

City of Evanston, Illinois



City of
Evanston[™]

*Comprehensive Annual Financial Report
For the Year Ended December 31, 2015*

CITY OF EVANSTON, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2015

Prepared by Administrative Services Department

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INTRODUCTORY SECTION

CITY OF EVANSTON, ILLINOIS

Principal Officials

December 31, 2015

LEGISLATIVE

Elizabeth B. Tisdahl, Mayor

Judy Fiske	Alderman – 1 st Ward
Peter Braithwaite	Alderman – 2 nd Ward
Melissa A. Wynne	Alderman – 3 rd Ward
Donald N. Wilson	Alderman – 4 th Ward
Delores A. Holmes	Alderman – 5 th Ward
Mark Tendam	Alderman – 6 th Ward
Eleanor Revelle	Alderman – 7 th Ward
Ann Rainey	Alderman – 8 th Ward
Brian Miller	Alderman – 9 th Ward

Rodney Greene, City Clerk

EXECUTIVE

Wally Bobkiewicz, City Manager

Martin Lyons, City Treasurer/Assistant City Manager

ADMINISTRATIVE

Budget and Finance Manager
Ashley King

Health and Human Services
Director
Howard Killian

Fire Chief
Greg Klaiber

City Attorney
Grant Farrar

Police Chief
Richard Eddington

Library Director
Karen Danczak

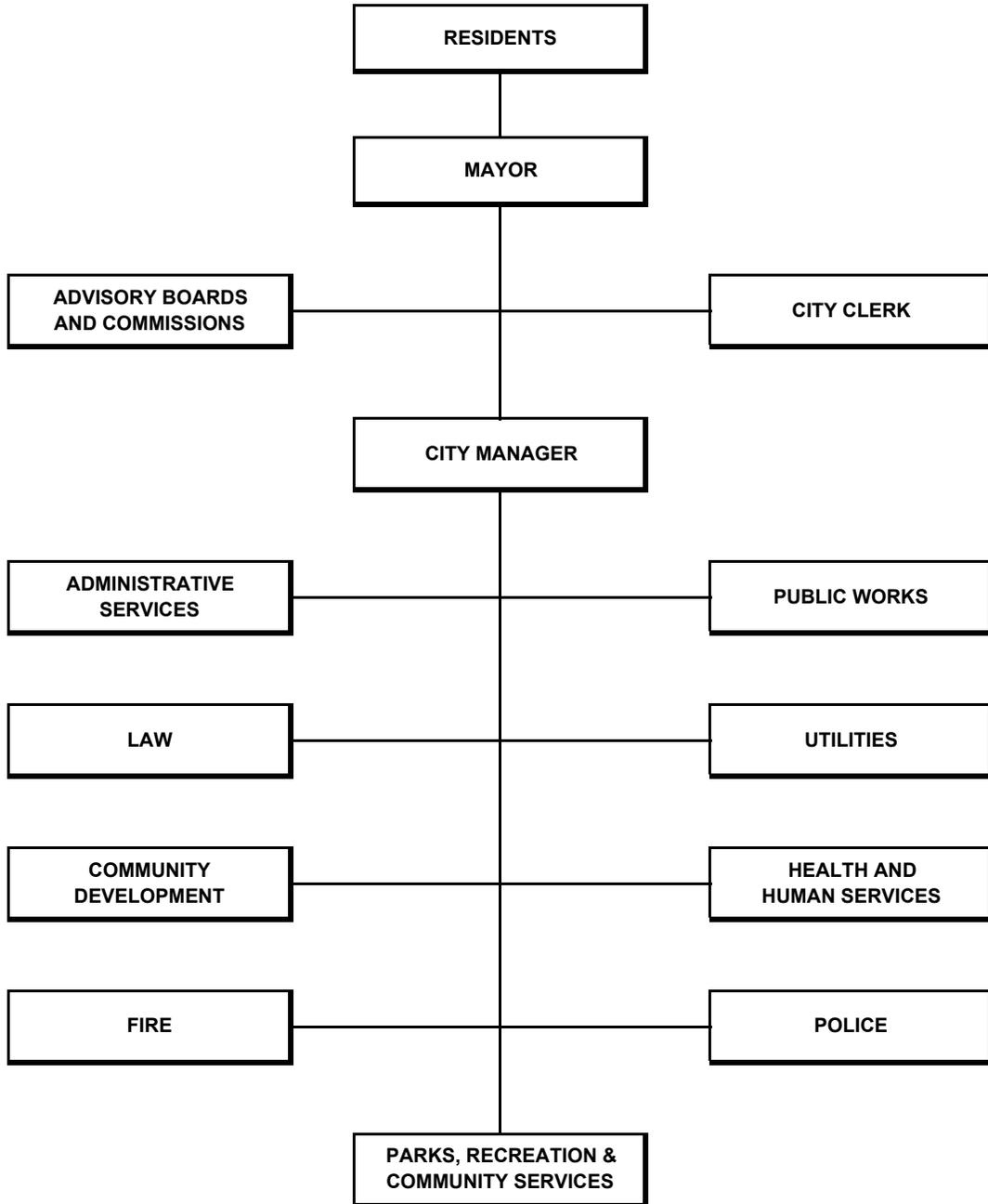
Community & Economic Development
Director
Mark Muenzer

Parks, Recreation, & Community
Services Director
Lawrence Hemingway

Administrative Services Director
Erika Storlie

Public Works Agency Director
Dave Stoneback

**CITY OF EVANSTON
ORGANIZATION CHART**





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

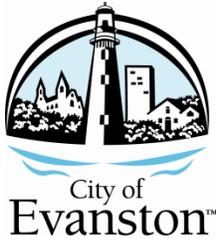
Presented to

**City of Evanston
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



City Manager's Office
2100 Ridge Avenue
Evanston, Illinois 60201-2798
T 847.866.2936
TTY 847.448.8064
www.cityofevanston.org

August 5, 2016

The Honorable Mayor Elizabeth B. Tisdahl,
Members of the City Council
City of Evanston, Illinois

INTRODUCTION

The Comprehensive Annual Financial Report (CAFR) of the City of Evanston (City) for the fiscal year ended December 31, 2015 is hereby submitted. The CAFR is prepared by the City's Finance Division in accordance with the financial reporting principles and standards set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and capital assets of the City. All disclosures needed to enable the reader to understand the City's financial activities have been included.

This report consists of management's representations concerning the finances of the City of Evanston for the period of January 1, 2015 to December 31, 2015. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City of Evanston's financial statements in conformity with generally accepted accounting principles (GAAP) within the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditors' reports on the internal control

structure and compliance with applicable laws and regulations, is to be presented in a separate single audit report.

This report includes all the funds and capital assets of the City and its component unit, the Evanston Library. The Town of the City of Evanston (the Township) has been previously presented as a separate legal entity which administered General Assistance for food, shelter and medical needs. Effective 12:00 a.m. May 1, 2014, the City of Evanston assumed all rights, powers, assets, property, obligations and duties of the Evanston Township, including the responsibility of providing the services that were previously provided by the Township. Beginning May 1, 2014, the functions of the Township are reported along with the City. This CAFR is the first time that a full year of township functions are reported with the City.

Library activity numbers are shown separately as a discrete component unit based on an ordinance passed by the City Council March 10, 2012 giving Library independence in running day to day operations. The Library has a separate Board whose members are appointed by the Mayor.

The City's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Evanston for the fiscal year ended December 31, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF EVANSTON

The City: The City of Evanston constitutes many communities, perspectives, and qualities as a Chicago suburb with a major university, urban center, and lakefront; It has apartments, condominiums, and student housing; Its residents are commuters and locally employed workers; Its downtown is prospering, and neighborhood commercial centers

are also strong and developing. It is a part of the Chicagoland economy and has a vigorous commercial and professional economy of its own. A population of approximately 75,000 is diverse by race, religion, age, education, economics, and occupation. With 8,700 people per square mile, Evanston has double the population density of the average North and Northwest suburb, and approximately half the density of Chicago. The City has over 260 acres in 75 parks and 5 beaches.

Evanston is contiguous with Chicago, and only 13 miles by rapid transit, commuter rail, expressway, or parkway from downtown Chicago. It borders the north shore communities of Skokie and Wilmette.

In 1863, the Village of Evanston was incorporated as a town, and after several annexations in 1892, the town became a city. The City's southern boundary of approximately eight square miles was established with the City of Chicago and the present City limits. The City also has four miles of shoreline along Lake Michigan.

Evanston is the home of Northwestern University, aptly named to serve the Northwest Territory. The University first platted the village which surrounded it. The continued vitality of the University and the cooperative relationship between the City and University adds to the total Evanston community.

The Government: The City is a home rule municipality under the Illinois Constitution. As such, it has no tax rate or debt limits imposed by Illinois statute, nor is it required to conduct a referendum to authorize the increase of debt or the imposition of real estate property taxes.

The City has a Council/Manager form of government with an elected Mayor. The Mayor is elected to a four-year term. The Aldermen each represent one of nine wards and are elected to terms of four years. The City Council is organized into four standing committees: Administration and Public Works, Human Services, Planning and Development, and Rules. The City Council has also established several special committees, commissions and advisory boards.

The City Manager is the Chief Executive Officer of the City and is responsible for the management of all City operations under the direction of the City Council. The City Manager appoints and supervises the directors of the City's 11 departments. The Assistant City Manager acts as Chief Financial Officer/Treasurer and is responsible for the central financial and administrative functions of the City.

The City provides a broad range of municipal services, including police and fire protection, streets and parking, water and sewer service, public libraries, health services, lakefront beaches, parks and recreation activities, cultural events, and community and economic development activities.

Schools are provided by separate school districts which are governed by elected school boards. A portion of the City is served by the Skokie Park District. Wastewater treatment is provided by the Metropolitan Water Reclamation District.

Budget Process: The City's fiscal year 2016 began on January 1, 2016. The City Manager submitted to the City Council a proposed operating budget in October for the fiscal year 2016 commencing the following January 1. The City staff will start a budget process for fiscal year 2017 in July 2016. The Council is expected to adopt the budget by November, 2016.

The City Manager is authorized to transfer budgeted amounts between departments within any fund (such as the General Fund). However, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. For purposes of preparing the General Fund schedule of revenues (budget and actual), GAAP revenue and expenditures have been adjusted to the budgetary basis. The budgets of the governmental type funds are prepared on a cash basis. The Comprehensive Annual Financial Report (CAFR) of the City presents expenditures and revenues on both a GAAP basis and a budgetary basis for comparison.

The City uses funds to report on both its financial position and results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid in financial management by segregating transactions related to certain City functions or activities. Each fund is a separate, self-balancing accounting entity. In the City, there are three categories of funds: governmental, proprietary and fiduciary. Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in other funds. In the fiscal year 2015, the City projects that 36.69% (\$111.7 million-including transfers) of all City expenditures will occur in the General Fund. The primary reason for the increase over the 2015 budget/CAFR is the presentation of the pension funds. 2016 shows police and fire pension expenses both in the General Fund and in the pension funds. Other major funds include the General Obligation Debt, Parking, Water, and Sewer Funds.

The Enterprise Funds (Water, Parking, Solid Waste Fund and Sewer) are operated and budgeted on a full accrual basis. Expenses are recognized when a commitment is made, and revenues are recognized when they are obligated to the City (For example, water user fees are recognized as revenue when bills are produced).

Financial Control Procedures: The City reports financial results based on generally accepted accounting principles as promulgated by the GASB. The accounts of the City are divided into separate self-balancing funds comprised of its assets, liabilities, fund equity, revenues, and expenditures, as appropriate.

The City's expenditures are monitored on a regular basis by the Administrative Services Department. Disbursements are made by fund and only if expenditures are within the authorized budget.

MAJOR INITIATIVES – FISCAL YEAR 2016

The City Manager's Office will: Continue to focus on five areas for City economic development activities: 1) Attraction and retention of retailers; 2) Workforce development partnerships; 3) Support of arts and entertainment-focused businesses and ventures; 4) Entrepreneurship, and; 5) Support of the City's Quality of Place initiative that define the City's attractiveness to residents and businesses. The City of Evanston's livability initiative also aims to support people through all stages of life and connect them to housing, transportation, and recreation opportunities. Evanston has joined the World Health Organization's "Age-Friendly Cities" project to provide a system to educate, encourage, promote, and recognize improvements. This will make Evanston more user-friendly, not only for senior residents but for residents of all ages. Under this project, the City is in the final stages of developing a three-year City-wide action plan for ongoing improvement of "age-friendliness."

Evanston works to measure performance and drive continuous improvement around creating a livable, sustainable city by participating in the STAR Community Rating System. STAR assesses a community's ability to provide for the health and well-being of people, a strong local economy, and environmental stewardship. Evanston was one of the first 50 communities to complete the self-assessment and received a 4-STAR Certification for National Excellence in Sustainability. Evanston uses the STAR framework on an on-going basis to evaluate and enhance the City's performance. This includes engaging residents, providing quality services, supporting transparent city ordinances and good planning, and developing and maintaining inclusive and equitable infrastructure. This holistic view of community fits with Evanston's long-standing leadership in sustainability and its mission of creating the most livable city in America. Evanston's participation in STAR Communities is coordinated by the Sustainability Manager under the City Manager's Office.

The Law Department will: Continue to provide legal support to all City departments including but not limited to the preparation of ordinances, resolutions and agreements and contracts as needed to effectively operate the City. The department will continue representation in City labor contracts negotiations, evaluate possible revisions to zoning and planning regulations, evaluate and pursue legal strategies for revenue enhancements, and evaluate new risk management strategies for City departments.

The Administrative Services Department will: Include facilities and a new group, Digital Services, effective 2016. The Department will then consist of Digital Services, Information Technology, Human Resources, Facilities, and Parking/Fleet. The Facilities Management Division supports all City departments by providing a functional work environment, including power, lights, HVAC and plumbing. Staff completes over 3,000 work orders and provides over 2,000 hours in preventive maintenance annually. They maintain over 2.1 million sq. ft. of property including 1,129 plumbing fixtures; 294 electrical panels; 3,068 exterior lighting fixtures; 2,294 lock sets and 96 drinking fountains, as well as conduct an annual inspection of 89 RPZ's (backflow prevention valves, such as in drinking fountains, to prevent contamination of the City's water supply).

The Community Development Department will: Continue neighborhood revitalization and affordable housing. The department will continue to have a special emphasis on the acquisition and rehab of multi-family homes and foreclosed properties as part of housing activity. The department will work to improve connections and expand options for addressing first/last mile networks to transit within Evanston for all community members: residents, commuters, and visitors. The Department will also implement the DIVVY Bike Share.

The Police Department will: Strengthen community engagement efforts with commitment to the Law and Your Community Program, a program that reaches both the school and church groups. The Police will attend and participate in Black Male and Black Female summits hosted at Evanston Township High School and participate in all block parties, festivals, holiday events, and sporting events.

The Fire Department will: Initiate an "After the Fire Assistance" program through the Fire Prevention Bureau. The Fire Department's Emergency Management will also work city-wide to prepare all Departments to act, continue to function, and recover, should natural or man-made events adversely affect the city.

The Health and Human Services Department will: Learn more about the availability of affordable housing in Evanston. The department will host a job fair for General Assistant clients in partnership with external organizations, recruit 1,000 women for the annual Women Out Walking event, and host the first inaugural Men's Health Fair. The Department will work with the State of Illinois to re-certify.

The Public Works Agency: Was solidified with funding during the adoption of the 2016 Budget. This group will include the former Public Works Department and Utilities Department functions under four new bureaus: Water Production, Environmental Services, Capital Planning & Engineering, and Infrastructure Maintenance.

The Parks, Recreation and Community Services will: Expand recreation opportunities through program development and special events at the Gibbs-Morrison Cultural Center.

It will also expand the nature-oriented programming at the Ecology Center, as a result of the new room addition to the facility. The Parks' Department administers the Mayor's Summer Youth Program with a 2016 goal to employ 750 Evanston youth. To accomplish this goal, the City is soliciting grant support and hiring participation from key stakeholders among Evanston's business, education, philanthropic and faith-based communities, notable agencies and local citizens.

Library operations are shown separately in the City Comprehensive Annual Financial Report as a discrete component unit. The Evanston Public Library promotes the development of independent, self-confident, and literate citizens through the provision of open access to cultural, intellectual, and informational resources for all ages.

The Library will: Further develop partnerships with schools, community organizations, business and City recreation centers to deliver services throughout Evanston. The Library will expand programs and expand print, in-person, and virtual readers' advisory services to children, teens, and adults throughout Evanston in order to foster a love of reading and learning.

FACTORS AFFECTING FINANCIAL CONDITION

The following are factors which give a broader context to the financial information contained in this CAFR report.

Local Economy: The global economy showed signs of steady recovery in 2015 with leading economic indicators showing moderate increases compared to 2014. Most of the economically sensitive revenues such as Sales Tax, Home Rule Sales Tax, Local Motor Fuel Tax and Use Tax revenues were higher than budgeted revenues. The City of Evanston continues to worry about the State of Illinois' financial position. As of May 15, 2016 the State continues to operate without a budget since June 30, 2015. State legislators have passed monthly budgets, but have failed to address comprehensive State-wide budget issues which may impact local revenue sources.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2014. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual 2015 budget. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization.

We acknowledge the contributions and excellent work of accountants Raye Janousek, Rom Chmara, Melita Roque, Nazmeen Ali, Andy Villamin, and Ashley King Finance and Budget Division Manager in preparing the financial statements. Appreciation is also extended to all other Finance Division and City Staff who contributed to the preparation of this report. We also express gratitude to the Mayor's Office and Members of City Council for their interest and support in planning and conducting the City's financial affairs.

Respectfully submitted,


Wally Bobkiewicz
City Manager


Martin Lyons
Assistant City Manager/Treasurer

FINANCIAL SECTION



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Elizabeth B. Tisdahl, Mayor
and Members of the City Council
City of Evanston, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 17, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly

to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2016 on our consideration of the City's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 City's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Sipich LLP".

Naperville, Illinois
August 5, 2016



MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2015

The City of Evanston (the City) Discussion and Analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 4 of this report.

FINANCIAL HIGHLIGHTS

The City changed the treatment of property taxes and included the net pension liabilities associated with Illinois Municipal Retirement, Police and Fire Pension Funds per Government Accounting Standards Board (GASB) Statements 67/68 for the 2015 fiscal year, which reduced property taxes receivables and increased liabilities and resulted in a restatement of net position.

- A. The City's net position as originally stated in the 2014 Comprehensive Annual Financial Report (CAFR) was \$331,236,733 for Governmental and Business Type Activities. The restated net position for 2014 is \$194,484,215. The 2015 net position increased by \$12,277,934 or 6.3%.
 - a. The change in accounting principle amount for Governmental Activities was \$135,349,561.
 - b. The change in accounting principle amount for Business-type Activities was \$145,013.
- B. The governmental activities revenue increased by \$4,549,034 or 5.0% from the prior period. The expenses decreased by \$6,048,249 or 4.7%.
- C. The business-type activities revenue increased by \$982,028 or 2.6%. The expenses decreased by \$1,613,897 or 5.1% from the prior period.
- D. The total cost of all City programs decreased by \$7,662,146 or 4.8%.

USING THIS ANNUAL REPORT

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison and enhance the City's accountability.

The City's financial reporting includes the funds of the City (primary government) and additionally, organizations for which the City is accountable (component unit - the Library). Effective May 1, 2014 the City of Evanston assumed all rights, powers, assets, properties and duties of the Evanston Township, including the responsibility of providing the services that were previously provided by the Township. The functions of the Township are reported along with the City, while the Library financials are shown as a discrete component unit beginning in 2013.

REPORTING THE CITY AS A WHOLE

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both short-term and long-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities (e.g., the City's Fleet Maintenance Fund).

The first of these government-wide statements is the *Statement of Net Position*. This is the City-wide statement of financial position presenting information that includes all the City's assets and liabilities, with the difference reported as net position. Beginning in 2013, this statement also includes separate presentation of Library assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities* - which reports how the City's net position changed during the current fiscal period. All current period revenues and expenses for the city and Library are included regardless of when the cash was received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by all government-wide sources.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public service, fleet service, insurance fund, and culture and recreation. Business-type activities include water and sewer utilities, parking, and garages. Fiduciary activities, such as employee pension plans and agency funds, are not included in the government-wide statements since these assets are not available to fund City programs.

The government-wide financial statements are presented on pages 4 - 7 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds, rather than the City as a whole. Major funds are separately reported, while all others are combined into a single aggregated presentation. Individual fund data for non-major funds is provided in the form of combining schedules in a later section of this report.

The City has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the period. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of the short-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements for General Fund are included in the required supplementary section of this report. Budgetary comparison schedules for various special revenue funds and the debt service funds are also included in the supplementary information section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

The basic government fund financial statements are presented on pages 8 – 12 of this report.

Proprietary funds reported in the fund financial statements generally report services for which the City charges customers a fee. There are two kinds of proprietary funds. These are enterprise funds and internal service funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services such as the water utilities and the parking garages are provided to customers external to the City organization. Internal service funds provide services and charge fees to customers within the City organization, such as equipment services (repair and maintenance of city vehicles) and the insurance fund. Because the City's internal service funds primarily serve governmental functions, they are included within the governmental activities of the government-wide financial statements.

Proprietary fund statements and statements for discretely presented component units (reporting is similar to proprietary funds) provide both short-term and long-term financial information consistent with the focus provided by the government-wide financial statements. Individual fund information for internal service funds is found in combining schedules in a later section of this report.

The basic proprietary fund financial statements are presented on pages 13 - 18 of this report.

Fiduciary funds such as the Police and Firefighter's pension plans are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund City programs. These financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statements are presented on pages 19 - 20 of this report.

Notes to the financial statements

The accompanying notes to financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations to provide pension benefits to its employees. Other supplementary information includes detail by fund and component unit for receivables, payables, transfers, and payments within the reporting entity. Required supplementary information can be found on pages 82 – 91 of this report.

Major funds and component units are reported in the basic financial statements, as discussed. Combining statements, individual statements and schedules for nonmajor and internal service funds are presented in a subsequent section of this report beginning on page 92. Additional information on capital assets and long-term debt can be found on page 39 and 50, respectively.

Financial Analysis of the City as a Whole

The City's combined net position increased by \$12,277,934 from \$194,484,215, as restated, to \$206,762,149.

STATEMENT OF POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 97,534,216	\$ 109,886,723	\$ 26,300,743	\$ 29,651,641	\$ 123,834,959	\$ 139,538,364
Capital Assets	<u>166,110,310</u>	<u>161,799,582</u>	<u>339,354,708</u>	<u>335,464,928</u>	<u>505,465,018</u>	<u>497,264,510</u>
Total Assets	263,644,526	271,686,305	365,655,451	365,116,569	629,299,977	636,802,874
Deferred Outflows	<u>30,868,712</u>	<u>-</u>	<u>3,224,853</u>	<u>-</u>	<u>34,093,565</u>	<u>-</u>
	<u>294,513,238</u>	<u>271,686,305</u>	<u>368,880,304</u>	<u>365,116,569</u>	<u>663,393,542</u>	<u>636,802,874</u>
Long-Term Liabilities	317,577,205	160,830,581	88,226,770	91,098,072	405,803,975	251,928,653
Other Liabilities	<u>7,167,732</u>	<u>9,969,905</u>	<u>2,246,641</u>	<u>3,424,806</u>	<u>9,414,373</u>	<u>13,394,711</u>
Total Liabilities	<u>324,744,937</u>	<u>170,800,486</u>	<u>90,473,411</u>	<u>94,522,878</u>	<u>415,218,348</u>	<u>265,323,364</u>
Deferred Inflows	<u>41,413,045</u>	<u>40,242,777</u>	<u>-</u>	<u>-</u>	<u>41,413,045</u>	<u>40,242,777</u>
Net Investment in Capital Assets	47,952,870	46,633,381	255,621,565	246,381,653	303,574,435	293,015,034
Restricted	22,389,178	25,297,880	-	649,352	22,389,178	25,947,232
Unrestricted (Deficit)	(141,986,792)	(11,288,219)	22,785,328	23,562,686	(119,201,464)	12,274,467
Restatement	<u>-</u>	<u>(136,836,820)</u>	<u>-</u>	<u>84,302</u>	<u>-</u>	<u>(136,752,518)</u>
Total Net Position	<u>\$ (71,644,744)</u>	<u>\$ (76,193,778)</u>	<u>\$ 278,406,893</u>	<u>\$ 270,677,993</u>	<u>\$ 206,762,149</u>	<u>\$ 194,484,215</u>

The City's increase in Net Position after consideration of the increased Pension liability, principally comes from the reduction of Long-Term Liabilities in the form of IEPA Loan and G.O. Debt retirement.

The City's total revenues decreased by \$3,094,252 or 2.3%. The City's total expenses for all programs decreased by \$7,662,146 or 4.7%. Business-type activity revenues increased by \$982,028 in the current fiscal period mainly due to seasonal revenues from Water and Sewer Funds and increased revenues in the Solid Waste fund. Business-type activity expenses decreased by \$1,613,897, while Governmental activity expense experienced a decrease of \$6,413,392.

Governmental Funds: The governmental activities experienced an increase of \$4,549,034 in the net position balance. This is primarily due to net revenues of \$3,572,742 and a transfer in of \$958,678 from business and library activities to the government fund.

Business Funds: The business-type activities experienced an increase of \$7,728,900 in the net position balance primarily due to the increase in net position in the Sewer Fund in the amount of \$5,356,843 and Water Fund of \$2,088,207.

The following table provides a summary of the City's changes in net position:

STATEMENT OF CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenue						
Program Revenues:						
Charges for services	\$ 25,469,276	\$ 29,987,632	\$ 38,400,344	\$ 37,888,383	\$ 63,869,620	\$ 67,876,015
Operating grants and contributions	5,534,565	7,151,449	-	14,557	5,534,565	7,166,006
Capital grants and contributions	275,000	500,089	-	-	275,000	500,089
General Revenues:						
Sales taxes	17,758,320	17,361,749	-	-	17,758,320	17,361,749
Property taxes	45,840,494	48,579,267	-	-	45,840,494	48,579,267
Utility taxes	7,081,574	7,677,852	-	-	7,081,574	7,677,852
Income taxes	8,266,906	7,053,978	-	-	8,266,906	7,053,978
Other	15,601,822	11,879,452	301,360	-	15,903,182	11,879,452
Investment income	29,574	(257,657)	26,946	(156,318)	56,520	(413,975)
Total Revenue	125,857,531	129,933,811	38,728,650	37,746,622	164,586,181	167,680,433
Expenses						
General management and support	12,493,241	13,811,748	-	-	12,493,241	13,811,748
Public safety	57,442,662	58,794,752	-	-	57,442,662	58,794,752
Public works	20,011,068	25,824,781	-	-	20,011,068	25,824,781
Health and human resources development	2,910,927	3,836,705	-	-	2,910,927	3,836,705
Recreation and cultural opportunities	10,531,792	12,443,348	-	-	10,531,792	12,443,348
Housing and economic development	14,793,647	9,357,861	-	-	14,793,647	9,357,861
Interest	3,756,570	3,918,961	-	-	3,756,570	3,918,961
Water	-	-	10,748,028	11,977,496	10,748,028	11,977,496
Sewer	-	-	6,608,184	7,293,022	6,608,184	7,293,022
Solid Waste	-	-	5,150,448	4,855,695	5,150,448	4,855,695
Motor vehicle parking system	-	-	7,861,680	7,856,024	7,861,680	7,856,024
Total Expense	121,939,907	127,988,156	30,368,340	31,982,237	152,308,247	159,970,393
Increase (decrease) in net position before transfers	3,917,624	1,945,655	8,360,310	5,764,385	12,277,934	7,710,040
Transfers	631,410	609,866	(631,410)	(609,866)	-	-
Increase/(Decrease) in Net Position	4,549,034	2,555,521	7,728,900	5,154,519	12,277,934	7,710,040
Net Position - Beginning	(76,193,778)	58,087,521	270,677,993	265,439,172	194,484,215	323,526,693
Net Position - Ending	\$ (71,644,744)	\$ 60,643,042	\$ 278,406,893	\$ 270,593,691	\$ 206,762,149	\$ 331,236,733

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statement with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the period in comparison with upcoming financing requirements. Governmental funds reported fund balances of \$37,123,060 as of December 31, 2015 which includes \$18,964,955 restricted, \$2,276,096 non-spendable, \$2,555,982 committed, \$11,189,033 assigned and \$4,692,976 unassigned fund balance. The restricted fund balance consists of amounts required to be set aside by external authorities.

Fund Balance Amounts reported for governmental activities are different than the statement of net position because of the treatment of capital assets, liabilities, payables and most importantly pension liabilities. This reporting difference is clearly stated on page 10 of this report.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund reported a decrease of \$2,515,171. Excess of expenditures over revenues in the amount of \$7,114,516 was the result of multiple factors and was also partially offset by inter-fund transfers to the General Fund. The largest factor in revenues not meeting budgeted expectations involved the timing of major building permits. Major construction at Northwestern University was delayed, resulting in building permit revenues being less by \$3.0 million. Another major factor in the reduction of fund balance was the change in the treatment of property taxes, which in previous years included an accrual of 60 days for said taxes. This change in treatment was made effective in 2014, which also created a restatement in 2014 ending fund balance.

The 2015 Annual Budget did not include the change in treatment of Police and Firefighter Pension employer contributions, which are now included in the General Fund. These had previously been reported in a separate fund. This increase involved the inclusion of Property tax and Personal Property Replacement Taxes formerly included in the Police and Firefighter Pension funds. These revenues are now included in the General Fund and then transferred to the respective pension fund. Excluding these payments brings both revenues and expenditures in the General Fund under budget for 2015.

The fund balance of the General Obligation Debt Fund had a nominal increase of \$552,366, from \$2,043,750 to \$2,596,116.

The Employer Pension Contribution Fund has been eliminated in 2015 with the implementation of GASB 67/68 Statements. These expenditures and revenues are now included in the General Fund.

Combined Nonmajor Governmental Funds

Combined nonmajor fund balances totaled \$37,123,060, a decrease of \$5,945,713 from prior period of \$43,068,773, as restated. Non-major funds with surpluses for the fiscal year include Motor Fuel, Affordable Housing, Home Fund, Community Development Block Grant, General Assistance, Washington National TIF Howard Ridge TIF, and West Evanston TIF. Nonmajor funds with deficits for the period include Economic Development, Emergency Telephone System, Community Development Loan, NSP 2, SSD #4, Chicago Main TIF, Howard Hartrey TIF, Dempster Dodge TIF, Capital Improvements, and Special Assessment Capital Projects.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

The proprietary funds operated by the City are the Water, Sewer, Solid Waste and Parking Funds. These funds have a combined increase of \$7,728,900 in the net position. The Sewer Fund reported the highest increase in the amount of \$5,356,843. This increase is mainly due to the operating surplus and reduced debt service expense. The Water and Parking Funds added \$2,088,207 and \$374,789 respectively to the net position during the year, offset by a decrease in the Solid Waste Fund of \$90,939. Although net position in these proprietary funds showed an overall healthy increase, it is important to keep in mind that the Sewer Fund carries a substantial debt level followed by Parking and Water Funds with lesser debts.

Internal Service Funds

The City's combined internal service fund's net position increased by \$1,811,167 from \$7,506,986 as of January 1, 2015, as restated, to \$9,318,153 as of December 31, 2015. Fleet Fund and Equipment Replacement reported a combined net increase in net position of \$233,877. The net deficit in the Insurance Fund decreased by \$1,577,290 mainly due to reduction of potential claim liabilities.

General Fund Budgetary Highlights

Total budgetary basis revenues for the General Fund were \$96,547,441 while total expenditures were \$103,661,957. Overall General Fund revenue came in higher than budget by \$12,425,487. Total expenditures in the General Fund were higher than budgeted amounts by \$14,866,618. The actual net deficiency of \$7,114,516 was offset by \$4,599,345 in net transfers in from other funds. As noted previously, the inclusion of Police and Firefighter pension revenues and expenditures in the General Fund were not a budgeted item in 2015, but have been budgeted in 2016.

Capital Assets

The City's Capital Asset policy includes capitalizing equipment and vehicles with \$20,000 or more in value and infrastructure and building improvements with \$100,000 or more in value. The City's capital assets (net of depreciation) for governmental and business-type activities as of December 31, 2015, were \$505,465,018. The governmental funds capital assets had a net increase of \$4,310,728, while business type capital assets increased by \$3,889,780. Overall, capital assets increased by 1.7% for the City as a whole. The net increase in governmental funds capital assets were principally due to an increase in capital projects for the year. Readers desiring more detailed information on capital asset activity should refer to Note 5 in the Notes to the Financial Statements.

Long-Term Debt

As of December 31, 2015, the City had outstanding total general obligation bonded debt of \$145,641,615 of which \$30,957,894 was for business type activities to be paid for by the City's Parking, Water, Solid Waste and Sewer Funds. This represents a \$983,064 decrease from 2014. The City's general obligation debt service principal payments for 2015 totaled \$13,823,064. During the current year, the City issued \$24,170,000 and refunded \$11,330,000 in general obligation bonds. As a home rule government under Illinois law, there is no legal debt limit for the City. Readers desiring more detailed information on long-term debt should refer to Note 8 in the Notes to the Financial Statements.

Bond Ratings

The City's general obligation bonds are rated Aa1 by Moody's Investor Rating Service and AA+ by Fitch Ratings. The City's water revenue bonds are rated Aaa and AA for uninsured issues.

Economic Factors

Evanston is a diverse community consisting primarily of residential homes, several nonprofit organizations including a very well-known private university, two hospitals, and many smaller scale retail shops and restaurants as well as some popular big box retailers. In general, economically sensitive revenues such as Income Tax, Sales Tax, and Real Estate Transfer Tax came in higher than budgeted revenues while Utility Taxes were below budget. New and Redevelopment construction remains strong at the University and in the City's downtown which has added another major hotel, and mixed use multiunit housing structures.

The unemployment rate in Evanston has stayed slightly below same level as many other cities in the State due in part to the stable economy that includes Northwestern University. The City continues to maintain its lower unemployment rate compared to state and federal unemployment levels. The primary employers in the City include Northwestern University, two hospitals, the local high school, and elementary school district, Rotary International, several not-for-profit organizations, and numerous retail businesses and restaurants. The City's equalized assessed value for real property remains stable, however the County of Cook is completing triennial reassessments and based on individual property analysis, this reassessment could increase Equalized Assessed values for 2016 and 2017.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City Manager's Office, Finance Division at the City of Evanston, 2100 Ridge Avenue, Evanston, Illinois 60201, Telephone 847-866-2934, or access the website at www.cityofevanston.org.

BASIC FINANCIAL STATEMENTS

CITY OF EVANSTON, ILLINOIS

Statement of Net Position

December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Evanston Public Library
ASSETS				
Cash	\$ 31,513,315	\$ 22,112,524	\$ 53,625,839	\$ 5,066,882
Cash with fiscal agent	2,157,663	-	2,157,663	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	39,341,669	-	39,341,669	6,439,721
Utility taxes	695,078	-	695,078	-
Accounts	-	4,730,215	4,730,215	-
Notes	8,826,272	-	8,826,272	-
Special assessments	303,578	-	303,578	-
Other	1,086,214	-	1,086,214	95
Due from other governments	8,849,902	-	8,849,902	-
Due from component unit	505,111	-	505,111	-
Internal balances	1,464,686	(1,464,686)	-	-
Inventories	892,809	698,690	1,591,499	-
Prepaid items	1,897,919	-	1,897,919	-
Other assets	-	224,000	224,000	-
Capital assets				
Capital assets not being depreciated	26,201,405	10,541,863	36,743,268	311,380
Capital assets being depreciated, net	139,908,905	328,812,845	468,721,750	12,511,235
Total Assets	263,644,526	365,655,451	629,299,977	24,329,313
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - Police Pension	8,804,263	-	8,804,263	-
Pension items - Fire Pension	7,048,312	-	7,048,312	-
Pension items - IMRF	15,016,137	3,224,853	18,240,990	1,595,019
Total Deferred Outflows of Resources	30,868,712	3,224,853	34,093,565	1,595,019
Total Assets and Deferred Outflows of Resources	294,513,238	368,880,304	663,393,542	25,924,332

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Statement of Net Position

December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Evanston Public Library
LIABILITIES				
Vouchers payable	\$ 5,603,173	\$ 1,425,998	\$ 7,029,171	\$ 286,690
Retainage payable	-	442,425	442,425	-
Accrued payroll	600,834	-	600,834	-
Accrued interest	374,114	378,218	752,332	-
Due to other governments	213,634	-	213,634	505,111
Due to fiduciary fund	47,302	-	47,302	-
Unearned revenue	328,675	-	328,675	4,141
Noncurrent liabilities				
Due within one year	19,790,021	12,121,779	31,911,800	393,002
Due in more than one year	297,787,184	76,104,991	373,892,175	3,218,037
Total Liabilities	324,744,937	90,473,411	415,218,348	4,406,981
DEFERRED INFLOWS OF RESOURCES				
Pension items - Police Pension	2,032,166	-	2,032,166	-
Unavailable property taxes	39,380,879	-	39,380,879	6,439,721
Total Deferred Inflows of Resources	41,413,045	-	41,413,045	6,439,721
Total Liabilities and Deferred Inflows of Resources	366,157,982	90,473,411	456,631,393	10,846,702
NET POSITION				
Net investment in capital assets	47,952,870	255,621,565	303,574,435	11,179,234
Restricted for				
Highway maintenance	1,830,393	-	1,830,393	-
Emergency telephone system	551,718	-	551,718	-
HUD approved projects	223,017	-	223,017	-
Neighborhood improvements	3,846,576	-	3,846,576	-
Debt service	9,444,030	-	9,444,030	-
General assistance	513,239	-	513,239	-
Endowment	-	-	-	3,744,525
Unrestricted	(136,006,587)	22,785,328	(113,221,259)	153,871
Total Net Position	\$ (71,644,744)	\$ 278,406,893	\$ 206,762,149	\$ 15,077,630

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General management and support	\$ 12,493,241	\$ 8,628,641	\$ 4,171	\$ -
Public safety	57,442,662	3,100,381	142,075	-
Public works	20,011,068	772,100	2,736,049	150,000
Health and human resource development	2,910,927	1,094,615	181,878	-
Recreation and cultural opportunities	10,531,792	5,572,282	200,018	-
Housing and economic development	14,793,647	6,301,257	2,270,374	125,000
Interest	3,756,570	-	-	-
Total governmental activities	121,939,907	25,469,276	5,534,565	275,000
Business-Type Activities				
Water	10,748,028	15,721,606	-	-
Sewer	6,608,184	12,510,941	-	-
Solid waste	5,150,448	4,003,542	-	-
Motor vehicles parking system	7,861,680	6,164,255	-	-
Total business-type activities	30,368,340	38,400,344	-	-
Total Primary Government	\$ 152,308,247	\$ 63,869,620	\$ 5,534,565	\$ 275,000
Evanston Public Library				
Community Services	\$ 6,793,557	\$ 445,800	\$ 181,283	\$ -
Interest	80,802	-	-	-
Total Evanston Public Library	\$ 6,874,359	\$ 445,800	\$ 181,283	\$ -

	Net (Expense) Revenue and Change in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Evanston
			Primary Government	Public Library
\$ (3,860,429)	\$ -	\$ (3,860,429)	\$ -	
(54,200,206)	-	(54,200,206)	-	
(16,352,919)	-	(16,352,919)	-	
(1,634,434)	-	(1,634,434)	-	
(4,759,492)	-	(4,759,492)	-	
(6,097,016)	-	(6,097,016)	-	
(3,756,570)	-	(3,756,570)	-	
(90,661,066)	-	(90,661,066)	-	
-	4,973,578	4,973,578	-	
-	5,902,757	5,902,757	-	
-	(1,146,906)	(1,146,906)	-	
-	(1,697,425)	(1,697,425)	-	
-	8,032,004	8,032,004	-	
(90,661,066)	8,032,004	(82,629,062)	-	
-	-	-	(6,166,474)	
-	-	-	(80,802)	
-	-	-	(6,247,276)	
General Revenues				
Taxes				
Property tax	45,840,494	-	45,840,494	6,518,663
Other taxes	4,144,317	-	4,144,317	-
Personal property replacement tax	1,312,384	-	1,312,384	46,059
Sales and home rule tax	17,758,320	-	17,758,320	-
Utility tax	7,081,574	-	7,081,574	-
Liquor tax	2,531,974	-	2,531,974	-
Parking tax	2,614,820	-	2,614,820	-
Real estate transfer tax	3,485,534	-	3,485,534	-
Income tax	8,266,906	-	8,266,906	-
Investment income	29,574	26,946	56,520	(51,046)
Gain (loss) on sale of capital assets	-	301,360	301,360	-
Miscellaneous	1,512,793	-	1,512,793	50,685
Transfers	631,410	(631,410)	-	-
Total	95,210,100	(303,104)	94,906,996	6,564,361
Change in Net Position	4,549,034	7,728,900	12,277,934	317,085
Net Position, January 1	60,643,042	270,593,691	331,236,733	15,764,718
Change in Accounting Principle	(135,349,561)	(145,013)	(135,494,574)	(114,845)
Prior Period Adjustment	(1,487,259)	229,315	(1,257,944)	(889,328)
Net Position, January 1, Restated	(76,193,778)	270,677,993	194,484,215	14,760,545
Net Position, December 31	\$ (71,644,744)	\$ 278,406,893	\$ 206,762,149	\$ 15,077,630

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Balance Sheet
Governmental Funds

December 31, 2015

	General	General Obligation Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 2,168,922	\$ 247,613	\$ 26,844,264	\$ 29,260,799
Cash with fiscal agent	-	2,157,663	-	2,157,663
Receivables				
Property taxes	27,177,454	11,049,841	1,114,374	39,341,669
Utility	695,078	-	-	695,078
Notes	263,600	-	8,562,672	8,826,272
Special assessments	-	-	303,578	303,578
Other	263,366	-	816,610	1,079,976
Prepaid items	32,500	-	-	32,500
Due from other governments	8,567,535	-	282,367	8,849,902
Due from other funds	2,497,033	206,928	908	2,704,869
Inventory	85,933	-	-	85,933
Total Assets	\$ 41,751,421	\$ 13,662,045	\$ 37,924,773	\$ 93,338,239

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Balance Sheet
Governmental Funds

December 31, 2015

	General	General Obligation Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Liabilities				
Vouchers payable	\$ 2,187,056	\$ 16,088	\$ 2,902,948	\$ 5,106,092
Accrued payroll	600,834	-	-	600,834
Due to other governments	-	-	213,634	213,634
Due to other funds	420,934	-	1,005,459	1,426,393
Advances from other funds	596,000	-	-	596,000
Unearned revenue	25,097	-	303,578	328,675
Total Liabilities	3,829,921	16,088	4,425,619	8,271,628
Deferred Inflows of Resources				
Long-term loans	-	-	8,562,672	8,562,672
Unavailable revenue - property taxes	27,216,664	11,049,841	1,114,374	39,380,879
Total Deferred Inflows of Resources	27,216,664	11,049,841	9,677,046	47,943,551
Total Liabilities and Deferred Inflows of Resources	31,046,585	11,065,929	14,102,665	56,215,179
Fund Balances				
Nonspendable				
Cash with fiscal agent	-	2,157,663	-	2,157,663
Prepaid items	32,500	-	-	32,500
Inventory	85,933	-	-	85,933
Restricted				
Highway maintenance	-	-	1,830,393	1,830,393
Emergency telephone system	-	-	551,718	551,718
HUD approved projects	-	-	223,017	223,017
Neighborhood improvements	-	-	3,846,576	3,846,576
Debt service	-	438,453	9,005,577	9,444,030
Township	-	-	513,239	513,239
Committed - economic development	-	-	2,555,982	2,555,982
Assigned				
Capital improvements	-	-	5,517,041	5,517,041
Other	5,671,992	-	-	5,671,992
Unassigned	4,914,411	-	(221,435)	4,692,976
Total Fund Balances	10,704,836	2,596,116	23,822,108	37,123,060
Total Liabilities, Inflows of Resources, and Fund Balances	\$ 41,751,421	\$ 13,662,045	\$ 37,924,773	\$ 93,338,239

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Position

December 31, 2015

Fund Balances of Governmental Funds	\$	37,123,060
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Total governmental capital assets	166,110,310	
Less internal service fund portion	<u>8,039,500</u>	158,070,810
OPEB liability payable is not due and payable in the current period and, therefore, is not reported in the governmental funds		(1,876,719)
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds		(374,114)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds		
General obligation bonds payable		(114,683,721)
Bonds premium liability		(3,473,719)
First Bank loan		(3,548,812)
Compensated absences payable		(8,991,381)
Net pension liability is shown as a liability on the statement of net position		
Illinois Municipal Retirement Fund		(14,555,442)
Police Pension Fund		(89,636,697)
Firefighters' Pension Fund		(76,415,380)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings are recognized as deferred outflows and inflows of resources on the statement of net position		
Illinois Municipal Retirement Fund		15,016,137
Police Pension Fund		6,772,097
Firefighters' Pension Fund		7,048,312
Deferred inflows for long-term loans are not available and, therefore, not revenue in fund financial statements		8,562,672
The net position of the internal service fund is included in the governmental activities on the statement of net position		<u>9,318,153</u>
Net Position of Governmental Funds	\$	<u>(71,644,744)</u>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Fiscal Year Ended December 31, 2015

	General	General Obligation Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 52,628,569	\$ 11,156,231	\$ 11,962,206	\$ 75,747,006
Licenses and permits	12,184,303	-	-	12,184,303
Special assessments	-	-	147,831	147,831
Intergovernmental	18,998,689	-	4,835,060	23,833,749
Charges for services	8,224,155	-	87,391	8,311,546
Fines and forfeits	3,554,188	-	-	3,554,188
Investment income	6,573	7,668	15,339	29,580
Miscellaneous	950,964	-	771,096	1,722,060
Total Revenues	96,547,441	11,163,899	17,818,923	125,530,263
Expenditures				
Current				
General management and support	11,753,081	158,835	1,532,104	13,444,020
Public safety	58,461,316	-	1,192,229	59,653,545
Public works	16,866,953	-	2,948,302	19,815,255
Health and human resource development	3,140,999	-	-	3,140,999
Recreational and cultural opportunities	11,079,855	-	7,230	11,087,085
Housing and economic development	2,359,753	-	10,932,245	13,291,998
Capital outlay	-	-	9,151,187	9,151,187
Debt service				
Principal	-	20,033,118	800,000	20,833,118
Interest	-	4,324,904	87,826	4,412,730
Fiscal charges	-	15,803	250	16,053
Total Expenditures	103,661,957	24,532,660	26,651,373	154,845,990
Excess (Deficiency) of Revenues Over Expenditures	(7,114,516)	(13,368,761)	(8,832,450)	(29,315,727)
Other Financing Sources (Uses)				
Issuance of bonds	-	11,075,000	7,605,000	18,680,000
Issuance of loans	-	-	2,900,000	2,900,000
Premium (discount) on bonds issued	-	362,986	433,594	796,580
Payment to escrow agent	-	-	-	-
Transfers in	7,769,334	2,483,141	55,713	10,308,188
Transfers (out)	(3,169,989)	-	(6,144,765)	(9,314,754)
Total Other Financing Sources (Uses)	4,599,345	13,921,127	4,849,542	23,370,014
Net Change in Fund Balances	(2,515,171)	552,366	(3,982,908)	(5,945,713)
Fund Balances, January 1	14,982,966	3,796,787	37,489,946	56,269,699
Prior Period Adjustment	(1,762,959)	(1,753,037)	(9,684,930)	(13,200,926)
Fund Balances, January 1, Restated	13,220,007	2,043,750	27,805,016	43,068,773
Fund Balances, December 31	\$ 10,704,836	\$ 2,596,116	\$ 23,822,108	\$ 37,123,060

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Reconciliation of Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Governmental
Activities in the Statement of Activities

For the Fiscal Year Ended December 31, 2015

Net Change in Fund Balances	
Total Governmental Funds	\$ (5,945,713)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	11,550,740
Some expenses in the statement of net assets (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(7,893,582)
The issuance of long-term debt is reported as an other financing sources in governmental funds, but as an increase of principal outstanding in the statement of activities	(22,376,580)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	9,503,118
The payment to escrow agent for the amount of bonds refunded is reported as an other other financing use in governmental funds, but as a decrease of principal outstanding in the statement of activities, net of interest to call date	11,330,000
The amortization of premium on long-term debt is reported as a reduction of interest expense on the statement of activities	341,766
Changes in net other postemployment benefits obligations are reported only in the statement of activities	(29,770)
The change in compensated absences payable is shown as an expense on the statement of activities	787,329
The change in the accrual of interest is reported as interest expense on the statement of activities	330,447
The change in the net pension liability for the is reported only in the statement of activities	
Illinois Municipal Retirement Fund	(10,819,895)
Police Pension Fund	3,092,185
Firefighters' Pension Fund	(772,891)
The change in deferred inflows and outflows of resources for the is reported only in the statement of activities	
Illinois Municipal Retirement Fund	15,016,137
Police Pension Fund	(1,872,099)
Firefighters' Pension Fund	520,615
The changed in deferred inflows for long-term loans is not expense on the statement of activities	(23,940)
Internal service funds are reported separately in the fund financial statements	<u>1,811,167</u>
Change in Net Position of Governmental Activities	<u>\$ 4,549,034</u>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Net Position
Proprietary Funds

December 31, 2015

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
Current Assets						
Cash and investments	\$ 8,921,336	\$ 2,264,762	\$ -	\$ 10,926,426	\$ 22,112,524	\$ 2,252,516
Receivables						
Accounts - water and sewerage charges						
Accounts - billed	762,303	362,071	129,972	-	1,254,346	-
Accounts - unbilled	1,013,796	1,878,425	570,364	-	3,462,585	-
Other	-	-	-	13,284	13,284	6,238
Due from other funds	377,670	-	-	-	377,670	1,381,752
Inventory	536,817	161,873	-	-	698,690	806,876
Prepaid expenses	-	-	-	-	-	1,865,419
Advances to other funds	-	-	-	596,000	596,000	-
Total Current Assets	11,611,922	4,667,131	700,336	11,535,710	28,515,099	6,312,801
Noncurrent Assets						
Capital assets						
Property, plant, and equipment						
Capital assets not being depreciated	6,088,087	4,930	-	4,448,846	10,541,863	-
Capital assets being depreciated	96,543,864	252,619,327	-	86,180,180	435,343,371	23,691,619
Less accumulated depreciation	(23,752,320)	(54,392,730)	-	(28,385,476)	(106,530,526)	(15,652,119)
Total Capital Assets	78,879,631	198,231,527	-	62,243,550	339,354,708	8,039,500
Other assets						
Notes receivable	-	-	-	224,000	224,000	-
Total Noncurrent Assets	78,879,631	198,231,527	-	62,467,550	339,578,708	8,039,500
Total Assets	90,491,553	202,898,658	700,336	74,003,260	368,093,807	14,352,301
Deferred Outflows of Resources						
Pension items - IMRF	1,957,775	460,906	303,445	502,727	3,224,853	-
Total Deferred Outflow of Resources	1,957,775	460,906	303,445	502,727	3,224,853	-
Total Assets and Deferred Outflow of Resources	92,449,328	203,359,564	1,003,781	74,505,987	371,318,660	14,352,301

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Statement of Net Position
Proprietary Funds

December 31, 2015

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
Current Liabilities						
Vouchers payable	\$ 837,933	\$ 70,929	\$ 288,962	\$ 228,174	\$ 1,425,998	\$ 497,081
Retainage payable	391,214	-	-	51,211	442,425	-
Interest payable - restricted	53,941	-	-	-	53,941	-
Interest payable	-	290,756	191	33,330	324,277	-
Notes payable - IEPA	109,936	7,155,559	-	-	7,265,495	-
Current portion of general obligation bonds payable	765,266	380,483	17,945	3,507,122	4,670,816	-
Claims payable	-	-	-	-	-	1,209,500
Due to other funds	305,212	110,981	1,507,972	514,191	2,438,356	141,733
Compensated absences payable	128,788	26,966	6,187	23,527	185,468	19,127
Total Current Liabilities	2,592,290	8,035,674	1,821,257	4,357,555	16,806,776	1,867,441
Noncurrent Liabilities						
Notes payable - IEPA	1,903,020	42,732,657	-	-	44,635,677	-
General obligation bonds payable	17,113,885	2,835,338	61,692	7,229,877	27,240,792	-
OPEB liability	216,546	60,968	30,504	52,720	360,738	72,331
Net pension liability - IMRF	1,897,710	446,765	294,136	487,304	3,125,915	-
Claims payable	-	-	-	-	-	3,017,868
Compensated absences payable	515,150	107,865	24,748	94,106	741,869	76,508
Total Noncurrent Liabilities	21,646,311	46,183,593	411,080	7,864,007	76,104,991	3,166,707
Total Liabilities	24,238,601	54,219,267	2,232,337	12,221,562	92,911,767	5,034,148
Net Position						
Net investment in capital assets	58,987,524	145,127,490	-	51,506,551	255,621,565	8,039,500
Unrestricted	9,223,203	4,012,808	(1,228,557)	10,777,874	22,785,328	1,278,653
Total Net Position	\$ 68,210,727	\$ 149,140,298	\$ (1,228,557)	\$ 62,284,425	\$ 278,406,893	\$ 9,318,153

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds

For the Fiscal Year Ended December 31, 2015

	Water	Sewer	Solid Waste
Operating Revenues			
Charges for service	\$ 15,005,360	\$ 12,491,290	\$ 4,003,542
Miscellaneous	716,246	19,651	-
Total Operating Revenues	15,721,606	12,510,941	4,003,542
Operating Expenses			
Administration	1,473,338	1,587,962	999,691
Operations	6,787,596	29,179	4,148,144
Total Operating Expenses Excluding Depreciation	8,260,934	1,617,141	5,147,835
Operating income (loss) before depreciation	7,460,672	10,893,800	(1,144,293)
Depreciation	2,096,633	3,443,723	-
Operating Income (Loss)	5,364,039	7,450,077	(1,144,293)
Non-Operating Revenues (Expenses)			
Investment income	5,982	2,706	-
Interest expense	(390,461)	(1,547,320)	(2,613)
Gain (loss) on disposal of capital assets	302,700	-	-
Total Non-Operating Revenues (Expenses)	(81,779)	(1,544,614)	(2,613)
Net Income (Loss) Before Transfers	5,282,260	5,905,463	(1,146,906)
Transfers			
Transfers in	-	-	1,055,967
Transfers (out)	(3,194,053)	(548,620)	-
Total Transfers	(3,194,053)	(548,620)	1,055,967
Change in Net Position	2,088,207	5,356,843	(90,939)
Net Position, January 1	66,279,631	143,784,952	(1,112,075)
Change in Accounting Principle	(101,305)	(18,492)	(25,543)
Prior Period Adjustment	(55,806)	16,995	-
Net Position, January 1, Restated	66,122,520	143,783,455	(1,137,618)
Net Position, December 31	\$ 68,210,727	\$ 149,140,298	\$ (1,228,557)

Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
\$ 6,151,133	\$ 37,651,325	\$ 22,410,058
13,122	749,019	46,981
6,164,255	38,400,344	22,457,039
1,443,263	5,504,254	-
3,155,750	14,120,669	18,960,703
4,599,013	19,624,923	18,960,703
1,565,242	18,775,421	3,496,336
2,846,227	8,386,583	1,684,835
(1,280,985)	10,388,838	1,811,501
18,258	26,946	136
(416,440)	(2,356,834)	-
(1,340)	301,360	34,286
(399,522)	(2,028,528)	34,422
(1,680,507)	8,360,310	1,845,923
2,925,296	3,981,263	-
(870,000)	(4,612,673)	(34,756)
2,055,296	(631,410)	(34,756)
374,789	7,728,900	1,811,167
61,641,183	270,593,691	6,066,845
327	(145,013)	-
268,126	229,315	1,440,141
61,909,636	270,677,993	7,506,986
\$ 62,284,425	\$ 278,406,893	\$ 9,318,153

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Cash Flows
Proprietary Funds

For the Fiscal Year Ended December 31, 2015

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 16,459,229	\$ 12,457,105	\$ 4,014,964	\$ 6,796,921	\$ 39,728,219	\$ 22,476,357
Receipts from/(payments for) interfund services provided	(813,019)	1,165,532	97,218	(953,660)	(503,929)	31,001
Payments to suppliers	(4,114,792)	(742,168)	(4,103,218)	(3,251,573)	(12,211,751)	(1,383,945)
Payments to employees	(5,649,168)	(1,295,206)	(1,089,141)	(1,417,619)	(9,451,134)	(3,659,820)
Payments for insurance premiums	-	-	-	-	-	(14,122,356)
Net Cash Provided from Operating Activities	5,882,250	11,585,263	(1,080,177)	1,174,069	17,561,405	3,341,237
Cash Flows from Noncapital Financing Activities						
Transfers in (out)	(3,194,053)	(548,620)	1,055,967	-	(2,686,706)	(34,756)
Net Cash from Noncapital Financing Activities	(3,194,053)	(548,620)	1,055,967	-	(2,686,706)	(34,756)
Cash Flows from Capital and Related Financing Activities						
Sale of capital assets	2,035,027	-	-	-	2,035,027	85,036
Acquisition and construction of capital assets	(10,725,787)	(1,367,906)	-	(1,916,337)	(14,010,030)	(2,389,156)
Proceeds from general obligation bonds	5,797,694	-	-	-	5,797,694	-
Principal paid on general obligation bonds	(552,288)	(362,931)	(16,878)	(3,491,805)	(4,423,902)	-
Interest paid on general obligation bonds	(398,323)	(1,586,495)	(2,641)	(425,845)	(2,413,304)	-
Proceeds from IEPA loans	1,000,383	219,939	-	-	1,220,322	-
Principal paid on IEPA loans	(67,504)	(7,664,305)	-	-	(7,731,809)	-
Interest paid on IEPA loans	-	-	-	-	-	-
Transfers in	-	-	-	2,055,296	2,055,296	-
Miscellaneous	-	-	-	-	-	-
Net Cash from Capital and Related Financing Activities	(2,910,798)	(10,761,698)	(19,519)	(3,778,691)	(17,470,706)	(2,304,120)
Cash Flows from Investing Activities						
Interest Received	5,982	2,706	-	18,258	26,946	136
Net Cash from Investing Activities	5,982	2,706	-	18,258	26,946	136
Net Increase (Decrease) in Cash and Cash Equivalents	(216,619)	277,651	(43,729)	(2,586,364)	(2,569,061)	1,002,497
Cash and Equivalents						
Beginning	9,137,955	1,987,111	43,729	13,512,790	24,681,585	1,250,019
Ending	\$ 8,921,336	\$ 2,264,762	\$ -	\$ 10,926,426	\$ 22,112,524	\$ 2,252,516

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Statement of Cash Flows
Proprietary Funds

For the Fiscal Year Ended December 31, 2015

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided for Operating Activities						
Operating income (loss)	\$ 5,364,039	\$ 7,450,077	(1,144,293)	(1,280,985)	10,388,838	\$ 1,811,501
Adjustments to reconcile operating income to net cash provided by (used for) operating activities						
Depreciation	2,096,633	3,443,723	-	2,846,227	8,386,583	1,684,835
Changes in assets and liabilities						
Accounts receivable	737,623	(53,836)	11,422	627,666	1,322,875	19,318
Notes receivable	-	-	-	5,000	5,000	-
Interfund receivable	182,477	1,888,553	677,899	(596,000)	2,152,929	460,100
Prepaid expenses	-	-	-	-	-	591,533
Inventories	(12,283)	(29,826)	-	-	(42,109)	(55,728)
Compensated absences	16,274	(9,526)	(7,125)	(16,636)	(17,013)	(24,971)
OPEB liability	27,809	6,491	6,133	3,603	44,036	10,226
Pension items - IMRF	(547,098)	(128,800)	(84,797)	(140,486)	(901,181)	-
Vouchers payable	(1,378,942)	(258,572)	41,265	32,129	(1,564,120)	(10,880)
Retainage payable	391,214	-	-	51,211	442,425	-
Interfund payable	(995,496)	(723,021)	(580,681)	(357,660)	(2,656,858)	(429,099)
Claims payable	-	-	-	-	-	(715,598)
Net Cash Provided for Operating Activities	\$ 5,882,250	\$ 11,585,263	\$ (1,080,177)	\$ 1,174,069.00	\$ 17,561,405	\$ 3,341,237

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Fiduciary Net Position
Fiduciary Funds

For the Fiscal Year Ended December 31, 2015

	Pension Trust
Assets	
Investments at fair value	
Cash and cash equivalents	\$ 3,377,187
U.S. Treasury obligations	19,217,626
U.S. agency obligations	18,057,442
Corporate bonds	22,695,256
Common stock	23,981,521
Equity mutual funds	77,442,303
Receivables	
Accrued interest	501,163
Due from other governments	47,302
Other	2,592
	<hr/>
Total Assets	165,322,392
	<hr/>
Liabilities	
Accounts payable	22,471
	<hr/>
Total Liabilities	22,471
	<hr/>
Net Position Held in Trust	
For Pension Benefits	\$ 165,299,921
	<hr/> <hr/>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Changes in Plan Net Position
Pension Trust Funds

For the Fiscal Year Ended December 31, 2015

Additions	
Contributions - employer	\$ 15,189,507
Contributions - plan members	2,410,812
Miscellaneous income	<u>47</u>
Total Contributions	<u>17,600,366</u>
Investment income	
Net depreciation in fair value of investments	(2,988,091)
Interest on investments	4,108,627
Less investment expenses	<u>(375,754)</u>
Total Investment Income	<u>744,782</u>
Total Additions	<u>18,345,148</u>
Deductions	
Administration	201,842
Benefit payments	18,429,497
Refunds of contributions	<u>63,424</u>
Total Deductions	<u>18,694,763</u>
Net Decrease	<u>(349,615)</u>
Net Position Held in Trust For Pension Benefits	
January 1	167,929,254
Prior Period Adjustment	<u>(2,279,718)</u>
January 1, Restated	<u>165,649,536</u>
December 31	<u><u>\$ 165,299,921</u></u>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Evanston, Illinois (the City) and Evanston Public Library (the Library or EPL) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The governmental accounting standards board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's and the Library's accounting policies are described below.

A. Reporting Entity

This report includes all of the funds of the City and the Library. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists; (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit; (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens; or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Blended Component Unit:

The Town of the City of Evanston, Illinois (the Township) has been previously presented as a separate legal entity which administers General Assistance, a public welfare program assigned by Illinois law to townships. Eligible clients received General Assistance for food, shelter, and medical needs. Through the town-fund levy, the Township also supported a number of community action programs, which provided direct services to welfare recipients. The Township was governed by a Township Board of Trustees and provided services within the same geographic boundaries of the City. The Township Board of Trustees were the same individuals as the City Council. The Township board levied taxes and was responsible for adopting the Township budget and approving payment of bills. On April 30, 2014, the Township was discontinued and dissolved following the March 18, 2014 general election vote taken by the registered voters of the Township. Pursuant to 60 ILCS 1/27-15 and 1/27-20, effective 12:00 am May 1, 2014, the City assumed all rights, powers, assets, property, obligations, and duties of the Township, including the responsibility of providing the services that were previously provided by the Township. Beginning May 1, 2014, the functions of the Township are reported along with the City.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Reporting Entity - Continued

Discrete Component Unit:

The Library promotes the development of independent, self-confident, and literate citizens through the provision of open access to cultural, intellectual, and informational resources for all ages. Beginning FY 2013, the Library financials are shown separately as a discrete component unit of the City. The Library Debt Service Fund was created as a part of FY2014 budget. The Library is governed by the Library Board of Trustees. The Board members are appointed by the Mayor of the City.

The Library Director submits a proposed budget to the EPL Board of Trustees for the upcoming calendar year. This budget is included in the budget documents submitted by the City Manager to the City Council. The Library budget is legally enacted through passage of a resolution by the EPL Board of Trustees.

The EPL serves the community through three branches. The EPL partners with Northwestern University and other agencies to implement digitally based science, technology, and math learning opportunities for teens. The EPL is continually focused on expanding summer reading programs to serve the patrons of all ages. The Library has also expanded community outreach by promoting library services at various local places and events.

Joint Ventures:

The City participates in two joint ventures, which are reported as non-equity governmental joint ventures and are described in Footnote 13. The joint ventures are: Solid Waste Agency of Northern Cook County (SWANCC) and Evanston Housing Corporation.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and the Library. The effect of interfund activity has been removed from these statements excluding interfund services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the supplementary information.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Fund Accounting

The City and the Library use funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund. All Township funds are considered special revenue funds within the governmental funds category.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds). Internal service funds are included with the governmental funds on the government-wide financial statements.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. When these assets are held under the terms of a formal trust agreement, a permanent fund is used. Agency funds generally are used to account for assets that the City holds on behalf of others as their agent. The pension trust fund accounts for the activities of the Police and Firefighters' Pension Funds, which accumulate resources for pension benefit payments to retired police and fire personnel.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The City's and the Library's governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City and the Library considers property taxes as available if they are collected within 60 days of the end of the current fiscal period. A six-month availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded when payment is due or when amounts have been accumulated in the debt service fund for payment to be made early in the following year.

The following revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

- | | |
|--------------------------------------|---|
| 1.) Taxes | 6.) Fines |
| Property | Traffic fines |
| Sales (home rule) | |
| Utility | 7.) Intergovernmental |
| Personal property | Motor fuel tax allotments |
| | Grants |
| 2.) Licenses | Supplemental Security income reimbursements |
| | Income taxes |
| 3.) Franchise fees | Sales taxes |
| | Use tax |
| 4.) Charges for services | |
| | 8.) Investment income |
| 5.) Recycling program fees and sales | |

All other revenue items are considered to be measurable and available only when cash is received by the City and the Library.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *General Obligation Debt Fund* is a debt service fund which accumulate monies for the principal and interest payments on general obligation debt.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

The City reports the following major proprietary funds:

The *Water Fund* accounts for the provision of water services to the residents of the City and the sale of water to the Village of Skokie, Illinois and the Northwest Water Commission. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing and related debt service, and billing and collection.

The *Sewer Fund* accounts for the provision of sewer repair and improvement services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, financing, and billing and collection.

The *Solid Waste Fund* accounts for the recycling, refuse, and yard waste removal services related fees and expenses. Refuse and yard waste are contracted out, while recycling is handled by the City staff.

The *Motor Vehicle Parking System* accounts for the provision of the public and residential parking facility on Church Street, Maple Avenue, and Sherman Avenue, as well as all the City's parking lots and meters. All activities are accounted for including administration, operations, financing, and revenue collection.

Additionally, the City reports the following fund types:

Internal Service Funds account for the fleet management and insurance services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Pension Trust Funds account for the activities of the Police and Firefighters' Pension Funds, which accumulate resources for pension benefit payments to qualified public safety employees.

The Library reports the Operating Fund, Endowment Fund, and Debt Service Fund.

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

Amounts reported as program revenues include (1) charges to customers for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenues include all taxes.

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

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

The City and Library report unearned revenue and unavailable/deferred revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period, under the modified accrual basis of accounting. Deferred revenues arise when property tax levies are intended to finance the next fiscal year. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the City and Library before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the issuance of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City and Library have a legal claim to the resources, the liability and deferred inflows of resource for unearned and unavailable/deferred revenue are removed from the financial statements and revenue is recognized.

E. Cash and Equivalents

Cash and equivalents represent cash on hand, cash deposited in interest-bearing and non-interest-bearing checking accounts, and investments in money markets, certificates of deposit, and treasury obligations with maturities of three months or less at the date of acquisition, and cash deposited with Illinois Funds.

F. Investments

Investments consist of certificates of deposit, treasury obligations, government agency obligations, and insurance contracts with maturities greater than one year. Investments for the pension funds are mostly comprised of treasury obligations, government agency obligations, fixed income and equity mutual funds, and stocks. Investments of the pension trust funds are carried at fair value. Investments with over one year to maturity are reported at fair value. All other investments are stated at cost or, for U.S. government securities, amortized cost. These securities may be purchased at a premium or discount which is amortized over the life of the investment. This valuation method approximates fair value.

G. Inventories and Prepaid Items

Inventories in the Water, Sewer, and Fleet Service Funds are valued at the lower of cost (first-in/first-out) or market. Inventory amounts are recorded on the basis of a physical count.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In governmental funds, prepaid items are recorded based on consumption method.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Capital Assets

Capital assets, which include property, plant, and equipment and infrastructure assets (e.g. roads, sidewalks, trails, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as equipment and vehicles with an initial, individual cost of more than \$20,000, or infrastructure, buildings, or building improvements with an initial, individual cost of more than \$100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Infrastructure acquired prior to the February 28, 2003 implementation of GASB Statement No. 34 has been reported.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the year.

Property, plant, and equipment are depreciated, and intangible assets are amortized using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>	<u>Description</u>	<u>Years</u>
Land improvements	10-100	Buildings and improvements	10-50
Leasehold improvements	10-100	Office equipment and furniture	5-15
Plant	20-100	Machinery and equipment	5-15
Transmission and distribution system	5-100	Infrastructure	30-100
Sewer system and underground lines	75-100	Library collections	7
Parking meters	15	Intangible assets	5-10

I. Compensated Absences

It is the City's and the Library's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All payments due in the event of termination are accrued when incurred in the government-wide and proprietary fund financial statements. The General Fund has been used in prior years to liquidate the liability for compensated absences of governmental funds.

J. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K. Self-Insurance

The City and the Library are self-insured to certain limits for general liability claims and for workers' compensation insurance. A liability is recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims liabilities are based on estimates of the ultimate cost of reported claims including future claims adjustment expenses. General liability and workers' compensation claims are paid out of the Insurance Fund.

L. Deferred Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

M. Property Taxes

Property taxes are collected by the Cook County Collector and are remitted periodically to all taxing bodies, including the City, the Library, and the Township. Distributions are made more often during the two main collection periods. Property taxes are levied on a calendar year basis by passage of a tax levy ordinance.

The property tax calendar for Cook County is as follows:

<u>Description</u>	<u>Date</u>
Lien date	January 1 of levy year
Levy date	December of levy year
First installment due date (55% of prior bill)	March 1/April 1 of year following levy year
Second installment due date (balance of total bill)	September 1/October 1 of year following levy year

Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). On this basis, property tax revenue includes all cash distributions of property tax related to the 2014 tax levy received during the fiscal period between January 1, 2015 and December 31, 2015 and all property tax collections related to the 2014 tax levy and received within 60 days after the end of the fiscal period. A 2% allowance for loss is reflected in the City and the Library financial statements. A 4% allowance for loss is reflected in the Town Fund and General Assistance Fund.

The 2015 tax levy collections are intended to finance the 2016 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N. Fund Equity

Governmental fund equity is classified as fund balance. In February 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications based primarily on the extent to which the government is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional notes disclosures regarding fund balance classification policies and procedures. The City Council may, by an ordinance, establish, modify or remove a fund balance commitment. In accordance with GASB Statement No. 54, the City and the Library classifies governmental fund balance as follows:

1. Nonspendable - Includes fund balance amounts that can not be spent either because they are not in spendable form or because legal or contractual stipulations require them to be maintained intact.

2. Restricted - Consists of fund balances with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

3. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action of the City. This formal action must occur prior to the end of the reporting period, but the amount of commitment, which will be subject to constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.

4. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: (1) Council may take official action to assign amounts, (2) All remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

5. Unassigned - Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed, or assigned for those purposes.

Assignments may not create unassigned deficits in any fund. However, nonspendable, restricted, or committed fund balance may create an unassigned deficit. Also, restricted, committed, and assigned balances themselves may not be negative.

The City and the Library consider restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City and the Library would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

O. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

P. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Q. Conduit Debt

The City approved the issuance of \$5,000,000 Series 2010 Revenue Bonds during the fiscal year 2010-2011 to provide financial assistance to Chiravalle Montessori School, deemed to be in public interest. The use of proceeds includes the property purchase from the City, improvement to the existing building, refinancing existing debt, and payment of miscellaneous costs. The bonds are secured by the property or mortgages financed and are payable from the moneys, securities, and other revenues pledged under the indenture by the school. The City is not obligated in any manner for the repayment of bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2015, outstanding bond balance was \$4,550,000.

The City approved the issuance of \$13,590,000 Series 2011 Revenue Bonds during the fiscal period ended December 31, 2011 to provide financial assistance to Roycemore School, deemed to be in public interest. The use of proceeds includes the property purchase and renovation of 1201 Davis, the new location of the school, and payment of miscellaneous costs. The bonds are secured by the property or mortgages financed and are payable from the moneys, securities, and other revenues pledged under the indenture by the school. The City is not obligated in any manner for the repayment of bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2015, outstanding bond balance was \$13,385,000.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Because of a calendar year, the City Manager will submit to the City Council a proposed operating budget for the upcoming fiscal year commencing January 1, 2015. The operating budget includes proposed expenditures and the means of financing them.
2. Public budget hearings are conducted. Taxpayer comments are received and noted.
3. The budget is legally enacted through passage of a resolution.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. There were budget allocations within General Fund but the total did not change.
5. Budgets are legally adopted on a basis consistent with GAAP except that property taxes are budgeted as revenue in the year they are levied. For purposes of preparing the General Fund - Budget and Actual (Budgetary Basis) Schedule of Revenues, Expenditures, and Changes in Fund Balance, GAAP revenues and expenditures have been adjusted to the budgetary basis. The Dempster Dodge TIF Fund was not budgeted.

Blended Component Unit:

For the first five months of 2014, the Township was a blended component unit with two separate funds (the Town Fund and the General Assistance Fund) as reported in previous years. On May 1, 2014, after a referendum vote, the City took over the Township's unctions and the Township was eliminated.

The Township follows procedures similar to those of the City in establishing the budgetary data reflected in the financial statements. The budget was not amended during the current fiscal period.

Discrete Component Unit:

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Because of a calendar year, the Library Director submits a proposed operating budget for the upcoming fiscal year commencing January 1, 2015 to the EPL Board of Trustees. Upon approval of the budget proposal by the EPL Board, the Library's proposed budget is submitted to the City Manager. The Library's budget is included in the budget documents which the City Manager will submit to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. A series of public Library Board meetings are conducted as the EPL Board considers the budget proposal. Taxpayer comments are received and noted.
3. The budget is legally enacted through passage of a resolution by the Library Board of Trustees.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

A. Budgetary Information - Continued

Discrete Component Unit (Continued):

4. The Library Director is authorized to transfer budgeted amounts between library departments within any library fund; however, any revisions that alter the total expenditures of any library fund must be approved by the EPL Board of Trustees. There were budget allocations within the Library Fund but the total did not change.
5. Budgets are legally adopted on a basis consistent with GAAP except that property taxes are budgeted as revenue in the year they are levied. For purposes of preparing the Library Operating Fund - Budget and Actual (Budgetary Basis) Schedule of Revenues, Expenditures, and Changes in Fund Balance, GAAP revenues and expenditures have been adjusted to the budgetary basis.

The level of control (level at which expenditures may not exceed budget) is the fund. All unencumbered annual appropriations lapse at the end of the fiscal year.

The following funds had an excess of actual budgetary expenditures over original and final budget for the fiscal year ended December 31, 2015:

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
General Fund	\$ 89,210,385	\$ 89,045,880	\$ 164,505
Community Development Loan	282,380	187,100	95,280
Special Service District No. 4	323,000	320,000	3,000
Southwest Tax Increment District	893,387	861,217	32,170
Library	6,602,154	6,303,124	299,030

B. DEFICIT FUND EQUITY

The Insurance Fund, an internal service fund, had a net deficit of \$364,496 as of December 31, 2015. The City plans to use current resources to pay for future liabilities.

The Solid Waste Fund had a net deficit of \$1,228,557 as of December 31, 2015. The City plans to use current resources to pay for future liabilities.

The Special Service District No. 4 had a net deficit of \$190,544 as of December 31, 2015. The City plans to use current resources to pay for future liabilities.

The Howard Ridge Tax Increment District Fund had a net deficit of \$28,621 as of December 31, 2015. The City plans to use current resources to pay for future liabilities.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2015

NOTE 3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Types of Accounts and Securities

Illinois statutes and the City's investment policies authorize the City to invest in obligations of the U.S. Treasury, in Government Sponsored Enterprises (GSE) such as Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), and Fannie Mae (FNMA); bankers acceptances as well as commercial paper rated only in the highest tier; repurchase agreements of the highest grade; collateralized certificates of deposit issued by FDIC insured financial institutions, money market mutual funds with portfolios limited to securities guaranteed by the United States Government; the Illinois Metropolitan Investment Fund (IMET); and Illinois Funds.

It is the policy of the City to invest public funds in a manner whereby its investment objectives are prioritized in the following order: safety of principal, liquidity, and rate of return. The City also seeks to maintain diversification of investments to avoid overconcentration of any one specific issuer or business sector. To mitigate interest rate risk, the City tries to structure the investment portfolio to meet daily cash flow needs so as to avoid needing to sell securities on the open market. The City seeks to attain market rates of return consistent with constraints imposed by safety and cash flow needs. The City invests to conform to all state and local statutes governing the investment of public funds. More detail is available in the City's investment policy.

The Firefighters' and Police Pension Funds are set up for the exclusive purpose of providing retirement and other benefits to plan participants and beneficiaries. All investments are governed and authorized by the respective Fire and Police Pension Boards. The investment objectives and parameters mirror those listed above for the City. However, unlike the City's public funds, the Firefighters' and Police Pension Funds may invest in various equity accounts up to a limit of 65% of the aggregate value of each respective fund's assets. The pension funds invest to conform to all state and local statutes governing pension funds. Additional detail is available in each pension fund's investment policies.

B. Pooling of Cash and Investments

Except for cash and investments in certain restricted and special accounts, the City pools the cash of various funds to maximize interest earnings. Interest income is allocated to the various funds based upon their respective participation.

C. Types of Investments

Interest Rate Risk. The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The objective is to maintain a core portfolio with maturities primarily in the three month to three years range.

Credit Risk. State law limits investments in commercial paper, corporate bonds, and mutual bonds funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not impose further limits on investment choices. The Police and Firefighters' Pension Funds have investments in corporate bonds with Standard & Poor's ratings ranging from BBB- to AAA. Illinois Funds and money markets were rated AAA by Standard & Poor's. IMET exclusively invests in AAA Standard & Poor's securities, such as treasury and agency obligations. IMET's convenience fund collateralizes all of its deposits 110%. Illinois Funds and IMET are investment pools managed by the State of Illinois, Office of the Treasurer, and a Board of Trustees, respectively, which allows governments within the State to pool their funds for investment purposes. They are not registered with the SEC as an investment company, but do operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The investments in the securities of the United States Government agencies were all rated triple A or Aaa by the Standard & Poor's and by Moody's Investor's Services. The following investments of the City in Illinois Funds, PMA, and IMET are valued at the fund's share price, the price for which the investments could be sold.

Illinois Funds	\$	8,388,837
PMA		18,015,321
IMET money market		<u>3,731,291</u>
	\$	<u>30,135,449</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2015

NOTE 3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued

C. Types of Investments - Continued

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the City's investments were insured, registered, or held by the counterparty's trust department in the City's name.

On September 29, 2014, IMET was informed of defaults on certain loans believed to be guaranteed in its Convenience Fund caused by fraud on the part of First Farmer's Financial (FFF), a USDA approved lender. This resulted in a decrease in the value of the City's IMET investment in the amount of \$552,862 and leaving an impairment on the remaining balance of \$636,088. The City believes that it will recover the remaining value of the investment.

Concentration of Credit Risk. It is the policy of the City to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting from overconcentration in a security, maturity, issuer, or class of securities. At December 31, 2015, the City had 59.8% of investments held at PMA.

D. Deposits

Custodial Credit Risk. For a deposit, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. All of the City's deposits were insured, collateralized, or held by the counterparty's trust.

Deposits consist of deposits in interest-bearing and non-interest-bearing checking accounts. At December 31, 2015, the carrying amount of the City's deposits, including cash on hand of \$12,547 was \$25,303,264. The financial institutions' balances totaled \$26,705,817.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 4. RECEIVABLES

A. Summary of Receivables

Receivables as of December 31, 2015 for the government’s individual major funds, nonmajor, internal service funds, and fiduciary funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	General Obligation Debt	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Nonmajor and Other Funds	Total
Receivables:								
Property taxes	\$ 27,732,095	\$ 11,275,348	\$ -	\$ -	\$ -	\$ -	\$ 1,137,117	\$ 40,144,560
Utility taxes:	695,078	-	-	-	-	-	-	695,078
Accounts	-	-	1,776,099	2,240,496	700,336	-	-	4,716,931
Notes	263,600	-	-	-	-	-	8,562,672	8,826,272
Special assessments	-	-	-	-	-	-	307,859	307,859
Due from other govts.	8,567,535	-	-	-	-	-	816,610	9,384,145
Other	477,972	-	-	-	-	237,284	303,577	1,018,833
Gross receivables	37,736,280	11,275,348	1,776,099	2,240,496	700,336	237,284	11,127,835	65,093,678
Less: allowance for uncollectibles	(579,441)	(225,507)	-	-	-	-	(22,743)	(827,691)
Net Total Receivables	<u>\$ 37,156,839</u>	<u>\$ 11,049,841</u>	<u>\$ 1,776,099</u>	<u>\$ 2,240,496</u>	<u>\$ 700,336</u>	<u>\$ 237,284</u>	<u>\$ 11,105,092</u>	<u>\$ 64,265,987</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year less those collected within 60 days of year end are not earned and can not be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal period, the City's deferred inflows of resources consisted solely of property taxes levied for the subsequent years less those collected within 60 days of year end.

B. Notes Receivable - Special Revenue Funds

The City makes loans to the City's residents for the rehabilitation of single-family and multi-family housing. Initial funding for these loans was from Community Development Block Grant (CDBG) and Housing and Urban Development (HUD) Funds. Two types of loans are made: (1) title transfer loans which are due in full when the housing unit is sold, and (2) amortizing loans which are due in monthly installments over varying lengths of time. Repayments of principal and any interest earned on these receivables, which are recorded in the respective Special Revenue Funds, are used to make additional rehabilitation loans. An allowance of \$78,000 exists in the Special Revenue Funds due to doubtful accounts. Loan activity for the current period is summarized as follows:

Interest Rates	Beginning	Loans Made	Loan Repayments	Ending
0% - 8%	<u>\$ 8,508,612</u>	<u>\$ 371,924</u>	<u>\$ 317,864</u>	<u>\$ 8,562,672</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 5. CAPITAL ASSETS

A. Capital Asset Activity

Capital asset activity for the fiscal year ended December 31, 2015 was as follows:

	Beginning	Additions	Deletions	Transfers	Ending
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 7,212,044	\$ -	\$ -	\$ -	\$ 7,212,044
Right of way	18,695,896	-	-	-	18,695,896
Artwork	155,000	-	-	-	155,000
Construction in progress	-	138,465	-	-	138,465
Total Capital Assets, not being Depreciated	26,062,940	138,465	-	-	26,201,405
Capital assets, being depreciated/amortized:					
Buildings and improvements	79,289,550	1,236,617	-	-	80,526,167
Office equipment and furniture	4,355,010	1,109,811	-	1,420	5,466,241
Intangible assets	6,906,834	362,638	-	(1,420)	7,268,052
Machinery and equipment	24,673,009	2,389,155	944,696	-	26,117,468
Infrastructure	163,094,801	8,703,209	-	-	171,798,010
Capitalized leases	502,532	-	-	-	502,532
Total Capital Assets being Depreciated/Amortized	278,821,736	13,801,430	944,696	-	291,678,470
Less accumulated depreciation/amortization for:					
Buildings and improvements	32,960,223	1,658,601	-	-	34,618,824
Office equipment and furniture	3,288,569	207,770	-	-	3,496,339
Intangible assets	5,802,981	152,286	-	-	5,955,267
Machinery and equipment	16,505,598	1,797,861	894,408	-	17,409,051
Infrastructure	84,058,408	5,759,483	-	-	89,817,891
Capitalized leases	469,315	1,954	-	-	471,269
Total Accumulated Depreciation/Amortization	143,085,094	9,577,955	894,408	-	151,768,641
Total Capital Assets being Depreciated/Amortized, Net	135,736,642	4,223,475	50,288	-	139,909,829
Governmental Activities Capital Assets, Net	\$ 161,799,582	\$ 4,361,940	\$ 50,288	\$ -	\$ 166,111,234

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2015

NOTE 5. CAPITAL ASSETS - Continued

A. Capital Asset Activity - Continued

	Beginning	Additions	Deletions	Ending
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,644,510	\$ -	\$ -	\$ 4,644,510
Construction in progress	2,463,073	4,741,809	1,667,281	5,537,601
Artwork	359,752	-	-	359,752
Total Capital Assets, not being Depreciated	7,467,335	4,741,809	1,667,281	10,541,863
Capital assets, being depreciated/amortized:				
Land improvements	3,925,463	985,681	-	4,911,144
Buildings and improvements	77,282,216	-	-	77,282,216
Leasehold improvements	304,052	-	-	304,052
Plant	42,176,651	1,433,872	924,661	42,685,862
Transmission and distribution system	49,257,816	4,215,269	-	53,473,085
Sewer system and underground lines	249,439,877	1,295,207	-	250,735,084
Intangible assets	509,834	750,424	-	1,260,258
Equipment	3,086,113	87,284	340,755	2,832,642
Parking meters	1,698,308	160,720	-	1,859,028
Total Capital Assets being Depreciated/Amortized	427,680,330	8,928,457	1,265,416	435,343,371
Less accumulated depreciation/amortization for:				
Land improvements	1,631,955	141,290	-	1,773,245
Buildings and improvements	22,197,612	2,462,535	-	24,660,147
Leasehold improvements	302,753	-	20,222	282,531
Plant	15,311,894	1,411,291	865,721	15,857,464
Transmission and distribution system	6,934,574	636,142	-	7,570,716
Sewer system and underground lines	49,589,233	3,404,364	-	52,993,597
Intangible assets	315,774	106,182	-	421,956
Equipment	2,373,535	100,425	314,428	2,159,532
Parking meters	686,984	124,354	-	811,338
Total Accumulated Depreciation/Amortization	99,344,314	8,386,583	1,200,371	106,530,526
Total Capital Assets being Depreciated/Amortized, Net	328,336,016	541,874	65,045	328,812,845
Governmental Activities Capital Assets, Net	\$ 335,803,351	\$ 5,283,683	\$ 1,732,326	\$ 339,354,708

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2015

NOTE 5. CAPITAL ASSETS - Continued

A. Capital Asset Activity - Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General management and support	\$ 524,767
Public safety	559,653
Public works	4,992,044
Housing and Economic Development	7,363
Recreation and cultural opportunities	1,809,293
Internal Service Funds	<u>1,684,835</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 9,577,955</u>
Business-Type Activities:	
Water	\$ 2,096,633
Sewer	3,443,723
Motor vehicle parking	<u>2,846,227</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 8,386,583</u>

B. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at December 31, 2015 is as follows:

Capital Improvement Fund	\$ 5,487,986
Water Fund	<u>140,014</u>
Total Construction Commitments	<u>\$ 5,628,000</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 6. INTERFUNDS

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

A. Interfund Accounts

At December 31, 2015, interfund receivables and payables consist of the following:

Funds	Due From	Due To
Governmental Funds		
General Fund		
General Assistance	\$ 4,369	\$ -
Library		23,686
Library Debt Service	104,987	-
Neighborhood Stabilization Program 2	635	-
Special Service Area (SSA) No. 4	190,544	-
Community Development Block Grant	20,647	-
Washington National TIF Debt Service	243,775	-
General Obligation Debt Service	-	206,928
Howard/Ridge TIF	157,361	-
Capital Improvements	60,402	-
Special Assessment	-	908
Motor Vehicle Parking System	415,054	-
Insurance	-	40,045
Water	-	102,065
Sewer	61,769	-
Solid Waste	1,237,490	-
	<u>2,497,033</u>	<u>373,632</u>
Fiduciary		
Firefighters' Pension	-	31,737
Police Pension	-	15,565
	<u>-</u>	<u>47,302</u>
Total General Fund	<u>2,497,033</u>	<u>420,934</u>
Debt Service Fund		
General	<u>206,928</u>	<u>-</u>
Nonmajor Governmental Funds		
Special Assessment Fund		
General Fund	<u>908</u>	<u>-</u>
Special Service Area (SSA) No. 4		
General	<u>-</u>	<u>190,544</u>
Howard Hartrey TIF		
Insurance	<u>-</u>	<u>12,334</u>
Washington National TIF Debt Service		
General	<u>-</u>	<u>243,775</u>
Insurance	<u>-</u>	<u>28,333</u>
Total Washington National TIF Debt Service	<u>-</u>	<u>272,108</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 6. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due From	Due To
Nonmajor Governmental Funds - Continued		
Howard/Ridge TIF		
General	\$ -	\$ 157,361
Insurance	-	5,000
Total Howard/Ridge TIF	<u>-</u>	<u>162,361</u>
West Evanston TIF		
Insurance	-	5,000
Capital Improvements		
General	-	60,402
Water	-	275,605
Total Capital Improvement	<u>-</u>	<u>336,007</u>
Neighborhood Stabilization Program 2		
General	-	635
Insurance	-	128
Total Neighborhood Improvement	<u>-</u>	<u>763</u>
Community Development Block Grant		
General		20,647
Insurance	-	1,212
Total Community Development Block Grant	<u>-</u>	<u>21,859</u>
HOME		
Insurance	-	114
General Assistance		
General	-	4,369
Total Nonmajor Governmental Funds	<u>908</u>	<u>1,005,459</u>
Total Governmental Funds	<u>2,704,869</u>	<u>1,426,393</u>
Enterprise Funds		
Water		
General	102,065	-
Capital Improvement	275,605	-
Insurance	-	305,212
Total Water	<u>377,670</u>	<u>305,212</u>
Sewer		
General		61,769
Insurance	-	49,212
Total Sewer	<u>-</u>	<u>110,981</u>
Solid Waste		
General		1,237,490
Insurance	-	270,482
Total Sewer	<u>-</u>	<u>1,507,972</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 6. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due From	Due To
Enterprise Funds - Continued)		
Motor Vehicle Parking System		
General	\$ -	\$ 415,054
Insurance	-	99,137
Total Motor Vehicle Parking System	<u>-</u>	<u>514,191</u>
 Total Enterprise Funds	 <u>377,670</u>	 <u>2,438,356</u>
Internal Service Funds		
Insurance		
General	40,045	-
Library	423,810	-
Neighborhood Stabilization Program 2	128	-
Community Development Block Grant	1,212	-
Home	114	-
Washington National TIF Debt Service	28,333	-
Howard/Ridge TIF	12,334	-
Debt Service	5,000	-
West Evanston TIF	5,000	-
Motor Vehicle Parking System	99,137	-
Fleet Services	141,733	-
Water	305,212	-
Sewer	49,212	-
Solid Waste	<u>270,482</u>	<u>-</u>
Total Insurance	<u>1,381,752</u>	<u>-</u>
 Fleet Services		
Insurance	-	141,733
 Total Internal Service Funds	 <u>1,381,752</u>	 <u>141,733</u>
Trust and Agency Funds		
Firefighters' Pension		
General	31,737	-
Police Pension		
General	<u>15,565</u>	<u>-</u>
 Total Trust and Agency Funds	 <u>47,302</u>	 <u>-</u>
 Total Primary Government	 <u>\$ 4,511,593</u>	 <u>\$ 4,006,482</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 6. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due From	Due To
Library Fund		
General	\$ 23,686	\$ -
Insurance	-	423,810
Total 185 Library Fund	<u>23,686</u>	<u>423,810</u>
Library Debt Service		
General	-	104,987
Total Library	<u>\$ 23,686</u>	<u>\$ 528,797</u>

B. Interfund Advances

At December 31, 2015, interfund advances consist of the following:

Funds	Advances To	Advances From
Governmental Funds		
General Fund		
Motor Vehicle Parking System	\$ -	\$ 596,000
Total General Fund	<u>\$ -</u>	<u>\$ 596,000</u>
Enterprise Funds		
Motor Vehicle Parking System		
General Fund	\$ 596,000	\$ -
Total Motor Vehicle Parking System	<u>\$ 596,000</u>	<u>\$ -</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 6. INTERFUNDS - Continued

C. Interfund Transfers

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, (3) move restricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorization, including amounts provided as subsidies or matching funds for various grant programs.

At December 31, 2015, transfers in (out) consist of the following:

Funds	Transfers In	Transfers Out
Governmental Funds		
General Fund		
Home	\$ 26,990	\$ -
Emergency Telephone System	129,729	-
Community Development Block Grant	447,002	-
Neighborhood Stabilization Program 2	-	8,213
Washington National TIF Debt Service	340,000	-
Howard Hartrey TIF	148,010	-
Capital Improvement Fund	490,000	-
Water	3,194,053	-
Sewer	320,550	-
Motor Vehicle Parking System	870,000	-
Solid Waste	-	1,055,967
Howard/Ridge TIF	60,000	-
Motor Fuel Tax	833,000	-
West Evanston TIF	60,000	-
General Obligation Debt Service Fund	-	2,105,809
Economic Development	600,000	-
Library	250,000	-
Total General Fund	<u>7,769,334</u>	<u>3,169,989</u>
General Obligation Debt Service Fund		
General	2,105,809	-
Insurance	34,756	-
Sewer	228,070	-
Economic Development	14,782	-
Neighborhood Stabilization Program 2	4,191	-
Emergency Telephone System	12,038	-
Community Development Block Grant	6,227	-
Library	77,268	-
Total General Obligation Debt Service Fund	<u>2,483,141</u>	<u>-</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 6. INTERFUNDS - Continued

C. Interfund Transfers - Continued

Funds	Transfers In	Transfers Out
Nonmajor Governmental Funds		
Economic Development		
Howard/Ridge TIF	\$ 47,500	\$ -
General Obligation Debt Service Fund	-	14,782
General	-	600,000
Total Economic Development	<u>47,500</u>	<u>614,782</u>
Howard Hartrey TIF		
General	-	148,010
Howard/Ridge TIF		
Economic Development	-	47,500
General	-	60,000
Total Howard/Ridge TIF	<u>-</u>	<u>107,500</u>
Washington National TIF Debt Service		
General	-	340,000
Motor Vehicle Parking System	-	2,925,296
Total Washington National TIF Debt Service	<u>-</u>	<u>3,265,296</u>
West Evanston Tax Increment District		
General	-	60,000
Capital Improvements		
General	-	490,000
Total Capital Improvement	<u>-</u>	<u>490,000</u>
Neighborhood Stabilization Program 2		
General Obligation Debt Service	-	4,191
General	8,213	-
Total Neighborhood Stabilization Program 2	<u>8,213</u>	<u>4,191</u>
Emergency Telephone System		
General Obligation Debt Service	-	12,038
General	-	129,729
Total Emergency Telephone System	<u>-</u>	<u>141,767</u>
Motor Fuel Tax		
General	-	833,000
Community Development Block Grant		
General Obligation Debt Service	-	6,227
General	-	447,002
Total Community Development Block Grant	<u>-</u>	<u>453,229</u>
Home Fund		
General	-	26,990
 Total Nonmajor Governmental Funds	 <u>55,713</u>	 <u>6,144,765</u>
 Total Governmental Funds	 <u>10,308,188</u>	 <u>9,314,754</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 6. INTERFUNDS - Continued

C. Interfund Transfers - Continued

Funds	Transfers In	Transfers Out
Enterprise Funds		
Water		
General	\$ -	\$ 3,194,053
Total Water	<u>-</u>	<u>3,194,053</u>
Sewer		
General	-	320,550
General Obligation Debt Service Fund	-	228,070
Total Sewer	<u>-</u>	<u>548,620</u>
Motor Vehicle Parking System		
General	-	870,000
Washington National TIF Debt Service	2,925,296	-
Total Motor Vehicle Parking System	<u>2,925,296</u>	<u>870,000</u>
Solid Waste		
General	<u>1,055,967</u>	<u>-</u>
Total Enterprise Funds	<u>3,981,263</u>	<u>4,612,673</u>
Internal Service Funds		
Insurance Fund		
Debt Service Fund	-	34,756
Total Internal Service Fund	<u>-</u>	<u>34,756</u>
Total Primary Government	<u>14,289,451</u>	<u>13,962,183</u>
Component Unit		
Library		
General	-	250,000
Debt Service Fund	-	77,268
Total Library	<u>-</u>	<u>327,268</u>
Total	<u>\$ 14,289,451</u>	<u>\$ 14,289,451</u>

Note - Transfers between the primary government and component unit have been reclassified on the statement of activities.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 7. OPERATING LEASES

The City entered into a lease agreement for a postage machine with Neopost during the 2012 fiscal year. The machine is located on the first floor in the Civic Center. The lease term is 63 months with the first payment due in February 2013.

<u>Leasing Co.</u>	<u>Expiration</u>	<u>Number of Machines</u>	<u>Monthly Payment</u>	<u>Annual Lease payment</u>	<u>Type of Machines</u>
Mail Finance	4/30/2018	1	375	\$ 4,500	Postage Machine

Minimum annual lease payments are as follows:

Year ending 12/31/2016	\$ 4,500
Year ending 12/31/2017	4,500
Year ending 12/31/2018	<u>1,500</u>
	<u>\$ 10,500</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 8. LONG-TERM DEBT

A. Changes in Long-Term Debt

	Interest Rate	Final Maturity Date	Balance 12/31/2014 (Restated)	Issued	Restated/Refunded	Payments	Balance 12/31/2015	Due Within One Year
G.O. Debt Governmental Activities								
Series 2006	3.85%-5.00%	12/1/2026	\$ 9,180,000	\$ -	\$ -	\$ 340,000	\$ 8,840,000	\$ 685,000
Series 2006B	4.00%-4.25%	12/1/2023	14,340,000	-	11,330,000	1,130,000	1,880,000	1,880,000
Series 2007	4.00%-5.00%	12/1/2016	12,043,390	-	-	1,308,711	10,734,679	1,063,055
Series 2008A	3.00%-5.00%	12/1/2021	2,420,000	-	-	305,000	2,115,000	305,000
Series 2008C	3.00%-5.00%	12/1/2028	7,762,620	-	-	410,040	7,352,580	426,120
Series 2008D	3.25%-5.00%	12/1/2016	931,840	-	-	736,320	195,520	195,520
Series 2010A	2.00%-3.625%	12/1/2029	5,350,000	-	-	-	5,350,000	310,000
Series 2010B	1.00%-3.30%	12/1/2019	4,155,616	-	-	726,711	3,428,905	772,652
Series 2011A	2.00%-4.50%	12/1/2031	11,643,054	-	-	542,634	11,100,420	550,432
Series 2012A (SSA#5)	2.00%-3.25%	12/1/2032	795,000	-	-	390,000	405,000	405,000
Series 2012A	2.00%-3.25%	12/1/2032	7,870,000	-	-	295,000	7,575,000	285,000
Series 2013A	2.00%-4.75%	12/1/2033	10,545,000	-	-	450,000	10,095,000	455,000
Series 2013B	2.00%-3.00%	12/1/2025	20,455,319	-	-	2,593,702	17,861,617	2,538,164
Series 2014	1.25%-5.00%	12/1/2034	9,345,000	-	-	275,000	9,070,000	370,000
Series 2015A			-	7,605,000	-	-	7,605,000	265,000
Series 2015B			-	11,075,000	-	-	11,075,000	1,000,000
Subtotal Governmental Activities			116,836,839	18,680,000	11,330,000	9,503,118	114,683,721	11,505,943
Bonds premium			3,018,905	79,680	-	341,766	2,756,819	-
OPEB liability - City			1,846,949	1,021,605	-	991,835	1,876,719	-
OPEB liability - Internal Service Funds			62,105	10,659	-	433	72,331	-
Net pension liability - IMRF			3,735,547	10,819,895	-	-	14,555,442	-
Net pension liability - Police Pension			92,728,882	5,832,214	-	8,924,399	89,636,697	-
Net pension liability - Firefighters' Pension			75,642,489	3,989,662	-	3,216,771	76,415,380	-
Compensated absences payable - City			9,778,710	2,783,424	-	3,570,753	8,991,381	3,506,639
Compensated absences payable - Internal Service Funds			120,606	22,065	-	47,036	95,635	19,127
First Bank loan			648,812	2,900,000	-	-	3,548,812	3,548,812
Claims payable			4,942,965	239,500	-	955,097	4,227,368	1,209,500
Subtotal Other G.A. Liabilities			192,525,970	27,698,704	-	18,048,090	202,176,584	8,284,078
Total Governmental Activity Debt and Liabilities			\$ 309,362,809	\$ 46,378,704	\$ 11,330,000	\$ 27,551,208	\$ 316,860,305	\$ 19,790,021
G.O. Debt Business-Type Activities								
Series 2007 Sewer	4.00%-5.00%	12/1/2016	\$ 670,000	\$ -	\$ -	\$ 210,000	\$ 460,000	\$ 225,000
Series 2007 Parking	4.00%-5.00%	12/1/2016	480,000	-	-	150,000	330,000	160,000
Series 2008B Sherman Garage	3.00%-5.00%	12/1/2018	8,430,000	-	-	2,090,000	6,340,000	2,095,000
Series 2008C Sewer	3.00%-5.00%	12/1/2028	1,892,380	-	-	99,960	1,792,420	103,880
Series 2010B W/S/San/Pkg	1.00%-3.30%	12/1/2019	819,383	-	-	143,289	676,094	152,347
Series 2011A W/S	2.00%-4.50%	12/1/2031	3,571,944	-	-	167,366	3,404,578	169,569
Series 2012A	2.00%-3.25%	12/1/2032	4,130,000	-	-	175,000	3,955,000	180,000
Series 2013A - Water	2.00%-4.75%	12/1/2033	1,945,000	-	-	75,000	1,870,000	80,000
Series 2013B	2.00%-3.00%	12/1/2025	5,149,133	-	-	1,139,331	4,009,802	1,225,020
Series 2014	1.25%-5.00%	12/1/2034	2,700,000	-	-	70,000	2,630,000	100,000
Series 2015A			-	5,490,000	-	-	5,490,000	180,000
Subtotal Business-Type Activities			29,787,840	5,490,000	-	4,319,946	30,957,894	4,670,816
IEPA loans	2.535%-3.59%	Various	58,412,659	1,220,322	-	7,731,809	51,901,172	7,265,495
Bonds premium			778,257	307,694	-	132,237	953,714	-
Compensated absences payable - City			944,350	285,178	-	302,191	927,337	185,468
Net pension liability - IMRF			802,243	2,323,672	-	-	3,125,915	-
OPEB liability			316,702	54,377	-	10,341	360,738	-
Subtotal Other Business-Type Activity Liabilities			2,841,552	2,970,921	-	444,769	5,367,704	185,468
Total Business-Type Activities Debt and Liabilities			\$ 91,042,051	\$ 9,681,243	\$ -	\$ 12,496,524	\$ 88,226,770	\$ 12,121,779
Total Governmental and Business-Type Activities Debt and Liabilities			\$ 400,404,860	\$ 56,059,947	\$ 11,330,000	\$ 40,047,732	\$ 405,087,075	\$ 31,911,800

Note: Sewer Fund, Water Fund, Solid Waste, Parking Fund, and General Fund have been used to liquidate IMRF Pension liability. General Fund, Fleet Fund, Water Fund, Parking Fund, Solid Waste Fund, and Sewer Funds have been used to liquidate other postemployment benefit obligations.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 8. LONG-TERM DEBT - Continued

A. Changes in Long-Term Debt - Continued

Business-Type activities - IEPA Loans

Business-type activities IEPA loans are payable from revenues derived from Sewer and Water service fees. The City has pledged future revenues, net of operating expenses, to repay principal totaling \$132,811,181 in IEPA loans issued in 1994 through 2015. Proceeds from the loans provided financing for the Long-Term Sewer and Water Improvement Program. The IEPA loans, payable from operating revenues, are payable through 2035. Annual principal and interest on the loans are expected to require \$8,519,109 of net revenues for the fiscal year 2016. The total principal and interest remaining to be paid on the loans is \$58,395,578. Principal and interest paid for the current period and total customer net revenues were \$9,162,225 and \$11,187,723, respectively.

IEPA loans payable consist of the following:

<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance</u>
Various	Various	Various	\$ 132,811,181	<u>\$ 51,901,172</u>
Total Business-Type Activities - IEPA Loan Debt				<u>\$ 51,901,172</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 8. LONG-TERM DEBT - Continued

B. General Obligation Bonds Payable

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year.

In November 2015, the City issued Series 2015A General Obligation Bonds for a total of \$13,095,000 with interest rates ranging from 2.0% to 4.0%. The bonds were issued to provide financing for certain public improvement projects for both governmental and business type activities.

Also in November 2015, the City issued Series 2015B General Obligation Refunding Bonds for a total of \$11,075,000 with interest rates ranging from 4.125% to 4.500%. The bonds were issued to currently refund \$11,330,000 of the currently outstanding General Obligation Bonds, series 2006B.

The following schedule illustrates the annual debt service requirements to maturity for general obligation bonds.

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 11,505,943	\$ 4,286,101	\$ 4,670,816	\$ 1,152,432
2017	10,123,864	3,729,533	5,257,126	991,172
2018	9,551,234	3,442,466	4,216,935	771,659
2019	9,379,112	3,147,508	1,079,134	626,774
2020	8,731,738	2,839,537	927,483	589,262
2021-2025	37,629,433	9,713,172	5,176,688	2,388,417
2026-2030	19,612,671	3,574,734	5,889,442	1,297,315
2031-2035	8,149,726	697,776	3,740,270	318,815
Total	<u>\$ 114,683,721</u>	<u>\$ 31,430,827</u>	<u>\$ 30,957,894</u>	<u>\$ 8,135,846</u>

Current Refunding

On November 10, 2015, the City issued \$11,075,000 in General Obligation Refunding Bonds, Series 2015B, due in annual installments of \$1,000,000 to \$1,725,000 plus interest at 2% to 3% through December 1, 2022 to advance refund a portion of the General Obligation Bonds, Series 2006B in the amount of \$11,330,000. The net proceeds of \$11,330,000(after payment of \$107,492 in underwriting fees, insurance and other issuance costs) were used to call the 2006B bonds. This transition resulted in a decrease in future debt payment of \$1,040,953 and an economic gain of \$1,040,458.

C. Special Service District Bonds Payable

Special Service District Bond is included within the total of General Obligation Bonds. Annual debt service requirements to maturity for special service district bonds are as follows:

For the Fiscal Year Ending	Governmental Activities	
	Principal	Interest
2016	\$ 405,000	\$ 11,872
Total	<u>\$ 405,000</u>	<u>\$ 11,872</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 8. LONG-TERM DEBT - Continued

D. Notes Payable - IEPA Loans

As of December 31, 2015, the City currently has 24 outstanding loans from the IEPA. The City will repay the loans solely from revenues derived from the sewer and water system; the loans do not constitute a full faith and credit obligation of the City. They will be repaid with equal installments consisting of principal plus simple interest, on unpaid principal balances, over a period of 20 years. Initial principal balances will consist of disbursements and interest accrued during construction. Repayments begin not later than six months after completion of construction.

Notes payable - IEPA debt service requirements to maturity are as follows:

For the Fiscal Year Ending	Business-Type Activities	
	Principal	Interest
2016	\$ 7,265,496	\$ 1,253,614
2017	6,650,495	1,065,691
2018	6,198,906	894,309
2019	5,241,369	737,489
2020	4,890,608	609,088
2021-2025	15,792,653	1,580,171
2026-2030	4,704,358	302,919
2031-2035	1,157,287	51,125
Total	\$ 51,901,172	\$ 6,494,406

E. Loan with First Bank and Trust, Evanston

During the last fiscal year, the City set up a loan/line of credit with First Bank and Trust, Evanston in the amount of \$5,000,000. The loan term is one year with a maturity date of June 16, 2016. As of December 31, 2015, the City had drawn \$3,548,812 for two projects funded out of TIF funds. The interest rate will be calculated based on 1.00 percentage point over one month "LIBOR" rate index.

F. Postemployment Benefits other than Pensions (Defined Benefit Plan)

The City's and the Library's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy. The group health insurance plan does not issue a publicly available financial report.

Contribution requirements are established through Illinois State laws. The City and the Library implicitly contributes the difference between retiree's contributions and unblended rates. Retirees pay 100% of the blended premiums to cover themselves and their covered dependents ranging from \$507 for single coverage to \$1,953 for family coverage. The City pays 100% of health care premiums for police officers and firefighters, their dependents and their surviving spouses and dependent children if they were injured or killed in the line of duty during an emergency, ranging from \$507 for single coverage to \$1,953 for family coverage. For the year ended December 31, 2015, the City and Library's estimated contribution to the plan is \$1,004,111. The City's and the Library's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 8. LONG-TERM DEBT - Continued

F. Postemployment Benefits other than Pensions (Defined Benefit Plan) - Continued

Membership

At December 31, 2014 (date of last actuarial valuation), membership consisted of:

Retirees and beneficias current receiving benefits	109
Terminated employees entitles to benefits but not yet receiving them	-
Active employees	<u>648</u>
 Total	 <u><u>757</u></u>

The following table shows the components of the City's and the Library's annual OPEB cost for the year ended December 31, 2015, the estimated contributions to the plan and changes in the City's and the Library's net OPEB obligation to the retiree health plan.

	<u>City</u>	<u>Library</u>
Annual required contribution	\$ 1,071,479	\$ 17,169
Interest on net OPEB obligation	100,159	2,552
Adjustment to annual required contribution	<u>(84,997)</u>	<u>(2,166)</u>
 Annual pension cost	 1,086,641	 17,555
Contributions made	<u>(1,002,609)</u>	<u>(1,502)</u>
 Increase (Decrease) in Net Pension Obligation	 84,032	 16,053
Net OPEB Obligation - Beginning	<u>2,225,756</u>	<u>56,716</u>
 Net OPEB Obligation - Ending	 <u><u>\$ 2,309,788</u></u>	 <u><u>\$ 72,769</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two years prior were as follows.

<u>Fiscal Period Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Liability</u>
12/31/2013	\$ 1,085,522	84.58%	\$ 2,064,277
12/31/2014	1,085,542	85.12%	2,225,756
12/31/2015	1,086,641	92.27%	2,309,788

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 8. LONG-TERM DEBT - Continued

F. Postemployment Benefits other than Pensions (Defined Benefit Plan) - Continued

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two years prior were as follows.

Fiscal Period Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
12/31/2013	\$ 16,089	9.09%	\$ 40,654
12/31/2014	17,446	7.93%	56,716
12/31/2015	17,555	8.56%	72,769

The funded status of the City and the Library plan based on the projected valuation results as of December 31, 2015 was as follows:

	City	Library
Actuarial accrued liability (AAL)	\$ 15,832,757	\$ 171,069
Actuarial value of plan assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 15,832,757</u>	<u>\$ 171,069</u>
Funded ratio (actuarial value of plan assets/AAL)	\$ -	\$ -
Covered payroll (active plan members)	53,707,250	1,822,983
UAAL as a percentage of covered payroll	29.48%	9.38%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

In the actuarial valuation as of December 31, 2015, the entry-age normal cost method was used. The actuarial assumptions include a 4.50% discount rate and an annual healthcare cost trend rate of 8.50% initially, reduced by decrements to an ultimate rate of 4.50% in the year 2023. Both rates include a 2.5% price inflation assumption. The actuarial value of retiree health plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three year period. Retiree health plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2015 was 30 years.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 9. FUND EQUITY

A. Restricted Net Position - Fiduciary Funds

Fiduciary Funds	
Firefighters' Pension Fund restriction for employee pension benefits	\$ 66,741,084
Police Pension Fund restriction for employee pension benefits	<u>98,558,837</u>
Total Fiduciary Funds	<u>\$ 165,299,921</u>

B. Assigned Fund Balances

The following are the assigned fund balances:

General Fund	
Assigned for Arts Council	\$ 24,797
Assigned for private elm trees	134,483
Assigned for Dutch elm inoculation	249,973
Assigned for parkway trees	52,871
Assigned for Butterfield sculpture	30,883
Assigned for scholarship contributions	24,353
Assigned for Noyes Center	337,086
Assigned for recreation group activities	207,123
Assigned for youth initiative	42,151
Assigned for parks and recreation	477,847
Assigned for Mayor's programs	93,179
Assigned for Chiaravelle escrow	204,600
Assigned for IMRF - Pension	1,773,923
Assigned for compensated absences	1,804,360
Other assignments	<u>214,363</u>
Total General Fund	<u>\$ 5,671,992</u>
Capital Improvement Fund	
Assigned for capital projects	<u>\$ 7,972,906</u>
Nonmajor Governmental Funds	
Assigned for special assessment capital project	<u>\$ 2,682,781</u>
Total Assigned Fund Balances	<u>\$ 16,327,679</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 10. INDIVIDUAL FUND ACTIVITIES

A. General Obligation Debt Service Fund

The City usually adopts several resolutions abating portions of the property tax debt service levies. The amount of property taxes abated is derived from principal and interest payments by private assessments on street paving projects; additional water/sewer service fees related to the citywide water/sewer improvement project; tax increment revenues in the Washington National and Howard Hartrey Tax Increment Districts; revenues from the Motor Vehicle Parking System Fund associated with the Maple Garage, Sherman Garage, and Church Street Self-Park garage; and General Obligation Debt Service Fund interest income.

B. Water Fund

On January 28, 1997, the City executed a long-term water supply contract with the Village of Skokie, Illinois, to replace an expiring contract. The contract took effect on March 1, 1997 and continues in effect for a period of 20 years until February 28, 2017. The contract is renewable at ten-year intervals thereafter. Under the terms of the contract, the City is to supply the Village of Skokie sufficient potable Lake Michigan water to satisfy the maximum 24-hour demand for Lake Michigan water of the Village of Skokie system.

The City also provides potable Lake Michigan water to the Northwest Water Commission (NWWC) under a long-term water supply contract. Sale of potable water under this contract began on February 28, 1985 and continues until February 28, 2030. Under the terms of the current contract, the City is to supply NWWC sufficient potable Lake Michigan water to satisfy NWWC's maximum 24-hour demands for Lake Michigan water for resale to NWWC's customers.

C. Special Service District No. 4

On August 13, 2007, the City Council adopted Ordinance No. 37-R-07 which extended the life of Special Service District No. 4 until December 31, 2019. Special Service District No. 4 comprises the central business district of the City. The special district was established for the purpose of providing funds for special maintenance and repair and for promotion and advertisement. The annual property tax levy for 2015 was \$320,790 which includes an estimated allowance amount of \$6,416.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 11. RISK MANAGEMENT - CLAIMS AND JUDGEMENTS

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. The City maintains commercial all-risk property insurance to cover damage to the City's facilities and contents and other losses including business interruption and loss of rents. The coverage is subject to a deductible of \$50,000 (except \$100,000 for flood and earthquake) for each loss and each location. The City also maintains crime and fidelity insurance coverage with a \$25,000 deductible to a limit of \$2,000,000. In addition, coverage is maintained for ambulance/paramedic liability.

For workers' compensation, specific excess coverage in excess of \$750,000 per occurrence is purchased from a commercial insurance company. For general liability claims, the City retains risk of loss of \$1,250,000 to a limit of \$10,000,000.

Workers' compensation and general liability risks are accounted for in the Insurance Fund. The fund was established on March 1, 1994 to administer general liability claims and workers' compensation programs on a cost-reimbursement basis. The fund accounts for the aforementioned liabilities of the City, but does not constitute a transfer of risk from the City.

The City records estimated liabilities for workers' compensation and for general claims. Claims liabilities are based on estimates of the ultimate cost of reported claims including future claim adjustment expenses.

The changes in the balances of claims liabilities during the past two fiscal periods are as follows:

	Workers' Compensation	General Liability	Total
December 31, 2013	\$ 2,104,785	\$ 2,686,675	\$ 4,791,460
New claims and/or estimate revisions	565,982	363,368	929,350
Claims payments	<u>(494,767)</u>	<u>(283,078)</u>	<u>(777,845)</u>
December 31, 2014	2,176,000	2,766,965	4,942,965
New claims and/or estimate revisions	339,385	(390,867)	(51,482)
Claims payments	<u>(588,265)</u>	<u>(75,850)</u>	<u>(664,115)</u>
December 31, 2015	<u>\$ 1,927,120</u>	<u>\$ 2,300,248</u>	<u>\$ 4,227,368</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 12. CONTINGENCIES

There are various claims and legal actions pending against the City for which provision has been made in the financial statements. At the present time, the City believes that the reserves established are sufficient so that the expected liability for these claims and legal actions will not materially exceed the amounts recorded in the financial statements. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTE 13. JOINT VENTURES

A. Solid Waste Agency of Northern Cook County

On March 28, 1988, the City Council authorized agreements providing for the City's participation in the Solid Waste Agency of Northern Cook County (the Agency) and in the interim financing of that agency. The Agency was planned and developed by the Northwest Municipal Conference, of which the City is a member. The Agency is empowered to plan, finance, construct, and operate a solid waste disposal system.

The Agency is a municipal joint action agency created as of May 2, 1988 under the provisions of the Intergovernmental Cooperation Act, 5 ILCS 220/3.2. The Agency consists of 23 municipalities. The Agency is governed by a Board of Directors consisting of one official selected by each member community who serves a two-year term. Each director has one vote. The Board of Directors determines the general policies of the Agency. The Executive Committee of the Agency consists of seven persons elected by the Board of Directors. Each person is entitled to one vote. The Executive Committee may take action not specifically reserved to the Board of Directors by the Act, the Agency agreement, or the bylaws.

The authority to designate management, influence operations, and formulate budgets rests with the Board of Directors and Executive Committee. No one member has the ability to significantly influence operations; therefore, the Agency is not a component unit of any other governmental reporting entity.

Under the 1992 project use agreement executed by the City with the Agency, the City's share of project costs, including debt service and disposal, is based on its share of deliveries to the Wheeling Transfer station for each year. The City does not control the Agency's fiscal management or operations nor is the City legally responsible for any more than its share of the Agency's debt or operating deficits, if any.

Summary of Financial Position as of April 30, 2015:

Current assets	\$ 3,745,840
Property, plant, and equipment	<u>9,694,317</u>
Total assets	<u>13,440,157</u>
Current liabilities	<u>3,684,511</u>
Total liabilities	<u>3,684,511</u>
Deferred inflows	
Deferred rent	<u>171,429</u>
Net investment in capital assets	8,494,317
Restricted net position	2,592,283
Unrestricted net position	<u>(1,502,383)</u>
Net Position	<u>\$ 9,584,217</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 13. JOINT VENTURES - Continued

A. Solid Waste Agency of Northern Cook County - Continued

Summary of Revenues and Expenses for the Year Ended April 30, 2015:

Total revenues	\$ 14,294,118
Total expenses	<u>(14,279,224)</u>
Net Income	<u>\$ 14,894</u>

Complete financial statements for the Agency can be obtained at 2700 Patriot Blvd., Glenview, IL 60026.

B. Evanston Housing Corporation

The City agreed to jointly participate with various lending institutions in a not-for-profit housing mortgage corporation by approval of the City Council on May 22, 1989. The purpose of the Evanston Housing Corporation (the Corporation) is to lend mortgage funds to qualified, income eligible, first-time homebuyers in the City.

The Corporation is governed by a Board of Directors of ten people, four of whom are selected by the City. The Board of Directors has the authority to approve the annual budget and to arrange for the management of the affairs of the Corporation. The City has no governing authority to influence actions of the Corporation. The City is not liable for payment of any debts of the Corporation.

The City of Evanston has advanced \$639,000 to the corporation under the notes due on or before November 30, 2034. The notes bear no interest. However, the City is entitled to a certain net sales consideration upon the sale or exchange of the mortgaged property, as well as a prorated portion of the investment income earned on the funds not loaned to mortgagees.

The financial institutions' funds are advanced under Non-Recourse Collateral Trust Notes. The notes are payable on or before November 30, 2029. Interest accrues based on interest earned from the mortgage notes receivable and investments, less expenses. Interest is paid semiannually to the holders on a pro-rata basis based on the amount of each note held to the total outstanding notes.

The audited financial statements of the Corporation for the year ended December 31, 2014 are summarized as follows:

Statement of Financial Position as of December 31, 2014:

Cash and cash equivalents	\$ 2,133,506
Mortgage loans receivable	<u>193,746</u>
Total assets	<u>2,327,252</u>
Payables and accrued expenses	388,761
Notes payable	<u>3,064,000</u>
Total liabilities	<u>3,452,761</u>
Net Position	<u>\$ (1,125,509)</u>

(Note: December 31, 2014 is the most current information available.)

Statement of Activities for the Year Ended December 31, 2014:

Total revenues	\$ 101,263
Total operating expenses	<u>(101,263)</u>
Excess of Revenues over Expenses	<u>\$ -</u>

(Note: December 31, 2014 is the most current information available.)

The City provides the Corporation with office space and staff support on a cost reimbursement basis. Complete financial statements for the Corporation can be obtained in the City's Community Development Department from the Assistant Director, Housing Rehabilitation and Property Standards.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS

A. Plan Descriptions

Illinois Municipal Retirement Fund

The City contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois (other than those covered by the Police or Firefighters' Pension Plan). The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2015, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	651
Inactive employees entitled to but not yet receiving	389
Active employees	<u>512</u>
Total	<u><u>1,552</u></u>

The IMRF Data included in the table above includes membership of both the City and the Library.

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

Contributions

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary to IMRF. The member rate is established by state statute. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2015 was 10.66% of covered payroll.

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.49%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the City's fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.49% used to determine the total pension liability.

Changes in Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2015	<u>\$ 220,476,485</u>	<u>\$ 215,541,904</u>	<u>\$ 4,934,581</u>
Changes for the period			
Service cost	3,910,996	-	3,910,996
Interest	16,235,086	-	16,235,086
Difference between expected and actual experience	1,465,442	-	1,465,442
Changes in assumptions	266,906	-	266,906
Employer contributions	-	4,018,268	(4,018,268)
Employee contributions	-	1,767,523	(1,767,523)
Net investment income	-	1,062,353	(1,062,353)
Benefit payments and refunds	(11,928,345)	(11,928,345)	-
Administrative expense	-	-	-
Other (net transfer)	-	737,427	(737,427)
Net Changes	<u>9,950,085</u>	<u>(4,342,774)</u>	<u>14,292,859</u>
Balances at December 31, 2015	<u><u>\$ 230,426,570</u></u>	<u><u>\$ 211,199,130</u></u>	<u><u>\$ 19,227,440</u></u>

The table presented above includes amounts for both the City and the Library. The City's proportionate share of the net pension liability at January 1, 2015, the employer contributions, and the net pension liability at December 31, 2015 was \$4,537,790, \$3,688,783, and \$17,681,357, respectively. The Library's proportionate share of the net pension liability at January 1, 2015, the employer contributions and the net pension liability at December 31, 2015 was \$396,791, \$329,485, and \$1,546,083, respectively.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2015, the City recognized pension expense of \$5,543,149. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,416,886	\$ -
Changes in assumption	3,735,389	-
Net difference between projected and actual earnings on pension plan investments	13,683,734	-
Total	<u>\$ 19,836,009</u>	<u>\$ -</u>

The deferred outflows presented in the table above include amounts for both the City and the Library. The City's proportionate share of the deferred outflows and inflows of resources at December 31, 2015 was \$18,240,990. The Library's proportionate share of the deferred outflows of resources at December 31, 2015 was \$1,595,019

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending December 31,	
2016	\$ 7,085,134
2017	5,921,087
2018	3,849,669
2019	2,980,119
Thereafter	-
Total	<u>\$ 19,836,009</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.49% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.49%) or 1 percentage point higher (8.49%) than the current rate:

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
City	\$ 44,213,500	\$ 17,681,357	\$ (4,178,950)
Library	\$ 3,865,556	1,546,083	(365,363)
Total	<u>\$ 48,079,056</u>	<u>\$ 19,227,440</u>	<u>\$ (4,544,313)</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans

Plan Administration

The Police Pension Plan and Firefighters' Pension Plan are contributory, defined benefit public employee retirement plans administered by the City and a Board of Trustees for each Fund. All sworn City police officers and firefighters are participants in the plans. The plans do not issue stand-alone financial reports and they are not included in the report of a public employee retirement system or another entity. The City accounts for the Police Pension and Firefighters' Pension Plans as pension trust funds.

The plans are governed by a five-member pension board. Two members appointed by the City's Council, one elected by retired pension members and two elected by active members, constitute the pension board.

The Police and Firefighters' Pension Plans are accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized on an expense and liability when due and payable.

For employer contributions, the City's budget policy is to fund pension plans at the funding level recommended annually by the actuary. The General Fund is used to liquidate the net pension liability.

Plan Membership

At January 1, 2015, plan membership consisted of:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Inactive plan members or beneficiaries		
currently receiving benefits	180	142
Inactive plan members entitled to		
but not yet receiving benefits	6	3
<u>Active plan members</u>	<u>163</u>	<u>107</u>
Total	349	252

Benefits Provided

As provided for in the Illinois Compiled Statutes, the Police and Firefighters' Pension Funds provide retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police and Firefighters' Pension Funds as provided for in Illinois Compiled Statutes.

Police Pension Plan

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least age 55, by 3% of the original pension and 3% compounded annually thereafter.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS – Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Benefits Provided - Continued

Police Pension Plan - Continued

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the consumer price index (CPI), whichever is less.

Firefighters' Pension Plan

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2015 the City's contribution was 64.61% of covered payroll.

Participants contribute a fixed percentage of their base salary to the Firefighters' Pension Plan. At December 31, 2015, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2015 the City's contribution was 67.07% of covered payroll.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Investment Policy

Police Pension Fund

Permitted Deposits and Investments - Statutes and the Police Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds, IMET, certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, mutual funds and equity securities (not to exceed 65% of the total net position of the Fund), and corporate bonds. During the year, no changes to the investment policy were approved by the Board of Trustees.

The Fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Police Pension Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Large Cap	52.0%	5.35%
Domestic Small Cap	5.0%	6.56%
International Developed Foreign	5.0%	5.85%
Fixed Income Investment Grade Corporate	8.0%	2.50%
Fixed Income Intermediate U.S. Treasuries	25.0%	2.04%
REITS	3.0%	5.92%
Cash	2.0%	-0.25%
Total	<u>100%</u>	

The long-term expected rate of return on the Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are listed in the table above.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 15. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Firefighters' Pension Fund

The Firefighters' Pension Fund (the Fund) allows funds to be invested in any type of security authorized by the Illinois Pension Code. During the year, no changes to the investment policy were approved by the Board of Trustees. The Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Firefighters' Pension Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.0%	0.50%
U.S. Fixed Income	40.30%	2.10%
High Yield	1.50%	5.90%
U.S. Large Cap Growth Equity	14.00%	7.50%
U.S. Large Cap Value Equity	12.20%	7.10%
U.S. Mid Cap Growth Equity	3.40%	8.60%
U.S. Mid Cap Value Equity	3.40%	7.90%
U.S. Small Cap Growth Equity	2.70%	9.50%
U.S. Small Cap Value Equity	2.70%	8.60%
Europe Equity	5.30%	7.60%
Japan Equity	0.70%	7.10%
Emerging Market Equity	0.60%	9.40%
Real Estate	2.10%	6.80%
Infrastructure	3.30%	5.90%
Hedged Strategies	6.80%	3.50%
Total	<u>100%</u>	

The long-term expected rate of return on the Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are listed in the table above.

Investment Valuations

All investments in the Police and Firefighters' Pension Plans are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds, and contract values for any insurance contracts. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

Investment Rate of Return

For the year ended December 31, 2015, the Police Pension Plan annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 9.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

For the year ended December 31, 2015, the Firefighters' Pension Plan annual money weighted rate of return on pension plan investment, net of pension plan investment expense, was 5.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Funds' deposits may not be returned to them. The Funds' investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

Interest Rate Risk

The following table presents the investments and maturities of the Funds' debt securities as of December 31, 2015:

Police and Firefighters' Pension Investment Type	Fair Value	Investment Maturities (In Years)	
		Less Than 1 Year	1 - 10 More Years
Corporate bonds	\$ 22,695,257	\$ 944,417	\$ 21,750,840
U.S. Treasuries	19,217,626	2,926,738	16,290,888
Federal Home Loan Bank	593,979	-	593,979
Federal Home Loan Mortgage Corp	7,739,602	-	7,739,602
Fannie Mae	9,486,365	104,532	9,381,833
Ginnie Mae	237,495	412	237,083
Total Police and Firefighters' Investment	<u>\$ 59,970,324</u>	<u>\$ 3,976,099</u>	<u>\$ 55,994,225</u>

In accordance with its investment policy, the Funds' limit exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds not needed within a one-year period. The investment policies does not limit the maximum maturity length of investments in the Funds.

Credit Risk

The Funds' limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government bonds and investment grade bonds. The U.S. Treasury and agency obligations are rated by Moody's Aaa, the corporate bonds are rated between Baa3 and Aaa, and the municipal bonds are rated between Aa3 and Aaa. Illinois Funds is rated Aaa by Standard and Poor's. The Funds' investment policies are silent on minimum ratings required.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Funds 'will not be able to recover the value of their investments that are in possession of an outside party. To limit its exposure, the Funds' investment policies require all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Funds' agent separate from where the investment was purchased in the Funds' name. Illinois Funds and IMET are not subject to custodial credit risk.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Custodial Credit Risk - Investments - Continued

Concentration of Credit Risk - Illinois Compiled Statutes (ILCS) limits the Funds' investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The Police Pension Trust Fund had no significant investments (other than U.S. Treasuries and corporate bonds) in any one organization that represented 5% or more of net position available for benefits. The only exception to the aforementioned are investments in FNMA (8%).

The Firefighters' Pension Trust Fund had no significant investments (other than corporate bonds) in any one organization that represented 5% or more of net position available for benefits.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed using the following actuarial methods and assumptions.

	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2014	December 31, 2014
Actuarial cost method	Entry-age normal	Entry-age normal
Asset valuation method	Market Value	Market Value
Actuarial assumptions:		
Projected salary increases graded by age	From 7.69% to 3.62%	From 7.69% to 3.62%
Inflation	2.50%	2.50%
Interest rate	6.75%	6.75%
Cost-of-living adjustments	3.00%	3.00%

Mortality rates were based on the RP-2000 Combined Healthy Mortality table with a Blue Collar Adjustment; disabled mortality rate is based on RP-2000 Disabled Retiree Mortality table.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Discount Rate

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability calculated using the discount rates of 6.75% and 6.75% for the Police Pension Plan and the Firefighters' Pension Plan, respectively, as well as what the net pension liability would be if it were to be calculated using discount rates that is 1 percentage point lower or 1 percentage point higher than the current rates:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Police Pension Fund:			
Discount rate	5.75%	6.75%	7.75%
Net pension liability	\$ 113,444,590	\$ 89,636,697	\$ 69,837,068
Firefighters' Pension Fund:			
Discount rate	5.75%	6.75%	7.75%
Net pension liability	\$ 94,105,898	\$ 76,415,380	\$ 61,640,923
Total Net Pension Liability	<u>\$ 207,550,488</u>	<u>\$ 166,052,077</u>	<u>\$ 131,477,991</u>

Changes in the Net Pension Liability

Police Pension Fund

	(a) <u>Total Pension Liability</u>	(b) <u>Plan Fiduciary Net Position</u>	(a) - (b) <u>Net Pension Liability</u>
Balances at January 1, 2014	\$ 183,492,025	\$ 90,763,143	\$ 92,728,882
Changes for the period			
Service cost	3,439,223	-	3,439,223
Interest	12,284,036	-	12,284,036
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Employer contributions	-	8,644,196	(8,644,196)
Employee contributions	-	1,565,053	(1,565,053)
Net investment income	-	8,675,133	(8,675,133)
Benefit payments and refunds	(9,891,045)	(9,891,045)	-
Administrative expense	-	-	-
Other (net transfer)	-	(68,938)	68,938
Net Changes	<u>5,832,214</u>	<u>8,924,399</u>	<u>(3,092,185)</u>
Balances at December 31, 2014	<u>\$ 189,324,239</u>	<u>\$ 99,687,542</u>	<u>\$ 89,636,697</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Changes in the Net Pension Liability - Continued

Firefighters' Pension Fund

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2014	\$ 140,667,430	\$ 65,024,941	\$ 75,642,489
Changes for the period			
Service cost	2,326,092	-	2,326,092
Interest	9,391,253	-	9,391,253
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Employer contributions	-	6,527,697	(6,527,697)
Employee contributions	-	919,874	(919,874)
Net investment income	-	3,549,131	(3,549,131)
Benefit payments and refunds	(7,727,683)	(7,727,683)	-
Administrative expense	-	-	-
Other (net transfer)	-	(52,248)	52,248
Net Changes	<u>3,989,662</u>	<u>3,216,771</u>	<u>772,891</u>
BALANCES AT DECEMBER 31, 2014	<u>\$ 144,657,092</u>	<u>\$ 68,241,712</u>	<u>\$ 76,415,380</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Police Pension Fund

For the year ended December 31, 2015, the City recognized police pension expense of \$7,584,177. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 8,804,263	\$ -
Difference between expected and actual experience	-	-
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,032,166
Total	<u>\$ 8,804,263</u>	<u>\$ 2,032,166</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 14. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan will be recognized in pension expense as follows:

	<u>Year Ending December 31,</u>	
2016	\$	8,296,221
2017		(508,042)
2018		(508,041)
2019		(508,041)
Thereafter		<u>-</u>
Total	\$	<u>6,772,097</u>

Firefighters' Pension Fund

For the year ended December 31, 2015, the City recognized firefighter's pension expense of \$6,637,520. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 6,385,244	\$ -
Difference between expected and actual experience	-	-
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	<u>663,068</u>	<u>-</u>
Total	<u>\$ 7,048,312</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan will be recognized in pension expense as follows:

	<u>Year Ending December 31,</u>	
2016	\$	6,551,011
2017		165,767
2018		165,767
2019		165,767
Thereafter		<u>-</u>
Total	\$	<u>7,048,312</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 15. PENSION TRUST FUNDS

Fiduciary Funds Summary Financial Information

The following is summary financial information for the Police Pension Plan and the Firefighters' Pension Plan:

A. Schedule of Net Position

	<u>Firefighters'</u> <u>Pension</u>	<u>Police</u> <u>Pension</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 1,183,465	\$ 2,193,722	\$ 3,377,187
Investments at fair value			
U.S. Treasury obligations	2,442,937	16,774,689	19,217,626
U.S. agency obligations	2,405,787	15,651,655	18,057,442
Corporate bonds	13,410,621	9,284,635	22,695,256
Common stock	5,646,660	18,334,861	23,981,521
Equity mutual funds	41,491,173	35,951,130	77,442,303
Receivables			
Accrued interest	142,583	358,580	501,163
Due from other governments	31,737	15,565	47,302
Other	2,592	-	2,592
	<hr/>		
Total Assets	66,757,555	98,564,837	165,322,392
Liabilities			
Accounts payable	16,471	6,000	22,471
	<hr/>		
Total Liabilities	16,471	6,000	22,471
Net Position Held in Trust			
For Pension Benefits	\$ 66,741,084	\$ 98,558,837	\$ 165,299,921

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 15. PENSION TRUST FUNDS - Continued

Fiduciary Funds Summary Financial Information - Continued

B. Changes in Plan Net Position

	<u>Firefighters'</u> <u>Pension</u>	<u>Police</u> <u>Pension</u>	<u>Total</u>
Additions			
Contributions			
Employer	\$ 6,385,243	\$ 8,804,264	\$ 15,189,507
Plan members	956,092	1,454,720	2,410,812
Miscellaneous income	-	47	47
	<hr/>	<hr/>	<hr/>
Total Contributions	7,341,335	10,259,031	17,600,366
Investment income			
Net (depreciation)			
in fair value of investments	(788,335)	(2,199,756)	(2,988,091)
Interest on investments	1,206,228	2,902,399	4,108,627
Less investment expenses	(134,798)	(240,956)	(375,754)
	<hr/>	<hr/>	<hr/>
Total Investment Income	283,095	461,687	744,782
	<hr/>	<hr/>	<hr/>
Total Additions	7,624,430	10,720,718	18,345,148
Deductions			
Administrative	99,456	102,386	201,842
Benefits payments	8,026,250	10,403,247	18,429,497
Refunds of contributions	41,716	21,708	63,424
	<hr/>	<hr/>	<hr/>
Total Deductions	8,167,422	10,527,341	18,694,763
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease)	(542,992)	193,377	(349,615)
Net Position Held in Trust			
For Pension Benefits			
January 1	68,241,712	99,687,542	167,929,254
Prior Period Adjustment	(957,636)	(1,322,082)	(2,279,718)
	<hr/>	<hr/>	<hr/>
January 1, Restated	67,284,076	98,365,460	165,649,536
	<hr/>	<hr/>	<hr/>
December	\$ 66,741,084	\$ 98,558,837	\$ 165,299,921
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2015

NOTE 16. EVANSTON LIBRARY COMPONENT UNIT

A. Types of Accounts and Securities

Illinois statutes authorize the Library to invest in obligations of the U.S. Treasury, in Government Sponsored Enterprises (GSE) such as Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), and Fannie Mae (FNMA); bankers acceptances as well as commercial paper rated only in the highest tier; Repurchase agreements of the highest grade; collateralized certificates of deposit issued by FDIC insured financial institutions, money market mutual funds with portfolios limited to securities guaranteed by the United States Government, IMET, and Illinois Funds.

Library investments consists of equities, ETFs, money market funds, mutual funds, corporate bonds, and U.S. Treasuries. Investments are reported at fair value, except that non-negotiable certificate of deposits are stated at cost. The Library has a formal investment policy adopted by its governing board to handle endowment funds. The funds will be invested and administered by a three member committee. It is the general policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds using "prudent person" standard for managing the overall portfolio. It may be noted though that the Library has investments in equities which is not permissible under the state statutes.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The exposure to interest rate risk can be limited by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in shorter term securities.

Credit Risk is the risk that the issuer of the debt security will not pay its par value upon maturity. The Library's investment policy has several guidelines to minimize the potential losses on individual investment by diversifying the investment portfolio, not permitting the investment in certain high risk securities. State law limits investments in commercial paper, corporate bonds, and mutual bonds funds to the top two ratings issued by nationally recognized statistical rating organizations. Illinois Funds and IMET are an investment pools managed by the State of Illinois, Office of the Treasurer, and a Board of Trustees, respectively, which allows governments within the State to pool their funds for investment purposes. They are not registered with the SEC as an investment company, but do operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The investments in the securities of the United States Government agencies were all rated triple A or Aaa by the Standard & Poor's and by Moody's Investor's Services. The investments in Illinois Funds and IMET are valued at the fund's share price, the price for which the investments could be sold.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Illinois Funds are not subject to custodial credit risk.

Concentration of Credit Risk is the risk that the Library has a high percentage of its investments invested in one type of investments. Currently, the Library has diversified its investments in various types of investments. The Library investment policy provides the high/low limits for various type of investments like equity, fixed income securities, and cash.

Custodial Credit Risk. For a deposit, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 16. EVANSTON LIBRARY COMPONENT UNIT - Continued

B. Reconciliation of Cash and Investments

Cash and equivalents	\$ 1,322,357
Investments	<u>3,744,525</u>
Total per Statement of Position	<u><u>\$ 5,066,882</u></u>

Cash in bank	\$ 1,322,357
Vanguard Money Market	531,988
Vanguard Equity Mutual Funds	<u>3,212,537</u>
Total Cash and Investments	<u><u>\$ 5,066,882</u></u>

C. Summary of Receivables

Receivables:	
Property taxes	<u><u>\$ 6,439,721</u></u>

D. Capital Assets Activity

	Beginning	Additions	Deletions	Ending
Capital assets, not being depreciated:				
Land	\$ 311,380	\$ -	\$ -	\$ 311,380
Capital assets, being depreciated/amortized:				
Buildings and improvements	18,551,582	248,586	-	18,800,168
Office equipment and furniture	2,285,009	-	-	2,285,009
Infrastructure	230,006	-	-	230,006
Library collections	9,026,558	34,801	-	9,061,359
Capitalized leases	266,191	-	-	266,191
Total Capital Assets being Depreciated/Amortized	<u>30,359,346</u>	<u>283,387</u>	<u>-</u>	<u>30,642,733</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	7,370,782	344,563	-	7,715,345
Office equipment and furniture	2,285,009	-	-	2,285,009
Infrastructure	81,781	14,180	-	95,961
Library collections	7,362,026	406,966	-	7,768,992
Capitalized leases	266,191	-	-	266,191
Total Accumulated Depreciation/Amortization	<u>17,365,789</u>	<u>765,709</u>	<u>-</u>	<u>18,131,498</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>12,993,557</u>	<u>(482,322)</u>	<u>-</u>	<u>12,511,235</u>
Library Activities Capital Assets, Net	<u><u>\$ 13,304,937</u></u>	<u><u>\$ (482,322)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,822,615</u></u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 16. EVANSTON LIBRARY COMPONENT UNIT - Continued

E Long-Term Debt

	Interest Rate	Final Maturity Date	Balance 12/31/2014 (Restated)	Issued	Payments	Refunded	Balance 12/31/2015	Due Within One Year
General Obligations Debt								
Series 2007	4.00%-5.00%	12/1/2016	\$ 1,156,610	\$ -	\$ 146,289	\$ -	\$ 1,010,321	\$ 126,945
Series 2008D	3.25%-5.00%	12/1/2016	188,160	-	148,680	-	39,480	39,480
Series 2013B	2.00%-3.00%	12/1/2025	780,547	-	186,967	-	593,580	156,816
			2,125,317	-	481,936	-	1,643,381	323,241
OPEB liability			56,716	16,053	-	-	72,769	-
Compensated absences payable - City			469,537	-	120,731	-	348,806	69,761
IMRF - net pension liability			396,791	1,149,292	-	-	1,546,083	-
Total Long-Term Debt			<u>\$ 3,048,361</u>	<u>\$ 1,165,345</u>	<u>\$ 602,667</u>	<u>\$ -</u>	<u>\$ 3,611,039</u>	<u>\$ 393,002</u>

The following schedule illustrates the annual debt service requirements to maturity for the Library General Obligation Bonds.

Year Ending December 31	Principal	Interest
2016	\$ 323,241	\$ 62,454
2017	274,011	51,944
2018	166,831	42,907
2019	106,755	36,575
2020	90,778	32,567
2021-2025	508,878	107,278
2026-2027	172,887	13,077
Total	<u>\$ 1,643,381</u>	<u>\$ 346,802</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 16. EVANSTON LIBRARY COMPONENT UNIT - Continued

F. Prior Period Adjustment

The Library has restated fund balances/net position as of January 1, 2015 as follows:

	Governmental Activities	Library Operating Fund	Library Debt Service Fund
Fund Balances (Deficit)/Net Position, January 1 (as Previously reported):	\$ 15,764,718	\$ 1,378,970	\$ 93,595
Restatements:			
With the implementation of GASB Statement No. 68, the Library is required to retroactively record the net pension liability. The Library recorded the following changes in accounting principle during the year ended December 31, 2015:			
The Library changed its property tax revenue recognition policy to agree with the tax levy year to the budget year rather than 60 days	(889,328)	(793,324)	(96,004)
Change in Accounting Principle	(114,845)	-	-
Fund Balances (Deficit)/Net Position, January 1, Restated	\$ 14,760,545	\$ 585,646	\$ (2,409)

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2015

NOTE 17. Prior Period Adjustment

The City has restated fund balances/net position as of January 1, 2015 as follows:

	Governmental Activities	Business-Type Activities	Major Governmental Funds		Nonmajor Governmental Funds	Enterprise Funds	Internal Service Funds	Pension Trust Funds
			General Fund	Debt Service Fund				
Fund Balances (Deficit)/Net Position, January 1 (as Previously Reported)	\$ 60,643,042	\$ 270,593,691	\$ 14,982,966	\$ 3,796,787	\$ 37,489,946	\$ 270,593,691	\$ 6,066,845	\$ 167,929,254

The City recorded the following restatements:

The City changed its property tax revenue recognition to agree to the tax levy year to budget year rather than 60 days after year end.

(2,927,400)	229,315	(1,762,959)	(1,753,037)	(1,098,318)	229,315	-	(2,279,718)
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To record IPBC terminal reserve

1,440,141	-	-	-	-	-	1,440,141	-
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The City changed its long-term loan recognition to match the loan to a deferred outflow of resources, as they are not spendable.

-	-	-	-	(8,586,612)	-	-	-
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With the implementation of GASB Statement No. 68, the City is required to retroactively record the net pension liability and write off the net pension obligation. The City recorded the following changes in accounting principle during the year ended December 31, 2015:

Change in Accounting Principle	(150,521,454)	(145,013)	-	-	-	(145,013)	-	-
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With the implementation of GASB Statement No. 71, the City is required to retroactively record a deferred outflow of resources for contributions subsequent to the measurement date for the Police and Fire Pension Funds. The City recorded the following changes in accounting principle during the year ended December 31, 2015:

Change in Accounting Principle	15,171,893	-	-	-	-	-	-	-
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Fund Balances (Deficit)/Net Position

January 1, Restated	\$ (76,193,778)	\$ 270,677,993	\$ 13,220,007	\$ 2,043,750	\$ 27,805,016	\$ 270,677,993	\$ 7,506,986	\$ 165,649,536
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NOTE 18. Subsequent Event

On June 13, 2016, the City has approved the issuance of \$14,000,000 2016A General Obligation Bonds and \$8,155,000 2016B General Obligation Refunding Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EVANSTON, ILLINOIS

Required Supplementary Information
Other Postemployment Benefits

December 31, 2015

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 12,259,348	0.00%	\$ 12,259,348	\$ 51,896,579	23.62%
2011*	-	16,994,544	0.00%	16,994,544	48,101,372	35.33%
2012	-	17,294,689	0.00%	17,294,689	49,784,920	34.74%
2013	-	16,018,745	0.00%	16,018,745	47,024,745	34.06%
2014	-	15,789,873	0.00%	15,789,873	53,652,399	29.43%
2015	-	16,003,826	0.00%	16,003,826	55,530,233	28.82%

* The City changed to a December 31 year end for the fiscal year ended December 31, 2011.

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 650,196	\$ 1,041,981	62.40%
2011*	804,013	939,268	85.60%
2012	872,419	1,128,615	77.30%
2013	919,845	1,101,611	83.50%
2014	925,407	1,102,988	83.90%
2015	1,004,111	1,104,196	90.94%

* The City changed to a December 31 year end for the fiscal year ended December 31, 2011.

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Schedule of Employer Contributions
Illinois Municipal Retirement Fund

December 31, 2015

	<u>2015*</u>
Actuarially determined contribution	\$ 3,977,718
Contributions in relation to the actuarially determined contribution	<u>4,018,268</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ (40,550)</u>
Percentage contributed	101.0%
Covered-employee payroll	\$ 37,703,487
Contributions as a percentage of covered-employee payroll	10.7%

* Schedule to be built prospectively from 2015.

Notes to Required Supplementary Information

The information directly above is formatted to comply with the requirements of GASB Statement No. 68.

CITY OF EVANSTON, ILLINOIS

Schedule of Employer Contributions
Police Pension Fund

December 31, 2015

	<u>2015*</u>
Actuarially determined contribution	\$ 8,257,475
Contributions in relation to the actuarially determined contribution	<u>8,746,427</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ (488,952)</u>
Percentage contributed	105.9%
Covered-employee payroll	\$ 13,537,726
Contributions as a percentage of covered-employee payroll	64.6%

* Schedule to be built prospectively from 2014.

Notes to Required Supplementary Information

Actuarial valuation date	December 31, 2014
Actuarial cost method	Entry-age normal
Amortization method	Level percentage of pay, closed
Amortization period	18 years
Asset valuation method	Market
Investment rate of return, net of investment expenses	7.00% annually
Projected salary increases	5.25% annually
Postretirement benefit increases	
Tier 1	3.00% compounded annually
Tier 2	2.00% per year not compounded

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Schedule of Employer Contributions
Firefighters' Pension Fund

December 31, 2015

	<u>2015*</u>
Actuarially determined contribution	\$ 5,903,483
Contributions in relation to the actuarially determined contribution	<u>6,385,244</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ (481,761)</u>
Percentage contributed	108.2%
Covered-employee payroll	\$ 9,520,925
Contributions as a percentage of covered-employee payroll	67.1%

* Schedule to be built prospectively from 2014.

Notes to Required Supplementary Information

Actuarial valuation date	December 31, 2014
Actuarial cost method	Entry-age normal
Amortization method	Level percentage of pay, closed
Amortization period	18 years
Asset valuation method	Market
Investment rate of return, net of investment expenses	7.00% annually
Projected salary increases	5.25% annually
Postretirement benefit increases	
Tier 1	3.00% compounded annually
Tier 2	2.00% per year not compounded

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Schedule of Changes in the Employer's
Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund

December 31, 2015

	<u>2015</u>
Total Pension Liability	
Service cost	\$ 3,910,996
Interest	16,235,086
Changes of benefit terms	-
Differences between expected and actual experience	1,465,442
Changes of assumptions	266,906
Benefit payments, including refunds of member contributions	<u>(11,928,345)</u>
Net Change in Total Pension Liability	9,950,085
Total pension liability - Beginning	<u>220,476,485</u>
Total Pension Liability - Ending	<u><u>\$ 230,426,570</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 4,018,268
Contributions - member	1,767,523
Net investment income	1,062,353
Benefit payments, including refunds of member contributions	(11,928,345)
Administrative expense	<u>737,427</u>
Net Change in Plan Fiduciary Net Position	(4,342,774)
Plan Fiduciary Net Position - Beginning	<u>215,541,904</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 211,199,130</u></u>
Employer's Net Pension Liability	<u><u>\$ 19,227,440</u></u>
Plan fiduciary net position as a percentage of the total pension liability	91.66%
Covered-employee payroll	\$ 37,703,487
Employer's net pension liability as a percentage of covered-employee payroll	51.00%

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Schedule of Changes in the Employer's
Net Pension Liability and Related Ratios
Police Pension Fund

December 31, 2015

	<u>2015</u>
Total Pension Liability	
Service cost	\$ 3,439,223
Interest	12,284,036
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(9,891,045)</u>
Net Change in Total Pension Liability	5,832,214
Total pension liability - Beginning	<u>183,492,025</u>
Total Pension Liability - Ending	<u><u>\$ 189,324,239</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 8,644,196
Contributions - member	1,565,053
Net investment income	8,675,133
Benefit payments, including refunds of member contributions	(9,891,045)
Administrative expense	<u>(68,938)</u>
Net Change in Plan Fiduciary Net Position	8,924,399
Plan Fiduciary Net Position - Beginning	<u>90,763,143</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 99,687,542</u></u>
Employer's Net Pension Liability	<u><u>\$ 89,636,697</u></u>
Plan fiduciary net position as a percentage of the total pension liability	52.65%
Covered-employee payroll	\$ 13,537,726
Employer's net pension liability as a percentage of covered-employee payroll	662.13%

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Schedule of Changes in the Employer's
Net Pension Liability and Related Ratios
Firefighters' Pension Fund

December 31, 2015

	<u>2015</u>
Total Pension Liability	
Service cost	\$ 2,326,092
Interest	9,391,253
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(7,727,683)</u>
Net Change in Total Pension Liability	3,989,662
Total pension liability - Beginning	<u>140,667,430</u>
Total Pension Liability - Ending	<u><u>\$ 144,657,092</u></u>
Plan Fiduciary Net Position	
Contributions - employer	6,527,697
Contributions - member	919,874
Net investment income	3,549,131
Benefit payments, including refunds of member contributions	(7,727,683)
Administrative expense	<u>(52,248)</u>
Net Change in Plan Fiduciary Net Position	3,216,771
Plan Fiduciary Net Position - Beginning	<u>65,024,941</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 68,241,712</u></u>
Employer's Net Pension Liability	<u><u>\$ 76,415,380</u></u>
Plan fiduciary net position as a percentage of the total pension liability	47.17%
Covered-employee payroll	\$ 9,520,925
Employer's net pension liability as a percentage of covered-employee payroll	802.60%

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes	\$ 38,364,300	\$ 37,601,418	\$ 52,628,569	\$ 14,264,269
Licenses and permits	13,461,859	13,461,859	12,184,303	(1,277,556)
Intergovernmental	18,515,427	18,515,427	18,998,689	483,262
Charges for services	7,988,251	7,988,251	8,224,155	235,904
Fines	4,463,774	4,463,774	3,554,188	(909,586)
Investment income	50,000	50,000	6,573	(43,427)
Miscellaneous	1,278,343	1,278,343	950,964	(327,379)
Total Revenues	84,121,954	83,359,072	96,547,441	12,425,487
Expenditures				
General management and support	12,500,681	12,500,681	11,753,081	(747,600)
Public safety	42,129,266	42,129,266	58,461,316	16,332,050
Public works	16,767,153	16,767,153	16,866,953	99,800
Health and human services development	4,287,811	4,287,811	3,140,999	(1,146,812)
Recreation and cultural opportunities	10,735,900	10,735,900	11,079,855	343,955
Housing and economic development	2,374,528	2,374,528	2,359,753	(14,775)
Total Expenditures	88,795,339	88,795,339	103,661,957	14,866,618
Excess (Deficiency) of Revenues Over Expenditures	(4,673,385)	(5,436,267)	(7,114,516)	(2,441,131)
Other Financing Sources (Uses)				
Sale of assets	70,000	70,000	-	(70,000)
Transfers in	8,823,695	8,826,403	7,769,334	(1,054,361)
Transfers (out)	(3,325,128)	(3,325,128)	(3,169,989)	155,139
Total Other Financing Sources (Uses)	5,568,567	5,571,275	4,599,345	(969,222)
Net Change in Fund Balance	\$ 895,182	\$ 135,008	(2,515,171)	\$ (3,410,353)
Fund Balances				
Beginning of Year			14,982,966	
Prior period adjustments			<u>(1,762,959)</u>	
Beginning of Year, (Restated)			<u>13,220,007</u>	
End of Year			<u>\$ 10,704,836</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Schedule of Investment Returns
Police Pension Fund

December 31, 2015

	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	9.54%

CITY OF EVANSTON, ILLINOIS

Schedule of Investment Returns
Firefighters' Pension Fund

December 31, 2015

	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	5.47%

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

General Fund - to account for all financial resources of the City except those accounted for in another fund.

General Obligation Debt Fund - to account for non-abated, general obligation payments on the principal and interest related to bonds and/or other City debt.

CITY OF EVANSTON, ILLINOIS

General Fund
 Schedule of Revenues - Budget and Actual

For the Fiscal Year ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues				
Taxes				
Property				
Current year levy	\$ 12,150,000	\$ 11,387,118	\$ 25,563,551	\$ 13,413,551
Prior year levy	250,000	250,000	352,419	102,419
Total Property Taxes	12,400,000	11,637,118	25,915,970	13,515,970
Personal Property Replacement Tax	646,300	646,300	1,312,384	666,084
Other Taxes				
State use tax	1,260,000	1,260,000	1,656,710	396,710
Sales tax - home rule	6,180,000	6,180,000	6,102,128	(77,872)
Auto rental tax	43,000	43,000	48,733	5,733
Athletic contest tax	900,000	900,000	858,155	(41,845)
Utility tax	8,170,000	8,170,000	7,081,575	(1,088,425)
Cigarette tax	300,000	300,000	225,000	(75,000)
Evanston motor fuel tax	640,000	640,000	795,586	155,586
Liquor tax	2,450,000	2,450,000	2,531,974	81,974
Parking tax	2,500,000	2,500,000	2,614,820	114,820
Real estate transfer tax	2,875,000	2,875,000	3,485,534	610,534
Total Other Taxes	25,318,000	25,318,000	25,400,215	82,215
Total Taxes	38,364,300	37,601,418	52,628,569	14,264,269
Licenses and Permits				
Vehicle licenses	2,850,000	2,850,000	2,634,172	(215,828)
Business licenses	50,000	50,000	104,221	54,221
Bed and breakfast licenses	75	75	-	(75)
Collection box license	2,500	2,500	3,026	526
Pet licenses	18,000	18,000	22,318	4,318
Contractor licenses	77,302	77,302	106,818	29,516
Rooming house licenses	200,000	200,000	244,468	44,468
Liquor licenses	400,000	400,000	564,687	164,687
One-day liquor licenses	7,000	7,000	13,023	6,023
Farmer's market licenses	41,500	41,500	41,700	200
Rental building register	75,000	75,000	78,668	3,668
Other licenses	20,000	20,000	222	(19,778)
Long-term care license	98,400	98,400	130,539	32,139
Seasonal foot ESTB	7,500	7,500	14,592	7,092
Mobile food vehicle license	1,000	1,000	-	(1,000)
Hen coop license	800	800	829	29
Resident care home license	600	600	760	160
Building permits	6,700,000	6,700,000	4,682,618	(2,017,382)
Plumbing permits	135,000	135,000	177,854	42,854
Electrical permits	140,000	140,000	229,371	89,371
Signs and awnings	8,330	8,330	10,461	2,131
Other/miscellaneous permits	250,920	250,920	415,484	164,564
Elevator permits	32,000	32,000	40,137	8,137
Heating vent/AC permits	287,532	287,532	426,403	138,871
Right of way permits	350,000	350,000	462,469	112,469

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

General Fund
 Schedule of Revenues - Budget and Actual

For the Fiscal Year ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues - Continued				
Licenses and Permits - Continued				
Property cleaning permit	\$ -	\$ -	\$ 4,285	\$ 4,285
Residents parking permit	128,000	128,000	114,296	(13,704)
Visitor parking permit	12,300	12,300	15,319	3,019
Fire suppression/alarm permit	90,000	90,000	130,435	40,435
Annual sign fees	25,000	25,000	25,366	366
Moving van permit	50,000	50,000	(200)	(50,200)
Plat PR. and Sign approval HRG fees	2,100	2,100	2,130	30
Alarm panel franchise fee	6,000	6,000	4,410	(1,590)
Northwester/Centel easement	-	-	47,000	47,000
Cable franchise fee	1,200,000	1,200,000	1,267,128	67,128
PEG Fees - Comcast	130,000	130,000	109,507	(20,493)
Nicor franchise fee	65,000	65,000	59,787	(5,213)
Total Licenses and Permits	13,461,859	13,461,859	12,184,303	(1,277,556)
Intergovernmental - Revenue from Other Agencies				
Retailer and service occupation tax	10,225,000	10,225,000	9,999,482	(225,518)
State income tax	7,500,000	7,500,000	8,266,906	766,906
State highway maintenance	68,000	68,000	61,757	(6,243)
Health Department Basic Service Grant	76,000	76,000	-	(76,000)
Summer food inspections	400	400	300	(100)
Illinois tobacco free community	31,027	31,027	24,621	(6,406)
IL HIV Surveillance Grant	4,000	4,000	6,482	2,482
Childhood Lead Poisoning Grant	1,000	1,000	1,870	870
Other State/County Grant	11,000	11,000	146,725	135,725
Tanning parlor inspection	300	300	-	(300)
Fire Department training	6,000	6,000	8,197	2,197
CRI Grant	44,000	44,000	40,647	(3,353)
PEHP Grant	62,000	62,000	60,684	(1,316)
Leadbase Paint Control Grant	100,000	100,000	20,260	(79,740)
Federal Grant/Aid	8,000	8,000	59,938	51,938
Commission on Aging Grant - Advocate	87,150	87,150	110,066	22,916
IL Vacant Property Grant	71,000	71,000	-	(71,000)
Civil Devence Grants (F.E.M.A.)	17,000	17,000	-	(17,000)
Police training	8,000	8,000	-	(8,000)
HUD Emergency Shelter Grant	135,550	135,550	171,363	35,813
Youth Organization Umbrella Grant	40,000	40,000	19,391	(20,609)
RTA Grant	20,000	20,000	-	(20,000)
Total Intergovernmental - Revenue from Other Agencies	18,515,427	18,515,427	18,998,689	483,262
Charges for Services				
Recreation				
Recreation - program	5,367,751	5,367,751	5,414,190	46,439
Recreation - charges	-	-	20,696	20,696
Recreation - deferral	-	-	(28,502)	(28,502)
Recreation - unreconciled	25,000	25,000	24,043	(957)
Total Recreation Revenue	5,392,751	5,392,751	5,430,427	37,676

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues - Continued				
Charges for Services - Continued				
Other Charges for Services				
Birth and death records	\$ -	\$ -	\$ 5,299	\$ 5,299
Health Clinic Fees - food establishment	185,000	185,000	328,424	143,424
Temporary license fee	7,500	7,500	8,466	966
Food delivery vehicle	5,500	5,500	5,283	(217)
Beverage snack vending machine	28,000	28,000	34,751	6,751
Tobacco license	19,000	19,000	25,949	6,949
Beekeeper license	-	-	73	73
Birth certificate	56,000	56,000	110,283	54,283
Death certificate	56,000	56,000	31,688	(24,312)
Funeral director license	6,000	6,000	13,490	7,490
Temp funeral director licenses	4,200	4,200	5,555	1,355
Parking meter fee increase	640,000	640,000	640,000	-
Weights and exact measures examinations	1,200	1,200	155	(1,045)
Senior Taxi coupon sales	108,000	108,000	73,175	(34,825)
Fire cost recovery charge	10,000	10,000	2,640	(7,360)
Other services charges	-	-	1,070	1,070
Historic preservation	7,200	7,200	9,338	2,138
Tree preservation revenue	3,500	3,500	6,950	3,450
Ambulance service	1,200,000	1,200,000	1,176,678	(23,322)
Towing charges	1,000	1,000	-	(1,000)
Police report fees	20,000	20,000	26,275	6,275
Wood recycling	40,000	40,000	28,010	(11,990)
Zoning fees	45,000	45,000	87,625	42,625
Fire building inspections	-	-	370	370
Fire report fee	8,000	8,000	10,755	2,755
Alarm panel subscription fees	111,000	111,000	130,513	19,513
Skokie animal board fee	8,000	8,000	-	(8,000)
Background check daycare providers	400	400	449	49
New pavement degradation	10,000	10,000	25,126	15,126
I Heart Evanston Trees project	10,000	10,000	(2,233)	(12,233)
Plan review	5,000	5,000	7,571	2,571
Total Other Service Charges	2,595,500	2,595,500	2,793,728	198,228
Total Charges for Services	7,988,251	7,988,251	8,224,155	235,904
Fines				
Ticket fines - parking	3,250,000	3,250,000	2,530,347	(719,653)
Regular fines	298,449	298,449	115,164	(183,285)
Animal ordinance penalties	-	-	7,884	7,884
Boot release fee	45,000	45,000	44,303	(697)
Fire false alarm fines	140,000	140,000	64,102	(75,898)
Police CTA detail	400,000	400,000	418,107	18,107
Police false alarm fines	-	-	38,615	38,615

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

General Fund
 Schedule of Revenues - Budget and Actual

For the Fiscal Year ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues - Continued				
Fines - Continued				
Police equipment fines	\$ -	\$ -	\$ 5,956	\$ 5,956
Housing code violation fines	60,000	60,000	70,646	10,646
Permit penalty fees	7,500	7,500	18,019	10,519
Administrative adjudication fee	262,825	262,825	241,045	(21,780)
Total Fines	4,463,774	4,463,774	3,554,188	(909,586)
Investment income	50,000	50,000	6,573	(43,427)
Other Revenues				
Women Out Walking	5,000	5,000	3,531	(1,469)
Property sales and rentals	51,543	51,543	90,406	38,863
Donation	32,000	32,000	20,096	(11,904)
Berglund Animal Hospital parking	-	-	2,400	2,400
Damage to City Signage	2,000	2,000	-	(2,000)
Damage to City Traffic Signal	20,000	20,000	-	(20,000)
Damage to street lights	10,000	10,000	-	(10,000)
Miscellaneous revenue	153,300	153,300	542,628	389,328
Taxicab revenue	-	-	2,900	2,900
Teen Baby Nursery program	41,000	41,000	-	(41,000)
Market Link vouchers	16,500	16,500	33,803	17,303
Sale of Surplus Prop	-	-	1,486	1,486
Reimbursements - Serve and Protect	2,000	2,000	19,241	17,241
Reimbursements - Sale Use	75,000	75,000	65,204	(9,796)
Reimbursements - Fire Department	25,000	25,000	43,229	18,229
Payment in lieu of taxes	267,000	267,000	61,500	(205,500)
Fund balance applied	516,000	516,000	-	(516,000)
Private Elm Trees Insurance	41,000	41,000	38,734	(2,266)
Citizens CPR Class fees	6,000	6,000	8,643	2,643
Parking permits - Ryan Field	15,000	15,000	17,120	2,120
JDE Water interface	-	-	43	43
Total Other Revenues	1,278,343	1,278,343	950,964	(327,379)
Total Revenues	\$ 84,121,954	\$ 83,359,072	\$ 96,547,441	\$ 12,425,487

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

General Fund
 Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
Expenditures				
General Management and Support				
City Council	\$ 424,917	\$ 424,917	\$ 417,835	\$ (7,082)
City Manager and Budget Management	1,871,492	1,871,492	1,782,836	(88,656)
City Clerk	246,214	246,214	279,999	33,785
Law Department	1,111,997	1,111,997	1,033,788	(78,209)
Administrative Services	8,846,061	8,846,061	8,238,623	(607,438)
Total General Management and Support	12,500,681	12,500,681	11,753,081	(747,600)
Public Safety				
Police	27,672,025	27,672,025	37,135,417	9,463,392
Fire	14,457,241	14,457,241	21,325,899	6,868,658
Total Public Safety	42,129,266	42,129,266	58,461,316	16,332,050
Public Works				
Public Works Director	507,745	507,745	545,330	37,585
Municipal Services Director	386,432	386,432	381,488	(4,944)
City Engineer	1,646,907	1,646,907	1,430,307	(216,600)
Traffic Engineer	5,774,065	5,774,065	5,662,199	(111,866)
Streets	8,452,004	8,452,004	8,843,853	391,849
Sanitation	-	-	3,776	3,776
Total Public Works	16,767,153	16,767,153	16,866,953	99,800
Health and Human Services Development				
Health and Human Services Director	328,009	328,009	331,074	3,065
Health Department	1,726,708	1,726,708	1,635,581	(91,127)
Mental Health and Community Purchased Services	1,373,941	1,373,941	1,136,261	(237,680)
Human Relations	859,153	859,153	38,083	(821,070)
Total Health and Human Services Development	4,287,811	4,287,811	3,140,999	(1,146,812)
Recreation and Cultural Opportunities				
Recreation	9,660,286	9,660,286	9,927,769	267,483
Ecology Center	462,887	462,887	486,328	23,441
Cultural Arts	612,727	612,727	665,758	53,031
Total Recreation and Cultural Opportunities	10,735,900	10,735,900	11,079,855	343,955
Housing and Economic Development				
Community Development Administration	337,304	337,304	350,864	13,560
Planning and Zoning	635,106	635,106	622,508	(12,598)
Housing Rehabilitation and Property Standards	-	-	8,784	8,784
Building Code Compliance	1,402,118	1,402,118	1,377,597	(24,521)
Total Housing and Economic Development	2,374,528	2,374,528	2,359,753	(14,775)
Total Expenditures	\$88,795,339	\$88,795,339	\$ 103,661,957	\$14,866,618

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

General Obligation Debt Fund

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual
Revenues		
Taxes		
Property taxes		
Current year levy, net	\$ 10,879,993	\$ 10,989,093
Prior year levy, net	-	167,138
Investment income	1,500	7,668
Total Revenues	<u>10,881,493</u>	<u>11,163,899</u>
Expenditures		
General management and support	193,285	158,835
Debt Service		
Principal	9,303,118	20,033,118
Interest	4,320,711	4,324,904
Fiscal agent fees	101,000	15,803
Total Expenditures	<u>13,918,114</u>	<u>24,532,660</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,036,621)</u>	<u>(13,368,761)</u>
Other Financing Sources (Uses)		
Issuance of bonds	-	11,075,000
Premium on bond issuances	-	362,986
Transfers in (out)	2,743,836	2,483,141
Total Other Financing Sources (Uses)	<u>2,743,836</u>	<u>13,921,127</u>
Net Changes in Fund Balances	<u>\$ (292,785)</u>	<u>552,366</u>
Fund Balances		
Beginning of Year		3,796,787
Prior period adjustment		<u>(1,753,037)</u>
Beginning of Year, Restated		<u>2,043,750</u>
End of Year		<u>\$ 2,596,116</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

Motor Fuel Tax - to account for the operation of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided by the City's share of gasoline taxes.

Economic Development - to account for the cost associated with economic development activities of the City. Financing is provided primarily by Hotel Tax revenues.

Emergency Telephone System - to account for revenues and expenditures for 911 emergency telephone service. Financing provided by network connection surcharges.

Neighborhood Improvement - to account for a portion of the sales tax revenues derived from retail sales of the Home Depot U.S.A. Inc. store in Evanston. Sales tax revenues allocated to this fund are to be expended on public projects that will benefit the immediate neighborhood of the store.

Affordable Housing - to account for costs associated with housing-related programs of the City.

HOME - to account for the activity of the HOME program. Financing is provided by the federal government. Expenditures are made in accordance with the requirements of federal law.

Community Development Block Grant - to account for revenues and expenditures of the community block grant program. Financing is provided by the federal government on a reimbursement basis in accordance with federal formula. Expenditures are made in accordance with the requirements of federal law.

Community Development Loan - to account for residential rehabilitation loans to residents.

Neighborhood Stabilization Program 2 - funded by the American Recovery and Reinvestment Act of 2009 to stabilize neighborhoods that have been negatively impacted by high numbers of foreclosed and vacant homes.

Special Service District No. 4 - to account for promotion, advertisement, and street maintenance costs of the area located in the City's central business district. Financing is provided by the City through an annual property tax levy.

General Assistance - to account for the assistance given to persons and/or families to meet their basic living expenses.

Capital Projects Funds

Capital Improvement - To account for capital projects not funded through special revenue, tax increment financing, or enterprise funds. Capital projects include, but are not limited to: long term improvements to public buildings, the paving of city streets, and the improvement and development of recreation facilities. Financing is provided primarily by grants and general obligation bond proceeds.

Special Assessment - To account for capital improvements (primarily alley paving) financed by both special assessments on property owners and City contributions.

Debt Service Funds

Debt Service funds are used to account for the servicing of general long-term debt.

Special Service Area No. 5 - To account for principal and interest payments on debt issued for this special taxing district.

Southwest TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Howard-Hartrey TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Washington National TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Howard/Ridge TIF- To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

West Evanston TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Dempster-Dodge TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Chicago-Main TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet
 Nonmajor Governmental Funds

December 31, 2015

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Neighborhood Improvement	Affordable Housing
Assets					
Cash and equivalents	\$ 1,745,296	\$ 2,099,511	\$ 392,583	\$ 169,915	\$ 978,743
Receivables					
Property tax	-	-	-	-	-
Notes	-	126,602	-	-	1,636,031
Special assessments	-	-	-	-	-
Other	-	461,289	174,715	-	36,721
Due from other governments	168,107	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 1,913,403	\$ 2,687,402	\$ 567,298	\$ 169,915	\$ 2,651,495
Liabilities					
Vouchers payable	\$ 83,010	\$ 4,818	\$ 15,580	\$ -	\$ 21,584
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	83,010	4,818	15,580	-	21,584
Deferred Inflows of Resources					
Long-term notes receivable	-	126,602	-	-	1,636,031
Unavailable revenue - property taxes	-	-	-	-	-
Total Deferred Inflows of Resources	-	126,602	-	-	1,636,031
Total Liabilities and Deferred Inflows of Resources	83,010	131,420	15,580	-	1,657,615
Fund Balances					
Restricted for					
Highway Maintenance	1,830,393	-	-	-	-
Emergency Telephone System	-	-	551,718	-	-
HUD Approved Projects	-	-	-	-	-
Neighborhood Improvements	-	-	-	169,915	993,880
Debt Service	-	-	-	-	-
Township	-	-	-	-	-
Committed	-	2,555,982	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances (Deficit)	1,830,393	2,555,982	551,718	169,915	993,880
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,913,403	\$ 2,687,402	\$ 567,298	\$ 169,915	\$ 2,651,495

Special Revenue						
HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	General Assistance	Total Special Revenue
\$ 4,500	\$ 10,218	\$ 243,748	\$ 214,397	\$ -	\$ 521,542	\$ 6,380,453
-	-	-	-	314,374	800,000	1,114,374
4,678,445	196,352	1,925,242	-	-	-	8,562,672
-	-	-	-	-	-	-
-	-	-	-	-	-	672,725
12,866	101,394	-	-	-	-	282,367
-	-	-	-	-	-	-
<u>\$ 4,695,811</u>	<u>\$ 307,964</u>	<u>\$ 2,168,990</u>	<u>\$ 214,397</u>	<u>\$ 314,374</u>	<u>\$ 1,321,542</u>	<u>\$ 17,012,591</u>
\$ 12,482	\$ 29,871	\$ 85,383	\$ -	\$ -	\$ 3,934	\$ 256,662
-	-	-	213,634	-	-	213,634
114	21,859	-	763	190,544	4,369	217,649
-	-	-	-	-	-	-
12,596	51,730	85,383	214,397	190,544	8,303	687,945
4,678,445	196,352	1,925,242	-	-	-	8,562,672
-	-	-	-	314,374	800,000	1,114,374
4,678,445	196,352	1,925,242	-	314,374	800,000	9,677,046
4,691,041	248,082	2,010,625	214,397	504,918	808,303	10,364,991
-	-	-	-	-	-	1,830,393
-	-	-	-	-	-	551,718
4,770	59,882	158,365	-	-	-	223,017
-	-	-	-	-	-	1,163,795
-	-	-	-	-	-	-
-	-	-	-	-	513,239	513,239
-	-	-	-	-	-	2,555,982
-	-	-	-	-	-	-
-	-	-	-	(190,544)	-	(190,544)
4,770	59,882	158,365	-	(190,544)	513,239	6,647,600
<u>\$ 4,695,811</u>	<u>\$ 307,964</u>	<u>\$ 2,168,990</u>	<u>\$ 214,397</u>	<u>\$ 314,374</u>	<u>\$ 1,321,542</u>	<u>\$ 17,012,591</u>

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet
 Nonmajor Governmental Funds

December 31, 2015

	Debt Service			
	Special Service District No. 5	Chicago Main Tax Increment District	Southwest Tax Increment District	Howard Hartrey Tax Increment District
Assets				
Cash and equivalents	\$ 525,429	\$ 602,070	\$ -	\$ 1,296,398
Receivables				
Property tax	-	-	-	-
Notes	-	-	-	-
Special assessments	-	-	-	-
Other	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 525,429	\$ 602,070	\$ -	\$ 1,296,398
Liabilities				
Vouchers payable	\$ -	\$ 290,000	\$ -	\$ 2,949
Due to other governments	-	-	-	-
Due to other funds	-	-	-	12,334
Unearned revenue	-	-	-	-
Total Liabilities	-	290,000	-	15,283
Deferred Inflows of Resources				
Long-term notes receivable	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	290,000	-	15,283
Fund Balances				
Restricted for				
Highway Maintenance	-	-	-	-
Emergency Telephone System	-	-	-	-
HUD Approved Projects	-	-	-	-
Neighborhood Improvements	-	-	-	-
Debt Service	525,429	312,070	-	1,281,115
Township	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	525,429	312,070	-	1,281,115
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 525,429	\$ 602,070	\$ -	\$ 1,296,398

Debt Service					Capital Projects				Total
Washington National	Dempster Dodge	Howard Ridge	West Evanston	Total	Capital	Special	Total	Total	
Tax	Tax	Tax	Tax	Debt	Improvements	Assessment	Capital	Nonmajor	
Increment	Increment	Increment	Increment	Service		Projects	Projects	Governmental	
District	District	District	District					Funds	
\$ 6,747,788	\$ -	\$ 150,248	\$ 447,351	\$ 9,769,284	\$ 8,019,809	\$ 2,674,718	\$ 10,694,527	\$ 26,844,264	
-	-	-	-	-	-	-	-	1,114,374	
-	-	-	-	-	-	-	-	8,562,672	
-	-	-	-	-	-	303,578	303,578	303,578	
-	-	-	-	-	136,730	7,155	143,885	816,610	
-	-	-	-	-	-	-	-	282,367	
-	-	-	-	-	-	908	908	908	
<u>\$ 6,747,788</u>	<u>\$ -</u>	<u>\$ 150,248</u>	<u>\$ 447,351</u>	<u>\$ 9,769,284</u>	<u>\$ 8,156,539</u>	<u>\$ 2,986,359</u>	<u>\$ 11,142,898</u>	<u>\$ 37,924,773</u>	
\$ 33,250	\$ -	\$ 16,508	\$ 88	\$ 342,795	\$ 2,303,491	\$ -	\$ 2,303,491	\$ 2,902,948	
-	-	-	-	-	-	-	-	213,634	
272,108	-	162,361	5,000	451,803	336,007	-	336,007	1,005,459	
-	-	-	-	-	-	303,578	303,578	303,578	
<u>305,358</u>	<u>-</u>	<u>178,869</u>	<u>5,088</u>	<u>794,598</u>	<u>2,639,498</u>	<u>303,578</u>	<u>2,943,076</u>	<u>4,425,619</u>	
-	-	-	-	-	-	-	-	8,562,672	
-	-	-	-	-	-	-	-	1,114,374	
-	-	-	-	-	-	-	-	9,677,046	
<u>305,358</u>	<u>-</u>	<u>178,869</u>	<u>5,088</u>	<u>794,598</u>	<u>2,639,498</u>	<u>303,578</u>	<u>2,943,076</u>	<u>14,102,665</u>	
-	-	-	-	-	-	-	-	1,830,393	
-	-	-	-	-	-	-	-	551,718	
-	-	-	-	-	-	-	-	223,017	
-	-	-	-	-	-	2,682,781	2,682,781	3,846,576	
6,442,430	-	2,270	442,263	9,005,577	-	-	-	9,005,577	
-	-	-	-	-	-	-	-	513,239	
-	-	-	-	-	-	-	-	2,555,982	
-	-	-	-	-	5,517,041	-	5,517,041	5,517,041	
-	-	(30,891)	-	(30,891)	-	-	-	(221,435)	
<u>6,442,430</u>	<u>-</u>	<u>(28,621)</u>	<u>442,263</u>	<u>8,974,686</u>	<u>5,517,041</u>	<u>2,682,781</u>	<u>8,199,822</u>	<u>23,822,108</u>	
<u>\$ 6,747,788</u>	<u>\$ -</u>	<u>\$ 150,248</u>	<u>\$ 447,351</u>	<u>\$ 9,769,284</u>	<u>\$ 8,156,539</u>	<u>\$ 2,986,359</u>	<u>\$ 11,142,898</u>	<u>\$ 37,924,773</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds

For the Fiscal Year Ended December 31, 2015

	Special Revenue						
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Neighborhood Improvement	Affordable Housing	HOME	Community Development Block Grant
Revenues							
Taxes	\$ -	\$ 2,116,843	\$ 977,071	\$ -	\$ 100,000	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	2,465,781	-	-	-	-	465,961	1,502,924
Charges for services	-	-	-	-	-	-	-
Investment income	819	129	190	-	111	19	-
Miscellaneous							
Contributions	-	-	-	-	125,000	-	-
Other	-	1,500	100	-	150	6,402	3,318
Total Revenues	2,466,600	2,118,472	977,361	-	225,261	472,382	1,506,242
Expenditures							
Current							
General management and support	-	-	-	-	-	-	-
Public safety	-	-	1,192,229	-	-	-	-
Public works	1,583,238	-	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	-	-	-	-
Housing and economic development	-	2,535,678	-	-	214,851	490,440	993,131
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-	-	-
Total expenditures	1,583,238	2,535,678	1,192,229	-	214,851	490,440	993,131
Excess (Deficiency) of Revenues Over Expenditures	883,362	(417,206)	(214,868)	-	10,410	(18,058)	513,111
Other Financing Sources (Uses)							
Issuance of bonds	-	-	-	-	-	-	-
Issuance of loans	-	-	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-	-	-
Transfers in	-	47,500	-	-	-	-	-
Transfers (out)	(833,000)	(614,782)	(141,767)	-	-	(26,990)	(453,229)
Total Other Financing Sources (Uses)	(833,000)	(567,282)	(141,767)	-	-	(26,990)	(453,229)
Net Change in Fund Balances	50,362	(984,488)	(356,635)	-	10,410	(45,048)	59,882
Fund Balances (Deficit), January 1	1,780,031	3,540,470	908,353	169,915	2,546,920	4,580,079	184,902
Prior Period Adjustment	-	-	-	-	(1,563,450)	(4,530,261)	(184,902)
Fund Balances (Deficit), January 1, Restated	1,780,031	3,540,470	908,353	169,915	983,470	49,818	-
Fund Balances (Deficit), December 31	\$ 1,830,393	\$ 2,555,982	\$ 551,718	\$ 169,915	\$ 993,880	\$ 4,770	\$ 59,882

Debt Service								
Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	General Assistance	Total Special Revenue	Special Service District No. 5	Chicago Main Tax Increment District	Southwest Tax Increment District	
\$ -	\$ -	\$ 322,055	\$ 1,313,420	\$ 4,829,389	\$ 422,526	\$ -	\$ -	
-	-	-	-	-	-	-	-	
-	130,126	-	-	4,564,792	-	-	-	
-	-	-	-	-	-	-	-	
375	-	4	61	1,708	5	-	-	
-	-	-	-	125,000	-	-	-	
397,708	-	-	22,742	431,920	-	-	-	
398,083	130,126	322,059	1,336,223	9,952,809	422,531	-	-	
-	-	-	782,701	782,701	-	-	-	
-	-	-	-	1,192,229	-	-	-	
-	-	-	-	1,583,238	-	-	-	
-	-	-	-	-	-	-	-	
282,380	134,148	323,000	-	4,973,628	-	580,000	893,387	
-	-	-	-	-	-	-	-	
-	-	-	-	-	255,000	-	-	
-	-	-	-	-	42,150	7,930	-	
-	-	-	-	-	-	-	-	
282,380	134,148	323,000	782,701	8,531,796	297,150	587,930	893,387	
115,703	(4,022)	(941)	553,522	1,421,013	125,381	(587,930)	(893,387)	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	900,000	-	
-	8,213	-	-	55,713	-	-	-	
-	(4,191)	-	-	(2,073,959)	-	-	-	
-	4,022	-	-	(2,018,246)	-	900,000	-	
115,703	-	(941)	553,522	(597,233)	125,381	312,070	(893,387)	
2,350,661	-	(153,365)	183,099	16,091,065	464,046	-	893,665	
(2,307,999)	-	(36,238)	(223,382)	(8,846,232)	(63,998)	-	(278)	
42,662	-	(189,603)	(40,283)	7,244,833	400,048	-	893,387	
\$ 158,365	\$ -	\$ (190,544)	\$ 513,239	\$ 6,647,600	\$ 525,429	\$ 312,070	\$ -	

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds

For the Fiscal Year Ended December 31, 2015

	Debt Service					Total Debt Service
	Howard Hartrey Tax Increment District	Dempster Dodge Tax Increment District	Washington National Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	
Revenues						
Taxes	\$ 1,248,231	\$ -	\$ 4,921,484	\$ 540,576	\$ -	\$ 7,132,817
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	1,986	-	3,532	1,817	257	7,597
Miscellaneous						
Contributions	-	-	-	-	-	-
Other	-	-	-	64,176	-	64,176
Total Revenues	1,250,217	-	4,925,016	606,569	257	7,204,590
Expenditures						
Current						
General management and support	-	-	-	581,915	(8,821)	573,094
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	-	-	-
Housing and economic development	2,174,940	2,000,000	310,290	-	-	5,958,617
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	545,000	-	-	800,000
Interest	-	-	29,976	585	7,185	87,826
Fiscal agent fees	-	-	250	-	-	250
Total expenditures	2,174,940	2,000,000	885,516	582,500	(1,636)	7,419,787
Excess (Deficiency) of Revenues Over Expenditures	(924,723)	(2,000,000)	4,039,500	24,069	1,893	(215,197)
Other Financing Sources (Uses)						
Issuance of bonds	-	-	-	-	-	-
Issuance of loans	-	2,000,000	-	-	-	2,900,000
Premium (discount) on bonds issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers (out)	(148,010)	-	(3,265,296)	(107,500)	(60,000)	(3,580,806)
Total Other Financing Sources (Uses)	(148,010)	2,000,000	(3,265,296)	(107,500)	(60,000)	(680,806)
Net Change in Fund Balances	(1,072,733)	-	774,204	(83,431)	(58,107)	(896,003)
Fund Balances (Deficit), January 1	2,369,483	-	6,186,704	295,119	500,370	10,709,387
Prior Period Adjustment	(15,635)	-	(518,478)	(240,309)	-	(838,698)
Fund Balances (Deficit), January 1, Restated	2,353,848	-	5,668,226	54,810	500,370	9,870,689
Fund Balances (Deficit), December 31	\$ 1,281,115	\$ -	\$ 6,442,430	\$ (28,621)	\$ 442,263	\$ 8,974,686

Capital Projects			
Capital Improvements	Special Assessment Capital Projects	Total Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 11,962,206
-	147,831	147,831	147,831
270,268	-	270,268	4,835,060
87,391	-	87,391	87,391
3,815	2,219	6,034	15,339
150,000	-	150,000	275,000
-	-	-	496,096
511,474	150,050	661,524	17,818,923
172,067	4,242	176,309	1,532,104
-	-	-	1,192,229
1,365,064	-	1,365,064	2,948,302
7,230	-	7,230	7,230
-	-	-	10,932,245
8,926,479	224,708	9,151,187	9,151,187
-	-	-	800,000
-	-	-	87,826
-	-	-	250
10,470,840	228,950	10,699,790	26,651,373
(9,959,366)	(78,900)	(10,038,266)	(8,832,450)
7,375,000	230,000	7,605,000	7,605,000
-	-	-	2,900,000
420,481	13,113	433,594	433,594
-	-	-	55,713
(490,000)	-	(490,000)	(6,144,765)
7,305,481	243,113	7,548,594	4,849,542
(2,653,885)	164,213	(2,489,672)	(3,982,908)
8,170,926	2,518,568	10,689,494	37,489,946
-	-	-	(9,684,930)
8,170,926	2,518,568	10,689,494	27,805,016
\$ 5,517,041	\$ 2,682,781	\$ 8,199,822	\$ 23,822,108

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 1,750,000	\$ 2,465,781	\$ 715,781
Interest	1,000	819	(181)
Total Revenues	1,751,000	2,466,600	715,600
Expenditures			
Public Works	1,700,000	1,583,238	(116,762)
Excess (Deficiency) of Revenues Over Expenditures	51,000	883,362	832,362
Other Financing Sources (Uses)			
Transfers (out)	(833,000)	(833,000)	-
Net Change in Fund Balance	\$ (782,000)	50,362	\$ 832,362
Fund Balances			
Beginning of Year		<u>1,780,031</u>	
End of Year		<u>\$ 1,830,393</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Economic Development Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and special assessments	\$ 1,800,000	\$ 2,116,843	\$ 316,843
Interest	3,700	129	(3,571)
Miscellaneous	65,500	1,500	(64,000)
Total Revenues	1,869,200	2,118,472	249,272
Expenditures			
Housing and economic development	2,723,958	2,535,678	(188,280)
Excess (Deficiency) of Revenues Over Expenditures	(854,758)	(417,206)	437,552
Other Financing Sources (Uses)			
Transfers in	-	47,500	47,500
Transfers (out)	(481,070)	(614,782)	(133,712)
Other Financing Sources (Uses) - Net	(481,070)	(567,282)	(86,212)
Net Change in Fund Balance	\$ (1,335,828)	(984,488)	\$ 351,340
Fund Balances			
Beginning of Year		3,540,470	
End of Year		\$ 2,555,982	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Emergency Telephone System Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes and special assessments	\$ 1,038,239	\$ 1,038,239	\$ 977,071	\$ (61,168)
Interest	1,000	1,000	190	(810)
Miscellaneous	-	-	100	100
Total Revenues	1,039,239	1,039,239	977,361	(61,878)
Expenditures				
Public safety	1,034,206	1,275,167	1,192,229	(82,938)
Excess (Deficiency) of Revenues Over Expenditures				
	5,033	(235,928)	(214,868)	21,060
Other Financing Sources (Uses)				
Transfers in (out)	(141,767)	(141,767)	(141,767)	-
Net Change in Fund Balance	\$ (136,734)	\$ (377,695)	(356,635)	\$ 21,060
Fund Balance				
Beginning of Year			908,353	
End of Year			\$ 551,718	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Neighborhood Improvement Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and special assessments	\$ 20,000	\$ -	\$ (20,000)
Expenditures			
Housing and economic development	50,000	-	(50,000)
Net Change in Fund Balance	<u>\$ (30,000)</u>	-	<u>\$ 30,000</u>
Fund Balances			
Beginning of Year		<u>169,915</u>	
End of Year		<u>\$ 169,915</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Affordable Housing Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Affordable housing demo tax	\$ 30,000	\$ 100,000	\$ 70,000
Developer contributions	125,000	125,000	-
Interest	228	111	(117)
Miscellaneous	249,772	150	(249,622)
Total Revenues	405,000	225,261	(179,739)
Expenditures			
Housing and economic development	405,000	214,851	(190,149)
Net Change in Fund Balance	\$ -	10,410	\$ 10,410
Fund Balance			
Beginning of Year		2,546,920	
Prior Period Adjustment		(1,563,450)	
Beginning of Year, Restated		983,470	
End of Year		\$ 993,880	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

HOME Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 216,000	\$ 465,961	\$ 249,961
Interest	-	19	19
Miscellaneous	-	6,402	6,402
Total Revenues	216,000	472,382	256,382
Expenditures			
Housing and economic development	216,000	490,440	274,440
Excess (Deficiency) of Revenues Over Expenditures			
	-	(18,058)	(18,058)
Other Financing Sources (Uses)			
Transfers (out)	-	(26,990)	(26,990)
Net Change in Fund Balance	\$ -	(45,048)	\$ (45,048)
Fund Balance			
Beginning of Year		4,580,079	
Prior Period Adjustment		(4,530,261)	
Beginning of Year, Restated		49,818	
End of Year		\$ 4,770	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments grant from U.S. Department of Housing and Urban Development	\$ 1,400,000	\$ 1,502,924	\$ 102,924
Miscellaneous	590,111	3,318	(586,793)
Total Revenues	1,990,111	1,506,242	(483,869)
Expenditures			
Housing and economic development	1,636,384	993,131	(643,253)
Total Expenditures	1,636,384	993,131	(643,253)
Excess (Deficiency) of Revenues Over Expenditures	353,727	513,111	159,384
Other Financing Sources (Uses)			
Transfers (out)	(353,727)	(453,229)	(99,502)
Other Financing Sources (Uses) - Net	(353,727)	(453,229)	(99,502)
Net Change in Fund Balance	\$ -	59,882	\$ 59,882
Fund Balance			
Beginning of Year		184,902	
Prior Period Adjustment		(184,902)	
Beginning of Year, Restated		-	
End of Year		\$ 59,882	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund
 Schedule of Expenditures - Budget and Actual (Budgetary Basis)

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Administration/Planning			
CDBG administration	\$ 296,856	\$ 280,829	\$ 16,027
Total Administration/Planning	296,856	280,829	16,027
Economic Development			
Evanston Community Development Corporation	150,000	-	(150,000)
Total Economic Development	150,000	-	(150,000)
Housing			
Rehab construction administration	184,817	127,345	(57,472)
Total Housing	184,817	127,345	(57,472)
Neighborhood Revitalization			
F/J locker rooms	-	5,910	5,910
Block curb/sidewalk replacement	99,711	80,943	(18,768)
Handyman assistance/elderly home representative	35,000	-	(35,000)
Alley improvement/paving program	400,000	132,353	(267,647)
Snap lighting	75,000	11,424	(63,576)
Special assessments/alley paving	10,000	3,420	(6,580)
Infant Welfare Society	-	19,397	19,397
YWCA shelter program	-	25,000	25,000
Family Focus Center rehabilitation	60,000	26,447	(33,553)
McGaw YMCA elevator	-	45,000	45,000
School District 65 Oakton Playground	-	4,115	4,115
YOU	30,000	-	(30,000)
General Project expenditures	60,000	-	(60,000)
Other improvements	25,000	-	(25,000)
Total Neighborhood Revitalization	794,711	354,009	(440,702)
Public Services			
General project expenditures	7,500	-	(7,500)
Rehabilitation loans	-	11,450	11,450
Evanston Community Defender	25,000	25,000	-
Evanston Rebuilding Warehouse	-	7,500	7,500
Evanston Legal Services	6,000	6,000	-
Youth Job Center of Evanston	20,000	20,000	-
Summer Youth	40,000	49,498	(9,498)
YWCA Domestic Violence	24,000	24,000	-
Family Focus	19,000	19,000	-
Meals at Home	15,000	15,000	-
Evanston School	6,000	9,500	(3,500)
North Shore Senior Center	15,000	15,000	-
Open Studio project	4,000	4,000	-
Second Baptist Church - YAM	3,500	-	3,500
Interfaith Housing Program - Homeshare	10,000	10,000	-
Iwork/hous options	15,000	15,000	-
Total Public Services	210,000	230,948	1,952
Total Expenditures	\$ 1,636,384	\$ 993,131	\$ (630,195)

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Community Development Loan Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 187,000	\$ -	\$ (187,000)
Interest	100	375	275
Miscellaneous	-	397,708	397,708
Total Revenues	187,100	398,083	210,983
Expenditures			
Housing and economic development	187,100	282,380	95,280
Net Change in Fund Balance	\$ -	115,703	\$ (115,703)
Fund Balances			
Beginning of Year		2,350,661	
Prior Period Adjustment		<u>(2,307,999)</u>	
Beginning of Year, Restated		<u>42,662</u>	
End of Year		<u>\$ 158,365</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Neighborhood Stabilization Program 2 Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ -	\$ 130,126	\$ 130,126
Miscellaneous	500,000	-	(500,000)
Total Revenues	500,000	130,126	(369,874)
Expenditures			
Housing and economic development	371,905	134,148	(237,757)
Total Expenditures	371,905	134,148	(237,757)
Excess (Deficiency) of Revenues Over Expenditures	128,095	(4,022)	(132,117)
Other Financing Sources (Uses)			
Transfers in (out)			
Tranfers from General Fund	(7,500)	8,213	15,713
Transfers to Debt Service Fund	(4,191)	(4,191)	-
Total Other Financing Sources (Uses)	(11,691)	4,022	15,713
Net Change in Fund Balance	\$ 116,404	-	\$ (116,404)
Fund Balances			
Beginning of year		-	
Ending of year		\$ -	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Special Service District No. 4 Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes			
Current year	\$ 320,000	\$ 320,790	\$ 790
Prior year	-	1,265	1,265
Investment income	-	4	4
	<hr/>	<hr/>	<hr/>
Total Revenues	320,000	322,059	2,059
Expenditures			
Housing and economic development	320,000	323,000	3,000
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	\$ -	(941)	\$ (941)
Fund Balance			
Beginning of Year		(153,365)	
Prior period adjustment		<hr/> (36,238)	
Beginning of Year, Restated		<hr/> (189,603)	
End of Year		<hr/> <hr/> \$ (190,544)	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

General Assistance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 1,348,553	\$ 1,313,420	\$ (35,133)
Investment income	1,000	61	(939)
Miscellaneous	25,000	22,742	(2,258)
Total Revenues	1,374,553	1,336,223	(38,330)
Expenditures			
General management and support	1,370,369	782,701	(587,668)
Net Change in Fund Balance	<u>\$ 4,184</u>	<u>553,522</u>	<u>\$ 549,338</u>
Fund Balance			
Beginning of Year		183,099	
Prior period adjustment		<u>(223,382)</u>	
Beginning of Year, Restated		<u>(40,283)</u>	
Ending		<u>\$ 513,239</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Capital Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 5,424,000	\$ 270,268	\$ (5,153,732)
Charges for services	-	87,391	87,391
Investment income	10,000	3,815	(6,185)
Miscellaneous			
Contributions	-	150,000	150,000
Total Revenues	5,434,000	511,474	(4,922,526)
Expenditures			
General management and support	-	172,067	172,067
Public works	-	1,365,064	1,365,064
Recreation and cultural opportunities	-	7,230	7,230
Capital outlay	18,692,150	8,926,479	(9,765,671)
Total Expenditures	18,692,150	10,470,840	(8,221,310)
Excess (Deficiency) of Revenues Over Expenditures	(13,258,150)	(9,959,366)	3,298,784
Other Financing Sources (Uses)			
Issuance of bonds	7,585,650	7,375,000	(210,650)
Premium on issuance of bonds	-	420,481	420,481
Transfers in	250,000	-	(250,000)
Transfers (out)	(490,000)	(490,000)	-
Total Other Financing Sources (Uses)	7,345,650	7,305,481	(40,169)
Net Change in Fund Balance	\$ (5,912,500)	(2,653,885)	\$ 3,258,615
Fund Balances			
Beginning of Year		8,170,926	
End of Year		\$ 5,517,041	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Special Assessment Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Special assessments	\$ 230,000	\$ 147,831	\$ (82,169)
Investment income	1,200	2,219	1,019
Total Revenues	231,200	150,050	(81,150)
Expenditures			
Current			
General management and support	-	4,242	(4,242)
Capital outlay	501,000	224,708	276,292
Total Expenditures	501,000	228,950	272,050
Excess (Deficiency) of Revenues Over Expenditures	(269,800)	(78,900)	190,900
Other Financing Sources (Uses)			
Issuance of bonds	250,000	230,000	(20,000)
Premium on issuance of bonds	-	13,113	13,113
Transfers (out)	(260,698)	-	260,698
Other Financing Sources (Uses) - Net	(10,698)	243,113	253,811
Net Change in Fund Balance	\$ (280,498)	164,213	\$ 444,711
Fund Balance			
Beginning of Year		<u>2,518,568</u>	
End of Year		<u>\$ 2,682,781</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Debt Service Funds
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Special Service District No. 5		Chicago Main Tax Increment District	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues				
Taxes				
Property taxes				
Current year levy, net	\$ 425,000	\$ 418,735	\$ -	\$ -
Prior year levy, net	-	3,791	-	-
Investment income	300	5	-	-
Miscellaneous	-	-	-	-
Total Revenues	425,300	422,531	-	-
Expenditures				
General management and support	-	-	-	-
Housing and economic development	-	-	2,900,000	580,000
Debt Service				
Principal	390,000	255,000	-	-
Interest	35,175	42,150	-	7,930
Fiscal agent fees	-	-	-	-
Total Expenditures	425,175	297,150	2,900,000	587,930
Excess (Deficiency) of Revenues Over Expenditures	125	125,381	(2,900,000)	(587,930)
Other Financing Sources (Uses)				
Issuance of bonds	-	-	-	-
Issuance of loans	-	-	2,900,000	900,000
Transfers in (out)				
General	-	-	-	-
IMRF	-	-	-	-
Economic Development	-	-	-	-
Total Other Financing Sources (Uses)	-	-	2,900,000	900,000
Net Changes in Fund Balances	\$ 125	125,381	\$ -	312,070
Fund Balances (Deficit)				
Beginning of Year		464,046		-
Prior period adjustment		(63,998)		-
Beginning of Year, Restated		400,048		-
End of Year		\$ 525,429		\$ 312,070

Southwest Tax Increment District		Howard Hartrey Tax Increment District		Washington National Tax Increment District	
Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
\$ -	\$ -	\$ 1,150,000	\$ 1,248,231	\$ 4,900,000	\$ 4,888,882
-	-	-	-	-	32,602
-	-	4,500	1,986	10,000	3,532
-	-	-	-	-	-
-	-	1,154,500	1,250,217	4,910,000	4,925,016
-	-	-	-	-	-
861,217	893,387	3,500,000	2,174,940	2,300,000	310,290
-	-	-	-	545,000	545,000
-	-	-	-	30,000	29,976
-	-	-	-	-	250
861,217	893,387	3,500,000	2,174,940	2,875,000	885,516
(861,217)	(893,387)	(2,345,500)	(924,723)	2,035,000	4,039,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(148,010)	(148,010)	(340,000)	(340,000)
-	-	-	-	(2,925,296)	(2,925,296)
-	-	-	-	-	-
-	-	(148,010)	(148,010)	(3,265,296)	(3,265,296)
<u>\$ (861,217)</u>	<u>(893,387)</u>	<u>\$ (2,493,510)</u>	<u>(1,072,733)</u>	<u>\$ (1,230,296)</u>	<u>774,204</u>
	893,665		2,369,483		6,186,704
	<u>(278)</u>		<u>(15,635)</u>		<u>(518,478)</u>
	<u>893,387</u>		<u>2,353,848</u>		<u>5,668,226</u>
	<u>\$ -</u>		<u>\$ 1,281,115</u>		<u>\$ 6,442,430</u>

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Debt Service Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Howard Ridge Tax Increment District		West Evanston Tax Increment District		Totals	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues						
Taxes						
Property taxes						
Current year levy, net	\$ 545,000	\$ 529,021	\$ -	\$ -	\$ 7,020,000	\$ 7,084,869
Prior year levy, net	-	11,555	-	-	-	47,948
Investment income	500	1,817	100	257	15,400	7,597
Miscellaneous	100,500	64,176	-	-	100,500	64,176
Total Revenues	646,000	606,569	100	257	7,135,900	7,204,590
Expenditures						
General management and support	690,000	581,915	95,000	(8,821)	785,000	573,094
Housing and economic development	-	-	-	-	9,561,217	3,958,617
Debt Service						
Principal	-	-	-	-	935,000	800,000
Interest	600	585	10,000	7,185	75,775	87,826
Fiscal agent fees	-	-	-	-	-	250
Total Expenditures	690,600	582,500	105,000	(1,636)	11,356,992	5,419,787
Excess (Deficiency) of Revenues Over Expenditures	(44,600)	24,069	(104,900)	1,893	(4,221,092)	1,784,803
C						
Issuance of bonds	200,000	-	-	-	200,000	-
Issuance of loans	-	-	105,000	-	3,005,000	900,000
Transfers in (out)						
General	(60,000)	(60,000)	(60,000)	(60,000)	(608,010)	(608,010)
IMRF	-	-	-	-	(2,925,296)	(2,925,296)
Economic Development	(47,500)	(47,500)	-	-	(47,500)	(47,500)
Total Other Financing Sources (Uses)	92,500	(107,500)	45,000	(60,000)	(375,806)	(2,680,806)
Net Changes in Fund Balances	\$ 47,900	(83,431)	\$ (59,900)	(58,107)	\$ (4,596,898)	(896,003)
Fund Balances (Deficit)						
Beginning of Year		295,119		500,370		10,709,387
Prior period adjustment		(240,309)		-		(838,698)
Beginning of Year, Restated		54,810		500,370		9,870,689
End of Year		\$ (28,621)		\$ 442,263		\$ 8,974,686

(See independent auditor's report.)

ENTERPRISE FUNDS

Water Fund - To account for all activity related to providing water to Evanston residents, as well as the Village of Skokie and the Northwest Water Commission. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operation, maintenance, debt service, and billing/collection.

Sewer Fund - To account for all activity related to providing sewer service to City residents and businesses. Activities necessary to provide such service include, but are not limited to: administration, operations, financing, capital improvements/maintenance, and billing/collection.

Parking Fund - To account for all City-owned parking facilities/garages, lots, and metered spaces. Maple Avenue and Sherman Plaza Garage activities have been included in this Fund beginning in FY09-10. All activities are accounted for including administration, operations, financing, and revenue collection.

Solid Waste Fund - To account for all activity related to refuse, recycling, and yard waste collection and disposal. Activities necessary to provide such service include, but are not limited to: administration, operations, and revenue collection.

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Budget	Actual
Operating Revenues		
Charges for services	\$ 15,253,000	\$ 15,005,360
Miscellaneous	506,100	716,246
Total Operating Revenues	<u>15,759,100</u>	<u>15,721,606</u>
Operating Expenses Excluding Depreciation		
Administration	1,528,130	1,473,338
Operations		
Pumping	2,426,701	1,752,932
Filtration	2,612,781	2,015,362
Distribution	1,724,142	2,395,818
Meter maintenance	194,336	202,921
Other	19,349,100	420,562
Total Operating Expenses Excluding Depreciation	<u>27,835,190</u>	<u>8,260,933</u>
Operating Income (Loss) Before Depreciation	(12,076,090)	7,460,673
Depreciation	-	2,096,633
Operating Income (Loss)	<u>(12,076,090)</u>	<u>5,364,040</u>
Non-Operating Revenues (Expenses)		
Investment income	10,000	5,981
Interest Expense	(434,254)	(390,461)
Net book value of fixed assets disposed	-	302,700
Total Non-Operating Revenues (Expenses)	<u>(424,254)</u>	<u>(81,780)</u>
Income (Loss) Before Transfers	<u>(12,500,344)</u>	<u>5,282,260</u>
Transfers		
Transfers (out)	<u>(3,194,053)</u>	<u>(3,194,053)</u>
Total Transfers In (Out)	<u>(3,194,053)</u>	<u>(3,194,053)</u>
Net Income	<u>\$ (15,694,397)</u>	<u>2,088,207</u>
Net Position		
Beginning of Year		66,279,631
Change in accounting principle		(101,305)
Prior period adjustment		<u>(55,806)</u>
Beginning of Year, Restated		<u>66,122,520</u>
End of Year		<u>\$ 68,210,727</u>

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Water Fund - Operation and Maintenance Account
Schedule of Operating Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	<u>Budget</u>	<u>Actual</u>
Charges for Services, Net		
Water Sales		
Evanston	\$ 6,983,000	\$ 6,952,396
Skokie	2,970,000	2,863,525
Northwest Water Commission	5,300,000	5,189,439
	<hr/>	<hr/>
Total Charges for Services	15,253,000	15,005,360
	<hr/>	<hr/>
Miscellaneous		
Fees and outside work	45,000	40,911
Fees, merchandise, and other	461,100	675,335
	<hr/>	<hr/>
Total Miscellaneous	506,100	716,246
	<hr/>	<hr/>
Total Operating Revenues	\$ 15,759,100	\$ 15,721,606

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

Fleet Services Fund - To account for the cost of operating the municipal service center maintenance facility for transportation vehicles/equipment used by City departments. Such costs are billed to the user departments.

Equipment Replacement Fund - To account for the costs associated with the purchase of vehicles and equipment.

Insurance Fund - To account for all costs related to general liability and workers' compensation claims. Beginning with FY10-11, health insurance premiums are also accounted for in this Fund. This internal service fund uses "funding premium" payments from City operating funds to pay claim and premium costs incurred.

CITY OF EVANSTON, ILLINOIS

Internal Service Funds
Combining Statement of Net Position

December 31, 2015

	Equipment			
	Replacement	Fleet Services	Insurance	Total
Current Assets				
Cash and cash equivalents	\$ 1,069,403	\$ -	\$ 1,183,113	\$ 2,252,516
Receivables - other	-	6,238	-	6,238
Inventories	-	806,876	-	806,876
Prepaid items	395,071	-	1,470,348	1,865,419
Due from other funds	141,733	-	1,240,019	1,381,752
Total Current Assets	1,606,207	813,114	3,893,480	6,312,801
Capital Assets				
Capital Assets being depreciated	23,074,067	617,552	-	23,691,619
Accumulated depreciation	(15,034,715)	(617,404)	-	(15,652,119)
Total Capital Assets	8,039,352	148	-	8,039,500
Total Assets	9,645,559	813,262	3,893,480	14,352,301
Current Liabilities				
Vouchers payable	328,518	166,886	1,677	497,081
Due to other funds	-	141,733	-	141,733
Compensated absences payable	-	13,341	5,786	19,127
Claims payable	-	-	1,209,500	1,209,500
Total Current Liabilities	328,518	321,960	1,216,963	1,867,441
Long-Term Liabilities				
Compensated absences payable	-	53,363	23,145	76,508
OPEB liability	-	72,331	-	72,331
Claims payable	-	-	3,017,868	3,017,868
Total Long-Term Liabilities	-	125,694	3,041,013	3,166,707
Total Liabilities	328,518	447,654	4,257,976	5,034,148
Net Position (Deficit)				
Net Investment in Capital Assets	8,039,352	148	-	8,039,500
Unrestricted	1,277,689	365,460	(364,496)	1,278,653
Total Net Position (Deficit)	\$ 9,317,041	\$ 365,608	\$ (364,496)	\$ 9,318,153

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended December 31, 2015

	Equipment Replacement	Fleet Services	Insurance	Total
Operating Revenues				
Charges for services				
General Fund	\$ 1,242,590	\$ 2,632,726	\$ 2,275,216	\$ 6,150,532
Sewer Fund	-	186,615	269,988	456,603
Solid Waste	177,132	312,975	-	490,107
Water Fund	-	131,101	468,493	599,594
Motor Vehicle Parking System Fund	30,000	23,092	319,649	372,741
Library Fund	1,700	2,500	-	4,200
Emergency Telephone System	-	-	17,448	17,448
Economic Development	-	-	17,448	17,448
Community Development Block Grant	-	-	17,448	17,448
Claims reimbursements	-	-	291,311	291,311
Health insurance contributions	-	-	13,992,626	13,992,626
Miscellaneous	-	46,934	47	46,981
Total Operating Revenues	1,451,422	3,335,943	17,669,674	22,457,039
Operating Expenses				
General support	-	253,031	-	253,031
Major maintenance	53,399	2,570,689	-	2,624,088
General liability claims	-	-	692,338	692,338
Workers' compensation claims	-	-	1,813,262	1,813,262
Health Insurance Premiums	-	-	13,406,758	13,406,758
Other	-	-	171,226	171,226
Total Operating Expenses	53,399	2,823,720	16,083,584	18,960,703
Operating Income Before Depreciation	1,398,023	512,223	1,586,090	3,496,336
Depreciation	1,684,835	-	-	1,684,835
Operating Income (Loss)	(286,812)	512,223	1,586,090	1,811,501
Non-Operating Revenues (Expenses)				
Investment income	-	-	136	136
Gain on sale of property	34,286	-	-	34,286
Total Non-Operating Revenues (Expenses)	34,286	-	136	34,422
Income (Loss) Before Transfers	(252,526)	512,223	1,586,226	1,845,923
Transfers				
Transfers (out)	-	(25,820)	(8,936)	(34,756)
Total Transfers In (Out)	-	(25,820)	(8,936)	(34,756)
Change in Net Position	(252,526)	486,403	1,577,290	1,811,167
Total Net Position (Deficit) - Beginning	9,569,567	(120,795)	(3,381,927)	6,066,845
Prior period adjustment	-	-	1,440,141	1,440,141
Total Net Position (Deficit) - Beginning, Restated	9,569,567	(120,795)	(1,941,786)	7,506,986
Total Net Position (Deficit) - Ending	\$ 9,317,041	\$ 365,608	\$ (364,496)	\$ 9,318,153

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Internal Service Funds
 Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2015

	Equipment Replacement	Fleet Services	Insurance	Total
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 1,451,422	\$ 3,355,261	\$ 17,669,674	\$ 22,476,357
Receipts from/(payments for) interfund services provided	409,431	(287,366)	(91,064)	31,001
Payments to suppliers	761,251	(1,867,214)	(277,982)	(1,383,945)
Payments to employees	-	(1,183,151)	(2,476,669)	(3,659,820)
Payments for insurance premiums	-	-	(14,122,356)	(14,122,356)
Net Cash Provided from Operating Activities	2,622,104	17,530	701,603	3,341,237
Cash Flows from Noncapital Financing Activities				
Transfers in (out)	-	(25,820)	(8,936)	(34,756)
Net Cash from Noncapital Financing Activities	-	(25,820)	(8,936)	(34,756)
Cash Flows from Capital and Related Financing Activities				
Sale of capital assets	85,036	-	-	85,036
Acquisition and construction of capital assets	(2,389,156)	-	-	(2,389,156)
Net Cash from Capital and Related Financing Activities	(2,304,120)	-	-	(2,304,120)
Cash Flows from Investing Activities				
Interest Income	-	-	136	136
Net Cash from Investing Activities	-	-	136	136
Net Increase (Decrease) in Cash and Cash Equivalents	317,984	(8,290)	692,803	1,002,497
Cash and Equivalents				
Beginning	751,419	8,290	490,310	1,250,019
Ending	\$ 1,069,403	\$ -	\$ 1,183,113	\$ 2,252,516
Reconciliation of Operating Income (Loss) to Net Cash Provided from Operating Activities				
Operating Income (Loss)	\$ (286,812)	\$ 512,223	\$ 1,586,090	\$ 1,811,501
Adjustments to reconcile operating income to net cash provided from operating activities				
Depreciation	1,684,835	-	-	1,684,835
Changes in assets and liabilities				
Increase/decrease in accounts receivable miscellaneous	-	19,318	-	19,318
Interfund receivable	409,431	141,733.00	(91,064)	460,100
Prepaid expenses	621,740	-	(30,207)	591,533
Inventories	-	(55,728)	-	(55,728)
Compensated absences	-	(53,902)	28,931	(24,971)
OPEB liability	-	10,226	-	10,226
Vouchers payable	192,910	(127,241)	(76,549)	(10,880)
Interfund payable	-	(429,099)	-	(429,099)
Claims payable	-	-	(715,598)	(715,598)
Net Cash Provided from Operating Activities	\$ 2,622,104	\$ 17,530	\$ 701,603	\$ 3,341,237

(See independent auditor's report.)

COMPONENT UNIT - PUBLIC LIBRARY

**CITY OF EVANSTON LIBRARY COMPONENT UNIT
EVANSTON, ILLINOIS**

Combining Balance Sheet/Statement of Net Position

December 31, 2015

	Operating	Endowment	Debt Service	Total	Adjustments	Statement of Net Position
Assets						
Cash and investments	\$ 1,180,706	\$ 3,744,525	\$ 141,651	\$ 5,066,882	\$ -	\$ 5,066,882
Property taxes receivable	6,054,180	-	385,541	6,439,721	-	6,439,721
Other receivables	95	-	-	95	-	95
Capital assets not being depreciated	-	-	-	-	311,380	311,380
Capital assets net of accumulated depreciation	-	-	-	-	12,511,235	12,511,235
Total Assets	7,234,981	3,744,525	527,192	11,506,698	12,822,615	24,329,313
Deferred Outflows of Resources						
Pension items - IMRF	-	-	-	-	1,595,019	1,595,019
Total Assets and Deferred Outflows of Resources	\$ 7,234,981	\$ 3,744,525	\$ 527,192	\$ 11,506,698	\$ 14,417,634	\$ 25,924,332
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Current liabilities						
Accounts payable	\$ 283,420	\$ -	\$ -	\$ 283,420	\$ -	\$ 283,420
Other payable	3,270	-	-	3,270	-	3,270
Due to primary government	400,124	-	104,987	505,111	-	505,111
Unearned revenue	4,141	-	-	4,141	-	4,141
Total Current Liabilities	690,955	-	104,987	795,942	-	795,942
Noncurrent Liabilities						
Due within one year	69,761	-	-	69,761	323,241	393,002
Due in more than one year	-	-	-	-	3,218,037	3,218,037
Total Noncurrent Liabilities	69,761	-	-	69,761	3,541,278	3,611,039
Total Liabilities	760,716	-	104,987	865,703	3,541,278	4,406,981
Deferred Inflows of Resources						
Unavailable property taxes	6,054,180	-	385,541	6,439,721	-	6,439,721
Total Liabilities and Deferred Inflows of Resources	6,814,896	-	490,528	7,305,424	3,541,278	10,846,702
Fund Balances						
Net investment in capital assets	-	-	-	-	11,179,234	11,179,234
Restricted for endowment	-	3,744,525	-	3,744,525	-	3,744,525
Unassigned/unrestricted	420,085	-	36,664	456,749	(302,878)	153,871
Total Fund Balances/Net Position	420,085	3,744,525	36,664	4,201,274	10,876,356	15,077,630
Total Liabilities, Deferred Inflows, and Fund Balances/Net Position	\$ 7,234,981	\$ 3,744,525	\$ 527,192	\$ 11,506,698	\$ 14,417,634	\$ 25,924,332

(See independent auditor's report.)

**CITY OF EVANSTON LIBRARY COMPONENT UNIT
EVANSTON, ILLINOIS**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances/ Statement of Activities
Governmental Fund

For Fiscal Year Ended December 31, 2015

	Operating	Endowment	Debt Service	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 5,916,852	\$ -	\$ 601,811	\$ 6,518,663	\$ -	\$ 6,518,663
Intergovernmental						
Personal property replacement tax	46,059	-	-	46,059	-	46,059
State grant revenue	181,283	-	-	181,283	-	181,283
Charges for services	445,800	-	-	445,800	-	445,800
Other						
Investment income	2,682	(53,728)	-	(51,046)	-	(51,046)
Donations	-	50,500	-	50,500	-	50,500
Miscellaneous	185	-	-	185	-	185
Total Revenues	6,592,861	(3,228)	601,811	7,191,444	-	7,191,444
Expenditures						
Current						
Community services	6,604,133	-	-	6,604,133	(137,844)	6,466,289
Debt Service						
Principal	-	-	481,936	481,936	(481,936)	-
Interest and fiscal charges	-	-	80,802	80,802	-	80,802
Total Expenditures	6,604,133	-	562,738	7,166,871	(619,780)	6,547,091
Excess (Deficiency) of Revenues Over Expenditures	(11,272)	(3,228)	39,073	24,573	619,780	644,353
Other Financing Sources (Uses)						
Transfer in	172,979	-	-	172,979	(172,979)	-
Transfer (out)	(327,268)	(172,979)	-	(500,247)	172,979	(327,268)
Total Other Financing Sources (Uses)	(154,289)	(172,979)	-	(327,268)	-	(327,268)
Change in Fund Balance/Net Position	(165,561)	(176,207)	39,073	(302,695)	619,780	317,085
Fund Balances/Net Position						
Beginning of Year	1,378,970	3,920,732	93,595	5,393,297	10,371,421	15,764,718
Change in accounting principle	-	-	-	-	(114,845)	(114,845)
Prior period adjustment	(793,324)	-	(96,004)	(889,328)	-	(889,328)
Beginning of Year, Restated	585,646	3,920,732	(2,409)	4,503,969	10,256,576	14,760,545
End of Year	\$ 420,085	\$ 3,744,525	\$ 36,664	\$ 4,201,274	\$ 10,876,356	\$ 15,077,630

(See independent auditor's report.)

**CITY OF EVANSTON LIBRARY COMPONENT UNIT
EVANSTON, ILLINOIS**

Library Operating Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 5,813,505	\$ 5,916,852	\$ 103,347
Intergovernmental			
Personal property replacement tax	50,200	46,059	(4,141)
State grant revenue	183,327	181,283	(2,044)
Charges for services	412,360	445,800	33,440
Other			
Investment income	-	2,682	2,682
Miscellaneous	-	185	185
Total Revenues	6,459,392	6,592,861	133,469
Expenditures			
General management and support	6,303,124	6,604,133	301,009
Total Expenditures	6,303,124	6,604,133	(301,009)
Excess (Deficiency) of Revenues Over Expenditures			
	156,268	(11,272)	434,478
Other Financing Sources (Uses)			
Transfers in	171,000	172,979	1,979
Transfers (out)	(327,268)	(327,268)	-
Total Other Financing Sources (Uses)	(156,268)	(154,289)	(1,979)
Net Change in Fund Balance	\$ -	(165,561)	\$ 432,499
Fund Balance			
Beginning of Year		1,378,970	
Prior period adjustment		(793,324)	
Beginning of Year, Restated		585,646	
End of Year		\$ 420,085	

(See independent auditor's report.)

STATISTICAL SECTION

This part of the City of Evanston, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information displays about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	131-134
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	135-137
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	138-142
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	143-145
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	146-150

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF EVANSTON, ILLINOIS

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year									
	2007	2008	2009	2010	2011	2011*	2012	2013	2014	2015**
Governmental Activities										
Net investment in capital assets	\$ 31,133	\$ 31,542	\$ 37,278	\$ 41,109	\$ 49,483	\$ 57,663	\$ 60,105	\$ 47,214	\$ 46,633	\$ 47,953
Restricted	30,034	23,168	26,238	23,645	23,187	31,559	31,754	24,720	25,446	16,409
Unrestricted	25,171	28,231	17,539	10,400	4,072	(24,033)	(23,729)	(13,846)	(11,436)	(136,007)
Total Governmental Activities Net Position	\$ 86,338	\$ 82,941	\$ 81,055	\$ 75,154	\$ 76,742	\$ 65,189	\$ 68,130	\$ 58,088	\$ 60,643	\$ (71,645)
Business-Type Activities										
Net investment in capital assets	\$ 140,621	\$ 159,185	\$ 172,399	\$ 192,921	\$ 207,162	\$ 215,755	\$ 228,738	\$ 239,243	\$ 246,382	\$ 255,622
Restricted	9,374	1,986	1,987	3,378	1,624	1,034	710	712	649	-
Unrestricted	21,417	23,589	27,586	25,417	19,141	25,385	26,363	25,484	23,563	22,785
Total Business-Type Activities Net Position	\$ 171,412	\$ 184,760	\$ 201,972	\$ 221,716	\$ 227,927	\$ 242,174	\$ 255,811	\$ 265,439	\$ 270,594	\$ 278,407
Primary Government										
Net investment in capital assets	\$ 171,754	\$ 190,727	\$ 209,677	\$ 234,030	\$ 256,645	\$ 273,418	\$ 288,843	\$ 286,457	\$ 293,015	\$ 303,575
Restricted	39,408	25,154	28,225	27,023	24,811	32,593	32,464	25,432	26,095	16,409
Unrestricted	46,588	51,820	45,125	35,817	23,213	1,352	2,634	11,638	12,127	(113,222)
Total Primary Government Net Position	\$ 257,750	\$ 267,701	\$ 283,027	\$ 296,870	\$ 304,669	\$ 307,363	\$ 323,941	\$ 323,527	\$ 331,237	\$ 206,762

* The City changed its fiscal year end to December 31, 2011.

** The City implemented GASB Statement No. 68 which resulted in a decrease in unrestricted net position

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Changes in Net Position

Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year Ended									
	2007	2008	2009	2010	2011	2011*	2012	2013	2014	2015
Expenses										
Governmental Activities										
General government	\$ 19,951	\$ 20,072	\$ 18,017	\$ 19,773	\$ 17,517	\$ 17,911	\$ 22,508	\$ 18,892	\$ 13,811	\$ 12,493
Public safety	46,368	48,763	49,484	50,488	53,226	43,465	52,740	57,090	58,795	57,443
Public works	16,505	21,566	21,628	18,509	15,626	12,399	11,099	13,782	25,825	20,011
Health and human resource development	6,108	4,982	4,546	4,760	4,541	3,547	3,200	3,601	3,837	2,911
Housing and economic development	7,924	7,090	6,965	20,066	10,857	11,630	19,101	11,123	12,443	10,532
Culture and recreation	18,303	20,634	20,002	9,120	20,142	15,607	17,438	16,433	9,358	14,794
Interest on long-term debt	6,926	5,522	4,041	4,396	5,595	3,114	1,786	377	3,919	3,757
Total governmental activities expenses	122,085	128,629	124,683	127,112	127,504	107,673	127,872	121,298	127,988	121,941
Business-Type Activities										
Water	8,778	8,668	9,391	9,133	8,713	7,450	10,172	11,193	11,977	10,748
Sewer	9,588	8,972	8,726	8,779	8,784	7,083	7,872	7,649	7,293	6,608
Solid waste	-	-	-	-	-	4,317	4,612	4,732	4,856	5,150
Motor vehicle parking system	2,963	2,403	8,896	8,841	8,425	6,673	8,297	8,369	7,856	7,862
Sherman garage	1,613	4,270	-	-	-	-	-	-	-	-
Maple avenue garage	2,910	2,682	-	-	-	-	-	-	-	-
Total Business-Type Activities	25,852	26,995	27,013	26,753	25,922	25,523	30,953	31,943	31,982	30,368
Total primary government expenses	\$ 147,937	\$ 155,624	\$ 151,696	\$ 153,865	\$ 153,426	\$ 133,196	\$ 158,825	\$ 153,241	\$ 159,970	\$ 152,309
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 13,630	\$ 12,639	\$ 13,348	\$ 13,087	\$ 12,796	\$ 9,219	\$ 9,478	\$ 8,917	\$ 9,374	\$ 8,629
Culture and recreation	4,353	4,521	4,637	4,902	5,265	4,587	9,934	5,236	5,360	5,572
Other activities	8,779	14,518	10,289	7,946	9,377	8,523	11,349	12,179	15,253	11,268
Operating grants and contributions	3,679	5,982	5,117	5,898	9,851	9,861	13,453	10,102	7,151	5,535
Capital grants and contributions	185	118	113	4,037	8,026	3,941	2,017	2,956	501	275
Total Governmental Activities Program Revenues	30,626	37,778	33,504	35,870	45,315	36,131	46,231	39,390	37,639	31,279
Business-Type Activities										
Charges for services										
Water	12,639	13,239	13,685	12,694	13,738	12,369	14,967	14,658	15,052	15,722
Sewer	14,394	14,239	13,774	13,243	13,393	11,377	14,115	13,510	12,785	12,511
Sherman garage	779	1,950	-	-	-	-	-	-	-	-
Solid waste	-	-	-	-	-	2,900	3,490	3,651	3,971	4,004
Motor vehicle parking system	3,059	3,084	6,719	6,772	5,987	4,928	6,663	6,255	6,080	6,164
Maple avenue garage fund	1,417	1,430	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	395	939	15	-
Total Business-Type Activities Program Revenues	32,288	33,942	34,178	32,709	33,118	31,574	39,630	39,013	37,903	38,401
Total Primary Government Program Revenues	\$ 62,914	\$ 71,720	\$ 67,682	\$ 68,579	\$ 78,433	\$ 67,705	\$ 85,861	\$ 78,403	\$ 75,542	\$ 69,680
Net (Expense)/Revenue										
Governmental Activities	\$ (91,459)	\$ (90,851)	\$ (91,179)	\$ (91,242)	\$ (82,189)	\$ (71,542)	\$ (81,641)	\$ (81,908)	\$ (90,349)	\$ (90,662)
Business-Type Activities	6,436	6,947	7,165	5,956	7,196	6,051	8,677	7,070	5,921	8,033
Total Primary Government Net Expense	\$ (85,023)	\$ (83,904)	\$ (84,014)	\$ (85,286)	\$ (74,993)	\$ (65,491)	\$ (72,964)	\$ (74,838)	\$ (84,428)	\$ (82,629)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	\$ 61,983	\$ 46,947	\$ 56,217	\$ 58,839	\$ 47,040	\$ 33,399	\$ 47,874	\$ 46,349	\$ 48,579	\$ 45,840
Sales taxes	14,387	16,172	15,500	14,880	15,577	13,495	15,888	16,965	17,362	17,758
Investment earnings	3,752	3,653	360	721	557	32	398	79	(258)	30
Miscellaneous	17,287	25,799	26,684	24,601	27,501	21,244	25,348	27,369	26,612	30,950
Transfers	(616)	(5,116)	(9,469)	(13,700)	(99)	(8,180)	(4,926)	(2,586)	610	631
Total Governmental Activities	96,793	87,455	89,292	85,341	90,576	59,990	84,582	88,176	92,905	95,209
Business-Type Activities										
Investment earnings	1,344	1,287	606	87	23	16	34	33	(156)	27
Miscellaneous	-	-	(28)	-	-	-	-	(61)	-	301
Transfers	616	5,116	9,469	13,700	99	8,180	4,926	2,586	(610)	(631)
Total Business-Type Activities	1,960	6,403	10,047	13,787	122	8,196	4,960	2,558	(766)	(303)
Changes in Net Position										
Governmental Activities	\$ 5,334	\$ (3,396)	\$ (1,887)	\$ (5,901)	\$ 8,387	\$ (11,552)	\$ 2,941	\$ 6,268	\$ 2,556	\$ 4,547
Business-Type Activities	8,396	13,350	17,212	19,743	7,318	14,247	13,637	9,628	5,155	7,730
Total Primary Government	\$ 13,730	\$ 9,954	\$ 15,325	\$ 13,842	\$ 15,705	\$ 2,695	\$ 16,578	\$ 15,896	\$ 7,711	\$ 12,277

* The City changed its fiscal year end to December 31, 2011.

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year Ended									
	2007	2008	2009	2010	2011	2011*	2012	2013	2014	2015
General Fund										
Nonspendable	-	-	-	-	-	-	-	-	-	\$ 118
Reserved/Restricted	1,327	1,108	1,275	1,585	1,995	-	-	-	-	-
Unreserved/Restricted	24,866	24,840	19,752	18,603	20,009	-	-	-	-	-
Assigned	-	-	-	-	-	7,590	6,848	6,362	5,347	5,672
Unassigned	-	-	-	-	-	10,803	10,186	10,001	9,636	4,914
Total General Fund	\$ 26,193	\$ 25,948	\$ 21,027	\$ 20,188	\$ 22,004	\$ 18,393	\$ 17,034	\$ 16,363	\$ 14,983	\$ 10,704
All Other Governmental Funds										
Reserved	\$ 31,741	\$ 29,739	\$ 31,757	\$ 28,953	\$ 28,738	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special Revenue Funds	5,587	6,649	10,356	10,807	10,907	-	-	-	-	-
Capital Projects Funds	23,965	25,620	20,899	9,276	9,665	-	-	-	-	-
Nonspendable	-	-	-	-	-	1,419	-	407	1,430	2,158
Restricted	-	-	-	-	-	32,353	32,431	25,359	26,003	16,409
Committed	-	-	-	-	-	806	2,150	3,507	3,540	2,556
Assigned	-	-	-	-	-	10,074	5,307	8,372	10,467	5,517
Unassigned	-	-	-	-	-	(175)	1,105	(149)	(153)	(221)
Total All Other Governmental Funds	\$ 61,293	\$ 62,008	\$ 63,012	\$ 49,036	\$ 49,310	\$ 44,477	\$ 40,993	\$ 37,496	\$ 41,287	\$ 26,419

* The City changed its fiscal year end to December 31, 2011.

Notes: Fund balances for debt service have been included in the reserved amounts.

1. Fund balances for debt service have been included in the reserved amounts.
2. Starting fiscal year ending December 31, 2011, financials are presented per the new reporting standards of GASB 54.

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year Ended									
	2007	2008	2009	2010	2011	2011*	2012	2013	2014	2015
Revenues										
Taxes	\$ 77,137	\$ 75,767	\$ 84,035	\$ 84,726	\$ 73,559	\$ 56,466	\$ 79,331	\$ 78,254	\$ 77,933	\$ 75,747
Licenses, fees and permits	8,061	10,276	8,820	7,279	8,661	6,776	10,470	10,617	14,503	12,184
Fines and penalties	4,029	4,660	4,442	4,151	4,003	3,280	3,470	3,449	3,358	148
Charges for services	7,167	7,732	8,399	8,680	9,786	6,283	7,763	7,723	7,793	23,834
Special assessments	565	520	516	240	429	235	293	275	167	8,312
Intergovernmental	21,402	22,625	21,013	20,696	26,456	23,183	29,252	27,844	24,300	3,554
Investment earnings	3,695	3,402	272	714	555	22	397	94	89	30
Other Revenues	5,578	5,116	4,679	4,642	6,390	4,133	2,915	1,906	1,791	1,722
Total Revenues	127,634	130,098	132,176	131,128	129,839	100,378	133,891	130,162	129,934	125,531
Expenditures										
General government	14,539	18,190	16,498	16,184	23,463	13,594	18,532	17,611	13,314	13,444
Public safety	39,690	42,466	49,999	48,970	50,352	42,140	54,611	56,431	59,425	59,654
Public works	14,282	18,868	18,913	16,062	14,053	7,574	9,380	11,982	19,821	19,815
Recreation and cultural opportunities	16,683	19,118	18,942	18,100	17,399	16,192	14,309	14,775	10,524	3,141
Health and human development	5,850	4,982	4,546	4,760	4,541	3,588	3,200	3,601	3,837	11,087
Housing and economic development	7,683	7,089	6,963	9,120	11,345	11,999	19,095	11,305	9,348	13,292
Pensions	5,645	-	-	-	-	-	-	-	-	-
Capital outlay	18,986	12,416	8,209	7,960	7,112	5,832	8,523	5,948	6,286	9,151
Debt service										
Interest	6,927	5,128	5,143	4,953	4,878	4,384	5,175	4,996	4,411	4,413
Fiscal agent fees	517	42	28	5	12	79	76	127	43	16
Principal	11,530	10,815	9,885	7,524	7,650	10,106	13,055	34,259	10,040	20,833
Total Governmental Activities Expenditure	142,332	139,114	139,126	133,638	140,805	115,488	145,956	161,035	137,049	154,846
Net (Expense)/Revenue										
Governmental Activities	(14,698)	(9,016)	(6,950)	(2,510)	(10,966)	(15,110)	(12,065)	(30,873)	(7,115)	(29,315)
Other Financing Sources (Uses)										
Proceeds from borrowing	24,916	31,444	24,340	-	13,393	15,420	12,618	34,982	9,989	22,377
Capitalized interest income	-	-	839	-	120	-	-	-	-	-
Capitalized interest expense	-	-	-	-	-	-	-	-	-	-
Escrow funding	(14,368)	(15,590)	(13,280)	-	-	-	-	-	-	-
Transfers in	6,529	8,975	5,927	11,019	5,727	5,839	9,271	8,182	9,202	10,308
Transfers (out)	(10,528)	(15,344)	(14,794)	(23,324)	(6,184)	(14,593)	(14,668)	(11,879)	(9,665)	(9,315)
Total Other Financing Sources (Uses)	6,549	9,485	3,032	(12,305)	13,056	6,666	7,221	31,285	9,526	23,370
Net Changes in Fund Balance	\$ (8,149)	\$ 469	\$ (3,917)	\$ (14,815)	\$ 2,090	\$ (8,444)	\$ (4,844)	\$ 412	\$ 2,411	\$ (5,945)
Debt Service as a Percentage of										
Noncapital Expenditures	14.96%	12.58%	11.48%	9.93%	9.36%	13.29%	13.26%	25.31%	11.05%	17.62%

* The City changed its fiscal year end to December 31, 2011.

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Equalized Assessed Value and Actual Value of Taxable Property

Last Ten Levy Years

Levy Year Ended	Residential Property	Farm Property	Commercial Property	Industrial Property	Railroad Property	Total Equalized Assessed Value	Total Actual Value	Total Tax Rate
2005	\$ 1,680,183,692	\$ 16,895	\$ 500,330,397	\$ 61,756,603	\$ 465,435	\$ 2,242,753,022	\$ 6,728,259,066	1.491
2006	1,707,669,215	16,895	476,821,737	60,920,888	464,011	2,245,892,746	6,737,678,238	1.527
2007	2,149,123,958	16,895	560,536,782	62,154,048	508,346	2,772,340,029	8,317,020,087	1.283
2008	2,324,551,100	16,895	560,106,493	53,168,671	554,733	2,938,397,892	8,815,193,676	1.295
2009	2,564,394,619	15,956	615,808,511	125,104,411	665,872	3,305,989,369	9,917,968,107	1.204
2010	2,233,194,054	15,956	623,156,869	184,687,438	829,769	3,041,884,086	9,125,652,258	1.364
2011	2,100,690,657	15,956	513,880,731	111,899,205	881,024	2,727,367,573	8,182,102,719	1.591
2012	1,944,932,067	15,956	462,671,239	106,007,084	995,206	2,514,621,552	7,543,864,656	1.551
2013	1,653,524,481	15,956	452,108,891	94,820,879	1,226,831	2,201,697,038	6,605,091,114	1.760
2014	1,792,383,435	15,467	416,165,953	34,726,327	1,278,793	2,244,569,975	6,733,709,925	1.856

Note: Property is reassessed once every three years. Equalized Assessed value is approximately 1/3 of actual value. Tax rates are per \$100 of equalized assessed value.

Source: Cook County Assessor's office

CITY OF EVANSTON, ILLINOIS

Principal Property Taxpayers

Current Year and Nine Years Ago

2014 Levy				2005 Levy			
Tax Payer	Total Equalized Assessed Value (EAV)	Rank	Percentage of Total City Taxable EAV	Tax Payer	Total Equalized Assessed Value (EAV)	Rank	Percentage of Total City Taxable EAV
Rotary International	\$ 25,715,912	1	1.15%	Golub & Company	\$ 23,175,168	1	0.96%
FSP 909 Davis Street	20,391,572	2	0.91%	Rotary International	22,007,653	2	0.91%
Lowe Enterprises	18,484,963	3	0.82%	REP CBRE	19,828,403	3	0.82%
McCaffery Interests	15,636,226	4	0.70%	Church Street Plaza	14,627,674	4	0.60%
Evanston Hotel Assoc.	9,992,465	5	0.45%	Church & Chicago Ltd Partnership	12,463,272	5	0.51%
Inland	9,759,474	6	0.43%	Evanston Hotel Assoc.	12,361,644	6	0.51%
Northshore University Health	9,557,404	7	0.43%	Albertson's (Jewel & Osco)	10,717,417	7	0.44%
Target Proptax T927	7,492,520	8	0.33%	Target Proptax T927	9,159,847	8	0.38%
TIAA Pk Evanston Inc	7,379,412	9	0.33%	Evanston NW Healthcare	9,124,467	9	0.38%
500 Davis St Holdings	7,013,472	10	0.31%	The Home Depot	7,735,969	10	0.32%
Total	<u>\$ 131,423,421</u>		<u>5.86%</u>	Total	<u>\$ 141,201,514</u>		<u>5.83%</u>
Total EAV	<u>\$ 2,244,569,975</u>			Total EAV	<u>\$ 2,423,486,132</u>		

Source: Cook County

CITY OF EVANSTON, ILLINOIS

Property Tax Levies and Collections

Last Ten Levy Years

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected Receipts		Collections in Subsequent Years	Total Collected to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 34,399,146	\$ 33,249,612	96.66%	\$ 437,287	\$ 33,686,899	97.93%
2007	35,550,694	34,061,461	95.81%	400,850	34,462,311	96.94%
2008	38,044,671	36,246,629	95.27%	358,214	36,604,843	96.22%
2009	39,779,364	38,018,159	95.57%	464,506	38,482,665	96.74%
2010	41,479,398	39,412,004	95.02%	764,463	40,176,467	96.86%
2011	43,397,590	42,064,756	96.93%	348,189	42,412,945	97.73%
2012	43,330,121	41,776,375	96.41%	559,130	42,335,505	97.70%
2013	43,869,798	42,762,685	97.48%	338,420	43,101,105	98.25%
2014	45,557,079	44,280,493	97.20%	270,619	44,551,112	97.79%
2015	46,394,914	See Note	See Note	See Note	See Note	See Note

Note: Levy Year 2015 is collected beyond fiscal year end 2015 through December 31, 2016.

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended	Population	(1) Equalized Assessed Valuation	(2) Gross General Obligation Bonded Debt	Debt Service Monies Available	(3) Debt Payable From Other Revenues	Net General Obligation Debt	Total Personal Income	Net Debt to Equalized Assessed Valuation	Net Debt to Total Personal Income	Net General Obligation Bonded Debt Per Capita
2007	74,239	\$ 2,242,753,022	\$ 187,745,000	\$ 6,504,507	\$ 96,780,000	\$ 84,460,493	\$ 2,902,967,617	3.77%	2.91%	\$ 1,137.68
2008	74,239	2,245,892,746	181,750,000	6,146,567	81,455,000	94,148,433	2,902,967,617	4.19%	3.24%	1,268.18
2009	74,239	2,772,340,029	171,945,001	7,317,930	62,079,183	102,547,888	2,902,967,617	3.70%	3.53%	1,381.32
2010	74,239	2,938,397,892	149,315,000	5,989,400	46,882,320	96,443,280	2,902,967,617	3.28%	3.32%	1,299.09
2011	74,486	3,305,989,369	151,695,000	5,309,064	50,097,260	96,288,676	3,157,759,484	2.91%	3.05%	1,292.71
2011*	74,486	3,041,884,087	155,855,000	2,629,020	47,111,060	106,114,920	3,197,311,550	3.49%	3.32%	1,424.63
2012	74,486	2,727,367,573	152,644,999	16,085,747	44,899,176	91,660,076	3,176,902,386	3.36%	2.89%	1,230.57
2013	74,619	2,514,621,552	149,534,997	12,520,761	40,042,921	96,971,315	3,113,477,775	3.86%	3.11%	1,299.55
2014	75,570	2,201,697,038	150,421,841	12,209,139	34,614,357	103,598,345	3,262,734,750	4.71%	3.18%	1,370.89
2015	75,570	2,244,569,975	150,069,048	438,453	37,651,325	111,979,270	3,262,734,750	4.99%	3.43%	1,481.80

* The City changed its fiscal year end to December 31, 2011.

Notes: (1) Equalized assessed values do not include tax increment financing district incremental equalized assessed values.

(2) Excludes limited purpose special service district bonds.

(3) These amounts include the general obligation bonds that are being repaid from the Water Fund, Solid Waste Fund, Sewer Fund, Motor Vehicle Parking System Fund, Howard Hartrey Tax Increment District, Washington National Tax Increment District, and Special Assessment Fund.

Source: Cook County and City Finance Division

CITY OF EVANSTON, ILLINOIS

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business- Type Activities			Total Primary Government	Percentage of Personal Income	(1) Per Capita
	General Obligation Bonds	Special Service District Bonds	Capital Lease	General Obligation Bonds	Water Revenue Bonds	IEPA Loans			
2007	\$ 110,920,000	\$ 3,070,000	\$ -	\$ 76,825,000	\$ 3,240,000	\$ 99,490,921	\$ 293,545,921	10.11%	\$ 3,954
2008	115,220,000	2,785,000	-	66,530,000	2,755,000	103,410,887	290,700,887	10.01%	3,916
2009	115,961,136	2,165,000	1,035,370	55,983,865	2,245,000	101,775,223	279,165,594	9.62%	3,760
2010	109,078,880	2,155,000	708,552	40,236,120	1,720,000	95,370,544	249,269,096	8.59%	3,358
2011	115,482,439	1,840,000	363,759	36,212,561	1,170,000	87,059,150	242,127,909	7.67%	3,251
2011*	120,739,206	1,840,000	-	35,115,794	1,170,000	79,081,272	237,946,272	7.44%	3,195
2012	119,423,742	1,515,000	-	33,221,257	595,000	70,375,368	225,130,367	7.09%	3,022
2013	119,123,639	1,175,000	-	30,411,358	305,000	64,658,382	215,673,379	6.93%	2,890
2014	119,060,744	795,000	-	30,566,097	-	58,412,659	208,834,500	6.40%	2,763
2015	117,752,440	405,000	-	31,911,608	-	51,901,172	209,138,551	6.69%	2,767

* The City changed its fiscal year end to December 31, 2011.

- Notes: (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 (2) See the Schedule of Demographics and Economic Statistics for personal income and population data.

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Direct and Overlapping Governmental Activities Debt

As of December 31, 2015

	Total Outstanding	Percentage of Debt Applicable to the City	The City's Share of Debt (1)
Direct debt - bonds, notes, and contracts outstanding	\$ 126,013,721	100.00%	\$ 126,013,721
Other bonded debt by taxing body			
County of Cook	3,629,037,767	1.75%	63,508,161
Cook County Forest Preserve District	191,698,444	1.75%	3,354,723
Metropolitan Water Reclamation District	2,655,365,000	1.82%	48,327,643
Community College District 535	37,480,000	11.65%	4,366,420
High School District 202	24,485,764	90.13%	22,069,019
School District 65	81,287,568	90.13%	73,264,485
Skokie Park District	6,515,000	63.00%	4,104,450
Total Overlapping Debt	6,625,869,543		218,994,901
	\$ 6,751,883,264		\$ 345,008,622

Note: Overlapping debt calculated based on the pro rata EAV.

Source: Cook County Clerk's Offices

CITY OF EVANSTON, ILLINOIS

Legal Debt Margin

December 31, 2015

The City is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.”

To date, the Illinois General Assembly has set no limits for home rule municipalities.

CITY OF EVANSTON, ILLINOIS

Pledged-Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended	Water Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Resources	Debt Service		Coverage
				Principal	Interest	
2007	\$ 13,196,942	\$ 6,900,063	\$ 6,296,879	\$ 470,000	\$ 145,088	10.24
2008	13,787,014	7,138,056	6,648,958	485,000	128,713	10.83
2009	13,878,833	7,866,909	6,011,924	510,000	110,913	9.68
2010	12,742,603	7,756,760	4,985,843	525,000	91,556	8.09
2011	13,752,681	7,191,577	6,561,104	550,000	71,269	10.56
2011*	12,368,533	6,146,652	6,221,881	-	24,672	252.18
2012	14,967,204	8,430,599	6,536,605	575,000	37,687	10.67
2013	14,657,748	8,175,707	6,482,041	290,000	19,688	20.93
2014	15,051,732	7,938,838	7,112,894	305,000	6,672	22.82
2015	NA	NA	NA	-	-	NA

The City has no revenue bonds outstanding after December 31, 2014.

* The City changed its fiscal year end to December 31, 2011.

Note: Detail regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expense.

Source: Various City departments

CITY OF EVANSTON, ILLINOIS

Demographic and Economic Statistics

Last Ten Years

Calendar Year	Population	Total Personal Income	Per Capita Personal Income	Median Age	Education % of Population with HS Diploma or Higher	School Enrollment	Unemployment Rate
2006	74,239	\$ 2,902,967,617	\$ 39,103	32.5	94.0%	9,550	4.5%
2007	74,239	2,902,967,617	39,103	32.5	94.0%	9,550	4.4%
2008	74,239	2,902,967,617	39,103	32.5	94.0%	9,550	4.6%
2009	74,239	2,902,967,617	39,103	32.5	94.0%	9,550	4.7%
2010	74,486	3,157,759,484	42,394	34.3	94.0%	9,550	7.9%
2011	74,486	3,197,311,550	42,925	34.3	94.0%	11,369	7.3%
2012	74,486	3,176,902,386	42,651	35.1	93.6%	11,418	6.8%
2013	74,619	3,113,477,775	41,725	34.4	93.9%	10,293	6.7%
2014	75,570	3,262,734,750	43,175	34.4	93.9%	10,429	4.2%
2015	75,570	3,124,063,800	41,340	34.4	93.9%	11,088	4.5%

Source: Various Government agencies

CITY OF EVANSTON, ILLINOIS

Principal Employers

Current Year and Nine Years Ago

2015				2006			
<u>Employer</u>	<u>Employees</u>	<u>%</u>	<u>Rank</u>	<u>Employer</u>	<u>Employees</u>	<u>%</u>	<u>Rank</u>
Northwestern University	9,534	49%	1	Northwestern University	5,600	39%	1
Northshore University Healthcare	4,114	21%	2	Evanston Northwestern Healthcare	3,000	21%	2
Evanston School District 65	1,554	8%	3	St. Francis Hospital	1,870	13%	3
St. Francis Hospital	1,000	5%	4	Evanston School District 65	1,100	8%	4
City of Evanston	839	4%	5	City of Evanston	891	6%	5
Presbyterian Homes/McGaw Care	606	3%	6	Evanston Township High School	550	4%	6
School District 202	585	3%	7	Presbyterian Homes/McGaw Care	500	3%	7
Rotary International	500	2%	8	Rotary International	400	3%	8
Whole Foods	386	2%	9	Solucient	275	2%	9
C.E. Neifhoff & Co.	350	2%	10	Whole Foods	190	1%	10
Total	<u>19,468</u>			Total	<u>14,376</u>		

Source: City Economic Development Division

CITY OF EVANSTON, ILLINOIS

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year Ended									
	2007	2008	2009	2010	2011	2011*	2012	2013	2014	2015
General Government										
City Clerk	2.00	2.00	2.00	2.00	2.00	3.00	2.80	2.20	2.20	2.00
City Manager's Office	7.25	13.70	31.53	27.70	22.00	8.00	12.00	12.00	14.00	13.00
MBIS / IT	23.80	25.50	-	-	13.00	12.00	11.50	9.00	11.00	12.00
Legal	7.00	7.00	7.00	6.00	7.00	7.00	7.00	8.00	7.00	8.00
Human Resources	8.00	8.00	8.00	8.00	5.00	5.00	7.50	8.00	8.50	6.50
Finance	25.50	26.50	29.50	28.50	19.50	19.00	17.10	17.00	17.50	20.50
Parking Systems	-	-	-	-	13.00	12.00	12.00	9.00	12.00	12.00
Facilities Management	21.20	-	-	-	-	19.00	20.20	16.00	-	-
Community Development	36.00	36.00	35.00	33.00	28.00	27.00	27.00	24.00	21.00	19.00
Community College District 535										
Police	221.75	220.75	220.75	218.50	219.00	222.00	225.00	220.00	227.00	227.00
Fire	111.00	111.00	112.00	111.00	107.00	108.00	110.00	106.00	110.00	110.00
Human and Health Services	40.15	29.68	24.90	26.40	15.90	17.00	17.70	20.00	21.10	22.10
Public Works	90.25	108.45	105.45	83.25	58.80	49.00	49.25	97.00	108.45	107.45
Human Relations	4.00	-	-	-	-	-	-	-	-	-
Library	67.19	66.69	69.35	67.50	52.00	52.00	56.38	63.00	63.13	66.45
Recreation, Parks, and Forestry	119.90	115.90	112.75	131.75	132.00	105.00	105.21	69.00	69.64	74.23
Total General Government	784.99	771.17	758.23	743.60	694.20	665.00	680.64	680.20	692.52	700.23
Other Functions										
Neighborhood Stabilization Program	-	-	-	-	1.00	1.00	2.00	1.00	1.31	0.50
Housing Rehabilitation	-	-	-	-	-	-	-	-	-	1.75
General Assistance Fund	-	-	-	-	-	-	-	-	-	4.00
HOME Fund	-	-	-	-	-	-	-	-	-	0.40
Emergency Telephone System	4.00	4.00	4.00	5.00	5.00	5.00	5.00	4.00	5.00	5.00
CDBG	2.00	2.00	2.00	2.00	2.00	3.00	1.53	3.00	2.60	2.60
Economic Development Fund	1.45	1.30	2.30	2.30	5.00	6.00	7.00	5.00	6.25	6.25
Downtown II TIF Fund	1.00	-	-	-	-	-	-	-	-	-
Capital Improvements Fund	-	-	-	-	1.00	-	-	-	-	-
Maple Ave. Garage	1.00	1.00	1.00	-	-	-	-	-	-	-
Parking Fund	14.50	14.50	14.50	15.50	14.00	15.00	15.50	15.50	15.50	15.50
Water	43.00	43.00	43.00	43.00	42.00	41.00	42.50	40.00	42.50	44.50
Sewer	14.00	14.00	14.00	14.00	12.00	11.00	13.00	11.00	13.33	11.33
Solid Waste	-	-	-	-	-	6.00	10.00	8.00	9.66	9.66
Fleet Services	17.00	15.00	15.00	15.00	11.00	12.00	12.00	10.00	12.00	12.50
Insurance Fund	1.30	1.00	2.00	2.00	3.00	4.00	4.00	4.00	5.00	5.00
Total Other Functions	99.25	95.80	97.80	98.80	96.00	104.00	112.53	101.50	113.15	118.99
Total All Funds	884.24	866.97	856.03	842.40	790.20	769.00	793.17	781.70	805.67	819.22

* The City changed its fiscal year end to December 31, 2011.

Source: City of Evanston HR Division

CITY OF EVANSTON, ILLINOIS

Property Tax Rates per \$100 - Direct and Overlapping Governments

Last Ten Levy Years

Government Unit	Tax Levy Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City of Evanston	1.527	1.283	1.295	1.204	1.365	1.592	1.551	1.760	1.856	1.766
Consolidated Elections	-	0.012	-	0.021	-	0.025	-	-	-	-
Cook County	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.591	0.568
Cook County Forest Preserve District	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.073	0.069
Suburban T.B. Sanitarium	0.005	-	-	-	-	-	-	-	-	-
Metropolitan Water Reclamation District	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.440	0.430
North Shore Mosquito Abatement District	0.009	0.008	0.008	0.008	0.009	0.010	0.010	0.007	0.007	0.011
Evanston Township	0.058	0.050	0.050	0.042	0.046	0.011	0.010	0.053	0.056	-
Community College 535	0.166	0.141	0.140	0.140	0.160	0.196	0.219	0.256	0.270	0.258
School District 202	2.099	1.750	1.722	1.616	1.819	2.061	2.308	2.689	2.836	2.659
School District 65	3.045	2.535	2.552	2.401	2.655	2.818	3.149	3.671	3.872	3.686
Total Tax Rate for Property not in Park District or Special Service District	7.750	6.541	6.485	6.136	6.802	7.553	8.211	9.482	10.001	9.447
Percent of Total Tax Rate Levied by City of Evanston	19.70%	19.61%	19.97%	19.62%	20.07%	21.08%	18.89%	18.56%	18.56%	18.69%

Source: Cook County Assessor's office

CITY OF EVANSTON, ILLINOIS

Water Sold by Type of Customer

Last Ten Fiscal Years
(in 100 cubic feet)

	Fiscal Year Ended									
	2007	2008	2009	2010	2011	2011*	2012	2013	2014	2015
Type of Customer										
Residential	\$ 2,388,360	\$ 2,375,942	\$ 2,260,284	\$ 2,174,255	\$ 2,187,244	\$ 1,804,433	\$ 2,276,492	\$ 2,189,588	\$ 2,065,980	\$ 2,098,160
Industrial	16,307	16,579	15,722	13,624	14,195	11,552	14,758	12,392	11,627	10,772
Commercial	1,278,334	1,240,591	1,193,241	1,109,556	1,153,949	928,621	1,117,431	1,105,077	1,036,034	1,045,791
Government	96,777	100,278	89,420	69,229	75,308	50,129	66,561	61,908	53,732	55,485
Total	\$ 3,779,778	\$ 3,733,390	\$ 3,558,667	\$ 3,366,664	\$ 3,430,696	\$ 2,794,735	\$ 3,475,242	\$ 3,368,965	\$ 3,167,373	\$ 3,210,208
Total direct rate per 100 cubic feet	\$ 1.47	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.75	\$ 1.80	\$ 1.98	\$ 2.18

* The City changed its fiscal year end to December 31, 2011.

Source: City Utilities Department

CITY OF EVANSTON, ILLINOIS

Water Sold by Major Customers

Last Ten Fiscal Years

	Fiscal Year Ended									
	2007	2008	2009	2010	2011	2011*	2012	2013	2014	2015
Type of Customer										
Evanston residents/businesses	\$ 5,804,517	\$ 6,012,643	\$ 5,430,019	\$ 5,396,739	\$ 5,377,297	\$ 4,719,084	\$ 6,124,221	\$ 5,915,560	\$ 6,301,307	\$ 6,975,785
Village of Skokie	2,891,834	3,158,396	2,689,304	2,676,163	2,885,096	2,304,066	2,989,109	2,772,424	2,805,425	2,854,684
Northwest Water Commission	3,497,989	3,620,878	4,820,074	4,506,066	4,781,645	3,710,581	5,033,996	5,183,425	5,074,770	5,183,391
Total	\$ 12,194,340	\$ 12,791,917	\$ 12,939,397	\$ 12,578,968	\$ 13,044,038	\$ 10,733,731	\$ 14,147,326	\$ 13,871,409	\$ 14,181,502	\$ 15,013,860

* The City changed its fiscal year end to December 31, 2011.

Source: City Utilities Department

CITY OF EVANSTON, ILLINOIS

Operating Indicators by Function/Programs

Last Ten Years

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Function/Program</u>										
Police										
Violent offenses	224	282	299	255	214	180	230	131	97	80
Property offenses	2,942	2,825	2,739	2,412	2,119	2,144	2,078	1,980	1,959	1,872
911 calls received	55,795	59,135	56,717	52,198	35,991	51,969	44,875	42,551	44,177	46,749
Fire										
Emergency responses	8,173	8,517	9,134	8,566	8,917	9,063	9,330	9,373	9,617	9,630
Fires extinguished	220	192	185	154	157	157	154	129	120	99
Inspections	1,320	1,050	1,810	709	680	620	640	660	740	760
Other Public Works										
Street resurfacing (estimated miles)	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4	4.9	2.7
Parks and Recreation										
Athletic field usage (hours)	15,561	15,165	17,121	16,185	18,966	20,075	16,761	16,367	16,270	15,531
Picnic permits issued	319	373	403	431	460	437	541	445	448	404
Library										
Volumes in collection	495,575	458,017	502,019	502,019	471,262	436,382	426,342	400,034	401,300	481,626
Total volumes borrowed	897,141	867,743	945,952	945,952	951,667	891,769	989,638	1,056,243	1,074,972	1,071,401
Water										
New connections	104	61	57	28	29	16	4	-	18	9
Water main breaks	48	36	52	52	38	28	66	51	70	23
Average daily consumption (millions of gallons)	41.41	42.91	40.09	39.41	38.91	38.39	39.85	35.81	36.79	36.63
Peak daily consumption (millions of gallons)	66.49	66.00	65.40	58.94	57.02	65.95	69.21	56.95	48.91	50.59

Note: Indicators are not available for general government functions

Source: Various City departments

CITY OF EVANSTON, ILLINOIS

Capital Assets Statistics by Function

Last Ten Years

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Function/Program</u>										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Budgeted sworn officers	162	162	165	165	164	164	164	164	164	164
Fire trucks	5	5	5	5	5	5	5	5	5	5
Other Public Works										
Streets (miles)	147	147	147	147	147	147	147	147	147	147
Streetlights	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641
Parks and Recreation										
Acreage	290	290	290	290	290	290	290	290	290	290
Playgrounds	51	51	51	51	51	51	51	51	51	51
Baseball/softball diamonds	18	18	18	18	18	18	18	18	18	18
Soccer/football fields	27	27	27	27	27	27	27	27	27	27
Community centers	5	5	5	5	5	5	5	5	5	6
Water										
Water mains (miles)	159	157	157	157	157	157	157	157	157	156.4
Fire hydrants	1347	1370	1370	1399	1399	1399	1399	1399	1477	1484
Storage capacity (millions of gallons)	22	22	22	22	22	22	22	22	22	22

Note: No capital asset indicators are available for the general government or library function

Source: Various City departments

Source: City Finance division

COMPLIANCE SECTION



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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
STATE OF ILLINOIS PUBLIC ACT 85-1142**

The Honorable Mayor
Members of the City Council
City of Evanston, Illinois

We have examined management's assertion that the City of Evanston, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2015. As discussed in that representation letter, management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with statutory requirements.

In our opinion, management's assertion that the City of Evanston, Illinois, complied with the aforementioned requirements for the year ended December 31, 2015, is fairly stated in all material respects.

This report is intended solely for the information and use of the City Council, management, the joint review board, the Illinois State Comptroller, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to read 'Sikich LLP'.

Naperville, Illinois
August 5, 2016