

CITY OF EVANSTON, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE TEN MONTHS ENDED
December 31, 2011

Prepared by Administrative Services Department

CITY OF EVANSTON, ILLINOIS

Table of Contents

INTRODUCTORY SECTION	PAGE
Principal Officials	2
Organization Chart	3
Letter of Transmittal	4
Certificate of Achievement for Excellence in Financial Reporting	13
 FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	15
MANAGEMENT'S DISCUSSION AND ANALYSIS	18
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets	27
Statement of Activities	29
Governmental Funds Balance Sheet	31
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds Statement of Net Assets	34
Proprietary Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	36
Proprietary Funds Statement of Cash Flows	37
Fiduciary Funds - Statement of Net Assets	39
Fiduciary Funds - Pension Trust Funds - Statement of Changes in Plan Net Assets	40
Notes to the Financial Statements	
Index for Notes to the Financial Statements	41
Notes to the Financial Statements	44
REQUIRED SUPPLEMENTARY INFORMATION	
Firefighters' Pension Fund, Police Pension Fund, and Illinois Municipal Retirement Fund - Schedules of Funding Progress and Post Employment Benefits	99
Firefighters' and Police Pension Funds - Schedules of Employer Contribution	100
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	101
Notes to the Required Supplementary Information	
Digest of Changes - IMRF	102
Conversion from GAAP basis to Budgetary basis	102

CITY OF EVANSTON, ILLINOIS

Table of Contents

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	PAGE
GOVERNMENTAL FUND TYPES	
Nonmajor Governmental Funds Combining Balance Sheet	106
Nonmajor Governmental Funds Combining Statements of Revenues, Expenditures, and Changes in Fund Balances	111
GENERAL FUND	
Schedule of Revenues - Budget and Actual (Budgetary Basis)	116
Schedule of Expenditures - Budget and Actual (Budgetary Basis)	122
SPECIAL REVENUE FUNDS	
Motor Fuel Tax Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	124
Economic Development Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	125
Emergency Telephone System Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	126
Neighborhood Improvement	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	127
Affordable Housing Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	128
HOME Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	129
Community Development Block Grant Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	130
Schedule of Expenditures - Budget and Actual (Budgetary Basis)	131
Community Development Loan	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	133
Neighborhood Stabilization Program 2	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	134

CITY OF EVANSTON, ILLINOIS

Table of Contents

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)	PAGE
Special Service District No. 4 Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	135
Homeless Prevention & Rapid Re-Housing Program Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	136
Township - Town Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	137
Township - General Assistance Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	138
Special Assessment Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	139
DEBT SERVICE FUNDS	
All Funds Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	140
<u>PROPRIETARY FUND TYPES</u>	
WATER FUND	
Schedule of Net Assets	143
Schedule of Changes in Net Assets - Reserved - Restricted Accounts	144
Operation and Maintenance Account - Schedule of Revenues, Expenses, and Changes in Unreserved Net Assets - Budget and Actual	145
Operation and Maintenance Account - Schedule of Operating Revenues Budget and Actual	146
INTERNAL SERVICE FUNDS	
All Funds Combining Statement of Net Assets	148
Combining Statement of Revenues, Expenses, and Changes in Net Assets	149
Combining Statement of Cash Flows	150

CITY OF EVANSTON, ILLINOIS

Table of Contents

STATISTICAL SECTION (UNAUDITED)	PAGE
Net Assets by Component	154
Changes in Net Assets	155
Fund Balances - Governmental Funds	156
Changes in Fund Balances - Governmental Funds	157
Equalized Assessed Value and Actual Value of Taxable Property	158
Principal Property Taxpayers	159
Property Tax Levies and Collections (City) - Last Ten Levy Years	160
Ratio of General Bonded Debt Outstanding	161
Ratio of Outstanding Debt by Type	162
Direct and Overlapping Governmental Activities	163
Pledged - Revenue Coverage	164
Demographic and Economic Statistics - Last Ten Years	165
Principal Employers	166
Full-Time Equivalent City Government Employees by Function	167
Property Tax Rates per \$100 - Direct and Overlapping Governments	168
Water Sold by Type of Customer (in 100 cubic feet)	169
Water Sold by Major Customers	170
Operating Indicators by Function/Program	171
Capital Assets Statistics by Function	172
TAX INCREMENT FINANCING DISTRICT REQUIREMENTS	
Independent Accountants' Report on Compliance - Tax Increment Financing Districts	174

INTRODUCTORY SECTION

CITY OF EVANSTON, ILLINOIS

Principal Officials
December 31, 2011

LEGISLATIVE

CITY COUNCIL

Elizabeth B. Tisdahl, Mayor

Judy Fiske

Delores A. Holmes

Peter Braithwaite

Mark Tendam

Melissa A. Wynne

Jane Grover

Donald N. Wilson

Ann Rainey

Coleen Burrus

EXECUTIVE

Wally Bobkiewicz, City Manager

Martin Lyons, Assistant City Manager / Treasurer

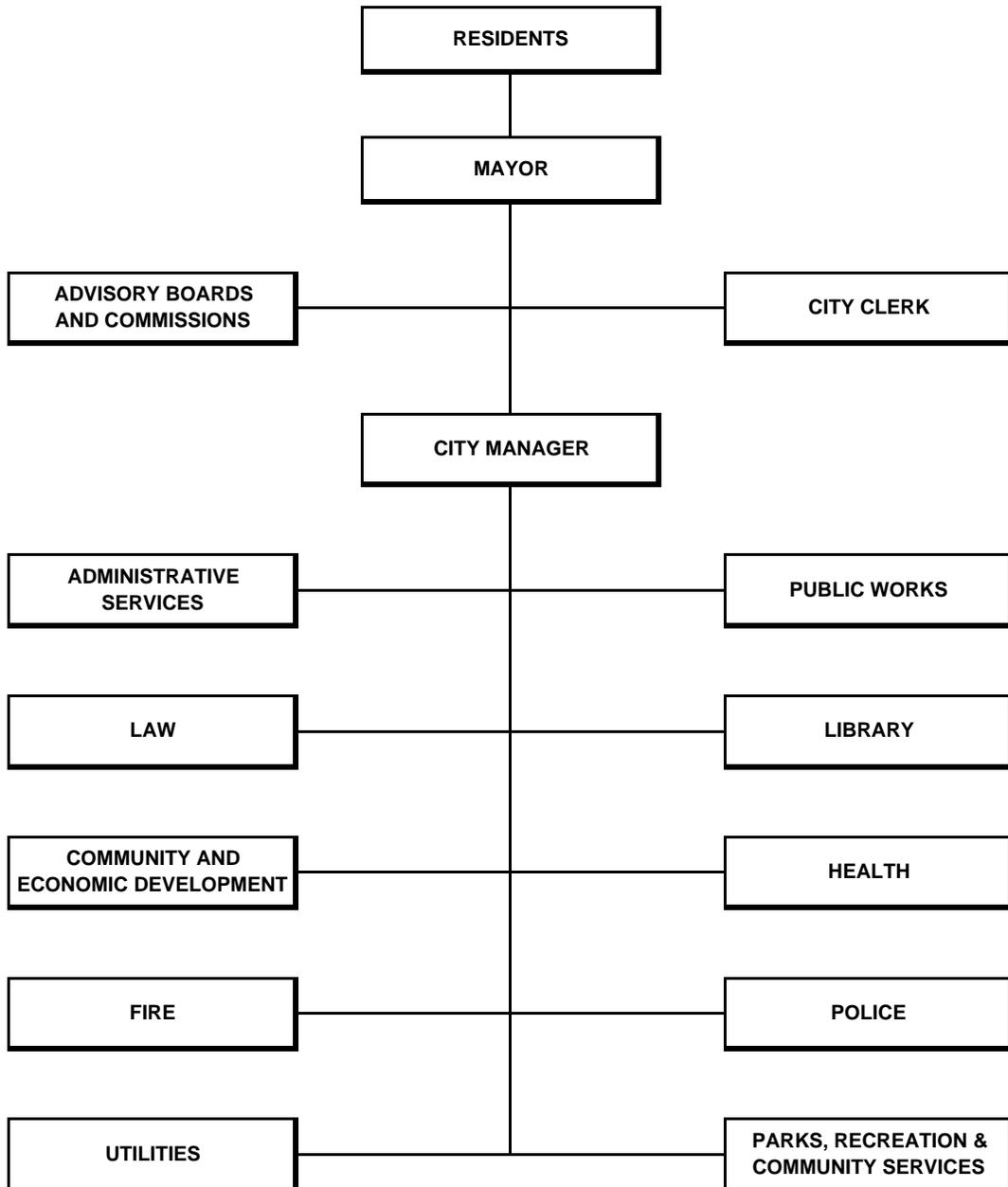
**ADMINISTRATIVE SERVICES DEPARTMENT
FINANCE DIVISION**

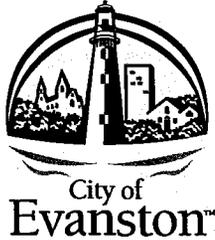
Martin Lyons, Assistant City Manager / Treasurer

Louis Gergits, Interim Finance Division Manager

Hitesh Desai, Accounting Manager

CITY OF EVANSTON ORGANIZATION CHART





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

June 26, 2012

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 ten month ended December 31, 2011 is hereby submitted. The CAFR is prepared by the City's Administrative Services Department 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 present fairly 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 March 1, 2011 to December 31, 2011. 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, management of the City 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, Evanston Township. The Evanston Township Board of Trustees has the same members as the City Council. The financial statements of Evanston Township are included in the reporting entity. Although the Township is a legally separate entity, it is considered a component unit: therefore, data from the Township is blended with data of the City.

The City's financial statements have been audited by Baker Tilly Virchow Krause, 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 ten month ended December 31, 2011, 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 unqualified opinion that the City's financial statements for the ten month ended December 31, 2011, 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: it is a suburb, an urban center, a university town, and lake-front community; it has leafy neighborhoods and lake-front mansions; it has apartment, condominium, 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 Chicago land 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 was established with the City of Chicago and the present City limits, encompassing an area of approximately eight square miles, have been essentially the same ever since. The City has four miles of shoreline along Lake Michigan.

Evanston is the home of Northwestern University, so named as it was established to serve the Northwest Territory. The University first platted the village which surrounded it. The State Legislature named the Village "Evanston" in honor of Dr. John Evans, the then president of the University's Board. 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, 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 for 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 ten departments. The Assistant City Manager acts as Chief Financial Officer 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 2011 ten month fiscal period began on March 1, 2011. During the previous 2010-11 fiscal year, the City Council passed an ordinance changing the fiscal year to a calendar year effective on period ending December 31, 2011. This resulted in a 10 months fiscal period from March 1, 2011 to December 31, 2011. The subsequent fiscal year is a full 12 calendar months cycle from January 1, 2012 to December 31, 2012.

Because of the change in fiscal year, the City Manager submitted to the City Council a proposed operating budget in October for the fiscal year 2012 commencing the following January 1. The operating budget includes proposed expenditures and the means of financing those expenditures. Evanston has been a leader in community engagement and implemented "Engage Evanston" in 2011, a process to involve the Evanston Community in the entire budget process. The City Council also holds a public hearing and additional public meetings as a part of the budget review and planning process. The City staff will start a budget process for fiscal year 2013 in July 2012. The Council is expected to adopt the budget by November, 2012.

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 of the City (CAFR) presents expenditures and revenues on both a GAAP basis and a budgetary basis for comparison.

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid 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 2012, the City projects that 33.1% (\$82.7 million-including transfers) of all City expenditures will occur in the General Fund. Other major funds include the Capital Improvement, Employer Pension Contribution, 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. Expenditures 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 only if expenditures are within the authorized budget.

MAJOR INITIATIVES – FISCAL YEAR 2012

The City Manager's Office will: Coordinate the CTA Purple Line Viaduct Project, increase public outreach via social media, increase collaboration with community partners, expand non-tax revenue base supporting City programs and analyze 311 data to identify and implement service efficiency.

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 of City in EEOC and Department of Human Rights complaints, undertake new roles regarding representation and negotiations of labor contracts, analyze and evaluate new risk management strategies for City departments and update liquor regulations and noise regulations.

The Administrative Services Department will: Implement a new Financial Software System to reduce operating cost and improve efficiencies, expand the use of computer virtualization, explore opportunities for cloud computing, update non-union job descriptions, conduct internal OSHA Audit, continue to focus on reducing unemployment costs and enhance revenue collections using the services of a full time contractual Collections Coordinator.

The Community and Economic Development Department will: Continue promoting economic development, neighborhood revitalization and affordable housing. The department will continue to have a special emphasis on the down payment assistance program, the single family rehab program and acquisition and rehab of foreclosed properties as part of housing activity. The department will also continue the implementation of the PAL System which includes online permit status look up and inspection scheduling

The Police Department will: Continue to purchase new cameras and related equipment for use within the Evanston community. The department will purchase the field reporting program through HTE System to enable incident reporting via laptop computers. The Police department plays a central role in the continued success of 311 Center.

The Fire Department will: Conduct a Shift Chief and a Fire Captain promotional exam; coordinate emergency management for all City locations; provide advanced Cardiac Life Support training to all paramedics, revise and submit City's Emergency Operations Plan for certification, offer CPR classes to citizens, enhance and augment internal wellness program and continue to spearhead the continuity of city business operations planning.

The Health Department will: Address the needs of medically underserved in Evanston; host an annual health summit; expand Women Out Walking Program; develop and administer program addressing childhood obesity problem; undergo the 2011-16 recertification process to remain a certified local health department; conduct a community wide health needs assessment; establish a dental consortium to assure oral health in Evanston and develop a collaborative program to facilitate change in Evanston corner stores for availability of healthy foods.

The Public Works Department will: Complete construction of a Service Center locker room; develop a five year street maintenance plan that complements the five year resurfacing plan; complete construction of a new salt dome; complete CTA Yellow Line feasibility study; complete CTA Purple Line viaduct replacement; explore shared work/operations across jurisdiction; upgrade and coordinate Sheridan Road Corridor traffic signals; design east/west recreational bike paths; continue citywide davit arm luminaire street light replacement and expand City Works management program to

cover street signs, street lights and traffic signals maintenance function to improve employee and fiscal accountability.

The City of Evanston created the separate Library Fund as part of the FY 2012 Budget process. All FY 2012 revenues and expenditures associated with Library operations have been budgeted within the newly created Library Fund. 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 Department will: Continue to work with City Council members, the City Manager and Library Director to complete the transition to a new operational model; increase circulation through improved collection development; expand library services and resources throughout the community; engage citizens to identify demographics and service areas of specialization and complete a roof and masonry assessment of the Main Library.

The Parks, Recreation and Community Services will: Develop e-newsletters for Fleetwood-Jourdain Center; promote online program registrations; develop a comprehensive after school program for middle school children; implement RecTrac facility scheduling software for Levy Center; expand the Golf program; recruit more volunteers to support senior services; continue to participate in state-sponsored programs; restructure the summer Special Recreation offerings; expand the number of opportunities available to youth for Youth Employment Program; continue the three year cycle of elm injections; identify additional funding sources to increase the number of trees being planted on City parkways; assist Evanston artists and arts organizations in fostering collaboration; use the building automation systems that are in place and improve energy management techniques throughout the year to reduce energy consumption.

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 very moderate recovery in some of the sectors which trickled down to local economy in terms of some of the major revenues being little higher or flat while others were modestly lower in the 2011 fiscal period. Since the period for this report is 10 months as opposed to a traditional 12 months period, variance reporting shows significant changes in the income

statement compared to prior year. The change in fiscal period from February end to December end has also contributed to the variations in some City revenues. Because not all revenues are received on even monthly increments, the change in the fiscal period end made revenue projections more difficult in 2011. Added to this change was the uncertainty of schedules for revenue distribution from both the State of Illinois and Cook County. Accordingly, City Property Tax, Utility Tax, Parking Fines and Building Permit revenues were below the budget amount. Some of the economically sensitive revenues such as Sales Tax, Use Tax, Income Tax and Real Estate Transfer Tax revenues were higher than budgeted revenues. The City's FY2012 budget for the full 12 months reflects these economic trends and the City reduced the overall General Fund expenditure budget by almost 7% compared to the prorated number for the 10 month previous fiscal period to match the pace of slow economic recovery.

Risk Management: Last year, the city hired a new third-party administrator for its liability and workers' compensation claims. Based on favorable insurance experience and rates, the City reduced certain deductibles to provide more stable coverage during the current economy. Additionally, more staff and resources are being dedicated to internal risk management and formal safety training programs are being implemented for those employees most prone to injury due to the nature of their work.

Pension and Other Post Retirement Benefits: The City sponsors a single-employer defined benefit pension plan for both its police and firefighters. Each year an independent actuary engaged by the City calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. The city has used actuarial valuation numbers from the recently engaged actuary for both pension funds in the current Audit report. The City and Police and Firefighter Pension Boards jointly recommend each year's funding level using the annual actuarial analysis.

The City also provides pension benefits for its non-public safety employees. The benefits are provided through a state-wide plan managed by the Illinois Municipal Retirement Plan (IMRF). The City funding contribution rate changes each year based on investment returns and the annual City contribution rate changes annually as determined by the Plan.

The City provides a deferred compensation plan (Section 457 Plan) for its employees. This is administered by Nationwide Retirement Solutions for Fire employees and by ICMA-RC (International City/County Management Association - Retirement Corporation) for all other employees. The employees contribute on a tax

deferred basis a fixed dollar amount or percentage of their salary. Besides this, a PEHP (Post Employment Health Plan) is also available to Fire and Police employees. Fire employees contribute a fixed dollar amount and/or sick time while Police employees contribute a fixed dollar amount, compensatory time and/or sick time.

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 February 28, 2011. 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.

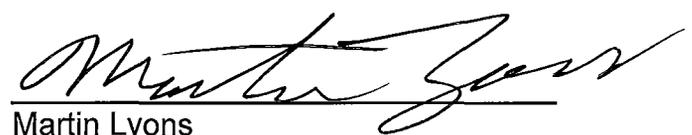
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual March 1, 2011 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 Hitesh Desai, Accounting Manager, and accountants Raye Janousek, Rom Chmara and Andy Villamin in preparing the financial statements. Appreciation is also extended to all other Administrative Services Department 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 Bobkewicz
City Manager


Martin Lyons
Assistant City Manager/Treasurer

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
February 28, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

**INDEPENDENT AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS**



Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of and for the ten months ended December 31, 2011, which collectively comprise the City of Evanston's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Evanston's management. Our responsibility is to express opinions on these financial statements based on our audit. In our opinion such adjustment is appropriate and has been properly applied.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions. The financial statements of the Township of Evanston were not audited in accordance with Government Auditing Standards.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the ten months then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the City adopted the provision of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions effective March 1, 2011.

In accordance with Government Auditing Standards, we have also issued a report dated June 26, 2012 on our consideration of City of Evanston's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of funding progress, the schedules of employer contribution and the general fund budgetary comparison schedule as listed in the table of contents 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, economical, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evanston's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare 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 financial statements or to the 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 taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Evanston's basic financial statements for the year ended February 28, 2011, which are not presented with the accompanying financial statements. In our report dated August 26, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of the City of Evanston, Illinois. In our opinion, the 2011 amounts reported in the schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended February 28, 2011, taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evanston's basic financial statements. The introductory section and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
June 26, 2012



MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2011

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.

The period for this report is 10 months as opposed to a traditional 12 month period. As such variance reporting will show significant changes in income statement reporting from the prior year.

FINANCIAL HIGHLIGHTS

- A. The City's net assets increased by \$2,694,435 or 0.9% from the prior fiscal year reported. The governmental net assets decreased by \$11,552,701 or 15.1% from prior year and the business-type activities net assets increased by \$14,247,136 or 6.3% from prior year.
- B. The governmental activities revenue decreased by \$31,689,730 or 23.3% from the prior year. The expenses decreased by \$19,831,379 or 15.6%.
- C. The business-type activities revenue decreased by \$1,550,696 or 4.7%. The expenses decreased by \$399,183 or 1.5% from the prior year.
- D. The total cost of all City programs decreased by \$20,230,562 or 13.2%.

USING THIS ANNUAL REPORT

The financial statement's focus is 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 units - the Township). The Evanston Township Board of Trustees are the same individuals as the City Council members. The Township is blended into the primary government for financial reporting purposes.

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.

The first of these government-wide statements is the *Statement of Net Assets*. 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 assets. Over time, increases or decreases in net assets 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 assets changed during the current fiscal period. All current period revenues and expenses 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 the City's taxpayers.

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 27 – 30 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 statement for General Fund is included in the required supplementary section of this report. Budgetary comparison schedules for various special revenue funds and the debt service funds can be found 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 31 -32 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 but with more detail for the water fund and the Township. 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 34 - 38 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 39 - 40 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 41 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 98 - 102 of this report.

Major funds and component units are reported in the basic financial statements, as discussed. Combining statements, individual statements and schedules for non- major and internal service funds are presented in a subsequent section of this report beginning on page 106. Additional information on capital assets and long-term debt can be found on page 63 and 73 respectively.

Financial Analysis of the City as a Whole

The City's combined net assets increased by \$2,694,435 from \$304,668,761 to \$307,363,196.

STATEMENT OF NET ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010-11	2011	2010-11	2011	2010-11
Current and Other Assets	\$ 124,910,803	\$ 114,729,694	\$ 31,732,736	\$ 28,480,227	\$ 156,643,539	\$ 143,209,921
Capital Assets	<u>169,738,549</u>	<u>164,394,767</u>	<u>331,612,417</u>	<u>328,457,846</u>	<u>501,350,966</u>	<u>492,852,613</u>
Total Assets	<u>294,649,352</u>	<u>279,124,461</u>	<u>363,345,153</u>	<u>356,938,073</u>	<u>657,994,505</u>	<u>636,062,534</u>
Long-Term Liabilities	169,788,442	160,885,656	117,743,309	126,384,704	287,531,751	287,270,360
Other Liabilities	<u>59,671,619</u>	<u>41,496,813</u>	<u>3,427,939</u>	<u>2,626,600</u>	<u>63,099,558</u>	<u>44,123,413</u>
Total Liabilities	<u>229,460,061</u>	<u>202,382,469</u>	<u>121,171,248</u>	<u>129,011,304</u>	<u>350,631,309</u>	<u>331,393,773</u>
Net Assets						
Investment in Capital assets, net of Debt	57,662,625	49,483,230	215,754,541	207,161,600	273,417,166	256,644,830
Restricted	31,559,331	23,186,893	1,034,375	1,624,016	32,593,706	24,810,909
Unrestricted	<u>(24,032,665)</u>	<u>4,071,869</u>	<u>25,384,989</u>	<u>19,141,153</u>	<u>1,352,324</u>	<u>23,213,022</u>
Total Net Assets	<u>\$ 65,189,291</u>	<u>\$ 76,741,992</u>	<u>\$ 242,173,905</u>	<u>\$ 227,926,769</u>	<u>\$ 307,363,196</u>	<u>\$ 304,668,761</u>

The City's total revenues decreased by \$33,240,426 or 19.7%. The City's total expenses for all programs decreased by \$20,230,562, or 13.2%. The reductions in revenues and expenses are primarily because of a ten month period compared to a twelve month prior year. Governmental activity revenues decreased by \$31,689,730 in the current fiscal period. Again, this is mainly due to a ten month period resulting in reduction of major revenues like Property Tax, Sales Tax, Income Tax, Grants, Permits and Licenses. Net expenses in the governmental activities decreased from \$127,504,455 to \$107,673,076 and overall revenues decreased from \$169,130,651 to \$135,890,225 compared to previous fiscal year mainly due to the shortened fiscal period.

Governmental Funds: The governmental activities experienced a net assets balance decrease of \$11,552,701. This was primarily due to a shortened fiscal period resulting in reduction of major revenues and expenses. Additionally, reductions in revenues were much higher than those in expenses resulting in a net decrease. This can be attributed to the seasonal nature of some of the major revenues and expenses including contractual payments.

Business Funds: The business-type activities fund balance experienced an increase in net assets of \$14,247,136, primarily due to the surplus in the Sewer Fund. The surplus was mainly derived from the transfer from government activities in the approximate amount of \$8 million.

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

STATEMENT OF CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010-11	2011	2010-11	2011	2010-11
Revenue						
Program Revenues:						
Charges for services	\$ 22,328,862	\$ 27,437,741	\$ 31,573,817	\$ 33,118,200	\$ 53,902,679	\$ 60,555,941
Operating grants and contributions	9,861,000	9,851,363	-	-	9,861,000	9,851,363
Capital grants and contributions	3,940,785	8,026,115	-	-	3,940,785	8,026,115
General Revenues:						
Sales taxes	13,494,930	15,577,087	-	-	13,494,930	15,577,087
Property taxes	33,399,439	47,039,986	-	-	33,399,439	47,039,986
Utility taxes	6,375,788	7,872,181	-	-	6,375,788	7,872,181
Other taxes	14,867,886	19,628,769	-	-	14,867,886	19,628,769
Investment income	31,615	556,793	16,103	22,416	47,718	579,209
Total Revenue	<u>104,300,305</u>	<u>135,990,035</u>	<u>31,589,920</u>	<u>33,140,616</u>	<u>135,890,225</u>	<u>169,130,651</u>
Expenses						
General management and support	17,911,466	17,517,168	-	-	17,911,466	17,517,168
Public safety	43,464,481	53,226,114	-	-	43,464,481	53,226,114
Public works	12,399,465	15,625,868	-	-	12,399,465	15,625,868
Health and human resources development	3,546,727	4,540,954	-	-	3,546,727	4,540,954
Recreation and cultural opportunities	15,606,639	20,142,331	-	-	15,606,639	20,142,331
Housing and economic development	11,630,331	10,857,192	-	-	11,630,331	10,857,192
Interest	3,113,967	5,594,828	-	-	3,113,967	5,594,828
Water	-	-	7,449,467	8,712,801	7,449,467	8,712,801
Sewer	-	-	7,083,350	8,784,230	7,083,350	8,784,230
Solid Waste	-	-	4,316,692	-	4,316,692	-
Motor vehicle parking system	-	-	6,673,205	8,424,866	6,673,205	8,424,866
Total Expense	<u>107,673,076</u>	<u>127,504,455</u>	<u>25,522,714</u>	<u>25,921,897</u>	<u>133,195,790</u>	<u>153,426,352</u>
Increase in net assets before transfers	(3,372,771)	8,485,580	6,067,206	7,218,719	2,694,435	15,704,299
Transfers	<u>(8,179,930)</u>	<u>(99,096)</u>	<u>8,179,930</u>	<u>99,096</u>	<u>-</u>	<u>-</u>
Increase/(Decrease) in Net Assets	(11,552,701)	8,386,484	14,247,136	7,317,815	2,694,435	15,704,299
Net Assets - Beginning	<u>76,741,992</u>	<u>68,355,508</u>	<u>227,926,769</u>	<u>220,608,954</u>	<u>304,668,761</u>	<u>288,964,462</u>
Net Assets - Ending	<u>\$ 65,189,291</u>	<u>\$ 76,741,992</u>	<u>\$ 242,173,905</u>	<u>\$ 227,926,769</u>	<u>\$ 307,363,196</u>	<u>\$ 304,668,761</u>

(Unaudited)

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 \$62,870,200 as of December 31, 2011 which includes \$32,353,524 restricted, \$1,419,463 non-spendable, \$805,575 committed, \$17,663,815 assigned and \$10,627,823 unassigned fund balance. The restricted fund balance consists of amounts required to be set aside by external authorities. Non-spendable amount represents prepaid items for General Obligation Debt and Special Service District Number 5.

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 decreased by \$3,610,583 primarily due to the reporting of substantially lower amount of Property Tax revenues because of the change in fiscal period. Excess of expenditures over revenues in the amount of \$7,727,348 was partially offset by inter-fund transfers to the General Fund. Some of the major revenues that came in above budget included the Sales Tax, Use Tax, Athletic Contest Tax, Real Estate Transfer Tax, Liquor Tax, Parking Tax and Vehicle License Fees. Conversely, Utility Tax, Property Tax and Building Permit revenues were lower than budgeted. Most of the departments spent less than their budget with the exception of Police and the City Clerk's Office, with the entire General Fund being below the 2011 Adopted Budget.

The Capital Improvements Fund accounts for the City's governmental funds capital improvement program. The program includes improvements to public buildings, paving of city streets, improvement and development of recreation facilities and other improvements. The fund balance of the Capital Improvements Fund decreased by \$158,684, from \$5,905,344 to \$5,746,660. For fiscal period 2011 funding for capital projects was roughly equal to total capital outlays and inter-fund transfers to other funds in order to maintain a fund balance necessary to begin each capital construction season.

The fund balance of the General Obligation Debt Fund decreased by \$2,680,044, from \$5,309,064 to \$2,629,020. Reporting of lower Property Tax revenues because of the change in the fiscal period from February to December resulted in a lower fund balance.

The Employer Pension Contribution Fund is used to account for the recognition of applicable tax revenues and employer contributions to the Pension Trust Funds. These contributions represent the City's pension expense for police and firefighters. This fund continues to be reported as a major fund with an increase in assets and liabilities of \$1,226,713 from the last fiscal year.

Combined Non-Major Governmental Funds

Combined non-major fund balances totaled \$36,101,351, a decrease of \$1,994,243 from prior year of \$38,095,594. Non-major funds with surpluses for the fiscal period include Motor Fuel, Neighborhood Improvement, Home Fund, SSD#5, Howard Ridge TIF and West Evanston TIF. Non-major funds with deficits for the period include the Economic Development, Emergency Telephone System, Library Endowment, Affordable Housing, Community Development Loan, SSD#4, Township, Southwest TIF, Howard Hartrey TIF, Washington National TIF and Special Assessment Capital Project Fund.

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. The Water, Sewer and Solid Waste Funds have a combined increase of \$12,562,012 in the net assets mainly because of \$8 million transfer from governmental activities to the Sewer Fund. The Parking Fund added \$1,685,124 to the net assets during the period primarily due to the reduced operating and interest expenses. Although fund balances in these proprietary funds showed an overall healthy increase, it is important to keep in mind that these funds carry a substantial debt level therefore, large debt payments will be required in the future.

Internal Service Funds

The City's combined internal service fund's net assets decreased by \$940,892 from \$2,774,857 as of February 28, 2011 to \$1,833,965 as of December 31, 2011. Fleet Fund reported an increase in net assets of \$246,383 primarily due to reduced operating expense. The net deficit in the Insurance Fund went up by \$1,187,275 due to a recording of potential claim liabilities.

General Fund Budgetary Highlights

Total budgetary revenues for the General Fund were \$69,180,228 while total expenditures were \$70,952,076. Actual revenues in the General Fund came in slightly higher than budget by \$100,491. Total expenditures in the General Fund were lower than budgeted amounts by \$2,244,426 mainly due to continuous restructuring of departments and other cost saving measures in various operating divisions. The actual net deficiency of \$1,771,848 was offset by \$4,116,765 in transfers from other funds.

Capital Assets

The City established a policy of 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 investment in capital assets, net of accumulated depreciation, for governmental and business-type activities, as of December 31, 2011, was \$501,350,966. The governmental funds capital assets increased by \$5,343,782 while business type capital assets increased by \$3,154,571. Overall, capital assets increased by 1.7% for the City as a whole. The Governmental Funds reported an increase in building improvement and infrastructure assets including improvements in parks, streets and alleys. As for the Business Funds, Water, Parking and Sewer all reported an increase in net capital assets. Readers desiring more detailed information on capital asset activity should refer to Note 6 in the Notes to the Financial Statements.

Long-Term Debt

As of December 31, 2011, the City had total general obligation bonded debt outstanding of \$157,695,000 of which \$35,115,794 was for business type activities to be paid for by the City's Parking, Water, Solid Waste and Sewer Funds. The City's general obligation debt service payments for 2011 totaled \$15,080,000 of which, \$7,016,200 was abated. During the current period, the City issued \$19,240,000 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 9 in the Notes to the Financial Statements.

Bond Ratings

The City's general obligation bonds are rated AAA by Moody's Investor Rating Service and AAA by Fitch Ratings. The City's water revenue bonds are rated Aa1 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 Sales Tax, Use Tax and Real Estate Transfer Tax came in a little higher than budgeted revenues while Building permits were below budget.

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. Due to the high number of nonprofit organizations which make a large portion of Evanston's workforce, the City has been somewhat insulated from the economic downturn in employment areas.

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 Administrative Services Department at the City of Evanston, 2100 Ridge Avenue, Evanston, Illinois 60201 or access the website at www.cityofevanston.org.

BASIC FINANCIAL STATEMENTS

CITY OF EVANSTON, ILLINOIS

Statement of Net Assets

December 31, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and equivalents	\$ 45,538,237	\$ 21,259,508	\$ 66,797,745
Investments	2,594,797	-	2,594,797
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	53,053,786	-	53,053,786
Accounts	-	4,281,368	4,281,368
Notes	6,104,245	-	6,104,245
Special assessments	737,084	-	737,084
Accrued interest	9,435	-	9,435
Other	3,094,057	54,922	3,148,979
Due from other governments	9,235,073	-	9,235,073
Internal balances	1,529,624	(1,529,624)	-
Inventories	573,872	825,473	1,399,345
Restricted assets			
Cash and equivalents and investments	-	5,992,417	5,992,417
Prepaid items	1,993,211	599,672	2,592,883
Other assets	37,382	249,000	286,382
Property held for resale	410,000	-	410,000
Capital assets			
Capital assets not being depreciated	25,635,320	7,676,037	33,311,357
Capital assets (net of accumulated depreciation)	144,103,229	323,936,380	468,039,609
Total Assets	294,649,352	363,345,153	657,994,505

The accompanying notes are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Vouchers payable	\$ 5,664,057	\$ 2,622,007	\$ 8,286,064
Accrued payroll	3,019,828	-	3,019,828
Interest payable	794,193	82,082	876,275
Other payables	354,377	6,000	360,377
Due to other governments	605,405	-	605,405
Due to pension funds	2,362,468	-	2,362,468
Payable from restricted assets			
Vouchers payable	-	204,266	204,266
Interest payable	-	513,584	513,584
Unearned revenues	46,871,291	-	46,871,291
Noncurrent liabilities			
Payable from restricted assets - due within one year	-	11,800,112	11,800,112
Due within one year	15,401,000	4,095,491	19,496,491
Due in more than one year	154,387,442	101,847,706	256,235,148
Total Liabilities	229,460,061	121,171,248	350,631,309
Investment in capital assets, net of related debt	57,662,625	215,754,541	273,417,166
Restricted			
Highway maintenance	1,200,244	-	1,200,244
Emergency telephone system	1,310,758	-	1,310,758
Library projects	3,043,452	-	3,043,452
HUD approved projects	5,145,497	-	5,145,497
Neighborhood improvements	2,368,432	-	2,368,432
Economic Development	11,538,268	-	11,538,268
Debt service	5,116,832	634,375	5,751,207
Township	1,835,848	-	1,835,848
Capital project funds	-	400,000	400,000
Unrestricted	(24,032,665)	25,384,989	1,352,324
Total Net Assets	\$ 65,189,291	\$ 242,173,905	\$ 307,363,196

CITY OF EVANSTON, ILLINOIS

Statement of Activities

For the Ten Months ended December 31, 2011

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General management and support	\$ 17,911,466	\$ 9,218,649	\$ -
Public safety	43,464,481	1,204,779	178,639
Public works	12,399,465	1,005,378	1,601,318
Health and human resource development	3,546,727	1,235,182	540,725
Recreation and cultural opportunities	15,606,639	4,587,118	-
Housing and economic development	11,630,331	5,077,756	7,540,318
Interest	3,113,967	-	-
Total governmental activities	107,673,076	22,328,862	9,861,000
Business-type activities:			
Water	7,449,467	12,368,533	-
Sewer	7,083,350	11,376,601	-
Solid Waste	4,316,692	2,900,172	-
Motor vehicle parking system	6,673,205	4,928,511	-
Total business-type activities	25,522,714	31,573,817	-
Total	\$ 133,195,790	\$ 53,902,679	\$ 9,861,000

General revenues:
 Property tax
 Other taxes
 Personal property replacement tax
 Sales and home rule tax
 Income tax
 Utility tax
 Miscellaneous
 Investment income
 Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ -	\$ (8,692,817)	\$ -	\$ (8,692,817)
-	(42,081,063)	-	(42,081,063)
3,921,893	(5,870,876)	-	(5,870,876)
-	(1,770,820)	-	(1,770,820)
-	(11,019,521)	-	(11,019,521)
18,892	1,006,635	-	1,006,635
-	(3,113,967)	-	(3,113,967)
<u>3,940,785</u>	<u>(71,542,429)</u>	<u>-</u>	<u>(71,542,429)</u>
-	-	4,919,066	4,919,066
-	-	4,293,251	4,293,251
-	-	(1,416,520)	(1,416,520)
-	-	(1,744,694)	(1,744,694)
<u>-</u>	<u>-</u>	<u>6,051,103</u>	<u>6,051,103</u>
<u>\$ 3,940,785</u>	<u>(71,542,429)</u>	<u>6,051,103</u>	<u>(65,491,326)</u>
	33,399,439	-	33,399,439
	7,324,567	-	7,324,567
	1,007,067	-	1,007,067
	13,494,930	-	13,494,930
	4,924,177	-	4,924,177
	6,375,788	-	6,375,788
	1,612,075	-	1,612,075
	31,615	16,103	47,718
	(8,179,930)	8,179,930	-
	<u>59,989,728</u>	<u>8,196,033</u>	<u>68,185,761</u>
	(11,552,701)	14,247,136	2,694,435
	<u>76,741,992</u>	<u>227,926,769</u>	<u>304,668,761</u>
<u>\$ 65,189,291</u>	<u>\$ 242,173,905</u>	<u>\$ 307,363,196</u>	

CITY OF EVANSTON, ILLINOIS

Governmental Funds

Balance Sheet
December 31, 2011

	General	Capital Improvements	General Obligation Debt	Employer Pension Contribution	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and equivalents	\$ 11,523,030	\$ 6,216,757	\$ 295,715	\$ -	\$ 24,776,181	\$ 42,811,683
Investments	-	-	-	-	2,594,797	2,594,797
Receivables						
Property taxes (net of allowance)	16,641,472	-	12,078,641	14,573,987	9,759,686	53,053,786
Notes (net of allowance)	-	-	-	-	6,104,245	6,104,245
Special assessments	-	-	-	-	737,084	737,084
Accrued interest	-	-	-	-	9,435	9,435
Other	2,253,299	-	-	-	816,511	3,069,810
Property held for resale	-	-	-	-	410,000	410,000
Prepaid items	-	-	1,040,610	-	378,853	1,419,463
Due from other governments	7,400,692	302,480	-	141,520	1,390,381	9,235,073
Due from other funds	810,429	1,182,100	31,766	-	758,677	2,782,972
Other assets	37,382	-	-	-	-	37,382
Total Assets	\$ 38,666,304	\$ 7,701,337	\$ 13,446,732	\$ 14,715,507	\$ 47,735,850	\$ 122,265,730
Liabilities and Fund Balances						
Liabilities						
Vouchers payable	\$ 1,720,394	\$ 1,352,754	\$ 251	\$ -	\$ 1,717,228	\$ 4,790,627
Accrued payroll	3,019,828	-	-	-	-	3,019,828
Compensated absences payable	60,117	-	-	-	-	60,117
Other	354,377	-	-	-	-	354,377
Due to other governments	-	601,923	-	-	3,482	605,405
Due to other funds	666,790	-	300,000	2,104,685	622,410	3,693,885
Deferred revenues	14,451,629	-	10,517,461	12,610,822	9,291,379	46,871,291
Total Liabilities	20,273,135	1,954,677	10,817,712	14,715,507	11,634,499	59,395,530
Fund Balances						
Nonspendable - Prepaid items	-	-	1,040,610	-	378,853	1,419,463
Restricted						
Highway maintenance	-	-	-	-	1,200,244	1,200,244
Emergency telephone system	-	-	-	-	1,310,758	1,310,758
Library projects	-	-	-	-	3,043,452	3,043,452
HUD approved projects	-	-	-	-	5,145,497	5,145,497
Neighborhood improvements	-	-	-	-	2,368,432	2,368,432
Economic Development	-	-	-	-	11,538,268	11,538,268
Debt service	-	-	1,588,410	-	4,322,615	5,911,025
Township	-	-	-	-	1,835,848	1,835,848
Committed - Economic Development	-	-	-	-	805,575	805,575
Assigned	7,590,232	5,746,660	-	-	4,326,923	17,663,815
Unassigned	10,802,937	-	-	-	(175,114)	10,627,823
Total Fund Balances	18,393,169	5,746,660	2,629,020	-	36,101,351	62,870,200
Total Liabilities and Fund Balances	\$ 38,666,304	\$ 7,701,337	\$ 13,446,732	\$ 14,715,507	\$ 47,735,850	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	163,419,424
Long-term liabilities, including bonds payable, compensated absences payable, and pension contributions payable, are not due and payable in the current period and therefore, are not reported in the governmental funds.	(160,685,700)
OPEB liability payable is not due and payable in the current period and therefore, is not reported in the governmental funds.	(1,454,405)
Interest accrual from last interest payment (January 1, 2011) to December 31, 2011.	(794,193)
The net assets of the internal service fund are included in the governmental activities in the statement of net assets.	1,833,965
Net assets of governmental activities	\$ 65,189,291

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Ten Months ended December 31, 2011

	General	Capital Improvements	General Obligation Debt	Employer Pension Contribution	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 30,242,619	\$ -	\$ 7,124,696	\$ 9,733,249	\$ 9,365,245	\$ 56,465,809
Licenses and permits	6,775,866	-	-	-	-	6,775,866
Special assessments	-	-	-	-	235,028	235,028
Intergovernmental	13,364,686	18,892	-	-	9,799,200	23,182,778
Charges for services	6,283,196	-	-	-	-	6,283,196
Fines and forfeits	3,279,785	-	-	-	-	3,279,785
Investment income	2,073	17,546	1,637	-	391	21,647
Miscellaneous	3,276,503	744,333	-	-	112,880	4,133,716
Total Revenues	63,224,728	780,771	7,126,333	9,733,249	19,512,744	100,377,825
Expenditures						
Current						
General management and support	11,774,893	166,886	17,528	-	1,634,753	13,594,060
Public safety	31,367,067	66,640	-	9,733,249	973,428	42,140,384
Public works	6,339,072	145,957	-	-	1,089,070	7,574,099
Health and human resource development	2,887,812	-	-	-	700,000	3,587,812
Recreation and cultural opportunities	15,980,974	100,181	-	-	111,000	16,192,155
Housing and economic development	2,462,258	-	-	-	9,536,129	11,998,387
Debt service						
Principal	119,993	243,764	8,847,333	-	895,000	10,106,090
Interest	20,007	-	4,050,865	-	313,111	4,383,983
Fiscal agent fees	-	-	79,156	-	-	79,156
Capital outlay	-	5,091,436	-	-	740,120	5,831,556
Total Expenditures	70,952,076	5,814,864	12,994,882	9,733,249	15,992,611	115,487,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,727,348)	(5,034,093)	(5,868,549)	-	3,520,133	(15,109,857)
Other Financing Sources (Uses)						
Transfers in	4,793,745	-	1,045,220	-	-	5,838,965
Transfers out	(676,980)	(302,130)	(8,099,352)	-	(5,514,376)	(14,592,838)
Issuance of debt	-	5,120,000	10,090,000	-	-	15,210,000
Premiums and discounts	-	57,539	152,637	-	-	210,176
Total Other Financing Sources (Uses)	4,116,765	4,875,409	3,188,505	-	(5,514,376)	6,666,303
Net Change in Fund Balances	(3,610,583)	(158,684)	(2,680,044)	-	(1,994,243)	(8,443,554)
Fund Balances -Beginning	22,003,752	5,905,344	5,309,064	-	38,095,594	71,313,754
Fund Balances - Ending	\$ 18,393,169	\$ 5,746,660	\$ 2,629,020	\$ -	\$ 36,101,351	\$ 62,870,200

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

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

For the Ten Months ended December 31, 2011

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (8,443,554)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. Gain or loss on assets removed are also reported in the statement of activities.	4,343,052
Reclassification of G.O. debt Series 2010B	210,899
The repayment of the principal of long-term debt payable consume the current financial resources of governmental funds. These transactions, however, have no effect on net assets.	12,629,420
Issuance of Bonds provides current financial resources to governmental funds. This transaction has no effect on net assets. Governmental funds also report the effect of bonds premiums, discounts and similar items when debt is first issued.	(15,420,176)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(4,185,464)
OPEB benefit expense reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	(85,593)
Change in Interest accrual for the ten months ended December 31, 2011.	339,607
Internal service funds are reported separately in the fund financial statements.	<u>(940,892)</u>
Change in net assets of governmental activities	<u><u>\$ (11,552,701)</u></u>

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Net Assets
December 31, 2011

Assets	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	
Current Assets						
Cash and equivalents	\$ 8,510,923	\$ -	\$ 72,266	\$ 12,676,319	\$ 21,259,508	\$ 2,726,554
Restricted cash and equivalents and investments	1,034,375	4,958,042	-	-	5,992,417	-
Receivables						
Accounts - billed	699,514	242,739	92,170	-	1,034,423	-
Accounts - unbilled	831,869	2,016,915	398,161	-	3,246,945	-
Other	-	-	-	54,922	54,922	24,247
Due from other funds	-	1,151,945	-	4,000,000	5,151,945	115,706
Inventories	699,003	126,470	-	-	825,473	573,872
Prepaid Expenses	599,672	-	-	-	599,672	573,748
Total Current Assets	12,375,356	8,496,111	562,597	16,731,241	38,165,305	4,014,127
Noncurrent Assets						
Capital Assets						
Capital assets not being depreciated	4,573,764	-	-	3,102,273	7,676,037	-
Capital assets being depreciated	78,369,991	243,834,896	-	81,980,021	404,184,908	21,486,259
Less accumulated depreciation	(21,794,125)	(40,923,838)	-	(17,530,565)	(80,248,528)	(15,167,134)
Total Capital Assets	61,149,630	202,911,058	-	67,551,729	331,612,417	6,319,125
Other Assets						
Notes Receivable	-	-	-	249,000	249,000	-
Total Noncurrent Assets	61,149,630	202,911,058	-	67,800,729	331,861,417	6,319,125
Total Assets	73,524,986	211,407,169	562,597	84,531,970	370,026,722	10,333,252

The accompanying notes are an integral part of this statement.

Liabilities	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	
Current Liabilities						
Vouchers payable	\$ 1,024,033	\$ 216,835	\$ 370,249	\$ 1,010,890	\$ 2,622,007	\$ 873,430
Vouchers payable - restricted	204,266	-	-	-	204,266	-
Interest payable	-	-	274	81,808	82,082	-
Interest payable - restricted	41,216	472,368	-	-	513,584	-
Revenue bonds payable	575,000	-	-	-	575,000	-
Compensated absences payable	268,007	60,944	32,954	53,258	415,163	21,524
General obligation bonds payable	169,534	-	14,259	2,921,536	3,105,329	-
General obligation bonds payable - restricted	-	3,094,209	-	-	3,094,209	-
Claims payable	-	-	-	-	-	2,106,361
Notes payable - IEPA - restricted	67,505	8,638,398	-	-	8,705,903	-
Due to other funds	132,078	4,057,827	1,512,669	978,995	6,681,569	37,637
Other Payable	6,000	-	-	-	6,000	-
Total Current Liabilities	2,487,639	16,540,581	1,930,405	5,046,487	26,005,112	3,038,952
Long-Term Liabilities						
Notes payable - IEPA	1,215,087	69,160,282	-	-	70,375,369	-
General obligation bonds payable	3,839,604	5,156,693	127,458	19,792,501	28,916,256	-
OPEB liability payable	106,498	31,141	5,626	31,272	174,537	37,790
Revenue bonds payable	595,000	-	-	-	595,000	-
Unamortized bond discount/premium	47,131	215,491	-	541,534	804,156	-
Compensated absences payable	293,382	66,714	36,074	58,301	454,471	73,360
IMRF Pension contributions payable	313,722	77,011	34,745	102,438	527,916	-
Claims payable	-	-	-	-	-	5,349,185
Total Long-Term Liabilities	6,410,424	74,707,332	203,903	20,526,046	101,847,705	5,460,335
Total Liabilities	8,898,063	91,247,913	2,134,308	25,572,533	127,852,817	8,499,287
Net Assets						
Invested in capital assets, net of related debt	55,345,560	116,645,985	-	43,762,996	215,754,541	6,319,125
Restricted for debt service	634,375	-	-	-	634,375	-
Restricted for capital improvements	400,000	-	-	-	400,000	-
Unrestricted	8,246,988	3,513,271	(1,571,711)	15,196,441	25,384,989	(4,485,160)
Total net assets (deficit)	\$ 64,626,923	\$ 120,159,256	\$ (1,571,711)	\$ 58,959,437	\$ 242,173,905	\$ 1,833,965

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Ten Months ended December 31, 2011

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	
Operating Revenues						
Charges for services	\$ 10,766,262	\$ 11,324,113	\$ 2,713,827	\$ 4,916,930	\$ 29,721,132	\$ 18,038,335
Miscellaneous	1,602,271	52,488	186,345	11,581	1,852,685	49,679
Total Operating Revenues	12,368,533	11,376,601	2,900,172	4,928,511	31,573,817	18,088,014
Operating Expenses Excluding Depreciation						
Administration	786,111	1,492,723	916,242	1,395,252	4,590,328	-
Operations	5,360,541	480,936	3,396,751	2,701,007	11,939,235	18,624,529
Total Operating Expenses Excluding Depreciation	6,146,652	1,973,659	4,312,993	4,096,259	16,529,563	18,624,529
Operating Income (Loss) Before Depreciation	6,221,881	9,402,942	(1,412,821)	832,252	15,044,254	(536,515)
Depreciation	1,090,433	2,746,965	-	1,811,148	5,648,546	1,106,666
Operating Income (Loss)	5,131,448	6,655,977	(1,412,821)	(978,896)	9,395,708	(1,643,181)
Nonoperating Revenues (Expenses)						
Investment income	6,568	2,094	9	7,432	16,103	587
Interest expense	(169,687)	(2,347,051)	(3,699)	(881,708)	(3,402,145)	-
Bond expenses and amortization of discount	70,692	(72,887)	-	115,910	113,715	-
Amortization of bond premium	-	57,212	-	-	57,212	-
Other expenses	(150)	-	-	-	(150)	-
Gain (loss) on disposition of assets	(113,237)	-	-	-	(113,237)	85,109
Total Nonoperating Revenues (Expenses)	(205,814)	(2,360,632)	(3,690)	(758,366)	(3,328,502)	85,696
Income (Loss) before transfers and contributions	4,925,634	4,295,345	(1,416,511)	(1,737,262)	6,067,206	(1,557,485)
Capital Contribution - Governmental Activities	(21,349)	(37,100)	(155,200)	2,750	(210,899)	253,549
Transfers In (Out)						
Debt Service	-	8,099,352	-	-	8,099,352	(27,210)
Water	-	-	-	-	-	390,254
Washington National Tax Increment District	-	-	-	3,419,636	3,419,636	-
General	(3,128,159)	-	-	-	(3,128,159)	-
Total Transfers In (Out)	(3,128,159)	8,099,352	-	3,419,636	8,390,829	363,044
Change in Net Assets	1,776,126	12,357,597	(1,571,711)	1,685,124	14,247,136	(940,892)
Total Net Assets - Beginning	62,850,797	107,801,659	-	57,274,313	227,926,769	2,774,857
Total Net Assets (Deficit)- Ending	\$ 64,626,923	\$ 120,159,256	\$ (1,571,711)	\$ 58,959,437	\$ 242,173,905	\$ 1,833,965

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows
For the Ten Months ended December 31, 2011

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 12,915,567	\$ 11,476,030	\$ 2,409,841	\$ 7,143,987	\$ 33,945,425	\$ 18,689,514
Receipts from interfund services provided	19,768	-	1,512,669	-	1,532,437	-
Payments to suppliers	(4,365,960)	(1,476,091)	(3,026,502)	(1,776,162)	(10,644,715)	(2,892,957)
Payments to employees	(493,530)	(1,476,649)	(806,843)	(1,291,255)	(4,068,277)	(2,844,369)
Payments for interfund services provided	(23,180)	(1,151,945)	-	(136,396)	(1,311,521)	(273,588)
Payments for insurance premiums	-	-	-	-	-	(11,085,987)
Net Cash Provided by (Used for) Operating Activities	8,052,665	7,371,345	89,165	3,940,174	19,453,349	1,592,613
Cash Flows from Noncapital Financing Activities						
Transfers In (Out)						
Water	-	-	-	-	-	390,254
Debt Service	-	8,099,352	-	-	8,099,352	(27,210)
Washington Tax Increment District	-	-	-	3,419,636	3,419,636	-
General	(3,128,159)	-	-	-	(3,128,159)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(3,128,159)	8,099,352	-	3,419,636	8,390,829	363,044
Cash Flows from Capital and Related Financing Activities						
Sale of capital assets	-	-	-	-	-	85,109
Acquisition and construction of capital assets	(5,975,724)	(554,791)	-	(2,869,304)	(9,399,819)	(995,043)
Principal prepayment of revenue bonds	(575,000)	-	-	-	(575,000)	-
Interest paid on revenue bonds	(24,672)	-	-	-	(24,672)	-
Interest prepayment of revenue bonds	(24,672)	-	-	-	(24,672)	-
Grants and Contributions	-	-	-	115,910	115,910	253,549
Proceeds from general obligation bonds	3,340,000	690,000	-	-	4,030,000	-
Principal paid on general obligation bonds	(63,662)	(2,880,158)	(13,483)	(2,383,114)	(5,340,417)	-
Interest paid on general obligation bonds	(16,170)	(621,599)	(3,425)	(1,064,809)	(1,706,003)	-
Bond expenses	9,550	(65,134)	-	(74,054)	(129,638)	-
Principal paid on IEPA loans	(33,752)	(8,103,019)	-	-	(8,136,771)	-
Interest paid on IEPA loans	-	(2,132,601)	-	-	(2,132,601)	-
Proceeds from IEPA grant	483,466	-	-	-	483,466	-
Proceeds from IEPA loans	158,893	-	-	-	158,893	-
Net Cash (Used for) Capital and Related Financing Activities	(2,721,743)	(13,667,302)	(16,908)	(6,275,371)	(22,681,324)	(656,385)
Cash Flows from Investing Activities						
Interest income	6,418	2,094	9	7,432	15,953	587
Net Increase (Decrease) in Cash and Equivalents	2,209,181	1,805,489	72,266	1,091,871	5,178,807	1,299,859
Cash and Equivalents						
Beginning	7,336,117	3,152,553	-	11,584,448	22,073,118	1,426,695
Ending	\$ 9,545,298	\$ 4,958,042	\$ 72,266	\$ 12,676,319	\$ 27,251,925	\$ 2,726,554
Reconciliation						
Cash and equivalents						
Current Cash	\$ 8,510,923	\$ -	\$ 72,266	\$ 12,676,319	\$ 21,259,508	\$ 2,726,554
Restricted Current Cash	1,034,375	4,958,042	-	-	5,992,417	-
	\$ 9,545,298	\$ 4,958,042	\$ 72,266	\$ 12,676,319	\$ 27,251,925	\$ 2,726,554

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows - Continued
For the Ten Months ended December 31, 2011

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ 5,131,448	\$ 6,655,977	\$ (1,412,821)	\$ (978,896)	\$ 9,395,708	\$ (1,643,181)
Depreciation	1,090,433	2,746,965	-	1,811,148	5,648,546	1,106,666
Changes in assets and liabilities						
Increase/decrease in A/R miscellaneous	547,708	99,429	(490,331)	-	156,806	601,500
Other receivables	-	-	-	6,386	6,386	-
Prepaid expenses	-	-	-	-	-	(514,133)
Interfund receivable	(13,457)	(1,151,945)	-	(136,396)	(1,301,798)	-
Inventories	(89,725)	26,613	-	-	(63,112)	(177,412)
Compensated absences	106,932	(34,928)	69,028	44,583	185,615	12,109
Claims Payables	-	-	-	-	-	2,000,343
Interfund payable	10,045	(1,364)	1,512,669	2,209,090	3,730,440	(273,588)
OPEB liability payable	21,772	7,302	5,626	6,938	41,638	8,459
IMRF contributions payable	163,877	43,700	34,745	52,476	294,798	-
Unearned revenue	(674)	-	-	-	(674)	-
Vouchers payable	266,465	206,673	370,249	518,617	1,362,004	-
Vouchers payable (restricted)	204,267	(1,227,077)	-	406,228	(616,582)	-
Accounts Payables	613,574	-	-	-	613,574	471,850
Net Cash Provided by (Used for) Operating Activities	\$ 8,052,665	\$ 7,371,345	\$ 89,165	\$ 3,940,174	\$ 19,453,349	\$ 1,592,613

Noncash Investing, Capital and Financing Activities:

During 2011, \$210,899 of the Series 2010 bonds payable were reallocated to/from governmental activities comprising of reallocation from Water Fund \$21,349, Sewer Fund \$37,100 and Solid Waste \$155,200; and reallocation to Motor Vehicle Parking System of \$2,750.

CITY OF EVANSTON, ILLINOIS

Fiduciary Funds

Statement of Net Assets
December 31, 2011

	<u>Pension Trust Funds</u>
Assets	
Cash and short-term investments	<u>\$ 6,784,662</u>
Receivables	
Accrued interest	446,217
Contribution receivable - Due from other funds	<u>2,362,468</u>
Total Receivables	<u>2,808,685</u>
Investments, at fair value	
U.S. Government and agency obligations	41,355,694
Corporate bonds	13,124,203
Common stock	22,969,373
Mutual funds	<u>40,477,356</u>
Total Investments	<u>117,926,626</u>
Total Assets	<u>127,519,973</u>
Liabilities	
Vouchers payable	<u>30,088</u>
Net assets held in trust	<u><u>\$ 127,489,885</u></u>

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Fiduciary Funds - Pension Trust Funds

Statement of Changes in Plan Net Assets
For the Ten Months ended December 31, 2011

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 9,733,249
Plan members	1,892,085
Other-Donations, Legal Sett., Surplus Sales	203
Total contributions	<u>11,625,537</u>
Investment income	
Net appreciation (depreciation) in fair value of investments	(764,541)
Investment income	<u>3,103,813</u>
Total investment income	2,339,272
Less investment expense	<u>340,072</u>
Net investment income	<u>1,999,200</u>
Total additions	<u>13,624,737</u>
Deductions	
Benefits	12,670,121
Refunds of contributions	128,188
Administrative expense	<u>160,879</u>
Total deductions	<u>12,959,188</u>
Net increase	665,549
Net assets held in trust for pension benefits	
Beginning	<u>126,824,336</u>
Ending	<u><u>\$ 127,489,885</u></u>

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Index for Notes to the Financial Statements

	<u>Page</u>
Note 1. Summary of Significant Accounting Policies	
A. Reporting Entity	44
B. Government-wide and Fund Financial Statements	45
C. Fund Accounting	45
D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	46
E. Cash and Equivalents	49
F. Investments	49
G. Inventories & Prepaid Items	49
H. Capital Assets	50
I. Compensated Absences	50
J. Long-Term Obligations	50
K. Self-Insurance	51
L. Property Taxes	51
M. Fund Equity	52
N. Interfund Transactions	53
O. Use of Estimates	53
P. Property held for resale	53
Q. Effect of New Accounting Standards on Current Period Financial Statements	53
R. Conduit Debt	53
Note 2. Reconciliation of Government-wide and Fund Financial Statements	
A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets	54
B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities	54
Note 3. Stewardship, Compliance, and Accountability	
A. Budgetary Information	56
B. Deficit Fund Equity	57
Note 4. Deposits with Financial Institutions and Investments	
A. Types of Accounts and Securities	58
B. Pooling of Cash and Investments	58
C. Types of Investments	59
D. Deposits	61
E. Reconciliation of Unrestricted and Restricted Cash and Investments	61

CITY OF EVANSTON, ILLINOIS

Index for Notes to the Financial Statements

	<u>Page</u>
(continued from previous page)	
Note 5. Receivables	
A. Summary of Receivables	62
B. Notes Receivable – Special Revenue Funds	62
Note 6. Capital Assets	
A. Capital Asset Activity	63
B. Construction Commitments	65
Note 7. Interfunds	
A. Interfund Accounts	66
B. Interfund Transfers	69
C. Capital Contributions	71
Note 8. Operating Leases	72
Note 9. Long-Term Debt	
A. Changes in Long-Term Debt	73
B. General Obligation Bonds Payable	75
C. Special Service District Bonds Payable	76
D. Revenue Bonds Payable	76
E. Notes Payable – IEPA Loans	77
F. Prior Years' General Obligation Bond Defeasances	77
G. Post Employment benefits other than Pensions (Defined Benefit Plan)	78
Note 10. Fund Equity	
A. Restrictions of Net Assets - Water Fund	80
B. Restricted Net Assets - Fiduciary Funds	80
C. Assigned Fund Balances	81
Note 11. Individual Fund Activities	
A. General Obligation Debt Service Fund	82
B. Water Fund	82
C. Special Service District No. 4	82
Note 12. Risk Management – Claims and Judgments	83

CITY OF EVANSTON, ILLINOIS

Index for Notes to the Financial Statements

	<u>Page</u>
(continued from previous page)	
Note 13. Contingencies	84
Note 14. Joint Ventures	
A. Solid Waste Agency of Northern Cook County	84
B. Evanston Housing Corporation	86
Note 15. Deferred Compensation Plan	87
Note 16. Defined Benefit Pension Plans	
Illinois Municipal Retirement Fund	
A. Plan Description	88
B. Funding Status and Progress	89
C. Annual Pension Cost	89
Police and Firefighters' Pension Plans	
D. Plan Descriptions	90
E. Summary of Significant Accounting Policies	
- Basis of Accounting	92
- Method Used to Value Investments	92
F. Contributions and Reserves	93
G. Concentration of Investments	94
H. Five-Year Trend Information – Pension Trust Funds	94
I. Pensions - Detailed Statement of Net Assets	95
J. Pensions - Detailed Statement of Changes in Net Assets	96
K. Pensions - Actuarial Valuations	97
L. Funding Status and Progress	97

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Evanston (City) 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 accounting policies are described below.

A. Reporting Entity

The City was incorporated in 1863. The City operates under a Council-Manager form of government, is a home rule municipality as defined by Illinois state law, and provides the following services as authorized by its charter: general management and support, public safety, public works, health and human resource development, recreational and cultural opportunities, and housing and economic development.

As required by GAAP, these financial statements present the City (the primary government) and its component unit, an entity for which the City is considered to be financially accountable. Although the component unit is legally a separate entity, it is governed by the same board; therefore, data from this unit is blended with data of the City.

Blended Component Unit:

The Town of the City of Evanston, Illinois (Township) is a separate legal entity which administers General Assistance, a public welfare program assigned by Illinois law to townships. Eligible clients receive General Assistance for food, shelter, and medical needs. Through the town-fund levy, the Township also supports a number of community action programs, which provide direct services to welfare recipients. The Township is governed by a Township Board of Trustees and provides services within the same geographic boundaries of the City. The Township Board of Trustees are the same individuals as the City Council. The Township board levies taxes and is responsible for adopting the Township budget and approving payment of bills. The Township has two elected officials: the Supervisor and the Assessor, each elected for four-year terms. The Supervisor is responsible for Township funds and for the administration of General Assistance. The Assessor does not actually assess property; that function is carried out by the Cook County Assessor. The Township Assessor serves as a taxpayer's advocate, helping citizens with tax-related questions.

The Assessor also works to assure equity of assessments, and maintains records of building and demolition permits and of all tax-exempt properties. The Township Board of Trustees can issue debt on its own behalf, and such debt can be issued in the Township's name alone.

The Township is included in the Reporting Entity due to its financial accountability because the Township Board of Trustees are the same individuals as the City Council members. The Township has a March 31 fiscal year-end. Amounts included in this report are as of and for the year ended March 31, 2011. This report is the most recent one available.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Reporting Entity - Continued

Complete financial statements for the Township may be obtained at the following address:

Town of the City of Evanston
1910 Main Street
Evanston, Illinois 60201

Joint Ventures:

The City participates in two joint ventures, which are reported as nonequity governmental joint ventures and are described in Footnote 14. The joint ventures are: City of Evanston and 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 assets and the statement of activities) report information on all of the nonfiduciary activities of the City. 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.

C. Fund Accounting

The City uses 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."

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Fund Accounting - Continued

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.

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.

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 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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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.

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 required to be accounted for in another fund.

The *Capital Improvements Fund* accounts for the City's capital improvement program. The program includes improvement to public buildings, paving of City streets, improvement of recreational facilities and other improvements.

The *Employer Pension Contribution Fund* is a special revenue fund which accounts for the recognition of applicable tax revenues and employer contributions to the Pension Trust funds.

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

Governmental funds report deferred revenue 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 Ten Months ended December 31, 2011

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 *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.

Solid Waste Fund accounts for the recycling, refuse and yardwaste removal services related fees and expenses. Refuse and yardwaste are contracted out, while recycling is handled by the city staff.

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 City's business type-activities and enterprise funds apply all applicable GASB guidance as well as relevant Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, unless those guidance conflict or contradict GASB guidance, in which case, GASB prevails.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 nonoperating 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 nonoperating revenues and expenses.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

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's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports unearned revenues on its government funds statements. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. If subsequent revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

E. Cash and Equivalents

Cash and equivalents represent cash on hand, cash deposited in interest-bearing and noninterest-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 the Illinois Funds.

F. Investments

Investments consist of certificates of deposit, treasury obligations, government agency obligations, and insurance contracts with maturities greater than three months. 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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

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 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.

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

Description	Years	Description	Years
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 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 assets. 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 Ten Months ended December 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

K. Self-Insurance

The City is 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. Property Taxes

Property taxes are collected by the Cook County Collector and are remitted periodically to all taxing bodies, including the City and 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 tax revenues are recognized when they become both measurable and available. On this basis, property tax revenue includes all cash distributions of property tax received during the fiscal period between March 1, 2011 and December 31, 2011 and all property tax collections received within 60 days after the end of the fiscal period. A 2% allowance for loss is reflected in the City financial statements.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

L. Property Taxes - Continued

The adjustment necessary to convert GAAP basis property tax revenues to budgetary basis is shown in the notes to the required supplementary information in the section on Budgets and Budgetary Accounting.

The Town Fund and General Assistance Fund unearned revenue represents the net portion of the 2010 property tax levy that will not be collected within 60 days of the Township's March 31, 2011 year-end. A 5% allowance for loss is reflected in the Township financial statements.

M. Fund Equity

Governmental fund equity is classified as fund balance. In February 2009, the 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 made the decision to implement this standard effective March 1, 2011. In accordance with Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions, the city 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 considers 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 would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N. 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.

O. 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.

P. Property Held for Resale

In the Governmental Funds the cost of property held for resale is reported as an asset with increases and decreases for purchases and sales.

Q. Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, The Financial Reporting Entity: Omnibus, and Statement No.62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements; Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and Statement No. 64, Derivative Instruments; Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53. Application of these standards may restate portions of these financial statements.

R. Conduit Debt

The City had issued \$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 City of Evanston, 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, 2011, outstanding bond balance was \$4,885,000.

The City has issued \$13,590,000 Series 2011 Revenue Bonds during the current fiscal period to provide financial assistance to Roycemore School, deemed to be in public interest. The use of proceeds includes the property purchase and renovation of the 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, 2011, outstanding bond balance was \$13,590,000.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Long-term liabilities, including bonds payable, compensated absences payable, and pension contributions payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

General obligation bonds payable	\$ 122,579,206
Bonds premium liability	3,608,584
Compensated absences payable	9,740,169
IMRF Pension contributions payable	2,720,075
Pension contributions payable	<u>22,037,666</u>
Net adjustments to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 160,685,700</u>

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

1. The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 12,513,244
Depreciation expense	<u>(9,310,231)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,203,013</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities - Continued

2. Another element of that reconciliation states that "The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net assets." The details of this difference are as follows:

Principal repayments:

General obligation debt	\$ 9,742,334
IMRF Pension contributions payable	2,523,327
Capital lease	<u>363,759</u>

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 12,629,420</u>
--	----------------------

3. Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this difference are as follows:

Compensated absences	\$ 170,098
Amortization income	720,230
Pension contributions	(1,056,260)
IMRF Pension contributions payable	<u>(4,019,532)</u>

Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (4,185,464)</u>
--	-----------------------

4. Another element of that reconciliation states that "Issuance of Bonds provides current financial resources to governmental funds." The details of this difference are as follows:

Bond	\$ (15,210,000)
Bond premium liability	<u>(210,176)</u>

Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (15,420,176)</u>
--	------------------------

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 3. 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 the change in fiscal year to a calendar year, the City Manager will submit to the City Council a proposed operating budget for the upcoming fiscal year commencing January 1, 2013. 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.

Blended Component Unit

The Township prepares its annual appropriation ordinance, which is synonymous with its budget, using the modified accrual basis of accounting. The appropriation ordinance was adopted June 28, 2010. It covers both Township funds.

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.

The following City and Township funds do not have legally adopted budgets:

Special Revenue

Library Endowment and Employer Pension Contribution Funds.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

A. Budgetary Information - Continued

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 period.

The following funds had an excess of actual budgetary expenditures over original and final budget for the ten months ended December 31, 2011:

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
General Obligation Debt	\$ 12,977,212	\$ 9,957,676	\$ 3,019,536
Howard Ridge Tax Increment District	27,552	-	27,552
Special Service District No. 4	388,000	378,000	10,000

B. DEFICIT FUND EQUITY

The Insurance Fund, an internal service fund, had a net deficit of \$6,124,771 as of December 31, 2011. The City plans to use current resources to pay for future liabilities.

The Southwest Tax Increment District had a net deficit of \$114,083 as of December 31, 2011. The City plans to use current resources and possible debt proceeds to pay for future liabilities.

The Solid Waste Fund had a net deficit of \$1,571,711 as of December 31, 2011. The City plans to use current resources to pay for future liabilities.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 4. 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, the Illinois Metropolitan Investment Fund (IMET), and the 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. Library has investments in equities which is not permissible under the state statutes.

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 of Evanston. However, unlike the City's public funds, the Firefighters and Police Pension funds may invest in various equity accounts up to a limit of 45% 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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued

C. Types of Investments

As of December 31, 2011, the City has the following investments and maturities. The fair value of the Illinois Funds is the same as the value of the pool shares.

Governmental and Enterprise Investment Type	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1 - 10 More Years	Equities
Money Market / Liquid Assets	\$ 20,263,273	\$ 20,263,273	\$ -	\$ -
Mutual Funds	2,594,797	-	-	2,594,797
Total Governmental and Enterprise Investment Fund	\$ 22,858,070	\$ 20,263,273	\$ -	\$ 2,594,797

First Bank Money Market	\$ 8,321,513
JP Morgan Money Market	11,502,540
Vanguard Money Market	439,220
Total Money Market / Liquid Assets	\$ 20,263,273

Fire and Police Pension Investment Type	Fair Value	Investment Maturities (In Years)		Equities
		Less Than 1 Year	1 - 10 More Years	
Money Market / Liquid Assets	\$ 5,761,570	\$ 5,761,570	\$ -	\$ -
Mutual Funds	40,477,356	-	1,627,083	38,850,273
Corporate Bonds	13,124,203	-	13,124,203	-
U.S. Treasuries	20,852,038	-	20,852,038	-
Federal Home Loan Bank	2,025,861	452,991	1,572,870	-
Federal Home Loan Mortgage Corp	3,825,806	231,842	3,593,964	-
Fannie Mae	9,182,456	127,654	9,054,802	-
Ginnie Mae	5,469,532	-	5,469,532	-
Common Stock	22,969,373	-	-	22,969,373
Total Fire and Police Investment	\$ 123,688,195	\$ 6,574,057	\$ 55,294,492	\$ 61,819,646

Smith Barney Money Market	\$ 868,477
JP Morgan Money Market	2,228,644
Schwab Money Market	300,587
MB Bank Money Market	2,363,862
Total Money Market / Liquid Assets	\$ 5,761,570

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – Continued

C. Types of Investments - continued

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 Illinois Funds and Money Markets were rated AAA by Standard & Poor's. The Illinois Metropolitan Investment 1 - 3 Year Fund (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 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 U.S. government agencies were all rated triple A or Aaa by the Standard & Poor's and by Moody's Investor's Services. The following investments in Illinois Funds and IMET are valued at the fund's share price, the price for which the investments could be sold.

Illinois Funds			
City of Evanston	\$	20,574,407	
Township		<u>1,349,161</u>	\$ 21,923,568
IMET money market			
City of Evanston		5,745,952	
Fire and Police pension plan		<u>130,545</u>	<u>5,876,497</u>
			<u>\$ 27,800,065</u>

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.

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, 2011, Police Pension Trust Fund had investments in FNMA that exceeded 10% of net assets available for benefits. Investments in FNMA are implicitly implied to be guaranteed by the U.S. government. The Firefighters' Pension Trust Fund had investments in GNMA that exceeded 10% of net assets available for benefits. Investments in GNMA are explicitly guaranteed by the U.S. government.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – Continued

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 filed by the counterparty's trust.

City

Deposits consist of deposits in interest-bearing and noninterest-bearing checking accounts. At December 31, 2011, the carrying amount of the City's deposits, including cash on hand of \$26,244 was \$24,692,711. The financial institutions' balances totaled \$23,822,305.

Township

At March 31, 2011, the carrying amount of the Township's deposits was \$164,658. The financial institutions' balances totaled \$166,201.

Fiduciary

Deposits consist of deposits in interest-bearing and noninterest-bearing accounts. At December 31, 2011, the carrying amount of the Pension's deposits was \$892,548. The financial institutions' balances totaled \$861,376.

E. Reconciliation of Unrestricted and Restricted Cash and Investments

The total of unrestricted cash and investments and restricted cash and investments from the Statement of Net Assets and for the fiduciary funds is reconciled to the preceding deposit and investment disclosures (Notes 4C and Notes 4D) as follows:

Unrestricted cash and equivalents	\$ 66,797,745
Unrestricted investments	2,594,797
Restricted cash and equivalents and investments	<u>5,992,417</u>
Total Cash and Investments – Primary Government	75,384,959
Fiduciary funds cash and equivalents	6,784,662
Fiduciary funds investments	<u>117,926,626</u>
Total Cash and Investments	<u>\$ 200,096,247</u>
Carrying amount of deposits – from Note 4 D	\$ 25,749,917
Illinois funds and IMET money market - from Note 4 C	27,800,065
Investments – from Note 4 C table	<u>146,546,265</u>
Total	<u>\$ 200,096,247</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 5. RECEIVABLES

A. Summary of Receivables

Receivables as of December 31, 2011 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	Employer Pension Contribution	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Nonmajor and Other Funds	Total
Receivables:									
Property taxes	\$ 16,981,094	\$ 12,325,144	\$ 14,871,415	\$ -	\$ -	\$ -	\$ -	\$ 9,958,863	\$ 54,136,516
Accounts	-	-	-	1,531,383	2,259,654	490,331	-	-	4,281,368
Notes	-	-	-	-	-	-	-	6,194,245	6,194,245
Special assessments	-	-	-	-	-	-	-	737,084	737,084
Accrued interest	-	-	-	-	-	-	-	9,435	9,435
Other	2,253,299	-	-	-	-	-	54,922	840,758	3,148,979
Gross receivables	19,234,393	12,325,144	14,871,415	1,531,383	2,259,654	490,331	54,922	17,740,385	68,507,627
Less: allowance for uncollectibles	(339,622)	(246,503)	(297,428)	-	-	-	-	(289,177)	(1,172,730)
Net total receivables	<u>\$ 18,894,771</u>	<u>\$ 12,078,641</u>	<u>\$ 14,573,987</u>	<u>\$ 1,531,383</u>	<u>\$ 2,259,654</u>	<u>\$ 490,331</u>	<u>\$ 54,922</u>	<u>\$ 17,451,208</u>	<u>\$ 67,334,897</u>

Out of the total Notes Receivable, \$6,124,245 is estimated not to be paid during the next year. Out of the total Special Assessment receivable, \$587,000 is estimated not to be paid during the next year.

Governmental funds report deferred revenue 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 revenue and unearned revenue 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 City 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 \$90,000 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>\$ 6,002,308</u>	<u>\$ 338,287</u>	<u>\$ 236,350</u>	<u>\$ 6,104,245</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 6. CAPITAL ASSETS

A. Capital Asset Activity

Capital asset activity for the ten months ended December 31, 2011, was as follows:

	Beginning	Additions	Deletions	Transfers	Ending
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 6,824,424	\$ -	\$ -	\$ -	\$ 6,824,424
Right of way	18,695,896	-	-	-	18,695,896
Artwork	115,000	-	-	-	115,000
Construction in progress	1,930,312	-	1,930,312	-	-
Total capital assets, not being depreciated	27,565,632	-	1,930,312	-	25,635,320
Capital assets, being depreciated:					
Buildings and improvements	88,526,099	3,394,810	-	-	91,920,909
Office equipment and furniture	5,695,214	296,405	-	77,182	6,068,801
Intangible assets	6,024,590	279,251	-	88,585	6,392,426
Machinery and equipment	22,551,124	2,143,333	1,052,373	(165,767)	23,476,317
Infrastructure	131,927,999	9,177,520	-	-	141,105,519
Library collections	9,425,822	373,118	1,270,029	-	8,528,911
Capitalized leases	1,093,402	-	363,758	-	729,644
Total capital assets being depreciated	265,244,250	15,664,437	2,686,160	-	278,222,527
Less accumulated depreciation for:					
Buildings and improvements	32,610,942	1,635,491	-	-	34,246,433
Office equipment and furniture	4,966,191	131,197	-	65,891	5,163,279
Intangible assets	5,246,705	110,282	-	84,602	5,441,589
Machinery and equipment	16,477,710	1,188,815	1,052,373	(150,493)	16,463,659
Infrastructure	61,036,834	4,554,150	-	-	65,590,984
Library collections	7,259,530	509,015	1,270,029	-	6,498,516
Capitalized leases	817,203	41,242	143,607	-	714,838
Total accumulated depreciation	128,415,115	8,170,192	2,466,009	-	134,119,298
Total capital net assets being depreciated, net	136,829,135	7,494,245	220,151	-	144,103,229
Governmental activities capital assets, net	\$ 164,394,767	\$ 7,494,245	\$ 2,150,463	\$ -	\$ 169,738,549

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 6. CAPITAL ASSETS - Continued

A. Capital Asset Activity - Continued

	Beginning	Additions	Deletions	Transfers	Ending
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 3,297,937	\$ -	\$ -	\$ -	\$ 3,297,937
Construction in progress	772,223	5,492,258	2,246,133	-	4,018,348
Artwork	359,752	-	-	-	359,752
Total capital assets, not being depreciated	4,429,912	5,492,258	2,246,133	-	7,676,037
Capital assets, being depreciated:					
Land improvements	3,563,393	70,106	-	-	3,633,499
Buildings and improvements	73,606,657	2,799,199	-	-	76,405,856
Leasehold improvements	302,752	-	-	-	302,752
Plant	36,093,067	83,500	175,602	-	36,000,965
Transmission and distribution system	39,295,556	2,162,633	18,702	-	41,439,487
Sewer system and underground lines	241,955,660	554,791	-	-	242,510,451
Intangible assets	384,917	-	-	-	384,917
Equipment	2,804,603	-	5,310	-	2,799,293
Parking meters	707,688	-	-	-	707,688
Total capital assets being depreciated	398,714,293	5,670,229	199,614	-	404,184,908
Less accumulated depreciation for:					
Land improvements	1,116,055	97,335	-	-	1,213,390
Buildings and improvements	13,504,769	1,530,599	-	-	15,035,368
Leasehold improvements	302,752	-	-	-	302,752
Plant	12,991,054	653,939	77,048	-	13,567,945
Transmission and distribution system	7,223,863	377,137	4,019	-	7,596,981
Sewer system and underground lines	36,986,970	2,718,027	-	-	39,704,997
Intangible assets	54,988	54,988	-	-	109,976
Equipment	1,984,106	107,758	5,310	-	2,086,554
Parking meters	521,802	108,763	-	-	630,565
Total accumulated depreciation	74,686,359	5,648,546	86,377	-	80,248,528
Total capital net assets being depreciated, net	324,027,934	21,683	113,237	-	323,936,380
Business-type activities capital assets, net	\$ 328,457,846	\$ 5,513,941	\$ 2,359,370	\$ -	\$ 331,612,417

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 6. 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	\$ 299,722
Public safety	496,683
Public works	5,130,363
Housing and Economic Development	2,784
Recreation and cultural opportunities	<u>2,240,640</u>

Total depreciation expense – governmental activities \$ 8,170,192

Business – type activities:

Water	\$ 1,090,433
Sewer	2,746,965
Motor Vehicle Parking	<u>1,811,148</u>

Total depreciation expense – business – type activities \$ 5,648,546

B. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at December 31, 2011, is as follows:

Capital Improvement Fund	\$ 284,636
Water Fund	<u>2,970,791</u>
Total Construction Commitments	<u>\$ 3,255,427</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 7. 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, 2011 interfund receivables and payables consist of the following:

Funds	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund		
Emergency Telephone System	\$ 15,869	\$ -
Economic Development	81,623	-
Fleet Service	37,637	-
Insurance	-	115,706
Community Development Block Grant	49,855	-
Capital Improvements	-	275,760
Home Fund	3	-
Affordable Housing	-	10,000
Special Assessment CP Fund	-	7,541
Motor Vehicle Parking System	72,655	-
Water	129,634	-
Sewer	57,827	-
Solid Waste	360,724	-
Neighborhood Stabilization Program 2	3,386	-
Community Development Loan	1,216	-
Firefighters Pension	-	114,834
Police Pension	-	142,949
Total General Fund	<u>810,429</u>	<u>666,790</u>
Capital Improvements		
General Fund	275,760	-
Motor Vehicle Parking System	906,340	-
Total Capital Improvements	<u>1,182,100</u>	<u>-</u>
General Obligation Debt Service Fund		
West Evanston Tax Increment District	-	300,000
Special Assessment CP Fund	31,766	-
Total General Obligation Debt Service Fund	<u>31,766</u>	<u>300,000</u>
Employer Pension Contribution		
Firefighters Pension	-	948,553
Police Pension	-	1,156,132
Total Employer Pension Contribution	<u>-</u>	<u>2,104,685</u>
Nonmajor Governmental Funds		
Affordable Housing		
General Fund	<u>10,000</u>	<u>-</u>
Neighborhood Stabilization Program 2		
General Fund	-	3,386
Community Development Block Grant	-	78
	<u>-</u>	<u>3,464</u>
Economic Development		
General Fund	<u>-</u>	<u>81,623</u>
Emergency Telephone System		
General Fund	<u>-</u>	<u>15,869</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Nonmajor Governmental Funds - Continued		
Home Fund		
General Fund	\$ -	\$ 3
Community Development Block Grant		
General Fund	-	49,855
Neighborhood Stabilization Program 2	78	-
Special Assessment CP Fund	-	3,925
Total Community Development Block Grant	<u>78</u>	<u>53,780</u>
Community Development Loan		
General Fund	-	1,216
Washington Natl. Tax Increment District Debt Svc.		
West Evanston Tax Increment District	-	190,000
Howard Ridge Tax Increment District		
Southwest Tax Increment District	<u>130,000</u>	<u>-</u>
Howard Hartrey Tax increment District		
Special Service District No. 4	<u>100,000</u>	<u>-</u>
Special Service District No. 4		
Howard Hartrey Tax Increment District	-	100,000
Southwest Tax Increment District		
Howard Ridge Tax Increment District	-	130,000
West Evanston Tax Increment District		
Washington Natl. Tax Increment District Debt Svc.	190,000	-
General Obligation Debt Service Fund	<u>300,000</u>	<u>-</u>
	<u>490,000</u>	<u>-</u>
Town		
General Assistance	-	14,689
General Assistance		
Town	<u>14,689</u>	<u>-</u>
Special Assessment CP Fund		
General Fund	7,541	-
Community Development Block Grant	3,925	-
Water	2,444	-
Debt Service	-	31,766
Total Special Assessment	<u>13,910</u>	<u>31,766</u>
Total Nonmajor Governmental Funds	<u>758,677</u>	<u>622,410</u>
Total Governmental Funds	<u>2,782,972</u>	<u>3,693,885</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Enterprise Funds		
Water		
General Fund	\$ -	\$ 129,634
Insurance	-	-
Special Assessment CP Fund	-	2,444
Total Water	<u>-</u>	<u>132,078</u>
Sewer		
General Fund	-	57,827
Motor Vehicle Parking System	-	4,000,000
Solid Waste	1,151,945	-
Total Sewer	<u>1,151,945</u>	<u>4,057,827</u>
Solid Waste		
General Fund	-	360,724
Sewer	-	1,151,945
Total Solid Waste	<u>-</u>	<u>1,512,669</u>
Motor Vehicle Parking System		
General Fund	-	72,655
Sewer	4,000,000	-
Capital Improvements	-	906,340
Total Motor Vehicle Parking System	<u>4,000,000</u>	<u>978,995</u>
Total Enterprise Funds	<u>5,151,945</u>	<u>6,681,569</u>
Internal Service Funds		
Fleet Services		
General Fund	-	37,637
Insurance		
General Fund	115,706	-
Total Internal Service Funds	<u>115,706</u>	<u>37,637</u>
Trust and Agency Funds		
Firefighters Pension		
Employer Pension Contribution	948,553	-
General Fund	114,834	-
Total Firefighters Pension	<u>1,063,387</u>	<u>-</u>
Police Pension		
Employer Pension Contribution	1,156,132	-
General Fund	142,949	-
Total Police Pension	<u>1,299,081</u>	<u>-</u>
Total Trust and Agency Funds	<u>2,362,468</u>	<u>-</u>
Total Primary Government	<u>\$ 10,413,091</u>	<u>\$ 10,413,091</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 7. INTERFUNDS - Continued

B. 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, 2011 transfers in / out consist of the following:

Funds	Transfers In	Transfers Out
Governmental Funds		
General Fund		
Affordable Housing Fund	\$ 19,992	\$ -
Washington Natl. Tax Increment District Debt Svc.	325,000	-
Howard Hartrey Tax Increment District	141,600	-
Southwest Tax Increment District	24,100	-
Capital Improvement Fund	300,000	-
Water Fund	2,737,905	-
Howard Ridge Tax Increment District	120,400	-
Motor Fuel Tax Fund	697,492	-
West Evanston Tax Increment District	50,000	-
General Obligation Debt Service Fund	-	676,980
Economic Development	377,256	-
Total General Fund	<u>4,793,745</u>	<u>676,980</u>
Capital Improvements		
General Obligation Debt Service Fund	-	2,130
General Fund	-	300,000
Total Capital Improvement	<u>-</u>	<u>302,130</u>
General Obligation Debt Service Fund		
General Fund	676,980	-
Neighborhood Stabilization Program 2	1,910	-
Emergency Telephone System	6,370	-
Community Development Block Grant	4,090	-
Economic Development	8,870	-
Special Assessment	317,660	-
Capital Improvement Fund	2,130	-
Fleet Services	21,500	-
Insurance	5,710	-
Sewer	-	8,099,352
Total General Obligation Debt Service Fund	<u>1,045,220</u>	<u>8,099,352</u>
Nonmajor Governmental Funds		
Affordable Housing Fund		
General Fund	-	19,992
Community Development Block Grant		
General Obligation Debt Service Fund	-	4,090
Economic Development		
General Obligation Debt Service Fund	-	8,870
General Fund	-	377,256
	<u>-</u>	<u>386,126</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 7. INTERFUNDS - Continued

B. Interfund Transfers - Continued

Funds	Transfers In	Transfers Out
Nonmajor Governmental Funds - Continued		
Southwest Tax Increment District		
General Fund	\$ -	\$ 24,100
Howard Hartrey Tax Increment District		
General Fund	-	141,600
Howard Ridge Tax Increment District		
General Fund	-	120,400
Washington Natl. Tax Increment District Debt Svc.		
General Fund	-	325,000
Motor Vehicle Parking System	-	3,419,636
Total Washington National Tax Increment District	-	3,744,636
West Evanston Tax Increment District		
General Fund	-	50,000
Emergency Telephone System		
General Obligation Debt Service Fund	-	6,370
Special Assessment		
General Obligation Debt Service Fund	-	317,660
Motor Fuel Tax		
General Fund	-	697,492
Neighborhood Stabilization Program 2		
General Obligation Debt Service Fund	-	1,910
Total Nonmajor Governmental Funds	-	5,514,376
Total Governmental Funds	5,838,965	14,592,838
Enterprise Funds		
Water		
Insurance	-	390,254
General Fund	-	2,737,905
	-	3,128,159
Sewer		
General Obligation Debt Service Fund	8,099,352	-
Motor Vehicle Parking System		
Washington Natl. Tax Increment District Debt Svc.	3,419,636	-
Total Enterprise Funds	11,518,988	3,128,159
Internal Service Funds		
Fleet Services		
General Obligation Debt Service Fund	-	21,500
Insurance		
Water	390,254	-
General Obligation Debt Service Fund	-	5,710
	390,254	5,710
Total Internal Service Funds	390,254	27,210
Total Primary Government	\$ 17,748,207	\$ 17,748,207

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 7. INTERFUNDS - Continued

C. Capital Contributions

Capital contributions were made from governmental activities to the business-type activities:

Water Fund	\$	(21,349)
Sewer Fund		(37,100)
Solid Waste		(155,200)
Motor Vehicle Parking System		<u>2,750</u>
	\$	<u>(210,899)</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 8. Operating Leases

The City of Evanston has nine digital office copiers leased from Chicago Office Technology Group. The copiers are located in the Evanston Civic Center and the Evanston Police headquarter. The City entered into lease agreement for these copiers during the 2010-11 fiscal year. The lease term is 48 months starting August, 2010.

The City has entered into lease agreement for postage machine during the 2009-10 fiscal year. The machine is located on the first floor in the Civic Center. The lease term is 60 months with the first payment made in January, 2010.

<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>
Chicago Office Technology Group	7/31/2014	9	1,642	\$ 16,420	Copiers
Secap Finance	12/31/2014	1	255	2,550	Postage Machine

Minimum annual lease payments are as follows:

Year ending 12/31/2012	22,764
Year ending 12/31/2013	22,764
Year ending 12/31/2014	<u>14,554</u>
	<u>\$ 60,082</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 9. LONG-TERM DEBT

A. Changes in Long-Term Debt

	Interest Rate	Final Maturity Date	Balance 3/1/2011	Issued	Reclass	Payments	Balance 12/31/2011	Due Within One Year
G.O. Debt Governmental Activities								
Series 2002C	5.00%-5.80%	1/1/2022	\$ 2,680,000	\$ -	\$ -	\$ -	\$ 2,680,000	\$ 675,000
Series 2002C (SSA#5)	5.00%-5.80%	1/1/2016	1,840,000	-	-	-	1,840,000	325,000
Series 2003B	2.00%-5.25%	1/1/2023	2,780,000	-	-	2,780,000	-	-
Series 2004	2.00%-5.00%	12/1/2023	11,855,000	-	-	815,000	11,040,000	845,000
Series 2004B	2.00%-5.25%	12/1/2017	5,995,000	-	-	1,535,000	4,460,000	1,630,000
Series 2005	3.25%-5.00%	12/1/2025	14,675,000	-	-	545,000	14,130,000	750,000
Series 2006	3.85%-5.00%	12/1/2026	9,805,000	-	-	125,000	9,680,000	130,000
Series 2006B	4.00%-4.25%	12/1/2023	14,430,000	-	-	-	14,430,000	-
Series 2007	4.00%-5.00%	12/1/2016	18,685,000	-	-	1,150,000	17,535,000	1,185,000
Series 2008A	3.00%-5.00%	12/1/2021	3,410,000	-	-	195,000	3,215,000	195,000
Series 2008C	3.00%-5.00%	12/1/2028	9,274,140	-	-	361,800	8,912,340	369,840
Series 2008D	3.25%-5.00%	12/1/2016	8,500,000	-	-	1,415,000	7,085,000	1,435,000
Series 2010A	2.00%-3.625%	12/1/2029	6,500,000	-	-	240,000	6,260,000	300,000
Series 2010B	1.00%-3.30%	12/1/2019	6,893,299	-	(210,899)	580,534	6,101,866	613,946
Series 2011A			-	15,210,000	-	-	15,210,000	1,081,678
Subtotal Governmental Activity G.O. Debt			<u>117,322,439</u>	<u>15,210,000</u>	<u>(210,899)</u>	<u>9,742,334</u>	<u>122,579,206</u>	<u>9,535,464</u>
Capital lease			363,759	-	-	363,759	-	-
Bonds premium liability			4,118,638	210,176	-	720,230	3,608,584	-
OPEB liability			1,398,143	94,052	-	-	1,492,195	-
Pension contributions			20,981,406	10,789,712	-	9,733,452	22,037,666	-
Compensated absences payable- City			10,022,198	2,958,553	-	3,085,581	9,895,170	3,759,175
IMRF Pension contributions			1,223,870	4,019,532	-	2,523,327	2,720,075	-
Claims payable			5,455,203	2,920,373	-	920,030	7,455,546	2,106,361
Subtotal Other G.A. Liabilities			<u>43,563,217</u>	<u>20,992,398</u>	<u>-</u>	<u>17,346,379</u>	<u>47,209,236</u>	<u>5,865,536</u>
Total Governmental Activity Debt & Liabilities			<u>\$ 160,885,656</u>	<u>\$ 36,202,398</u>	<u>\$ (210,899)</u>	<u>\$ 27,088,713</u>	<u>\$ 169,788,442</u>	<u>\$ 15,401,000</u>
G.O. Debt Business-type Activities								
Series 2005 Sherman Garage	3.25%-5.00%	12/1/2025	8,855,000	-	-	935,000	7,920,000	975,000
Series 2005 Sewer	3.25%-5.00%	12/1/2025	250,000	-	-	-	250,000	-
Series 2007 Sewer	4.00%-5.00%	12/1/2016	3,155,000	-	-	1,015,000	2,140,000	1,090,000
Series 2007 Parking	4.00%-5.00%	12/1/2016	990,000	-	-	115,000	875,000	125,000
Series 2008B Sherman Garage	3.00%-5.00%	12/1/2018	15,015,000	-	-	1,310,000	13,705,000	1,800,000
Series 2008C Sewer	3.00%-5.00%	12/1/2028	2,260,860	-	-	88,200	2,172,660	90,160
Series 2008D Sewer	3.25%-5.00%	12/1/2016	4,580,000	-	-	1,760,000	2,820,000	1,875,000
Series 2010B	1.00%-3.30%	12/1/2019	1,106,701	-	210,899	114,466	1,203,134	121,055
Series 2011A			-	4,030,000	-	-	4,030,000	123,323
Subtotal Business Activity G.O. Debt			<u>36,212,561</u>	<u>4,030,000</u>	<u>210,899</u>	<u>5,337,666</u>	<u>35,115,794</u>	<u>6,199,538</u>
Water Revenue Bond Series 1999	4.125-4.375%	1/1/2014	875,000	-	-	-	875,000	280,000
Water Revenue Bond Series 2002	2.00-3.75%	1/1/2012	295,000	-	-	-	295,000	295,000
Subtotal Water Revenue Bonds			<u>1,170,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,170,000</u>	<u>575,000</u>
IEPA Loans	2.535-3.59%	Various	87,059,150	158,893	-	8,136,771	79,081,272	8,705,902
Unamortized bond Premium and discount			12,418	-	-	941	11,477	-
Bonds premium liability			880,539	45,283	-	133,143	792,679	-
Compensated absences payable- City			684,019	185,615	-	-	869,634	415,163
IMRF Pension contributions			233,118	791,972	-	497,174	527,916	-
OPEB Liability			132,899	41,638	-	-	174,537	-
Subtotal Other Business Activity Liabilities			<u>1,942,993</u>	<u>1,064,508</u>	<u>-</u>	<u>631,258</u>	<u>2,376,243</u>	<u>415,163</u>
Total Business Debt & Liabilities			<u>\$ 126,384,704</u>	<u>\$ 5,253,401</u>	<u>\$ 210,899</u>	<u>\$ 14,105,695</u>	<u>\$ 117,743,309</u>	<u>\$ 15,895,603</u>
Total Governmental & Business Debt & Liabilities			<u>\$ 287,270,360</u>	<u>\$ 41,455,799</u>	<u>\$ -</u>	<u>\$ 41,194,408</u>	<u>\$ 287,531,751</u>	<u>\$ 31,296,603</u>

Note: Employer Pension Contribution Fund has been used to liquidate the net pension obligation. 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 post employment benefit obligations.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 9- LONG-TERM DEBT - Continued

A. Changes in Long-term Debt- Continued

Business type activities - Water Revenue Bonds

Business type activities revenue bonds are payable from revenues derived from Water service fees. The City has pledged future revenues, net of operating expenses, to repay original principal totaling \$5,855,000 in revenue bonds issued in 1999 and 2002. Proceeds from the bonds provided financing for Water CIP projects. The bonds are payable solely from revenues through 2014. Annual interest payment on the bonds is expected to require \$24,672 of net revenues for the ten months ended December 31, 2011. The total principal and interest remaining to be paid on the bonds is \$1,234,047. Principal and interest paid for the current period totaled \$24,672 on customer revenues of \$5,131,448.

Revenue debt payable consists of the following:

<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance</u>
1/25/1999	1/1/2014	Various	\$ 3,500,000	\$ 875,000
10/1/2002	1/1/2012	Various	2,355,000	<u>295,000</u>
Total Business type Activities- Water Revenue Bonds				<u>\$ 1,170,000</u>

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 \$161,827,471 in IEPA loans issued in 1993 through 2011. Proceeds from the loans provided financing for the Long Term Sewer and Water Improvement Program. The IEPA loans are payable solely from revenues and are payable through 2030. Annual principal and interest on the loans are expected to require \$10,731,083 of net revenues for the Fiscal year 2012. The total principal and interest remaining to be paid on the loans is \$91,158,220. Principal and interest paid for the current period and total customer net revenues were \$10,269,372 and \$9,402,942 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	\$ 161,827,471	<u>\$ 79,081,272</u>
Total Business type Activities- IEPA Loan Debt				<u>\$ 79,081,272</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 9- 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.

On August 16, 2010 the City issued Series 2010A in General Obligation bonds for a total of \$6,500,000 to pay for public improvements within the City.

On August 16, 2010 the City issued taxable Series 2010B in General Obligation bonds for a total of \$8,000,000 to pay the City's obligation to the Illinois Municipal Retirement Fund (IMRF) for the Early Retirement Incentive (ERI) plan adopted by the City.

On August 1, 2011 the City issued Series 2011A in General Obligation bonds for a total of \$19,240,000. The Bonds were issued to provide financing for certain public improvement projects and refund certain outstanding obligations. The Bond issue also included money to deposit into debt service funds of the City's Sewerage System for purposes of paying certain outstanding obligations on their scheduled payment dates.

Part of the above Series 2011A General Obligation bonds were issued at a net interest cost of 1.0560% to current refund the outstanding balance of Series 2003B. This will result in a net cash savings of \$123,441 which translates to a net present value savings of \$120,761.

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
2012	\$ 9,535,464	\$ 5,152,945	\$ 6,199,538	\$ 1,632,121
2013	10,099,093	4,720,259	4,455,906	1,291,281
2014	11,143,358	4,368,658	3,496,643	1,045,744
2015	8,729,385	3,943,155	3,985,615	902,122
2016	9,169,204	3,551,334	4,085,796	738,906
2017-2021	39,026,338	12,536,219	9,458,663	1,436,478
2022-2026	26,784,615	5,010,411	1,800,386	601,666
2027-2031	8,091,749	829,655	1,633,247	200,416
Total	<u>\$ 122,579,206</u>	<u>\$ 40,112,636</u>	<u>\$ 35,115,794</u>	<u>\$ 7,848,734</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 9- LONG-TERM DEBT - Continued

C. Special Service District Bonds Payable

The City also issued debt in the Special Service District No. 5 fund to provide funds for the principal and interest payments on unlimited ad valorem tax bonds issued for this special taxing district.

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
2012	\$ 325,000	\$ 98,231
2013	340,000	78,816
2014	380,000	57,740
2015	390,000	35,175
2016	405,000	11,873
Total	<u>\$ 1,840,000</u>	<u>\$ 281,835</u>

D. Revenue Bonds Payable

The City also issued revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The bonds were issued to finance construction projects related to the water treatment plant.

Revenue bond debt service requirements to maturity are as follows:

For the Fiscal Year ending	Business-type Activities	
	Principal	Interest
2012	\$ 575,000	\$ 37,688
2013	290,000	19,688
2014	305,000	6,672
Total	<u>\$ 1,170,000</u>	<u>\$ 64,048</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 9- LONG-TERM DEBT - Continued

E. Notes Payable -IEPA Loans

During the ten months ended December 31, 2011, the City currently has 27 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
2012	\$ 8,705,902	\$ 2,025,181
2013	8,264,766	1,777,092
2014	7,814,770	1,555,528
2015	7,557,928	1,341,861
2016	7,036,186	1,144,637
2017-2021	26,155,923	3,322,674
2022-2026	11,927,280	880,592
2027-2031	1,618,517	29,384
Total	<u>\$ 79,081,272</u>	<u>\$ 12,076,949</u>

F. Prior Years' General Obligation Bond Defeasances

In 2006, the City defeased a portion of Series 2002C Corporate Purpose bonds, by placing a portion of the proceeds of Series 2006B in an irrevocable Escrow Account.

The trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. At December 31, 2011, the following remaining outstanding balances are considered defeased:

G.O. Series	Original Amount Defeased	Outstanding Amount Defeased
2002C	\$ 6,480,000	\$ 6,480,000

The outstanding balances of Series 2002C not defeased at December 31, 2011, are recorded as a liability in the City's financial statements. Those balances are as follows:

Series	Amounts
2002C	\$ 2,680,000

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 9- LONG-TERM DEBT - Continued

G. Post Employment Benefits other than Pensions (Defined Benefit Plan)

The City of Evanston'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 post employment 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 of Evanston 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 \$490 for single coverage to \$1,796 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 \$490 for single coverage to \$1,796 for family coverage. For the ten months ended December 31, 2011, the City's estimated contribution to the plan is \$804,052. The City of Evanston's annual other post employment 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 thirty years.

The following table shows the components of the City of Evanston's annual OPEB cost for the the ten months ended December 31, 2011, the amount actually contributed to the plan and changes in the City's net OPEB obligation to the retiree health plan.

Annual required contribution	\$ 931,051
Interest on net OPEB obligation	57,414
Adjustment to annual required contribution	<u>(48,723)</u>
Annual OPEB cost	939,742
Contributions made	<u>(804,052)</u>
Increase in net OPEB obligation	135,690
Net OPEB obligation - Beginning	<u>1,531,042</u>
Net OPEB obligation - Ending	<u>\$ 1,666,732</u>

The City of Evanston's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2011 were as follows.

Fiscal Period Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
2/28/2010	\$ 1,041,981	56.75%	\$ 1,133,965
2/28/2011	1,055,264	62.37%	1,531,042
12/31/2011	939,742	85.56%	1,666,732

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 9- LONG-TERM DEBT - Continued

G. Post Employment Benefits other than Pensions (Defined Benefit Plan) - Continued

The funded status of the plan based on the projected valuation results as of December 31st, 2011, was as follows:

Actuarial accrued liability (AAL)	\$ 16,994,544
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 16,994,544</u>
Funded ratio (actuarial value of plan assets/AAL)	-
Covered payroll (active plan members)	48,101,372
UAAL as a percentage of covered payroll	35.33%

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 multiyear 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 2011, the entry age normal cost method was used. The actuarial assumptions include a 4.50 percent investment rate of return and an annual healthcare cost trend rate of 8.50 percent initially, reduced by decrements to an ultimate rate of 4.50 percent in the year 2020. Both rates include a 3 percent 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, 2011, was 30 years.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 10. FUND EQUITY

A. Restrictions of Net Assets - Water Fund

The ordinances authorizing the issuance of the Water revenue bonds provided for the creation of separate reserve accounts designated as “Bond and Interest Account”, “Bond Reserve Account”, “Depreciation, Improvement, and Extension Account”, and “Surplus Revenue Account”. Descriptions of each follow:

Bond and Interest Account - All amounts required to be set aside for the purpose of paying principal and interest of outstanding Water Revenue bonds shall be set aside monthly as directed. In addition, there shall be credited monthly an amount at least equal to the sum of one-fifth of the interest becoming due on the next interest payment date and one-tenth of the aggregate yearly amount of principal due on the next principal maturity date.

Bond Reserve Account - The account shall accumulate \$145,800 per year until all bonds have been paid or provision has been made for their payment. The funds shall be retained and used only for payment of Water Revenue bonds at any time when there are insufficient funds available in the Bond and Interest Account. Whenever the balance in the account is equal to the maximum principal and interest requirements on all outstanding bonds for any succeeding fiscal year, the surplus over and above may, in the discretion of the City Council, be transferred to any other account within the Water Fund of the City.

Depreciation, Improvement, and Extension Account - The account shall accumulate \$5,100 per month or a greater amount as may be designated by the City Council. The monies shall be used first to provide an adequate allowance for depreciation, and may be used to pay for any extraordinary maintenance, repairs, and necessary replacements for improvement or extension of the system. The funds may be used at any time to pay principal of, or interest upon, any outstanding bonds payable whenever there are no other funds available. If the money on deposit is greater than \$400,000, the excess can be transferred to any other account within the Water Fund. All proceeds received from the disposition of any property shall be credited to this account.

Surplus Revenue Account - All revenues remaining after all other credits in the Water Fund have been made shall be credited to this account and be used for: making up any deficiency necessary to credit prior accounts with the required amounts; paying principal of, or interest on, any junior lien bonds; transfer to any other account of the fund; and any lawful corporate purpose, at the discretion of the City Council.

B. Restricted Net Assets - Fiduciary Funds

Fiduciary Funds	
Firefighters' Pension Fund Restriction for employee pension benefits	\$ 54,893,621
Police Pension Fund Restriction for employee pension benefits	<u>72,596,264</u>
Total Fiduciary Funds	<u>\$ 127,489,885</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 10. FUND EQUITY - Continued

C. Assigned Fund Balances

The following are the assigned fund balances:

General Fund

Assigned for Arts Council	\$ 24,797
Assigned for private elm trees	114,388
Assigned for Dutch elm inoculation	157,216
Assigned for Butterfield sculpture	30,883
Assigned for scholarship contributions	25,953
Assigned for recreation group activities	207,123
Assigned for public library acquisitions	462,686
Assigned for youth initiative	42,151
Assigned for parks and recreation	253,932
Assigned for Chiaravelle escrow	207,402
Assigned for Mayor's programs	87,279
Assigned for IMRF - Pension	2,590,000
Assigned for Compensated Absences	2,576,360
Assigned for Property tax - Library	526,938
Other assignments	<u>283,124</u>
	<u>\$ 7,590,232</u>

Capital Improvement Fund

Assigned for capital projects	<u>\$ 5,746,660</u>
-------------------------------	---------------------

Non-major Governmental Funds

Assigned for economic development	\$ 1,382,034
Assigned for special assessment capital project	<u>2,944,889</u>
	<u>\$ 4,326,923</u>

Total Assigned Fund Balances \$ 17,663,815

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 11. 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 sewer service fees related to the citywide sewer improvement project; tax increment revenues in the Southwest, 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 twenty years until February 28, 2017. The contract is renewable at ten-year intervals thereafter. Under the terms of the contract, Evanston is to supply 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, Evanston is to supply the NWWC sufficient potable Lake Michigan water to satisfy the Commission's maximum 24-hour demands for Lake Michigan water for resale to the Commission'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 2010 was \$406,122 which includes a loss & cost amount of \$8,122.

The ordinance also authorized the City to enter into an agreement with DOWNTOWN EVANSTON, an Illinois not-for-profit corporation to plan, implement, and manage the district.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 12. RISK MANAGEMENT - CLAIMS AND JUDGMENTS

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 City facilities and contents and other losses including business interruption and loss of rents. The coverage is subject to a deductible of \$50,000 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 and dental malpractice.

For workers' compensation, specific excess coverage in excess of \$500,000 per occurrence (except \$600,000 for Police, Fire and EMT) is purchased from a commercial insurance company. For general liability claims, the City retains risk of loss.

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:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
February 28, 2010	\$ 4,542,080	\$ 631,288	5,173,368
New claims and/or estimate revisions	442,956	1,258,725	1,701,681
Claims payments	<u>(1,283,558)</u>	<u>(136,288)</u>	<u>(1,419,846)</u>
February 28, 2011	3,701,478	1,753,725	5,455,203
New claims and/or estimate revisions	225,374	2,694,999	2,920,373
Claims payments	<u>(705,471)</u>	<u>(214,559)</u>	<u>(920,030)</u>
December 31, 2011	<u>\$ 3,221,381</u>	<u>\$ 4,234,165</u>	<u>\$ 7,455,546</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 13. 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 14. JOINT VENTURES

A. Solid Waste Agency of Northern Cook County

On March 28, 1988, the Evanston City Council authorized agreements providing for the City's participation in the Solid Waste Agency of Northern Cook County (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 twenty-three 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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 14. JOINT VENTURES – Continued

A. Solid Waste Agency of Northern Cook County - Continued

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, 2011:

Current assets	\$ 6,843,409
Property, plant, and equipment	11,228,739
Debt issuance costs, net and other assets	<u>66,091</u>
Total assets	<u>\$ 18,138,239</u>
Current liabilities	\$ 5,164,235
Long-term debt, net of unamortized discount	4,788,844
Invested in capital assets, net of related debt	5,319,895
Restricted net assets	2,371,951
Unrestricted net assets	<u>493,314</u>
Total liabilities and fund equity	<u>\$ 18,138,239</u>

Summary of Revenues and Expenses for the Year Ended April 30, 2011:

Total revenues	\$ 14,270,755
Total expenses	<u>(14,183,633)</u>
Net income	<u>\$ 87,122</u>

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 14. JOINT VENTURES – Continued

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 corporation is to lend mortgage funds to qualified, income eligible, first-time homebuyers in the City of Evanston.

The Corporation is governed by a Board of Directors of ten people, four of whom are selected by the City. The Board 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 Evanston Housing Corporation for the year ended December 31, 2010 are summarized as follows:

Statement of Financial Position as of December 31, 2010:

Cash and cash equivalents	\$ 896,163
Mortgage loans receivable	<u>2,330,841</u>
Total assets	<u>3,227,004</u>
Payables and accrued expenses	163,004
Notes payable	<u>3,064,000</u>
Total liabilities	<u>3,227,004</u>
Net Assets	<u>\$ -</u>

(Note: December 31, 2010 is the most current information available.)

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 14. JOINT VENTURES – Continued

B. Evanston Housing Corporation - Continued

Statement of Activities for the Year Ended December 31, 2010:

Total revenues	\$ 125,449
Total operating expenses	(125,449)
Excess of revenues over expenses	<u>\$ -</u>

(Note: December 31, 2010 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.

NOTE 15. DEFERRED COMPENSATION PLAN

The City of Evanston offers its elected officials and employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the ICMA Retirement Corporation. The plan, available to all City employees, permits them to defer a portion of their current salary to all future years. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs.

The assets of the plan are held in Trust (ICMA Retirement Corporation Deferred Compensation Plan and Trust), with the City serving as trustee, for the exclusive benefit of the plan participants and their beneficiaries. The assets cannot be diverted to any other purpose. The City's beneficial ownership of plan assets held in the ICMA Retirement Trust is held for the further exclusive benefit of the plan participants and their beneficiaries.

The City and its agent have no liability for losses under the plan, but do have the duty of care that would be required of an ordinary prudent investor.

Plan balance at December 31, 2011	<u>\$ 37,249,261</u>
-----------------------------------	----------------------

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 16. DEFINED BENEFIT PENSION PLANS

The City maintains two separate single-employer retirement plans established by state statute for the City's police officers and firefighters. The City also participates in the Illinois Municipal Retirement Fund (IMRF), a statewide multiple-employer public employee retirement system which acts as investment and administrative agent. The IMRF plan covers substantially all of the City's employees other than police officers and firefighters.

The City created a special revenue fund, the Employer Pension Contribution Fund, to accommodate the Police and Fire pension accounting requirements. This fund recognizes the appropriate tax revenues for the City on behalf of the Pension Trust Funds and contributes those amounts into the Pension Trust Funds as the employer contribution.

The Employer Pension Contribution Fund is a special revenue fund and uses the modified accrual basis of accounting. The tax revenues are recognized when measurable and available. The expenditures are recorded when the liability is incurred.

Illinois Municipal Retirement Fund

A. Plan Description

The City and Township's defined benefit pension plan, IMRF, provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. 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 required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523, or by accessing their website at www.imrf.org/pubs/pubs_homepage.htm.

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The City and Township are required to contribute at an actuarially determined rate. The City's rate as of December 2010 was 9.36% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

In 2010, the Illinois Legislature passed Senate Bill 1946. The Bill modifies benefits for most Illinois public pension systems, including IMRF's regular plans. The provisions of the bill became effective January 1, 2011. The bill created a second tier for the employees starting on or after January 1, 2011. As a part of this bill, the vesting time for the second tier employees has been increased from eight to ten years. The bill also increased the age to receive full retirement benefits to 67 and reduced retirement benefit to age 62 from the current age of 60 and 55 respectively for each type of benefit. The final rate of earnings used to calculate a pension is also capped at \$106,800 as a part of pension reforms.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund - Continued

B. Funding Status and Progress

The City's gross total payroll for the calendar ten months ended December 31, 2011 was \$51,483,448. Of this amount, \$32,270,312 in payroll earnings were reported to and covered by the IMRF system. The Township's total payroll for the year ended December 31, 2010 was \$334,330 which were reported to and covered by the IMRF plan.

As of December 31, 2011, the most recent actuarial valuation date, the City's Regular plan was 75.54% funded. The City's actuarial accrued liability for benefits was \$86,311,655 and the actuarial value of assets was \$65,199,440 resulting in an underfunded actuarial accrued liability (UAAL) of \$21,112,215. The covered payroll for the ten months ended December 31, 2011 (annual payroll of active employees covered by the plan) was \$32,270,312 and the ratio of the UAAL to the covered payroll was 65%.

As of December 31, 2010, the most recent valuation date, the Township's Regular plan was fully funded. The Township's actuarial accrued liability for benefits was \$305,956 and the actuarial value of assets was \$331,048 resulting in an overfunding of \$25,092. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$334,330.

The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

C. Annual Pension Cost

For December 31, 2011, the employer's actual contributions for pension cost were \$3,020,501. Actual required contributions for calendar year 2011 was \$4,811,504. The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year, depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor.

Three-Year Trend Information for IMRF - City

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	\$ 4,811,504	63%	\$ 3,247,991
12/31/10	4,914,570	70%	1,456,988
12/31/09	2,702,269	100%	-

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 16. DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund - Continued

C. Annual Pension Cost - Continued

For December 31, 2010, the Township's annual pension cost of \$23,203 was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor. The actuarial assumptions used to determine the actuarial accrued liability for 2010 are based on the 2007-2009 experience study.

Three-Year Trend Information for IMRF - Township

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 23,203	100%	\$ -
12/31/09	12,053	100%	-
12/31/08	13,371	100%	-

Police and Firefighters' Pension Plans

D. Plan Descriptions

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's payroll for police and firefighter employees covered by the plans for the ten months ended December 31, 2011 was \$11,502,613 and \$7,736,550 respectively.

The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 16. DEFINED BENEFIT PENSION PLANS – Continued

Police and Firefighters' Pension Plans - Continued

D. Plan Descriptions - Continued

Participation in the plans at December 31, 2011 was:

	<u>Police</u>	<u>Firefighters'</u>
Retirees, disabled participants, and beneficiaries of deceased retirees currently receiving benefits	167	138
Active plan members	<u>158</u>	<u>104</u>
Total	<u><u>325</u></u>	<u><u>242</u></u>

Any police officer or firefighter who has creditable service of 20 years or more, has reached age 50, and is no longer in the service, is entitled to a yearly pension equal to 50% of the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater, in the case of a police officer, and at the date of retirement in the case of a firefighter. The police officer pension is increased by 2.5% of such salary for each additional year of service over 20 years to a maximum limit of 75% of such salary. The firefighter pension is increased by 1/12 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.

	<u>Police</u> <u>Pension Fund</u>	<u>Firefighters'</u> <u>Pension Fund</u>
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	4.00%	4.00%
Attributable to inflation	2.50%	2.50%
Cost of Living Increases	3.00%	3.00%

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans - Continued

D. Plan Descriptions – Continued

A police officer or firefighter who retires or is separated from service after accumulating at least eight years for a police officer and ten years for a firefighter, but less than 20 years of creditable service, will receive a monthly pension after attaining the age of 60 based on the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater, in the case of a police officer and at the date of retirement or separation in the case of a firefighter. The amount of the benefit is a tabular percentage of such salary ranging from 15% for 10 years of service to 50% for 20 years of service. These benefit provisions and all other requirements are established by state statute.

In 2010, the Illinois Legislature passed Senate Bill 1946. This bill modifies benefits for most Illinois public pension systems, including Police and Fire Pension plans. The provisions of the bill became effective January 1, 2011. The bill created a second tier for the employees starting on or after January 1, 2011. As a part of the bill, the vesting time for the second tier police employees has been increased from eight to ten years. The bill also increased the retirement age from 50 to 55. Accordingly, a police officer or firefighter from the second tier who retires or is separated from service after accumulating at least ten years for a police officer or a firefighter, but less than 20 years of creditable service, will receive a monthly pension after attaining the age of 60 based on the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater, in the case of a police officer and at the date of retirement or separation in the case of a firefighter. The amount of the benefit is a tabular percentage of such salary ranging from 15% for 10 years of service to 50% for 20 years of service. These benefit provisions and all other requirements are established by state statute.

E. Summary of Significant Accounting Policies

Basis of Accounting

The Police and Firefighters' Pension Fund financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized when due. Employer contributions to each plan are recognized when due, pursuant to formal commitment as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative cost for Police and Firefighters are financed by investment income.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

F. Contributions and Reserves

Employee contribution rates are established by statute at 9.91% of a police officer's salary and 9.46% of a firefighter's salary. Accumulated employee contributions for tier one employees are refunded if an employee leaves covered employment or dies before 8 years of credited service in the case of police officers and 10 years in the case of firefighters. But, in case of tier two employees who have started participating in the pension plans on or after January 1, 2011, contributions will be refunded if an employees leaves covered employment or dies before 10 years of credited service.

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 obligation.

The City's annual pension cost and net pension obligation to the Police and Firefighters' pension funds were obtained from the funds' most recent actuarial valuations as of December 31, 2011 are as follows:

	<u>Police</u>	<u>Firefighters'</u>
Annual required contribution	\$ 6,232,478	\$ 4,468,888
Interest on net pension obligation	876,109	592,589
Adjustment to annual required contribution	<u>(824,950)</u>	<u>(555,402)</u>
Annual pension cost	6,283,637	4,506,075
Contributions made	<u>(5,366,299)</u>	<u>(4,367,153)</u>
Increase (decrease) in net pension obligation	917,338	138,922
Net pension obligation at March 1, 2011	<u>12,515,848</u>	<u>8,465,557</u>
Net pension obligation at December 31, 2011	<u>\$ 13,433,186</u>	<u>\$ 8,604,479</u>

The difference between the total amount funded and the amount to be funded, as actuarially determined, is recorded as the net pension obligation in the general long-term debt schedule. The total pension liability calculated as the net pension liability dates forward from fiscal year 1987-88.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

G. Concentration of Investments

The Police Pension Trust Fund had no significant investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represented 5% or more of net assets available for benefits. The only exception to the aforementioned is investments in FNMA (10%).

The Firefighters' Pension Trust Fund had no significant investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represented 5% or more of net assets available for benefits.

H. Five-Year Trend Information – Pension Trust Funds

	<u>Fiscal Period Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Police	12/31/11 (10 months)	\$ 6,283,638	85.40%	\$ 13,433,187
	2/28/11	8,933,767	91.65%	12,515,848
	2/28/10	7,914,901	104.71%	10,836,432
	2/28/09	7,233,096	115.50%	10,495,325
	2/29/08	6,789,705	91.52%	11,100,974
Firefighters'	12/31/11 (10 months)	4,506,075	96.92%	8,604,479
	2/28/11	7,216,303	92.18%	8,465,557
	2/28/10	6,441,073	102.37%	7,186,892
	2/28/09	5,928,290	115.77%	6,814,595
	2/29/08	5,575,720	98.27%	7,341,644

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

I. Pensions - Detailed Statement of Net Assets

	<u>Firefighters' Pension</u>	<u>Police Pension</u>	<u>Total Pension</u>
Assets			
Cash and short-term investments	\$ 3,572,681	\$ 3,211,981	\$ 6,784,662
Receivables			
Accrued interest	95,038	351,179	446,217
Due from other funds	<u>1,063,387</u>	<u>1,299,081</u>	<u>2,362,468</u>
Total Receivables	<u>1,158,425</u>	<u>1,650,260</u>	<u>2,808,685</u>
Investments, at fair value			
Common Stock	12,609,091	23,484,485	36,093,576
U.S. Government and agency obligations	13,458,693	27,897,001	41,355,694
Mutual funds	<u>24,101,512</u>	<u>16,375,844</u>	<u>40,477,356</u>
Total Investments	<u>50,169,296</u>	<u>67,757,330</u>	<u>117,926,626</u>
Total Assets	<u>54,900,402</u>	<u>72,619,571</u>	<u>127,519,973</u>
Liabilities			
Vouchers payable	<u>6,781</u>	<u>23,307</u>	<u>30,088</u>
Net assets held in trust for pension benefits	<u>\$ 54,893,621</u>	<u>\$ 72,596,264</u>	<u>\$ 127,489,885</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

J. Pensions - Detailed Statement of Changes in Net Assets

	<u>Firefighters' Pension</u>	<u>Police Pension</u>	<u>Total Pension</u>
Additions			
Contributions			
Employer	\$ 4,367,019	\$ 5,366,230	\$ 9,733,249
Plan members	742,350	1,149,735	1,892,085
Other-Donations, Legal Sett., Surplus Sales	134	69	203
Total Contributions	<u>5,109,503</u>	<u>6,516,034</u>	<u>11,625,537</u>
Investment income			
Net appreciation (depreciation) in fair value of investments	443,976	(1,208,517)	(764,541)
Interest	<u>835,335</u>	<u>2,268,478</u>	<u>3,103,813</u>
Total investment income	1,279,311	1,059,961	2,339,272
Less investment expense	<u>169,307</u>	<u>170,765</u>	<u>340,072</u>
Net investment income	<u>1,110,004</u>	<u>889,196</u>	<u>1,999,200</u>
Total Additions	<u>6,219,507</u>	<u>7,405,230</u>	<u>13,624,737</u>
Deductions			
Benefits	5,608,851	7,061,270	12,670,121
Refunds of contributions	-	128,188	128,188
Administrative expense	<u>75,857</u>	<u>85,022</u>	<u>160,879</u>
Total Deductions	<u>5,684,708</u>	<u>7,274,480</u>	<u>12,959,188</u>
Net increase	534,799	130,750	665,549
Net assets held in trust for pension benefits			
Beginning	<u>54,358,822</u>	<u>72,465,514</u>	<u>126,824,336</u>
Ending	<u>\$ 54,893,621</u>	<u>\$ 72,596,264</u>	<u>\$ 127,489,885</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Ten Months ended December 31, 2011

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

K. Pensions - Actuarial Valuations

The information presented in the Notes to the Financial Statements was determined as part of the actuarial valuations at the dates specified. Additional information as of the latest actuarial valuation follows:

	<u>Firefighters' Pension Fund</u>	<u>Police Pension Fund</u>
Valuation date	March 1, 2011	March 1, 2011
Actuarial cost method	Entry-Age Normal	Entry-Age Normal
Amortization method	Level percent Closed	Level percent Closed
Remaining amortization period	22 Years , 4 months	22 Years, 4 months
Actuarial valuation method	5-year smoothed mkt.	5-year smoothed mkt.

L. Funding Status and Progress

As of March 1, 2011, the City's Police Pension plan was 45.76% funded. The City's actuarial accrued liability for benefits was \$156,201,256 and the actuarial value of assets was \$71,478,229 resulting in an underfunded actuarial accrued liability (UAAL) of \$84,723,027. The covered payroll for the ten months ended December 31, 2011 (annual payroll of active employees covered by the Police Pension Plan) was \$13,803,135 and the ratio of the UAAL to the covered payroll was 613.80%.

As of March 1, 2011, the City's Fire Pension plan was 45.55% funded. The City's actuarial accrued liability for benefits was \$119,011,406 and the actuarial value of assets was \$54,214,525 resulting in an underfunded actuarial accrued liability (UAAL) of \$64,796,881. The covered payroll for the ten months ended December 31, 2011 (annual payroll of active employees covered by the Fire Pension Plan) was \$9,283,861 and the ratio of the UAAL to the covered payroll was 697.95%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EVANSTON, ILLINOIS

Firefighters' Pension Fund, Police Pension Fund, Illinois Municipal Retirement Fund and Post Employment Benefits

Schedules of Funding Progress
 Required Supplementary Information
 December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll Under/(Over) ((b-a)/c)
Firefighters' Pension						
3/1/2011	\$ 54,214,525	\$ 119,011,406	\$ 64,796,881	45.55%	\$ 7,736,550	837.54%
3/1/2010	52,021,778	129,493,139	77,471,361	40.17%	9,133,000	848.26%
3/1/2009	49,410,755	119,852,896	70,442,141	41.23%	9,242,000	762.20%
3/1/2008	47,006,917	111,696,236	64,689,319	42.08%	8,999,000	718.85%
3/1/2007	43,742,297	106,361,853	62,619,556	41.13%	8,402,000	745.29%
3/1/2006	40,653,428	84,413,071	43,759,643	48.16%	8,150,000	536.93%
3/1/2005	38,327,422	78,759,019	40,431,597	48.66%	7,684,000	526.18%
Police Pension						
3/1/2011	\$ 71,478,229	\$ 156,201,256	\$ 84,723,027	45.76%	\$ 11,502,613	736.55%
3/1/2010	68,998,555	166,228,478	97,229,923	41.51%	13,117,000	741.25%
3/1/2009	66,514,296	154,971,310	88,457,014	42.92%	12,632,549	700.23%
3/1/2008	64,355,651	145,458,945	81,103,294	44.24%	12,142,000	667.96%
3/1/2007	61,795,438	139,371,086	77,575,648	44.34%	11,522,000	673.28%
3/1/2006	58,400,853	112,448,880	54,048,027	51.94%	11,195,000	482.79%
3/1/2005	55,269,914	106,426,694	51,156,780	51.93%	10,642,000	480.71%
Illinois Municipal Retirement Fund (City)						
12/31/2011	\$ 65,199,440	\$ 86,311,655	\$ 21,112,215	75.54%	\$ 32,270,312	(41.79%)
12/31/2010	61,673,349	80,396,511	18,723,162	76.71%	32,163,415	58.21%
12/31/2009	50,465,714	79,011,161	28,545,447	63.87%	33,485,370	85.25%
12/31/2008	44,075,583	72,888,719	28,813,136	60.47%	34,189,216	84.28%
12/31/2007	88,101,956	84,705,898	(3,396,058)	104.01%	34,496,585	(9.84%)
12/31/2006	87,758,900	82,928,874	(4,830,026)	105.82%	32,625,369	(14.80%)
12/31/2005	82,368,849	79,384,403	(2,984,446)	103.76%	31,403,514	(9.50%)
12/31/2004	77,206,655	74,129,924	(3,076,731)	104.15%	29,568,219	(10.41%)
12/31/2003	76,984,367	70,647,540	(6,336,827)	108.97%	29,240,514	(21.67%)
Illinois Municipal Retirement Fund (Township)						
12/31/2010	\$ 331,048	\$ 305,956	\$ (25,092)	108.20%	\$ 334,330	(7.51%)
12/31/2009	476,660	380,918	(95,742)	125.13%	330,215	(28.99%)
12/31/2008	405,691	317,964	(87,727)	127.59%	261,152	(33.59%)
12/31/2007	612,352	360,059	(252,293)	170.07%	338,122	(74.62%)
12/31/2006	514,875	321,366	(193,509)	160.21%	344,707	(56.14%)
12/31/2005	413,112	253,244	(159,868)	163.13%	314,044	(50.91%)
12/31/2004	612,303	450,398	(161,905)	135.95%	325,805	(49.69%)
12/31/2003	585,069	429,243	(155,826)	136.30%	345,639	(45.08%)
12/31/2002	810,301	512,878	(297,423)	157.99%	338,707	(87.81%)
Post Employment Benefits other than Pension						
12/31/2011	\$ -	\$ 16,994,544	\$ 16,994,544	-	\$ 48,101,372	35.33%
3/1/2010	-	12,259,348	12,259,348	-	51,896,579	23.62%
3/1/2009	-	11,762,298	11,762,298	-	50,141,622	23.46%
3/1/2008	-	7,634,991	7,634,991	-	50,230,393	15.20%
3/1/2007	-	7,254,074	7,254,074	-	48,531,780	14.95%

Note: See notes to Required Supplementary Information and Auditors' Report.

CITY OF EVANSTON, ILLINOIS

Firefighters and Police Pension Funds

Schedules of Employer Contribution
Required Supplementary Information
December 31, 2011

Tax Levy Year	Firefighters' Pension Fund			Police Pension Fund		
	Annual Required Contribution	City's Contribution	Percentage Contributed	Annual Required Contribution	City's Contribution	Percentage Contributed
2011	\$ 4,468,888	\$ 4,367,153	97.72%	\$ 6,232,638	\$ 5,366,299	86.10%
2010	7,148,759	5,937,637	83.06%	8,831,924	7,254,351	82.14%
2009	5,828,112	5,937,637	101.88%	7,081,620	7,254,351	102.44%
2008	5,486,699	5,217,187	95.09%	6,659,960	6,345,667	95.28%
2007	4,174,271	6,139,178	147.07%	4,636,539	7,717,650	166.45%
2006	3,921,530	3,867,153	98.61%	4,301,359	4,217,457	98.05%
2005	3,317,158	3,459,626	104.29%	4,071,765	4,295,601	105.50%
2004	3,041,911	3,398,340	111.72%	4,274,043	4,271,102	99.93%
2003	2,685,046	2,690,742	100.21%	3,505,934	3,522,862	100.48%
2002	2,355,236	2,374,744	100.83%	3,224,902	3,252,113	100.84%

Note: See notes to Required Supplementary Information and Auditors' Report.

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
 Required Supplementary Information
 For the Ten Months ended December 31, 2011

	Original & Final Budget	Actual	Variance
Revenues			
Taxes	\$ 35,609,123	\$ 36,198,119	\$ 588,996
Licenses and permits	7,287,309	6,775,866	(511,443)
Intergovernmental	12,729,965	13,364,686	634,721
Charges for services	6,085,856	6,283,196	197,341
Fines	3,806,864	3,279,785	(527,079)
Investment income	12,000	2,073	(9,927)
Miscellaneous	3,548,621	3,276,503	(272,118)
Total Revenues	<u>69,079,737</u>	<u>69,180,228</u>	<u>100,491</u>
Expenditures			
General management and support	12,660,474	11,914,893	745,581
Public safety	31,456,425	31,367,067	89,358
Public works	6,862,268	6,339,072	523,196
Health and human resource development	3,078,238	2,887,812	190,426
Recreation and cultural opportunities	16,314,891	15,980,974	333,917
Housing and economic development	2,824,206	2,462,258	361,948
Total Expenditures	<u>73,196,502</u>	<u>70,952,076</u>	<u>2,244,426</u>
(Deficiency) of Revenues (under) Expenditures	<u>(4,116,765)</u>	<u>(1,771,848)</u>	<u>2,344,917</u>
Other Financing Sources (Uses)			
Operating transfers in (out)			
West Evanston TIF	50,000	50,000	-
Motor Fuel Tax Fund	697,492	697,492	-
Economic Development Fund	377,256	377,256	-
Housing Fund	19,992	19,992	-
Washington National TIF Debt Service Fund	325,000	325,000	-
Howard Hartrey Debt Service	141,600	141,600	-
Southwest TIF I Debt Service Fund	24,100	24,100	-
Debt Service Fund	(676,980)	(676,980)	-
Howard Ridge TIF	120,400	120,400	-
Capital Improvement Fund	300,000	300,000	-
Water Fund	2,737,905	2,737,905	-
	<u>4,116,765</u>	<u>4,116,765</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>2,344,917</u>	<u>\$ 2,344,917</u>
Fund Balance			
Beginning		30,039,063	
Ending		<u>\$ 32,383,980</u>	

Note: See notes to Required Supplementary Information and Auditors' Report.

CITY OF EVANSTON, ILLINOIS

Notes to the Required Supplementary Information

NOTE 1. DIGEST OF CHANGES - IMRF

The actuarial assumptions used to determine the actuarial accrued liability for 2011 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented
- For regular members, fewer normal and early retirements are expected to occur.

NOTE 2. CONVERSION FROM GAAP BASIS TO BUDGETARY BASIS

Adjustments necessary to convert City revenues and expenditures for the ten months ended December 31, 2011 on the GAAP basis to the budgetary basis are presented below:

	<u>General Fund</u>
Revenues	
GAAP basis revenues as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 63,224,728
Increase (decrease) due to budgeting property taxes as revenue in the year of levy	<u>5,955,500</u>
Budgetary Basis Revenues	<u><u>\$ 69,180,228</u></u>
Expenditures	
GAAP basis expenditures as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 70,952,076
Increase (decrease) due to changes in Encumbrances	<u>-</u>
Budgetary Basis Expenditures	<u><u>\$ 70,952,076</u></u>

Note: See Auditors' Report.

GOVERNMENTAL FUND TYPES

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

City Funds

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 from the City's share of gasoline taxes.

Economic Development - to account for 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 is provided by network connection surcharges.

Library Endowment - to account for the activity of the funds donated to the library. These funds are invested at the direction of the library board and are used for library acquisitions.

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 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.

Homelessness Prevention and Rapid Re-Housing Program (HPRP) - funded by American Recovery and Reinvestment Act of 2009 to provide financial assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly rehoused and stabilized.

Continued

Special Revenue Funds - Continued

Township Funds

Town - to account for general administrative services.

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

Debt Service Funds

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

Special Service District No. 5 - accumulated monies for the principal and interest payments on unlimited ad valorem tax bonds issued for this special taxing district.

Southwest Tax Increment District - accumulated monies for the principal and interest payments on debt issued for this special taxing district.

Howard Hartrey Tax Increment District - accumulated monies for the principal and interest payments on debt issued for this special taxing district.

Washington National Tax Increment District - accumulated monies for the principal and interest payments on debt issued for this special taxing district.

Howard Ridge Tax Increment District - accumulated monies for the payments on redevelopment project for this special taxing district.

West Evanston Tax Increment District - accumulated monies for the payments on redevelopment project for this special taxing district.

Capital Projects Funds

Capital projects are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Special Assessment - to account for capital improvements financed by special assessments on property holder and public benefit contributions from the City.

Concluded

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
December 31, 2011

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
Assets					
Cash and equivalents	\$ 1,043,574	\$ 1,960,455	\$ 1,261,007	\$ 439,220	\$ 109,915
Investments	-	-	-	2,594,797	-
Receivables					
Property taxes (net of allowance)					
Current year levy	-	-	-	-	-
Notes	-	-	-	-	-
Allowance	-	-	-	-	-
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	9,435	-
Other	-	391,816	164,570	-	-
Property held for resale	-	-	-	-	-
Prepaid items	-	-	-	-	-
Due from other governments	156,670	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 1,200,244	\$ 2,352,271	\$ 1,425,577	\$ 3,043,452	\$ 109,915
Liabilities and Fund Balances					
Liabilities					
Vouchers payable	\$ -	\$ 83,039	\$ 98,950	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	-	81,623	15,869	-	-
Deferred revenues	-	-	-	-	-
Total Liabilities	-	164,662	114,819	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted					
Highway maintenance	1,200,244	-	-	-	-
Emergency telephone system	-	-	1,310,758	-	-
Library projects	-	-	-	3,043,452	-
HUD approved projects	-	-	-	-	-
Neighborhood improvements	-	-	-	-	109,915
Economic Development	-	-	-	-	-
Debt service	-	-	-	-	-
Township	-	-	-	-	-
Committed	-	805,575	-	-	-
Assigned	-	1,382,034	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficit)	1,200,244	2,187,609	1,310,758	3,043,452	109,915
Total Liabilities and Fund Balances	\$ 1,200,244	\$ 2,352,271	\$ 1,425,577	\$ 3,043,452	\$ 109,915

Special Revenue							
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	HPRP	Total City Funds
\$ 557,524	\$ 14,246	\$ 58,905	\$ 53,521	\$ 3,222	\$ 10,091	\$ -	\$ 5,511,680
-	-	-	-	-	-	-	2,594,797
-	-	-	-	-	403,472	-	403,472
1,444,162	2,670,863	24,799	2,054,421	-	-	-	6,194,245
-	-	(12,000)	(78,000)	-	-	-	(90,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,435
246,831	-	-	-	-	-	-	803,217
-	-	410,000	-	-	-	-	410,000
-	-	-	-	-	-	-	-
-	147,707	359,614	-	726,390	-	-	1,390,381
10,000	-	78	-	-	-	-	10,078
\$ 2,258,517	\$ 2,832,816	\$ 841,396	\$ 2,029,942	\$ 729,612	\$ 413,563	\$ -	\$ 17,237,305
\$ -	\$ 112,195	\$ 364,817	\$ 26,386	\$ 722,926	\$ -	\$ -	\$ 1,408,313
-	-	-	260	3,222	-	-	3,482
-	3	53,780	1,216	3,464	100,000	-	255,955
-	-	-	-	-	374,594	-	374,594
-	112,198	418,597	27,862	729,612	474,594	-	2,042,344
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,200,244
-	-	-	-	-	-	-	1,310,758
-	-	-	-	-	-	-	3,043,452
-	2,720,618	422,799	2,002,080	-	-	-	5,145,497
2,258,517	-	-	-	-	-	-	2,368,432
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	805,575
-	-	-	-	-	-	-	1,382,034
-	-	-	-	-	(61,031)	-	(61,031)
2,258,517	2,720,618	422,799	2,002,080	-	(61,031)	-	15,194,961
\$ 2,258,517	\$ 2,832,816	\$ 841,396	\$ 2,029,942	\$ 729,612	\$ 413,563	\$ -	\$ 17,237,305

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued

December 31, 2011 and March 31, 2011 for City and Township respectively

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Assets				
Cash and equivalents	\$ 297,152	\$ 1,216,667	\$ 1,513,819	\$ 7,025,499
Investments	-	-	-	2,594,797
Receivables				
Property taxes (net of allowance)				
Current year levy	241,659	814,717	1,056,376	1,459,848
Notes	-	-	-	6,194,245
Allowance	-	-	-	(90,000)
Special assessments	-	-	-	-
Accrued interest	-	-	-	9,435
Other	11,926	1,368	13,294	816,511
Property held for resale	-	-	-	410,000
Prepaid items	-	-	-	-
Due from other governments	-	-	-	1,390,381
Due from other funds	-	14,689	14,689	24,767
Total Assets	\$ 550,737	\$ 2,047,441	\$ 2,598,178	\$ 19,835,483
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ 98,531	\$ 42,204	\$ 140,735	\$ 1,549,048
Due to other governments	-	-	-	3,482
Due to other funds	14,689	-	14,689	270,644
Deferred revenues	134,688	472,218	606,906	981,500
Total Liabilities	247,908	514,422	762,330	2,804,674
Fund Balances				
Nonspendable	-	-	-	-
Restricted				
Highway maintenance	-	-	-	1,200,244
Emergency telephone system	-	-	-	1,310,758
Library projects	-	-	-	3,043,452
HUD approved projects	-	-	-	5,145,497
Neighborhood improvements	-	-	-	2,368,432
Economic Development	-	-	-	-
Debt service	-	-	-	-
Township	302,829	1,533,019	1,835,848	1,835,848
Committed	-	-	-	805,575
Assigned	-	-	-	1,382,034
Unassigned	-	-	-	(61,031)
Total Fund Balances (Deficit)	302,829	1,533,019	1,835,848	17,030,809
Total Liabilities and Fund Balances	\$ 550,737	\$ 2,047,441	\$ 2,598,178	\$ 19,835,483

Debt Service						
Special Service District No.5	Southwest Tax Increment District	Howard Hartrey Tax Increment District	Washington National Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total Debt Service
\$ 15,660	\$ 8,119	\$ 4,900,873	\$ 7,802,957	\$ 968,447	\$ 933,885	\$ 14,629,941
-	-	-	-	-	-	-
428,756	451,421	1,212,637	5,077,823	644,407	484,794	8,299,838
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
378,853	-	-	-	-	-	378,853
-	-	-	-	-	-	-
-	-	100,000	-	130,000	490,000	720,000
\$ 823,269	\$ 459,540	\$ 6,213,510	\$ 12,880,780	\$ 1,742,854	\$ 1,908,679	\$ 24,028,632
\$ -	\$ -	\$ -	\$ -	\$ 7,184	\$ 3,000	\$ 10,184
-	-	-	-	-	-	-
-	130,000	-	190,000	-	-	320,000
375,100	443,623	1,212,637	4,496,432	634,917	410,086	7,572,795
375,100	573,623	1,212,637	4,686,432	642,101	413,086	7,902,979
378,853	-	-	-	-	-	378,853
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,841,573	6,100,349	1,100,753	1,495,593	11,538,268
69,316	-	2,159,300	2,093,999	-	-	4,322,615
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(114,083)	-	-	-	-	(114,083)
448,169	(114,083)	5,000,873	8,194,348	1,100,753	1,495,593	16,125,653
\$ 823,269	\$ 459,540	\$ 6,213,510	\$ 12,880,780	\$ 1,742,854	\$ 1,908,679	\$ 24,028,632

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
December 31, 2011

Assets	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
Cash and equivalents	\$ 3,120,741	\$ 24,776,181
Investments	-	2,594,797
Receivables		
Property taxes (net of allowance)		
Current year levy	-	9,759,686
Notes	-	6,194,245
Allowance	-	(90,000)
Special assessments	737,084	737,084
Accrued interest	-	9,435
Other	-	816,511
Property held for resale	-	410,000
Prepaid items	-	378,853
Due from other governments	-	1,390,381
Due from other funds	13,910	758,677
Total Assets	<u>\$ 3,871,735</u>	<u>\$ 47,735,850</u>
Liabilities and Fund Balances		
Liabilities		
Vouchers payable	\$ 157,996	\$ 1,717,228
Due to other governments	-	3,482
Due to other funds	31,766	622,410
Deferred revenues	737,084	9,291,379
Total Liabilities	<u>926,846</u>	<u>11,634,499</u>
Fund Balances		
Nonspendable	-	378,853
Restricted		
Highway maintenance	-	1,200,244
Emergency telephone system	-	1,310,758
Library projects	-	3,043,452
HUD approved projects	-	5,145,497
Neighborhood improvements	-	2,368,432
Economic Development	-	11,538,268
Debt service	-	4,322,615
Township	-	1,835,848
Committed	-	805,575
Assigned	2,944,889	4,326,923
Unassigned	-	(175,114)
Total Fund Balances (Deficit)	<u>2,944,889</u>	<u>36,101,351</u>
Total Liabilities and Fund Balances	<u>\$ 3,871,735</u>	<u>\$ 47,735,850</u>

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
For the Ten Months ended December 31, 2011

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
Revenues					
Taxes	\$ -	\$ 1,682,505	\$ 895,430	\$ -	\$ 20,000
Special assessments	-	-	-	-	-
Intergovernmental	2,195,972	-	-	-	-
Investment income	615	179	296	(28,626)	-
SSI reimbursement	-	-	-	-	-
Medical reimbursement	-	-	-	-	-
Miscellaneous	-	-	-	31,000	-
Total Revenues	<u>2,196,587</u>	<u>1,682,684</u>	<u>895,726</u>	<u>2,374</u>	<u>20,000</u>
Expenditures					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	973,428	-	-
Public works	980,941	-	-	-	-
Health and human resource development	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	111,000	-
Housing and economic development	-	1,532,151	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>980,941</u>	<u>1,532,151</u>	<u>973,428</u>	<u>111,000</u>	<u>-</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>1,215,646</u>	<u>150,533</u>	<u>(77,702)</u>	<u>(108,626)</u>	<u>20,000</u>
Other Financing Sources (Uses)					
Transfers in (out)					
General	(697,492)	(377,256)	-	-	-
General Obligation Debt Service	-	(8,870)	(6,370)	-	-
Motor Vehicle Parking System	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(697,492)</u>	<u>(386,126)</u>	<u>(6,370)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	518,154	(235,593)	(84,072)	(108,626)	20,000
Fund Balances (Deficit) - Beginning	<u>682,090</u>	<u>2,423,202</u>	<u>1,394,830</u>	<u>3,152,078</u>	<u>89,915</u>
Fund Balances (Deficit) - Ending	<u>\$ 1,200,244</u>	<u>\$ 2,187,609</u>	<u>\$ 1,310,758</u>	<u>\$ 3,043,452</u>	<u>\$ 109,915</u>

Special Revenue

Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	HPRP	Total City Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,614	\$ -	\$ 2,812,549
-	-	-	-	-	-	-	-
-	175,068	1,754,755	4,800	5,409,752	-	195,943	9,736,290
245	6,030	-	1,018	-	30	-	(20,213)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,357	-	5,302	-	-	-	-	69,659
33,602	181,098	1,760,057	5,818	5,409,752	214,644	195,943	12,598,285
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	973,428
-	-	-	-	-	-	-	980,941
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	111,000
54,246	97,011	1,755,967	8,460	5,407,842	388,000	195,943	9,439,620
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
54,246	97,011	1,755,967	8,460	5,407,842	388,000	195,943	11,504,989
(20,644)	84,087	4,090	(2,642)	1,910	(173,356)	-	1,093,296
(19,992)	-	-	-	-	-	-	(1,094,740)
-	-	(4,090)	-	(1,910)	-	-	(21,240)
-	-	-	-	-	-	-	-
(19,992)	-	(4,090)	-	(1,910)	-	-	(1,115,980)
(40,636)	84,087	-	(2,642)	-	(173,356)	-	(22,684)
2,299,153	2,636,531	422,799	2,004,722	-	112,325	-	15,217,645
\$ 2,258,517	\$ 2,720,618	\$ 422,799	\$ 2,002,080	\$ -	\$ (61,031)	\$ -	\$ 15,194,961

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued
 For the Ten Months ended December 31, 2011 and Twelve Months ended March 31, 2011
 for City and Township respectively

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Revenues				
Taxes	\$ 299,184	\$ 978,529	\$ 1,277,713	\$ 4,090,262
Special assessments	-	-	-	-
Intergovernmental	62,910	-	62,910	9,799,200
Investment income	352	1,581	1,933	(18,280)
SSI reimbursement	-	23,205	23,205	23,205
Medical reimbursement	-	2,398	2,398	2,398
Miscellaneous	-	-	-	69,659
Total Revenues	<u>362,446</u>	<u>1,005,713</u>	<u>1,368,159</u>	<u>13,966,444</u>
Expenditures				
Current				
General management and support	566,824	1,066,729	1,633,553	1,633,553
Public safety	-	-	-	973,428
Public works	-	-	-	980,941
Health and human resource development	-	-	-	-
Recreation and cultural opportunities	-	-	-	111,000
Housing and economic development	-	-	-	9,439,620
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Total Expenditures	<u>566,824</u>	<u>1,066,729</u>	<u>1,633,553</u>	<u>13,138,542</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(204,378)</u>	<u>(61,016)</u>	<u>(265,394)</u>	<u>827,902</u>
Other Financing Sources (Uses)				
Transfers in (out)				
General	-	-	-	(1,094,740)
General Obligation Debt Service	-	-	-	(21,240)
Motor Vehicle Parking System	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,115,980)</u>
Net Change in Fund Balances	(204,378)	(61,016)	(265,394)	(288,078)
Fund Balances (Deficit) - Beginning	<u>507,207</u>	<u>1,594,035</u>	<u>2,101,242</u>	<u>17,318,887</u>
Fund Balances (Deficit) - Ending	<u>\$ 302,829</u>	<u>\$ 1,533,019</u>	<u>\$ 1,835,848</u>	<u>\$ 17,030,809</u>

Debt Service						
Special Service District No.5	Southwest Tax Increment District	Howard Hartrey Tax Increment District	Washington National Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total Debt Service
\$ 263,566	\$ 212,489	\$ 641,140	\$ 3,326,012	\$ 479,036	\$ 352,740	\$ 5,274,983
-	-	-	-	-	-	-
-	-	-	-	-	-	-
34	31	1,826	6,708	100	2,285	10,984
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	17,618	-	17,618
263,600	212,520	642,966	3,332,720	496,754	355,025	5,303,585
-	-	1,200	-	-	-	1,200
-	-	-	-	-	-	-
-	-	-	108,129	-	-	108,129
-	700,000	-	-	-	-	700,000
-	-	-	-	-	-	-
-	-	-	5,083	27,551	63,875	96,509
-	-	570,000	325,000	-	-	895,000
53,853	-	141,058	118,200	-	-	313,111
-	-	-	-	-	-	-
53,853	700,000	712,258	556,412	27,551	63,875	2,113,949
209,747	(487,480)	(69,292)	2,776,308	469,203	291,150	3,189,636
-	(24,100)	(141,600)	(325,000)	(120,400)	(50,000)	(661,100)
-	-	-	-	-	-	-
-	-	-	(3,419,636)	-	-	(3,419,636)
-	(24,100)	(141,600)	(3,744,636)	(120,400)	(50,000)	(4,080,736)
209,747	(511,580)	(210,892)	(968,328)	348,803	241,150	(891,100)
238,422	397,497	5,211,765	9,162,676	751,950	1,254,443	17,016,753
\$ 448,169	\$ (114,083)	\$ 5,000,873	\$ 8,194,348	\$ 1,100,753	\$ 1,495,593	\$ 16,125,653

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued
For the Ten Months ended December 31, 2011

	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
Revenues		
Taxes	\$ -	\$ 9,365,245
Special assessments	235,028	235,028
Intergovernmental	-	9,799,200
Investment income	7,687	391
SSI reimbursement	-	23,205
Medical reimbursement	-	2,398
Miscellaneous	-	87,277
Total Revenues	242,715	19,512,744
Expenditures		
Current		
General management and support	-	1,634,753
Public safety	-	973,428
Public works	-	1,089,070
Health and human resource development	-	700,000
Recreation and cultural opportunities	-	111,000
Housing and economic development	-	9,536,129
Debt service		
Principal	-	895,000
Interest	-	313,111
Capital outlay	740,120	740,120
Total Expenditures	740,120	15,992,611
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	(497,405)	3,520,133
Other Financing Sources (Uses)		
Transfers in (out)		
General	-	(1,755,840)
General Obligation Debt Service	(317,660)	(338,900)
Motor Vehicle Parking System	-	(3,419,636)
Total Other Financing Sources (Uses)	(317,660)	(5,514,376)
Net Change in Fund Balances	(815,065)	(1,994,243)
Fund Balances (Deficit) - Beginning	3,759,954	38,095,594
Fund Balances (Deficit) - Ending	\$ 2,944,889	\$ 36,101,351

Concluded

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Taxes			
Property			
Current year levy	\$ 16,349,600	\$ 15,915,091	\$ (434,509)
Prior year levy	166,600	320,426	153,826
Total Property Taxes	16,516,200	16,235,517	(280,683)
Personal Property Replacement Tax	441,166	438,324	(2,842)
Other Taxes			
State Use Tax	677,877	921,494	243,617
Sales Tax - Home Rule	4,552,968	4,902,429	349,461
Auto Rental Tax	29,155	34,004	4,849
Athletic Contest Tax	550,000	718,538	168,538
Fire Insurance Tax	90,000	-	(90,000)
Utility Tax	6,982,174	6,375,788	(606,386)
Cigarette Tax	295,284	301,219	5,935
Evanston Motor Fuel Tax	550,378	481,751	(68,627)
Liquor Tax	1,623,754	1,857,121	233,367
Parking Tax	1,800,000	1,942,347	142,347
Real Estate Transfer Tax	1,500,000	1,989,587	489,587
Amusement Tax	167	-	(167)
Total Other Taxes	18,651,757	19,524,278	872,521
Total Taxes	35,609,123	36,198,119	588,996

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Licenses and Permits			
Vehicle Licenses	\$ 1,799,820	\$ 2,056,523	\$ 256,703
Business Licenses	80,000	55,838	(24,162)
Pet Licenses	22,000	40,740	18,740
Contractor Licenses	66,640	68,775	2,135
Rooming House Licenses	193,000	192,396	(604)
Liquor Licenses	300,000	331,352	31,352
One Day Liquor Licenses	5,000	5,518	518
Farmer's Market Licenses	28,000	29,036	1,036
Rental building register	95,000	73,011	(21,989)
Other Licenses	5,000	21,091	16,091
Long Term Care License	20,000	70,740	50,740
Seasonal Food estb	-	6,673	6,673
Mobile food vehicle	-	4,905	4,905
Hen coop lic	-	400	400
Resident Care home License	80	-	(80)
Building Permits	2,500,000	1,834,961	(665,039)
Plumbing Permits	135,000	75,923	(59,077)
Electrical Permits	130,000	87,302	(42,698)
Signs and Awnings	8,330	6,392	(1,938)
Other /Misc Permits	183,260	123,259	(60,001)
Elevator Permits	41,650	46,856	5,206
Heating Vent / AC Permits	210,000	246,946	36,946
Right of Way Permits	250,000	383,244	133,244
Residents Parking Permit	110,000	95,822	(14,178)
Visitor Parking Permit	11,912	11,566	(346)
Fire supression / Alarm Permit	-	59,356	59,356
Annual Sign Fees	25,000	26,242	1,242
Plat PR. & Sign Approval HRG Fees	2,082	1,320	(762)
Alarm Panel Francise Fee	4,165	6,840	2,675
Northwestern / Centel Easement	-	47,000	47,000
Cable Franchise Fee	741,370	730,956	(10,414)
PEG Fees - COMCAST	-	34,883	34,883
Nicor Franchise Fee	95,000	-	(95,000)
Transfer Station Fee	225,000	-	(225,000)
Total Licenses and Permits	7,287,309	6,775,866	(511,443)

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Intergovernmental - Revenue from			
Other Agencies			
Retailer and Service Occupation Tax	\$ 7,300,000	\$ 7,671,007	\$ 371,007
State Income Tax	4,635,565	4,924,177	288,612
State Highway Maintenance	54,994	50,138	(4,856)
Health Department Basic Serv. Grant	163,000	76,181	(86,819)
Dental Sealant Grant	1,666	1,494	(172)
Summer Food Inspections	333	600	267
Kid Care Agreement	-	1,500	1,500
Illinois Tobacco Free Community	12,500	25,593	13,093
Teen Pregnancy Prevention Grant	50,480	10,200	(40,280)
Childhood Lead Poisoning Grant	250	1,000	750
Teen Parent Services Program	25,490	18,100	(7,390)
Other State / County Grant	118,743	(50,689)	(169,432)
Tanning Parlor Inspection	83	200	117
Violence Crime Victim Asst. Grant	18,525	-	(18,525)
Fire Department Training	1,500	12,762	11,262
CRI Grant	33,320	35,681	2,361
PHEP Grant	58,310	50,818	(7,492)
Dental Expansion Grant	-	70,000	70,000
Dental Reimbursement Program	-	20,546	20,546
Summer Youth	20,000	-	(20,000)
Leadbase Paint Control Grant	80,000	-	(80,000)
Federal Grant / Aid	10,000	117,641	107,641
Energy Eff. & Conserv.	-	(4,307)	(4,307)
Commission on Aging Grant - Advo	30,821	34,692	3,871
Civil Defence Grants (F.E.M.A.)	19,992	172,679	152,687
Police Training	6,664	8,000	1,336
HUD Emergency Shelter Grant	79,729	85,814	6,085
Law Enforcement Block Grant	-	(14,802)	(14,802)
Other Federal Aid	8,000	45,661	37,661
Total Intergovernmental - Revenue from Other Agencies	12,729,965	13,364,686	634,721

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Charges for Services			
Recreation			
Recreation - program	\$ 4,544,253	\$ 4,525,891	\$ (18,362)
Recreation - deferral	-	1,625	1,625
Recreation -special events	37,000	28,602	(8,398)
Total Recreation	4,581,253	4,556,118	(25,135)
Library			
State Per Capita Grant	62,833	75,971	13,138
Library Video Rental	23,333	31,695	8,362
Non-Residents Card	833	1,461	628
Library Material Replacement Charge	12,500	8,818	(3,682)
Library Miscellaneous Revenues	-	21,234	21,234
Library Copy Machines Charges	22,083	17,370	(4,713)
Library Meeting Room Rental	8,333	9,575	1,242
North Branch Rental Inc.	29,500	43,000	13,500
Total Library	159,415	209,124	49,709
Charges for Services			
Other Service Charges			
Birth and Death Records	-	5,325	5,325
Sanitation Classes	4,200	1,680	(2,520)
Dental Clinic Fees	108,290	108,076	(214)
Health Clinic Fees - Food Establishm	12,000	133,573	121,573
Dental Check up	-	1,875	1,875
Emergency Dental Exam	-	40	40
Amalgam Filling	-	195	195
Dental Co-Pay	-	5	5
Resin Filling	-	365	365
Sedative Filling	-	10	10
Extraction	-	30	30
Pulpotomy	-	40	40
Root Canal Payment	-	15	15
Sealant Office Visit	-	110	110
Additional Sealant	-	40	40
Temporary License Fee	6,500	5,775	(725)
Food Delivery Vehicle	100	1,300	1,200
Beverage Snack Vending Machine	200	24,540	24,340
Tobacco License	1,000	10,500	9,500
BeeKeeper License	-	100	100
Birth Certificate	66,640	58,426	(8,214)
Death Certificate - 16 . 23	57,477	23,292	(34,185)
Funeral Director License	5,498	4,830	(668)

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Charges for Services - Continued			
Other Service Charges - Continued			
Temp Funeral Direct License	\$ 4,165	\$ 4,700	\$ 535
Weights & Measures Examinations	833	2,140	1,307
Senior Taxi Coupon Sales	87,465	73,081	(14,384)
Fire Cost Recovery Charge	8,330	2,515	(5,815)
Other Services Charges	-	774	774
Historic preservation	5,000	5,446	446
Tree Preservation Revenue	-	8,475	8,475
Ambulance Service	820,525	819,367	(1,158)
Towing Charges	2,499	-	(2,499)
Police Report Fees	13,328	9,258	(4,070)
Wood Recycling	19,992	35,208	15,216
Zoning Fees	15,000	26,402	11,402
Fire Report Fees	-	355	355
Fire Building inspections	6,000	8,013	2,013
Alarm Panel Subscription Fees	46,000	100,408	54,408
Skokie Animal Board Fee	6,248	7,869	1,621
Background Check Daycare Prov.	-	490	490
New Pavement Degradation	41,650	27,149	(14,501)
Plan Review	6,248	6,162	(86)
Total Other Service Charges	1,345,188	1,517,954	172,766
Total Charges for Services	6,085,856	6,283,196	197,341
Fines			
Ticket Fines - Parking	3,006,667	2,469,554	(537,113)
Regular Fines	274,910	174,236	(100,674)
Boot Release Fee	56,644	48,602	(8,042)
Fire False Alarm Fines	137,445	98,370	(39,075)
Police False Alarm Fines	-	20,400	20,400
Housing Code Violation Fines	50,000	100,056	50,056
Permit Penalty Fees	6,248	7,214	966
Administrative Adjudication Fine	124,950	235,042	110,092
Library Fines & Fees	150,000	126,311	(23,689)
Total Fines	3,806,864	3,279,785	(527,079)
Investment Income	12,000	2,073	(9,927)

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Miscellaneous			
Charges to Other Funds			
Recreation restricted accts	\$ 73,216	\$ 66,785	\$ (6,431)
HPRP Grant Fund	27,000	18,480	(8,520)
NSP 2 Grant Fund	278,000	103,116	(174,884)
Community Development Fund	772,000	738,067	(33,933)
Home Fund	56,400	40,651	(15,749)
Emergency Telephone System Fund	104,958	104,958	-
Parking Fund	536,868	536,868	-
Sewer Fund	221,578	221,578	-
Total Charges to Other Funds	2,070,020	1,830,503	(239,517)
Miscellaneous			
Other Revenues			
Women Out Walking	-	6,890	6,890
Property Sales and Rentals	117,830	47,218	(70,612)
Donation	52,000	-	(52,000)
Damage to City Signage	1,666	-	(1,666)
Damage to City traffic Signal	16,660	-	(16,660)
Damage to Street Lights	16,660	-	(16,660)
Miscellaneous Revenue	46,667	195,779	149,112
Taxicab Revenue	5,831	5,200	(631)
Teen baby nursery	41,000	-	(41,000)
Construction Inspection Overtime	-	1,600	1,600
Reimbursements - School resource	298,700	-	(298,700)
Reimbursements - Serve & Pro.	-	55,946	55,946
Reimbursements - Salt Use	-	(15,141)	(15,141)
Reimbursements - Fire Dept.	-	3,834	3,834
Payment in Lieu of Taxes	340,092	51,000	(289,092)
Fund Balance Applied	130,000	-	(130,000)
Transfer from Dutch Elm Tree	356,000	356,000	-
Private Elm Trees Ins.	43,000	39,870	(3,130)
Fees and Merchandise	-	14,182	14,182
Citizens CPR Class Fees	-	1,170	1,170
Parking Permits - Ryan Field	12,495	15,131	2,636
Change in Reserves	-	(97,942)	(97,942)
Sale of land	-	765,263	765,263
Total Other Revenues	1,478,601	1,446,000	(32,601)
Total Miscellaneous	3,548,621	3,276,503	(272,118)
Total Revenues	\$ 69,079,737	\$ 69,180,228	\$ 100,491

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
General Management and Support			
City Council	\$ 374,718	\$ 360,089	\$ 14,629
City Manager	1,675,952	1,336,449	339,503
City Clerk	148,413	151,872	(3,459)
Law Department	828,120	805,247	22,873
Administrative Services	7,529,508	7,194,908	334,600
Facilities management	2,103,763	2,066,328	37,435
Total General Management and Support	12,660,474	11,914,893	745,581
Public Safety			
Police	20,263,642	20,352,407	(88,765)
Fire	11,192,783	11,014,660	178,123
Total Public Safety	31,456,425	31,367,067	89,358
Public Works			
Public Works Director	220,634	201,124	19,510
Municipal Service Center	424,329	307,416	116,913
City Engineer	1,227,954	1,174,518	53,436
Traffic Engineer	736,852	674,495	62,357
Streets	4,252,499	3,981,519	270,980
Total Public Works	6,862,268	6,339,072	523,196

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Health and Human Resource Development			
Health and Human Services Director	\$ 252,537	\$ 239,128	\$ 13,409
Health Department	946,408	954,278	(7,870)
Mental health and community purchased services	936,368	773,371	162,997
Human Relations	942,925	921,035	21,890
Total Health and Human Resource Development	3,078,238	2,887,812	190,426
Recreation and Cultural Opportunities			
Library	3,708,359	3,629,768	78,591
Recreation	7,343,164	7,026,281	316,883
Parks and forestry	4,027,351	4,237,759	(210,408)
Ecology Center	411,921	367,666	44,255
Cultural arts	824,096	719,500	104,596
Total Recreation and Cultural Opportunities	16,314,891	15,980,974	333,917
Housing and Economic Development			
Community Development administration	155,412	150,340	5,072
Planning and zoning	683,244	636,444	46,800
Housing rehabilitation and property standards	897,726	761,064	136,662
Building code compliance	1,087,824	914,410	173,414
Total Housing and Economic Development	2,824,206	2,462,258	361,948
Total Expenditures	\$ 73,196,502	\$ 70,952,076	\$ 2,244,426

CITY OF EVANSTON, ILLINOIS

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 1,900,000	\$ 2,195,972	\$ 295,972
Interest	2,000	615	(1,385)
Total Revenues	1,902,000	2,196,587	294,587
Expenditures			
Public Works	1,200,000	980,941	219,059
Excess (Deficiency) of Revenues over (under) Expenditures	702,000	1,215,646	513,646
Other Financing Sources (Uses)			
Transfers in (out) General Fund	(697,492)	(697,492)	-
Net Change in Fund Balance	<u>\$ 4,508</u>	518,154	<u>\$ 513,646</u>
Fund Balances			
Beginning		<u>682,090</u>	
Ending		<u>\$ 1,200,244</u>	

CITY OF EVANSTON, ILLINOIS

Economic Development Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 1,650,000	\$ 1,682,505	\$ 32,505
Interest	8,000	179	(7,821)
Total Revenue	1,658,000	1,682,684	24,684
Expenditures			
Housing and economic development	1,631,374	1,532,151	99,223
Excess of Revenues over Expenditures	26,626	150,533	123,907
Other Financing Sources (Uses)			
Transfers in (out)			
Debt Service	(8,873)	(8,870)	3
General Fund	(377,256)	(377,256)	-
Net Change in Fund Balance	<u>\$ (359,503)</u>	(235,593)	<u>\$ 123,910</u>
Fund Balances			
Beginning		<u>2,423,202</u>	
Ending		<u>\$ 2,187,609</u>	

CITY OF EVANSTON, ILLINOIS

Emergency Telephone System Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 865,000	\$ 895,430	\$ 30,430
Interest	750	296	(454)
Total Revenue	865,750	895,726	29,976
Expenditures			
Public Safety	1,133,958	979,798	154,160
Net Change in Fund Balance	<u>\$ (268,208)</u>	(84,072)	<u>\$ 184,136</u>
Fund Balance			
Beginning		<u>1,394,830</u>	
Ending		<u>\$ 1,310,758</u>	

CITY OF EVANSTON, ILLINOIS

Neighborhood Improvement

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
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>	20,000	<u>\$ 50,000</u>
Fund Balances			
Beginning		<u>89,915</u>	
Ending		<u>\$ 109,915</u>	

CITY OF EVANSTON, ILLINOIS

Affordable Housing Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Affordable Housing Demo Tax	\$ 8,330	\$ 20,000	\$ 11,670
Developer Contributions	-	2,000	2,000
Interest	1,000	245	(755)
Miscellaneous	20,000	11,357	(8,643)
Total Revenue	29,330	33,602	4,272
Expenditures			
Housing and economic development	248,234	54,246	193,988
Excess of Revenues over Expenditures			
	(218,904)	(20,644)	198,260
Other Financing Sources (Uses)			
Transfers in (out)			
Debt Service Fund	(19,992)	(19,992)	-
Net Change in Fund Balance	\$ (238,896)	(40,636)	\$ 198,260
Fund Balance			
Beginning		2,299,153	
Ending		\$ 2,258,517	

CITY OF EVANSTON, ILLINOIS

HOME Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 560,000	\$ 175,068	\$ (384,932)
Interest	10,000	6,030	(3,970)
Total Revenue	570,000	181,098	(388,902)
Expenditures			
Housing and economic development	513,600	97,011	416,589
Excess (Deficiency) of Revenues over (under) Expenditures	56,400	84,087	27,687
Other Financing Sources (Uses)			
Transfers in (out) General Fund	(56,400)	-	56,400
Net Change in Fund Balance	\$ -	84,087	\$ 84,087
Fund Balance			
Beginning		<u>2,636,531</u>	
Ending		<u>\$ 2,720,618</u>	

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)

For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments			
Grant from the U.S. Department of Housing and Urban Development	\$ 2,008,337	\$ 1,754,755	\$ (253,582)
Miscellaneous	-	5,302	5,302
Total Revenues	2,008,337	1,760,057	(248,280)
Expenditures			
Housing and economic development	2,004,247	1,755,967	248,280
Excess (Deficiency) of Revenues over (under) Expenditures	4,090	4,090	-
Other Financing Sources (Uses)			
Transfers in (out)			
Debt Service	(4,090)	(4,090)	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning		<u>422,799</u>	
Ending		<u>\$ 422,799</u>	

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)

For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Administration/Planning			
CDBG Administration	\$ 344,587	\$ 337,872	\$ 6,715
Total Administration/Planning	344,587	337,872	6,715
Economic Development			
Evanston Community Development Corp.	35,000	-	35,000
Technology Innovation Center	25,000	25,000	-
Neighborhood Facade Program	80,000	-	80,000
MBE/Small Business Assistance	2,000	2,000	-
Total Economic Development	142,000	27,000	115,000
Housing			
Adaptive Devices	-	225	(225)
Housing Code Compliance	415,356	353,733	61,623
Demolition Vacant Lot	-	10,902	(10,902)
Housing Rehab Administration	196,317	145,974	50,343
Minor Repairs/Painting Assistance - E.N.A.W.	100,000	91,264	8,736
Total Housing	711,673	602,098	109,575
Neighborhood Revitalization			
Curb/Sidewalk Replacement WNRSA	142,422	132,188	10,234
Curb/Sidewalk Replacement SNRSA	32,578	26,860	5,718
Curb/Ramp ADA 2008	45,000	45,000	-
ECDC - Evanston Rebuilding Warehouse	50,000	25,000	25,000
F/J	30,000	29,205	795
Graffiti Removal Program	33,049	32,484	565
Handyman Assistance/Elderly Home Repair	14,000	12,126	1,874
Special Assessments/Alley Paving	15,000	8,501	6,499
School Dist. 65 Oakton Playground	6,200	6,200	-
Snap Lighting	40,000	39,942	58
South Evanston Neighborhood Security	-	5,100	(5,100)
Total Neighborhood Revitalization	408,249	362,606	45,643

Continued

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued
 For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Public Services			
Adaptive Equip for Disabled	\$ -	\$ 214	\$ (214)
Brummel Park	-	50,000	(50,000)
Connections for the Homeless	3,480	3,480	-
Disposition - 1817 Church	-	3,369	(3,369)
Evanston Community Defender	32,483	32,483	-
Family Focus	17,394	17,394	-
Family Focus Center Rehab	46,432	46,432	-
Haitian Congress to Fortify Haiti	3,046	3,046	-
Interfaith Action of Evanston	1,960	1,960	-
Interfaith Housing Program/ Home Sharing	12,176	12,176	-
Legal Assist Foundation	7,827	7,827	-
McGaw YMCA	35,000	-	35,000
Meals at Home	11,306	11,306	-
North Shore Senior Center	19,568	19,568	-
Open studio Art	3,480	3,480	-
SRSA Parkway Tree Planting & Landscaping	8,000	1,638	6,362
Summer Youth Employment	60,879	60,879	-
Twiggs Park Improvements	40,000	74,892	(34,892)
West Evanston Strategic Team	4,280	-	4,280
WRSA Parkway Tree Planting & Landscaping	12,000	5,417	6,583
Youth Action Ministry	8,697	-	8,697
Youth Job Center of Evanston	39,290	39,290	-
YWCA Access	-	1,100	(1,100)
YWCA Shelter Project	30,440	30,440	-
Total Public Services	397,738	426,391	(28,653)
Total Expenditures	\$ 2,004,247	\$ 1,755,967	\$ 248,280

CITY OF EVANSTON, ILLINOIS

Community Development Loan

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ -	\$ 4,800	\$ 4,800
Interest	9,000	1,018	(7,982)
Total Revenues	9,000	5,818	(3,182)
Expenditures			
Housing and economic development	20,000	8,460	11,540
Net Change in Fund Balance	<u>\$ (11,000)</u>	(2,642)	<u>\$ 8,358</u>
Fund Balances			
Beginning		<u>2,004,722</u>	
Ending		<u>\$ 2,002,080</u>	

CITY OF EVANSTON, ILLINOIS

Neighborhood Stabilization Program 2

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 8,387,345	\$ 5,409,752	\$ (2,977,593)
Expenditures			
Housing and economic development	8,385,435	5,407,842	2,977,593
Excess (Deficiency) of Revenues over (under) Expenditures	1,910	1,910	-
Other Financing Sources (Uses)			
Transfers in (out)			
Debt Service	(1,910)	(1,910)	-
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances			
Beginning		-	
Ending		<u>\$ -</u>	

CITY OF EVANSTON, ILLINOIS

Special Service District No. 4 Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes			
Current year levy	\$ 378,000	\$ 398,000	\$ 20,000
Prior year levy	-	(4,001)	(4,001)
Interest	-	30	30
Total Revenues	378,000	394,029	16,029
Expenditures			
Housing and economic development	378,000	388,000	(10,000)
Net Change in Fund Balance	<u>\$ -</u>	6,029	<u>\$ 6,029</u>
Fund Balance			
Beginning		<u>307,532</u>	
Ending		<u>\$ 313,561</u>	

CITY OF EVANSTON, ILLINOIS

Homeless Prevention & Rapid Re-Housing Program

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 288,460	\$ 195,943	\$ (92,517)
Expenditures			
Housing and economic development	288,460	195,943	92,517
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances			
Beginning		<u>-</u>	
Ending		<u>\$ -</u>	

CITY OF EVANSTON, ILLINOIS

Township - Town Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Twelve Months ended March 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 295,753	\$ 299,184	\$ 3,431
Interest	-	352	352
Replacement tax	50,000	62,910	12,910
Total Revenues	345,753	362,446	16,693
Expenditures			
General management and support	668,798	566,824	101,974
Excess (Deficiency) of Revenues over (under) Expenditures	(323,045)	(204,378)	118,667
Other Financing Sources (Uses)			
Transfers in (out)			
General Assistance Fund	350,000	-	(350,000)
Net Change in Fund Balance	<u>\$ 26,955</u>	(204,378)	<u>\$ (231,333)</u>
Fund Balance			
Beginning		<u>507,207</u>	
Ending		<u>\$ 302,829</u>	

CITY OF EVANSTON, ILLINOIS

Township - General Assistance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Twelve Months ended March 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 986,553	\$ 978,529	\$ (8,024)
Interest	1,500	1,581	81
SSI reimbursement	15,000	23,205	8,205
Medical reimbursement	-	2,398	2,398
Total Revenues	1,003,053	1,005,713	2,660
Expenditures			
General management and support	1,233,748	1,066,729	167,019
Excess (Deficiency) of Revenues over (under) Expenditures	(230,695)	(61,016)	169,679
Other Financing Sources (Uses)			
Transfers in (out) Town Fund	250,000	-	(250,000)
Net Change in Fund Balance	<u>\$ 19,305</u>	(61,016)	<u>\$ (80,321)</u>
Fund Balance			
Beginning		<u>1,594,035</u>	
Ending		<u><u>\$ 1,533,019</u></u>	

CITY OF EVANSTON, ILLINOIS

Special Assessment Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Ten Months ended December 31, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Special Assessments	\$ 550,000	\$ 235,028	\$ (314,972)
Interest	25,000	7,687	(17,313)
Total Revenue	575,000	242,715	(332,285)
Expenditures			
Capital outlay	1,575,000	740,120	834,880
Total Expenditures	1,575,000	740,120	834,880
Excess (Deficiency) of Revenues over (under) Expenditures	(1,000,000)	(497,405)	502,595
Other Financing Sources (Uses)			
Transfers in (out) Debt Service Fund	(317,660)	(317,660)	-
Net Change in Fund Balance	<u>\$ (1,317,660)</u>	(815,065)	<u>\$ 502,595</u>
Fund Balance			
Beginning		<u>3,759,954</u>	
Ending		<u><u>\$ 2,944,889</u></u>	

CITY OF EVANSTON, ILLINOIS

Debt Service Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual (Budgetary Basis)
 For the Ten Months ended December 31, 2011

	General Obligation Debt		Special Service District No. 5		Southwest Tax Increment District		Howard Hartrey Tax Increment District	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
	Revenues							
Taxes								
Property taxes								
Current year levy, net	\$ 10,806,574	\$ 11,863,894	\$ 428,756	\$ 428,756	\$ 656,000	\$ 451,421	\$ 1,300,000	\$ 1,212,637
Prior year levy, net	-	(250,064)	-	(2,847)	-	-	-	-
Investment income	1,000	1,637	100	33	500	31	5,000	1,826
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	10,807,574	11,615,467	428,856	425,942	656,500	451,452	1,305,000	1,214,463
Expenditures								
General management and support	5,000	17,528	-	-	-	-	460,000	1,200
Health and human resources development	-	-	-	-	840,000	700,000	-	-
Public Works	-	-	-	-	-	-	-	-
Debt Service								
Principal	5,856,800	8,220,464	340,000	325,000	-	-	570,000	605,000
Interest	4,012,876	4,660,064	88,756	98,231	-	-	141,804	109,603
Fiscal agent fees	83,000	79,156	-	-	-	-	-	-
Total Expenditures	9,957,676	12,977,212	428,756	423,231	840,000	700,000	1,171,804	715,803
Excess (Deficiency) of Revenues over (under) Expenditures	849,898	(1,361,745)	100	2,711	(183,500)	(248,548)	133,196	498,660
Other Financing Sources (Uses)								
Transfers in (out)								
General	871,528	727,560	-	-	(24,100)	(24,100)	(141,600)	(141,600)
Special Assessment	317,660	317,660	-	-	-	-	-	-
Motor Vehicle Parking System	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,189,188	1,045,220	-	-	(24,100)	(24,100)	(141,600)	(141,600)
Net Changes in Fund Balances	<u>\$ 2,039,086</u>	<u>(316,525)</u>	<u>\$ 100</u>	<u>2,711</u>	<u>\$ (207,600)</u>	<u>(272,648)</u>	<u>\$ (8,404)</u>	<u>357,060</u>
Fund Balances (Deficit)								
Beginning		<u>316,072</u>		<u>18,471</u>		<u>150,764</u>		<u>3,929,210</u>
Ending		<u>\$ (453)</u>		<u>\$ 21,182</u>		<u>\$ (121,884)</u>		<u>\$ 4,286,270</u>

Washington National Tax Increment District		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	Original and Final Budget	Actual
\$ 4,800,000	\$ 5,031,545	\$ 689,000	\$ 644,364	\$ 580,000	\$ 480,819	\$ 19,260,330	\$ 20,113,436
-	136,883	-	14,907	-	11,146	-	(89,975)
25,000	6,708	400	101	1,000	2,285	33,000	12,621
-	-	-	17,618	-	-	-	17,618
4,825,000	5,175,136	689,400	676,990	581,000	494,250	19,293,330	20,053,700
-	5,084	-	27,552	490,000	63,875	955,000	115,239
-	-	-	-	-	-	840,000	700,000
425,000	108,129	-	-	-	-	425,000	108,129
325,000	405,000	-	-	-	-	7,091,800	9,555,464
128,200	100,650	-	-	-	-	4,371,636	4,968,548
-	-	-	-	-	-	83,000	79,156
878,200	618,863	-	27,552	490,000	63,875	13,766,436	15,526,536
3,946,800	4,556,273	689,400	649,438	91,000	430,375	5,526,894	4,527,165
(325,000)	(325,000)	(120,400)	(120,400)	(50,000)	(50,000)	210,428	66,460
-	-	-	-	-	-	317,660	317,660
(3,419,636)	(3,419,636)	-	-	-	-	(3,419,636)	(3,419,636)
(3,744,636)	(3,744,636)	(120,400)	(120,400)	(50,000)	(50,000)	(2,891,548)	(3,035,516)
<u>\$ 202,164</u>	811,637	<u>\$ 569,000</u>	529,038	<u>\$ 41,000</u>	380,375	<u>\$ 2,635,346</u>	1,491,648
	<u>6,295,670</u>		<u>562,228</u>		<u>1,040,512</u>		<u>12,312,927</u>
	<u>\$ 7,107,307</u>		<u>\$ 1,091,266</u>		<u>\$ 1,420,887</u>		<u>\$ 13,804,575</u>

PROPRIETARY FUND TYPES

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Net Assets
December 31, 2011

	Operation and Maintenance Account	Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	Totals
Assets					
Current Assets					
Cash and equivalents	\$ 6,075,993	\$ 77,727	\$ 2,247,604	\$ 109,599	\$ 8,510,923
Restricted cash and equivalents and investments	-	-	634,375	400,000	1,034,375
Receivables					
Accounts - billed	699,514	-	-	-	699,514
Accounts - unbilled	831,869	-	-	-	831,869
Due from other funds	738,016	1,170,000	599,672	-	2,507,688
Prepaid Expenses	-	599,672	-	-	599,672
Inventory	699,003	-	-	-	699,003
Total Current Assets	9,044,395	1,847,399	3,481,651	509,599	14,883,044
Capital Assets					
Land	555,415	-	-	-	555,415
Construction in progress	208,099	-	-	3,810,250	4,018,349
Capital assets being depreciated	78,369,991	-	-	-	78,369,991
Less accumulated depreciation	(21,794,125)	-	-	-	(21,794,125)
Total Capital Assets	57,339,380	-	-	3,810,250	61,149,630
Total Assets	\$ 66,383,775	\$ 1,847,399	\$ 3,481,651	\$ 4,319,849	\$ 76,032,674
Liabilities and Net Assets					
Current Liabilities					
Vouchers payable	\$ 379,514	\$ -	\$ -	\$ 644,519	\$ 1,024,033
Vouchers payable - restricted	204,266	-	-	-	204,266
Escrow account	6,000	-	-	-	6,000
Interest payable - restricted	16,544	24,672	-	-	41,216
Revenue bonds payable	-	575,000	-	-	575,000
Notes payable-IEPA	67,505	-	-	-	67,505
General obligation bonds payable	169,534	-	-	-	169,534
Due to other funds	1,398,965	1,240,801	-	-	2,639,766
Compensated absences payable	268,007	-	-	-	268,007
Total Current Liabilities	2,510,335	1,840,473	-	644,519	4,995,327
Long-Term Liabilities					
Notes payable-IEPA	1,215,087	-	-	-	1,215,087
Revenue bonds payable	595,000	-	-	-	595,000
OPEB liability	106,498	-	-	-	106,498
Compensated absences payable	293,382	-	-	-	293,382
General obligation bonds payable	3,839,604	-	-	-	3,839,604
IMRF Pension contributions payable	313,722	-	-	-	313,722
Unamortized bond discount on bonds payable	47,131	-	-	-	47,131
Total Long-Term Liabilities	6,410,424	-	-	-	6,410,424
Total Liabilities	8,920,759	1,840,473	-	644,519	11,405,751
Net Assets					
Invested in capital assets, net of related debt	52,110,310	(575,000)	-	3,810,250	55,345,560
Restricted for debt service	-	-	634,375	-	634,375
Restricted for Capital Improvements	-	-	-	400,000	400,000
Unrestricted	5,947,706	(13,074)	2,847,276	(534,920)	8,246,988
Total Net Assets	58,058,016	(588,074)	3,481,651	3,675,330	64,626,923
Total Liabilities and Net Assets	\$ 66,978,775	\$ 1,252,399	\$ 3,481,651	\$ 4,319,849	\$ 76,032,674

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Changes in Net Assets - Reserved - Restricted Accounts
For the Ten Months ended December 31, 2011

	Bond and Interest	Bond Reserve	Depreciation, Improvement and Extension	Totals
Increases				
Intrafund transfers in - accordance with bond ordinance unreserved retained earnings - Operation and Maintenance	\$ 100,000	\$ -	\$ 4,325,000	\$ 4,425,000
Investment earnings	536	4,819	178	5,533
Total Increases	100,536	4,819	4,325,178	4,430,533
Decreases				
Bond interest	78,639	-	95,853	174,492
Bond issue adjustment	711,451	-	-	711,451
Purchase of capital assets	-	-	2,150,280	2,150,280
Bond expenses and amortization of discount	(69,730)	-	-	(69,730)
Payment of expense	150	-	-	150
Total Decreases	720,510	-	2,246,133	2,966,643
Net Increase (Decrease)	(619,974)	4,819	2,079,045	1,463,890
Net Assets				
Beginning	31,900	3,476,832	1,596,285	5,105,017
Ending	\$ (588,074)	\$ 3,481,651	\$ 3,675,330	\$ 6,568,907

CITY OF EVANSTON, ILLINOIS

Water Fund - Operation and Maintenance Account

Schedule of Revenues, Expenses, and Changes in Unreserved Net Assets - Budget and Actual

For the Ten Months ended December 31, 2011

(With Comparative Totals For the Twelve Months ended February 28, 2011)

	Budget	Actual	Prior Year Actual
Operating Revenues			
Charges for services	\$ 10,504,299	\$ 10,766,262	\$ 13,086,057
Miscellaneous	775,008	1,602,271	651,825
Total Operating Revenues	11,279,307	12,368,533	13,737,882
Operating Expenses Excluding Depreciation			
Administration	681,872	786,111	820,136
Operations			
Pumping	2,270,869	1,978,311	2,075,791
Filtration	2,138,628	1,923,779	2,170,905
Meter maintenance	320,115	269,115	294,342
Distribution	1,260,167	988,315	1,205,917
Other	335,291	201,021	624,486
Total Operating Expenses Excluding Depreciation	7,006,942	6,146,652	7,191,577
Operating Income Before Depreciation	4,272,365	6,221,881	6,546,305
Depreciation	-	1,090,433	1,439,663
Operating Income	4,272,365	5,131,448	5,106,642
Nonoperating Revenues (Expenses)			
Investment income	9,996	1,035	2,773
Interest expense	-	(16,544)	(67,615)
Amortization of bond premium	-	962	1,129
Net book value of capital assets disposed	-	(113,237)	(13,434)
Total Nonoperating Revenues (Expenses)	9,996	(127,784)	(77,147)
Income Before Transfers	4,282,361	5,003,664	5,029,495
Transfers In (Out)			
Transfer Out	(3,128,159)	(3,128,159)	(3,286,800)
Total Transfers In (Out)	(3,128,159)	(3,128,159)	(3,286,800)
Net Income	\$ 1,154,202	1,875,505	1,742,695
Other Changes in Unreserved Net Assets			
Intrafund transfers in (out) - net assets - reserved - restricted accounts		(1,563,269)	1,744,885
Increase in Unreserved Net Assets		312,236	3,487,580
Unreserved Net Assets			
Beginning		57,745,780	54,258,200
Ending		\$ 58,058,016	\$ 57,745,780

CITY OF EVANSTON, ILLINOIS

Water Fund - Operation and Maintenance Account

Schedule of Operating Revenues - Budget and Actual

For the Ten Months ended December 31, 2011

(With Comparative Totals For the Twelve Months ended February 28, 2011)

	Budget	Actual	Prior Year Actual
Charges for Services, Net			
Water Sales			
Evanston	\$ 4,647,499	\$ 4,751,615	\$ 5,419,316
Skokie	2,286,500	2,304,066	2,885,096
Northwest Water Commission	3,570,300	3,710,581	4,781,645
Total Charges for Services	10,504,299	10,766,262	13,086,057
Miscellaneous			
Fees and outside work	146,640	94,184	79,439
Fees, merchandise and other	628,368	1,508,087	572,386
Total Miscellaneous	775,008	1,602,271	651,825
Total Operating Revenues	\$ 11,279,307	\$ 12,368,533	\$ 13,737,882

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Fleet Services Fund - to account for the costs of operating the municipal service center maintenance facility for transportation equipment used by other City departments. Such costs are billed to the user departments at actual cost. Actual costs include depreciation on the transportation equipment.

Insurance Fund - to account for the costs of administering general liability claims and workers' compensation programs. Such costs are billed to the General Fund.

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Statement of Net Assets

December 31, 2011

Assets	Fleet Services	Insurance	Totals
Current Assets			
Cash and equivalents	\$ 1,984,666	\$ 741,888	\$ 2,726,554
Receivables - other	24,247	-	24,247
Inventories	573,872	-	573,872
Prepaid Expenses	59,615	514,133	573,748
Due from other funds	-	115,706	115,706
Total Unrestricted Current Assets	2,642,400	1,371,727	4,014,127
Capital Assets			
Cost	21,486,259	-	21,486,259
Accumulated depreciation	(15,167,134)	-	(15,167,134)
Total Capital Assets	6,319,125	-	6,319,125
Total Assets	8,961,525	1,371,727	10,333,252
Liabilities and Fund Equity			
Current Liabilities			
Vouchers payable	832,478	40,952	873,430
Compensated absences payable	21,524	-	21,524
Claims payable	-	2,106,361	2,106,361
Due to other funds	37,637	-	37,637
Total Current Liabilities	891,639	2,147,313	3,038,952
Long-Term Liabilities			
Compensated absences payable	73,360	-	73,360
OPEB Liability	37,790	-	37,790
Claims payable	-	5,349,185	5,349,185
Total Long-Term Liabilities	111,150	5,349,185	5,460,335
Total Liabilities	1,002,789	7,496,498	8,499,287
Net Assets (Deficit)			
Invested in capital assets	6,319,125	-	6,319,125
Unrestricted	1,639,611	(6,124,771)	(4,485,160)
Total Net Assets (deficit)	\$ 7,958,736	\$ (6,124,771)	\$ 1,833,965

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Assets
For the Ten Months ended December 31, 2011

	Fleet Services	Insurance	Totals
Operating Revenues			
Charges for Services			
General Fund	\$ 2,877,887	\$ 1,851,968	\$ 4,729,855
Sewer Fund	650,482	225,080	875,562
Water Fund	162,518	-	162,518
Motor Vehicle Parking System Fund	24,740	266,373	291,113
Emergency Telephone System	-	14,540	14,540
Economic Development	-	14,540	14,540
Community Development Block Grant	-	14,540	14,540
Claims Reimbursements	-	77,363	77,363
Health Insurance Contributions	-	11,858,304	11,858,304
Miscellaneous	49,169	510	49,679
Total Operating Revenues	<u>3,764,796</u>	<u>14,323,218</u>	<u>18,088,014</u>
Operating Expenses			
General support	199,478	-	199,478
Major maintenance	2,529,701	-	2,529,701
General liability claims	-	3,006,932	3,006,932
Workers compensation claims	-	1,658,870	1,658,870
Health Insurance Premiums	-	11,085,987	11,085,987
Other	-	143,561	143,561
Total Operating Expenses	<u>2,729,179</u>	<u>15,895,350</u>	<u>18,624,529</u>
Operating Income (Loss) Before Depreciation	1,035,617	(1,572,132)	(536,515)
Depreciation	1,106,666	-	1,106,666
Operating Income (Loss)	<u>(71,049)</u>	<u>(1,572,132)</u>	<u>(1,643,181)</u>
Nonoperating Revenues (Expenses)			
Investment income	274	313	587
Gain (loss) on disposition of assets	85,109	-	85,109
Total Nonoperating Revenues (Expenses)	<u>85,383</u>	<u>313</u>	<u>85,696</u>
Capital contributions & Grants	253,549	-	253,549
Transfers In (Out)			
Water Fund	-	390,254	390,254
Debt Service	(21,500)	(5,710)	(27,210)
	<u>(21,500)</u>	<u>384,544</u>	<u>363,044</u>
Change in Net Assets	246,383	(1,187,275)	(940,892)
Total Net Assets (Deficit) - Beginning	<u>7,712,353</u>	<u>(4,937,496)</u>	<u>2,774,857</u>
Total Net Assets (Deficit)- Ending	<u>\$ 7,958,736</u>	<u>\$ (6,124,771)</u>	<u>\$ 1,833,965</u>

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows
For the Ten Months ended December 31, 2011

	Fleet Services	Insurance	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 4,366,296	\$ 14,323,218	\$ 18,689,514
Receipts from (to) interfund services provided	(10,655)	(262,933)	(273,588)
Payments to suppliers	(2,203,548)	(689,409)	(2,892,957)
Payments to employees	(178,910)	(2,665,459)	(2,844,369)
Payments for insurance premiums	-	(11,085,987)	(11,085,987)
Net Cash Provided by (used for) Operating Activities	1,973,183	(380,570)	1,592,613
Cash Flows from Noncapital Financing Activities			
Transfers In (Out)			
Water	-	390,254	390,254
Debt Service	(21,500)	(5,710)	(27,210)
Net Cash Flows from Noncapital Financing Activities	(21,500)	384,544	363,044
Cash Flows from Capital and Related Financing Activities			
Sale of capital assets	85,109	-	85,109
Acquisition and construction of capital assets	(995,043)	-	(995,043)
Capital contributions	253,549	-	253,549
Net Cash Used for Capital and Related Financing Activities	(656,385)	-	(656,385)
Cash Flows from Investing Activities			
Interest income	274	313	587
Net Cash provided by Investing Activities	274	313	587
Net Increase in Cash and Cash Equivalents	1,295,572	4,287	1,299,859
Cash and Equivalents			
Beginning	689,094	737,601	1,426,695
Ending	\$ 1,984,666	\$ 741,888	\$ 2,726,554

Continued

CITY OF EVANSTON, ILLINOIS

Combining Statement of Cash Flows - Continued

Internal Service Funds

For the Ten Months ended December 31, 2011

	Fleet Services	Insurance	Totals
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (71,049)	\$ (1,572,132)	\$ (1,643,181)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities			
Depreciation	1,106,666	-	1,106,666
Changes in assets and liabilities			
Increase/decrease in A/R miscellaneous	601,500	-	601,500
Prepaid expenses	-	(514,133)	(514,133)
Inventories	(177,412)	-	(177,412)
Compensated absences	12,109	-	12,109
OPEB Liability	8,459	-	8,459
Accounts payable	503,565	(31,715)	471,850
Interfund payable	(10,655)	(262,933)	(273,588)
Claims payable	-	2,000,343	2,000,343
Net Cash Provided By (Used For) Operating Activities	<u>\$ 1,973,183</u>	<u>\$ (380,570)</u>	<u>\$ 1,592,613</u>

STATISTICAL SECTION (UNAUDITED)

Statistical Section

This part of the Government's 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 says about the Government's overall financial health.

Contents

Page

Financial Trends

154 - 157

These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.

Revenue Capacity

158 - 160

These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax.

Debt Capacity

161 - 164

These schedules present information to help the reader assess the affordability of the Government's current levels of outstanding debt and the Government's ability to issue additional debt in the future.

Demographic and Economic Information

165 - 166

These schedules offer demographic and economic indicators to help the reader understand the environment within the Government's financial activities take place.

Operating Information

167 - 172

These schedules contain information about the Government's service and resources to help the reader understand how the Government's financial information relates to the services the Government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Government implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF EVANSTON, ILLINOIS

Net Assets by Component

Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	As of									
	<u>2/28/2003</u>	<u>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>	<u>12/31/2011</u>
Governmental Activities										
Invested in Capital Assets, net of related debt	\$ 35,437	\$ (9,753)	\$ 426	\$ 34,428	\$ 31,133	\$ 31,542	\$ 37,278	\$ 41,109	\$ 49,483	\$ 57,663
Restricted	33,826	33,415	32,811	31,169	30,034	23,168	26,238	23,645	23,187	31,559
Unrestricted	(15,245)	32,861	43,010	15,408	25,171	28,231	17,539	10,400	4,072	(24,033)
Total Governmental Activities net assets	<u>\$ 54,018</u>	<u>\$ 56,523</u>	<u>\$ 76,247</u>	<u>\$ 81,005</u>	<u>\$ 86,338</u>	<u>\$ 82,941</u>	<u>\$ 81,055</u>	<u>\$ 75,154</u>	<u>\$ 76,742</u>	<u>\$ 65,189</u>
Business-type Activities										
Invested in Capital Assets, net of related debt	\$ 96,615	\$ 103,339	\$ 114,442	\$ 129,084	\$ 140,621	\$ 159,185	\$ 172,399	\$ 192,921	\$ 207,162	\$ 215,755
Restricted	9,491	11,158	11,274	10,449	9,374	1,986	1,987	3,378	1,624	1,034
Unrestricted	18,053	23,332	21,478	23,483	21,417	23,589	27,586	25,417	19,141	25,385
Total Business-type Activities net assets	<u>\$ 124,159</u>	<u>\$ 137,829</u>	<u>\$ 147,194</u>	<u>\$ 163,016</u>	<u>\$ 171,412</u>	<u>\$ 184,760</u>	<u>\$ 201,972</u>	<u>\$ 221,716</u>	<u>\$ 227,927</u>	<u>\$ 242,174</u>
Primary Government										
Invested in Capital Assets, net of related debt	\$ 132,052	\$ 93,586	\$ 114,868	\$ 163,512	\$ 171,754	\$ 190,727	\$ 209,677	\$ 234,030	\$ 256,645	\$ 273,418
Restricted	43,317	44,573	44,085	41,618	39,408	25,154	28,225	27,023	24,811	32,593
Unrestricted	2,808	56,193	64,488	38,891	46,588	51,820	45,125	35,817	23,213	1,352
Total Primary Government net assets	<u>\$ 178,177</u>	<u>\$ 194,352</u>	<u>\$ 223,441</u>	<u>\$ 244,021</u>	<u>\$ 257,750</u>	<u>\$ 267,701</u>	<u>\$ 283,027</u>	<u>\$ 296,870</u>	<u>\$ 304,669</u>	<u>\$ 307,363</u>

Source: City Finance department

CITY OF EVANSTON, ILLINOIS

Changes in Net Assets

Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year Ended									
	2/28/2003	2/29/2004	2/28/2005	2/28/2006	2/28/2007	2/29/2008	2/28/2009	2/28/2010	2/28/2011	12/31/2011*
Expenses										
Governmental Activities										
General government	\$ 14,274	\$ 15,791	\$ 14,451	\$ 19,537	\$ 19,951	\$ 20,072	\$ 18,017	\$ 19,773	\$ 17,517	\$ 17,911
Public Safety	33,420	39,237	31,168	45,951	46,368	48,763	49,484	50,488	53,226	43,465
Public Works	13,187	13,065	14,225	14,632	16,505	21,566	21,628	18,509	15,626	12,399
Health & Human Resource Development	5,041	5,370	5,843	4,781	6,108	4,982	4,546	4,760	4,541	3,547
Housing & Economic Development	5,818	5,973	6,757	6,850	7,924	7,090	6,965	20,066	10,857	11,630
Culture and Recreation	16,247	17,129	18,276	19,792	18,303	20,634	20,002	9,120	20,142	15,607
Interest on Long-term Debt	4,540	4,900	5,086	5,874	6,926	5,522	4,041	4,396	5,595	3,114
Total governmental activities expenses	<u>92,527</u>	<u>101,465</u>	<u>95,806</u>	<u>117,417</u>	<u>122,085</u>	<u>128,630</u>	<u>124,682</u>	<u>127,112</u>	<u>127,504</u>	<u>107,673</u>
Business-type Activities										
Water	11,407	8,992	8,176	8,760	8,778	8,668	9,391	9,133	8,713	7,450
Sewer	8,544	8,964	8,781	9,219	9,588	8,972	8,726	8,779	8,784	7,083
Solid Waste	-	-	-	-	-	-	-	-	-	4,317
Motor vehicle parking system	3,702	3,468	4,777	2,904	2,963	2,403	8,896	8,841	8,425	6,673
Sherman garage	-	-	-	-	1,613	4,270	-	-	-	-
Maple avenue garage	2,679	3,028	3,148	3,096	2,910	2,682	-	-	-	-
Total Business-type Activities	<u>26,332</u>	<u>24,452</u>	<u>24,882</u>	<u>23,979</u>	<u>25,852</u>	<u>26,996</u>	<u>27,013</u>	<u>26,753</u>	<u>25,922</u>	<u>25,523</u>
Total primary government expenses	<u>\$ 118,859</u>	<u>\$ 125,917</u>	<u>\$ 120,688</u>	<u>\$ 141,396</u>	<u>\$ 147,937</u>	<u>\$ 155,625</u>	<u>\$ 151,695</u>	<u>\$ 153,865</u>	<u>\$ 153,426</u>	<u>\$ 133,196</u>
Program Revenues										
Governmental Activities										
Charges for Services										
General government	\$ 11,704	\$ 12,750	\$ 13,262	\$ 13,060	\$ 13,630	\$ 12,639	\$ 13,348	\$ 13,087	\$ 12,796	\$ 9,219
Culture and Recreation	3,759	3,739	3,731	4,310	4,353	4,521	4,637	4,902	5,265	4,587
Other activities	4,479	6,799	9,253	10,293	8,779	14,518	10,289	7,946	9,377	8,523
Operating grants and contributions	3,006	3,480	3,713	3,441	3,679	5,982	5,117	5,898	9,851	9,861
Capital Grants and Contributions	1,963	1,459	212	1,127	185	118	113	4,037	8,026	3,941
Total governmental activities program revenues	<u>24,911</u>	<u>28,227</u>	<u>30,171</u>	<u>32,231</u>	<u>30,626</u>	<u>37,778</u>	<u>33,504</u>	<u>35,870</u>	<u>45,315</u>	<u>36,131</u>
Business-type activities										
Charges for Services										
Water	13,495	13,478	13,187	13,961	12,639	13,239	13,685	12,694	13,738	12,369
Sewer	15,806	15,436	14,913	16,077	14,394	14,239	13,774	13,243	13,393	11,377
Sherman garage	-	-	-	-	779	1,950	-	-	-	-
Solid Waste	-	-	-	-	-	-	-	-	-	2,900
Motor vehicle parking system	3,129	3,266	3,011	2,965	3,059	3,084	6,719	6,772	5,987	4,928
Maple avenue garage fund	1,266	1,263	1,512	1,622	1,417	1,430	-	-	-	-
Total Business-type activities program revenues	<u>33,696</u>	<u>33,443</u>	<u>32,623</u>	<u>34,625</u>	<u>32,288</u>	<u>33,941</u>	<u>34,178</u>	<u>32,709</u>	<u>33,118</u>	<u>31,574</u>
Total primary government program revenues	<u>\$ 58,607</u>	<u>\$ 61,670</u>	<u>\$ 62,794</u>	<u>\$ 66,856</u>	<u>\$ 62,914</u>	<u>\$ 71,719</u>	<u>\$ 67,682</u>	<u>\$ 68,579</u>	<u>\$ 78,433</u>	<u>\$ 67,705</u>
Net (expense)/revenue										
Governmental activities	(67,616)	(73,238)	(65,635)	(85,186)	(91,459)	(90,852)	(91,178)	(91,242)	(82,189)	(71,542)
Business-type activities	7,364	8,991	7,741	10,646	6,436	6,945	7,166	5,956	7,196	6,051
Total Primary Government net expense	<u>(60,252)</u>	<u>(64,247)</u>	<u>(57,894)</u>	<u>(74,540)</u>	<u>(85,023)</u>	<u>(83,906)</u>	<u>(84,012)</u>	<u>(85,286)</u>	<u>(74,993)</u>	<u>(65,491)</u>
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Taxes										
Property taxes	\$ 71,719	\$ 75,929	\$ 79,715	\$ 89,810	\$ 61,983	\$ 46,947	\$ 56,217	\$ 58,839	\$ 47,040	\$ 33,399
Sales taxes	217	345	345	-	14,387	16,172	15,500	14,880	15,577	13,495
Investment earnings	1,266	1,710	1,547	2,997	3,752	3,653	360	721	557	32
Miscellaneous	2,513	2,096	4,996	1,412	17,287	25,799	26,684	24,601	27,501	21,244
Transfers	(1,719)	(4,335)	(1,244)	(4,277)	(616)	(5,116)	(9,469)	(13,700)	(99)	(8,180)
Total governmental activities	<u>76,112</u>	<u>75,745</u>	<u>85,359</u>	<u>89,942</u>	<u>96,793</u>	<u>87,455</u>	<u>89,292</u>	<u>85,341</u>	<u>90,576</u>	<u>59,990</u>
Business-type activities										
Investment earnings	432	343	380	896	1,344	1,287	606	87	23	16
Miscellaneous	-	-	-	-	-	-	(28)	-	-	-
Transfers	1,719	4,335	1,244	4,277	616	5,116	9,469	13,700	99	8,180
Total business-type activities	<u>2,151</u>	<u>4,678</u>	<u>1,624</u>	<u>5,173</u>	<u>1,960</u>	<u>6,403</u>	<u>10,047</u>	<u>13,787</u>	<u>122</u>	<u>8,196</u>
Total primary government	<u>\$ 78,263</u>	<u>\$ 80,423</u>	<u>\$ 86,983</u>	<u>\$ 95,115</u>	<u>\$ 98,753</u>	<u>\$ 93,858</u>	<u>\$ 99,338</u>	<u>\$ 99,128</u>	<u>\$ 90,698</u>	<u>\$ 68,186</u>
Changes in Net Assets										
Governmental activities	\$ 8,496	\$ 2,507	\$ 19,724	\$ 4,756	\$ 5,334	\$ (3,397)	\$ (1,886)	\$ (5,901)	\$ 8,387	\$ (11,552)
Business-type activities	9,515	13,669	9,365	15,819	8,396	13,348	17,212	19,743	7,318	14,247
Total primary government	<u>\$ 18,011</u>	<u>\$ 16,176</u>	<u>\$ 29,089</u>	<u>\$ 20,575</u>	<u>\$ 13,730</u>	<u>\$ 9,951</u>	<u>\$ 15,326</u>	<u>\$ 13,842</u>	<u>\$ 15,705</u>	<u>\$ 2,695</u>

* Ten months ended December 31, 2011
Source: City Finance department

CITY OF EVANSTON, ILLINOIS

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	As of									
	<u>2/28/2003</u>	<u>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>	<u>12/31/2011</u>
General Fund										
Reserved	\$ 4,614	\$ 4,665	\$ 7,948	\$ 6,027	\$ 1,327	\$ 1,108	\$ 1,275	\$ 1,585	\$ 1,995	\$ -
Unreserved	13,110	14,375	15,209	18,804	24,866	24,840	19,752	18,603	20,009	-
Assigned	-	-	-	-	-	-	-	-	-	7,590
Unassigned	-	-	-	-	-	-	-	-	-	10,803
Total general fund	<u>\$ 17,724</u>	<u>\$ 19,040</u>	<u>\$ 23,157</u>	<u>\$ 24,831</u>	<u>\$ 26,193</u>	<u>\$ 25,948</u>	<u>\$ 21,027</u>	<u>\$ 20,188</u>	<u>\$ 22,004</u>	<u>\$ 18,393</u>
All Other Governmental Funds										
Reserved	\$ 29,211	\$ 28,750	\$ 30,761	\$ 33,937	\$ 31,741	\$ 29,739	\$ 31,757	\$ 28,953	\$ 28,738	\$ -
Unreserved, reported in										
Special revenue funds	60,514	4,617	5,249	5,171	5,587	6,649	10,356	10,807	10,907	-
Capital Projects Funds	-	58,816	49,476	31,696	23,965	25,620	20,899	9,276	9,665	-
Nonspendable	-	-	-	-	-	-	-	-	-	1,419
Restricted	-	-	-	-	-	-	-	-	-	32,353
Committed	-	-	-	-	-	-	-	-	-	806
Assigned	-	-	-	-	-	-	-	-	-	10,074
Unassigned	-	-	-	-	-	-	-	-	-	(175)
Total all other governmental funds	<u>\$ 89,725</u>	<u>\$ 92,183</u>	<u>\$ 85,486</u>	<u>\$ 70,804</u>	<u>\$ 61,293</u>	<u>\$ 62,008</u>	<u>\$ 63,012</u>	<u>\$ 49,036</u>	<u>\$ 49,310</u>	<u>\$ 44,477</u>

Notes: 1. Fund balances for debt service have been included in the reserved amounts.
2. December 31, 2011 presented per the new reporting standards of GASB 54.

Source: City Finance department

CITY OF EVANSTON, ILLINOIS

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year Ended									
	2/28/2003	2/29/2004	2/28/2005	2/28/2006	2/28/2007	2/29/2008	2/28/2009	2/28/2010	2/28/2011	12/31/2011 *
Revenues										
Taxes	\$ 58,814	\$ 63,833	\$ 66,744	\$ 75,661	\$ 77,137	\$ 75,767	\$ 84,035	\$ 84,726	\$ 73,559	\$ 56,466
Licenses, fees and permits	6,459	6,699	6,773	9,164	8,061	10,276	8,820	7,279	8,661	6,776
Fines and penalties	3,742	4,163	3,999	3,781	4,029	4,660	4,442	4,151	4,003	3,280
Charges for services	6,262	5,997	6,053	6,905	7,167	7,732	8,399	8,680	9,786	6,283
Special Assessments	208	217	365	546	565	520	516	240	429	235
Intergovernmental	19,116	18,586	21,618	21,106	21,402	22,625	21,013	20,696	26,456	23,183
Investment Earnings	1,255	1,650	1,540	2,970	3,695	3,402	272	714	555	22
Other Revenues	6,859	6,953	9,451	5,812	5,578	5,116	4,679	4,642	6,390	4,133
Total Revenues	102,715	108,098	116,543	125,945	127,634	130,098	132,176	131,128	129,839	100,378
Expenditures										
General Government	12,565	13,365	14,666	15,601	14,539	18,190	16,498	16,184	23,463	13,594
Public Safety	32,093	33,896	36,323	39,094	39,690	42,466	49,999	48,970	50,352	42,140
Public Works	10,847	11,119	12,070	13,242	14,282	18,868	18,913	16,062	14,053	7,574
Recreation and cultural opportunities	13,712	14,287	15,493	16,526	16,683	19,118	18,942	18,100	17,399	16,192
Health and Human Development	4,839	5,272	5,801	4,566	5,850	4,982	4,546	4,760	4,541	3,588
Housing and Economic Development	5,662	5,882	6,717	6,646	7,683	7,089	6,963	9,120	11,345	11,999
Pensions	4,209	2,688	1,372	4,628	5,645	-	-	-	-	-
Capital Outlay	13,301	9,941	18,208	42,087	18,986	12,416	8,209	7,960	7,112	5,832
Debt Service										
Interest	4,846	5,163	5,027	5,857	6,927	5,128	5,143	4,953	4,878	4,384
Fiscal agent fees			359	323	517	42	28	5	12	79
Principal	6,585	9,385	7,885	7,690	11,530	10,815	9,885	7,524	7,650	10,106
Total governmental activities expenditure	108,659	110,998	123,921	156,260	142,332	139,114	139,126	133,638	140,805	115,488
Net (expense)/revenue										
Governmental activities	(5,944)	(2,900)	(7,378)	(30,315)	(14,698)	(9,016)	(6,950)	(2,510)	(10,966)	(15,110)
Other financing sources (uses)										
Proceeds from borrowing	\$ 57,066	\$ 24,917	\$ 25,724	\$ 31,332	\$ 24,916	\$ 31,444	\$ 24,340	\$ -	\$ 13,393	\$ 15,420
Capitalized interest income	773	-	-	355	-	-	839	-	120	-
Capitalized interest expense	(773)	-	-	(355)	-	-	-	-	-	-
Proceeds sale property/other	40	-	-	-	-	-	-	-	-	-
Reduction in long term debt	(100)	-	-	-	-	-	-	-	-	-
Escrow funding	(4,072)	(12,718)	(11,886)	(6,626)	(14,368)	(15,590)	(13,280)	-	-	-
Transfers in	8,259	9,762	6,020	7,032	6,529	8,975	5,927	11,019	5,727	5,839
Transfers (out)	(9,572)	(15,287)	(15,062)	(14,432)	(10,528)	(15,344)	(14,794)	(23,324)	(6,184)	(14,593)
Total Other financing sources (uses)	51,621	6,674	4,796	17,306	6,549	9,485	3,032	(12,305)	13,056	6,666
Net Changes in Fund Balance	\$ 45,677	\$ 3,774	\$ (2,582)	\$ (13,009)	\$ (8,149)	\$ 469	\$ (3,917)	\$ (14,815)	\$ 2,090	\$ (8,444)
Debt Service as a percentage of noncapital expenditures	11.99%	14.40%	12.21%	11.87%	14.96%	12.58%	11.48%	9.93%	9.36%	13.29%

* Ten months ended December 31, 2011

Note: The largest own-source revenue is the property tax with a rate of 1.364% (for the city portion only) of Equalized Assessed Value (EAV) for the tax year 2010 .

Source: City Finance department

CITY OF EVANSTON, ILLINOIS

Equalized Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Levy Year Ended	Residential Property	Farm Property	Commercial Property	Industrial Property	Railroad Property	Total Equalized Assessed Value	Total Actual Value	Total Tax Rate
2001	1,105,269,184	16,895	459,256,602	50,985,114	311,382	1,615,839,177	4,847,517,531	1.628
2002	1,202,783,327	16,895	467,795,729	66,579,781	368,172	1,737,543,904	5,212,631,712	1.609
2003	1,221,970,442	16,895	435,093,531	69,669,560	397,456	1,727,147,884	5,181,443,652	1.698
2004	1,543,464,138	16,895	479,999,412	71,684,555	446,570	2,095,611,570	6,286,834,710	1.528
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	Not available	Not available	Not available	Not available	829,769	3,041,884,087	9,125,652,261	1.364

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

2010 EAV				2001 EAV			
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
Grubb & Ellis	\$ 26,384,464	1	0.87%	Golub & Company	\$ 21,168,471	1	1.24%
Rotary International	22,171,027	2	0.70%	Rotary International	16,515,288	2	0.97%
Lowe Enterprises	21,378,083	3	0.65%	Church & Chicago Ltd Partnership	11,937,901	3	0.70%
Church Street Plaza	19,787,246	4	0.43%	Evanston Plaza Freed	11,376,183	4	0.67%
NNN Church Street Office Center	13,145,431	5	0.42%	Albertson's (Jewel & Osco)	11,029,194	5	0.64%
Evanston Hotel Assoc.	12,892,618	6	0.40%	Lynn Minnici	10,122,537	6	0.59%
Inland	12,171,067	7	0.38%	The Orrington Hotel	9,608,768	7	0.56%
Church & Chicago Limited Partnership	11,616,218	8	0.38%	Presbyterian Homes	9,554,459	8	0.56%
Northshore University Healthcare	11,572,829	9	0.36%	1810 Sherman Avenue	9,443,781	9	0.55%
Paradigm Tax Group	<u>10,816,879</u>	10	<u>0.00%</u>	St. Francis Hospital	<u>9,374,716</u>	10	<u>0.55%</u>
Total	<u>\$ 161,935,862</u>		<u>5.32%</u>	Total	<u>\$ 120,131,298</u>		<u>7.02%</u>
Total EAV	<u>\$ 3,041,884,087</u>			Total EAV	<u>\$ 1,710,663,113</u>		

Source: Cook County

CITY OF EVANSTON, ILLINOIS

Property Tax Levies and Collections

Last Ten 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
2002	27,957,126	27,286,591	97.60%	254,154	27,540,745	98.51%
2003	29,813,787	28,565,408	95.81%	365,801	28,931,209	97.04%
2004	32,100,657	30,991,234	96.54%	412,246	31,403,480	97.83%
2005	33,423,311	32,550,464	97.39%	613,876	33,164,340	99.23%
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	See Note	See Note	See Note	See Note	See Note

Note: Levy Year 2011 is collected beyond fiscal year end 2011 through 12/31/12

Source: City Finance department

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
2/28/2003	74,239	1,710,663,113	194,086,731	6,942,441	123,720,000	63,424,290	2,694,578,744	3.71%	2.35%	854.33
2/29/2004	74,239	1,737,543,904	191,073,334	6,592,437	114,445,000	70,035,897	2,694,578,744	4.03%	2.60%	943.38
2/28/2005	74,239	1,727,147,885	187,110,000	6,678,359	106,935,000	73,496,641	2,775,350,776	4.26%	2.65%	990.00
2/28/2006	74,239	2,095,611,570	195,875,000	6,551,304	110,212,500	79,111,196	2,902,967,617	3.78%	2.73%	1,065.63
2/28/2007	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
2/29/2008	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
2/28/2009	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
2/28/2010	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
2/28/2011	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
12/31/2011	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

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 Tax District Fund, Washington National Tax Increment Tax District Fund, and Special Assessment fund.

Source: Cook County and City Finance department

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			
2/28/2003	140,435,000	410,000	15,064	52,970,000	6,185,000	93,559,011	293,574,075	10.89%	3,954
2/29/2004	141,565,000	280,000	-	49,175,000	5,380,000	99,653,404	296,053,404	10.99%	3,988
2/28/2005	143,455,000	3,590,000	-	43,655,000	4,575,000	102,200,011	297,475,011	10.72%	4,007
2/28/2006	158,490,000	3,335,000	-	37,385,000	3,710,000	101,400,675	304,320,675	10.48%	4,099
2/28/2007	110,920,000	3,070,000	-	76,825,000	3,240,000	99,490,921	293,545,921	10.11%	3,954
2/29/2008	115,220,000	2,785,000	-	66,530,000	2,755,000	103,410,887	290,700,887	10.01%	3,916
2/28/2009	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
2/28/2010	109,078,880	2,155,000	708,552	40,236,120	1,720,000	95,370,544	249,269,096	8.59%	3,358
2/28/2011	115,482,439	1,840,000	363,759	36,212,561	1,170,000	87,059,150	242,127,909	7.67%	3,251
12/31/2011	120,739,206	1,840,000	-	35,115,794	1,170,000	79,081,272	237,946,272	7.44%	3,195

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographics and Economic Statistics on page 166 for personal income and population data.

CITY OF EVANSTON, ILLINOIS

Direct and Overlapping Governmental Activities

As of December 31, 2011

	Total Outstanding	Percentage of Debt Applicable to City of Evanston	City of Evanston's Share of Debt (1)
Direct debt - bonds, notes, and contracts outstanding	<u>\$ 122,579,206</u>	100.00%	<u>\$ 122,579,206</u>
Other bonded debt			
County of Cook	\$ 3,369,965,000	1.78%	\$ 60,140,664
Cook County Forest Preserve District	97,810,000	1.78%	1,745,525
Metropolitan Water Reclamation District	2,493,150,090	1.82%	45,422,314
High School District 202	16,276,098	90.42%	14,716,191
School District 65	59,346,000	90.42%	53,658,259
Skokie Park District	<u>7,960,000</u>	0.76%	<u>60,346</u>
Total Overlapping Debt	<u>\$ 6,044,507,188</u>		<u>\$ 175,743,300</u>
Total Direct and Overlapping Debt	<u>\$ 6,167,086,394</u>		<u>\$ 298,322,506</u>

Source: Cook County

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		
2/28/2003	13,687,288	9,347,238	4,340,050	2,200,000	343,795	1.71
2/29/2004	13,583,515	7,056,290	6,527,225	805,000	235,913	6.27
2/28/2005	13,338,642	6,395,231	6,943,411	805,000	206,575	6.86
2/28/2006	14,380,966	6,705,865	7,675,101	865,000	177,355	7.36
2/28/2007	13,196,942	6,900,063	6,296,879	470,000	145,088	10.24
2/29/2008	13,787,014	7,138,056	6,648,959	485,000	128,713	10.83
2/28/2009	13,878,833	7,866,909	6,011,924	510,000	110,913	9.68
2/28/2010	12,742,603	7,756,760	4,985,843	525,000	91,556	8.09
2/28/2011	13,752,681	7,191,577	6,561,104	550,000	71,269	10.56
12/31/2011*	12,368,533	6,146,652	6,221,881	-	24,672	252.18

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.

*Ten months ended December 31, 2011

Source: Various City departments

CITY OF EVANSTON, ILLINOIS

Demographic and Economic Statistics

Last Ten Years

Calendar		Total	Per		Education	School	Unemployment
<u>Year</u>	<u>Population</u>	<u>Personal</u>	<u>Capita</u>	<u>Median</u>	<u>% of population</u>	<u>Enrollment</u>	<u>Rate</u>
		<u>Income</u>	<u>Personal</u>	<u>Age</u>	<u>with HS Diploma</u>		
			<u>Income</u>		<u>or Higher</u>		
2002	74,239	\$ 2,497,771,155	\$ 33,645	32.5	91.3%	10,889.0	5.0%
2003	74,239	2,694,578,744	36,296	32.5	91.3%	9,766.0	5.4%
2004	74,239	2,694,578,744	36,296	32.5	91.3%	9,849.0	5.0%
2005	74,239	2,775,350,776	37,384	32.5	94.0%	9,740.0	5.0%
2006	74,239	2,902,967,617	39,103	32.5	94.0%	9,550.0	4.5%
2007	74,239	2,902,967,617	39,103	32.5	94.0%	9,550.0	4.4%
2008	74,239	2,902,967,617	39,103	32.5	94.0%	9,550.0	4.6%
2009	74,239	2,902,967,617	39,103	32.5	94.0%	9,550.0	4.7%
2010	74,486	3,157,759,484	42,394	34.3	94.0%	9,550.0	7.9%
2011	74,486	3,197,311,550	42,925	34.3	94.0%	11,369.0	7.3%

Source: Various Government agencies

CITY OF EVANSTON, ILLINOIS

Principal Employers

Current Year and Ten Years Ago

<u>2011</u>				<u>2001</u>			
<u>Employer</u>	<u>Employees</u>	<u>%</u>	<u>Rank</u>	<u>Employer</u>	<u>Employees</u>	<u>%</u>	<u>Rank</u>
Northwestern University	9,471	48%	1	Northwestern University	5,325	36%	1
Northshore University Healthcare	3,727	19%	2	Evanston Northwestern Healthcare	3,780	25%	2
Evanston School District 65	1,599	8%	3	St. Francis Hospital	1,649	11%	3
St. Francis Hospital	1,272	7%	4	City of Evanston	1,000	7%	4
City of Evanston	918	5%	5	Evanston School District 65	700	5%	5
Presbyterian Homes/McGaw Care	602	3%	6	Evanston Township High School	566	4%	6
Rotary International	520	3%	7	Presbyterian Homes/McGaw Care	533	4%	7
School district 202	525	3%	8	Shure, Inc.	510	3%	8
C.E. Neihoff & Co.	480	2%	9	Jewel / Osco Food Stores	455	3%	9
Mather Lifeways	450	2%	10	Mather Lifeways	430	3%	10
Total	<u>19,564</u>			Orrington Hotel	<u>14,948</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									
	<u>2/28/2003</u>	<u>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>	<u>12/31/2011</u>
General Government										
City Clerk	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
City Manager's Office	7.55	7.25	7.25	7.25	7.25	13.70	31.53	27.70	22.00	8.00
MBIS / IT	21.50	21.80	22.80	24.80	23.80	25.50	-	-	13.00	12.00
Legal	6.00	6.00	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00
Human Resources	8.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	5.00	5.00
Finance	26.00	24.50	24.50	26.50	25.50	26.50	29.50	28.50	19.50	19.00
Parking Systems	-	-	-	-	-	-	-	-	13.00	12.00
Facilities Management	23.00	23.00	23.10	21.10	21.20	-	-	-	-	19.00
Community Development	36.00	34.00	36.00	36.00	36.00	36.00	35.00	33.00	28.00	27.00
Police	212.30	213.80	217.50	219.50	221.75	220.75	220.75	218.50	219.00	222.00
Fire	109.00	109.00	109.00	110.00	111.00	111.00	112.00	111.00	107.00	108.00
Human & Health Services	41.73	39.54	39.30	39.30	40.15	29.68	24.90	26.40	15.90	17.00
Public Works	90.00	90.00	90.25	91.25	90.25	108.45	105.45	83.25	58.80	49.00
Human Relations	4.00	4.00	4.00	4.00	4.00	-	-	-	-	-
Library	67.17	66.20	66.65	67.18	67.19	66.69	69.35	67.50	52.00	52.00
Recreation, Parks & Forestry	122.25	113.94	119.20	121.30	119.90	115.90	112.75	131.75	132.00	105.00
Total General Fund	<u>777.50</u>	<u>762.03</u>	<u>775.55</u>	<u>784.18</u>	<u>784.99</u>	<u>771.17</u>	<u>758.23</u>	<u>743.60</u>	<u>694.20</u>	<u>665.00</u>
Neighborhood Stabilization Program	-	-	-	-	-	-	-	-	1.00	1.00
Emergency Telephone System	3.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
CDBG	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Economic Development Fund	1.45	1.45	1.45	1.45	1.45	1.30	2.30	2.30	5.00	6.00
Downtown II TIF Fund	-	-	-	-	1.00	-	-	-	-	-
Capital Improvements Fund	-	-	-	-	-	-	-	-	1.00	-
Maple Ave. Garage	-	-	-	1.00	1.00	1.00	1.00	-	-	-
Parking Fund	13.00	13.00	13.00	14.00	14.50	14.50	14.50	15.50	14.00	15.00
Water	44.00	44.00	43.00	43.00	43.00	43.00	43.00	43.00	42.00	41.00
Sewer	14.00	14.00	14.00	13.50	14.00	14.00	14.00	14.00	12.00	11.00
Solid Waste	-	-	-	-	-	-	-	-	-	6.00
Fleet Services	17.00	17.00	17.00	17.00	17.00	15.00	15.00	15.00	11.00	12.00
Insurance Fund	2.00	1.30	1.30	1.30	1.30	1.00	2.00	2.00	3.00	4.00
Total Other Funds	<u>96.45</u>	<u>96.75</u>	<u>95.75</u>	<u>97.25</u>	<u>99.25</u>	<u>95.80</u>	<u>97.80</u>	<u>98.80</u>	<u>95.00</u>	<u>103.00</u>
 Total All Funds	<u>873.95</u>	<u>858.78</u>	<u>871.30</u>	<u>881.43</u>	<u>884.24</u>	<u>866.97</u>	<u>856.03</u>	<u>842.40</u>	<u>789.20</u>	<u>768.00</u>

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	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City of Evanston	1.628	1.610	1.698	1.528	1.491	1.527	1.283	1.295	1.204	1.365
Consolidated Elections	0.032	-	0.029	-	0.014	-	0.012	-	0.021	-
Cook County	0.746	0.690	0.630	0.593	0.533	0.500	0.446	0.415	0.394	0.423
Cook County Forest Preserve District	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051
Suburban T.B. Sanitarium	0.007	0.006	0.004	0.001	0.005	0.005	-	-	-	-
Metropolitan Water Reclamation District	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274
North Shore Mosquito Abatement District	0.010	0.009	0.009	0.008	0.008	0.009	0.008	0.008	0.008	0.009
Evanston Township	0.064	0.062	0.065	0.056	0.055	0.058	0.050	0.050	0.042	0.046
Community College 535	0.186	0.179	0.186	0.161	0.158	0.166	0.141	0.140	0.140	0.160
School District 202	2.469	2.349	2.444	2.078	2.023	2.099	1.750	1.722	1.616	1.819
School District 65	3.516	3.343	3.475	2.978	2.890	3.045	2.535	2.552	2.401	2.655
Total tax rate for property not in park district or special service district	9.126	8.680	8.960	7.810	7.552	7.750	6.541	6.485	6.136	6.802
Percent of total tax rate levied by City of Evanston	17.8%	18.5%	19.0%	19.6%	19.7%	19.7%	19.6%	20.0%	19.6%	20.1%

Source: Cook County Assessor's office

CITY OF EVANSTON, ILLINOIS

Water Sold by Type of Customer

Last Ten Fiscal Years
(in 100 cubic feet)

Type of Customer	Fiscal Year Ended									
	<u>2/28/2003</u>	<u>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>	<u>12/31/2011</u>
Residential	2,734,202	2,639,717	2,506,887	2,720,807	2,388,360	2,375,942	2,260,284	2,174,255	2,187,244	1,804,433
Industrial	37,076	36,015	22,010	20,096	16,307	16,579	15,722	13,624	14,195	11,552
Commercial	1,395,576	1,415,895	1,318,236	1,267,657	1,278,334	1,240,591	1,193,241	1,109,556	1,153,949	928,621
Government	112,007	90,908	86,096	109,121	96,777	100,278	89,420	69,229	75,308	50,129
Total	4,278,861	4,182,535	3,933,229	4,117,681	3,779,778	3,733,390	3,558,667	3,366,664	3,430,696	2,794,735
Total direct rate per 100 cubic feet	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52

Source: City Water department

CITY OF EVANSTON, ILLINOIS

Water Sold by Major Customers

Last Ten Fiscal Years

Type of Customer	Fiscal Year Ended									
	<u>2/28/2003</u>	<u>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>	<u>12/31/2011</u>
Evanston residents/businesses	\$ 6,711,004	\$ 6,665,158	\$ 6,559,026	\$ 6,706,644	\$ 5,804,517	\$ 6,012,643	\$ 5,430,019	\$ 5,396,739	\$ 5,377,297	\$ 4,719,084
Village of Skokie	3,011,018	2,959,732	2,802,720	3,018,734	2,891,834	3,158,396	2,689,304	2,676,163	2,885,096	2,304,066
Northwest Water Commission	3,434,685	3,367,253	3,377,407	3,750,200	3,497,989	3,620,878	4,820,074	4,506,066	4,781,645	3,710,581
Total	<u>\$13,156,707</u>	<u>\$12,992,143</u>	<u>\$12,739,153</u>	<u>\$13,475,578</u>	<u>\$12,194,340</u>	<u>\$ 12,791,917</u>	<u>\$ 12,939,397</u>	<u>\$ 12,578,968</u>	<u>\$ 13,044,038</u>	<u>\$ 10,733,731</u>

Source: City Water department

CITY OF EVANSTON, ILLINOIS

Operating Indicators by Function/Programs

Last Ten Years

	Calendar Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Function/Program</u>										
Police										
Violent Offenses	314	293	266	226	224	282	299	255	214	180
Property Offenses	4,122	3,318	3,145	2,965	2,942	2,825	2,739	2,412	2,119	2,144
911 Calls Received	55,125	55,383	56,650	56,650	55,795	59,135	56,717	52,198	35,991	51,969
Fire										
Emergency responses	8,003	8,106	7,624	8,135	8,173	8,517	9,134	8,566	8,917	9,063
Fires extinguished	218	225	199	287	220	192	185	154	157	157
Inspections	3,071	2,664	2,194	1,496	1,320	1,050	1,810	709	680	620
Other Public Works										
Street resurfacing (estimated miles)	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4
Parks and Recreation										
Athletic field usage (hours)	unavailable	unavailable	unavailable	unavailable	15,561	15,165	17,121	16,185	18,966	20,075
Picnic permits issued	unavailable	unavailable	unavailable	unavailable	319	373	403	431	460	437
Library										
Volumes in collection	477,768	491,064	520,458	486,031	495,575	458,017	502,019	502,019	471,262	436,382
Total volumes borrowed	887,773	868,837	880,561	893,841	897,141	867,743	945,952	945,952	951,667	891,769
Water										
New connections	47	70	59	74	104	61	57	28	29	16
Water main breaks	65	41	45	78	48	36	52	52	38	28
Average daily consumption (millions of gallons)	36.22	37.74	37.31	41.44	41.41	42.91	40.09	39.41	38.91	38.39
Peak daily consumption (millions of gallons)	75.50	73.17	60.98	80.46	66.49	66.00	65.40	58.94	57.02	65.95

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									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Function/Program</u>										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Budgeted Sworn Officers	161	161	161	161	162	162	165	165	164	164
Fire Stations	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	5
Water										
Water mains (miles)	159	159	159	159	159	157	157	157	157	157
Fire hydrants	1347	1347	1347	1347	1347	1370	1370	1399	1399	1399
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

**TAX INCREMENT FINANCING DISTRICT
REQUIREMENTS**

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
TAX INCREMENT FINANCING DISTRICTS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Evanston as of and for the ten months ended December 31, 2011, and have issued our report thereon dated June 26, 2012. The financial statements are the responsibility of the management of the City of Evanston. Our responsibility is to express opinions on the financial statements based upon our audit.

Our audit was made 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Compliance with laws, regulations, contracts and grants applicable to the City of Evanston is the responsibility of the City of Evanston's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the City of Evanston's compliance with provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing." However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Evanston complied, in all material respects, with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.



Oak Brook, Illinois
June 26, 2012