Fort Wayne City Utilities

A Regional Utility
Owned by
City of Fort Wayne, Indiana

CITY UTILITIES
WATER THAT WORKS

Financial Statements

December 31, 2025

TABLE OF CONTENTS

Facts & Figures

Three Rivers Filtration Plant

Built **1931-1933**

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

Capacity **72** MGD

Average Demand

37.8 MGD

$101.3 million

the amount of investment in construction projects

3,649 gallons

2025 average monthly residential water consumption

25 YEARS

Received the **Partnership for Safe Water Treatment 25 Year Directors Award** from **AWWA** and **EPA**

90,661

number of residential sewer accounts

November 5, 2025

celebration of the completion of the 18 year Long-Term Control Plan

2008 2025

Stormwater Utility

Established

1993

341

employees

CITY UTILITIES

WATER THAT WORKS

Miles of pipe

1,492

water

1,628

sewer

731

stormwater

Winner of the **2025 Sustainable Water Utility Management Award** from **AMWA**

$57,500

in scholarships awarded to interns since 2021

Paul L. Brunner Water Pollution Control Plant

Built **1938-1940**

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

Capacity **100** MGD

Average Demand

43.3 MGD

856 projects

reviewed by Development Services

unaudited

Forvis Mazars, LLP
111 E. Wayne Street, Suite 600
Fort Wayne, IN 46802
P 260.460.4000 | F 260.426.2235
forvismazars.us

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, 2025, 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 financial position of each major fund of the Utilities, as of December 31, 2025, and the changes in financial position, and 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 the 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, 2025, 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 24, 2026, on our consideration of the 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 the 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 the Utilities' internal control over financial reporting and compliance.

Forvis Mazars, LLP

Fort Wayne, Indiana
June 24, 2026

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FORT WAYNE CITY UTILITIES
Management's Discussion and Analysis (unaudited)
For the Year Ended December 31, 2025

Introduction

Management of Fort Wayne City Utilities (FWCU) provides this Management's Discussion and Analysis as an overview of FWCU's financial performance for the year ended December 31, 2025. This narrative is intended to assist readers in understanding FWCU's financial condition and results of operations and should be read in conjunction with the accompanying basic financial statements and related notes.

Financial Highlights

As of December 31, 2025, FWCU's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by approximately $1.1 billion, reflecting a continued strong financial position. Net position increased by approximately $94.5 million during 2025, following a $95.1 million increase in 2024.

FWCU's financial position continues to be driven largely by its substantial investment in utility infrastructure. Net investment in capital assets increased by approximately $80.5 million in 2025 and by $88.8 million in 2024, reflecting continued construction and capital improvements throughout the utility system.

During 2025, FWCU added approximately $20.8 million in new bonded debt and long-term loan financing. This activity included one new Storm Utility revenue bond, additional draws on existing State Revolving Fund ("SRF") loans, and new commercial loan activity. In 2024, new borrowing activity totaled approximately $44.7 million, primarily related to additional long-term loans and SRF draws. Although new financing was added in 2025, total outstanding bonds and loans payable declined compared to the prior year as scheduled principal repayments exceeded new debt activity.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the basic financial statements of Fort Wayne City Utilities. The financial statements for an enterprise fund include the following three statements:

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

The statement of net position presents information on FWCU's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at year-end. Over time, increases or decreases in net position may serve as an indicator of whether FWCU's financial position is improving or deteriorating.

The statement of revenues, expenses, and changes in net position reports the results of current year operations and indicates whether FWCU recovered its costs through operating revenues and other sources.

The statement of cash flows provides information regarding FWCU's cash receipts and cash disbursements related to operating activities, capital and related financing activities, and investing activities.

The accompanying notes provide additional information that is essential to a full understanding of the financial statements.

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

	Year Ended December 31,		Variance 2025 – 2024	
	2025	2024	Amount	Percent
Net capital assets	$ 1,702.2	$ 1,636.9	$ 65.3	4.0 %
Other assets	307.5	318.8	(11.3)	(3.5)%
Total assets	$ 2,009.7	$ 1,955.7	$ 54.0	2.8 %
Deferred Outflows of Resources	$ 7.9	$ 10.3	$ (2.4)	(23.3)%
Other liabilities	100.0	104.0	(4.0)	(3.8)%
Long-term liabilities	800.8	839.2	(38.4)	(4.6)%
Total liabilities	$ 900.8	$ 943.2	$ (42.4)	(4.5)%
Deferred Inflows of Resources	$ 4.2	$ 4.7	$ (0.5)	(10.6)%
Total net position	$ 1,112.6	$ 1,018.1	$ 94.5	9.3 %
Net investment in capital assets	930.1	849.6	80.5	9.5 %
Restricted	99.0	95.7	3.3	3.4 %
Unrestricted	83.5	72.8	10.7	14.7 %
Total net position	$ 1,112.6	$ 1,018.1	$ 94.5	9.3 %

At December 31, 2025, total assets were approximately $2.0 billion, an increase of $54.0 million, or 2.8 percent, from 2024. Net capital assets increased by $65.3 million, or 4.0 percent, reflecting FWCU's continued capital investment in infrastructure and construction activity. Other assets decreased by $11.3 million, or 3.5 percent, compared to the prior year. Deferred outflows of resources decreased by $2.4 million, or 23.3 percent.

Total liabilities decreased by $42.4 million, or 4.5 percent, from the prior year. Other liabilities decreased by $4.0 million, while long-term liabilities decreased by $38.4 million. Deferred inflows of resources also decreased by $0.5 million. As a result, total net position increased by approximately $94.5 million to $1.1 billion at year-end. The largest component of net position, $930.1 million, represents FWCU's net investment in capital assets. An additional $99.0 million was restricted, and $83.5 million was unrestricted as of December 31, 2025.

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

	Year Ended December 31,		Variance 2025 – 2024	
	2025	2024	Amount	Percent
Operating revenues:				
Water service revenues	$ 68.9	$ 68.0	$ 0.9	1.3 %
Wastewater services revenues	119.3	118.1	1.2	1.0 %
Stormwater service revenues	15.3	15.4	(0.1)	(0.6)%
Yard Waste revenues	0.3	0.5	(0.2)	(40.0)%
Enterprise revenues	0.1	—	0.1	100.0 %
Total operating revenues	203.9	202.0	1.9	0.9 %
Operating expenses:				
Water operations	46.0	45.5	0.5	1.1 %
Wastewater operations	59.4	55.5	3.9	7.0 %
Stormwater operations	8.5	8.8	(0.3)	(3.4)%
Yard Waste operations	0.2	0.2	—	— %
Enterprise operations	0.2	—	0.2	100.0 %
Total operating expenses	114.3	110.0	4.3	3.9 %
Operating income	89.6	92.0	(2.4)	(2.6)%
Net nonoperating revenues (expenses)	(23.5)	(19.7)	(3.8)	19.3 %
Income before capital contributions	66.1	72.3	(6.2)	(8.6)%
Capital contributions	28.4	22.8	5.6	24.6 %
Change in net position	94.5	95.1	(0.6)	(0.6)%
Net position - beginning of year	1,018.1	923.0	95.1	10.3 %
Net position - end of year	$ 1,112.6	$ 1,018.1	$ 94.5	9.3 %

Operating revenues for 2025 totaled $203.9 million, an increase of $1.9 million, or 0.9 percent, from 2024. Water service revenues increased by $0.9 million, wastewater service revenues increased by $1.2 million, stormwater service revenues remained consistent with the prior year, and yard waste revenues declined by $0.2 million.

Operating expenses totaled $114.3 million, an increase of $4.3 million, or 3.9 percent, from 2024. Wastewater operations accounted for the largest increase, rising $3.9 million, while water operations increased by $0.5 million. Stormwater operating expenses decreased slightly, and yard waste expenses remained unchanged. As a result, operating income decreased by $2.4 million, or 2.6 percent, to $89.6 million.

Net nonoperating expenses totaled $23.5 million in 2025, compared to $19.7 million in 2024. Income before capital contributions was $66.1 million, compared to $72.3 million in the prior year. Capital contributions increased to $28.4 million, compared to $22.8 million in 2024, helping offset the decline in income before capital contributions. Overall, FWCU reported an increase in net position of approximately $94.5 million for the year.

Financial Analysis

FWCU's overall financial position improved during 2025, as net position increased by approximately 9.3 percent from the prior year. This growth reflects the continued financial strength of the utility, supported by strong operating results combined with capital contributions. The largest portion of FWCU's net position continues to be invested in capital assets, which is typical for a utility operation with substantial infrastructure requirements.

Operating revenues increased modestly during 2025. The increase was primarily attributable to higher customer consumption associated with several dry months and extended periods of extreme temperatures. Wastewater revenues also increased due, in part, to approved rates increases implemented during the last quarter for 2025. There were no water rate increases in 2025.

With the exception of Wastewater Utility, operating expenses increased only slightly. Although chemical costs continued to trend upward, FWCU recorded significant savings in energy costs as a result of the microgrid program. For the Wastewater Utility, the increase in operating expenses was driven primarily by higher depreciation expense resulting from the underground tunnel being placed into service at the beginning of 2025. As a result, while FWCU continued to generate strong operating income, operating margin declined slightly from the prior year.

Restricted net position of $99.0 million reflects resources that are subject to external restrictions on their use, while unrestricted net position of $83.5 million represents funds available for operations, capital support, and other lawful utility purposes.

Capital Assets and Capital Improvement Program

At December 31, 2025, FWCU had approximately $2.0 billion in capital assets in service and $614.7 million in accumulated depreciation, resulting in a net book value of approximately $1.4 billion for depreciable and nondepreciable assets in service. In addition, FWCU reported approximately $339.3 million in construction in progress, representing projects that remained underway at year-end. During 2025, FWCU invested approximately $105.4 million in capital projects.

FWCU continues to make significant progress on major wastewater and stormwater improvement initiatives associated with its federal Consent Decree obligations. Among the most significant projects is the large underground tunnel system designed to reduce combined sewer overflows. Tunnel construction was completed in 2024, with additional related connections and supporting work that continued in 2025. FWCU also continued its wastewater pipeline rehabilitation program through cured-in-place lining, which extends pipeline life, improves system flow, and reduces reactive maintenance needs. In November 2025, FWCU celebrated the completion of the Long-Term Control Plan.

FWCU has substantially completed installation of Advanced Metering Infrastructure (AMI), including remote meter reading capability for approximately 100,000 customer accounts, replacement of approximately 70,000 water meters, as well as replacement of aging water mains, replacement of lead water services, and other public health and system reliability projects.

These capital investments reflect FWCU's continued focus on maintaining and improving core infrastructure, meeting regulatory obligations, supporting customer growth, and enhancing the long-term reliability of its systems.

Debt

As of December 31, 2025, FWCU had approximately $828.3 million in bonds and loans payable, a net decrease of $34.7 million from the prior year. The net decrease reflects the fact that scheduled principal repayments exceeded new borrowing activity during the year. FWCU paid approximately $55.1 million in principal during 2025, compared to $53.3 million in 2024.

In 2025, the Storm Utility issued a new revenue bond at a fixed interest rate of 5.00 percent. In 2024, the Water Utility secured a zero-interest SRF draw-down loan, and the Wastewater Utility obtained two SRF advance loans at a fixed interest rate of 2.58 percent.

In October 2025, Moody's upgraded the Stormwater Utility's bond rating to Aa1, affirmed Stormwater Utility's Aa2 rating, and affirmed the Wastewater Utility's Aa3 rating. These AA ratings across all three utilities support FWCU's continued access to capital markets under favorable conditions.

Economic Factors and Next Year's Budget and Rates

FWCU operates water, wastewater, and stormwater utilities that support public health, public safety, environmental stewardship, and regional economic development throughout the greater Fort Wayne area. FWCU continues to follow its strategic plan in balancing service quality, affordability, infrastructure needs, and long-term financial sustainability.

FWCU's multi-year rate planning continues to support continued capital investments. In 2025, the Common Council approved five-year rate plans for the water, sewer, and stormwater utilities. The first phases of the sewer and stormwater rate plans have been implemented, and the water rate plan will be implemented in mid-2026 pending approval of the Indiana Utility Regulatory Commission. Management indicates that this rate plan is helping to support asset renewal, providing continued rate and revenue predictability to customers and bondholders, and supporting growth and economic development.

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 concerning this report or requests for additional financial information should be directed to the Deputy Director/CFO, Fort Wayne City Utilities, 200 E. Berry Street, Suite 270, Fort Wayne, Indiana 46802.

FORT WAYNE CITY UTILITIES
Statement of Net Position
At December 31, 2025

	Water	Wastewater	Stormwater	Electric	Yard Waste	Enterprise	Total
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	$ 11,123,979	$ 53,742,439	$ 17,741,609	$ —	$ 2,738,504	$ 5,886	$ 85,352,417
Receivables:							
Customers, net of allowance for doubtful accounts of $47,613	8,577,086	13,961,822	1,791,631	—	9,564	13,128	24,353,231
Installments receivable, current portion	5,209	—	—	—	—	—	5,209
Assessments receivable, current portion	—	12,065	—	—	—	—	12,065
Interest receivable	6,883	4,522	—	—	—	—	11,405
Due from City of Fort Wayne	313,237	518,804	213,507	—	2,516	—	1,048,064
Other current assets	3,244	5,381	737	—	26	—	9,388
Materials and supplies	1,532,615	1,202,145	164,634	—	5,872	—	2,905,266
Prepaid expenses	442,031	679,715	83,261	—	2,703	—	1,207,710
Total current assets	22,004,284	70,126,893	19,995,379	—	2,759,185	19,014	114,904,755
NONCURRENT ASSETS:							
Restricted cash and cash equivalents	32,329,216	132,555,949	22,633,848	—	—	—	187,519,013
Leases receivable	1,071,232	—	—	—	—	—	1,071,232
Regulatory assets	1,279,289	1,586,159	321,644	—	—	—	3,187,092
Installments receivable	264,113	1,755	—	—	—	—	265,868
Assessments receivable	—	474,936	—	—	—	—	474,936
Capital assets:							
Land	6,307,563	6,518,353	7,515,722	75,732	—	—	20,417,370
Distribution and collection	308,046,913	709,014,205	224,100,542	—	—	—	1,241,161,660
Buildings and improvements	93,886,914	294,715,873	4,209,556	1,121,198	82,060	—	394,015,601
Equipment and other	153,574,872	164,522,393	3,486,262	342,787	82,326	—	322,008,640
Less: Accumulated depreciation	(228,182,475)	(323,096,558)	(61,797,397)	(1,463,985)	(133,629)	—	(614,674,044)
Plus: Construction in progress	90,858,237	227,637,881	20,805,402	—	12,164	—	339,313,684
Net capital assets	424,492,024	1,079,312,147	198,320,087	75,732	42,921	—	1,702,242,911
Total noncurrent assets	459,435,874	1,213,930,946	221,275,579	75,732	42,921	—	1,894,761,052
Total assets	$ 481,440,158	$ 1,284,057,839	$ 241,270,958	$ 75,732	$ 2,802,106	$ 19,014	$ 2,009,665,807
DEFERRED OUTFLOWS OF RESOURCES (Note 7):	$ 2,658,466	$ 4,283,630	$ 979,647	$ —	$ —	$ —	$ 7,921,743
Total assets and deferred outflow of resources	$ 484,098,624	$ 1,288,341,469	$ 242,250,605	$ 75,732	$ 2,802,106	$ 19,014	$ 2,017,587,550

LIABILITIES							
CURRENT LIABILITIES:							
Accounts payable	$ 1,460,578	$ 581,807	$ 58,409	$ —	$ 2,367	$ 1,600	$ 2,104,761
Contracts payable	4,355,449	8,290,568	1,363,444	—	26,731	—	14,036,192
Retainage payable	1,634,392	2,130,216	355,634	—	—	—	4,120,242
Wages and withholdings payable	624,499	781,057	140,859	—	1,475	—	1,547,890
Due to City of Fort Wayne	3,063,167	4,921,629	741,700	—	7,489	—	8,733,985
Compensated absences payable, current portion	953,919	1,411,594	185,307	—	4,961	—	2,555,781
Other current liabilities	293,569	—	5,579	—	—	—	299,148
Accrued interest payable	348,393	7,023,398	365,444	—	—	—	7,737,235
Bonds payable, current portion	7,085,000	16,500,000	1,730,000	—	—	—	25,315,000
Loans payable, current portion	5,684,078	24,704,586	392,026	—	—	—	30,780,690
Total OPEB liability, current portion	441,517	732,497	103,894	—	—	—	1,277,908
Customer deposits	1,460,810	—	—	—	—	—	1,460,810
Total current liabilities	27,405,371	67,077,352	5,442,296	—	43,023	1,600	99,969,642
NONCURRENT LIABILITIES:							
Bonds payable, net of unamortized bond discount/ premium	65,131,971	92,527,261	31,463,552	—	—	—	189,122,784
Loans payable	71,410,702	510,641,631	1,000,501	—	—	—	583,052,834
Compensated absences payable	82,095	161,245	11,475	—	409	—	255,224
Net pension liability	4,271,834	6,132,588	2,375,400	—	—	—	12,779,822
Total OPEB liability	5,121,359	7,593,840	2,862,259	—	—	—	15,577,458
Total noncurrent liabilities	146,017,961	617,056,565	37,713,187	—	409	—	800,788,122
Total liabilities	$ 173,423,332	$ 684,133,917	$ 43,155,483	$ —	$ 43,432	$ 1,600	$ 900,757,764
DEFERRED INFLOWS OF RESOURCES (Note 8):	$ 2,031,625	$ 1,550,917	$ 641,609	$ —	$ —	$ —	$ 4,224,151
NET POSITION:							
Net investment in capital assets	$ 276,902,719	$ 471,524,087	$ 181,509,796	$ 75,732	$ 42,181	$ —	$ 930,054,515
Restricted							
For debt service	17,041,024	72,336,963	2,907,840	—	—	—	92,285,827
For capital projects	5,682,056	1,019,228	—	—	—	—	6,701,284
Unrestricted	9,017,868	57,776,357	14,035,877	—	2,716,493	17,414	83,564,009
Total net position	$ 308,643,667	$ 602,656,635	$ 198,453,513	$ 75,732	$ 2,758,674	$ 17,414	$ 1,112,605,635
Total liabilities, deferred inflows of resources and net position	$ 484,098,624	$ 1,288,341,469	$ 242,250,605	$ 75,732	$ 2,802,106	$ 19,014	$ 2,017,587,550

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, 2025

	Water	Wastewater	Stormwater	Electric	Yard Waste	Enterprise	Total
OPERATING REVENUES:							
Charges for goods and services	$ 68,878,751	$ 119,251,470	$ 15,332,239	$ —	$ 321,535	$ 113,372	$ 203,897,367
Total operating revenues	68,878,751	119,251,470	15,332,239	—	321,535	113,372	203,897,367
OPERATING EXPENSES:							
Personnel services	9,976,640	10,551,081	2,388,778	—	—	—	22,916,499
Contractual services	2,508,451	4,828,295	659,015	—	100,720	30,400	8,126,881
Utilities	1,003,679	2,956,856	26,673	—	5,824	—	3,993,032
Chemicals	9,559,759	2,080,626	3,658	—	—	—	11,644,043
Administrative services	7,721,672	12,810,454	1,754,418	—	62,578	—	22,349,122
Other supplies/services	3,858,765	3,145,056	220,649	—	—	149,282	7,373,752
Depreciation	11,390,481	23,038,742	3,457,799	—	6,270	—	37,893,292
Total operating expenses	46,019,447	59,411,110	8,510,990	—	175,392	179,682	114,296,621
Operating income (loss)	22,859,304	59,840,360	6,821,249	—	146,143	(66,310)	89,600,746
NONOPERATING REVENUES (EXPENSES):							
Investment income	2,103,317	8,355,686	1,232,218	—	84,147	965	11,776,333
Leases and installments interest income	56,256	26,513	—	—	—	—	82,769
Interest expense	(4,293,678)	(17,295,595)	(618,726)	—	—	—	(22,207,999)
Amortization of regulatory assets	(209,263)	(252,672)	(34,041)	—	—	—	(495,976)
Payments in lieu of taxes	(3,764,016)	(6,275,160)	(855,216)	—	—	—	(10,894,392)
Loss on disposal of assets	(1,301,250)	(423,830)	(15,730)	—	—	—	(1,740,810)
Total nonoperating revenues (expenses)	(7,408,634)	(15,865,058)	(291,495)	—	84,147	965	(23,480,075)
Income (loss) before capital contributions and transfers	15,450,670	43,975,302	6,529,754	—	230,290	(65,345)	66,120,671
Capital contributions	11,462,571	13,675,692	3,261,820	—	—	—	28,400,083
Capital asset transfers, net	(739,151)	1,782,192	(1,069,260)	—	26,219	—	—
Change in net position	26,174,090	59,433,186	8,722,314	—	256,509	(65,345)	94,520,754
Total net position, beginning of year	282,469,577	543,223,449	189,731,199	75,732	2,502,165	82,759	1,018,084,881
Total net position, end of year	$ 308,643,667	$ 602,656,635	$ 198,453,513	$ 75,732	$ 2,758,674	$ 17,414	$ 1,112,605,635

See accompanying notes to the financial statements.

FORT WAYNE CITY UTILITIES
Statement of Cash Flows
For the Year Ended December 31, 2025

	Water	Wastewater	Stormwater	Electric	Yard Waste	Enterprise	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and others	$ 67,612,151	$ 117,907,916	$ 15,148,686	$ —	$ 392,801	$ 109,909	$ 201,171,463
Payments to suppliers	(25,486,196)	(26,158,640)	(2,766,608)	—	(173,689)	(180,682)	(54,765,815)
Payments to employees	(10,289,580)	(11,021,467)	(2,482,623)	—	—	—	(23,793,670)
Other receipts	25,573	—	—	—	—	—	25,573
Net cash provided (used) by operating activities	31,861,948	80,727,809	9,899,455	—	219,112	(70,773)	122,637,551
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Payments in lieu of taxes	(3,764,016)	(6,275,160)	(855,216)	—	—	—	(10,894,392)
Net cash used by noncapital financing activities	(3,764,016)	(6,275,160)	(855,216)	—	—	—	(10,894,392)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	(35,894,849)	(52,661,499)	(12,693,140)	—	(8,998)	—	(101,258,486)
Proceeds from long-term debt	1,518,616	460,800	18,062,800	—	—	—	20,042,216
Bond discount & premium addition	—	—	780,035	—	—	—	780,035
Interest paid on long-term debt	(4,371,257)	(17,554,322)	(491,650)	—	—	—	(22,417,229)
Acquisition of regulatory assets	—	—	(205,656)	—	—	—	(205,656)
Principal paid on long-term debt	(12,535,579)	(40,429,916)	(2,176,363)	—	—	—	(55,141,858)
Proceeds from sales of assets	270,224	51,179	25,283	—	—	—	346,686
Contribution in aid of construction	9,224,975	9,948,938	554,996	—	—	—	19,728,909
Net cash provided (used) by capital and related financing activities	(41,787,870)	(100,184,820)	3,856,305	—	(8,998)	—	(138,125,383)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Investment income received	2,126,962	8,407,438	1,246,250	—	85,316	965	11,866,931
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,562,976)	(17,324,733)	14,146,794	—	295,430	(69,808)	(14,515,293)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	55,016,171	203,623,121	26,228,663	—	2,443,074	75,694	287,386,723
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 43,453,195	$ 186,298,388	$ 40,375,457	$ —	$ 2,738,504	$ 5,886	$ 272,871,430

(Continued)

FORT WAYNE CITY UTILITIES
Statement of Cash Flows
For the Year Ended December 31, 2025
(Continued)

	Water	Wastewater	Stormwater	Electric	Yard Waste	Enterprise	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating income (loss)	$ 22,859,304	$ 59,840,360	$ 6,821,249	$ —	$ 146,143	$ (66,310)	$ 89,600,746
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation	11,390,481	23,038,742	3,457,799	—	6,270	—	37,893,292
Provision for doubtful accounts	(850)	(17,884)	(1,912)	—	—	—	(20,646)
Changes in assets, liabilities, and deferred outflows and inflows of resources:							
Receivables	(1,261,345)	(1,325,670)	(181,641)	—	71,266	(3,463)	(2,700,853)
Unearned revenue	(4,405)	—	—	—	—	—	(4,405)
Other assets	(220,373)	(368,967)	(168,611)	—	(6,307)	—	(764,258)
Accounts payable	(587,924)	31,614	66,416	—	1,740	(1,000)	(489,154)
Other liabilities	(101,999)	(160,683)	(56,299)	—	—	—	(318,981)
Deferred outflows - Pension	478,901	784,032	117,586	—	—	—	1,380,519
Deferred outflows - OPEB	329,220	546,191	77,470	—	—	—	952,881
Net pension liability	(875,598)	(1,452,655)	(206,040)	—	—	—	(2,534,293)
Total OPEB liability	35,072	58,186	8,253	—	—	—	101,511
Deferred inflows - Pension	(21,929)	(36,382)	(5,160)	—	—	—	(63,471)
Deferred inflows - OPEB	(126,021)	(209,075)	(29,655)	—	—	—	(364,751)
Deferred inflows - Leases receivable	(30,586)	—	—	—	—	—	(30,586)
Net cash provided (used) by operating activities	$ 31,861,948	$ 80,727,809	$ 9,899,455	$ —	$ 219,112	$ (70,773)	$ 122,637,551
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:							
Capital assets acquired through accounts payable	$ 5,735,354	$ 9,412,959	$ 1,584,776	$ —	$ 740	$ —	$ 16,733,829
Capital asset contribution	2,237,596	3,726,754	2,706,824	—	—	—	8,671,174
Interfund capital asset transfers	(739,151)	1,782,192	(1,069,260)	—	26,219	—	—
Amortization of bond premium	104,165	256,593	40,200	—	—	—	400,958
Amortization of deferred outflows of resources - Debt refunding loss	—	75,381	—	—	—	—	75,381

See accompanying notes to the financial statements.

FORT WAYNE CITY UTILITIES
Notes to Financial Statements
December 31, 2025

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 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, 2025.

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 ten percent 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 average cost for Water Utility and 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, based on leave that is more likely than not to be used or otherwise paid, 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.

According to GASB Statement No. 101, *Compensated Absences*, FWCU recognizes a liability for all types of compensated absences at the time the related services are provided and uses the employee’s pay rate in effect as of the financial reporting date. The liability includes all applicable salary-related costs (e.g., payroll taxes).

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 position 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, 2025, FWCU has no investments.

Note 3. Restricted Assets

Restricted assets consisted of the following at December 31, 2025:

	Water Utility	Wastewater Utility	Stormwater Utility	Total
Cash and cash equivalents:				
Sinking fund	$ 1,349,376	$ 23,792,706	$1,054,038	$ 26,196,120
Debt service reserve	16,040,041	55,567,655	2,219,246	73,826,942
Construction	7,796,933	49,193,578	19,360,564	76,351,075
Customer deposits	1,460,810	—	—	1,460,810
System development charge fund	4,914,920	—	—	4,914,920
Capital surcharge fund	—	2,982,782	—	2,982,782
Septic elimination program	—	1,019,228	—	1,019,228
Lead service line replacement program	767,136	—	—	767,136
Total cash and cash equivalents	$ 32,329,216	$ 132,555,949	$22,633,848	$ 187,519,013

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 2025, 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, 2025, 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 2025, FWCU recognized $84,231 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, 2025:

Water Utility

	Balance, 1/1/2025	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2025
Land	$ 6,245,503	$ —	$ 318,441	$ 380,501	$ 6,307,563
Distribution and collection	285,020,052	—	4,131,522	27,158,383	308,046,913
Buildings and improvement	93,900,460	—	—	(13,546)	93,886,914
Equipment and other	149,346,607	1,699,427	944,895	3,473,733	153,574,872
Construction in progress	87,331,147	36,844,721	—	(33,317,631)	90,858,237
Sub-total	621,843,769	38,544,148	5,394,858	(2,318,560)	652,674,499
Less accumulated depreciation:					
Distribution and collection	86,560,337	4,511,070	2,954,907	—	88,116,500
Buildings and improvement	50,070,159	2,005,717	—	(1,714,144)	50,361,732
Equipment and other	85,555,454	4,873,694	868,477	143,572	89,704,243
Sub-total	222,185,950	11,390,481	3,823,384	(1,570,572)	228,182,475
Net Capital Assets	$ 399,657,819	$ 27,153,667	$ 1,571,474	$ (747,988)	$ 424,492,024

Wastewater Utility

	Balance, 1/1/2025	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2025
Land	$ 4,579,630	$ —	$ —	$ 1,938,723	$ 6,518,353
Distribution and collection	464,904,024	—	350,148	244,460,329	709,014,205
Buildings and improvement	235,094,359	—	173,408	59,794,922	294,715,873
Equipment and other	153,918,811	1,842,919	811,718	9,572,381	164,522,393
Construction in progress	487,182,148	50,213,461	—	(309,757,728)	227,637,881
Sub-total	1,345,678,972	52,056,380	1,335,274	6,008,627	1,402,408,705
Less accumulated depreciation:					
Distribution and collection	124,972,317	9,859,112	132,572	—	134,698,857
Buildings and improvement	85,369,647	6,125,072	62,902	1,465,725	92,897,542
Equipment and other	86,382,991	7,054,558	664,791	2,727,401	95,500,159
Sub-total	296,724,955	23,038,742	860,265	4,193,126	323,096,558
Net Capital Assets	$1,048,954,017	$ 29,017,638	$ 475,009	$ 1,815,501	$1,079,312,147

Stormwater Utility

	Balance, 1/1/2025	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2025
Land	$ 7,519,548	$ —	$ 41,011	$ 37,185	$ 7,515,722
Distribution and collection	214,084,253	—	297,562	10,313,851	224,100,542
Buildings and improvement	3,630,169	—	—	579,387	4,209,556
Equipment and other	6,868,753	494,089	15,972	(3,860,608)	3,486,262
Construction in progress	17,376,618	14,268,560	—	(10,839,776)	20,805,402
Sub-total	249,479,341	14,762,649	354,545	(3,769,961)	260,117,484
Less accumulated depreciation:					
Distribution and collection	54,957,413	3,158,942	297,560	—	57,818,795
Buildings and improvement	1,445,681	101,073	—	239,863	1,786,617
Equipment and other	4,924,906	197,784	15,972	(2,914,733)	2,191,985
Sub-total	61,328,000	3,457,799	313,532	(2,674,870)	61,797,397
Net Capital Assets	$ 188,151,341	$ 11,304,850	$ 41,013	$ (1,095,091)	$ 198,320,087

Electric Utility

	Balance, 1/1/2025	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2025
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, 1/1/2025	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2025
Buildings and improvement	$ 68,777	$ —	$ —	$ 13,283	$ 82,060
Equipment and other	10,039	7,359	570	65,498	82,326
Construction in progress	10,213	838	—	1,113	12,164
Sub-total	89,029	8,197	570	79,894	176,550
Less accumulated depreciation:					
Buildings and improvement	68,777	299	—	8,556	77,632
Equipment and other	6,836	5,971	570	43,760	55,997
Sub-total	75,613	6,270	570	52,316	133,629
Net Capital Assets	$ 13,416	$ 1,927	$ —	$ 27,578	$ 42,921

Total FWCU

	Balance, 1/1/2025	Additions	Disposals	Transfers and Adjustments	Balance, 12/31/2025
Land	$ 18,420,413	$ —	$ 359,452	$ 2,356,409	$ 20,417,370
Distribution and collection	964,008,329	—	4,779,232	281,932,563	1,241,161,660
Buildings and improvement	333,814,963	—	173,408	60,374,046	394,015,601
Equipment and other	310,486,997	4,043,794	1,773,155	9,251,004	322,008,640
Construction in progress	591,900,126	101,327,580	—	(353,914,022)	339,313,684
Sub-total	2,218,630,828	105,371,374	7,085,247	—	2,316,916,955
Less accumulated depreciation:					
Distribution and collection	266,490,067	17,529,124	3,385,039	—	280,634,152
Buildings and improvement	138,075,462	8,232,161	62,902	—	146,244,721
Equipment and other	177,212,974	12,132,007	1,549,810	—	187,795,171
Sub-total	581,778,503	37,893,292	4,997,751	—	614,674,044
Net Capital Assets	$1,636,852,325	$ 67,478,082	$ 2,087,496	$ —	$1,702,242,911

Note 7. Deferred Outflows of Resources

The following is a summary of changes in deferred outflows of resources for the year ended December 31, 2025:

Water Utility

Outflow of resources related to:	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025
Pensions (see Note 14)	$ 1,828,057	$ 5,757	$ 484,658	$ 1,349,156
OPEB (see Note 15)	1,638,530	—	329,220	1,309,310
Total	$ 3,466,587	$ 5,757	$ 813,878	$ 2,658,466

Wastewater Utility

Outflow of resources related to:	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025
Debt refunding loss	$ 226,143	$ —	$ 75,381	$ 150,762
Pensions (see Note 14)	2,936,039	20,037	804,069	2,152,007
OPEB (see Note 15)	2,527,052	—	546,191	1,980,861
Total	$ 5,689,234	$ 20,037	$ 1,425,641	$ 4,283,630

Stormwater Utility

Outflow of resources related to:	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025
Pensions (see Note 14)	$ 517,887	$ —	$ 117,587	$ 400,300
OPEB (see Note 15)	656,816	—	77,470	579,346
Total	$ 1,174,703	$ —	$ 195,057	$ 979,646

Total FWCU

Outflow of resources related to:	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025
Debt refunding loss	$ 226,143	$ —	$ 75,381	$ 150,762
Pensions (see Note 14)	5,281,983	25,794	1,406,314	3,901,463
OPEB (see Note 15)	4,822,398	—	952,881	3,869,517
Total	$ 10,330,524	$ 25,794	$ 2,434,576	$ 7,921,742

Note 8. Deferred Inflows of Resources

The following is a summary of changes in deferred inflows of resources for the year ended December 31, 2025:

Water Utility

Inflow of resources related to:	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025
Pensions (see Note 14)	$ 108,778	$ —	$ 21,929	$ 86,849
OPEB (see Note 15)	1,125,359	—	126,021	999,338
Leases receivable (see Note 4)	994,572	—	49,134	945,438
Total	$ 2,228,709	$ —	$ 197,084	$ 2,031,625

Wastewater Utility

Inflow of resources related to:	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025
Pensions (see Note 14)	$ 48,607	$ —	$ 36,382	$ 12,225
OPEB (see Note 15)	1,747,767	—	209,075	1,538,692
Total	$ 1,796,374	$ —	$ 245,457	$ 1,550,917

Stormwater Utility

Inflow of resources related to:	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025
Pensions (see Note 14)	$ 229,015	$ —	$ 5,160	$ 223,855
OPEB (see Note 15)	447,409	—	29,655	417,754
Total	$ 676,424	$ —	$ 34,815	$ 641,609

Total FWCU

Inflow of resources related to:	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025
Pensions (see Note 14)	$ 386,400	$ —	$ 63,471	$ 322,929
OPEB (see Note 15)	3,320,535	—	364,751	2,955,784
Leases receivable (see Note 4)	994,572	—	49,134	945,438
Total	$ 4,701,507	$ —	$ 477,356	$ 4,224,151

Note 9. Long-Term Debt

Bonds Payable:

Water Utility bonds payable at December 31, 2025 are as follows:

Water Works Revenue Bonds of 2012 - original issue of $40,000,000 - due in annual installments of $2,490,000 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 $86,043.	$ 19,166,043
Water Works Revenue Bonds of 2014 - original issue of $63,000,000 - due in annual installments of $4,090,000 to $5,730,000 plus interest at 3.000 percent to 4.000 percent through December 1, 2034, plus unamortized bond premium of $386,864.	44,021,864
Water Works Revenue Bonds of 2019 Series A - original issue of $11,770,000 - due in annual installments of $505,000 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 $5,936.	9,029,064
Total	72,216,971
Less: Current portion	(7,085,000)
Noncurrent bonds payable, net	$ 65,131,971

Water Utility bond debt service requirements to maturity as of December 31, 2025 are as follows:

Year Due	Principal	Interest	Total
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	8,200,000	1,470,644	9,670,644
2031-2035	30,535,000	2,859,470	33,394,470
2036-2039	3,080,000	60,287	3,140,287
Total	$ 71,750,000	$ 12,723,401	$ 84,473,401

Wastewater Utility bonds payable at December 31, 2025 are as follows:

Sewage Works Revenue Bonds of 2011 Series A - original issue of $38,100,000 - due in annual installments of $3,490,000 to $3,490,000 plus interest at 2.800 percent through August 1, 2026, redeemable at 100 percent beginning in 2022.	$ 3,490,000
Sewage Works Revenue Bonds of 2012 Series B - original issue of $15,530,000 - due in annual installments of $1,255,000 to $1,295,000 plus interest at 3.000 percent to 3.000 percent through August 1, 2027, redeemable at 100 percent beginning in 2023, plus unamortized bond premium of $17,252.	2,567,252
Sewage Works Revenue Bonds of 2013 Series B - original issue of $42,260,000 - due in annual installments of $4,285,000 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 $117,110.	38,212,110
Sewage Works Refunding Revenue Bonds of 2016 - original issue of $35,440,000 - due in annual installments of $1,480,000 to $1,505,000 plus interest at 2.000 percent to 2.000 percent through August 1, 2027, redeemable at 100 percent beginning in 2024, plus unamortized bond premium of $30,726.	3,015,726
Sewage Works Refunding Revenue Bonds of 2017 Series A - original issue of $16,700,000 - due in annual installments of $1,365,000 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.	7,150,000
Sewage Works Refunding Revenue Bonds of 2017 Series B - original issue of $16,700,000 - due in annual installments of $1,360,000 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.	7,135,000
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 $594,467.	23,169,467
Sewage Works Revenue Bonds of 2022 Series A - original issue of $25,000,000 - due in annual installments of $950,000 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 $187,706.	24,287,706
Total	109,027,261
Less: Current portion	(16,500,000)
Noncurrent bonds payable, net	$ 92,527,261

Wastewater Utility bond debt service requirements to maturity as of December 31, 2025 are as follows:

Year Due	Principal	Interest	Total
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	11,510,000	1,943,080	13,453,080
2031-2035	26,920,000	5,418,570	32,338,570
2036-2040	14,300,000	1,711,964	16,011,964
2041-2042	3,475,000	19,260	3,494,260
Total	$ 108,080,000	$ 20,700,304	$ 128,780,304

Stormwater Utility bonds payable at December 31, 2025 are as follows:

Stormwater Management District Revenue Bonds of 2017 - original issue of $27,320,000 - due in semiannual installments of $860,000 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 $105,672.	$ 14,425,672
Stormwater Management District Revenue Bonds of 2025 - original issue of $18,000,000 - due in semiannual installments of $485,000 to $870,000 plus interest at 4.000 percent to 5.000 percent through August 1, 2046, redeemable prior to maturity for bonds maturing after 2034, plus unamortized bond premium of $767,880.	18,767,880
Total	33,193,552
Less: Current portion	(1,730,000)
Noncurrent bonds payable, net	$ 31,463,552

Stormwater Utility bond debt service requirements to maturity as of December 31, 2025 are as follows:

Year Due	Principal	Interest	Total
2026	$ 1,730,000	$ 1,025,879	$ 2,755,879
2027	1,775,000	1,167,312	2,942,312
2028	1,830,000	1,113,612	2,943,612
2029	1,885,000	1,058,337	2,943,337
2030	1,945,000	1,001,337	2,946,337
2031-2035	7,710,000	4,124,035	11,834,035
2036-2040	6,140,000	2,733,235	8,873,235
2041-2045	7,585,000	1,293,851	8,878,851
2046	1,720,000	56,656	1,776,656
Total	$ 32,320,000	$ 13,574,254	$ 45,894,254

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 and Bank of America are the lenders for all outstanding commercial loans.

Details of all Water Utility loans payable at December 31, 2025 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, 2025 total drawn amount is $7,350,842.	$ 5,532,842
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, 2025 total drawn amount is $1,820,895.	1,705,011
Water Works SRF Revenue Bonds of 2023 Series B - maximum draw of $5,746,000 - due in annual installments of $164,100 at zero interest through December 1, 2058, as of December 31, 2025 total drawn amount is $422,784.	94,584
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, 2025 total drawn amount is $112,386.	42,386
SRF Advance loans:	
Water Works SRF Revenue Bonds of 2011 Series B - original pool share of $26,906,000 - due in annual installments of $1,735,000 to $2,073,000 plus interest at 2.967 percent through December 1, 2031, redeemable prior to maturity for bonds maturing after 2021.	11,401,000
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.	17,216,000
Water Works SRF Revenue Bonds of 2021 - original issue of $44,480,000 - due in annual installments of $1,907,504 to $2,732,480 plus interest at 1.950 percent through December 1, 2042, redeemable prior to maturity for bonds maturing after 2032.	38,978,612

Commercial loans:

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.	$	34,958
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.		210,365
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.		304,540
2022 Commercial Loan - original amount of $784,275 - due in semiannual installments of $51,847 including interest at 2.229 percent through April 25, 2029.		347,319
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.		557,020
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.		411,227
2025 Commercial Loan - original amount of $276,400 - due in semiannual installments of $22,581 including interest at 3.688 percent through May 28, 2032.		258,916
Total		77,094,780
Less: Current portion		(5,684,078)
Noncurrent loans payable	$	71,410,702

Water Utility anticipated loan debt service requirements to maturity, after all remaining loan principal has been drawn down, as of December 31, 2025 are as follows:

Year Due	Principal	Interest	Total
2026	$ 5,684,078	$ 1,666,444	$ 7,350,522
2027	5,719,668	1,538,851	7,258,519
2028	5,729,919	1,409,282	7,139,201
2029	5,703,559	1,277,603	6,981,162
2030	5,674,393	1,145,261	6,819,654
2031-2035	21,565,946	4,037,843	25,603,789
2036-2040	20,417,961	1,962,168	22,380,129
2041-2045	9,239,473	420,168	9,659,641
2046-2050	3,005,710	55,598	3,061,308
2051-2055	1,470,710	—	1,470,710
2056-2059	919,456	—	919,456
Total	$ 85,130,873	$ 13,513,218	$ 98,644,091

Details of all Wastewater Utility loans payable at December 31, 2025 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 $246,962 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.	$	1,238,770

Sewage Works SRF Revenue Bonds of 2011 Series B - maximum draw of $33,576,000 - due in annual installments of $1,851,000 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.	$ 11,763,000
Sewage Works SRF Revenue Bonds of 2012 Series A - maximum draw of $10,415,000 - due in annual installments of $550,000 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.	4,064,000
Sewage Works SRF Revenue Bonds of 2014 Series A - maximum draw of $17,000,000 - due in annual installments of $930,000 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.	8,080,000
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.	73,120,000
Sewage Works SRF Revenue Bonds of 2018 Series B - maximum draw of $21,722,416 - due in annual installments of $961,500 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.	16,331,700
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.	4,984,000
<u>SRF Advance loans:</u>	
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.	46,812,000
Sewage Works SRF Revenue Bonds of 2014 Series C - original pool share of $5,015,000 - due in annual installments of $270,000 to $350,000 plus interest at 3.074 percent through August 1, 2034, redeemable prior to maturity for bonds maturing after 2027.	2,755,000
Sewage Works SRF Revenue Bonds of 2016 Series B - original pool share of $138,583,000 - due in annual installments of $3,962,090 to $7,325,433 plus interest at 3.060 percent through August 1, 2046, redeemable prior to maturity for bonds maturing after 2028.	115,176,068
Sewage Works SRF Revenue Bonds of 2020 Series A - original pool share of $25,000,000 - due in annual installments of $1,100,000 to $1,455,000 plus interest at 2.000 percent through August 1, 2040, redeemable prior to maturity for bonds maturing after 2032.	19,040,000
Sewage Works SRF Revenue Bonds of 2020 Series C - original pool share of $25,000,000 - due in annual installments of $1,064,000 to $1,449,000 plus interest at 2.000 percent through August 1, 2041, redeemable prior to maturity for bonds maturing after 2033.	19,958,000
Sewage Works SRF Revenue Bonds of 2021 - original issue of $140,000,000 - due in annual installments of $2,536,626 to $14,477,364 plus interest at 2.220 percent through August 1, 2042, redeemable prior to maturity for bonds maturing after 2034.	132,665,903
Sewage Works SRF Revenue Bonds of 2023 - original issue of $34,499,000 - due in annual installments of $902,000 to $2,287,000 plus interest at 2.580 percent through August 1, 2044, redeemable prior to maturity for bonds maturing after 2036.	34,246,000
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
<u>Commercial loans:</u>	
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.	98,744
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.	330,530
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.	466,238
2022 Commercial Loan - original amount of $963,925 - due in semiannual installments of $63,724 including interest at 2.229 percent through April 24, 2029.	426,878
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.	1,014,405
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.	164,330
2025 Commercial Loan - original amount of $460,800 - due in semiannual installments of $37,646 including interest at 3.688 percent through May 28, 2032.	431,651
Total	535,346,217
Less: Current portion	(24,704,586)
Noncurrent loans payable	$ 510,641,631

Wastewater Utility anticipated loan debt service requirements to maturity, after all remaining loan principal has been drawn down, as of December 31, 2025 are as follows:

Year Due	Principal	Interest	Total
2026	$ 24,704,586	$ 13,289,454	$ 37,994,040
2027	26,301,313	12,682,776	38,984,089
2028	28,583,756	12,029,517	40,613,273
2029	29,161,755	11,314,174	40,475,929
2030	29,739,830	10,582,198	40,322,028
2031-2035	155,816,932	40,728,858	196,545,790
2036-2040	145,262,916	21,891,458	167,154,374
2041-2045	87,025,696	6,341,989	93,367,685
2046-2050	8,215,433	168,567	8,384,000
2051-2053	534,000	—	534,000
Total	$ 535,346,217	$ 129,028,991	$ 664,375,208

Details of all Stormwater Utility loans payable at December 31, 2025 are as follows:

Commercial loans:

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.	$	55,108
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.		124,475
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.		131,416
2022 Commercial Loan - original amount of $501,800 - due in semiannual installments of $33,173 including interest at 2.229 percent through April 24, 2029.		222,102
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.		800,598
2025 Commercial Loan - original amount of $62,800 - due in semiannual installments of $5,131 including interest at 3.688 percent through May 28, 2032.		58,828
Total		1,392,527
Less: Current portion		(392,026)
Noncurrent loans payable	$	1,000,501

Stormwater Utility anticipated loan debt service requirements to maturity, after all remaining loan principal has been drawn down, as of December 31, 2025 are as follows:

Year Due	Principal	Interest	Total
2026	$ 392,026	$ 42,616	$ 434,642
2027	304,010	32,798	336,808
2028	243,722	24,253	267,975
2029	191,682	16,196	207,878
2030	165,669	9,131	174,800
2031-2032	95,418	2,244	97,662
Total	$ 1,392,527	$ 127,238	$ 1,519,765

Changes in Long-Term Liabilities:

The following is a summary of long-term obligations for FWCU for the year ended December 31, 2025:

Water Utility

	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025	Current Portion
Bonds and loans					
Revenue bonds payable, net	$ 79,196,136	$ —	$ 6,979,165	$ 72,216,971	$ 7,085,000
Loans payable	81,236,743	1,518,616	5,660,579	77,094,780	5,684,078
Total bonds and loans	160,432,879	1,518,616	12,639,744	149,311,751	12,769,078
Other noncurrent liabilities					
Accrued compensated absences	946,110	1,090,784	1,000,880	1,036,014	953,919
Net pension liability (see Note 14)	5,147,432	663,695	1,539,294	4,271,833	—
Total OPEB liability (see Note 15)	5,527,804	35,072	—	5,562,876	441,517
Total other noncurrent liabilities	11,621,346	1,789,551	2,540,174	10,870,723	1,395,436
Total long-term liabilities	$ 172,054,225	$ 3,308,167	$ 15,179,918	$ 160,182,474	$ 14,164,514

Wastewater Utility

	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025	Current Portion
Bonds and loans					
Revenue bonds payable, net	$ 127,308,854	$ —	$ 18,281,593	$ 109,027,261	$ 16,500,000
Loans payable	557,290,333	460,800	22,404,916	535,346,217	24,704,586
Total bonds and loans	684,599,187	460,800	40,686,509	644,373,478	41,204,586
Other noncurrent liabilities					
Accrued compensated absences	1,468,426	1,468,278	1,363,865	1,572,839	1,411,594
Net pension liability (see Note 14)	7,585,243	1,101,099	2,553,756	6,132,586	—
Total OPEB liability (see Note 15)	8,268,151	58,186	—	8,326,337	732,497
Total other noncurrent liabilities	17,321,820	2,627,563	3,917,621	16,031,762	2,144,091
Total long-term liabilities	$ 701,921,007	$ 3,088,363	$ 44,604,130	$ 660,405,240	$ 43,348,677

Stormwater Utility

	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025	Current Portion
Bonds and loans					
Revenue bonds payable, net	$ 16,133,717	$ 18,780,035	$ 1,720,200	$ 33,193,552	$ 1,730,000
Loans payable	1,826,090	62,800	496,363	1,392,527	392,026
Total bonds and loans	17,959,807	18,842,835	2,216,563	34,586,079	2,122,026
Other noncurrent liabilities					
Accrued compensated absences	195,096	265,960	264,274	196,782	185,307
Net pension liability (see Note 14)	2,581,440	156,175	362,213	2,375,402	—
Total OPEB liability (see Note 15)	2,957,900	8,253	—	2,966,153	103,894
Total other noncurrent liabilities	5,734,436	430,388	626,487	5,538,337	289,201
Total long-term liabilities	$ 23,694,243	$ 19,273,223	$ 2,843,050	$ 40,124,416	$ 2,411,227

Yard Waste Utility

	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025	Current Portion
Other noncurrent liabilities					
Accrued compensated absences	$ 4,740	$ 3,610	$ 2,980	$ 5,370	$ 4,961
Total other noncurrent liabilities	4,740	3,610	2,980	5,370	4,961
Total long-term liabilities	$ 4,740	$ 3,610	$ 2,980	$ 5,370	$ 4,961

Total FWCU

	Balance, 1/1/2025	Additions	Deductions	Balance, 12/31/2025	Current Portion
Bonds and loans					
Revenue bonds payable, net	$ 222,638,707	$ 18,780,035	$ 26,980,958	$ 214,437,784	$ 25,315,000
Loans payable	640,353,166	2,042,216	28,561,858	613,833,524	30,780,690
Total bonds and loans	862,991,873	20,822,251	55,542,816	828,271,308	56,095,690
Other noncurrent liabilities					
Accrued compensated absences	2,614,372	2,828,632	2,631,999	2,811,005	2,555,781
Net pension liability (see Note 14)	15,314,115	1,920,969	4,455,263	12,779,821	—
Total OPEB liability (see Note 15)	16,753,855	101,511	—	16,855,366	1,277,908
Total other noncurrent liabilities	34,682,342	4,851,112	7,087,262	32,446,192	3,833,689
Total long-term liabilities	$ 897,674,215	$ 25,673,363	$ 62,630,078	$ 860,717,500	$ 59,929,379

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 2025, FWCU received from the City $833,334 for water, $869,473 for sewer and $113,443 for stormwater services.

The City received the following from FWCU in 2025:

	Water Utility	Wastewater Utility	Stormwater Utility	Yard Waste Utility	Total
Self insurance	$ 3,056,762	$ 3,622,822	$ 720,992	$ 6,790	$ 7,407,366
Garage services	760,402	855,316	184,893	418	1,801,029
Overhead charges	780,926	1,180,173	161,868	5,739	2,128,706
Office and technical services	143,989	22,845	4,273	79	171,186
Payments in lieu of taxes	3,764,016	6,275,160	855,216	—	10,894,392
Total	$ 8,506,095	$ 11,956,316	$ 1,927,242	$ 13,026	$ 22,402,679

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, 2025, the FWCU made PILOTs totaling $10,894,392, 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, 2025, 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	Parks	Self Insurance	Garage	Summit Dev. Corp.	Total
Water	$ 232,797	$ —	$ 343	$ 242	$ 79,855	$ 313,237
Wastewater	384,007	—	1,913	401	132,483	518,804
Stormwater	52,273	142,957	78	55	18,144	213,507
Yard Waste	1,865	—	3	1	647	2,516
Total	$ 670,942	$ 142,957	$ 2,337	$ 699	$ 231,129	$ 1,048,064

Due to City:

	Payable Fund				
Receivable Fund	Water	Wastewater	Stormwater	Yard Waste	Total
General	$ 2,030,581	$ 3,365,948	$ 458,709	$ 1,108	$ 5,856,346
Highways and Streets	—	1,976	—	—	1,976
LIT-ED	—	—	48,020	—	48,020
Parks	7,764	76	11	—	7,851
Self Insurance	248,881	296,183	57,656	554	603,274
Garage	59,210	68,480	14,402	19	142,111
Solid Waste	715,768	1,187,490	162,627	5,802	2,071,687
Parking	963	1,476	275	6	2,720
Total	$ 3,063,167	$ 4,921,629	$ 741,700	$ 7,489	$ 8,733,985

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:

Fort Wayne City Utilities (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 beneficiaries. All regular full-time employees not covered by another retirement plan are eligible to enroll. The plan is governed by Indiana Code 5-10.2 and 5-10.3 and is administered by the Indiana Public Retirement System (INPRS) Board of Trustees. FWCU is authorized to contribute to the plan in accordance with those statutes. PERF is a hybrid plan consisting of a defined benefit pension funded by employer contributions and a defined contribution account funded by member contributions. Member contributions are established by statute at 3 percent of compensation, plus credited interest. Employers may elect to make the member contributions on behalf of employees.

INPRS issues a publicly available annual financial report that includes financial statements and required supplementary information for PERF, which is available online at https://www.in.gov/inprs or may be obtained by contacting:

Indiana Public Retirement System
One North Capitol Avenue, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Benefits Provided:

The PERF Hybrid Plan combines a defined benefit pension funded by employer contributions with the member's defined contribution account balance. Pension benefits vest after 10 years of creditable service, while members are immediately vested in their defined contribution accounts. Upon retirement, members may elect to receive the defined contribution account balance as a lump sum, convert it to an annuity, or leave the funds invested with INPRS.

A member is eligible for normal retirement upon reaching age 65 with at least 10 years of creditable service, age 60 with at least 15 years of creditable service, or at least age 55 when the sum of age and service equals 85. The annual pension benefit is generally calculated as 1.1 percent of the member's average annual compensation multiplied by years of creditable service. Average annual compensation is based on the highest 20 calendar quarters of salary earned in a covered position. Members who are at least age 50 with at least 15 years of creditable service may retire early and receive a reduced benefit.

Effective July 1, 2023, under House Enrolled Act 1001, eligible members may begin receiving pension benefits while continuing to work in a covered position at age 65 with 20 years of service ("Millie Morgan retirement"). PERF also provides disability benefits to eligible members and, in certain cases, survivor benefits to a surviving spouse or dependent children. Cost-of-living adjustments are not guaranteed by statute and historically have been provided on an ad hoc basis as authorized by the Indiana General Assembly.

Contributions:

Contribution requirements of plan members and FWCU are established by the INPRS Board of Trustees based on actuarial investigations and valuations in accordance with Indiana Code 5-10.2. The funding policy requires employer contributions at actuarially determined rates, expressed as a percentage of covered payroll, sufficient to fund pension benefits as they become due. A contribution of 3 percent of covered payroll is required for the defined contribution account. In 2025, FWCU elected to make this contribution on behalf of its members. Additionally, for 2025, 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, 2025, was $2,999,687, which equaled the required contribution for the year.

Actuarial Assumptions:

The net pension liability was measured as of June 30, 2025. The total pension liability used in the calculation was based on a June 30, 2024 valuation rolled forward to June 30, 2025 using standard actuarial techniques. The actuarial assumptions and methods applied in the June 30, 2025 valuation reflect updates adopted by the INPRS Board in 2025 based on the 2020–2024 Experience Study. All liabilities reflect the benefit provisions and actuarial assumptions in place as of June 30, 2025.

Significant actuarial assumptions used in the June 30, 2025 valuation included the following:

Inflation	2.00%
Salary increases	2.90 percent to 8.90 percent, based on service, for the five-year period ending June 30, 2030, and 2.65 percent to 8.65 percent thereafter.
Cost-of-living increases	13th paycheck for 2024 through July 1, 2029; 1.0% thereafter

Mortality assumptions were based on the Pub-2010 Public Retirement Plans Mortality Tables with fully generational improvement using Society of Actuaries Scale MP-2019. Specific variants and adjustments are applied to different member groups to better reflect observed experience.

The actuarial cost method used to compute the total pension liability is the Entry Age Normal, level percent of payroll method. The long-term expected rate of return on pension plan investments was determined using a building-block approach based on expected future real rates of return, target asset allocations, and assumed inflation. A modest alpha assumption for active management is also incorporated in the long-term return analysis.

To improve the probability of achieving the long-term target return over a 30-year horizon, the INPRS Board previously approved an asset allocation policy that includes explicit leverage. Beginning in fiscal year 2022, the plan's target total investment exposure is 115 percent of plan assets. The target allocation and best estimates of geometric real rates of return by asset class are as follows:

	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. The projection of cash flows used to determine the discount rate assumed employer contributions would be made at rates at least equal to actuarially determined contribution rates in accordance with the funding policy adopted by the INPRS Board of Trustees. Based on those assumptions, the pension plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments.

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

The following presents FWCU's proportionate share of the net pension liability calculated using the discount rate of 6.25 percent, as well as what FWCU's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
Proportionate share of the net pension liability	$ 22,584,554	$ 12,779,822	$ 4,648,320

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

At December 31, 2025, FWCU reported a liability of $12,779,822 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025. FWCU's proportion of the net pension liability was based on wages reported by employers relative to the collective wages of the plan. For the year ended December 31, 2025, FWCU recognized pension expense of $1,842,860.

At December 31, 2025, 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	$ 1,786,688	$ —
Net difference between projected and actual investment earnings on pension plan investments	—	183,550
Changes of assumptions	260,895	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	345,600	139,379
Employer contributions subsequent to the measurement date	1,508,280	—
Total	$ 3,901,463	$ 322,929

FWCU reported $1,508,280 as deferred outflows of resources related to pensions resulting from FWCU contributions subsequent to the June 30, 2025 measurement date. These amounts will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. 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,	
2026	$ 2,274,693
2027	602,787
2028	(245,835)
2029	(561,391)
Total	$ 2,070,254

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS annual financial report. The pension plan's fiduciary net position has been determined on the same basis of accounting used by the pension plan.

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 retirement or survivor applications have been processed and approved. Distributions of contributions and interest represent distributions from inactive, nonvested members' defined contribution accounts and 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. Short-term investments are generally reported at cost-based measures that approximate fair value. Fixed income and equity securities are generally valued using quoted market prices or independent pricing services. When securities are not actively traded on a national exchange, valuation is based on models incorporating observable market inputs. Commingled funds are valued at net asset value provided by the fund manager. Alternative investments, including private equity, absolute return, private real estate, and risk parity strategies, are valued using quoted market prices when publicly traded or current estimates provided by the general partner or investment manager when not publicly traded.

Note 15. Other Post-employment Benefits

Plan Description:

Fort Wayne City Utilities (FWCU) contributes to the City of Fort Wayne Retiree Healthcare Plan for Utility Employees, a single-employer defined benefit other post-employment benefit plan administered by the City of Fort Wayne. The plan provides medical, dental, vision, and life insurance benefits to eligible retirees and, where applicable, their spouses. The plan is funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75; accordingly, the plan has no fiduciary net position for purposes of measuring the net OPEB liability. Stand-alone financial statements are not issued for the plan.

Benefits Provided:

The plan provides comprehensive medical and dental coverage, as well as life insurance, to eligible utility retirees and their spouses. For utility employees, retirees are generally eligible for full benefits upon retirement under the rule of 85 with at least 20 years of service. FWCU contributes a portion of the medical premium for eligible retirees. Coverage ceases when the retiree becomes eligible for Medicare, and spousal coverage may continue after the retiree’s death until the spouse becomes eligible for Medicare. The plan also provides a $10,000 life insurance benefit for eligible retirees. Benefit provisions are established and may be amended by the City of Fort Wayne.

Employees Covered by Benefit Terms:

The following members were covered by the terms of the plan as of December 31, 2024. This population was rolled forward for use in measuring the December 31, 2025 total OPEB liability:

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

Contributions and Benefit Payments:

Benefit payment requirements are established annually by the City of Fort Wayne. Eligible retirees and spouses contribute the same premium amounts paid by active employees. Effective January 1, 2025, monthly retiree contributions were 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

For the year ended December 31, 2025, FWCU paid $791,669 to the plan.

Total OPEB Liability:

FWCU's total OPEB liability was $16,855,366 as of December 31, 2025. The liability was measured as of December 31, 2025 and determined by an actuarial valuation as of that date. The expected short-term portion of OPEB recognized for the fiscal year ended December 31, 2025 was $1,277,908. Because no assets are accumulated in a qualifying trust, the net OPEB liability equals the total OPEB liability.

Actuarial Methods and Assumptions:

The total OPEB liability was determined using the Entry Age Normal actuarial cost method, with costs determined as a level percentage of payroll, as required by GASB Statements No. 74 and 75. The actuarially determined contribution for funding purposes was developed using the Projected Unit Credit cost method. The actuarial assumptions applied to all periods included in the measurement, unless otherwise specified, were as follows:

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 2025. A change from 4.31 percent as of the prior measurement date. The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index, which reflects tax-exempt general obligation municipal bonds with a rating of at least AA/Aa. Because the plan is funded on a pay-as-you-go basis and no qualifying trust assets are accumulated, the municipal bond index was applied to benefits on a pay-as-you-go basis. These assets consist primarily of short-term, low-risk bonds.

Changes in Total OPEB Liability:

Changes in the total OPEB liability for the year ended December 31, 2025 were as follows:

	Total OPEB Liability
Balance at December 31, 2024	$ 16,753,855
Changes for the year:	
Service cost	551,148
Interest cost	715,710
Difference between expected and actual experience	(373,678)
Changes in assumption	—
Benefit payments	(791,669)
Net Changes	101,511
Balance at December 31, 2025	$ 16,855,366

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

The following presents FWCU's total OPEB liability calculated using the current discount rate, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB Liability	$ 18,472,845	$ 16,855,366	$ 15,417,185

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

The following presents FWCU's total OPEB liability 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 or 1 percentage point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 15,242,842	$ 16,855,366	$ 18,772,568

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

For the year ended December 31, 2025, FWCU recognized OPEB expense of $1,481,310, consisting of the following:

Service cost	$	551,148
Interest cost		715,710
Difference between expected and actual experience		(349,968)
Changes in assumptions		564,420
Total OPEB expense	$	1,481,310

There were no benefit payments made subsequent to the measurement date.

At December 31, 2025, 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	$	794,040	$	1,641,032
Changes in assumptions		3,075,477		1,314,752
Total	$	3,869,517	$	2,955,784

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,		
2026	$	214,452
2027		227,705
2028		122,147
2029		107,493
Thereafter		241,936
Total	$	913,733

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, completed 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 remains subject to the Consent Decree for post-construction monitoring.

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, 2025 for each utility are as follows:

Water Utility	$ 17,254,422
Wastewater Utility	22,251,951
Stormwater Utility	1,965,080
Shared	1,347,495
	$ 42,818,948

Major contracts awarded subsequent to December 31, 2025:

Board of Works Award Date	Vendor	Major Contract Project Description	Amount
Water Utility			
02/17/2026	Woodruff Contracting	TRFP Filter Galery Plant III	$ 181,323
02/24/2026	Donohue & Assoc	TRFP SCADA Migration Work Package 4	434,500
			$ 615,823
Wastewater Utility			
01/13/2026	Thieneman	WPCP Aeration Basin	$ 2,830,000
01/06/2026	Fleming Excavating	St Joe Center LS	454,391
03/03/2026	Wessler Engineering	CCM RPR for WPCP Aeration Basin Diffuser ph 2	186,700
02/10/2026	Donohue & Assoc	WPCP High Rate Treatment	2,785,880
01/06/2026	Valdes Assoc	Facilities Electrical Master Planning	255,122
01/06/2026	Donohue & Assoc	Facilities Electrical Master Planning	235,610
01/06/2026	Kimley-Horn	Facilities Electrical Master Planning	457,236
			$ 7,204,939
Shared			
01/13/2026	Kreager Group	Emergency On-Call construction	$ 125,000
1/13/2026	T-E Inc.	Emergency On-Call construction	125,000
2/10/2026	Wein & Shearer Mechanical	On-Call Mechanical Construction Services	125,000
2/10/2026	Woodruff Contracting	On-Call Mechanical Construction Services	125,000
2/10/2026	Waldinger Corp	On-Call Mechanical Construction Services	125,000
2/10/2026	Schuber Treatment Solutions	On-Call Mechanical Construction Services	125,000
2/10/2026	G&L Corp	On-Call Mechanical Construction Services	125,000
2/10/2026	Hi-Tech	On-Call Electrical Construction Services	125,000
2/10/2026	Shambaugh and Son	On-Call Electrical Construction Services	125,000
2/10/2026	Electric Plus	On-Call Electrical Construction Services	125,000
			$ 1,250,000

Note 17. Subsequent Events

On June 2, 2026, FWCU closed on financing through the Indiana State Revolving Fund program consisting of $5,000,000 Taxable Waterworks Revenue Bonds of 2026, Series A; $3,000,000 Waterworks Revenue Bonds of 2026, Series B; and $5,000,000 Forgivable Waterworks Revenue Bond Anticipation Notes of 2026. Proceeds from the financing will be used to fund eligible water utility capital improvement projects, primarily lead service line replacement.

FORT WAYNE CITY UTILITIES
Required Supplementary Information (unaudited)
December 31, 2025

Schedule of Proportionate Share of the Net Pension Liability:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.38 %	0.38 %	0.38 %	0.41 %	0.41 %	0.40 %	0.40 %	0.40 %	0.41 %	0.45 %
Proportionate share of the net pension liability	$12,779,822	$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
Covered payroll	$27,562,468	$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
Proportionate share of the net pension liability as a percentage of its covered payroll	46.37 %	60.01 %	56.14 %	54.80 %	23.87 %	55.95 %	63.44 %	66.58 %	89.93 %	94.70 %
Plan fiduciary net position as a percentage of the total pension liability	83.70 %	79.51 %	80.83 %	82.48 %	92.51 %	81.77 %	80.06 %	78.89 %	76.60 %	75.30 %

49

Schedule of Contributions for Pension Plan:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially required contribution	$ 2,999,687	$ 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
Contributions in relation to the actuarially required contributions	2,999,687	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
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Covered payroll	$26,782,918	$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
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, 2025

Schedule of Changes in Total OPEB Liability:

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 551,148	$ 439,092	$ 428,382	$ 663,188	$ 647,013	$ 495,334	$ 417,624	$ 587,943
Interest	715,710	623,351	631,925	325,545	327,578	543,202	630,123	887,104
Difference between expected and actual experience	(373,678)	809,002	(9,321)	(116,252)	(531)	(2,517,874)	(1,745,425)	—
Changes in assumptions	—	2,351,728	—	(2,149,512)	—	2,203,003	54,393	—
Benefit payments	(791,669)	(2,054,980)	(965,024)	(900,997)	(1,189,538)	(586,501)	(728,202)	(966,259)
Total change in total OPEB liability	101,511	2,168,193	85,962	(2,178,028)	(215,478)	137,164	(1,371,487)	508,788
Total OPEB liability - beginning	16,753,855	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	$ 16,855,366	$ 16,753,855	$ 14,585,662	$ 14,499,700	$ 16,677,728	$ 16,893,206	$ 16,756,042	$18,127,529
Covered-employee payroll	$ 24,657,554	$ 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	68.36 %	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 2025, 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 2025 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. A one-time 13th check was granted and payable by October 1 in both 2024 and 2025. Thereafter, it is assumed participants who have commenced benefits prior to July 1, 2029 will receive an annual 13th check indexed with inflation. Participants commencing on or after July 1, 2029 are assumed to receive an annual 1% COLA.

Note 2. Financial Reporting - OPEB - Changes in Assumptions

The discount rate used in measuring the total OPEB liability was as follows:

Year Ended December 31,	Discount Rate
2025	4.28%
2024	4.31%
2023	4.31%
2022	1.93%
2021	1.93%
2020	3.26%
2019	3.50%