For the Year Ended December 31, 2024

Introduction

As the management of Fort Wayne City Utilities (FWCU), we present this narrative overview and analysis to accompany the financial statements of FWCU for the fiscal year ending December 31, 2024. This discussion is intended to provide context and insight into FWCU's financial activities during the year. We encourage readers to review this information alongside the accompanying basic financial statements and the related notes for a comprehensive understanding.

Financial Highlights

As of December 31, 2024 and 2023, the assets and deferred outflows of resources of Fort Wayne City Utilities (FWCU) exceeded its liabilities and deferred inflows of resources by $1,018.1 million and $923 million, respectively.

FWCU's net position grew by $95.1 million in 2024 and by $83.7 million in 2023.

During 2024 and 2023, FWCU incurred new bonded debt and long-term loans totaling $44.7 million and $37.8 million, respectively. The $44.7 million debt increase included three new long-term State Revolving Fund (SRF) loans, additional draws on existing SRF loans, and new commercial loans. In 2023, the increase was primarily due to the issuance of new bonds, new long-term loans, and additional SRF draws.

In 2024, both the Water Utility and Wastewater Utility issued new SRF loans. The Water Utility secured a zero-interest draw-down loan, while the Wastewater Utility obtained two advance loans at a fixed interest rate of 2.60%.

Similarly, in 2023, the Water Utility issued two zero-interest draw-down loans, and the Wastewater Utility issued an advance loan with a 2.58% fixed interest rate.

Net investment in capital assets rose by approximately $88.8 million in 2024 and $76.9 million in 2023. Notably, FWCU continues to meet all requirements of its 2008 Federal Consent Decree.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the basic financial statements of Fort Wayne City Utilities (FWCU). FWCU operates as a division of the City of Fort Wayne and is reported as a business-type activity. When an entity funds its operations entirely through service fees, it is classified as a proprietary fund. More specifically, when the entity is fully self-sustaining through services provided to external customers, it is categorized as an enterprise fund.

The financial statements of an enterprise fund include three primary components, along with accompanying notes:

1. Statement of Net Position
2. Statement of Revenues, Expenses, and Changes in Net Position
3. Statement of Cash Flows

The notes to the financial statements offer essential context and additional details to help readers fully understand the financial data presented. These notes begin on page 17 of this report.

FWCU delivers a range of services including water, wastewater, stormwater, yard waste, and related support services. The financial statements have been structured to reflect the activities of each service area.

The Electric Utility's generation and distribution systems were leased to a private company in 1975 and later sold to that same company in 2011. A portion of the lease payments had been accumulated in a Community Trust Fund over the years. In 2012, the assets from that Trust Fund, along with proceeds from the sale of the Electric Utility's assets, were transferred to the City's Community Legacy Fund.

Fort Wayne City Utilities
Condensed Statement of Net Position
(amounts expressed in millions)

	Year Ended December 31,		Variance 2024 – 2023	
	2024	2023	Amount	Percent
Net capital assets	$ 1,636.9	$ 1,524.6	$ 112.3	7.4 %
Other assets	318.8	345.8	(27.0)	(7.8)%
Total assets	$ 1,955.7	$ 1,870.4	$ 85.3	4.6 %
Deferred Outflows of Resources	$ 10.3	$ 8.5	$ 1.8	21.2 %
Other liabilities	104.0	104.3	(0.3)	(0.3)%
Long term liabilities	839.2	845.9	(6.7)	(0.8)%
Total liabilities	$ 943.2	$ 950.2	$ (7.0)	(0.7)%
Deferred Inflows of Resources	$ 4.7	$ 5.7	$ (1.0)	(17.5)%
Total net position	$ 1,018.1	$ 923.0	$ 95.1	10.3 %
Net investment in capital assets	849.6	760.8	88.8	11.7 %
Restricted	95.7	91.8	3.9	4.2 %
Unrestricted	72.8	70.4	2.4	3.4 %
Total net position	$ 1,018.1	$ 923.0	$ 95.1	10.3 %

Fort Wayne City Utilities
Condensed Statement of Revenues, Expenses and Changes in Net Position
(amounts expressed in millions)

	Year Ended December 31,		Variance 2024 – 2023	
	2024	2023	Amount	Percent
Operating revenues:				
Water service revenues	$ 68.0	$ 64.5	$ 3.5	5.4 %
Wastewater services revenues	118.1	106.8	11.3	10.6 %
Stormwater service revenues	15.4	14.9	0.5	3.4 %
Yard Waste revenues	0.5	0.5	—	— %
Total operating revenues	202.0	186.7	15.3	8.2 %
Operating expenses:				
Water operations	45.5	42.3	3.2	7.6 %
Wastewater operations	55.5	51.9	3.6	6.9 %
Stormwater operations	8.8	8.6	0.2	2.3 %
Yard Waste operations	0.2	0.2	—	— %
Total operating expenses	110.0	103.0	7.0	6.8 %
Operating Income	92.0	83.7	8.3	9.9 %
Net nonoperating revenues (expenses)	(19.7)	(22.9)	3.2	(14.0)%
Income before capital contributions	72.3	60.8	11.5	18.9 %
Capital contributions	22.8	22.9	(0.1)	(0.4)%
Change in net position	95.1	83.7	11.4	13.6 %
Net position - beginning of year	923.0	839.3	83.7	10.0 %
Net position - end of year	$ 1,018.1	$ 923.0	$ 95.1	10.3 %

Financial Analysis

Net position can be a valuable indicator of a governmental unit's financial health over time. As of the year-end 2024 and 2023, FWCU's net position was $1,018.1 million and $923.0 million, respectively. The largest portion, ($849.60 million or 83.5 percent) in 2024, reflects FWCU's net investment in capital assets, including land, buildings, machinery, equipment, and infrastructure for distribution and collection, after accounting for any related outstanding debt used to acquire these assets.

Another significant portion, $95.7 million (9.4 percent), represents resources that are subject to external restrictions on their use.

Operating revenues increased by $15.3 million (8.2 percent) across utilities, primarily driven by higher consumption resulting from several dry months with extreme temperatures that extended into September. Additional contributors to this increase included scheduled rate hikes and higher area connection fees from the onboarding of several large customers. Operating expenses also increased $7.0 million (6.8 percent), mainly due to higher chemical costs and increased personnel services expenditures.

Capital Assets and Capital Improvement Program

The FWCU's capital assets in service total $1,627.0 billion with an accumulated depreciation of $581.8 million, resulting in a net book value of $1,045.2 million. Additionally, the statement of net position reflects $591.9 million in construction in progress, representing capital projects in various stages of completion. In 2024, approximately $146.3 million was invested in capital projects (see Note 6).

Debt

As detailed in Note 9, FWCU had approximately $863.0 million in bonds and loans payable as of December 31, 2024, reflecting a net decrease of $9.0 million compared to the previous year.

The net decrease in debt is primarily due to a lower level of debt issuance in 2024, offset by scheduled payments on existing bonds and loans.

FWCU paid principal of $53.3 million in 2024, compared to $51.6 million and 2023.

In December 2024, Moody's upgraded the water and wastewater utility bonds to Aa2 and Aa3, respectively; and, affirmed the stormwater utility's Aa2 rating.

Economic Factors and Next Year's Budget and Rates

FWCU operates a water, wastewater, and a stormwater utility serving the greater Fort Wayne area. Using its strategic plan as a guide, its mission is to support public safety, public health, and enhance regional economic development by delivering high-quality and affordable water, wastewater, and stormwater services in ways that protect the environment. FWCU is successfully achieving its vision of becoming nationally recognized as a regional utility of excellence, as evidenced by several national awards, through its six strategic initiatives: human capital development, community and employee engagement, customer service, technology, affordability and cost management, and environmental stewardship and conservation. Recognizing FWCUs achievements, in June 2024, Greater Fort Wayne, Inc., the combined Chamber of Commerce and Local Economic Development Organization, awarded Fort Wayne City Utilities with its *Business Excellence Award.* In late 2024, *Moody's* upgraded the bond rating of FWCUs water utility to Aa2, upgraded the bond rating of the sewer utility to Aa3, and affirmed the stormwater utility's Aa2 rating.

On December 28, 2007, FWCU agreed to a Long-Term Control Plan (LTCP) to reduce Combined Sewer Overflows (CSOs), as part of a federal Consent Decree, which will ultimately bring the FWCU combined storm and sanitary sewer system into compliance with the federal Clean Water Act. The Consent Decree became effective April 1, 2008. Through the LTCP, FWCU committed to CSO reductions that require an investment of approximately $240 million (denominated in 2005 dollars) in infrastructure solutions over the 18-year period from 2008 through 2025. This investment is currently projected to have a total cost of approximately $340 million, while, through value engineering, projected improvement costs to the separate sanitary sewer system have been reduced by approximately $100 million. The Consent Decree also required FWCU to eliminate three sanitary sewer overflows, which was accomplished at a cost of $13.5 million, maintain the entire storm and sewer systems to prescribed performance standards, and mitigate assessed penalties with local investments in septic tank elimination subsidies and rain garden stipends.

Each of Fort Wayne's three rivers have their own control limits and compliance deadlines for reductions in CSOs per the Consent Decree. The improvements for reducing the CSOs along the St. Joseph River were completed in 2015 and the St. Joseph river is now considered to be in compliance with the Consent Decree. The Consent Decree further provides for stipulated penalties for failure to achieve specified construction milestones, reporting deadlines or maintenance objectives. FWCU is in full compliance with the terms and conditions of the Consent Decree, meeting or exceeding all required deadlines, milestones, and objectives. Significantly, FWCU has completed to date: the upgrade to the wastewater plant to increase its treatment capacity from 60 million gallons per day (mgd) to 100 mgd and completed 33 combined sewer separation projects. FWCU also constructed a wet weather pond bleed-back process that fully treats over one billion gallons of wastewater each year that previously entered the Maumee River only partially treated. Untreated wastewater storage capacity was increased by nearly 100 million gallons through several pond enhancement projects and the pump station used to fill those ponds has had its capacity increased to maximize the available storage.

The single largest project associated with satisfying the requirements of the Consent Decree is a large underground tunnel that starts near Rudisill Boulevard, traversing north along the St. Marys River, past the confluence of the three rivers, and then following the Maumee River to the wastewater treatment plant. The tunnel is approximately five miles long, 16 feet in diameter, and drilled through rock over 200 feet below ground. Tunnel construction was completed in 2024. Additional sewers are being extended off the tunnel drop shafts to connect the existing combined sewer outfalls to the tunnel. All work must be completed by no later than 2025.

The Wastewater Utility Capital Improvement Plan also supports the rehabilitation of existing pipes through cured-in-place lining. Lining wastewater pipelines significantly extends the life of the pipeline, improves overall system flow, and reduces reactive maintenance. Since 2008, FWCU has invested $68 million to line approximately 218.4 miles of pipe. The annual pipe enhancement rate since 2008 exceeds our annual goal of one percent per year.

Consistent with the long-term nature of the Consent Decree, the Common Council approved a third five-year rate plan that adjusted wastewater unit rates by approximately five percent effective April 1, 2020, and again by approximately five percent on January 1 of each of the four subsequent calendar years. FWCU's five-year sewer rate plan is facilitating $380 million in capital investments, providing predictability to customers and bondholders, providing for growth and economic development. and includes the capital necessary to complete FWCU's consent decree obligations.

In mid-2017, FWCU adopted a three-year stormwater rate plan, the final phase of which took effect on July 1, 2019. This rate plan continues to fund capital improvement projects to improve drainage, increase capacity and reliability, reduce standing water, reduce impacts to properties, and improve stormwater quality throughout the stormwater service area, while fulfilling the operational requirements of the stormwater permit. Work regularly includes the installation of new infrastructure to address a lack of existing or currently underperforming infrastructure, repairing or replacing existing infrastructure, performing inflow and infiltration improvements, installing green infrastructure, dredging and bank improvements, installation of flood control walls or levees, and cost-effective and voluntary property buyouts.

On June 26, 2018, the Common Council approved updates to potable water rates that will be introduced in five annual phases. The rate plan was approved by the Indiana Utility Regulatory Commission and became effective on June 1, 2019.

In accordance with the goals of this rate plan, FWCU is near completion of the implementation of Advanced Metering Infrastructure (AMI) to provide remote collection of water meter reads from its approximately 100,000 water user accounts, replacement of approximately 70,000 water meters, replacement of water mains that are beyond their useful life, replacement of lead water services, and other projects designed to protect public health and safety though strategic operation and maintenance of the water system. In 2024, construction began on a data center that, over phases, has the potential to be a significant customer for the water utility. In 2025, FWCU intends to seek approval of new, multi-year rate plans for the water, sewer, and stormwater utilities.

Request for Information

This financial report is intended to provide residents, taxpayers, customers, and creditors with a general overview of FWCU's financial condition and to demonstrate accountability for the funds it receives. Questions regarding the information presented in this report or requests for additional financial details should be directed to the Deputy Director/CFO, Fort Wayne City Utilities, 200 E. Berry Street, Suite 270, Fort Wayne, IN 46802.

FORT WAYNE CITY UTILITIES
Statement of Net Position
At December 31, 2024

	Water	Wastewater	Stormwater	Electric	Yard Waste	Enterprise	Total
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	$ 15,426,066	$ 38,465,855	$ 21,957,309	$ —	$ 2,443,074	$ 75,694	$ 78,367,998
Receivables:							
Customers, net of allowance for doubtful accounts of $68,259	7,330,079	12,655,033	1,760,941	—	81,492	9,665	21,837,210
Installments receivable, current portion	8,281	—	—	—	—	—	8,281
Assessments receivable, current portion	—	6,798	—	—	—	—	6,798
Interest receivable	30,528	56,274	14,032	—	1,169	—	102,003
Due from City of Fort Wayne	257,562	412,446	60,608	—	1,856	—	732,472
Other current assets	28,817	5,335	773	—	24	—	34,949
Materials and supplies	1,324,047	897,362	—	—	—	—	2,221,409
Prepaid expenses	404,653	615,577	79,284	—	2,268	—	1,101,782
Total current assets	24,810,033	53,114,680	23,872,947	—	2,529,883	85,359	104,412,902
NONCURRENT ASSETS:							
Restricted cash and cash equivalents	39,590,105	165,157,266	4,271,354	—	—	—	209,018,725
Leases receivable	1,089,780	—	—	—	—	—	1,089,780
Regulatory assets	1,488,552	1,838,831	150,029	—	—	—	3,477,412
Installments receivable	301,528	2,055	—	—	—	—	303,583
Assessments receivable	—	549,496	—	—	—	—	549,496
Capital assets:							
Land	6,245,503	4,579,630	7,519,548	75,732	—	—	18,420,413
Distribution and collection	285,020,052	464,904,024	214,084,253	—	—	—	964,008,329
Buildings and improvements	93,900,460	235,094,359	3,630,169	1,121,198	68,777	—	333,814,963
Equipment and other	149,346,607	153,918,811	6,868,753	342,787	10,039	—	310,486,997
Less: Accumulated depreciation	(222,185,950)	(296,724,955)	(61,328,000)	(1,463,985)	(75,613)	—	(581,778,503)
Plus: Construction in progress	87,331,147	487,182,148	17,376,618	—	10,213	—	591,900,126
Net capital assets	399,657,819	1,048,954,017	188,151,341	75,732	13,416	—	1,636,852,325
Total noncurrent assets	442,127,784	1,216,501,665	192,572,724	75,732	13,416	—	1,851,291,321
Total assets	$ 466,937,817	$ 1,269,616,345	$ 216,445,671	$ 75,732	$ 2,543,299	$ 85,359	$ 1,955,704,223
DEFERRED OUTFLOWS OF RESOURCES (Note 7):	$ 3,466,587	$ 5,689,234	$ 1,174,703	$ —	$ —	$ —	$ 10,330,524
Total assets and deferred outflow of resources	$ 470,404,404	$ 1,275,305,579	$ 217,620,374	$ 75,732	$ 2,543,299	$ 85,359	$ 1,966,034,747

LIABILITIES							
CURRENT LIABILITIES:							
Accounts payable	$ 1,541,962	$ 848,722	$ 47,626	$ —	$ 1,394	$ —	$ 2,439,704
Contracts payable	4,574,597	12,220,530	2,144,608	—	26,309	2,600	18,968,644
Retainage payable	1,294,128	2,176,082	222,297	—	—	—	3,692,507
Wages and withholdings payable	816,402	1,046,153	198,844	—	2,000	—	2,063,399
Due to City of Fort Wayne	3,192,709	4,945,836	702,646	—	6,691	—	8,847,882
Compensated absences payable, current portion	857,841	1,296,592	182,107	—	4,330	—	2,340,870
Other current liabilities	301,963	—	4,319	—	—	—	306,282
Accrued interest payable	378,063	7,127,426	198,168	—	—	—	7,703,657
Bonds payable, current portion	6,875,000	18,025,000	1,680,000	—	—	—	26,580,000
Loans payable, current portion	5,583,096	22,302,024	453,957	—	—	—	28,339,077
Total OPEB liability, current portion	404,233	662,415	98,960	—	—	—	1,165,608
Unearned revenue	4,405	—	—	—	—	—	4,405
Customer deposits	1,547,664	—	—	—	—	—	1,547,664
Total current liabilities	27,372,063	70,650,780	5,933,532	—	40,724	2,600	103,999,699
NONCURRENT LIABILITIES:							
Bonds payable, net of unamortized bond discount/ premium	72,321,136	109,283,854	14,453,717	—	—	—	196,058,707
Loans payable	75,653,647	534,988,309	1,372,133	—	—	—	612,014,089
Compensated absences payable	88,269	171,834	12,989	—	410	—	273,502
Net pension liability	5,147,432	7,585,243	2,581,440	—	—	—	15,314,115
Total OPEB liability	5,123,571	7,605,736	2,858,940	—	—	—	15,588,247
Total noncurrent liabilities	158,334,055	659,634,976	21,279,219	—	410	—	839,248,660
Total liabilities	$ 185,706,118	$ 730,285,756	$ 27,212,751	$ —	$ 41,134	$ 2,600	$ 943,248,359
DEFERRED INFLOWS OF RESOURCES (Note 8):	$ 2,228,709	$ 1,796,374	$ 676,424	$ —	$ —	$ —	$ 4,701,507
NET POSITION:							
Net investment in capital assets	$ 249,057,571	$ 431,324,546	$ 169,132,791	$ 75,732	$ 13,234	$ —	$ 849,603,874
Restricted							
For debt service	16,600,960	69,281,174	2,884,007	—	—	—	88,766,141
For capital projects	4,903,696	2,013,288	—	—	—	—	6,916,984
Unrestricted	11,907,350	40,604,441	17,714,401	—	2,488,931	82,759	72,797,882
Total net position	$ 282,469,577	$ 543,223,449	$ 189,731,199	$ 75,732	$ 2,502,165	$ 82,759	$ 1,018,084,881
Total liabilities, deferred inflows of resources and net position	$ 470,404,404	$ 1,275,305,579	$ 217,620,374	$ 75,732	$ 2,543,299	$ 85,359	$ 1,966,034,747

See accompanying notes to the financial statements.

FORT WAYNE CITY UTILITIES
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2024

	Water	Wastewater	Stormwater	Electric	Yard Waste	Enterprise	Total
OPERATING REVENUES:							
Charges for goods and services	$ 67,974,581	$ 118,051,918	$ 15,319,460	$ —	$ 542,245	$ 77,249	$ 201,965,453
OPERATING EXPENSES:							
Personnel services	10,455,549	11,483,623	2,494,382	—	—	—	24,433,554
Contractual services	2,484,091	4,423,249	620,098	—	101,192	18,600	7,647,230
Utilities	2,224,064	2,209,677	27,431	—	5,715	—	4,466,887
Chemicals	8,112,035	2,138,239	3,300	—	—	—	10,253,574
Administrative services	7,645,238	12,528,225	1,814,311	—	57,317	—	22,045,091
Other supplies/services	3,678,424	4,147,614	195,070	—	2,234	10,394	8,033,736
Depreciation	10,858,325	18,573,209	3,631,976	—	1,009	—	33,064,519
Total operating expenses	45,457,726	55,503,836	8,786,568	—	167,467	28,994	109,944,591
Operating income	22,516,855	62,548,082	6,532,892	—	374,778	48,255	92,020,862
NONOPERATING REVENUES (EXPENSES):							
Investment income	3,556,185	9,562,963	1,344,733	—	82,436	3,320	14,549,637
Leases and installments interest income	51,020	26,219	—	—	—	—	77,239
Interest expense	(4,611,990)	(17,350,226)	(477,359)	—	—	—	(22,439,575)
Amortization of regulatory assets	(224,012)	(268,573)	(33,263)	—	—	—	(525,848)
Payments in lieu of taxes	(3,668,124)	(6,038,448)	(870,492)	—	—	—	(10,577,064)
Gain (loss) on disposal of assets	(357,723)	(463,204)	3,410	—	—	—	(817,517)
Total nonoperating revenues (expenses)	(5,254,644)	(14,531,269)	(32,971)	—	82,436	3,320	(19,733,128)
Income before capital contributions and transfers	17,262,211	48,016,813	6,499,921	—	457,214	51,575	72,287,734
Capital contributions	6,140,398	10,669,946	5,964,311	—	—	—	22,774,655
Capital asset transfers, net	2,822	(1,944)	(878)	—	—	—	—
Change in net position	23,405,431	58,684,815	12,463,354	—	457,214	51,575	95,062,389
Total net position, beginning of year	259,064,146	484,538,634	177,267,845	75,732	2,044,951	31,184	923,022,492
Total net position, end of year	$ 282,469,577	$ 543,223,449	$ 189,731,199	$ 75,732	$ 2,502,165	$ 82,759	$ 1,018,084,881

See accompanying notes to the financial statements.

FORT WAYNE CITY UTILITIES
Statement of Cash Flows
For the Year Ended December 31, 2024

	Water	Wastewater	Stormwater	Electric	Yard Waste	Enterprise	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and others	$ 67,347,054	$ 117,482,635	$ 15,204,303	$ —	$ 510,532	$ 70,492	$ 200,615,016
Payments to suppliers	(23,252,239)	(25,440,396)	(2,853,855)	—	(158,731)	(27,994)	(51,733,215)
Payments to employees	(9,756,283)	(10,338,540)	(2,316,032)	—	—	—	(22,410,855)
Other payments	(28,817)	—	—	—	—	—	(28,817)
Net cash provided by operating activities	34,309,715	81,703,699	10,034,416	—	351,801	42,498	126,442,129
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Payments in lieu of taxes	(3,668,124)	(6,038,448)	(870,492)	—	—	—	(10,577,064)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	(40,194,626)	(85,962,301)	(9,277,412)	—	(3,090)	—	(135,437,429)
Proceeds from long-term debt	1,373,459	42,382,000	989,000	—	—	—	44,744,459
Interest paid on long-term debt	(4,698,780)	(17,828,313)	(514,401)	—	—	—	(23,041,494)
Acquisition of regulatory assets	(114,386)	(129,060)	—	—	—	—	(243,446)
Principal paid on long-term debt	(12,021,442)	(39,189,850)	(2,060,982)	—	—	—	(53,272,274)
Proceeds from sales of assets	59,428	92,148	3,410	—	—	—	154,986
Contribution in aid of construction	1,024,500	5,498,757	2,007,874	—	—	—	8,531,131
Net cash used by capital and related financing activities	(54,571,847)	(95,136,619)	(8,852,511)	—	(3,090)	—	(158,564,067)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Sale of investments	14,500,000	48,679,101	3,000,000	—	—	—	66,179,101
Investment income received	3,885,621	10,275,510	1,533,279	—	98,152	3,320	15,795,882
Net cash provided by investing activities	18,385,621	58,954,611	4,533,279	—	98,152	3,320	81,974,983
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,544,635)	39,483,243	4,844,692	—	446,863	45,818	39,275,981
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	60,560,806	164,139,878	21,383,971	—	1,996,211	29,876	248,110,742
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 55,016,171	$ 203,623,121	$ 26,228,663	$ —	$ 2,443,074	$ 75,694	$ 287,386,723

(Continued)

FORT WAYNE CITY UTILITIES
Statement of Cash Flows
For the Year Ended December 31, 2024
(Continued)

	Water	Wastewater	Stormwater	Electric	Yard Waste	Enterprise	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:							
Operating income	$ 22,516,855	$ 62,548,082	$ 6,532,892	$ —	$ 374,778	$ 48,255	$ 92,020,862
Adjustments to reconcile operating income to net cash provided by operating activities							
Depreciation	10,858,325	18,573,209	3,631,976	—	1,009	—	33,064,519
Provision for doubtful accounts	6,755	27,301	(3,002)	—	—	—	31,054
Changes in assets, liabilities, and deferred outflows and inflows of resources:							
Receivables	(634,435)	(596,584)	(112,155)	—	(31,713)	(6,757)	(1,381,644)
Unearned revenue	153	—	—	—	—	—	153
Other assets	45,894	(95,401)	(52,911)	—	(1,404)	—	(103,822)
Accounts payable	816,902	102,009	(140,734)	—	9,131	1,000	788,308
Other liabilities	272,117	391,250	56,111	—	—	—	719,478
Deferred outflows - Pension	95,870	156,875	33,058	—	—	—	285,803
Deferred outflows - OPEB	(765,682)	(1,254,721)	(187,446)	—	—	—	(2,207,849)
Net pension liability	712,224	1,167,118	174,359	—	—	—	2,053,701
Total OPEB liability	751,929	1,232,185	184,079	—	—	—	2,168,193
Deferred inflows - Pension	(93,784)	(153,684)	(22,959)	—	—	—	(270,427)
Deferred inflows - OPEB	(240,398)	(393,940)	(58,852)	—	—	—	(693,190)
Deferred inflows - Leases receivable	(33,010)	—	—	—	—	—	(33,010)
Net cash provided by operating activities	$ 34,309,715	$ 81,703,699	$ 10,034,416	$ —	$ 351,801	$ 42,498	$ 126,442,129
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:							
Capital assets acquired through accounts payable	$ 5,332,488	$ 13,711,523	$ 2,247,922	$ —	$ 182	$ —	$ 21,292,115
Capital asset contribution	5,115,898	5,171,189	3,956,437	—	—	—	14,243,524
Amortization of bond premium	112,483	354,904	30,253	—	—	—	497,640
Amortization of deferred outflows of resources - Debt refunding loss	—	75,381	—	—	—	—	75,381

See accompanying notes to the financial statements.

Note 1. Nature of Operations and Significant Accounting Policies

Financial Reporting Entity:

Fort Wayne City Utilities (FWCU) is a regional utility owned and operated by of the City of Fort Wayne, Indiana. These financial statements reflect only the activities of FWCU and are not intended to present the financial position, results of operations, or cash flows of the City of Fort Wayne or its other enterprise funds. FWCU encompasses the Water, Wastewater, Stormwater, Electric Utilities, Yard Waste Facility, and ancillary services grouped in the Enterprise Fund — all of which are proprietary in nature. The Electric Utility's generation and distribution systems were sold to a private firm in 2011.

Basis of Accounting and Financial Reporting:

FWCU prepares its financial statements using the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) in the United States, as applied to governmental units.

Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, deferred outflows/inflows of resources, and disclosures of contingencies as of the financial statement date, as well as revenues and expenses recognized during the reporting period. Actual results may differ from those estimates.

Cash Equivalents:

For purposes of the Statement of Cash Flows, FWCU considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

Investments:

Investments are stated at fair value. FWCU had no investments at December 31, 2024.

Accounts Receivable, Net:

Accounts receivable consist of customer balances for services provided, net of an allowance for uncollectible amounts. Customer deposits may be required upon credit extension. Receivables are due within 20 days of billing; payments made after the due date incur a 10% late fee.

The allowance for doubtful accounts is estimated based on account age, customer payment history, and other relevant factors. Receivables from inactive accounts are written off once all collection efforts are exhausted. Reinstatement of service requires full repayment of any previously written-off balances.

Net Position:

The components of net position are categorized as follows:

Net investment in capital assets – This category is comprised of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition or construction of those assets.

Restricted – This category consists of resources that have external restrictions imposed by outside parties (e.g., creditors, grantors, contributors) or by law through constitutional provisions or enabling legislation.

Unrestricted – This category represents resources of the FWCU that are not subject to externally imposed restrictions and that may be used to meet the ongoing obligations to the public and creditors.

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

Capital Assets:

Capital assets are recorded at historical cost; donated assets are recorded at acquisition value. Routine maintenance costs are expensed as incurred. Upon retirement, any difference between the asset's original cost and its accumulated depreciation is recognized as a loss. Depreciation is calculated on an asset-by-asset basis over the following estimated useful lives (years):

	Water Utility	Wastewater Utility	Stormwater Utility	Electric Utility	Yard Waste Facility
Buildings and improvements	25 – 44	25 – 44	–	35	20
Heavy equipment and other	7 – 67	7 – 67	7 – 67	10 – 35	6 – 12
Computer equipment	5	5	5	–	5
Distribution and collection	67	67	67	–	–

Unbilled Utility Revenue:

FWCU accrues revenue for services rendered but not yet billed as of year-end for water, wastewater, and stormwater services.

Materials and Supplies:

Materials and supplies are stated at cost: average cost for Water Utility and first-in, first-out (FIFO) for Wastewater Utility. Inventory balances for other services are immaterial and not reported.

Regulatory Assets, Discounts, and Premiums:

Bond issuance costs, discounts, and premiums are amortized over the term of the related bond using the interest method. Unamortized premiums/discounts are included in noncurrent bonds payable. Unamortized bond issuance costs are recorded as regulatory assets, in accordance with accounting standards for regulated utilities.

Lease Receivables:

As a lessor, FWCU records lease receivables at the present value of expected lease payments, net of allowances for uncollectibility.

Compensated Absences:

Full-time employees earn 10 to 25 days of vacation per year, depending on years of service. A maximum accrual equivalent to two years of vacation earnings may be carried over at the end of the calendar year (20 to 50 vacation days). Unpaid vacation is recorded as a liability as earned.

Accrued compensated absences for FWCU personnel are charged as an operating expense, using the vesting method, based on earned but unused vacation and sick leave days including the FWCU share of social security and medicare taxes.

All full-time employees will receive 40 hours of sick time per calendar year to be used or forfeited by the end of the same calendar year. Regular part-time employees will receive 20 hours of sick time per calendar year. Sick time will be prorated for all employees hired May 1st or after, of each calendar year.

Prior to January 1, 2014 employees were allowed to accrue the unused sick time. All employees with a balance of sick time as of December 31, 2013, had this balance placed into a separate, frozen sick time account. These employees will receive compensation for this unused sick leave upon separation from employment at $1.00 for each hour up to 520 hours.

Employees with a frozen sick time account will also be eligible to receive either 50 percent of the employee’s hourly rate as of December 31, 2013 for each accumulated hour over 520, or an employee with 20 years of service who retires, may receive credit at 100 percent of the employee’s hourly rate at December 31, 2013 for each sick hour over 520 to be used for the purchase of group health insurance. The maximum payment per employee cannot exceed $25,000.

Effective January 1, 2024, FWCU implemented GASB Statement No. 101, *Compensated Absences*. This standard requires governments to recognize a liability for all types of compensated absences at the time the related services are provided, rather than when the leave is paid or becomes vested. It also establishes uniform guidance for measuring these liabilities, including the requirement to use the employee’s pay rate in effect as of the financial reporting date and to include applicable salary-related costs (e.g., payroll taxes) in the liability calculation. In response to this implementation, FWCU reviewed its existing policies and procedures for accruing vacation, sick leave, and paid time off. Based on this review, FWCU determined that its current calculation methodology aligns with the requirements of GASB Statement No. 101. Therefore, no changes to accounting estimates were necessary.

Classification of Revenues:

FWCU has classified its revenues as either operating or nonoperating according to the following criteria:

- Operating revenues include activities that have the characteristics of exchange transactions, such as customer charges.

- Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as contributions and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as investment income.

Deferred Outflows of Resources:

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement section element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The Wastewater Utility has deferred charges on refunding reported in the statement of net position (Debt refunding loss) that qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its re-acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Also included in this category are the deferred outflows of resources related to pensions and OPEB, as detailed in Note 14 and Note 15, respectively. The breakdown by category of deferred outflows of resources for each utility is outlined in Note 7.

Deferred Inflows of Resources:

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement section element, deferred inflows of resources, represents an acquisition of net p that applies to future periods and, therefore, will not be recognized as an inflow of resources (revenue) until then. At this time, the items that qualify for reporting in this category are related to the deferred inflows related to pension, deferred inflows related to OPEB and deferred inflows related to leases receivable. For further information see Note 14 and Note 15, respectively. The breakdown by category of deferred inflows of resources for each utility is outlined in Note 8.

Note 2. Deposits and Investments

Deposits:

In accordance with Indiana Code 5-13-8-1, a political subdivision of the State of Indiana may deposit public funds only in financial institutions that are designated as eligible depositories for state funds and maintain a principal office or branch authorized to receive such public deposits. All FWCU bank balances were either fully insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized through the Public Deposit Insurance Fund (PDIF), which protects public funds held in approved depositories. FWCU does not have a formal custodial credit risk policy. Custodial credit risk refers to the possibility that, in the event of a financial institution's failure, the government's deposits may not be recoverable.

Investments:

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2024, FWCU has no investments.

Note 3. Restricted Assets

Restricted assets consisted of the following at December 31, 2024:

	Water Utility	Wastewater Utility	Stormwater Utility	Total
Cash and cash equivalents:				
Sinking fund	$ 1,348,605	$ 23,491,296	$ 881,625	$ 25,721,526
Debt service reserve	15,630,418	52,917,304	2,200,550	70,748,272
Construction	16,159,722	85,327,268	1,189,179	102,676,169
Customer deposits	1,547,664	—	—	1,547,664
System development charge fund	4,140,330	—	—	4,140,330
Capital surcharge fund		1,408,110		1,408,110
Septic elimination program	—	2,013,288	—	2,013,288
Lead service line replacement program	763,366	—	—	763,366
Total cash and cash equivalents	$ 39,590,105	$ 165,157,266	$4,271,354	$ 209,018,725

Sinking Fund:

The Wastewater Utility is required to make monthly deposits into a sinking fund account from its net revenues in amounts equal to at least one-sixth of the next semi-annual interest payment and one-twelfth of the next annual principal payment. Additional related debt service obligations are maintained in a separate debt service account.

Similarly, the Water and Stormwater Utilities are required to make monthly sinking fund deposits from net revenues in amounts equal to at least one-sixth of the upcoming semi-annual interest payments and one-twelfth of the upcoming annual principal payments. Once certain minimum balance thresholds are met, transfers from these sinking funds may be made to unrestricted cash accounts. FWCU has secured surety bonds to meet the reserve account requirements for both the Waterworks and Stormwater Utilities.

Debt Service Reserve:

In addition to the sinking fund requirements, FWCU revenue bonds mandate the establishment of debt service reserve accounts. These reserves must be funded at the lesser of: (1) ten percent of the bond proceeds, (2) the maximum annual principal and interest due, or (3) 125 percent of the average annual principal and interest requirements. FWCU maintains these reserves on a consolidated basis and may satisfy the requirement either by holding cash or by obtaining surety bond insurance. To qualify, surety bond providers must carry a credit rating of AAA from Standard & Poor's or Aaa from Moody's.

Prior to 2009, FWCU utilized surety bond insurance to meet the debt service reserve requirements for all of its revenue bonds. However, following the financial crisis of 2008–2009 and continuing through 2024, the credit ratings of these insurers fell below the required AAA/Aaa threshold. Although the bonds remained insured, the downgrade necessitated that FWCU replace the surety bonds with cash reserves in accordance with bond ordinances. As of December 31, 2024, all debt service reserve accounts for the Waterworks, Sewage Works, and Stormwater Revenue Bonds are fully cash-funded.

Construction:

Unspent proceeds from bond and loan issuances, as well as grant funds designated for the construction of specific capital assets, are reported within this account.

Customer Deposits:

Customer deposits represent refundable amounts collected from Water Utility customers as a safeguard against nonpayment of utility bills or potential damage to water mains.

System Development Charge Fund:

System development charges are assessed on all permanent connections to the FWCU water system to fund capital expenditures that support the expansion and development of the water system infrastructure.

Capital Surcharge Fund:

Capital surcharges are assessed to reimburse FWCU and/or its development partners for the cost of capital improvements made in specific areas in anticipation of future customer growth.

Septic Elimination Program:

In 2009, the Fort Wayne Board of Public Works authorized the establishment of a FWCU Revolving Fund as an alternative funding mechanism for septic tank elimination in Allen County. This fund supports the construction of wastewater mains, enabling homeowners to discontinue the use of failing septic systems and connect to the public sewer infrastructure. The program also offers financial incentives to promote participation. Any unexpended funds are restricted for use in future septic tank elimination projects.

Lead Service Line Replacement Program

In 2019, the Fort Wayne Board of Public Works authorized the establishment of a FWCU Revolving Fund as an alternative funding source and incentive for lead service line replacements. This fund is designed to assist property owners within the City of Fort Wayne in financing the costs associated with replacing private lead service lines.

Note 4. Leases Receivable

FWCU, through its Water Utility, leases space on its water towers to various third parties, with lease terms ranging from 2042 to 2049. Payments under these leases increase annually based on the Consumer Price Index (CPI), with the leases initially measured according to the CPI at the commencement of each lease. In 2024, FWCU recognized $84,798 in revenue from these lease contracts, which includes both lease revenue and interest.

Note 5. Installments and Assessments Receivable

Installments receivable represent payments due from water customers who receive financial assistance under the Lead Service Line Replacement Program. The amounts financed are up to $3,500 per customer and are payable in 120 monthly installments, with an annual interest rate of 7.5 percent.

Assessments receivable represent amounts due from customers for wastewater connections under the Septic Elimination Program. Individual assessments range from $2,000 to $30,000 and are payable in 60, 120, or 180 monthly installments, with interest rates ranging from zero percent to seven percent per year.

Note 6. Capital Assets

The following changes occurred in capital assets by fund during the year ended December 31, 2024:

Water Utility

	Balance, 1/1/2024	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2024
Land	$ 6,141,245	$ —	$ —	$ 104,258	$ 6,245,503
Distribution and collection	275,803,761	—	1,294,390	10,510,681	285,020,052
Buildings and improvement	93,031,704	—	—	868,756	93,900,460
Equipment and other	142,289,989	1,582,708	2,023,233	7,497,143	149,346,607
Construction in progress	62,365,347	43,728,333	—	(18,762,533)	87,331,147
Sub-total	579,632,046	45,311,041	3,317,623	218,305	621,843,769
Less accumulated depreciation:					
Distribution and collection	83,278,871	4,258,779	977,313	—	86,560,337
Buildings and improvement	48,052,664	2,017,495	—	—	50,070,159
Equipment and other	82,690,414	4,582,051	1,923,159	206,148	85,555,454
Sub-total	214,021,949	10,858,325	2,900,472	206,148	222,185,950
Net Capital Assets	$ 365,610,097	$ 34,452,716	$ 417,151	$ 12,157	$ 399,657,819

Wastewater Utility

	Balance, 1/1/2024	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2024
Land	$ 4,542,711	$ —	$ —	$ 36,919	$ 4,579,630
Distribution and collection	447,189,794	—	1,500,781	19,215,011	464,904,024
Buildings and improvement	227,189,017	—	229,615	8,134,957	235,094,359
Equipment and other	151,684,935	1,970,588	1,486,915	1,750,203	153,918,811
Construction in progress	432,041,069	84,455,746	—	(29,314,667)	487,182,148
Sub-total	1,262,647,526	86,426,334	3,217,311	(177,577)	1,345,678,972
Less accumulated depreciation:					
Distribution and collection	119,285,622	6,930,313	1,243,618	—	124,972,317
Buildings and improvement	80,485,268	4,978,994	94,615	—	85,369,647
Equipment and other	81,234,396	6,663,902	1,323,726	(191,581)	86,382,991
Sub-total	281,005,286	18,573,209	2,661,959	(191,581)	296,724,955
Net Capital Assets	$ 981,642,240	$ 67,853,125	$ 555,352	$ 14,004	$1,048,954,017

Stormwater Utility

	Balance, 1/1/2024	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2024
Land	$ 6,501,128	$ —	$ —	$ 1,018,420	$ 7,519,548
Distribution and collection	205,960,420	—	607,876	8,731,709	214,084,253
Buildings and improvement	3,630,169	—	—	—	3,630,169
Equipment and other	6,569,558	372,691	111,333	37,837	6,868,753
Construction in progress	13,023,744	14,179,729	—	(9,826,855)	17,376,618
Sub-total	235,685,019	14,552,420	719,209	(38,889)	249,479,341
Less accumulated depreciation:					
Distribution and collection	52,449,493	3,115,796	607,876	—	54,957,413
Buildings and improvement	1,356,868	88,813	—	—	1,445,681
Equipment and other	4,622,767	427,367	111,333	(13,895)	4,924,906
Sub-total	58,429,128	3,631,976	719,209	(13,895)	61,328,000
Net Capital Assets	$ 177,255,891	$ 10,920,444	$ —	$ (24,994)	$ 188,151,341

Electric Utility

	Balance, 1/1/2024	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2024
Land	$ 75,732	$ —	$ —	$ —	$ 75,732
Buildings and improvement	1,121,198	—	—	—	1,121,198
Equipment and other	342,787	—	—	—	342,787
Sub-total	1,539,717	—	—	—	1,539,717
Less accumulated depreciation:					
Buildings and improvement	1,121,198	—	—	—	1,121,198
Equipment and other	342,787	—	—	—	342,787
Sub-total	1,463,985	—	—	—	1,463,985
Net Capital Assets	$ 75,732	$ —	$ —	$ —	$ 75,732

Yard Waste Utility

	Balance, 1/1/2024	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2024
Buildings and improvement	$ 68,777	$ —	$ —	$ —	$ 68,777
Equipment and other	9,556	1,471	—	(988)	10,039
Construction in progress	8,223	2,841	—	(851)	10,213
Sub-total	86,556	4,312	—	(1,839)	89,029
Less accumulated depreciation:					
Buildings and improvement	68,777	—	—	—	68,777
Equipment and other	6,499	1,009	—	(672)	6,836
Sub-total	75,276	1,009	—	(672)	75,613
Net Capital Assets	$ 11,280	$ 3,303	$ —	$ (1,167)	$ 13,416

Total FWCU

	Balance, 1/1/2024	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2024
Land	$ 17,260,816	$ —	$ —	$ 1,159,597	$ 18,420,413
Distribution and collection	928,953,975	—	3,403,047	38,457,401	964,008,329
Buildings and improvement	325,040,865	—	229,615	9,003,713	333,814,963
Equipment and other	300,896,825	3,927,458	3,621,481	9,284,195	310,486,997
Construction in progress	507,438,383	142,366,649	—	(57,904,906)	591,900,126
Sub-total	2,079,590,864	146,294,107	7,254,143	—	2,218,630,828
Less accumulated depreciation:					
Distribution and collection	255,013,986	14,304,888	2,828,807	—	266,490,067
Buildings and improvement	131,084,775	7,085,302	94,615	—	138,075,462
Equipment and other	168,896,863	11,674,329	3,358,218	—	177,212,974
Sub-total	554,995,624	33,064,519	6,281,640	—	581,778,503
Net Capital Assets	$1,524,595,240	$113,229,588	$ 972,503	$ —	$1,636,852,325

Note 7. Deferred Outflows of Resources

The following is a summary of changes in deferred outflows of resources for the year ended December 31, 2024:

Water Utility

Outflow of resources related to:	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024
Pensions (see Note 14)	$ 1,923,927	$ 49,411	$ 145,281	$ 1,828,057
OPEB (see Note 15)	872,848	765,682	—	1,638,530
Total	$ 2,796,775	$ 815,093	$ 145,281	$ 3,466,587

Wastewater Utility

Outflow of resources related to:	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024
Debt refunding loss	$ 301,524	$ —	$ 75,381	$ 226,143
Pensions (see Note 14)	3,092,914	81,196	238,071	2,936,039
OPEB (see Note 15)	1,272,331	1,254,721	—	2,527,052
Total	$ 4,666,769	$ 1,335,917	$ 313,452	$ 5,689,234

Stormwater Utility

Outflow of resources related to:	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024
Pensions (see Note 14)	$ 550,945	$ 2,508	$ 35,566	$ 517,887
OPEB (see Note 15)	469,370	187,446	—	656,816
Total	$ 1,020,315	$ 189,954	$ 35,566	$ 1,174,703

Total FWCU

Outflow of resources related to:	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024
Debt refunding loss	$ 301,524	$ —	$ 75,381	$ 226,143
Pensions (see Note 14)	5,567,786	133,115	418,918	5,281,983
OPEB (see Note 15)	2,614,549	2,207,849	—	4,822,398
Total	$ 8,483,859	$ 2,340,964	$ 494,299	$ 10,330,524

Note 8. Deferred Inflows of Resources

The following is a summary of changes in deferred inflows of resources for the year ended December 31, 2024:

Water Utility

Inflow of resources related to:	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024
Pensions (see Note 14)	$ 202,562	$ —	$ 93,784	$ 108,778
OPEB (see Note 15)	1,365,757	—	240,398	1,125,359
Leases receivable (see Note 4)	1,043,706	—	49,134	994,572
Total	$ 2,612,025	$ —	$ 383,316	$ 2,228,709

Wastewater Utility

Inflow of resources related to:	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024
Pensions (see Note 14)	$ 202,291	$ —	$ 153,684	$ 48,607
OPEB (see Note 15)	2,141,707	—	393,940	1,747,767
Total	$ 2,343,998	$ —	$ 547,624	$ 1,796,374

Stormwater Utility

Inflow of resources related to:	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024
Pensions (see Note 14)	$ 251,974	$ —	$ 22,959	$ 229,015
OPEB (see Note 15)	506,261	—	58,852	447,409
Total	$ 758,235	$ —	$ 81,811	$ 676,424

Total FWCU

Inflow of resources related to:	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024
Pensions (see Note 14)	$ 656,827	$ —	$ 270,427	$ 386,400
OPEB (see Note 15)	4,013,725	—	693,190	3,320,535
Leases receivable (see Note 4)	1,043,706	—	49,134	994,572
Total	$ 5,714,258	$ —	$ 1,012,751	$ 4,701,507

Note 9. Long-Term Debt

Bonds Payable:

Water Utility bonds payable at December 31, 2024 are as follows:

Water Works Revenue Bonds of 2012 - original issue of $40,000,000 - due in annual installments of $2,420,000 to $2,975,000 plus interest at 3.000 percent through December 1, 2032, redeemable prior to maturity for bonds maturing on or after 2023, plus unamortized bond premium of $111,007.	$ 21,611,007
Water Works Revenue Bonds of 2014 - original issue of $63,000,000 - due in annual installments of $3,965,000 to $5,730,000 plus interest at 3.000 percent to 4.000 percent through December 1, 2034, plus unamortized bond premium of $467,058.	48,067,058
Water Works Revenue Bonds of 2019 Series A - original issue of $11,770,000 - due in annual installments of $490,000 to $815,000 plus interest at .050 percent to 4.500 percent through December 1, 2039, redeemable prior to maturity for bonds maturing after 2029, less unamortized bond discount of $6,929.	9,518,071
Total	79,196,136
Less: Current portion	(6,875,000)
Noncurrent bonds payable, net	$ 72,321,136

Water Utility bond debt service requirements to maturity as of December 31, 2024 are as follows:

Year Due	Principal	Interest	Total
2025	$ 6,875,000	$ 2,639,906	$ 9,514,906
2026	7,085,000	2,426,306	9,511,306
2027	7,345,000	2,206,181	9,551,181
2028	7,610,000	1,969,944	9,579,944
2029	7,895,000	1,730,569	9,625,569
2030-2034	38,035,000	4,268,145	42,303,145
2035-2039	3,780,000	122,256	3,902,256
Total	$ 78,625,000	$ 15,363,307	$ 93,988,307

Wastewater Utility bonds payable at December 31, 2024 are as follows:

Sewage Works Revenue Bonds of 2011 Series A - original issue of $38,100,000 - due in annual installments of $3,365,000 to $3,490,000 plus interest at 2.800 percent through August 1, 2026, redeemable at 100 percent beginning in 2022.	$ 6,855,000
Sewage Works Revenue Bonds of 2012 Series B - original issue of $15,530,000 - due in annual installments of $1,220,000 to $1,295,000 plus interest at 2.000 percent to 3.000 percent through August 1, 2027, redeemable at 100 percent beginning in 2023, plus unamortized bond premium of $37,476.	3,807,476
Sewage Works Revenue Bonds of 2013 Series B - original issue of $42,260,000 - due in annual installments of $4,165,000 to $5,295,000 plus interest at 3.500 percent to 3.630 percent starting with August 1, 2025 through August 1, 2033, redeemable at 100 percent beginning in 2023, plus unamortized bond premium of $146,270.	42,406,270
Sewage Works Refunding Revenue Bonds of 2016 - original issue of $35,440,000 - due in annual installments of $1,480,000 to $4,040,000 plus interest at 2.000 percent to 4.000 percent through August 1, 2027, redeemable at 100 percent beginning in 2024, plus unamortized bond premium of $103,590.	7,128,590
Sewage Works Refunding Revenue Bonds of 2017 Series A - original issue of $16,700,000 - due in annual installments of $1,330,000 to $1,500,000 plus interest at 2.530 percent through August 1, 2030, redeemable at 100.5 percent on or after February 1, 2025 for obligations maturing on or after August 1, 2026, and at 100 percent on or after August 1, 2027 for obligations maturing on or after August 1, 2028.	8,480,000
Sewage Works Refunding Revenue Bonds of 2017 Series B - original issue of $16,700,000 - due in annual installments of $1,330,000 to $1,500,000 plus interest at 2.530 percent through August 1, 2030, redeemable at 100.5 percent beginning on August 1, 2025 to July 31, 2027 and at 100 percent thereafter.	8,465,000
Sewage Works Revenue and Revenue Refunding Revenue Bonds of 2020 Series B - original issue of $33,785,000 - due in annual installments of $905,000 to $2,540,000 plus interest at 2.000 percent to 4.000 percent through August 1, 2040, redeemable at 100 percent beginning on August 1, 2029, plus unamortized bond premium of $706,408.	25,556,408
Sewage Works Revenue Bonds of 2022 Series A - original issue of $25,000,000 - due in annual installments of $300,000 to $1,895,000 plus interest at .050 percent to 5.000 percent through August 1, 2042, redeemable at 100 percent beginning on August 1, 2031, plus unamortized bond premium of $210,110.	24,610,110
Total	127,308,854
Less: Current portion	(18,025,000)
Noncurrent bonds payable, net	$ 109,283,854

Wastewater Utility bond debt service requirements to maturity as of December 31, 2024 are as follows:

Year Due	Principal	Interest	Total
2025	$ 18,025,000	$ 4,191,578	$ 22,216,578
2026	16,500,000	3,602,837	20,102,837
2027	13,355,000	3,078,848	16,433,848
2028	10,850,000	2,640,713	13,490,713
2029	11,170,000	2,285,032	13,455,032
2030-2034	35,915,000	6,697,382	42,612,382
2035-2039	13,715,000	2,258,539	15,973,539
2040-2042	6,575,000	136,953	6,711,953
Total	$ 126,105,000	$ 24,891,882	$ 150,996,882

Stormwater Utility bonds payable at December 31, 2024 are as follows:

Stormwater Management District Revenue Bonds of 2017 - original issue of $27,320,000 - due in semiannual installments of $835,000 to $1,065,000 plus interest at 2.000 percent to 3.000 percent through August 1, 2033, redeemable prior to maturity for bonds maturing after 2028, plus unamortized bond premium of $133,717.	$ 16,133,717
Less: Current portion	(1,680,000)
Noncurrent bonds payable, net	$ 14,453,717

Stormwater Utility bond debt service requirements to maturity as of December 31, 2024 are as follows:

Year Due	Principal	Interest	Total
2025	$ 1,680,000	$ 437,550	$ 2,117,550
2026	1,730,000	403,700	2,133,700
2027	1,775,000	364,500	2,139,500
2028	1,830,000	310,800	2,140,800
2029	1,885,000	255,525	2,140,525
2030-2033	7,100,000	433,125	7,533,125
Total	$ 16,000,000	$ 2,205,200	$ 18,205,200

Loans Payable:

The Indiana State Revolving Fund (SRF) Loan Program provides wastewater and drinking water loans to cities and towns in Indiana, often at reduced interest rates and lower issuance costs. SRF draw-down loans are awarded with a "not-to-exceed" loan amount, which is later fixed based on the actual amount borrowed to complete the designated wastewater or drinking water projects. The interest rate is fixed at the time of the award, and the loan duration is established shortly thereafter. SRF advance loans are typically shared pool loans, where SRF coordinates financing for multiple communities and issues bonds on the open market to fund each community's projects. The loan amount, interest rate, and duration are fixed at the time the consolidated loan is issued. Occasionally, SRF also provides traditional loans with fixed rates, amounts, and durations.

SRF loans payable are issued on a parity basis with revenue bonds and are secured by the net revenues of the issuing utility in the same manner as the revenue bonds.

In addition to long-term loans, FWCU also issues commercial loans to meet short-term capital needs. The proceeds from these loans are used to increase working capital, primarily for the acquisition of new machinery and equipment. FWCU bids out these services annually and awards them to the lowest bidder. JPMorgan Chase Bank is the lender for all outstanding commercial loans.

Details of all Water Utility loans payable at December 31, 2024 are as follows:

SRF Draw-down loans:	
Water Works SRF Revenue Bonds of 2019 Series B - maximum draw of $7,500,000 - due in annual installments of $158,000 to $305,000 at zero interest through December 1, 2048, as of December 31, 2024 total drawn amount is $7,350,773.	$ 5,835,773
Water Works SRF Revenue Bonds of 2023 Series A - maximum draw of $1,999,000 - due in annual installments of $28,972 to $57,942 at zero interest through June 1, 2058, as of December 31, 2024 total drawn amount is $837,432.	779,490
Water Works SRF Revenue Bonds of 2024 - maximum draw of $2,498,000 - due in annual installments of $70,000 to $72,000 at zero interest through December 1, 2059, as of December 31, 2024 total drawn amount is $112,386.	112,386
SRF Advance loans:	
Water Works SRF Revenue Bonds of 2011 Series B - original pool share of $26,906,000 - due in annual installments of $1,674,000 to $2,073,000 plus interest at 2.967 percent through December 1, 2031, redeemable prior to maturity for bonds maturing after 2021.	13,075,000
Water Works SRF Revenue Bonds of 2019 Series C - original pool share of $21,740,000 - due in annual installments of $286,000 to $1,234,000 plus interest at 2.970 percent through December 1, 2048, redeemable prior to maturity for bonds maturing after 2029.	18,027,000
Water Works SRF Revenue Bonds of 2021 - original issue of $44,480,000 - due in annual installments of $1,868,453 to $2,732,480 plus interest at 1.950 percent through December 1, 2042, redeemable prior to maturity for bonds maturing after 2032.	40,847,065

Commercial loans:

2018 Commercial Loan - original amount of $255,588 - due in semiannual installments of $20,515 including interest at 3.202 percent through April 4, 2025.	20,193
2019 Commercial Loan - original amount of $471,435 - due in semiannual installments of $35,417 including interest at 2.730 percent through April 4, 2026.	103,429
2020 Commercial Loan - original amount of $948,548 - due in semiannual installments of $71,010 including interest at 1.263 percent through April 5, 2027.	348,414
2021 Commercial Loan - original amount of $827,009 - due in semiannual installments of $62,175 including interest at 1.380 percent through April 4, 2028.	423,455
2022 Commercial Loan - original amount of $784,275 - due in semiannual installments of $60,807 including interest at 2.229 percent through April 25, 2029.	518,016
2023 Commercial Loan - original amount of $833,000 - due in semiannual installments of $67,076 including interest at 3.280 percent through April 11, 2030.	670,112
2024 Commercial Loan - original amount of $508,000 - due in semiannual installments of $42,258 including interest at 4.200 percent through April 11, 2031.	476,410
Total	81,236,743
Less: Current portion	(5,583,096)
Noncurrent loans payable	$ 75,653,647

Water Utility anticipated loan debt service requirements to maturity, after all remaining loan principal has been drawn down, as of December 31, 2024 are as follows:

Year Due	Principal	Interest	Total
2025	$ 5,583,096	$ 1,783,255	$ 7,366,351
2026	5,664,823	1,658,457	7,323,280
2027	5,699,445	1,531,832	7,231,277
2028	5,708,687	1,403,272	7,111,959
2029	5,672,272	1,272,646	6,944,918
2030-2034	23,082,464	4,541,146	27,623,610
2035-2039	21,110,571	2,370,039	23,480,610
2040-2044	11,812,676	609,437	12,422,113
2045-2049	3,496,710	94,431	3,591,141
2050-2054	1,470,710	—	1,470,710
2055-2059	1,213,598	—	1,213,598
Total	$ 90,515,052	$ 15,264,515	$ 105,779,567

Details of all Wastewater Utility loans payable at December 31, 2024 are as follows:

SRF Draw-down loans:

Sewage Works SRF Revenue Bonds of 2009 Series A - maximum draw of $5,000,000 - due in annual installments of $246,568 to $248,547 plus interest at .160 percent through August 1, 2030, redeemable prior to maturity for bonds maturing after 2020. Loan is completely drawn-down.	$ 1,485,338
Sewage Works SRF Revenue Bonds of 2011 Series B - maximum draw of $33,576,000 - due in annual installments of $1,810,000 to $2,073,000 plus interest at 2.300 percent through August 1, 2031, redeemable prior to maturity for bonds maturing after 2023. Loan is completely drawn-down.	13,573,000

Sewage Works SRF Revenue Bonds of 2012 Series A - maximum draw of $10,415,000 - due in annual installments of $541,000 to $612,000 plus interest at 1.780 percent through August 1, 2032, redeemable prior to maturity for bonds maturing after 2024. Loan is completely drawn-down.	4,605,000
Sewage Works SRF Revenue Bonds of 2014 Series A - maximum draw of $17,000,000 - due in annual installments of $908,000 to $1,094,000 plus interest at 2.350 percent through August 1, 2033, redeemable prior to maturity for bonds maturing after 2026. Loan is completely drawn-down.	8,988,000
Sewage Works SRF Revenue Bonds of 2016 Series A - maximum draw of $108,000,000 - due in annual installments of $3,050,000 to $6,075,000 plus interest at 2.000 percent through February 1, 2039, redeemable prior to maturity for bonds maturing after 2028. Loan is completely drawn-down.	77,790,000
Sewage Works SRF Revenue Bonds of 2018 Series B - maximum draw of $21,722,416 - due in annual installments of $935,000 to $1,398,800 plus interest at 2.860 percent through August 1, 2039, redeemable prior to maturity for bonds maturing after 2029. Loan is completely drawn-down.	17,266,700
Sewage Works SRF Revenue Bonds of 2022 IFA - maximum draw of $5,555,000 - due in annual installments of $178,000 at zero percent interest through August 1, 2053, redeemable prior to maturity for bonds maturing after 2032. Loan is completely drawn-down.	5,162,000
SRF Advance loans:	
Sewage Works SRF Revenue Bonds of 2014 Series B - original pool share of $60,872,000 - due in annual installments of $2,012,000 to $6,160,000 plus interest at 3.074 percent through August 1, 2034, redeemable prior to maturity for bonds maturing after 2027.	49,857,000
Sewage Works SRF Revenue Bonds of 2014 Series C - original pool share of $5,015,000 - due in annual installments of $260,000 to $350,000 plus interest at 3.074 percent through August 1, 2034, redeemable prior to maturity for bonds maturing after 2027.	3,015,000
Sewage Works SRF Revenue Bonds of 2016 Series B - original pool share of $138,583,000 - due in annual installments of $3,847,797 to $7,325,433 plus interest at 3.060 percent through August 1, 2046, redeemable prior to maturity for bonds maturing after 2028.	119,023,865
Sewage Works SRF Revenue Bonds of 2020 Series A - original pool share of $25,000,000 - due in annual installments of $1,075,000 to $1,455,000 plus interest at 2.000 percent through August 1, 2040, redeemable prior to maturity for bonds maturing after 2032.	20,115,000
Sewage Works SRF Revenue Bonds of 2020 Series C - original pool share of $25,000,000 - due in annual installments of $1,044,000 to $1,449,000 plus interest at 2.000 percent through August 1, 2041, redeemable prior to maturity for bonds maturing after 2033.	21,002,000
Sewage Works SRF Revenue Bonds of 2021 - original issue of $140,000,000 - due in annual installments of $2,481,536 to $14,477,364 plus interest at 2.220 percent through August 1, 2042, redeemable prior to maturity for bonds maturing after 2034.	135,147,439
Sewage Works SRF Revenue Bonds of 2023 - original issue of $34,499,000 - due in annual installments of $253,000 to $2,287,000 plus interest at 2.580 percent through August 1, 2044, redeemable prior to maturity for bonds maturing after 2036.	34,499,000
Sewage Works SRF Revenue Bonds of 2024 Series A - original issue of $25,000,000 - due in annual installments of $1,000 to $1,689,000 plus interest at 2.600 percent through August 1, 2045, redeemable prior to maturity for bonds maturing after 2035.	25,000,000
Sewage Works SRF Revenue Bonds of 2024 Series B - original issue of $17,179,000 - due in annual installments of $694,000 to $1,208,000 plus interest at 2.600 percent through August 1, 2045, redeemable prior to maturity for bonds maturing after 2035.	17,179,000

Commercial loans:

2018 Commercial Loan - original amount of $591,063 - due in semiannual installments of $47,442 including interest at 3.202 percent through April 4, 2025.	46,697
2019 Commercial Loan - original amount of $1,266,918 - due in semiannual installments of $100,041 including interest at 2.730 percent through April 4, 2026.	292,151
2020 Commercial Loan - original amount of $1,490,378 - due in semiannual installments of $111,573 including interest at 1.263 percent through April 5, 2027.	547,437
2021 Commercial Loan - original amount of $1,266,117 - due in semiannual installments of $95,187 including interest at 1.380 percent through April 4, 2028.	648,291
2022 Commercial Loan - original amount of $963,925 - due in semiannual installments of $74,736 including interest at 2.229 percent through April 24, 2029.	636,676
2023 Commercial Loan - original amount of $1,517,000 - due in semiannual installments of $122,155 including interest at 3.280 percent through April 11, 2030.	1,220,362
2024 Commercial Loan - original amount of $203,000 - due in semiannual installments of $16,887 including interest at 4.200 percent through April 11, 2031.	190,377
Total	557,290,333
Less: Current portion	(22,302,024)
Noncurrent loans payable	$ 534,988,309

Wastewater Utility anticipated loan debt service requirements to maturity, after all remaining loan principal has been drawn down, as of December 31, 2024 are as follows:

Year Due	Principal	Interest	Total
2025	$ 22,302,024	$ 13,381,676	$ 35,683,700
2026	24,665,175	13,275,597	37,940,772
2027	26,260,126	12,670,695	38,930,821
2028	28,540,720	12,019,285	40,560,005
2029	29,105,731	11,305,866	40,411,597
2030-2034	156,535,861	44,802,861	201,338,722
2035-2039	148,375,932	25,419,129	173,795,061
2040-2044	102,576,540	8,868,465	111,445,005
2045-2049	18,216,224	612,635	18,828,859
2050-2053	712,000	—	712,000
Total	$ 557,290,333	$ 142,356,209	$ 699,646,542

Details of all Stormwater Utility loans payable at December 31, 2024 are as follows:

<u>Commercial loans:</u>	
2018 Commercial Loan - original amount of $194,349 - due in semiannual installments of $15,599 including interest at 3.202 percent through April 4, 2025.	15,350
2019 Commercial Loan - original amount of $706,647 - due in semiannual installments of $55,831 including interest at 2.730 percent through April 4, 2026.	163,044
2020 Commercial Loan - original amount of $561,074 - due in semiannual installments of $42,004 including interest at 1.263 percent through April 5, 2027.	206,148
2021 Commercial Loan - original amount of $356,874 - due in semiannual installments of $26,829 including interest at 1.380 percent through April 4, 2028.	182,730
2022 Commercial Loan - original amount of $501,800 - due in semiannual installments of $38,906 including interest at 2.229 percent through April 24, 2029.	331,318
2024 Commercial Loan - original amount of $989,000 - due in semiannual installments of $82,269 including interest at 4.200 percent through April 11, 2031.	927,500
Total	1,826,090
Less: Current portion	(453,957)
Noncurrent loans payable	$ 1,372,133

Stormwater Utility anticipated loan debt service requirements to maturity, after all remaining loan principal has been drawn down, as of December 31, 2024 are as follows:

Year Due	Principal	Interest	Total
2025	$ 453,957	$ 53,320	$ 507,277
2026	394,501	41,346	435,847
2027	306,428	31,584	338,012
2028	246,078	23,101	269,179
2029	188,332	15,112	203,444
2030-2031	236,794	10,013	246,807
Total	$ 1,826,090	$ 174,476	$ 2,000,566

On December 23, 2024, FWCU issued $2,500,000 in Waterworks Forgivable Bond Anticipation Notes (BAN) of 2024 through the Indiana State Revolving Fund (SRF). The proceeds from these notes will be used to address lead service line replacements, both public and private, in several high-need areas of the City of Fort Wayne. The BAN carries a zero percent interest rate and matures on March 31, 2027. The loan will be forgiven at that time, assuming all program requirements are met. As of December 31, 2024, no funds have been drawn from the BAN. FWCU is confident that it will fulfill the conditions outlined in the financial assistance agreement and the loan will be forgiven prior to its maturity.

Additionally, on December 23, 2024, FWCU issued $3,000,000 in Taxable Sewage Works Bond Anticipation Notes (BAN) of 2024, also through SRF. These proceeds are designated for capital improvements to the Sewage Works infrastructure in the City of Fort Wayne. Similar to the Waterworks BAN, the Sewage Works BAN carries a zero percent interest rate and is set to mature on March 31, 2028, unless prepaid or forgiven according to the terms of the financial assistance agreement. As of December 31, 2024, no funds have been drawn from this BAN either. FWCU remains confident that it will meet the provisions of the agreement, and the loan will be forgiven before the maturity date.

Changes in Long-Term Liabilities:

The following is a summary of long-term obligations for FWCU for the year ended December 31, 2024:

Water Utility

	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024	Current Portion
Bonds and loans					
Revenue bonds payable, net	$ 85,948,619	$ —	$ 6,752,483	$ 79,196,136	$ 6,875,000
Loans payable	85,244,726	1,373,459	5,381,442	81,236,743	5,583,096
Total bonds and loans	171,193,345	1,373,459	12,133,925	160,432,879	12,458,096
Other noncurrent liabilities					
Accrued compensated absences	823,202	1,072,553	949,645	946,110	857,841
Net pension liability (see Note 14)	4,435,209	1,775,541	1,063,318	5,147,432	—
Total OPEB liability (see Note 15)	4,775,875	751,929	—	5,527,804	404,233
Total other noncurrent liabilities	10,034,286	3,600,023	2,012,963	11,621,346	1,262,074
Total long-term liabilities	$ 181,227,631	$ 4,973,482	$ 14,146,888	$ 172,054,225	$ 13,720,170

Wastewater Utility

	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024	Current Portion
Bonds and loans					
Revenue bonds payable, net	$ 145,173,758	$ —	$ 17,864,904	$ 127,308,854	$ 18,025,000
Loans payable	536,588,183	42,382,000	21,679,850	557,290,333	22,302,024
Total bonds and loans	681,761,941	42,382,000	39,544,754	684,599,187	40,327,024
Other noncurrent liabilities					
Accrued compensated absences	1,279,734	1,359,957	1,171,265	1,468,426	1,296,592
Net pension liability (see Note 14)	6,418,125	2,909,574	1,742,456	7,585,243	—
Total OPEB liability (see Note 15)	7,035,966	1,232,185	—	8,268,151	662,415
Total other noncurrent liabilities	14,733,825	5,501,716	2,913,721	17,321,820	1,959,007
Total long-term liabilities	$ 696,495,766	$ 47,883,716	$ 42,458,475	$ 701,921,007	$ 42,286,031

Stormwater Utility

	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024	Current Portion
Bonds and loans					
Revenue bonds payable, net	$ 17,803,970	$ —	$ 1,670,253	$ 16,133,717	$ 1,680,000
Loans payable	1,258,072	989,000	420,982	1,826,090	453,957
Total bonds and loans	19,062,042	989,000	2,091,235	17,959,807	2,133,957
Other noncurrent liabilities					
Accrued compensated absences	177,158	276,176	258,238	195,096	182,107
Net pension liability (see Note 14)	2,407,081	434,670	260,311	2,581,440	—
Total OPEB liability (see Note 15)	2,773,821	184,079	—	2,957,900	98,960
Total other noncurrent liabilities	5,358,060	894,925	518,549	5,734,436	281,067
Total long-term liabilities	$ 24,420,102	$ 1,883,925	$ 2,609,784	$ 23,694,243	$ 2,415,024

Yard Waste Utility

	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024	Current Portion
Other noncurrent liabilities					
Accrued compensated absences	$ 4,456	$ 2,591	$ 2,307	$ 4,740	$ 4,330
Total other noncurrent liabilities	4,456	2,591	2,307	4,740	4,330
Total long-term liabilities	$ 4,456	$ 2,591	$ 2,307	$ 4,740	$ 4,330

Total FWCU

	Balance, 1/1/2024	Additions	Deductions	Balance, 12/31/2024	Current Portion
Bonds and loans					
Revenue bonds payable, net	$ 248,926,347	$ —	$ 26,287,640	$ 222,638,707	$ 26,580,000
Loans payable	623,090,981	44,744,459	27,482,274	640,353,166	28,339,077
Total bonds and loans	872,017,328	44,744,459	53,769,914	862,991,873	54,919,077
Other noncurrent liabilities					
Accrued compensated absences	2,284,550	2,711,277	2,381,455	2,614,372	2,340,870
Net pension liability (see Note 14)	13,260,415	5,119,785	3,066,085	15,314,115	—
Total OPEB liability (see Note 15)	14,585,662	2,168,193	—	16,753,855	1,165,608
Total other noncurrent liabilities	30,130,627	9,999,255	5,447,540	34,682,342	3,506,478
Total long-term liabilities	$ 902,147,955	$ 54,743,714	$ 59,217,454	$ 897,674,215	$ 58,425,555

Note 10 Related Party Transactions

During the course of operations, numerous transactions occurred between FWCU and various departments of the City of Fort Wayne (the City) for goods and services rendered. In 2024, FWCU received from the City $728,455 for water, $726,953 for sewer and $111,971 for stormwater services.

The City received the following from FWCU in 2024:

	Water Utility	Wastewater Utility	Stormwater Utility	Yard Waste Utility	Total
Self insurance	$ 2,815,472	$ 3,289,873	$ 681,317	$ 5,832	$ 6,792,494
Garage services	796,233	822,384	204,350	271	1,823,238
Overhead charges	754,907	1,133,326	164,176	5,184	2,057,593
Office and technical services	171,754	34,133	5,890	94	211,871
Payments in lieu of taxes	3,668,124	6,038,448	870,492	—	10,577,064
Total	$ 8,206,490	$ 11,318,164	$ 1,926,225	$ 11,381	$ 21,462,260

FWCU makes payments in lieu of taxes (PILOTs) to the City. These payments are made based on the agreement FWCU has with the City in recognition of municipal services provided by the City. For the fiscal year ended December 31, 2024, the FWCU made PILOTs totaling $10,577,064, which are reported as non-operating expenses in the Statement of Revenues, Expenses and Changes in Net Position. The PILOTs are not based on assessed valuations and do not represent legally enforceable tax obligations. They are negotiated independently and may vary from year to year.

Note 11. Interfund Assets and Liabilities

As of December 31, 2024, amounts due from/to other funds of the City resulting from various interfund transactions were as follows:

Due from City:

	Payable Fund						
Receivable Fund	General	Highways and Streets	Parks	Self Insurance	Garage	Summit Dev. Corp.	Total
Water	$ 173,260	$ —	$ —	$ 1,562	$ 2,648	$ 80,092	$ 257,562
Wastewater	277,425	—	—	882	2,894	131,245	412,446
Stormwater	39,533	—	—	287	528	19,007	60,608
Yard Waste	1,249	—	—	3	4	600	1,856
Total	$ 491,467	$ —	$ —	$ 2,734	$ 6,074	$ 230,944	$ 732,472

Due to City:

	Payable Fund				
Receivable Fund	Water	Wastewater	Stormwater	Yard Waste	Total
General	$ 2,090,942	$ 3,392,772	$ 489,233	$ 1,703	$ 5,974,650
Highways and Streets	307	—	—	—	307
Parks	3,465	—	—	—	3,465
Redevelopment	73	119	17	1	210
Self Insurance	434,396	503,258	54,467	468	992,589
Garage	62,141	64,242	16,130	11	142,524
Solid Waste	600,568	984,149	142,522	4,503	1,731,742
Parking	817	1,296	277	5	2,395
Total	$ 3,192,709	$ 4,945,836	$ 702,646	$ 6,691	$ 8,847,882

Note 12. Interfund Capital Asset Transfers

When necessary, FWCU performs interfund transfers to support capital improvement projects across its utility operations. These transfers usually take place when infrastructure assets affected by a construction project initiated by one utility are ultimately used by another utility. In compliance with GASB standards, the capital asset resulting from such projects is recorded in the fund of the utility that will own and use the asset upon completion of the project.

Note 13. Risk Management

The City of Fort Wayne, including FWCU, assumes the risk for claims related to employee health, on-the-job injury, auto, and general liabilities, while maintaining premium insurance coverage for a variety of other risks. To finance these risks, the City has established internal service funds. Interfund premiums are billed monthly based on a cost allocation that aligns with the type of risk involved. An excess policy covers individual health insurance claims exceeding

$400,000 per year, with the insurance company assuming the risk when total monthly claims surpass a threshold determined by an aggregate monthly factor. For workers' compensation, an excess policy covers individual claims exceeding $1,000,000 per employee per injury. General and auto liability is capped by Indiana's government tort liability limits, which are $700,000 per occurrence and $5,000,000 per aggregate. The liabilities related to these claims are the responsibility of the City of Fort Wayne's internal service funds.

Note 14. Pension Plan - Public Employee's Retirement Fund

Plan Description:

FWCU participates in the Indiana Public Employees' Retirement Fund (PERF), a cost-sharing, multiple-employer defined benefit pension plan. PERF provides retirement, disability, and survivor benefits to its members and their beneficiaries. All regular full-time employees not covered by another retirement plan are eligible to enroll. The plan is governed by state statutes (Indiana Code 5-10.2 and 5-10.3), which are administered by the Indiana Public Retirement System (INPRS) Board and authorize FWCU to contribute to the plan. The PERF Hybrid Plan includes two components: a monthly defined benefit funded by the employer and a defined contribution (DC) account funded by the member. The DC account is made up of member contributions—set by statute at 3 percent of compensation—along with interest credited to the account. Employers have the option to make these contributions on behalf of their employees.

The plan is administered by INPRS, which publishes a publicly available financial report containing financial statements and required supplementary information for both the overall plan and its participants. This report can be accessed online at https://www.in.gov/inprs/ or requested by contacting the Indiana Public Retirement System at One North Capitol Avenue, Suite 001, Indianapolis, IN 46204, or by phone at (844) 464-6777.

Benefits Provided:

The PERF Hybrid Plan combines a defined benefit pension, funded by employer contributions, with the balance in the member's defined contribution (DC) account. Pension benefits become vested after ten years of creditable service, while members are immediately vested in their DC accounts. Upon retirement, members may choose to receive the DC account balance as a lump sum, convert it into an annuity, or leave the funds invested with INPRS.

A member becomes eligible for normal retirement upon reaching age 65 with at least ten years of creditable service and is entitled to receive 100 percent of the pension benefit component. The annual pension benefit is calculated as 1.1 percent multiplied by the member's average annual compensation and then multiplied by the total years of creditable service. The average annual compensation is determined based on the highest 20 calendar quarters of salary earned in a covered position.

A member is eligible for normal retirement, and entitled to 100 percent of the pension benefit, upon reaching age 60 with at least 15 years of creditable service, or if the member is at least 55 years old and the sum of their age and years of service equals or exceeds 85 (commonly known as the "Rule of 85").

Members who are at least 50 years old with a minimum of 15 years of creditable service may retire early and receive a reduced pension benefit. This reduced benefit is calculated as a percentage of the normal pension and remains fixed for the member's lifetime.

Effective July 1, 2023, under House Enrolled Act (HEA) 1001, members can begin receiving pension benefits while continuing to work in a covered position at age 65 with 20 years of service known as the Millie Morgan retirement. There was no impact on the valuation report since no assumptions changed.

The PERF Hybrid Plan also offers disability benefits to eligible members. A member with at least five years of creditable service who becomes disabled while actively employed, on FMLA leave, receiving workers' compensation, or covered by employer-provided disability insurance may qualify for disability retirement, provided they have been approved for Social Security disability benefits and can furnish proof. The disability benefit is calculated in the same manner as a normal retirement benefit, with no reduction for early retirement. Additionally, in certain cases, if a member dies while in active service, a survivor benefit may be payable to a surviving spouse or dependent children under the age of 18.

Monthly pension benefits for members receiving payments may be adjusted periodically through cost of living adjustments (COLAs). However, these increases are not guaranteed by statute and have historically been granted on an "ad hoc" basis. Any such adjustments must be authorized by the Indiana General Assembly.

Contributions:

The contribution requirements for both plan members and FWCU are established—and may be amended—by the INPRS Board of Trustees. These contributions are based on actuarial investigations and valuations conducted in accordance with Indiana Code 5-10.2. The funding policy requires periodic employer contributions at actuarially determined rates, expressed as a percentage of annual covered payroll, sufficient to fund pension benefits as they become due.

A contribution of three percent of covered payroll is required for the defined contribution account. In 2024, FWCU elected to make this contribution on behalf of its members. Additionally, for 2024, FWCU was required to contribute at an actuarially determined rate of 11.2 percent of annual covered payroll. FWCU's total contribution to the plan for the year ended December 31, 2024, was $2,857,969, which equaled the required contribution for the year.

Actuarial Assumptions:

The actuarial assumptions used in the June 30, 2024 valuation of the Public Employee's Pension Fund were adopted by the INPRS Board in April 2024. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary increases	2.65% to 8.65%
Cost-of-living increases	No COLA for 2024; 13th paycheck for 2025 and 1.0% thereafter

There were no changes to the actuarial demographic assumptions from the prior year regarding mortality, disability, termination, and retirement rates, as informed by the 2015–2019 Experience Study. Mortality assumptions continue to be based on the Pub-2010 Public Retirement Plans Mortality Tables, with fully generational mortality improvement projections using SOA Scale MP-2019. Specific variants and adjustments to the mortality tables are applied to different member subpopulations to better reflect observed experience.

There was a change in the cost-of-living adjustment (COLA) assumption since the prior year. Plan members were not granted a COLA for 2024. However, under HEA 1004-2024, the Plan is now mandated to fund an indexed 13th check for members retiring before July 1, 2025, and a 1 percent COLA for those retiring after June 30, 2025.

No other economic assumptions changed since the prior year following the adoption of new economic assumptions from the Asset-Liability Study completed in May 2021. Specifically, the discount rate remained unchanged at 6.25 percent, the inflation rate stayed at 2.00 percent, and salary increases remained within the range of 2.65 percent to 8.65 percent for 2024.

An adjustment was made to Average Annual Compensation, increasing it by $200 compared to the prior year to reflect additional wages received upon termination, including severance pay and unused sick leave for active members.

Plan provisions were also amended by HEA 1004-2024, which requires funding of the Supplemental Retirement Account to support a combination of 13th checks and COLAs. Furthermore, HEA 1004-2024 mandates that the INPRS Board shall not reduce surcharge rates from the prior year and may increase them by up to 0.1 percent annually.

There were no changes to the funding policy from the prior year. Effective with the June 30, 2024 actuarial valuation, the Surcharge Rate Method was significantly revised in accordance with HEA 1004-2024.

The actuarial cost method used to compute the total pension liability is the Entry Age Normal – Level Percent of Payroll method. Member census data as of June 30, 2023, was used in the valuation and adjusted to reflect demographic changes through June 30, 2024. The valuation results from June 30, 2023, were rolled forward to June 30, 2024.

The long-term expected rate of return on pension plan investments was determined using a building-block method in accordance with the INPRS Investment Policy Statement. This approach is based on the expected returns of each asset class, net of investment expenses, and considers a 30-year time horizon.

The analysis begins with a forecasted inflation rate, which serves as the baseline. Projected geometric real rates of return are then developed for each asset class, based on capital market assumptions. These projections are combined using a projected covariance matrix and the plan's target asset allocations to generate a range of expected real returns for the total portfolio. The forecasted inflation rate is then added to the real return projections to arrive at expected nominal returns.

A modest alpha assumption reflecting potential value added through active management is incorporated. The resulting analysis supports the long-term expected rate of return of 6.25 percent, which was selected by the INPRS Board and is used as the discount rate. This rate is considered a long-term assumption and is not expected to change due to short-term market fluctuations. However, it may be revised in response to significant changes in capital market expectations or asset allocation.

To improve the probability of achieving the long-term target rate of return over a 30-year horizon, the INPRS Board of Trustees approved a revised asset allocation policy on May 7, 2021. The updated policy incorporates the use of explicit leverage, which allows the plan to obtain additional investment exposure beyond the value of its invested assets. As a result, beginning in fiscal year 2022, the plan's target total investment exposure is set at 115 percent of plan assets.

The strategic allocation across asset classes and the associated best estimate of geometric real rates of return (net of inflation) are shown in the following table:

	Target Allocation (%)	Long Term Expected Real Rate of Return (%)
Public Equity	20.0	4.6
Private Equity	15.0	7.1
Fixed Income - Ex Inflation Linked	20.0	3.6
Fixed Income - Inflation Linked	15.0	2.1
Commodities	10.0	2.8
Real Estate	10.0	5.4
Absolute Return	5.0	2.5
Risk Parity	20.0	6.3
Total	115.0	

Discount Rate:

The discount rate used to measure the total pension liability was 6.25 percent. This rate was determined based on a projection of cash flows that assumed employer contributions would be made at least at the actuarially determined required rates in accordance with the current funding policy adopted by the INPRS Board of Trustees. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of 6.25 percent.

Based on these assumptions, the defined benefit pension plan's fiduciary net position is projected to be sufficient to cover all future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each plan.

Sensitivity of the Utilities' Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following represents the net pension liability of FWCU calculated using the discount rate of 6.25 percent, as well as what the respective net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.25 percent) or 1-percentage point higher (7.25 percent) than the current rate:

	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
Proportionate share of the net pension liability	$ 24,397,582	$ 15,314,115	$ 7,761,389

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

As of December 31, 2024, FWCU reported a liability of $15,314,115 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used in the calculation was determined by an actuarial valuation as of that date. FWCU's proportion of the net pension liability was based on wages reported by employers relative to the collective wages of the plan. At June 30, 2024, FWCU's proportion was 0.0037991, representing an increase of 0.0000419 from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, FWCU recognized pension expense of $5,032,468, based on the June 30, 2024 actuarial valuation.

At December 31, 2024, FWCU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,569,510	$ —
Net difference between projected and actual investment earnings on pension plan investments	2,027,641	—
Changes of assumptions	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	198,805	386,400
Employer contributions subsequent to the measurement date	1,486,027	—
Total	$ 5,281,983	$ 386,400

At December 31, 2024, FWCU reported $1,486,027 as deferred outflows of resources related to pensions resulting from FWCU contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2025	$ 476,331
2026	2,349,464
2027	709,026
2028	(125,265)
Total	$ 3,409,556

Pension Plan Fiduciary Net Position:

The pension plan's fiduciary net position has been determined using the same basis of accounting as the pension plan itself. Detailed financial information regarding the pension plan's fiduciary net position is available in the separately issued Indiana Public Retirement System (INPRS) financial report. This report can be accessed online at https://www.in.gov/inprs or obtained by contacting the Indiana Public Retirement System at One North Capitol Avenue, Suite 001, Indianapolis, IN 46204, phone (844) 464-6777.

Benefit Payment Policies:

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' DC accounts. These distributions may be requested by members or automatically distributed by the fund when certain criteria are met.

Valuation of Pension Plan Investments:

Pooled and non-pooled investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Short-term investments consist primarily of cash, money market funds, certificates of deposit, and fixed income instruments with maturities of less than one year. These investments are generally reported at cost-based measures, which approximate fair value.

Fixed income securities include investments in U.S. Treasury and agency securities, publicly traded debt, and commingled fixed income instruments. Equity securities include both domestic and international equities, as well as commingled equity instruments. These securities are generally valued using quoted market prices or pricing from independent third-party pricing services. When securities are not actively traded on a national exchange, valuation is based on modeling techniques incorporating observable market inputs to determine fair value. Commingled funds are valued at the net asset value (NAV) provided by the fund manager, which represents the fair value of the fund's underlying investments.

Alternative investments include limited partnership interests in private equity, absolute return strategies, private real estate, and risk parity strategies. Publicly traded alternative investments are valued based on quoted market prices. For non-publicly traded investments, fair value is determined based on current estimates provided by the general partner or investment manager, typically on a quarterly or semi-annual basis. These valuations rely on various assumptions, including market comparables, income projections, and asset-level performance, and involve a degree of professional judgment. Due to their illiquid and long-term nature, the realized value upon sale of these investments may differ materially from the reported fair value.

Derivative instruments are recorded at fair value and marked to market daily. Changes in fair value are recognized in investment income within the period in which they occur.

Note 15. Other Post-employment Benefits

Plan Description:

FWCU contributes to the Fort Wayne Retiree Healthcare Plan, a single-employer defined benefit healthcare plan administered by the City of Fort Wayne through an internal service fund. The plan is funded on a pay-as-you-go basis and provides health care benefits and life insurance to eligible retirees and their spouses.

Stand-alone financial reports are not issued for this plan. Additionally, no assets are accumulated in a trust that meets the criteria outlined in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions.

Benefits Provided:

The plan provides comprehensive medical and dental benefits, as well as life insurance, to eligible retirees and their spouses who receive pension benefits and have a minimum of 20 years of service. FWCU contributes a portion of the medical premiums for all FWCU retirees. Coverage for retirees ends at the Medicare eligibility date, while spousal coverage continues after the retiree’s death until the spouse becomes eligible for Medicare.

The plan also provides a $10,000 life insurance policy for all retirees meeting the eligibility criteria. The authority to establish and amend benefit provisions for this plan is assigned to the City of Fort Wayne under Indiana Code 5-10-8.

Employees Covered by Benefit Terms:

The following members were covered by the terms of the plan as of December 31, 2024 using the latest employee census data. The plan's last valuation date was December 31, 2024.

Active plan members: fully eligible	41
Active plan members: not fully eligible	298
Inactive members currently receiving benefit payments	48
Inactive plan members with life insurance policy only	35
Inactive plan members entitled to but not yet receiving benefit payments	—
Total	422

Benefit payments:

The benefit payment requirements of plan members are established annually by Fort Wayne City Council. The required pay is based on pay-as-you-go financing requirements. Eligible retirees and their spouses contribute an amount equal to the amount paid by active employees for premiums. Monthly premiums are as follows:

	Medical with Dental (by deductible)		Dental Only
Medical and Vision	$3,400.00	$1,200.00	
Retiree	$ 39.00	$ 76.00	$ 13.00
Spouse	72.00	141.00	22.00

FWCU pays the remainder of the costs. For the year ended December 31, 2024, the FWCU paid $2,054,980 to the plan.

Total OPEB Liability:

FWCU total OPEB liability of $16,753,855 was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date. The current portion of OPEB liability has been recognized and presented for the year ended December 31, 2024 in the amount equal to $1,165,608.

Actuarial Methods and Assumptions:

FWCU total OPEB liability was determined by the actuarial valuation as of December 31, 2024 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.5%
Salary increases	2.5%
Discount rate	4.28%
Healthcare cost trend rates:	
Medical	9.0% first year, graded down to 5.0% over 11 years
Dental	4.0% per year

Mortality rates were based on Pub-2010 Total Data Set Mortality projected forward using the MP-2021 generational future mortality improvement scale.

Discount Rate:

The discount rate used to measure the total OPEB liability was 4.28 percent for 2024. A change from 4.31 percent as of the prior measurement date. This rate was applied to all periods of projected future benefit payments to determine the total OPEB liability.

The discount rate is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa or higher. The assumption reflects that FWCU's general assets will be used to pay benefits on a pay-as-you-go basis. These assets consist primarily of short-term, low-risk bonds.

Changes in Total OPEB Liability:

	Total OPEB Liability
Balance at December 31, 2023	$ 14,585,662
Changes for the year:	
Service cost	439,092
Interest cost	623,351
Difference between expected and actual experience	809,002
Changes in assumption	2,351,728
Benefit payments	(2,054,980)
Net Changes	2,168,193
Balance at December 31, 2024	$ 16,753,855

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following represents the total OPEB liability of FWCU calculated using the discount rate of 4.28 percent as well as what the liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.28) percent or 1-percentage point higher (5.28) percent than the current discount rate:

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB Liability	$ 18,341,310	$ 16,753,855	$ 15,341,876

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates:

The following represents the total OPEB liability of FWCU calculated using current healthcare cost trend rates as well as what the liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower and 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 15,182,248	$ 16,753,855	$ 18,619,142

OPEB Expense, Deferred Outflows of Resources, and Deferred (Inflows) of Resources Related to OPEB:

For the year ended December 31, 2024, FWCU recognized the following OPEB expense:

Service cost	$ 439,092
Interest cost	623,351
Difference between expected and actual experience	(304,729)
Changes in assumptions	564,420
Total OPEB expense	$ 1,322,134

There were no benefit payments made after the measurement date.

For the year ended December 31, 2024, FWCU reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 973,811	$ 1,797,093
Changes in assumptions	3,848,587	1,523,442
Total	$ 4,822,398	$ 3,320,535

Amounts reported as deferred outflows of resources and deferred (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

For the year ending December 31,	
2025	$ 259,691
2026	259,691
2027	272,944
2028	167,386
2029	152,729
Thereafter	389,422
Total	$ 1,501,863

Note 16. Commitments and Contingencies

Consent Decree:

FWCU operates its sanitary sewer system under a federal Consent Decree related to the Clean Water Act, similar to other utilities in the industry. Following several years of negotiations with the Environmental Protection Agency (EPA) and the Indiana Department of Environmental Management (IDEM), the EPA lodged the Consent Decree with the federal court on December 28, 2007. The Consent Decree became effective April 1, 2008.

Under the terms of the Consent Decree, FWCU committed to reducing the number of Combined Sewer Overflow (CSO) days in a typical year to one day on the St. Joseph River and four days on the St. Marys and Maumee Rivers. The infrastructure cost to achieve this reduction is approximately $340 million, with completion expected in 2025.

Additionally, FWCU agreed to eliminate three known sanitary sewer overflows at an estimated combined cost of $31 million by dates specified in the Consent Decree. FWCU is also required to maintain the entire sewer system according to performance standards set forth in the FWCU Long-Term Control Plan, which is incorporated by reference into the Consent Decree.

The Consent Decree includes stipulated penalties for failure to meet construction milestones, reporting deadlines, or maintenance objectives. FWCU is currently in full compliance with all terms and conditions of the Consent Decree.

Pursuant to its terms, FWCU will remain subject to the Consent Decree for a post-construction monitoring period of five years following the completion of all required projects.

Aqua Agreement:

Pursuant to an Asset Acquisition Agreement (“Agreement”) executed on December 4, 2014, FWCU is obligated to pay Aqua Indiana, Inc. $2.75 per thousand gallons of sewage conveyed, with a minimum annual payment of $1,505,625 for each of the first five years following the Agreement’s effective date. The effective date is defined as the latest of the following: 1-Approval by the Indiana Utility Regulatory Commission (IURC), 2-Approval by the Indiana Department of Environmental Management (IDEM) consistent with the Preliminary National Pollutant Discharge Elimination System Standards, or 3-The date of the Purchased Assets Closing as defined in the Agreement.

The rate and minimum payment will be adjusted by a consumer price index (CPI) escalator and will continue for an additional five years. For years 11 through 15, the rate will continue to escalate by the CPI escalator, with an annual minimum payment of $120,000.

Other:

FWCU has entered into many contracts for various construction projects. Remaining contract payments as of December 31, 2024 for each utility are as follows:

Water Utility	$ 19,033,135
Wastewater Utility	36,263,309
Stormwater Utility	4,754,004
	$ 60,050,448

Major contracts awarded subsequent to December 31, 2024:

Board of Works Award Date	Vendor	Major Contract Project Description	Amount
Water Utility			
01/07/2025	Campos Excavating	Plant 3 Fluccuation Rebuild Services	$ 138,500
02/11/2025	Ferguson US Holdings Inc	Purchase Water Meters 3" - 10"	219,556
02/11/2025	Nugent Inc	Purchase Water Meters 1 1/2 & 2 Inch	206,285
			$ 564,341
Wastewater Utility			
01/07/2025	Jutte Excavating, Inc.	Engle Road Lift Station Improvements	$ 495,200
01/28/2025	Culy Contracting LLC	2024 Sewer Manhole Rehabilitation	199,420
02/25/2025	Insituform Technologies USA, LLC	2024 CIPP Pkg 1 - Small and Medium Diameter	3,621,425
03/04/2025	S&S Directional Boring, LTD	Parkerdale Phase II Septic Elimination	604,619
02/11/2025	CDM Smith Inc	Wastewater Biosolids Resiliency Evaluation & Planning Program Mgmt	1,748,020
02/11/2025	Arcadis US Inc	Wastewater Biosolids Resiliency Evaluation & Planning Project 3 Biosolids Processing	615,650
02/11/2025	AECOM Technical Services Inc	Wastewater Biosolids Resiliency Evaluation & Planning Project 2 Sampling & Analysis	682,714
02/11/2025	Black & Veatch Corporation	Wastewater Biosolids Resiliency Evaluation & Planning Wastewater Treatment	458,736
			$ 8,425,784
Stormwater Utility			
01/28/2025	Bercot, Inc.	Rolling Hills Neighborhood Improvements	$ 791,415
Shared			
02/25/2025	Itron	Netwrok-As-A-Service	$ 152,978

Note 17. Subsequent Events

On March 25, 2025, the Common Council approved FWCU to finance the purchase of various vehicles and equipment items for a not to exceed gross amount of $800,000 and authorized the acceptance of the Lessor, Bank of America.

FORT WAYNE CITY UTILITIES
Required Supplementary Information (unaudited)
December 31, 2024

Schedule of Proportionate Share of the Net Pension Liability:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.38 %	0.38 %	0.41 %	0.41 %	0.40 %	0.40 %	0.40 %	0.41 %	0.45 %	0.42 %
Proportionate share of the net pension liability	$15,314,115	$13,260,414	$12,871,104	$ 5,453,136	$12,145,911	$13,367,000	$13,621,132	$18,363,713	$20,490,169	$17,196,200
Covered payroll	$25,517,957	$23,620,947	$23,487,287	$22,848,626	$21,709,554	$21,071,663	$20,459,753	$20,419,990	$21,637,668	$20,223,082
Proportionate share of the net pension liability as a percentage of its covered payroll	60.01 %	56.14 %	54.80 %	23.87 %	55.95 %	63.44 %	66.58 %	89.93 %	94.70 %	85.03 %
Plan fiduciary net position as a percentage of the total pension liability	79.51 %	80.83 %	82.48 %	92.51 %	81.77 %	80.06 %	78.89 %	76.60 %	75.30 %	77.30 %

Schedule of Contributions for Pension Plan:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially required contribution	$ 2,857,969	$ 2,636,732	$ 2,612,142	$ 2,544,476	$ 2,442,892	$ 2,361,409	$ 2,297,316	$2,269,585	$2,647,487	$2,163,471
Contributions in relation to the actuarially required contributions	2,857,969	2,636,732	2,612,142	2,544,476	2,442,892	2,361,409	2,297,316	2,269,585	2,647,487	2,163,471
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Covered payroll	$25,517,579	$23,542,250	$23,322,693	$22,718,537	$21,811,536	$21,084,009	$20,511,750	$20,264,152	$23,638,268	$19,316,705
Contributions as a percentage of covered payroll	11.2 %	11.2 %	11.2 %	11.2 %	11.2 %	11.2 %	11.2 %	11.2 %	11.2 %	11.2 %

The notes to the RSI is an integral part of the RSI.

FORT WAYNE CITY UTILITIES
Required Supplementary Information (unaudited)
December 31, 2024

Schedule of Changes in Total OPEB Liability:

	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 439,092	$ 428,382	$ 663,188	$ 647,013	$ 495,334	$ 417,624	$ 587,943
Interest	623,351	631,925	325,545	327,578	543,202	630,123	887,104
Difference between expected and actual experience	809,002	(9,321)	(116,252)	(531)	(2,517,874)	(1,745,425)	—
Changes in asumptions	2,351,728	—	(2,149,512)	—	2,203,003	54,393	—
Benefit payments	(2,054,980)	(965,024)	(900,997)	(1,189,538)	(586,501)	(728,202)	(966,259)
Total change in total OPEB liability	2,168,193	85,962	(2,178,028)	(215,478)	137,164	(1,371,487)	508,788
Total OPEB liability - beginning	14,585,662	14,499,700	16,677,728	16,893,206	16,756,042	18,127,529	17,618,741
Total OPEB liability - ending	$ 16,753,855	$ 14,585,662	$ 14,499,700	$ 16,677,728	$ 16,893,206	$ 16,756,042	$ 18,127,529
Covered-employee payroll	$ 26,457,687	$ 24,009,436	$ 23,423,840	$ 22,798,509	$ 22,242,448	$ 21,422,072	$ 16,268,631
Total OPEB liability as a percentage of covered-employee payroll	63.32 %	60.75 %	61.90 %	73.15 %	75.95 %	78.22 %	111.43 %

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The schedule is presented as of the measurement date which is one year prior to the current fiscal year.

GASB 75 requires that information be shown for ten years. Until a full ten year trend is compiled, information will be shown for those years for which the information is available.

The notes to the RSI is an integral part of the RSI.

Note 1. Financial Reporting - Pension Plans - Changes in Assumptions

For the Public Employees Retirement Fund, in 2024, there was no change from the use of the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality variants and adjustments are used for different subpopulations.

There were minor changes in economic assumptions in 2024 from the prior year. The discount rate of 6.25 percent remained unchanged, the inflation rate of two percent remained unchanged, and the salary increases remained unchanged from prior year at the range of 2.65 percent to 8.65 percent. For 2024, the cost-of-living adjustment remained unchanged however a 13th check is granted for those retiring before July 1, 2025.

Note 2. Financial Reporting - OPEB - Changes in Assumptions

For the year ended December 31, 2024, the discount rate changed from 4.31 percent at the beginning of the measurement period to 4.28 percent at the end of the measurement period. For the year ended December 31, 2023, the discount rate of 4.31 percent remained unchanged from prior year. For the year ended December 31, 2022, the discount rate changed from 1.93 percent at the beginning of the measurement period to 4.31 percent at the end of the measurement period. For the year ended December 31, 2021, the discount rate of 1.93 percent remained the same as the prior year. For the year ended December 31, 2020, the discount rate changed from 3.26 percent at the beginning of the measurement period to 1.93 percent at the end of the measurement period. For the year ended December 31, 2019, the discount rate changed from 3.50 percent at the beginning of the measurement period to 3.26 percent at the end of the measurement period.