

CITY OF EVANSTON, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
December 31, 2013

Prepared by Administrative Services Department

CITY OF EVANSTON, ILLINOIS

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INTRODUCTORY SECTION

CITY OF EVANSTON, ILLINOIS

Principal Officials
December 31, 2013

LEGISLATIVE

CITY COUNCIL

Elizabeth B. Tisdahl, Mayor

Judy Fiske

Peter Braithwaite

Melissa A. Wynne

Donald N. Wilson

Delores A. Holmes

Mark Tendam

Jane Grover

Ann Rainey

Coleen Burrus

EXECUTIVE

Wally Bobkiewicz, City Manager

Martin Lyons, Assistant City Manager / Treasurer

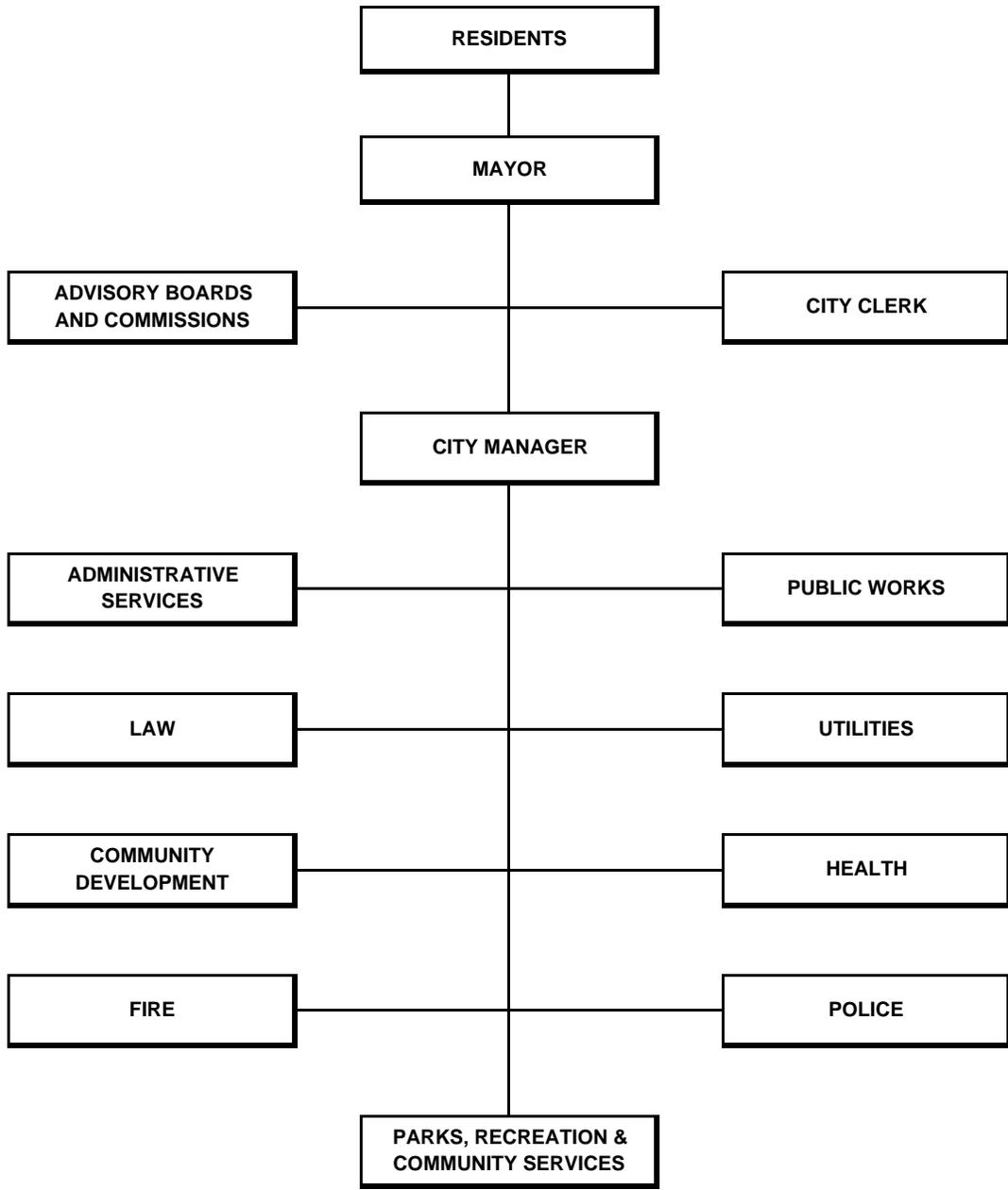
**ADMINISTRATIVE SERVICES DEPARTMENT
FINANCE DIVISION**

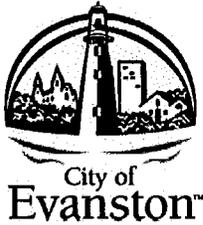
Martin Lyons, Assistant City Manager / Treasurer

Lou Gergits, Finance Division Manager

Hitesh Desai, Accounting Manager

CITY OF EVANSTON ORGANIZATION CHART





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June 23, 2014

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

INTRODUCTION

The Comprehensive Annual Financial Report (CAFR) of the City of Evanston (City) for the fiscal year ended December 31, 2013 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 January 1, 2013 to December 31, 2013. 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 units, Evanston Township and Library. The Evanston Township Board of Trustees has the same members as the City Council. The financial statements of Evanston Township include the numbers for 21 months (04/01/2012-12/31/2013) because of change in fiscal year from March end to December end. The Township Board of Trustees passed an ordinance dissolving the Township effective as of May 1, 2014. The City would take over the functions of the Township. 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.

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

The City's financial statements have been audited by 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 fiscal year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2013, 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 nine departments. The Assistant City Manager acts as Chief Financial Officer/Treasurer and is responsible for the central financial and administrative functions of the City.

The City provides a broad range of municipal services, including police and fire

protection, streets and parking, water and sewer service, public libraries, health services, lakefront beaches, parks and recreation activities, cultural events, and community and economic development activities.

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

Budget Process: The City's fiscal year 2014 began on January 1, 2014. The City Manager submitted to the City Council a proposed operating budget in October for the fiscal year 2014 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 2015 in July 2014. The Council is expected to adopt the budget by November, 2014.

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 2014, the City projects that 34.95% (\$89 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, by fund.

MAJOR INITIATIVES – FISCAL YEAR 2014

The City Manager's Office will: Work with CTA to find long term funding solutions for purple line rebuild, complete the STAR communities Pilot program, coordinate "Drive Less, Live More Campaign" with RTA and others to reduce vehicle emissions, implement new 311 CRM software and mobile app and continue to educate the community about the benefits of waste reduction, recycling and composting. The department will focus on recruiting key national chains for business in Evanston, stimulating development throughout TIF districts, expanding economic development and updating citywide comprehensive plan

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

The Administrative Services Department will: Implement a new Financial Software System to reduce operating cost and improve efficiencies, train all employees on the new financial system to access their benefits and compensation, re-establish new employees orientation with a stronger safety component, rewrite and replace GIS web applications and GIS web portal, install virtual desktop infrastructure, provide educational programs for staff to address issues of concerns, issue benefit summary

letters to all staff outlining the cost of City paid benefits, continue injury prevention training, evaluate long term funding mechanism for parking structure replacement, complete citywide upgrade of parking meter technology, and continue revenue collections using the services of a full time contractual Collections Coordinator.

The Community Development Department will: Continue neighborhood revitalization and affordable housing. The department will continue to have a special emphasis on the multi-family rehab program and acquisition and rehab of foreclosed properties as part of housing activity. The department will continue the improvements to the PAL Permit System. The department will recommend adoption of the 2012 International Code Council Building and Residential codes with amendments. The department will also undertake an update to the Citywide Comprehensive Plan.

The Police Department will: Continue to purchase new cameras and related equipment for use within the Evanston community. The department will implement the Laserfische system purchased through a grant. The department will also look into the possibility of increased billing amount for police details. The Police department continues to play a central role in the continued success of 311 Center.

The Fire Department will: offer Community Emergency Response Team (CERT) training courses and provide advanced Cardiac Life Support training to all paramedics. The Department will offer a citizens fire academy, offer Shift Chief and Fire Captain promotional exams, renovate Fire station #2 and install a replacement emergency alerting system for each fire station. The Department will continue to spearhead the continuity of city business operations planning, which is a citywide initiative.

The Health Department will: Develop and administer the program to address childhood obesity problem called "Youth in Motion", focus on recruiting members for a volunteer medical reserve corps; develop a collaborative program to make healthy food available in Evanston corner stores; continue to expand Women Out Walking Program; submit for Public Health Accreditation, complete Community Health Assessment and work in concert to re-engage community and outreach community members to receive care at federally qualified Erie Family Health Center. The Health Department will also assume the duties related to general assistance formally accomplished by Evanston Township.

The Public Works Department will: Undertake major Public Right of Way improvements including Bike plan update, citywide sidewalk replacement, citywide traffic calming, Dempster street signal modernization, Sherman avenue streetscape, and water main replacements. The department will also focus on Animal Shelter renovations, Civic Center security improvements, Lakefront Lagoon improvements, Ecology Center renovations and Dempster Street boat ramp renovation. The Public Works Department will continue to work closely with all agencies involved with the control of the Emerald Ash Borer (EAB), implement the use of City Works GIS System into the Forestry

operation, and improve energy management techniques using the Building Automation Systems in place.

The Parks, Recreation and Community Services will: Promote the "Age Friendly Evanston" to provide a system to educate, encourage, promote, and recognize improvements to make Evanston more user friendly for residents of all ages. The department will conduct an assessment of all boards and committees for seniors to evaluate efficiencies, recreate Handyman program, develop senior health and wellness program and increase participation in the various city programs. The department will also conduct a comprehensive nutrition program, seek to enhance revenues at the summer festivals, assist Evanston artists and arts organizations, conduct employment outreach at all area schools and libraries, and coordinate efforts with the City Economic Development Division to market and recruit prospective businesses to employ local youth. The Parks and Recreation will expand the pre-fall skating clinics workshops, enhance community participation by offering enrichment programs, and offer a new mid-week farmer's market and a new variety day camp for youth.

During 2011, the City of Evanston created the separate Library Fund as part of budget process. Since then, all revenues and expenditures associated with Library operations have been budgeted within the Library Fund. Starting FY2013, Library operations are shown separately in the City Audit report as a discrete component unit. The Evanston Public Library promotes the development of independent, self-confident, and literate citizens through the provision of open access to cultural, intellectual, and informational resources for all ages.

The Library will: Continue to work with City Council members, the City Manager, Library Director, and Library Board to complete the transition to a new operational model; develop partnerships with schools, community organizations, businesses; continue to implement goals and objectives of strategic plan; continue to participate in EDGE initiative, expand summer reading program, develop significant new revenue sources through grants and fundraising and make investments in diverse and balanced collections.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy: The global economy showed signs of steady recovery in majority of the sectors which trickled down to local economy in terms of some of the major revenues reporting moderate to huge increase compared to the FY 2012. Most of the economically sensitive revenues such as Sales Tax, Use Tax, Income Tax and Real

Estate Transfer Tax revenues were higher than budgeted revenues. Besides these, Building Permits, Parking Tax, Athletic Tax revenues were also higher than budgeted revenues. But, Electric Utility Tax, Gas Utility Tax, Telecommunication Tax, Liquor Tax and local Motor Fuel Tax were lower than budgeted revenues. The City's FY2014 budget reflects the positive economic trends in major revenues.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2012. 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 2013 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 Bobkiewicz
City Manager


Martin Lyons
Assistant City Manager/Treasurer



Government Finance Officers Association

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

Presented to

**City of Evanston
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

FINANCIAL SECTION

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



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Evanston's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of December 31, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the City of Evanston adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, effective January 1, 2013. Fund Balance and Net Position as of December 31, 2012, has been restated as a result. Our opinions are not modified with respect to this matter.

As discussed in Note 1, the City of Evanston adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended December 31, 2013 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 statements and schedules for the year ended December 31, 2013 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 the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2013, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2013.

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

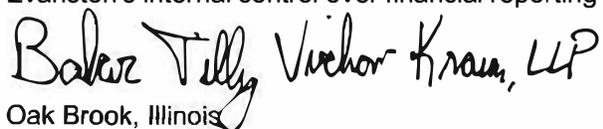
We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Evanston as of and for the year ended December 31, 2012 (not presented herein), and have issued our report thereon dated June 28, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The combining and individual fund statements and schedules for the year ended December 31, 2012 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 the 2012 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2012.

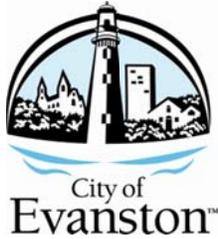
Other Information

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 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Evanston's internal control over financial reporting and compliance.


Oak Brook, Illinois
July 2, 2014



MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2013

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

FINANCIAL HIGHLIGHTS

- A. The City's net position increased by \$15,895,961 or 5.2% from the prior fiscal year reported. The governmental net position increased by \$6,267,286 or 12.1% from prior period and the business-type activities net position increased by \$9,628,675 or 3.8% from prior period.
- B. The governmental activities revenue decreased by \$568,435 or 0.4% from the prior period. The expenses decreased by \$490,744 or 0.4%.
- C. The business-type activities revenue decreased by \$678,000 or 1.7%. The expenses increased by \$990,195 or 3.2% from the prior period.
- D. The total cost of all City programs increased by \$499,451 or 0.3%.

USING THIS ANNUAL REPORT

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

The City's financial reporting includes the funds of the City (primary government) and additionally, organizations for which the City is accountable (component units - the Township and Library). 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. While, Library financials are shown as a discrete component unit starting FY 2013.

REPORTING THE CITY AS A WHOLE

Government-wide Financial Statements

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

The first of these government-wide statements is the *Statement of Net Position*. This is the City-wide statement of financial position presenting information that includes all the City's assets and liabilities, with the difference reported as net position. Besides, starting FY2013, this statement also includes separate presentation of Library assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

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

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

The government-wide financial statements are presented on pages 32 - 35 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 36 - 37 of this report.

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

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

The basic proprietary fund financial statements are presented on pages 39 - 43 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 44 - 45 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 46 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 107 - 111 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 114. Additional information on capital assets and long-term debt can be found on page 68 and 78 respectively.

Financial Analysis of the City as a Whole

The City's combined net position increased by \$15,895,961 from \$307,630,732 to \$323,526,693.

STATEMENT OF POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 106,810,289	\$ 109,538,899	\$ 31,527,870	\$ 31,743,707	\$ 138,338,159	\$ 141,282,606
Capital Assets	164,970,987	161,151,356	335,464,132	333,318,701	500,435,119	494,470,057
Total Assets	<u>271,781,276</u>	<u>270,690,255</u>	<u>366,992,002</u>	<u>365,062,408</u>	<u>638,773,278</u>	<u>635,752,663</u>
Long-Term Liabilities	162,222,400	163,517,805	98,233,760	106,713,797	260,456,160	270,231,602
Other Liabilities	10,645,254	13,273,066	3,319,070	2,538,114	13,964,324	15,811,180
Total Liabilities	<u>172,867,654</u>	<u>176,790,871</u>	<u>101,552,830</u>	<u>109,251,911</u>	<u>274,420,484</u>	<u>286,042,782</u>
Deferred Inflows	<u>40,826,101</u>	<u>42,079,149</u>	-	-	<u>40,826,101</u>	<u>42,079,149</u>
Net Investment in Capital Assets	47,213,819	47,663,225	239,243,154	228,738,130	286,456,973	276,401,355
Restricted	24,719,778	28,767,275	711,672	709,688	25,431,450	29,476,963
Unrestricted (Deficit)	<u>(13,846,076)</u>	<u>(24,610,265)</u>	<u>25,484,346</u>	<u>26,362,679</u>	<u>11,638,270</u>	<u>1,752,414</u>
Total Net Position	<u>\$ 58,087,521</u>	<u>\$ 51,820,235</u>	<u>\$ 265,439,172</u>	<u>\$ 255,810,497</u>	<u>\$ 323,526,693</u>	<u>\$ 307,630,732</u>

The City's increase in Net Position principally comes from the reduction of Bonds and Loans Payable in Business-type activities of \$8,480,037 combined with an increase in total Capital Assets of \$5,965,062.

The City's total revenues decreased by \$1,246,435 or 0.7%. The City's total expenses for all programs increased by \$499,451, or 0.3%. Business-type activity revenues decreased by \$678,000 in the current fiscal period mainly due to a decrease in Charges for services. Business-type activity expenses increased by \$990,195, while Governmental activity expense experienced a decrease of \$490,744.

Governmental Funds: The governmental activities experienced an increase of \$6,267,286 in the net position balance. This is primarily due to a decreased amount of expenditures as well as reduced amount of transfers from governmental activities to the business activities.

Business Funds: The business-type activities experienced an increase of \$9,628,675 in the net position balance primarily due to the operating surplus in the Sewer Fund combined with a transfer from governmental activities to the Sewer Fund in the amount of \$1,851,827.

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

STATEMENT OF CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenue						
Program Revenues:						
Charges for services	\$ 26,331,524	\$ 30,194,126	\$ 38,073,814	\$ 39,234,894	\$ 64,405,338	\$ 69,429,020
Operating grants and contributions	10,102,441	13,452,873	939,145	394,767	11,041,586	13,847,640
Capital grants and contributions	2,956,037	2,017,495	-	-	2,956,037	2,017,495
General Revenues:						
Sales taxes	16,965,296	15,888,422	-	-	16,965,296	15,888,422
Property taxes	46,349,104	43,725,354	-	-	46,349,104	43,725,354
Utility taxes	7,690,177	8,027,007	-	-	7,690,177	8,027,007
Income taxes	7,182,793	6,603,796	-	-	7,182,793	6,603,796
Other	12,495,571	10,717,275	(60,762)	-	12,434,809	10,717,275
Investment income	79,293	94,323	33,346	33,882	112,639	128,205
Total Revenue	<u>130,152,236</u>	<u>130,720,671</u>	<u>38,985,543</u>	<u>39,663,543</u>	<u>169,137,779</u>	<u>170,384,214</u>
Expenses						
General management and support	18,892,279	17,448,957	-	-	18,892,279	17,448,957
Public safety	57,089,557	52,739,963	-	-	57,089,557	52,739,963
Public works	13,782,175	11,099,192	-	-	13,782,175	11,099,192
Health and human resources development	3,601,469	3,200,722	-	-	3,601,469	3,200,722
Recreation and cultural opportunities	16,432,540	17,437,844	-	-	16,432,540	17,437,844
Housing and economic development	11,123,338	18,076,600	-	-	11,123,338	18,076,600
Interest	377,190	1,786,014	-	-	377,190	1,786,014
Water	-	-	11,193,186	10,171,664	11,193,186	10,171,664
Sewer	-	-	7,648,520	7,872,314	7,648,520	7,872,314
Solid Waste	-	-	4,732,455	4,611,737	4,732,455	4,611,737
Motor vehicle parking system	-	-	8,369,109	8,297,360	8,369,109	8,297,360
Total Expense	<u>121,298,548</u>	<u>121,789,292</u>	<u>31,943,270</u>	<u>30,953,075</u>	<u>153,241,818</u>	<u>152,742,367</u>
Increase (decrease) in net position before transfers	8,853,688	8,931,379	7,042,273	8,710,468	15,895,961	17,641,847
Transfers	(2,586,402)	(4,926,124)	2,586,402	4,926,124	-	-
Increase/(Decrease) in Net Position	6,267,286	4,005,255	9,628,675	13,636,592	15,895,961	17,641,847
Net Position - Beginning	<u>51,820,235</u>	<u>47,814,980</u>	<u>255,810,497</u>	<u>242,173,905</u>	<u>307,630,732</u>	<u>289,988,885</u>
Net Position - Ending	<u>\$ 58,087,521</u>	<u>\$ 51,820,235</u>	<u>\$ 265,439,172</u>	<u>\$ 255,810,497</u>	<u>\$ 323,526,693</u>	<u>\$ 307,630,732</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 \$53,858,830 as of December 31, 2013 which includes \$25,358,692 restricted, \$406,906 non-spendable, \$3,507,202 committed, \$14,733,904 assigned and \$9,852,126 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 General Assistance Township Fund.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund reported a nominal decrease of \$670,536 primarily due to increased expenditures. Excess of expenditures over revenues in the amount of \$4,150,882 was partially offset by inter-fund transfers to the General Fund. Some of the major revenues that came in above budget include the Income Tax, Sales Tax, Real Estate Transfer Tax, Liquor Licenses, Building Permits and Parking Tax. Conversely, Property Tax, Utility Tax and Parking Ticket Fines were lower than budgeted. Many of the departments spent less than their budget while Police, Fire, Health, Human Resource Development, and Parks and Recreation Departments were over budget in their expenditures. Overall, the General Fund expenditures were slightly below the 2013 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 major improvements. The fund balance of the Capital Improvements Fund increased by \$2,898,088, from \$3,401,911 to \$6,299,999 despite operating deficiency of \$5,165,171. This deficiency was offset by proceeds from the issuance of debt in the amount of \$8,380,000.

The fund balance of the General Obligation Debt Fund had a nominal increase of \$479,543, from \$2,896,148 to \$3,375,691.

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.

Combined Non-Major Governmental Funds

Combined non-major fund balances totaled \$27,820,189, a decrease of \$2,295,118 from prior period of \$30,115,307. Non-major funds with surpluses for the fiscal year include Motor Fuel, Economic Development, Neighborhood Improvement, Affordable Housing, Home Fund, Community Development Loan, SSD#5, Southwest TIF and Special Assessment Capital Project Fund. Non-major funds with deficits for the period include Emergency Telephone System, SSD#4, Township Funds, Howard Hartrey TIF, Washington National TIF, Howard Ridge TIF and West Evanston TIF. Although each fund varies, the Howard Ridge, Howard Hartrey, West Evanston, and Washington National TIF funds all had planned deficits for the purposes of capital improvements and development activities.

Proprietary Funds

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

The proprietary funds operated by the City are the Water, Sewer, Solid Waste and Parking Funds. These funds have a combined increase of \$9,628,675 in the net position. The Sewer Fund reported the highest increase in the amount of \$8,432,929. This increase is mainly due to the operating surplus and reduced debt service expense. The Water, Solid waste and Parking Fund added \$146,456, \$164,324 and \$884,966 respectively to the net position during the year. Although net position in these proprietary funds showed an overall healthy increase, it is important to keep in mind that the Sewer Fund carries a substantial debt level followed by Parking and Water Funds with lesser debts.

Internal Service Funds

The City's combined internal service fund's net position increased by \$3,822,911 from \$1,189,333 as of December 31, 2012 to \$5,012,244 as of December 31, 2013. Fleet Fund and Equipment Replacement reported a combined net increase in net position of \$174,075. The net deficit in the Insurance Fund decreased by \$3,648,836 mainly due to reduction of potential claim liabilities.

General Fund Budgetary Highlights

Total budgetary revenues for the General Fund were \$79,945,976 while total expenditures were \$84,477,646. Overall General Fund revenues came in higher than budget by \$2,306,614. Major revenues like Sales Tax, Real Estate Transfer Tax, Building Permits and State Income Tax were higher than budgeted. Total expenditures in the General Fund were lower than budgeted amounts by \$42,776 mainly due to continuous restructuring of departments and other cost saving measures in various operating divisions. The actual net deficiency of \$4,531,670 was offset by \$3,480,346 in net 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 capital assets (net of depreciation) for governmental and business-type activities as of December 31, 2013, were \$500,435,119. The governmental funds capital assets had a net increase of \$3,819,631, while business type capital assets increased by \$2,145,431. Overall, capital assets increased by 1.2% for the City as a whole. The Governmental Funds reported an increase in machinery, equipment and infrastructure assets including improvements in parks, streets and alleys. As for the Business Funds, Water Fund and Sewer Fund reported increased capital assets net of depreciation. 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, 2013, the City had outstanding total general obligation bonded debt of \$147,942,869 of which \$30,411,358 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 principal payments for 2013 totaled \$44,890,002 including refunding of Series 2004, 2004B and 2005 Bonds in the amount of \$30,000,000. During the current year, the City issued \$40,562,333 in general obligation bonds including \$28,875,000 for refunding of the above 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.

(Unaudited)

Bond Ratings

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

Economic Factors

Evanston is a diverse community consisting primarily of residential homes, several nonprofit organizations including a very well-known private university, two hospitals, and many smaller scale retail shops and restaurants as well as some popular big box retailers. In general, economically sensitive revenues such as Income Tax, Sales Tax, Building Permits and Real Estate Transfer Tax came in e higher than budgeted revenues while Utility Taxes and local Motor Fuel Tax 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 previous years 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, Telephone 847-866-2934, or access the website at www.cityofevanston.org.

BASIC FINANCIAL STATEMENTS

CITY OF EVANSTON, ILLINOIS

Statement of Net Position

As of December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Evanston Public Library
Cash and equivalents	\$ 38,803,526	\$ 23,424,331	\$ 62,227,857	\$ 1,270,500
Investments	363,439	-	363,439	3,117,123
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	45,683,307	-	45,683,307	5,780,275
Accounts	-	6,356,294	6,356,294	-
Notes	7,691,837	-	7,691,837	-
Special assessments	558,150	-	558,150	-
Accrued interest	-	-	-	7,524
Other	3,716,166	19,784	3,735,950	28,438
Due from other governments	8,298,543	-	8,298,543	-
Due from component unit	160,470	-	160,470	-
Internal balances	292,874	(292,874)	-	-
Inventories	739,159	762,991	1,502,150	-
Restricted assets				
Cash and equivalents and investments	-	711,672	711,672	-
Prepaid items	441,852	311,672	753,524	3,350
Other assets	60,966	234,000	294,966	-
Capital assets				
Capital assets not being depreciated	26,193,651	17,358,289	43,551,940	311,380
Capital assets (net of accumulated depreciation)	138,777,336	318,105,843	456,883,179	13,763,522
Total Assets	271,781,276	366,992,002	638,773,278	24,282,112

The accompanying notes are an integral part of this statement.

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Evanston Public Library
Vouchers payable	\$ 4,582,554	\$ 2,862,520	\$ 7,445,074	\$ 175,617
Accrued payroll	2,317,172	-	2,317,172	-
Interest payable	638,914	63,216	702,130	-
Other payables	406,561	-	406,561	22,012
Due to other governments	656,728	-	656,728	-
Due to primary government	-	-	-	160,470
Pension contribution payable	2,043,325	-	2,043,325	-
Payable from restricted assets				
Interest payable	-	393,334	393,334	-
Noncurrent liabilities				
Payable from restricted assets - due				
within one year	-	8,260,182	8,260,182	-
Due within one year	16,368,113	3,751,012	20,119,125	813,986
Due in more than one year	145,854,287	86,222,566	232,076,853	2,748,983
Total Liabilities	172,867,654	101,552,830	274,420,484	3,921,068
Deferred Inflows of Resources				
Property taxes	40,826,101	-	40,826,101	5,090,545
Net Investment in Capital Assets	47,213,819	239,243,154	286,456,973	14,074,902
Restricted				
Highway maintenance	1,312,568	-	1,312,568	-
Emergency telephone system	1,220,879	-	1,220,879	-
HUD approved projects	6,309,598	-	6,309,598	-
Neighborhood improvements	2,600,993	-	2,600,993	-
Debt service	12,520,761	311,672	12,832,433	-
Township	754,979	-	754,979	-
Capital improvements	-	400,000	400,000	-
Unrestricted (deficit)	(13,846,076)	25,484,346	11,638,270	1,195,597
Total Net Position	\$ 58,087,521	\$ 265,439,172	\$ 323,526,693	\$ 15,270,499

CITY OF EVANSTON, ILLINOIS

Statement of Activities

For the Fiscal Year ended December 31, 2013

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities:			
General management and support	\$ 18,892,279	\$ 8,916,915	\$ -
Public safety	57,089,557	1,963,105	181,339
Public works	13,782,175	484,691	2,175,057
Health and human resource development	3,601,469	1,481,773	1,285,568
Recreation and cultural opportunities	16,432,540	5,235,531	-
Housing and economic development	11,123,338	8,249,509	6,460,477
Interest	1,254,860	-	-
Total governmental activities	122,176,218	26,331,524	10,102,441
Business-type activities:			
Water	11,193,186	14,657,748	78,792
Sewer	7,648,520	13,510,199	860,353
Solid Waste	4,732,455	3,650,792	-
Motor vehicle parking system	8,369,109	6,255,075	-
Total business-type activities	31,943,270	38,073,814	939,145
Total primary government activities	\$ 154,119,488	\$ 64,405,338	\$ 11,041,586
Evanston Public Library:			
General management and support	\$ 5,533,069	\$ 696,211	\$ 226,050
Total Evanston Public Library	\$ 5,533,069	\$ 696,211	\$ 226,050

- General revenues:
- Property tax
- Other taxes
- Personal property replacement tax
- Sales and home rule tax
- Income tax
- Utility tax
- Liquor Tax
- Parking Tax
- Real Estate Transfer Tax
- Miscellaneous
- Investment income
- Transfers

Total general revenues and transfers

Change in Net Position

Net Position - beginning, as restated

Net Position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position				
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government	Evanston Public Library
\$ 2,060,622	\$ (7,914,742)	\$ -	\$ (7,914,742)	\$ -
215	(54,944,898)	-	(54,944,898)	-
2,464	(11,119,963)	-	(11,119,963)	-
-	(834,128)	-	(834,128)	-
-	(11,197,009)	-	(11,197,009)	-
892,736	4,479,384	-	4,479,384	-
-	(1,254,860)	-	(1,254,860)	-
2,956,037	(82,786,216)	-	(82,786,216)	-
-	-	3,543,354	3,543,354	-
-	-	6,722,032	6,722,032	-
-	-	(1,081,663)	(1,081,663)	-
-	-	(2,114,034)	(2,114,034)	-
-	-	7,069,689	7,069,689	-
\$ 2,956,037	\$ (82,786,216)	\$ 7,069,689	\$ (75,716,527)	\$ -
\$ -	\$ -	\$ -	\$ -	\$ (4,610,808)
\$ -	\$ -	\$ -	\$ -	\$ (4,610,808)
	46,349,104	-	46,349,104	4,367,300
	2,106,149	-	2,106,149	-
	1,372,473	-	1,372,473	-
	16,965,296	-	16,965,296	-
	7,182,793	-	7,182,793	-
	7,690,177	-	7,690,177	-
	2,261,874	-	2,261,874	-
	2,418,852	-	2,418,852	-
	3,894,599	-	3,894,599	-
	441,624	(60,762)	380,862	9,900
	79,293	33,346	112,639	71,745
	(2,586,402)	2,586,402	-	-
	88,175,832	2,558,986	90,734,818	4,448,945
	5,389,616	9,628,675	15,018,291	(161,863)
	52,697,905	255,810,497	308,508,402	15,432,362
\$	\$ 58,087,521	\$ 265,439,172	\$ 323,526,693	\$ 15,270,499

CITY OF EVANSTON, ILLINOIS

Governmental Funds

Balance Sheet
As of December 31, 2013

	General	Capital Improvements	General Obligation Debt	Employer Pension Contribution	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and equivalents	\$ 10,885,387	\$ 7,425,950	\$ 1,045,039	\$ -	\$ 18,977,918	\$ 38,334,294
Investments	-	-	-	-	363,439	363,439
Receivables						
Property taxes (net of allowance)	12,031,386	-	11,049,841	14,130,900	8,471,180	45,683,307
Notes (net of allowance)	-	-	-	-	7,691,837	7,691,837
Special assessments	-	-	-	-	558,150	558,150
Other	2,752,574	-	-	-	939,172	3,691,746
Prepaid items	-	-	356,363	-	50,543	406,906
Due from other governments	7,247,146	523,048	-	-	528,349	8,298,543
Due from component unit	170,370	-	-	-	-	170,370
Due from other funds	3,029,567	101,523	569,001	-	977,928	4,678,019
Other assets	60,966	-	-	-	-	60,966
Total Assets	\$ 36,177,396	\$ 8,050,521	\$ 13,020,244	\$ 14,130,900	\$ 38,558,516	\$ 109,937,577
Liabilities						
Vouchers payable	\$ 1,760,323	\$ 1,098,352	\$ 37,950	\$ -	\$ 579,547	\$ 3,476,172
Accrued payroll	2,317,172	-	-	-	-	2,317,172
Compensated absences payable	207,027	-	-	-	-	207,027
Other	406,561	-	-	-	-	406,561
Due to other governments	-	652,170	-	-	4,558	656,728
Due to component unit	-	-	-	-	9,900	9,900
Due to other funds	4,546,512	-	76,360	-	1,512,889	6,135,761
Pension contribution payable	99,627	-	-	1,943,698	-	2,043,325
Total Liabilities	9,337,222	1,750,522	114,310	1,943,698	2,106,894	15,252,646
Deferred Inflows of Resources						
Property taxes	10,477,223	-	9,530,243	12,187,202	8,631,433	40,826,101
Fund Balances						
Nonspendable - Prepaid items	-	-	356,363	-	50,543	406,906
Restricted						
Highway maintenance	-	-	-	-	1,312,568	1,312,568
Emergency telephone system	-	-	-	-	1,220,879	1,220,879
HUD approved projects	-	-	-	-	6,309,598	6,309,598
Neighborhood improvements	-	-	-	-	2,600,993	2,600,993
Debt service	-	-	3,019,328	-	10,140,347	13,159,675
Township	-	-	-	-	754,979	754,979
Committed - Economic Development	-	-	-	-	3,507,202	3,507,202
Assigned	6,361,490	6,299,999	-	-	2,072,415	14,733,904
Unassigned	10,001,461	-	-	-	(149,335)	9,852,126
Total Fund Balances	16,362,951	6,299,999	3,375,691	-	27,820,189	53,858,830
Total Liabilities, Deferred Inflows and Fund Balances	\$ 36,177,396	\$ 8,050,521	\$ 13,020,244	\$ 14,130,900	\$ 38,558,516	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	156,930,629
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. (See Note 2.A)	(155,335,065)
OPEB liability payable is not due and payable in the current period and therefore, is not reported in the governmental funds.	(1,740,203)
Interest accrual from last interest payment to December 31, 2013.	(638,914)
The net position of the internal service fund is included in the governmental activities in the statement of net position.	5,012,244
Net Position of governmental activities	\$ 58,087,521

CITY OF EVANSTON, ILLINOIS

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year ended December 31, 2013

	General	Capital Improvements	General Obligation Debt	Employer Pension Contribution	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 38,709,390	\$ -	\$ 12,647,575	\$ 14,841,987	\$ 12,055,233	\$ 78,254,185
Licenses and permits	10,617,414	-	-	-	-	10,617,414
Special assessments	-	-	-	-	274,848	274,848
Intergovernmental	18,382,644	882,160	-	-	8,578,983	27,843,787
Charges for services	7,722,937	-	-	-	-	7,722,937
Fines and forfeits	3,448,523	-	-	-	-	3,448,523
Investment income	26,907	18,562	5,355	-	42,960	93,784
Miscellaneous	1,418,949	53,986	33,510	-	400,001	1,906,446
Total Revenues	80,326,764	954,708	12,686,440	14,841,987	21,352,025	130,161,924
Expenditures						
Current						
General management and support	14,147,518	131,328	143,063	-	3,188,903	17,610,812
Public safety	40,650,660	15,991	-	14,841,987	922,147	56,430,785
Public works	8,797,497	23,193	-	-	3,161,722	11,982,412
Health and human resource development	3,601,469	-	-	-	-	3,601,469
Recreation and cultural opportunities	14,744,293	30,999	-	-	-	14,775,292
Housing and economic development	2,536,209	-	-	-	8,778,757	11,314,966
Debt service						
Principal	-	-	31,971,424	-	1,410,000	33,381,424
Interest	-	-	4,755,493	-	240,076	4,995,569
Fiscal agent fees	-	-	126,610	-	-	126,610
Capital outlay	-	5,918,368	-	-	29,863	5,948,231
Total Expenditures	84,477,646	6,119,879	36,996,590	14,841,987	17,731,468	160,167,570
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,150,882)	(5,165,171)	(24,310,150)	-	3,620,557	(30,005,646)
Other Financing Sources (Uses)						
Transfers in	6,826,313	-	1,317,660	-	48,500	8,192,473
Transfers out	(3,345,967)	(475,000)	(1,851,827)	-	(6,206,081)	(11,878,875)
General obligation bonds issued	-	8,380,000	1,955,001	-	230,000	10,565,001
Refunding bonds issued	-	-	22,176,324	-	-	22,176,324
Bond Premiums	-	158,259	1,192,535	-	11,906	1,362,700
Total Other Financing Sources (Uses)	3,480,346	8,063,259	24,789,693	-	(5,915,675)	30,417,623
Net Change in Fund Balances	(670,536)	2,898,088	479,543	-	(2,295,118)	411,977
Fund Balances -Beginning, as restated	17,033,487	3,401,911	2,896,148	-	30,115,307	53,446,853
Fund Balances - Ending	\$ 16,362,951	\$ 6,299,999	\$ 3,375,691	\$ -	\$ 27,820,189	\$ 53,858,830

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 Fiscal Year ended December 31, 2013

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

Net change in fund balances - total governmental funds	\$ 411,977
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. (See Note 2.B)	2,951,720
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 position. (See Note 2.B)	36,257,941
Issuance of Bonds provides current financial resources to governmental funds. This transaction has no effect on net position. Governmental funds also report the effect of bonds premiums, discounts and similar items when debt is first issued. (See Note 2.B)	(34,104,024)
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. (See Note 2.B)	(3,872,033)
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.	(116,593)
Change in interest accrual for the twelve months ended December 31, 2013.	37,717
Internal service funds are reported separately in the fund financial statements.	<u>3,822,911</u>
Change in Net Position of governmental activities	<u><u>\$ 5,389,616</u></u>

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Net Position
As of December 31, 2013

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	\$ 7,573,361	\$ 1,097,789	\$ 18,307	\$ 14,734,874	\$ 23,424,331	\$ 469,232
Restricted cash and equivalents and investments	711,672	-	-	-	711,672	-
Receivables						
Accounts - billed	1,642,589	273,489	135,351	-	2,051,429	-
Accounts - unbilled	901,175	2,024,207	519,130	-	3,444,512	-
Other	-	860,353	-	19,784	880,137	24,420
Due from other funds	194,251	1,026,651	19,944	-	1,240,846	1,988,093
Inventories	639,567	123,424	-	-	762,991	739,159
Prepaid Expenses	311,672	-	-	-	311,672	34,946
Total Current Assets	11,974,287	5,405,913	692,732	14,754,658	32,827,590	3,255,850
Noncurrent Assets						
Capital Assets						
Capital assets not being depreciated	9,802,926	3,106,516	-	4,448,847	17,358,289	-
Capital assets being depreciated	82,834,441	246,047,380	-	83,274,561	412,156,382	22,504,481
Less accumulated depreciation	(23,715,367)	(47,581,084)	-	(22,754,088)	(94,050,539)	(14,464,123)
Total Capital Assets	68,922,000	201,572,812	-	64,969,320	335,464,132	8,040,358
Other Assets						
Notes Receivable	-	-	-	234,000	234,000	-
Total Noncurrent Assets	68,922,000	201,572,812	-	65,203,320	335,698,132	8,040,358
Total Assets	80,896,287	206,978,725	692,732	79,957,978	368,525,722	11,296,208

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	\$ 1,376,144	\$ 179,750	\$ 327,768	\$ 978,858	\$ 2,862,520	\$ 1,106,382
Interest payable	12,000	-	245	50,971	63,216	-
Interest payable - restricted	37,312	356,022	-	-	393,334	-
Revenue bonds payable	305,000	-	-	-	305,000	-
Compensated absences payable	324,542	57,262	19,354	62,397	463,555	23,370
General obligation bonds payable	445,648	-	15,908	2,520,901	2,982,457	-
General obligation bonds payable - restricted	-	341,061	-	-	341,061	-
Claims payable	-	-	-	-	-	2,414,551
Notes payable - IEPA - restricted	67,505	7,851,616	-	-	7,919,121	-
Due to other funds	20,356	31,147	1,427,436	54,781	1,533,720	237,477
Total Current Liabilities	2,588,507	8,816,858	1,790,711	3,667,908	16,863,984	3,781,780
Long-Term Liabilities						
Notes payable - IEPA	1,080,077	55,659,184	-	-	56,739,261	-
General obligation bonds payable	9,491,081	3,542,173	96,515	13,958,071	27,087,840	-
OPEB liability payable	160,602	47,999	18,269	45,289	272,159	51,915
Unamortized Bond Discount	212,042	111,758	-	634,861	958,661	-
Compensated absences payable	358,705	63,289	21,392	68,965	512,351	73,360
IMRF Pension contributions payable	382,863	95,448	49,405	124,578	652,294	-
Claims payable	-	-	-	-	-	2,376,909
Total Long-Term Liabilities	11,685,370	59,519,851	185,581	14,831,764	86,222,566	2,502,184
Total Liabilities	14,273,877	68,336,709	1,976,292	18,499,672	103,086,550	6,283,964
Net Position						
Net Investment in Capital Assets	57,320,647	134,067,020	-	47,855,487	239,243,154	8,040,358
Restricted for debt service	311,672	-	-	-	311,672	-
Restricted for capital improvements	400,000	-	-	-	400,000	-
Unrestricted (deficit)	8,590,091	4,574,996	(1,283,560)	13,602,819	25,484,346	(3,028,114)
Total Net Position (deficit)	\$ 66,622,410	\$ 138,642,016	\$ (1,283,560)	\$ 61,458,306	\$ 265,439,172	\$ 5,012,244

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year ended December 31, 2013

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	
Operating Revenues						
Charges for services	\$ 13,903,482	\$ 13,494,318	\$ 3,650,792	\$ 6,234,594	\$ 37,283,186	\$ 21,956,020
Miscellaneous	754,266	15,881	-	20,481	790,628	46,349
Total Operating Revenues	14,657,748	13,510,199	3,650,792	6,255,075	38,073,814	22,002,369
Operating Expenses Excluding Depreciation						
Administration	960,028	2,026,860	820,689	1,768,307	5,575,884	-
Operations	7,215,679	307,251	3,872,422	3,114,888	14,510,240	17,831,210
Total Operating Expenses Excluding Depreciation	8,175,707	2,334,111	4,693,111	4,883,195	20,086,124	17,831,210
Operating Income (Loss) Before Depreciation	6,482,041	11,176,088	(1,042,319)	1,371,880	17,987,690	4,171,159
Depreciation	1,449,757	3,320,883	-	2,639,870	7,410,510	1,579,532
Operating Income (Loss)	5,032,284	7,855,205	(1,042,319)	(1,267,990)	10,577,180	2,591,627
Nonoperating Revenues (Expenses)						
Investment income	20,164	1,270	20	11,892	33,346	212
Interest expense	(312,193)	(2,021,379)	(3,130)	(846,044)	(3,182,746)	-
Bond expenses and amortization of discount	(19,777)	(30,331)	(36,214)	-	(86,322)	-
Amortization of bond premium	1,129	58,184	-	-	59,313	-
Other expenses	(1,236,881)	-	-	-	(1,236,881)	-
Grants	78,792	860,353	-	-	939,145	-
Gain (loss) on disposition of assets	(60,762)	-	-	-	(60,762)	131,072
Total Nonoperating Revenues (Expenses)	(1,529,528)	(1,131,903)	(39,324)	(834,152)	(3,534,907)	131,284
Income (Loss) before transfers and contributions	3,502,756	6,723,302	(1,081,643)	(2,102,142)	7,042,273	2,722,911
Transfers In (Out)						
Debt Service	-	1,851,827	-	-	1,851,827	-
Washington National Tax Increment District	-	-	-	3,631,350	3,631,350	-
General	(3,356,300)	(142,200)	1,245,967	(644,242)	(2,896,775)	1,100,000
Total Transfers In (Out)	(3,356,300)	1,709,627	1,245,967	2,987,108	2,586,402	1,100,000
Change in Net Position	146,456	8,432,929	164,324	884,966	9,628,675	3,822,911
Total Net Position (Deficit) - Beginning	66,475,954	130,209,087	(1,447,884)	60,573,340	255,810,497	1,189,333
Total Net Position (Deficit)- Ending	\$ 66,622,410	\$ 138,642,016	\$ (1,283,560)	\$ 61,458,306	\$ 265,439,172	\$ 5,012,244

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows
For the Fiscal Year ended December 31, 2013

	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	\$ 14,071,358	\$ 13,510,199	\$ 3,650,792	\$ 6,270,603	\$ 37,502,952	\$ 22,028,261
Receipts from / (Payments for) interfund services provided	(462,628)	297,329	(27,674)	(117,983)	(310,956)	(1,758,720)
Payments to suppliers	(7,101,415)	(327,053)	(4,043,254)	(2,257,680)	(13,729,402)	(1,904,307)
Payments to employees	(834,347)	(2,014,335)	(804,372)	(1,738,238)	(5,391,292)	(3,606,470)
Payments for insurance premiums	-	-	-	-	-	(13,443,553)
Net Cash Provided by (Used for) Operating Activities	5,672,968	11,466,140	(1,224,508)	2,156,702	18,071,302	1,315,211
Cash Flows from Noncapital Financing Activities						
Transfers In (Out)						
Debt Service	-	1,851,827	-	-	1,851,827	-
Washington Tax Increment District General	(3,356,300)	(142,200)	1,245,967	(644,242)	(2,896,775)	1,100,000
Net Transfers In (Out)	(3,356,300)	1,709,627	1,245,967	2,987,108	2,586,402	1,100,000
Grants and Contributions	78,792	-	-	-	78,792	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(3,277,508)	1,709,627	1,245,967	2,987,108	2,665,194	1,100,000
Cash Flows from Capital and Related Financing Activities						
Sale of capital assets	-	-	-	-	-	147,167
Acquisition and construction of capital assets	(5,250,454)	(4,408,933)	-	(1,194,200)	(10,853,587)	(2,463,537)
Principal paid on revenue bonds	(290,000)	-	-	-	(290,000)	-
Proceeds from general obligation bonds	2,000,000	246,831	-	5,574,178	7,821,009	-
Principal paid on general obligation bonds	(207,875)	(1,520,290)	(15,036)	(8,887,707)	(10,630,908)	-
Interest paid on general obligation bonds	(248,178)	(298,164)	(3,130)	(678,663)	(1,228,135)	-
Bond expenses	(55,431)	(18,669)	(36,213)	-	(110,313)	-
Proceeds from IEPA loans	-	2,547,781	-	-	2,547,781	-
Principal paid on IEPA loans	(67,505)	(8,197,261)	-	-	(8,264,766)	-
Interest paid on IEPA loans	-	(1,777,092)	-	-	(1,777,092)	-
Net Cash (Used for) Capital and Related Financing Activities	(4,119,443)	(13,425,797)	(54,379)	(5,186,392)	(22,786,011)	(2,316,370)
Cash Flows from Investing Activities						
Interest income	20,164	1,270	20	11,892	33,346	212
Net Cash Provided by Investing Activities	20,164	1,270	20	11,892	33,346	212
Net Increase (Decrease) in Cash and Equivalents	(1,703,819)	(248,760)	(32,900)	(30,690)	(2,016,169)	99,053
Cash and Equivalents						
Beginning	9,988,852	1,346,549	51,207	14,765,564	26,152,172	370,179
Ending	\$ 8,285,033	\$ 1,097,789	\$ 18,307	\$ 14,734,874	\$ 24,136,003	\$ 469,232
Reconciliation						
Cash and equivalents						
Current Cash	\$ 7,573,361	\$ 1,097,789	\$ 18,307	\$ 14,734,874	\$ 23,424,331	\$ 469,232
Restricted Current Cash	711,672	-	-	-	711,672	-
	\$ 8,285,033	\$ 1,097,789	\$ 18,307	\$ 14,734,874	\$ 24,136,003	\$ 469,232

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows - Continued
 For the Fiscal Year ended December 31, 2013

	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						
Operating income (loss)	\$ 5,032,284	\$ 7,855,205	\$ (1,042,319)	\$ (1,267,990)	\$ 10,577,180	\$ 2,591,627
Depreciation	1,449,757	3,320,883	-	2,639,870	7,410,510	1,579,532
Changes in assets and liabilities						
Increase/decrease in A/R miscellaneous	(586,390)	(41,424)	(27,604)	10,528	(644,890)	25,892
Other receivables	-	-	-	5,000	5,000	-
Prepaid expenses	(8,656)	-	-	-	(8,656)	795,566
Interfund receivable	142,375	(157,167)	-	16,093	1,301	-
Inventories	27,891	(8,367)	-	-	19,524	(67,006)
Compensated absences	71,505	(2,666)	4,773	15,830	89,442	6,775
Claims Payables	-	-	-	-	-	(2,469,307)
Interfund payable	(605,003)	454,496	(27,674)	(134,076)	(312,257)	(1,758,720)
OPEB liability payable	27,340	8,035	5,854	5,644	46,873	3,889
IMRF contributions payable	26,836	7,156	5,690	8,593	48,275	-
Vouchers payable	95,029	29,989	(143,211)	878,518	860,325	-
Interest payable	-	-	(17)	(21,308)	(21,325)	-
Accounts Payables	-	-	-	-	-	606,963
Net Cash Provided by (Used for) Operating Activities	\$ 5,672,968	\$ 11,466,140	\$ (1,224,508)	\$ 2,156,702	\$ 18,071,302	\$ 1,315,211

Concluded

CITY OF EVANSTON, ILLINOIS

Fiduciary Funds

Statement of Net Position As of December 31, 2013

	<u>Pension Trust Funds</u>
Assets	
Cash and short-term investments	\$ 5,239,497
Receivables	
Accrued interest	524,368
Contribution receivable - Due from city funds	2,043,323
Total Receivables	<u>2,567,691</u>
Investments, at fair value	
U.S. Government and agency obligations	33,975,810
Corporate bonds	23,148,559
Common stock	29,090,676
Mutual funds	61,770,837
Total Investments	<u>147,985,882</u>
Total Assets	<u>155,793,070</u>
Liabilities	
Vouchers payable	<u>4,986</u>
Net Position held in trust	<u>\$ 155,788,084</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 Position For the Fiscal Year ended December 31, 2013

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 14,841,987
Plan members	2,735,148
Other-Donations, Legal Sett., Surplus Sales	<u>150</u>
Total contributions	<u>17,577,285</u>
Investment income	
Net appreciation in	
fair value of investments	11,608,549
Investment income	<u>4,842,440</u>
Total investment income	16,450,989
Less investment expense	<u>426,590</u>
Net investment income	<u>16,024,399</u>
Total additions	<u>33,601,684</u>
Deductions	
Benefits	16,649,064
Refunds of contributions	109,252
Administrative expense	<u>109,161</u>
Total deductions	<u>16,867,477</u>
Net increase	16,734,207
Net Position held in trust for pension benefits	
Beginning	<u>139,053,877</u>
Ending	<u>\$ 155,788,084</u>

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Blended Component Unit:

The Town of the City of Evanston, Illinois (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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Reporting Entity - Continued

Blended Component Unit - Continued:

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 been previously reported at March 31 fiscal year-end. Amounts included in this report are as of and for the twenty one months ended December 31, 2013.

The Township was dissolved as of April 30, 2014. Effective May 1, 2014, the City has taken over all Township functions.

Discrete Component Unit

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 Fund was created as part of the FY2012 budget. But, starting FY 2013, Evanston Public Library financials are shown separately as a discrete component unit of the City of Evanston. The Library Debt Service Fund was also created as a part of FY2014 budget. The Library is governed by the Library Board of Trustees. The Board members are appointed by the Mayor of the City of Evanston.

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

The Evanston Public Library (EPL) serves the community through 3 branches. The EPL partners with Northwestern University and other agencies to implement a digitally based science, technology, and math learning opportunities for teens. The EPL is continually focused on expanding summer reading programs to serve the patrons of all ages. The Library has also expanded community outreach by promoting library services at various local places and events.

Joint Ventures:

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Government-wide and Fund Financial Statements - Continued

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.

In November 2010, the GASB issued statement No. 61 - The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. This standard was implemented effective January 1, 2013.

In March 2012, the GASB issued statement No. 65 - Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective January 1, 2013.

C. Fund Accounting

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

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

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

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

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

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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

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

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those 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 *General Obligation Debt* is a debt service fund which accumulate monies for the principal and interest payments on general obligation debt.

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.

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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.

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

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

Additionally, the City reports the following fund types:

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

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

The Library reports the Operating fund and Endowment fund.

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

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

Proprietary funds distinguish operating revenues and expenses from 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 Fiscal Year ended December 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

The City and the Library 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/Library 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. In governmental funds, prepaid items are recorded based on consumption method.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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. No interest was capitalized during the year.

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

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

J. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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 Fiscal Year ended December 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

K. Self-Insurance

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

L. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

M. Property Taxes

Property taxes are collected by the Cook County Collector and are remitted periodically to all taxing bodies, including the City, Library 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:

Description	Date
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 January 1, 2013 and December 31, 2013 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 and the Library financial statements.

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 2013 property tax levy that will not be collected within 60 days of the Township's December 31, 2013 year-end. A 5% allowance for loss is reflected in the Township financial statements.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N. 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 council may, by an ordinance, establish, modify or remove a fund balance commitment. In accordance with Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions, the City and the Library classifies governmental fund balance as follows:

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

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

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

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

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

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O. Interfund Transactions

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

P. Use of Estimates

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

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

The Governmental Accounting Standards Board (GASB) has approved Statement No. 66, Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62; Statement No. 67, Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25; Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27; Statement No. 69, Government and Disposals of Government Operations; and Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. Application of these standards may restate portions of these financial statements.

R. Conduit Debt

The City approved the issuance of \$5,000,000 Series 2010 Revenue Bonds during the fiscal year 2010-2011 to provide financial assistance to Chiravalle Montessori School, deemed to be in public interest. The use of proceeds includes the property purchase from 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, 2013, outstanding bond balance was \$4,665,000.

The City approved the issuance of \$13,590,000 Series 2011 Revenue Bonds during the fiscal period ending December 31, 2011 to provide financial assistance to Roycemore School, deemed to be in public interest. The use of proceeds includes the property purchase and renovation of 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, 2013, outstanding bond balance was \$13,590,000.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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 Position

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Long-term liabilities, including bonds payable, compensated absences payable, First Bank loan 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	\$ 117,531,511
Bonds premium liability	4,559,212
Compensated absences payable	9,995,954
IMRF Pension contributions payable	3,049,242
First Bank Loan	648,812
Pension contributions payable	<u>19,550,334</u>
Net adjustments to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 155,335,065</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 position 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	\$ 5,918,368
Capital outlay - contributions/other governmental activities	5,044,584
Depreciation expense	<u>(8,011,232)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,951,720</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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 position." The details of this difference are as follows:

Principal repayments:	
General obligation debt	\$ 33,041,424
SSD#5 Bond	340,000
IMRF Pension contributions payable	<u>2,876,517</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 36,257,941</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	\$ (2,073,671)
Amortization income	535,258
Pension contributions	765,385
IMRF Pension contributions payable	<u>(3,099,005)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (3,872,033)</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	\$ (32,741,324)
Bond premium liability	<u>(1,362,700)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (34,104,024)</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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

Blended Component Unit

The Township prepares its annual appropriation ordinance, which is synonymous with its budget, using the modified accrual basis of accounting. It covers both Township funds - Town Fund and General Assistance Fund.

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

Discrete Component Unit

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

A. Budgetary Information - Continued

4. The Library Director is authorized to transfer budgeted amounts between Library departments within any Library fund; however, any revisions that alter the total expenditures of any Library fund must be approved by the EPL Board of Trustees. There were budget allocations within the Library fund but the total did not change.

5. Budgets are legally adopted on a basis consistent with GAAP except that property taxes are budgeted as revenue in the year they are levied. For purposes of preparing the Library Operating Fund - Budget and Actual (Budgetary Basis) Schedule of Revenues, Expenditures, and Changes in Fund Balance, GAAP revenues and expenditures have been adjusted to the budgetary basis.

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

The following funds had an excess of actual budgetary expenditures over original and final budget for the fiscal year ended December 31, 2013:

Fund	Actual	Budget	Excess
Township - General Assistance	\$ 2,535,983	\$ 2,304,306	\$ 231,677
General Obligation Debt	12,068,750	9,957,676	2,111,074
Special District #5	437,740	428,756	8,984
Howard Hartrey Tax Increment District	1,884,003	1,171,804	712,199
Washington National Tax Increment District	2,799,869	878,200	1,921,669
Howard Ridge Tax Increment District	726,231	-	726,231
Library	5,191,746	4,580,594	611,152

B. DEFICIT FUND EQUITY

The Insurance Fund, an internal service fund, had a net deficit of \$3,727,663 as of December 31, 2013. The City plans to use current resources to pay for future liabilities.

The Solid Waste Fund had a net deficit of \$1,283,560 as of December 31, 2013. The City plans to use current resources to pay for future liabilities.

The Special Service District No. 4 had a net deficit of \$149,335 as of December 31, 2013. The City plans to use current resources to pay for future liabilities.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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.

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 Fiscal Year ended December 31, 2013

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued

C. Types of Investments

As of December 31, 2013, 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.

Fire and Police Pension Investment Type	Investment Maturities (In Years)			Equities
	Fair Value	Less Than 1 Year	1 - 10 More Years	
Money Market / Liquid Assets	\$ 4,387,881	\$ 4,387,881	\$ -	\$ -
Mutual Funds	61,770,836	-	1,633,688	60,137,148
Corporate Bonds	23,148,559	481,027	22,667,532	-
U.S. Treasuries	17,334,870	2,475,490	14,859,380	-
Federal Home Loan Bank	1,890,952	413,320	1,477,632	-
Federal Home Loan Mortgage Corp	5,345,096	531,930	4,813,166	-
Fannie Mae	9,289,492	432,952	8,856,540	-
Ginnie Mae	115,401	-	115,401	-
Common Stock	29,090,675	-	-	29,090,675
Total Fire and Police Investment	\$ 152,373,762	\$ 8,722,600	\$ 54,423,339	\$ 89,227,823

Smith Barney Money Market	\$ 770,338
JP Morgan Money Market	699,877
Schwab Money Market	227,856
MB Bank Money Market	2,689,810
Total Money Market / Liquid Assets	\$ 4,387,881

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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 Police and Fire Pension Funds have investments in corporate bonds with S&P ratings ranging from BBB- to AAA. 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	\$	8,485,221	
Township		<u>461,694</u>	\$ 8,946,915
IMET money market			
City of Evanston		21,167,361	
Fire and Police pension plan		<u>131,385</u>	<u>21,298,746</u>
			<u>\$ 30,245,661</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, 2013, Police Pension Trust Fund had investments in each of U.S. Treasuries and Corporate Bonds that exceeded 10% of net position available for benefits. The Firefighters' Pension Trust Fund had investments in Corporate Bonds that exceeded 10% of net position available for benefits.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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, 2013, the carrying amount of the City's deposits, including cash on hand of \$11,334 was \$33,024,283. The financial institutions' balances totaled \$31,945,941.

Township

At March 31, 2013, the carrying amount of the Township's deposits was \$164,410. The financial institutions' balances totaled \$205,628.

Fiduciary

Deposits consist of deposits in interest-bearing and noninterest-bearing accounts. At December 31, 2013, the carrying amount of the Pension's deposits was \$720,231. The financial institutions' balances totaled \$720,231.

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 Position 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	\$ 62,227,857
Unrestricted investments	363,439
Restricted cash and equivalents and investments	<u>711,672</u>
Total Cash and Investments – Primary Government	63,302,968
Fiduciary funds cash and equivalents	5,239,497
Fiduciary funds investments	<u>147,985,882</u>
Total Cash and Investments	<u>\$ 216,528,347</u>
Carrying amount of deposits – from Note 4 D	\$ 33,908,924
Illinois funds and IMET money market - from Note 4 C	30,245,661
Investments – from Note 4 C table	<u>152,373,762</u>
Total	<u>\$ 216,528,347</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 5. RECEIVABLES

A. Summary of Receivables

Receivables as of December 31, 2013 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	\$ 12,276,924	\$ 11,275,348	\$ 14,419,286	\$ -	\$ -	\$ -	\$ -	\$ 8,644,061	\$ 46,615,619
Accounts	-	-	-	2,543,764	2,297,696	654,481	-	-	5,495,941
Notes	-	-	-	-	-	-	-	7,781,837	7,781,837
Special assessments	-	-	-	-	-	-	-	558,150	558,150
Other	2,752,574	-	-	-	860,353	-	19,784	963,592	4,596,303
Gross receivables	15,029,498	11,275,348	14,419,286	2,543,764	3,158,049	654,481	19,784	17,947,640	65,047,850
Less: allowance for uncollectibles	(245,538)	(225,507)	(288,386)	-	-	-	-	(262,881)	(1,022,312)
Net total receivables	<u>\$ 14,783,960</u>	<u>\$ 11,049,841</u>	<u>\$ 14,130,900</u>	<u>\$ 2,543,764</u>	<u>\$ 3,158,049</u>	<u>\$ 654,481</u>	<u>\$ 19,784</u>	<u>\$ 17,684,759</u>	<u>\$ 64,025,538</u>

Out of the total Notes Receivable, \$7,539,671 is estimated not to be paid during the next year. Out of the total Special Assessment receivable, \$325,100 is estimated not to be paid during the next year.

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

B. Notes Receivable – Special Revenue Funds

The City makes loans to 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>\$ 6,967,452</u>	<u>\$ 876,551</u>	<u>\$ 152,166</u>	<u>\$ 7,691,837</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 6. CAPITAL ASSETS

A. Capital Asset Activity

Capital asset activity for the fiscal year ended December 31, 2013, was as follows:

	Beginning	Additions	Deletions	Transfers	Ending
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 7,212,044	\$ -	\$ -	\$ -	\$ 7,212,044
Right of way	18,695,896	-	-	-	18,695,896
Artwork	155,000	-	-	-	155,000
Construction in progress	-	130,711	-	-	130,711
Total capital assets, not being depreciated	26,062,940	130,711	-	-	26,193,651
Capital assets, being depreciated/amortized:					
Buildings and improvements	75,650,699	2,651,097	-	-	78,301,796
Office equipment and furniture	4,221,960	103,924	71,414	-	4,254,470
Intangible assets	6,395,426	577,207	88,585	-	6,884,048
Machinery and equipment	23,551,554	2,674,903	1,435,435	-	24,791,022
Infrastructure	150,441,250	7,249,569	-	-	157,690,819
Capitalized leases	463,453	39,079	-	-	502,532
Total capital assets being depreciated/amortized	260,724,342	13,295,779	1,595,434	-	272,424,687
Less accumulated depreciation/amortization for:					
Buildings and improvements	29,641,081	1,651,722	-	-	31,292,803
Office equipment and furniture	3,028,885	165,239	71,414	-	3,122,710
Intangible assets	5,566,310	151,712	88,585	-	5,629,437
Machinery and equipment	15,701,154	1,694,338	1,419,340	-	15,976,152
Infrastructure	71,235,043	5,925,799	-	-	77,160,842
Capitalized leases	463,453	1,954	-	-	465,407
Total accumulated depreciation/amortization	125,635,926	9,590,764	1,579,339	-	133,647,351
Total capital assets being depreciated/amortized, net	135,088,416	3,705,015	16,095	-	138,777,336
Governmental activities capital assets, net	\$ 161,151,356	\$ 3,835,726	\$ 16,095	\$ -	\$ 164,970,987

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 6. CAPITAL ASSETS - Continued

A. Capital Asset Activity - Continued

	Beginning	Additions	Deletions	Transfers	Ending
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 4,644,510	\$ -	\$ -	\$ -	\$ 4,644,510
Construction in progress	6,417,547	9,031,341	3,094,861	-	12,354,027
Artwork	359,752	-	-	-	359,752
Total capital assets, not being depreciated	11,421,809	9,031,341	3,094,861	-	17,358,289
Capital assets, being depreciated/amortized:					
Land improvements	3,633,499	-	-	-	3,633,499
Buildings and improvements	76,405,856	1,169,624	-	-	77,575,480
Leasehold improvements	302,752	-	-	-	302,752
Plant	40,255,568	1,060,639	91,999	-	41,224,208
Transmission and distribution system	41,439,487	-	758,792	-	40,680,695
Sewer system and underground lines	243,113,181	1,425,385	-	-	244,538,566
Intangible assets	485,259	24,575	-	-	509,834
Equipment	2,983,660	-	-	-	2,983,660
Parking meters	707,688	-	-	-	707,688
Total capital assets being depreciated/amortized	409,326,950	3,680,223	850,791	-	412,156,382
Less accumulated depreciation/amortization for:					
Land improvements	1,333,105	197,428	-	-	1,530,533
Buildings and improvements	17,288,354	2,173,397	-	-	19,461,751
Leasehold improvements	302,752	-	-	-	302,752
Plant	14,297,158	946,466	31,237	-	15,212,387
Transmission and distribution system	8,069,218	443,444	758,792	-	7,753,870
Sewer system and underground lines	43,002,336	3,285,492	-	-	46,287,828
Intangible assets	173,326	69,615	-	-	242,941
Equipment	2,219,995	181,419	-	-	2,401,414
Parking meters	743,814	113,249	-	-	857,063
Total accumulated depreciation/amortization	87,430,058	7,410,510	790,029	-	94,050,539
Total capital assets being depreciated/amortized, net	321,896,892	(3,730,287)	60,762	-	318,105,843
Business-type activities capital assets, net	\$ 333,318,701	\$ 5,301,054	\$ 3,155,623	\$ -	\$ 335,464,132

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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	\$ 360,369
Public safety	561,200
Public works	5,259,956
Housing and Economic Development	7,460
Recreation and cultural opportunities	1,822,247
Internal Service Funds	<u>1,579,532</u>

Total depreciation expense – governmental activities \$ 9,590,764

Business – type activities:

Water	\$ 1,449,757
Sewer	3,320,883
Motor Vehicle Parking	<u>2,639,870</u>

Total depreciation expense – business – type activities \$ 7,410,510

B. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at December 31, 2013, is as follows:

Capital Improvement Fund	\$ 2,189,390
Sewer Fund	1,513,755
Water Fund	<u>1,388,290</u>
Total Construction Commitments	<u>\$ 5,091,435</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2013

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, 2013 interfund receivables and payables consist of the following:

Funds	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund		
Emergency Telephone System	\$ -	\$ 50,978
Economic Development	16,973	-
Fleet Service	85,796	-
Insurance	-	575,413
Community Development Block Grant	714	-
Capital Improvements	-	25,163
Spec Assess CAP Project	23,968	-
Water	-	161,287
Sewer	-	1,026,525
Solid Waste	1,427,436	-
Neighborhood Stabilization Program 2	16,661	-
Community Development Loan	-	1,965
Neighborhood Improvement	-	-
Howard Ridge TIF	-	195,181
West Evanston	15,000	-
Motor Vehicle Parking System	53,019	-
Special Service DIST #4	190,000	-
Affordable Housing	-	20,000
Washington Natl TIF Debt Serv	500,000	-
SSD #5 Debt Service	-	370,000
Howard-Hartrey TIF Debt Serv	700,000	-
Southwest TIF Debt Service	-	290,000
General Obligation Debt Service	-	550,000
Equipment Replacement	-	1,280,000
Total General Fund	<u>3,029,567</u>	<u>4,546,512</u>
Capital Improvements		
General Fund	25,163	-
General Obligation Debt Service	76,360	-
Total Capital Improvements	<u>101,523</u>	<u>-</u>
General Obligation Debt Service Fund		
General Fund	550,000	-
Capital Improvements	-	76,360
Fleet Service	19,001	-
Total General Obligation Debt Service Fund	<u>569,001</u>	<u>76,360</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2013

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Nonmajor Governmental Funds		
Neighborhood Stabilization Program 2		
General Fund	\$ -	\$ 16,661
Economic Development		
General Fund	-	16,973
Affordable Housing		
General Fund	20,000	-
CD Loan Fund	-	1,752
Total Affordable Housing	20,000	1,752
Emergency Telephone System		
General Fund	50,978	-
Community Development Block Grant		
General Fund	-	714
Spec Assess CAP Project	-	33,352
CD Loan Fund	-	23
Affordable Housing	1,752	-
Total Community Development Block Grant	1,752	34,089
Community Development Loan		
General Fund	1,965	-
Community Development Block Grant	23	-
Total Community Development Loan	1,988	-
Washington Natl. Tax Increment District Debt Svc.		
General Fund	-	500,000
Total Washington Natl. Tax Increment District Debt Svc.	-	500,000
Howard Ridge Tax Increment District		
General Fund	195,000	-
Howard Hartrey Tax increment District		
General Fund	-	700,000
Total Howard Hartrey Tax increment District	-	700,000
Special Service District No. 4		
General Fund	-	190,000
Total Special Service District No. 4	-	190,000
Special Service District No. 5		
General Fund	370,000	-
Total Special #5 Debt Service Fund	370,000	-
Southwest Tax Increment District		
General Fund	290,000	-
Total Southwest Tax Increment District	290,000	-
West Evanston Tax Increment District		
General Fund	-	15,000
Total West Evanston Tax Increment District	-	15,000
Town		
General Assistance	14,446	-
General Assistance		
Town	-	14,446

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2013

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Nonmajor Governmental Funds - Continued		
Spec Assess CAP Project		
General Fund	\$ -	\$ 23,968
CBDG Fund	33,352	-
Water Fund	412	-
Total Spec Assess CAP Project	<u>33,764</u>	<u>23,968</u>
Total Nonmajor Governmental Funds	<u>977,928</u>	<u>1,512,889</u>
Total Governmental Funds	<u>4,678,019</u>	<u>6,135,761</u>
Enterprise Funds		
Water		
General Fund	161,287	-
Sewer Fund	31,147	-
Motor Vehicle Parking System	1,762	-
Howard Ridge TIF	55	-
Solid Waste	-	19,944
Special Assessment CP Fund	-	412
Total Water	<u>194,251</u>	<u>20,356</u>
Sewer		
General Fund	1,026,525	-
Howard Ridge TIF	126	-
Water Fund	-	31,147
Total Sewer	<u>1,026,651</u>	<u>31,147</u>
Solid Waste		
General Fund	-	1,427,436
Water Fund	19,944	-
Total Solid Waste	<u>19,944</u>	<u>1,427,436</u>
Motor Vehicle Parking System		
General Fund	-	53,019
Water Fund	-	1,762
Total Motor Vehicle Parking System	<u>-</u>	<u>54,781</u>
Total Enterprise Funds	<u>1,240,846</u>	<u>1,533,720</u>
Internal Service Funds		
Fleet Services		
General Fund	-	85,796
General Obligation Debt Service	-	19,001
Equipment replacement	-	63,937
Total Fleet Services	<u>-</u>	<u>168,734</u>
Insurance		
General Fund	575,413	-
Equipment replacement	68,743	-
Total Insurance	<u>644,156</u>	<u>-</u>
Equipment Replacement		
General Fund	1,280,000	-
Fleet Service	63,937	-
Insurance Fund	-	68,743
Total Equipment Replacement	<u>1,343,937</u>	<u>68,743</u>
Total Internal Service Funds	<u>1,988,093</u>	<u>237,477</u>
Total Primary Government	<u>\$ 7,906,958</u>	<u>\$ 7,906,958</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2013

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, 2013 transfers in / out consist of the following:

Funds	Transfers In	Transfers Out
Governmental Funds		
General Fund		
Emergency Telephone System Fund	\$ 125,950	\$ -
Neighborhood Stabilization Program 2	87,624	-
Affordable Housing Fund	23,990	-
Washington Natl. Tax Increment District Debt Svc.	331,000	-
Howard Hartrey Tax Increment District	144,400	-
Southwest Tax Increment District	29,500	-
Capital Improvement Fund	475,000	-
Fleet Services	-	600,000
Insurance Fund	-	500,000
Water Fund	3,356,300	-
Sewer	142,200	-
Motor Vehicle Parking System	644,242	-
Solid Waste Fund	-	1,245,967
Howard Ridge Tax Increment District	120,400	-
Motor Fuel Tax Fund	833,000	-
West Evanston Tax Increment District	60,000	-
General Obligation Debt Service Fund	-	1,000,000
Economic Development	452,707	-
Total General Fund	<u>6,826,313</u>	<u>3,345,967</u>
Capital Improvements		
General Fund	-	475,000
General Obligation Debt Service Fund		
General Fund	1,000,000	-
Special Assessment	317,660	-
Sewer	-	1,851,827
Total General Obligation Debt Service Fund	<u>1,317,660</u>	<u>1,851,827</u>
Nonmajor Governmental Funds		
Economic Development		
Howard Ridge	48,500	-
General Fund	-	452,707
Total Economic Development	<u>48,500</u>	<u>452,707</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2013

NOTE 7. INTERFUNDS - Continued

B. Interfund Transfers - Continued

Funds	Transfers In	Transfers Out
Nonmajor Governmental Funds - Continued		
Southwest Tax Increment District		
General Fund	\$ -	\$ 29,500
Howard Hartrey Tax Increment District		
General Fund	-	144,400
Howard Ridge Tax Increment District		
Economic Development		48,500
General Fund	-	120,400
Total Howard Ridge Tax Increment District	-	168,900
Washington Natl. Tax Increment District Debt Svc.		
General Fund	-	331,000
Motor Vehicle Parking System	-	3,631,350
Total Washington National Tax Increment District	-	3,962,350
West Evanston Tax Increment District		
General Fund	-	60,000
Emergency Telephone System		
General Fund	-	125,950
Special Assessment		
General Obligation Debt Service Fund	-	317,660
Affordable Housing Fund		
General Fund	-	23,990
Motor Fuel Tax		
General Fund	-	833,000
Neighborhood Stabilization Program 2		
General Fund	-	87,624
Total Nonmajor Governmental Funds	48,500	6,206,081
Total Governmental Funds	8,192,473	11,878,875
Enterprise Funds		
Water		
General Fund	-	3,356,300
Total Water	-	3,356,300
Sewer		
General Fund	-	142,200
General Obligation Debt Service Fund	1,851,827	-
Total Sewer	1,851,827	142,200
Motor Vehicle Parking System		
General Fund	-	644,242
Washington National Tax Increment District	3,631,350	-
Total Motor Vehicle Parking System	3,631,350	644,242
Solid Waste		
General Fund	1,245,967	-
Total Enterprise Funds	6,729,144	4,142,742

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2013

NOTE 7. INTERFUNDS - Continued

B. Interfund Transfers - Continued

Funds	Transfers In	Transfers Out
Internal Service Funds		
Fleet Services		
General Fund	\$ 600,000	\$ -
Insurance		
General Fund	500,000	-
Total Internal Service Funds	1,100,000	-
Total Primary Government	\$ 16,021,617	\$ 16,021,617

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2013

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

<u>Leasing Co.</u>	<u>Expiration</u>	<u>Number of Machines</u>	<u>Monthly Payment</u>	<u>Annual lease payment</u>	<u>Type of Machines</u>
Chicago Office Technology Group	7/31/2014	9	1,642	\$ 16,420	Copiers
Mail Finance	4/30/2018	1	375	4,500	Postage Machine

Minimum annual lease payments are as follows:

Year ending 12/31/2014	15,994
Year ending 12/31/2015	4,500
Year ending 12/31/2016	4,500
Year ending 12/31/2017	4,500
Year ending 12/31/2018	<u>1,500</u>
	<u>\$ 30,994</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 9. LONG-TERM DEBT

A. Changes in Long-Term Debt

	Interest Rate	Final Maturity Date	Balance 12/31/2012	Issued	Payments	Balance 12/31/2013	Due Within One Year
G.O. Debt Governmental Activities							
Series 2004	2.00%-5.00%	12/1/2023	\$ 9,881,794	\$ -	\$ 9,881,794	\$ -	\$ -
Series 2004B	2.00%-5.25%	12/1/2017	2,830,000	-	2,830,000	-	-
Series 2005	3.25%-5.00%	12/1/2025	12,815,536	-	12,815,536	-	-
Series 2006	3.85%-5.00%	12/1/2026	9,550,000	-	135,000	9,415,000	235,000
Series 2006B	4.00%-4.25%	12/1/2023	14,430,000	-	35,000	14,395,000	55,000
Series 2007	4.00%-5.00%	12/1/2016	14,993,099	-	1,000,000	13,993,099	1,949,709
Series 2008A	3.00%-5.00%	12/1/2021	3,020,000	-	300,000	2,720,000	300,000
Series 2008C	3.00%-5.00%	12/1/2028	8,542,500	-	381,900	8,160,600	397,980
Series 2008D	3.25%-5.00%	12/1/2016	5,117,440	-	2,480,000	2,637,440	1,705,600
Series 2010A	2.00%-3.625%	12/1/2029	5,960,000	-	305,000	5,655,000	305,000
Series 2010B	1.00%-3.30%	12/1/2019	5,487,920	-	647,358	4,840,562	684,946
Series 2011A	2.00%-4.50%	12/1/2031	14,128,322	-	1,234,836	12,893,486	1,250,432
Series 2012A (SSA#5)	2.00%-3.25%	12/1/2032	1,515,000	-	340,000	1,175,000	380,000
Series 2012A	2.00%-3.25%	12/1/2032	9,900,000	-	995,000	8,905,000	1,035,000
Series 2013A	2.00%-4.75%	12/1/2033	-	10,565,000	-	10,565,000	20,000
Series 2013B	2.00%-3.00%	12/1/2025	-	22,176,324	-	22,176,324	1,721,005
Subtotal Governmental Activities			<u>118,171,611</u>	<u>32,741,324</u>	<u>33,381,424</u>	<u>117,531,511</u>	<u>10,039,672</u>
Bonds premium liability			3,731,770	1,362,700	535,258	4,559,212	-
OPEB liability			1,671,636	120,482	-	1,792,118	-
Pension contributions			20,315,719	14,076,602	14,841,987	19,550,334	-
Compensated absences payable- City			8,013,066	6,200,667	3,914,022	10,299,711	3,913,890
IMRF Pension contributions			2,826,754	3,099,005	2,876,517	3,049,242	-
First Bank Loan			648,812	-	-	648,812	-
Claims payable			7,260,767	735,307	3,204,614	4,791,460	2,414,551
Subtotal Other G.A. Liabilities			<u>44,468,524</u>	<u>25,594,763</u>	<u>25,372,398</u>	<u>44,690,889</u>	<u>6,328,441</u>
Total Governmental Activity Debt & Liabilities			<u>\$ 162,640,135</u>	<u>\$ 58,336,087</u>	<u>\$ 58,753,822</u>	<u>\$ 162,222,400</u>	<u>\$ 16,368,113</u>
G.O. Debt Business-type Activities							
Series 2005 Sherman Garage	3.25%-5.00%	12/1/2025	\$ 6,945,000	\$ -	\$ 6,945,000	\$ -	\$ -
Series 2005 Sewer	3.25%-5.00%	12/1/2025	250,000	-	250,000	-	-
Series 2007 Sewer	4.00%-5.00%	12/1/2016	1,050,000	-	185,000	865,000	195,000
Series 2007 Parking	4.00%-5.00%	12/1/2016	750,000	-	130,000	620,000	140,000
Series 2008B Sherman Garage	3.00%-5.00%	12/1/2018	11,905,000	-	1,790,000	10,115,000	1,685,000
Series 2008C Sewer	3.00%-5.00%	12/1/2028	2,082,500	-	93,100	1,989,400	97,020
Series 2008D Sewer	3.25%-5.00%	12/1/2016	945,000	-	945,000	-	-
Series 2010B	1.00%-3.30%	12/1/2019	1,082,080	-	127,643	954,437	135,054
Series 2011A	2.00%-4.50%	12/1/2031	3,906,677	-	165,165	3,741,512	169,568
Series 2012A	2.00%-3.25%	12/1/2032	4,305,000	-	-	4,305,000	175,000
Series 2013A- Water	2.00%-4.75%	12/1/2033	-	2,000,000	-	2,000,000	55,000
Series 2013B	2.00%-3.00%	12/1/2025	-	5,821,009	-	5,821,009	671,876
Subtotal Business-type Activities			<u>33,221,257</u>	<u>7,821,009</u>	<u>10,630,908</u>	<u>30,411,358</u>	<u>3,323,518</u>
Water Revenue Bond Series 1999	4.125-4.375%	1/1/2014	595,000	-	290,000	305,000	305,000
IEPA Loans	2.535-3.59%	Various	70,375,368	2,547,781	8,264,767	64,658,382	7,919,121
Unamortized bond Premium and discount			10,348	-	1,129	9,219	-
Bonds premium liability			796,055	318,825	165,438	949,442	-
Compensated absences payable- City			886,464	674,296	584,854	975,906	463,555
IMRF Pension contributions			604,019	672,418	624,143	652,294	-
OPEB Liability			225,286	46,873	-	272,159	-
Subtotal Other Business-type Activity Liabilities			<u>2,522,172</u>	<u>1,712,412</u>	<u>1,375,564</u>	<u>2,859,020</u>	<u>463,555</u>
Total Business-type Activities Debt & Liabilities			<u>\$ 106,713,797</u>	<u>\$ 12,081,202</u>	<u>\$ 20,561,239</u>	<u>\$ 98,233,760</u>	<u>\$ 12,011,194</u>
Total Governmental & Business-type Activities Debt & Liabilities			<u>\$ 269,353,932</u>	<u>\$ 70,417,289</u>	<u>\$ 79,315,061</u>	<u>\$ 260,456,160</u>	<u>\$ 28,379,308</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 Fiscal Year ended December 31, 2013

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 \$6,672 of net revenues for the year ended December 31, 2014. The total principal and interest remaining to be paid on the bonds is \$311,672. Principal and interest paid for the current period totaled \$309,687 on net customer revenues of \$6,482,041.

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	<u>\$ 305,000</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 \$148,449,812 in IEPA loans issued in 1993 through 2013. Proceeds from the loans provided financing for the Long Term Sewer and Water Improvement Program. The IEPA loans, payable from operating revenues and property tax levies, are payable through 2033. The City of Evanston issued \$1,955,000 in GO bonds during the fiscal year to repay IEPA loan payments. Annual principal and interest on the loans are expected to require \$9,529,867 of net revenues for the Fiscal year 2014. The total principal and interest remaining to be paid on the loans is \$73,572,562. Principal and interest paid for the current period and total customer net revenues were \$10,041,859 and \$11,176,088 respectively.

IEPA loans payable consist of the following:

<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	
Various	Various	Various	\$ 148,449,812	<u>\$ 64,658,382</u>
Total Business type Activities- IEPA Loan Debt				<u>\$ 64,658,382</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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.

In July, 2013 the City issued Series 2013A in General Obligation bonds for a total of \$12,565,000. The Bonds were issued to provide financing for certain public improvement projects. 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.

In October, 2013 the City issued Series 2013B in General Obligation Refunding Bonds for a total of \$28,875,000. The Bonds were issued to current refund Series 2004, Series 2004B and Series 2005 Bonds. This resulted in a net savings of \$4,421,838 which translates to a net present value savings of \$4,172,774.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 9- LONG-TERM DEBT - Continued

B. General Obligation Bonds Payable - Continued

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
2014	\$ 10,039,673	\$ 4,403,888	\$ 3,323,518	\$ 1,128,618
2015	9,228,118	3,961,243	4,249,946	989,187
2016	9,870,943	3,652,868	4,390,816	849,761
2017	9,408,864	3,359,908	4,962,126	704,679
2018	9,056,234	3,048,121	3,916,935	492,766
2019-2023	40,258,473	10,605,637	3,280,321	1,569,137
2024-2028	22,373,602	4,088,823	3,713,306	949,051
2029-2033	7,295,605	789,062	2,574,390	257,201
Total	<u>\$ 117,531,511</u>	<u>\$ 33,909,550</u>	<u>\$ 30,411,358</u>	<u>\$ 6,940,400</u>

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
2014	380,000	68,875
2015	390,000	46,605
2016	405,000	23,745
Total	<u>\$ 1,175,000</u>	<u>\$ 139,225</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
2014	305,000	6,672
Total	<u>\$ 305,000</u>	<u>\$ 6,672</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 9- LONG-TERM DEBT - Continued

E. Notes Payable -IEPA Loans

As of December 31, 2013, the City currently has 25 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:

<u>For the Fiscal Year ending</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 7,919,121	\$ 1,610,746
2015	7,662,016	1,397,343
2016	7,142,676	1,197,718
2017	6,525,203	1,012,267
2018	6,071,092	843,409
2019-2023	20,169,577	2,313,767
2024-2028	8,287,639	491,248
2029-2033	881,058	47,682
Total	<u>\$ 64,658,382</u>	<u>\$ 8,914,180</u>

F. Loan with First Bank & Trust, Evanston

During the last fiscal year, the city set up a loan/line of credit with First Bank and Trust, Evanston in the amount of \$2,200,000. The loan term is three years with a maturity date of August 27, 2015. As of December 31, 2013, the city had drawn \$648,812 for two projects funded out of TIF funds. The interest rate will be calculated based on 1.00 percentage point over one month "LIBOR" rate index.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 9- LONG-TERM DEBT - Continued

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

The City of Evanston's and Library's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other 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 and Library implicitly contributes the difference between retiree's contributions and unblended rates. Retirees pay 100% of the blended premiums to cover themselves and their covered dependents ranging from \$507 for single coverage to \$1,953 for family coverage. The city pays 100% of health care premiums for Police officers and Firefighters, their dependents and their surviving spouses and dependent children if they were injured or killed in the line of duty during an emergency, ranging from \$507 for single coverage to \$1,953 for family coverage. For the year ended December 31, 2013, the City's estimated contribution to the plan is \$918,167. The City of Evanston's and Library'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 and Library's annual OPEB cost for the year ended December 31, 2013, the estimated contributions to the plan and changes in the City's and Library's net OPEB obligation to the retiree health plan.

	<u>City</u>	<u>Library</u>
Annual Required Contribution	1,072,601	15,912
Interest on net OPEB obligation	85,361	1,171
Adjustment to Annual Required Contribution	<u>(72,440)</u>	<u>(994)</u>
Annual Pension Cost	1,085,522	16,089
Contributions made	<u>(918,167)</u>	<u>(1,463)</u>
Increase (decrease) in net pension obligation	167,355	14,626
Net OPEB obligation - Beginning	<u>1,896,922</u>	<u>26,028</u>
Net OPEB obligation - Ending	<u>\$ 2,064,277</u>	<u>\$ 40,654</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 2013 and the two years prior were as follows.

<u>Fiscal Period Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Liability</u>
12/31/2011	926,885	86.63%	1,654,996
12/31/2012	1,113,107	78.27%	1,896,922
12/31/2013	1,085,522	84.58%	2,064,277

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 9- LONG-TERM DEBT - Continued

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

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013 and the two years prior were as follows.

Fiscal Period Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
12/31/2011	12,857	8.72%	11,736
12/31/2012	15,508	7.84%	26,028
12/31/2013	16,089	9.09%	40,654

The funded status of the City and Library plan based on the projected valuation results as of December 31, 2013, was as follows:

	City	Library
Actuarial accrued liability (AAL)	\$ 15,870,326	\$ 148,419
Actuarial value of plan assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 15,870,326</u>	<u>\$ 148,419</u>
Funded ratio (actuarial value of plan assets/AAL)	-	-
Covered payroll (active plan members)	45,455,695	1,568,343
UAAL as a percentage of covered payroll	34.91%	9.46%

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 January 1 2013, the entry age normal cost method was used. The actuarial assumptions include a 7.00 percent investment rate of return and an annual healthcare cost trend date of 8.50 percent initially, reduced by decrements to an ultimate rate of 4.50 percent in the year 2020. Both rates include a 2.5 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, 2013, was 30 years.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 10. FUND EQUITY

A. Restrictions of Net Position - 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 Position - Fiduciary Funds

Fiduciary Funds	
Firefighters' Pension Fund Restriction for employee pension benefits	\$ 65,024,941
Police Pension Fund Restriction for employee pension benefits	<u>90,763,143</u>
Total Fiduciary Funds	<u>\$ 155,788,084</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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	134,483
Assigned for Dutch elm inoculation	557,216
Assigned for parkway trees	216,787
Assigned for Butterfield sculpture	30,883
Assigned for scholarship contributions	25,153
Assigned for Noyes Center	337,086
Assigned for recreation group activities	207,123
Assigned for youth initiative	42,151
Assigned for parks and recreation	304,158
Assigned for Mayor's programs	93,179
Assigned for Chiaravelle escrow	204,600
Assigned for IMRF - Pension	2,072,666
Assigned for Compensated Absences	2,061,694
Other assignments	<u>49,514</u>
	<u>\$ 6,361,490</u>

Capital Improvement Fund

Assigned for capital projects	<u>\$ 6,299,999</u>
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Non-major Governmental Funds

Assigned for special assessment capital project	<u>\$ 2,072,415</u>
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Total Assigned Fund Balances	<u>\$ 14,733,904</u>
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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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 water/sewer service fees related to the citywide water/sewer improvement project; tax increment revenues in the Washington National and Howard Hartrey Tax Increment Districts; revenues from the Motor Vehicle Parking System Fund associated with the Maple Garage, Sherman Garage and Church Street Self-Park garage; and General Obligation Debt Service Fund interest income.

B. Water Fund

On January 28, 1997, the City executed a long-term water supply contract with the Village of Skokie, Illinois, to replace an expiring contract. The contract took effect on March 1, 1997 and continues in effect for a period of 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 2013 was \$377,548 which includes a loss & cost amount of \$7,548.

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 Fiscal Year ended December 31, 2013

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 (except \$100,000 for flood and earthquake) for each loss and each location. The City also maintains crime and fidelity insurance coverage with a \$25,000 deductible to a limit of \$2,000,000. In addition, coverage is maintained for ambulance/paramedic liability.

For workers' compensation, specific excess coverage in excess of \$600,000 per occurrence is purchased from a commercial insurance company. For general liability claims, the City retains risk of loss of \$1,250,000 to a limit of \$20,000,000.

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

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

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

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
December 31, 2011	\$ 3,221,381	\$ 4,234,165	7,455,546
New claims and/or estimate revisions	712,299	1,091,656	1,803,955
Claims payments	<u>(976,413)</u>	<u>(1,022,321)</u>	<u>(1,998,734)</u>
December 31, 2012	2,957,267	4,303,500	7,260,767
New claims and/or estimate revisions	76,563	(1,286,360)	(1,209,797)
Claims payments	<u>(929,045)</u>	<u>(330,465)</u>	<u>(1,259,510)</u>
December 31, 2013	<u>\$ 2,104,785</u>	<u>\$ 2,686,675</u>	<u>\$ 4,791,460</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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 Fiscal Year ended December 31, 2013

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, 2013:

Current assets	\$ 5,552,099
Property, plant, and equipment	10,277,599
Debt issuance costs, net and other assets	<u>19,961</u>
Total assets	<u>\$ 15,849,659</u>
Current liabilities	\$ 4,128,470
Long-term debt, net of unamortized discount	2,420,792
Net Investment in capital assets	6,656,807
Restricted net position	2,509,835
Unrestricted net position	<u>133,755</u>
Total liabilities and fund equity	<u>\$ 15,849,659</u>

Summary of Revenues and Expenses for the Year Ended April 30, 2013:

Total revenues	\$ 14,091,582
Total expenses	<u>(13,791,219)</u>
Net income	<u>\$ 300,363</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 Fiscal Year ended December 31, 2013

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, 2012 are summarized as follows:

Statement of Financial Position as of December 31, 2012:

Cash and cash equivalents	\$ 930,603
Mortgage loans receivable	<u>2,245,479</u>
Total assets	<u>3,176,082</u>
Payables and accrued expenses	112,082
Notes payable	<u>3,064,000</u>
Total liabilities	<u>3,176,082</u>
Net Position	<u>\$ -</u>

(Note: December 31, 2012 is the most current information available.)

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 14. JOINT VENTURES – Continued

B. Evanston Housing Corporation - Continued

Statement of Activities for the Year Ended December 31, 2012:

Total revenues	\$ 109,742
Total operating expenses	<u>(109,742)</u>
Excess of revenues over expenses	<u>\$ -</u>

(Note: December 31, 2012 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, 2013	<u>\$ 45,286,080</u>
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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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 2013 was 11.33% 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 Fiscal Year ended December 31, 2013

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 fiscal year ended December 31, 2013 was \$64,641,681. Of this amount, \$33,484,947 in payroll earnings were reported to and covered by the IMRF system. The Township's total payroll for the year ended December 31, 2012 was \$348,889 which were reported to and covered by the IMRF plan.

As of December 31, 2013, the most recent actuarial valuation date, the City's Regular plan was 85.47% funded. The City's actuarial accrued liability for benefits was \$92,222,299 and the actuarial value of assets was \$78,823,691 resulting in an underfunded actuarial accrued liability (UAAL) of \$13,398,608. The covered payroll for the fiscal year ended December 31, 2013 (annual payroll of active employees covered by the plan) was \$33,484,947 and the ratio of the UAAL to the covered payroll was 40%.

As of December 31, 2013, the most recent valuation date, the Township's Regular plan was 106.73% funded. The Township's actuarial accrued liability for benefits was \$470,077 and the actuarial value of assets was \$501,694 resulting in an overfunded actuarial accrued liability (UAAL) of \$31,617. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$325,630. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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, 2013, the employer's actual contributions for pension cost were \$3,791,876. Actual required contributions for calendar year 2013 was \$4,085,164. The required contribution was determined as part of the December 31, 2011 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

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$ 4,085,164	93%	\$ 4,003,630
12/31/12	3,863,934	88%	3,710,342
12/31/11	4,811,504	63%	3,247,991

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 16. DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund - Continued

C. Annual Pension Cost - Continued

The City's annual pension cost and net pension obligation for IMRF pension plan as of December 31, 2013 are as follows:

	<u>IMRF</u>
Annual required contribution	\$ 4,085,164
Interest on net pension obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual pension cost	4,085,164
Contributions made	<u>(3,791,876)</u>
Increase (decrease) in net pension obligation	293,288
Net pension obligation at January 1, 2013	<u>3,710,342</u>
Net pension obligation at December 31, 2013	<u>\$ 4,003,630</u>

Note: Interest on Net Pension Obligation (NPO) and adjustment to Annual Required Contribution (ARC) are considered immaterial and hence, not computed.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 16. DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund - Continued

C. Annual Pension Cost - Continued

For December 31, 2013, the Township’s annual pension cost of \$28,037 was equal to the Township’s required and actual contributions. The required contribution was determined as part of the December 31, 2011 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.

Three-Year Trend Information for IMRF - Township

Actuarial Valuation <u>Date</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/13	\$ 28,037	100%	\$ -
12/31/12	29,342	100%	-
12/31/11	25,655	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 fiscal year ended December 31, 2013 was \$12,499,171 and \$9,201,692 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 Fiscal Year ended December 31, 2013

NOTE 16. DEFINED BENEFIT PENSION PLANS – Continued

Police and Firefighters' Pension Plans - Continued

D. Plan Descriptions - Continued

Participation in the plans at December 31, 2013 was:

	<u>Police</u>	<u>Firefighters'</u>
Retirees, disabled participants, and beneficiaries of deceased retirees currently receiving benefits	172	144
Active plan members	<u>163</u>	<u>106</u>
Total	<u>335</u>	<u>250</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 Pension Fund</u>	<u>Firefighters' Pension Fund</u>
Actuarial assumptions:		
Investment rate of return	6.75%	6.75%
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 Fiscal Year ended December 31, 2013

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 Fiscal Year ended December 31, 2013

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, 2013 are as follows:

	<u>Police</u>	<u>Firefighters'</u>
Annual required contribution	\$ 8,091,526	\$ 6,028,078
Interest on net pension obligation	836,311	535,000
Adjustment to annual required contribution	<u>(862,536)</u>	<u>(551,777)</u>
Annual pension cost	8,065,301	6,011,301
Contributions made	<u>(8,463,224)</u>	<u>(6,378,763)</u>
Increase (decrease) in net pension obligation	(397,923)	(367,462)
Net pension obligation at January 1, 2013	<u>12,389,793</u>	<u>7,925,926</u>
Net pension obligation at December 31, 2013	<u>\$ 11,991,870</u>	<u>\$ 7,558,464</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 Fiscal Year ended December 31, 2013

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. Treasuries and Corporate Bonds) in any one organization that represented 5% or more of net position available for benefits. The only exception to the aforementioned are investments in FNMA (8%).

The Firefighters' Pension Trust Fund had no significant investments (other than U.S. Treasuries and Corporate Bonds) in any one organization that represented 5% or more of net position 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	12/31/13	\$ 8,065,301	104.93%	\$ 11,991,870
	12/31/12	7,610,323	113.71%	12,389,793
	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
Firefighters'	12/31/13	\$ 6,011,301	106.11%	\$ 7,558,464
	12/31/12	5,751,374	111.80%	7,925,926
	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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

I. Pensions - Detailed Statement of Net Position

	<u>Firefighters' Pension</u>	<u>Police Pension</u>	<u>Total Pension</u>
Assets			
Cash and short-term investments	\$ 2,116,371	\$ 3,123,126	\$ 5,239,497
Receivables			
Accrued interest	114,180	410,188	524,368
Due from city funds	<u>871,814</u>	<u>1,171,509</u>	<u>2,043,323</u>
Total Receivables	<u>985,994</u>	<u>1,581,697</u>	<u>2,567,691</u>
Investments, at fair value			
U.S. Government and agency obligations	8,806,881	25,168,929	33,975,810
Corporate Bonds	8,708,175	14,440,384	23,148,559
Common Stock	12,705,516	16,385,160	29,090,676
Mutual funds	<u>31,706,990</u>	<u>30,063,847</u>	<u>61,770,837</u>
Total Investments	<u>61,927,562</u>	<u>86,058,320</u>	<u>147,985,882</u>
Total Assets	<u>65,029,927</u>	<u>90,763,143</u>	<u>155,793,070</u>
Liabilities			
Vouchers payable	<u>4,986</u>	<u>-</u>	<u>4,986</u>
Net position held in trust for pension benefits	<u>\$ 65,024,941</u>	<u>\$ 90,763,143</u>	<u>\$ 155,788,084</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

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	January 1, 2013	January 1, 2013
Actuarial cost method	Entry-Age Normal	Entry-Age Normal
Amortization method	Level percent Closed	Level percent Closed
Remaining amortization period	20 Years , 6 months	20 Years , 6 months
Actuarial valuation method	5-year smoothed mkt.	5-year smoothed mkt.

L. Funding Status and Progress

As of December 31, 2013, the City's Police Pension plan was 46.45% funded. The City's actuarial accrued liability for benefits was \$169,353,377 and the actuarial value of assets was \$78,658,837 resulting in an underfunded actuarial accrued liability (UAAL) of \$90,694,540. The covered payroll for the fiscal year ending December 31, 2013 (annual payroll of active employees covered by the Police Pension Plan) was \$12,499,170 and the ratio of the UAAL to the covered payroll was 725.60%.

As of December 31, 2013, the City's Fire Pension plan was 45.77% funded. The City's actuarial accrued liability for benefits was \$127,764,750 and the actuarial value of assets was \$58,476,156 resulting in an underfunded actuarial accrued liability (UAAL) of \$69,288,594. The covered payroll for the fiscal year ending December 31, 2013 (annual payroll of active employees covered by the Fire Pension Plan) was \$9,201,691 and the ratio of the UAAL to the covered payroll was 753.00%.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

J. Pensions - Detailed Statement of Changes in Net Position

	<u>Firefighters' Pension</u>	<u>Police Pension</u>	<u>Total Pension</u>
Additions			
Contributions			
Employer	\$ 6,378,763	\$ 8,463,224	\$ 14,841,987
Plan members	975,932	1,759,216	2,735,148
Other-Donations, Legal Sett., Surplus Sales	<u>150</u>	<u>-</u>	<u>150</u>
Total Contributions	<u>7,354,845</u>	<u>10,222,440</u>	<u>17,577,285</u>
Investment income			
Net appreciation in fair value of investments	5,233,195	6,375,354	11,608,549
Interest	<u>1,564,893</u>	<u>3,277,547</u>	<u>4,842,440</u>
Total investment income	6,798,088	9,652,901	16,450,989
Less investment expense	<u>211,375</u>	<u>215,215</u>	<u>426,590</u>
Net investment income	<u>6,586,713</u>	<u>9,437,686</u>	<u>16,024,399</u>
Total Additions	<u>13,941,558</u>	<u>19,660,126</u>	<u>33,601,684</u>
Deductions			
Benefits	7,320,685	9,328,379	16,649,064
Refunds of contributions	-	109,252	109,252
Administrative expense	<u>59,848</u>	<u>49,313</u>	<u>109,161</u>
Total Deductions	<u>7,380,533</u>	<u>9,486,944</u>	<u>16,867,477</u>
Net increase	6,561,025	10,173,182	16,734,207
Net position held in trust for pension benefits			
Beginning	58,463,916	80,589,961	139,053,877
Ending	<u>\$ 65,024,941</u>	<u>\$ 90,763,143</u>	<u>\$ 155,788,084</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 17. EVANSTON LIBRARY COMPONENT UNIT

A. Types of Accounts and Securities

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

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

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

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

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

Concentration of Credit Risk is the risk that the Library has a high percentage of its investments invested in one type of investments. Currently, Library has diversified its investments in various type sof investments. The Library investment policy provides the high/low limits for various type of investments like Equity, Fixed Income Securities and Cash.

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 17. EVANSTON LIBRARY COMPONENT UNIT - Continued

B. Reconciliation of Cash and Investments

Cash and Equivalents	\$ 1,270,500
Investments	<u>3,117,123</u>
Total per Statement of Position	<u>\$ 4,387,623</u>

Cash in Bank	\$ 619,342
Vanguard Money Market	651,158
Vanguard Equity Mutual Funds	<u>3,117,123</u>
Total Cash and Investments	<u>\$ 4,387,623</u>

C Summary of Receivables

Receivables:	
Property taxes	\$ 5,780,275
Accrued interest	7,524
Other	<u>28,438</u>
Net receivables	<u>\$ 5,816,237</u>

D Capital Assets Activity

	Beginning	Additions	Deletions	Ending
Capital assets, not being depreciated:				
Land	\$ 311,380	-	-	311,380
Capital assets, being depreciated/amortized:				
Buildings and improvements	18,551,582	-	-	18,551,582
Office equipment and furniture	2,285,009	-	-	2,285,009
Infrastructure	230,006	-	-	230,006
Library collections	8,011,680	776,186	-	8,787,866
Capitalized leases	266,191	-	-	266,191
Total capital assets being depreciated/amortized	<u>29,344,468</u>	<u>776,186</u>	<u>-</u>	<u>30,120,654</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	6,626,682	372,050	-	6,998,732
Office equipment and furniture	2,285,009	-	-	2,285,009
Infrastructure	51,113	15,334	-	66,447
Library collections	6,095,994	644,759	-	6,740,753
Capitalized leases	266,191	-	-	266,191
Total accumulated depreciation/amortization	<u>15,324,989</u>	<u>1,032,143</u>	<u>-</u>	<u>16,357,132</u>
Total capital assets being depreciated/amortized, net	<u>14,019,479</u>	<u>(255,957)</u>	<u>-</u>	<u>13,763,522</u>
Library activities capital assets, net	<u>\$ 14,330,859</u>	<u>(255,957)</u>	<u>-</u>	<u>14,074,902</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2013

NOTE 17. EVANSTON LIBRARY COMPONENT UNIT - Continued

E Long-Term Debt

	Interest Rate	Final Maturity Date	Balance 12/31/2012	Issued	Payments	Balance 12/31/2013	Due Within One Year
General Obligations Debt							
Series 2004	2.00%-5.00%	12/1/2023	\$ 313,206	-	313,206	-	-
Series 2005	3.25%-5.00%	12/1/2025	564,464	-	564,464	-	-
Series 2007	4.00%-5.00%	12/1/2016	1,356,901	-	-	1,356,901	200,291
Series 2008D	3.25%-5.00%	12/1/2016	532,560	-	-	532,560	344,400
Series 2013B	2.00%-3.00%	12/1/2025	-	877,667	-	877,667	97,120
			<u>2,767,131</u>	<u>877,667</u>	<u>877,670</u>	<u>2,767,128</u>	<u>641,811</u>
OPEB liability			26,028	14,626	-	40,654	-
Compensated absences payable- City			404,875	48,218	-	453,093	172,175
IMRF Pension contributions			279,569	313,741	291,216	302,094	-
Total Long-Term Debt			<u>\$ 3,477,603</u>	<u>1,254,252</u>	<u>1,168,886</u>	<u>3,562,969</u>	<u>813,986</u>

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

Year Ending December 31	Principal	Interest
2014	\$ 641,810	\$ 106,709
2015	481,936	80,804
2016	323,241	62,455
2017	274,011	51,943
2018	166,831	42,907
2019-2023	491,207	145,169
2024-2028	388,092	44,329
Total	<u>\$ 2,767,128</u>	<u>\$ 534,316</u>

NOTE 18. RESTATEMENT OF NET POSITION

The City's net position for Governmental Activities for the period ending December 31, 2012 has been restated to present Library as a discreet component unit.

	Balance 12/31/2012 before restatement	Library Reclassification	Balance 12/31/2012 (as restated)
Current and Other Assets	\$ 117,978,076	8,439,177	109,538,899
Capital Assets	175,482,215	14,330,859	161,151,356
Total Assets	<u>293,460,291</u>	<u>22,770,036</u>	<u>270,690,255</u>
Long-Term Liabilities	166,117,738	3,477,603	162,640,135
Other Liabilities	13,418,063	144,997	13,273,066
Total Liabilities	<u>179,535,801</u>	<u>3,622,600</u>	<u>175,913,201</u>
Deferred Inflows of Resources	<u>45,794,223</u>	<u>3,715,074</u>	<u>42,079,149</u>
Net Investment in Capital Assets	60,104,623	12,441,398	47,663,225
Restricted	32,635,909	2,990,964	29,644,945
Unrestricted (Deficit)	<u>(24,610,265)</u>	<u>-</u>	<u>(24,610,265)</u>
Total Net Position	<u>\$ 68,130,267</u>	<u>15,432,362</u>	<u>52,697,905</u>
	Balance 12/31/2012 before restatement	Library Reclassification	Balance 12/31/2012 (as restated)
Nonmajor Governmental Funds	<u>\$ 34,694,413</u>	<u>4,579,106</u>	<u>30,115,307</u>

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, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll Under/(Over) ((b-a)/c)
Firefighters' Pension						
1/1/2013	\$ 58,476,156	\$ 127,764,750	\$ 69,288,594	45.77%	\$ 9,201,691	753.00%
1/1/2012	55,082,975	121,693,417	66,610,442	45.26%	8,543,980	779.62%
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%
Police Pension						
1/1/2013	\$ 78,658,837	\$ 169,353,377	\$ 90,694,540	46.45%	\$ 12,499,170	725.60%
1/1/2012	72,266,706	158,457,577	86,190,871	45.61%	14,018,048	614.86%
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%
Illinois Municipal Retirement Fund (City)						
12/31/2013	\$ 78,823,691	\$ 92,222,299	\$ 13,398,608	85.47%	\$ 33,484,947	40.01%
12/31/2012	69,218,573	89,116,813	19,898,240	77.67%	33,025,074	60.25%
12/31/2011	65,199,440	86,311,655	21,112,215	75.54%	32,270,312	65.42%
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%)
Illinois Municipal Retirement Fund (Township)						
12/31/2013	\$ 501,694	\$ 470,077	\$ (31,617)	106.73%	\$ 325,630	(9.71%)
12/31/2012	393,759	495,178	101,419	79.52%	348,889	29.07%
12/31/2011	291,690	279,973	(11,717)	104.19%	358,316	(3.27%)
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%)
Post Employment Benefits other than Pension						
12/31/2013	\$ -	\$ 15,870,326	\$ 15,870,326	-	\$ 45,455,695	34.91%
12/31/2012	-	17,294,689	17,294,689	-	49,784,920	34.74%
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, 2013

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
2012	\$ 6,028,078	\$ 6,378,763	105.82%	\$ 8,091,526	\$ 8,463,224	104.59%
2012	5,729,977	6,429,927	112.22%	7,576,919	8,653,717	114.21%
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%

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 Fiscal Year ended December 31, 2013

	Original & Final Budget	Actual	Variance
Revenues			
Taxes	\$ 37,314,938	\$ 38,328,602	\$ 1,013,664
Licenses and permits	9,413,392	10,617,414	1,204,022
Intergovernmental	16,458,443	18,382,644	1,924,201
Charges for services	7,773,730	7,722,937	(50,793)
Fines	4,366,022	3,448,523	(917,499)
Investment income	6,000	26,907	20,907
Miscellaneous	2,306,837	1,418,949	(887,888)
Total Revenues	<u>77,639,362</u>	<u>79,945,976</u>	<u>2,306,614</u>
Expenditures			
General management and support	14,860,206	14,147,518	712,688
Public safety	39,293,186	40,650,660	(1,357,474)
Public works	9,660,554	8,797,497	863,057
Health and human resource development	3,276,062	3,601,469	(325,407)
Recreation and cultural opportunities	14,709,152	14,744,293	(35,141)
Housing and economic development	2,721,262	2,536,209	185,053
Total Expenditures	<u>84,520,422</u>	<u>84,477,646</u>	<u>42,776</u>
(Deficiency) of Revenues (under) Expenditures	<u>(6,881,060)</u>	<u>(4,531,670)</u>	<u>2,349,390</u>
Other Financing Sources (Uses)			
Operating transfers in (out)			
West Evanston TIF	60,000	60,000	-
Motor Fuel Tax Fund	833,000	833,000	-
Economic Development Fund	452,707	452,707	-
Housing Fund	23,990	23,990	-
Washington National TIF Debt Service Fund	331,000	331,000	-
Howard Hartrey Debt Service	144,400	144,400	-
Southwest TIF I Debt Service Fund	29,500	29,500	-
NSP 2	145,000	87,624	(57,376)
Emergency Telephone System Fund	125,950	125,950	-
Parking Fund	644,242	644,242	-
Sewer Fund	142,200	142,200	-
Howard Ridge TIF	120,400	120,400	-
Capital Improvement Fund	475,000	475,000	-
Water Fund	3,356,300	3,356,300	-
Debt Service Fund	(1,000,000)	(1,000,000)	-
Fleet Service	(600,000)	(600,000)	-
Solid Waste	(1,245,967)	(1,245,967)	-
Insurance Fund	(500,000)	(500,000)	-
	<u>3,537,722</u>	<u>3,480,346</u>	<u>(57,376)</u>
Net Change in Fund Balance	<u>\$ (3,343,338)</u>	<u>(1,051,324)</u>	<u>\$ 2,292,014</u>
Fund Balance			
Beginning		<u>27,760,963</u>	
Ending		<u>\$ 26,709,639</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 2013 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 fiscal year ended December 31, 2013 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	\$ 80,326,764
Increase (decrease) due to budgeting property taxes as revenue in the year of levy	<u>(380,788)</u>
Budgetary Basis Revenues	<u><u>\$ 79,945,976</u></u>
Expenditures	
GAAP basis expenditures as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 84,477,646
Increase (decrease) due to changes in Encumbrances	<u>-</u>
Budgetary Basis Expenditures	<u><u>\$ 84,477,646</u></u>

Note: See Auditors' Report.

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.

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.

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.

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

As of December 31, 2013

Assets	Motor Fuel Tax	Economic Development	Emergency Telephone System	Neighborhood Improvement
Cash and equivalents	\$ 1,474,964	\$ 3,038,805	\$ 997,008	\$ 149,915
Investments	-	-	-	-
Receivables				
Property taxes (net of allowance)				
Current year levy	-	-	-	-
Notes	-	-	-	-
Allowance	-	-	-	-
Special assessments	-	-	-	-
Other	-	576,413	195,444	-
Prepaid items	-	-	-	-
Due from other governments	160,000	-	-	-
Due from other funds	-	-	50,978	-
Total Assets	\$ 1,634,964	\$ 3,615,218	\$ 1,243,430	\$ 149,915
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ -	\$ 81,143	\$ 22,551	\$ -
Due to other governments	-	-	-	-
Due to other funds	-	26,873	-	-
Total Liabilities	-	108,016	22,551	-
Deferred Inflows of Resources				
Property taxes	322,396	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted				
Highway maintenance	1,312,568	-	-	-
Emergency telephone system	-	-	1,220,879	-
HUD approved projects	-	-	-	-
Neighborhood improvements	-	-	-	149,915
Debt service	-	-	-	-
Township	-	-	-	-
Committed - Economic Development	-	3,507,202	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	1,312,568	3,507,202	1,220,879	149,915
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,634,964	\$ 3,615,218	\$ 1,243,430	\$ 149,915

Special Revenue						
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	Total City Funds
\$ 361,420	\$ 10,048	\$ 18,591	\$ 124,675	\$ 12,146	\$ 9,798	\$ 6,197,370
363,439	-	-	-	-	-	363,439
-	-	-	-	-	370,000	370,000
1,546,783	3,892,773	24,799	2,317,482	-	-	7,781,837
-	-	(12,000)	(78,000)	-	-	(90,000)
-	-	-	-	-	-	-
166,188	125	-	767	-	-	938,937
-	-	-	-	-	-	-
-	39,582	161,923	-	166,844	-	528,349
20,000	-	1,752	1,988	-	-	74,718
\$ 2,457,830	\$ 3,942,528	\$ 195,065	\$ 2,366,912	\$ 178,990	\$ 379,798	\$ 16,164,650
\$ 5,000	\$ -	\$ 148,177	\$ 12,600	\$ 157,812	\$ -	\$ 427,283
-	-	-	41	4,517	-	4,558
1,752	-	34,089	-	16,661	190,000	269,375
6,752	-	182,266	12,641	178,990	190,000	701,216
-	-	-	-	-	339,133	661,529
-	-	-	-	-	-	-
-	-	-	-	-	-	1,312,568
-	-	-	-	-	-	1,220,879
-	3,942,528	12,799	2,354,271	-	-	6,309,598
2,451,078	-	-	-	-	-	2,600,993
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	3,507,202
-	-	-	-	-	-	-
-	-	-	-	-	(149,335)	(149,335)
2,451,078	3,942,528	12,799	2,354,271	-	(149,335)	14,801,905
\$ 2,457,830	\$ 3,942,528	\$ 195,065	\$ 2,366,912	\$ 178,990	\$ 379,798	\$ 16,164,650

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued

As of December 31, 2013

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Assets				
Cash and equivalents	\$ 186,989	\$ 439,115	\$ 626,104	\$ 6,823,474
Investments	-	-	-	363,439
Receivables				
Property taxes (net of allowance)				
Current year levy	246,331	886,553	1,132,884	1,502,884
Notes	-	-	-	7,781,837
Allowance	-	-	-	(90,000)
Special assessments	-	-	-	-
Other	-	-	-	938,937
Prepaid items	-	50,543	50,543	50,543
Due from other governments	-	-	-	528,349
Due from other funds	-	14,446	14,446	89,164
Total Assets	\$ 433,320	\$ 1,390,657	\$ 1,823,977	\$ 17,988,627
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ 3,813	\$ 49,100	\$ 52,913	\$ 480,196
Due to other governments	-	-	-	4,558
Due to other funds	14,446	-	14,446	283,821
Total Liabilities	18,259	49,100	67,359	768,575
Deferred Inflows of Resources				
Property taxes	200,033	751,063	951,096	1,612,625
Fund Balances				
Nonspendable	-	50,543	50,543	50,543
Restricted				
Highway maintenance	-	-	-	1,312,568
Emergency telephone system	-	-	-	1,220,879
HUD approved projects	-	-	-	6,309,598
Neighborhood improvements	-	-	-	2,600,993
Debt service	-	-	-	-
Township	215,028	539,951	754,979	754,979
Committed - Economic Development	-	-	-	3,507,202
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	(149,335)
Total Fund Balances (Deficit)	215,028	590,494	805,522	15,607,427
Total Liabilities, Deferred Inflows and Fund Balances	\$ 433,320	\$ 1,390,657	\$ 1,823,977	\$ 17,988,627

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
\$ 43,578	\$ 43,074	\$ 4,041,414	\$ 5,225,867	\$ 183,302	\$ 552,639	\$ 10,089,874
-	-	-	-	-	-	-
436,605	480,767	1,106,614	4,435,648	466,980	41,682	6,968,296
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
370,000	290,000	-	-	195,000	-	855,000
\$ 850,183	\$ 813,841	\$ 5,148,028	\$ 9,661,515	\$ 845,282	\$ 594,321	\$ 17,913,170
\$ -	\$ -	\$ -	\$ 95,826	\$ 1,339	\$ -	\$ 97,165
-	-	-	-	-	-	-
-	-	700,000	500,000	-	15,000	1,215,000
-	-	700,000	595,826	1,339	15,000	1,312,165
375,298	469,124	1,090,980	4,028,248	455,326	41,682	6,460,658
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
474,885	344,717	3,357,048	5,037,441	388,617	537,639	10,140,347
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
474,885	344,717	3,357,048	5,037,441	388,617	537,639	10,140,347
\$ 850,183	\$ 813,841	\$ 5,148,028	\$ 9,661,515	\$ 845,282	\$ 594,321	\$ 17,913,170

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
As of December 31, 2013

Assets	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
Cash and equivalents	\$ 2,064,570	\$ 18,977,918
Investments	-	363,439
Receivables		
Property taxes (net of allowance)		
Current year levy	-	8,471,180
Notes	-	7,781,837
Allowance	-	(90,000)
Special assessments	558,150	558,150
Other	235	939,172
Prepaid items	-	50,543
Due from other governments	-	528,349
Due from other funds	33,764	977,928
Total Assets	\$ 2,656,719	\$ 38,558,516
Liabilities and Fund Balances		
Liabilities		
Vouchers payable	\$ 2,186	\$ 579,547
Due to other governments	-	4,558
Due to other funds	23,968	1,522,789
Total Liabilities	26,154	2,106,894
Deferred Inflows of Resources		
Property taxes	558,150	8,631,433
Fund Balances		
Nonspendable	-	50,543
Restricted		
Highway maintenance	-	1,312,568
Emergency telephone system	-	1,220,879
HUD approved projects	-	6,309,598
Neighborhood improvements	-	2,600,993
Debt service	-	10,140,347
Township	-	754,979
Committed - Economic Development	-	3,507,202
Assigned	2,072,415	2,072,415
Unassigned (deficit)	-	(149,335)
Total Fund Balances (Deficit)	2,072,415	27,820,189
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,656,719	\$ 38,558,516

Concluded

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund
For the Fiscal Year ended December 31, 2013

	Motor Fuel Tax	Economic Development	Emergency Telephone System	Neighborhood Improvement
Revenues				
Taxes	\$ -	\$ 1,829,926	\$ 1,003,954	\$ 20,000
Special assessments	-	-	-	-
Intergovernmental	2,118,506	999,000	-	-
Investment income	482	131	215	-
Miscellaneous	-	792	-	-
Total Revenues	2,118,988	2,829,849	1,004,169	20,000
Expenditures				
Current				
General management and support	-	-	-	-
Public safety	-	-	922,147	-
Public works	972,788	-	-	-
Housing and economic development	-	1,068,844	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	972,788	1,068,844	922,147	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,146,200	1,761,005	82,022	20,000
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Premiums and discounts	-	-	-	-
Transfers in (out)				
General	(833,000)	(452,707)	(125,950)	-
General Obligation Debt Service	-	-	-	-
Economic Development	-	-	-	-
Howard Ridge Tax Increment District	-	48,500	-	-
Motor Vehicle Parking System	-	-	-	-
Total Other Financing Sources (Uses)	(833,000)	(404,207)	(125,950)	-
Net Change in Fund Balances	313,200	1,356,798	(43,928)	20,000
Fund Balances (Deficit) - Beginning	999,368	2,150,404	1,264,807	129,915
Fund Balances (Deficit) - Ending	\$ 1,312,568	\$ 3,507,202	\$ 1,220,879	\$ 149,915

Special Revenue						
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	Total City Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337,668	\$ 3,191,548
-	-	-	-	-	-	-
-	703,935	1,665,720	205,904	2,885,918	-	8,578,983
198	6,693	-	3,554	-	-	11,273
301,188	-	14,412	-	-	-	316,392
301,386	710,628	1,680,132	209,458	2,885,918	337,668	12,098,196
-	-	-	-	-	-	-
-	-	-	-	-	-	922,147
-	-	-	-	-	-	972,788
62,444	74,475	1,680,132	-	2,798,294	370,000	6,054,189
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
62,444	74,475	1,680,132	-	2,798,294	370,000	7,949,124
238,942	636,153	-	209,458	87,624	(32,332)	4,149,072
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(23,990)	-	-	-	(87,624)	-	(1,523,271)
-	-	-	-	-	-	-
-	-	-	-	-	-	48,500
-	-	-	-	-	-	-
(23,990)	-	-	-	(87,624)	-	(1,474,771)
214,952	636,153	-	209,458	-	(32,332)	2,674,301
2,236,126	3,306,375	12,799	2,144,813	-	(117,003)	12,127,604
\$ 2,451,078	\$ 3,942,528	\$ 12,799	\$ 2,354,271	\$ -	\$ (149,335)	\$ 14,801,905

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued
 For the Fiscal Year ended December 31, 2013 and Twenty One Months ended December 31, 2013
 for City and Township respectively

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Revenues				
Taxes	\$ 503,694	\$ 1,555,480	\$ 2,059,174	\$ 5,250,722
Special assessments	-	-	-	-
Intergovernmental	-	-	-	8,578,983
Investment income	299	1,149	1,448	12,721
Miscellaneous	-	50,595	50,595	366,987
Total Revenues	503,993	1,607,224	2,111,217	14,209,413
Expenditures				
Current				
General management and support	648,807	2,535,983	3,184,790	3,184,790
Public safety	-	-	-	922,147
Public works	-	-	-	972,788
Housing and economic development	-	-	-	6,054,189
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	648,807	2,535,983	3,184,790	11,133,914
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(144,814)	(928,759)	(1,073,573)	3,075,499
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Premiums and discount	-	-	-	-
Transfers in (out)				
General	-	-	-	(1,523,271)
General Obligation Debt Service	-	-	-	-
Economic Development	-	-	-	-
Howard Ridge Tax Increment District	-	-	-	48,500
Motor Vehicle Parking System	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(1,474,771)
Net Change in Fund Balances	(144,814)	(928,759)	(1,073,573)	1,600,728
Fund Balances (Deficit) - Beginning	359,842	1,519,253	1,879,095	14,006,699
Fund Balances (Deficit) - Ending	\$ 215,028	\$ 590,494	\$ 805,522	\$ 15,607,427

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
\$ 460,062	\$ 492,410	\$ 1,122,248	\$ 4,488,658	\$ 194,881	\$ 46,252	\$ 6,804,511
-	-	-	-	-	-	-
-	-	-	-	-	-	-
585	2	14,087	13,072	344	167	28,257
-	-	-	-	33,014	-	33,014
460,647	492,412	1,136,335	4,501,730	228,239	46,419	6,865,782
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,188,934	-	-	2,188,934
-	423,134	1,159,915	100,934	726,232	314,353	2,724,568
340,000	-	645,000	425,000	-	-	1,410,000
78,816	-	75,611	78,375	-	7,274	240,076
-	-	-	-	-	-	-
418,816	423,134	1,880,526	2,793,243	726,232	321,627	6,563,578
41,831	69,278	(744,191)	1,708,487	(497,993)	(275,208)	302,204
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(29,500)	(144,400)	(331,000)	(120,400)	(60,000)	(685,300)
-	-	-	-	-	-	-
-	-	-	-	(48,500)	-	(48,500)
-	-	-	-	-	-	-
-	-	-	(3,631,350)	-	-	(3,631,350)
-	(29,500)	(144,400)	(3,962,350)	(168,900)	(60,000)	(4,365,150)
41,831	39,778	(888,591)	(2,253,863)	(666,893)	(335,208)	(4,062,946)
433,054	304,939	4,245,639	7,291,304	1,055,510	872,847	14,203,293
\$ 474,885	\$ 344,717	\$ 3,357,048	\$ 5,037,441	\$ 388,617	\$ 537,639	\$ 10,140,347

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued
For the Fiscal Year ended December 31, 2013

	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
Revenues		
Taxes	\$ -	\$ 12,055,233
Special assessments	274,848	274,848
Intergovernmental	-	8,578,983
Investment income	1,982	42,960
Miscellaneous	-	400,001
Total Revenues	276,830	21,352,025
Expenditures		
Current		
General management and support	4,113	3,188,903
Public safety	-	922,147
Public works	-	3,161,722
Housing and economic development	-	8,778,757
Debt service		
Principal	-	1,410,000
Interest	-	240,076
Capital outlay	29,863	29,863
Total Expenditures	33,976	17,731,468
Excess (Deficiency) of Revenues Over (Under) Expenditures	242,854	3,620,557
Other Financing Sources (Uses)		
Issuance of debt	230,000	230,000
Premiums and discount	11,906	11,906
Transfers in (out)		
General	-	(2,208,571)
General Obligation Debt Service	(317,660)	(317,660)
Economic Development	-	(48,500)
Howard Ridge Tax Increment District	-	48,500
Motor Vehicle Parking System	-	(3,631,350)
Total Other Financing Sources (Uses)	(75,754)	(5,915,675)
Net Change in Fund Balances	167,100	(2,295,118)
Fund Balances (Deficit) - Beginning	1,905,315	30,115,307
Fund Balances (Deficit) - Ending	\$ 2,072,415	\$ 27,820,189

Concluded

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Taxes			
Property			
Current year levy	\$ 12,281,386	\$ 11,527,504	\$ (753,882)
Prior year levy	200,000	414,071	214,071
Total Property Taxes	12,481,386	11,941,575	(539,811)
Personal Property Replacement Tax	637,900	767,473	129,573
Other Taxes			
State Use Tax	1,176,879	1,283,156	106,277
Sales Tax - Home Rule	5,861,800	5,964,747	102,947
Auto Rental Tax	40,000	43,598	3,598
Athletic Contest Tax	760,000	1,056,355	296,355
Utility Tax	8,514,306	7,690,177	(824,129)
Cigarette Tax	485,000	372,000	(113,000)
Evanston Motor Fuel Tax	707,667	634,196	(73,471)
Liquor Tax	2,350,000	2,261,874	(88,126)
Parking Tax	2,200,000	2,418,852	218,852
Real Estate Transfer Tax	2,100,000	3,894,599	1,794,599
Total Other Taxes	24,195,652	25,619,554	1,423,902
Total Taxes	37,314,938	38,328,602	1,013,664

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Licenses and Permits			
Vehicle Licenses	\$ 2,600,000	\$ 2,349,686	\$ (250,314)
Business Licenses	150,000	126,119	(23,881)
Pet Licenses	25,000	23,969	(1,031)
Contractor Licenses	77,302	87,400	10,098
Rooming House Licenses	193,000	229,888	36,888
Liquor Licenses	330,000	701,238	371,238
One Day Liquor Licenses	8,200	10,195	1,995
Farmer's Market Licenses	33,000	41,376	8,376
Rental building register	95,000	62,437	(32,563)
Other Licenses	20,000	20,519	519
Long Term Care License	98,400	104,580	6,180
Seasonal Food estb	-	17,696	17,696
Mobile food vehicle	-	1,028	1,028
Hen coop lic	-	850	850
Resident Care home License	600	540	(60)
Building Permits	3,020,000	3,951,048	931,048
Plumbing Permits	135,000	119,635	(15,365)
Electrical Permits	130,000	158,193	28,193
Signs and Awnings	8,330	7,802	(528)
Other /Misc Permits	183,260	278,408	95,148
Elevator Permits	41,650	74,670	33,020
Heating Vent / AC Permits	210,000	340,687	130,687
Right of Way Permits	290,000	543,677	253,677
Residents Parking Permit	128,000	113,582	(14,418)
Visitor Parking Permit	12,300	14,181	1,881
Fire supression / Alarm Permit	65,000	85,537	20,537
Annual Sign Fees	25,000	34,020	9,020
Moving Van Permit	50,000	-	(50,000)
Plat PR. & Sign Approval HRG Fees	2,100	3,275	1,175
Alarm Panel Francise Fee	6,000	10,680	4,680
Cable Franchise Fee	1,000,000	1,141,460	141,460
PEG Fees - COMCAST	100,000	(97,094)	(197,094)
Nicor Franchise Fee	95,000	60,132	(34,868)
Transfer Station Fee	281,250	-	(281,250)
Total Licenses and Permits	9,413,392	10,617,414	1,204,022

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Intergovernmental - Revenue from			
Other Agencies			
Retailer and Service Occupation Tax	\$ 9,291,000	\$ 9,717,393	\$ 426,393
State Income Tax	6,322,645	7,182,793	860,148
State Highway Maintenance	58,000	56,551	(1,449)
Health Department Basic Serv. Grant	75,000	152,362	77,362
Dental Sealant Grant	8,626	7,155	(1,471)
W.I.C. Reimbursement	-	20,169	20,169
Summer Food Inspections	400	1,100	700
Kid Care Agreement	-	150	150
Illinois Tobacco Free Community	25,082	39,680	14,598
Health Alert Network Grant	-	7,450	7,450
Childhood Lead Poisoning Grant	1,000	5,550	4,550
Other State / County Grant	11,000	321,111	310,111
Tanning Parlor Inspection	200	400	200
Violence Crime Victim Asst. Grant	18,525	-	(18,525)
RBFI-Risk Based Fdng Grant	-	19,726	19,726
Fire Department Training	3,000	-	(3,000)
CRI Grant	44,000	70,608	26,608
PHEP Grant	62,072	88,951	26,879
Dental Expansion Grant	30,000	-	(30,000)
Leadbase Paint Control Grant	80,000	65,100	(14,900)
Federal Grant / Aid	10,000	103,325	93,325
Commission on Aging Grant - Advocate	79,723	91,825	12,102
Civil Defence Grants (F.E.M.A.)	17,000	161,613	144,613
Police Training	8,000	-	(8,000)
HUD Emergency Shelter Grant	204,770	127,182	(77,588)
YOUTH ORGANIZ UMBRELLA G	-	47,477	47,477
RTA Grant	100,000	-	(100,000)
Other Federal Aid	8,400	94,973	86,573
Total Intergovernmental - Revenue from Other Agencies	16,458,443	18,382,644	1,924,201

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Charges for Services			
Recreation			
Recreation - program	\$ 5,365,015	\$ 5,219,280	\$ (145,735)
Recreation -special events	25,000	16,251	(8,749)
Total Recreation	5,390,015	5,235,531	(154,484)
Charges for Services			
Other Service Charges			
Birth and Death Records	-	8,398	8,398
Sanitation Classes	1,700	2,720	1,020
Dental Clinic Fees	-	548	548
Health Clinic Fees - Food Establishment	185,000	189,915	4,915
Temporary License Fee	7,000	6,606	(394)
Food Delivery Vehicle	5,500	6,094	594
Beverage Snack Vending Machine	28,000	28,932	932
Tobacco License	19,000	21,239	2,239
BeeKeeper License	-	74	74
Birth Certificate	70,000	64,743	(5,257)
Death Certificate - 16 . 23	40,000	10,894	(29,106)
Funeral Director License	6,000	8,471	2,471
Temp Funeral Direct License	4,200	4,845	645
Parking Meter Fee Increment	641,667	641,552	(115)
Weights & Measures Examinations	1,000	775	(225)
Senior Taxi Coupon Sales	108,000	91,998	(16,002)
Fire Cost Recovery Charge	10,000	3,060	(6,940)
Other Services Charges	-	2,341	2,341
Historic preservation	6,500	6,807	307
Tree Preservation Revenue	-	26,336	26,336

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Charges for Services - Continued			
Other Service Charges - Continued			
Ambulance Service	\$ 1,052,400	\$ 1,079,976	\$ 27,576
Towing Charges	3,000	120	(2,880)
Police Report Fees	14,500	25,971	11,471
Wood Recycling	35,000	40,740	5,740
Zoning Fees	25,000	47,008	22,008
Fire Building inspections	6,000	11,875	5,875
Alarm Panel Subscription Fees	90,000	120,461	30,461
Skokie Animal Board Fee	8,000	7,500	(500)
Background Check Daycare Prov.	-	420	420
New Pavement Degradation	10,000	17,250	7,250
Plan Review	6,248	9,737	3,489
Total Other Service Charges	2,383,715	2,487,406	103,691
Total Charges for Services	7,773,730	7,722,937	(50,793)
Fines			
Ticket Fines - Parking	3,450,000	2,144,889	(1,305,111)
Regular Fines	298,449	180,804	(117,645)
Boot Release Fee	80,000	38,025	(41,975)
Fire False Alarm Fines	170,000	136,599	(33,401)
Police CTA Detail	-	439,192	439,192
Police DUI Reimbursement	-	28,921	28,921
Police Tip System	-	48	48
Police False Alarm Fines	-	44,013	44,013
Housing Code Violation Fines	97,248	102,271	5,023
Permit Penalty Fees	7,500	8,147	647
Police Call Fines	-	475	475
Administrative Adjudication Fine	262,825	325,139	62,314
Total Fines	4,366,022	3,448,523	(917,499)
Investment Income	6,000	26,907	20,907

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Miscellaneous			
Charges to Other Funds			
Recreation restricted accts	\$ 78,716	\$ 75,900	\$ (2,816)
Community Development Fund	781,278	672,374	(108,904)
Home Fund	28,400	22,740	(5,660)
	<u>888,394</u>	<u>771,014</u>	<u>(117,380)</u>
Total Charges to Other Funds			
Miscellaneous			
Other Revenues			
Women Out Walking	15,000	3,956	(11,044)
Property Sales and Rentals	151,543	69,261	(82,282)
Donation	76,400	-	(76,400)
Damage to City Signage	2,000	-	(2,000)
Damage to City traffic Signal	20,000	-	(20,000)
Damage to Street Lights	20,000	-	(20,000)
Miscellaneous Revenue	255,000	106,968	(148,032)
Taxicab Revenue	-	5,700	5,700
Teen baby nursery	41,000	41,000	-
Market Link Vouchers	16,500	7,312	(9,188)
Sale of surplus properties	-	5,634	5,634
Reimbursements - Serve & Pro.	-	6,066	6,066
Reimbursements - Salt Use	-	54,973	54,973
Reimbursements - Fire Dept.	-	52,794	52,794
Payment in Lieu of Taxes	250,000	9,500	(240,500)
Fund Balance Applied	516,000	516,000	-
Jde Water Interface	-	3,479	3,479
City Rehab Repayments	-	2,300	2,300
Yard Waste	-	2,625	2,625
Private Elm Trees Ins.	40,000	45,028	5,028
CD Demolition Revenue	-	488	488
Citizens CPR Class Fees	-	5,792	5,792
Parking Permits - Ryan Field	15,000	12,534	(2,466)
Change in Reserves	-	(303,475)	(303,475)
	<u>1,418,443</u>	<u>647,935</u>	<u>(770,508)</u>
Total Other Revenues			
Total Miscellaneous	<u>2,306,837</u>	<u>1,418,949</u>	<u>(887,888)</u>
Total Revenues	<u>\$ 77,639,362</u>	<u>\$ 79,945,976</u>	<u>\$ 2,306,614</u>

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
General Management and Support			
City Council	\$ 406,161	\$ 421,198	\$ (15,037)
City Manager	1,873,088	1,582,580	290,508
City Clerk	228,936	235,871	(6,935)
Law Department	989,154	973,254	15,900
Administrative Services	8,776,492	8,546,089	230,403
Facilities management	2,586,375	2,388,526	197,849
Total General Management and Support	14,860,206	14,147,518	712,688
Public Safety			
Police	25,552,038	26,508,583	(956,545)
Fire	13,741,148	14,142,077	(400,929)
Total Public Safety	39,293,186	40,650,660	(1,357,474)
Public Works			
Public Works Director	390,668	361,299	29,369
Municipal Service Center	440,054	325,575	114,479
City Engineer	1,460,873	1,527,840	(66,967)
Traffic Engineer	887,202	860,772	26,430
Streets	6,481,757	5,721,897	759,860
Sanitation	-	114	(114)
Total Public Works	9,660,554	8,797,497	863,057

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Health and Human Resource Development			
Health and Human Services Director	\$ 309,672	\$ 316,748	\$ (7,076)
Health Department	1,535,504	1,731,706	(196,202)
Mental health and community purchased services	788,540	869,395	(80,855)
Human Relations	642,346	683,620	(41,274)
Total Health and Human Resource Development	3,276,062	3,601,469	(325,407)
Recreation and Cultural Opportunities			
Recreation	8,885,720	8,966,941	(81,221)
Parks and forestry	4,501,752	4,455,625	46,127
Ecology Center	427,879	485,605	(57,726)
Cultural arts	893,801	836,122	57,679
Total Recreation and Cultural Opportunities	14,709,152	14,744,293	(35,141)
Housing and Economic Development			
Community Development administration	253,346	237,924	15,422
Planning and zoning	770,882	740,373	30,509
Housing rehabilitation and property standards	167,627	146,664	20,963
Building code compliance	1,529,407	1,411,248	118,159
Total Housing and Economic Development	2,721,262	2,536,209	185,053
Total Expenditures	\$ 84,520,422	\$ 84,477,646	\$ 42,776

Concluded

CITY OF EVANSTON, ILLINOIS

Capital Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
 For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 11,120,988	\$ 882,160	\$ (10,238,828)
Interest	10,000	18,562	8,562
Miscellaneous	-	53,986	53,986
Total Revenue	11,130,988	954,708	(10,176,280)
Expenditures			
General management and support	\$ -	\$ 131,328	\$ (131,328)
Public safety	-	15,991	(15,991)
Public works	-	23,193	(23,193)
Recreation and cultural opportunities	-	30,999	(30,999)
Capital outlay	13,100,351	5,918,368	7,181,983
Total Expenditures	13,100,351	6,119,879	6,980,472
Excess (Deficiency) of Revenues over (under) Expenditures	(1,969,363)	(5,165,171)	(3,195,808)
Other Financing Sources (Uses)			
Transfers out	\$ (475,000)	(475,000)	-
Issuance of debt	-	8,538,259	8,538,259
Net Change in Fund Balance	\$ (2,444,363)	\$ 2,898,088	\$ 5,342,451
Fund Balance			
Beginning		<u>3,401,911</u>	
Ending		<u>\$ 6,299,999</u>	

CITY OF EVANSTON, ILLINOIS

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
 For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 2,125,000	\$ 2,118,506	\$ (6,494)
Interest	2,000	482	(1,518)
Total Revenues	2,127,000	2,118,988	(8,012)
Expenditures			
Public Works	1,400,000	972,788	427,212
Excess (Deficiency) of Revenues over (under) Expenditures	727,000	1,146,200	419,200
Other Financing Sources (Uses)			
Transfers in (out)			
General Fund	(833,000)	(833,000)	-
Net Change in Fund Balance	<u>\$ (106,000)</u>	313,200	<u>\$ 419,200</u>
Fund Balances			
Beginning		<u>999,368</u>	
Ending		<u>\$ 1,312,568</u>	

CITY OF EVANSTON, ILLINOIS

Economic Development Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 1,900,000	\$ 1,829,926	\$ (70,074)
Intergovernmental allotments	-	999,000	999,000
Interest	800	131	(669)
Miscellaneous	-	792	792
Total Revenue	1,900,800	2,829,849	929,049
Expenditures			
Housing and economic development	1,901,125	1,058,944	842,181
Excess of Revenues over Expenditures	(325)	1,770,905	1,771,230
Other Financing Sources (Uses)			
Transfers in (out)			
Library	(9,900)	(9,900)	-
Howard Ridge	48,500	48,500	-
General Fund	(452,707)	(452,707)	-
Net Change in Fund Balance	<u>(414,432)</u>	1,356,798	<u>\$ 1,771,230</u>
Fund Balances			
Beginning		<u>2,150,404</u>	
Ending		<u><u>\$ 3,507,202</u></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 Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 1,033,560	\$ 1,003,954	\$ (29,606)
Interest	1,000	215	(785)
Total Revenue	1,034,560	1,004,169	(30,391)
Expenditures			
Public Safety	1,121,330	922,147	199,183
Excess of Revenues over Expenditures	(86,770)	82,022	168,792
Other Financing Sources (Uses)			
Transfers in (out) General Fund	(125,950)	(125,950)	-
Net Change in Fund Balance	<u>\$ (212,720)</u>	\$ (43,928)	<u>\$ 168,792</u>
Fund Balance			
Beginning		<u>1,264,807</u>	
Ending		<u>\$ 1,220,879</u>	

CITY OF EVANSTON, ILLINOIS

Neighborhood Improvement Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	<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>129,915</u>	
Ending		<u>\$ 149,915</u>	

CITY OF EVANSTON, ILLINOIS

Affordable Housing Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Affordable Housing Demo Tax	\$ -	\$ 40,000	\$ 40,000
Developer Contributions	155,000	250,000	95,000
Interest	228	198	(30)
Miscellaneous	-	11,188	11,188
Total Revenue	155,228	301,386	146,158
Expenditures			
Housing and economic development	273,800	62,444	211,356
Excess of Revenues over Expenditures	(118,572)	238,942	357,514
Other Financing Sources (Uses)			
Transfers in (out)			
Debt Service Fund	(23,990)	(23,990)	-
Net Change in Fund Balance	<u><u>\$ (142,562)</u></u>	214,952	<u><u>\$ 357,514</u></u>
Fund Balance			
Beginning		<u>2,236,126</u>	
Ending		<u><u>\$ 2,451,078</u></u>	

CITY OF EVANSTON, ILLINOIS

HOME Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 797,400	\$ 703,935	\$ (93,465)
Interest	-	6,693	6,693
Total Revenue	797,400	710,628	(86,772)
Expenditures			
Housing and economic development	769,000	74,475	694,525
Excess (Deficiency) of Revenues over (under) Expenditures	28,400	636,153	607,753
Other Financing Sources (Uses)			
Transfers in (out) General Fund	(28,400)	-	28,400
Net Change in Fund Balance	\$ -	636,153	\$ 636,153
Fund Balance			
Beginning		3,306,375	
Ending		\$ 3,942,528	

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 Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments			
Grant from the U.S. Department of Housing and Urban Development	\$ 1,963,644	\$ 1,665,720	\$ (297,924)
Miscellaneous	-	14,412	14,412
Total Revenues	1,963,644	1,680,132	(283,512)
Expenditures			
Housing and economic development	1,963,644	1,680,132	283,512
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Beginning		<u>12,799</u>	
Ending		<u>\$ 12,799</u>	

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Administration/Planning			
CDBG Administration	\$ 308,000	\$ 298,258	\$ 9,742
Total Administration/Planning	308,000	298,258	9,742
Economic Development			
Evanston Community Development Corp.	75,000	-	75,000
Total Economic Development	75,000	-	75,000
Housing			
Housing Code Compliance	400,000	413,077	(13,077)
Demolition Vacant Lot	-	2,755	(2,755)
Handyman Assistance/Elderly Home Repair	-	8,025	(8,025)
Essential Repairs	-	4,206	(4,206)
Housing Rehab Administration	185,000	160,426	24,574
Neighborhood Storefront Imp Program	22,500	-	22,500
Total Housing	607,500	588,489	19,011
Neighborhood Revitalization			
Alley Imp. Paving Program	238,544	307,317	(68,773)
Curb/Sidewalk Replacement	85,800	-	85,800
Child Care Center	5,000	-	5,000
Tree Planting Wnrsa	-	525	(525)
Fireman' Park	40,000	75,000	(35,000)
Grandmother Park	10,000	17,000	(7,000)
YOU-Nichols	27,000	-	27,000
Penny Park	30,000	-	30,000
Weissbourd/Fam Focus	50,000	-	50,000
Handyman Assistance/Elderly Home Repair	32,000	1,082	30,918
Reba Early Learning Center Roof	15,000	10,400	4,600
Special Assessments/Alley Paving	50,000	35,202	14,798
Snap Lighting	25,000	39,055	(14,055)
McGaw YMCA	30,000	8,000	22,000
YMCA	30,000	-	30,000
Peer Windows	5,000	-	5,000
Graffiti Removal Program	33,800	33,804	(4)
Total Neighborhood Revitalization	707,144	527,385	179,759

Continued

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Public Services			
Evanston Community Defender	33,000	33,000	-
Family Focus	22,500	22,500	-
Girl Scouts	5,000	5,000	-
Interfaith Housing Program/ Home Sharing	13,000	13,000	-
Legal Assist Foundation	7,000	7,000	-
Meals at Home	14,000	14,000	-
North Shore Senior Center	18,000	18,000	-
Open studio Art	3,500	3,500	-
Summer Youth Employment	70,000	70,000	-
Youth Job Center of Evanston	35,000	35,000	-
Iwork/hours options	20,000	20,000	-
YWCA Shelter Project	25,000	25,000	-
Total Public Services	266,000	266,000	-
Total Expenditures	\$ 1,963,644	\$ 1,680,132	\$ 283,512

CITY OF EVANSTON, ILLINOIS

Community Development Loan

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ -	\$ 205,904	\$ 205,904
Interest	9,000	3,554	(5,446)
Total Revenues	9,000	209,458	200,458
Expenditures			
Housing and economic development	20,000	-	20,000
Net Change in Fund Balance	<u>\$ (11,000)</u>	209,458	<u>\$ 220,458</u>
Fund Balances			
Beginning		<u>2,144,813</u>	
Ending		<u>\$ 2,354,271</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 Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 4,011,917	\$ 2,885,918	\$ (1,125,999)
Expenditures			
Housing and economic development	3,924,293	2,798,294	1,125,999
Excess (Deficiency) of Revenues over (under) Expenditures	87,624	87,624	-
Other Financing Sources (Uses)			
Transfers in (out)			
General Fund	(87,624)	(87,624)	-
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances			
Beginning		<u>-</u>	
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 Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes			
Current year levy	\$ 408,000	\$ 370,000	\$ (38,000)
Prior year levy	-	(87,594)	(87,594)
Interest	-	-	-
Total Revenues	408,000	282,406	(125,594)
Expenditures			
Housing and economic development	398,000	370,000	28,000
Net Change in Fund Balance	<u>\$ 10,000</u>	(87,594)	<u>\$ (97,594)</u>
Fund Balance			
Beginning		<u>284,410</u>	
Ending		<u>\$ 196,816</u>	

CITY OF EVANSTON, ILLINOIS

Township - Town Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Twenty One Months ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 345,753	\$ 503,694	\$ 157,941
Interest	525	299	(226)
Replacement tax	87,500	-	(87,500)
Total Revenues	433,778	503,993	70,215
Expenditures			
General management and support	653,020	648,807	4,213
Excess (Deficiency) of Revenues over (under) Expenditures	(219,242)	(144,814)	74,428
Other Financing Sources (Uses)			
Transfers in (out)			
General Assistance Fund	81,062	-	(81,062)
Net Change in Fund Balance	<u>\$ (138,180)</u>	(144,814)	<u>\$ (6,634)</u>
Fund Balance			
Beginning		<u>359,842</u>	
Ending		<u>\$ 215,028</u>	

CITY OF EVANSTON, ILLINOIS

Township - General Assistance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Twenty One Months ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 1,399,678	\$ 1,555,480	\$ 155,802
Interest	600	1,149	549
Miscellaneous	-	50,595	50,595
Total Revenues	1,400,278	1,607,224	206,946
Expenditures			
General management and support	2,304,306	2,535,983	(231,677)
Excess (Deficiency) of Revenues over (under) Expenditures	(904,028)	(928,759)	(24,731)
Other Financing Sources (Uses)			
Transfers in (out)			
Town Fund	452,037	-	(452,037)
	452,037	-	(452,037)
Net Change in Fund Balance	<u>\$ (451,991)</u>	(928,759)	<u>\$ (476,768)</u>
Fund Balance			
Beginning		<u>1,519,253</u>	
Ending		<u>\$ 590,494</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 Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Special Assessments	\$ 550,000	\$ 274,848	\$ (275,152)
Interest	10,000	1,982	(8,018)
Total Revenue	560,000	276,830	(283,170)
Expenditures			
General management and support	\$ -	\$ 4,113	\$ (4,113)
Capital outlay	361,000	29,863	331,137
Total Expenditures	361,000	33,976	327,024
Excess (Deficiency) of Revenues over (under) Expenditures	199,000	242,854	43,854
Other Financing Sources (Uses)			
Issuance of debt	-	241,906	241,906
Transfer to Debt Service Fund	(317,660)	(317,660)	-
Other Financing Sources (Uses) - net	(317,660)	(75,754)	241,906
Net Change in Fund Balance	\$ (118,660)	167,100	\$ 285,760
Fund Balance			
Beginning		<u>1,905,315</u>	
Ending		<u>\$ 2,072,415</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 Fiscal Year ended December 31, 2013

	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	\$ 11,813,844	\$ 428,756	\$ 444,309	\$ 656,000	\$ 480,767	\$ 1,300,000	\$ 1,106,614
Prior year levy, net	-	66,643	-	(29,367)	-	-	-	-
Investment income	1,000	5,355	100	587	500	2	5,000	14,087
Miscellaneous	-	33,510	-	-	-	-	-	-
Total Revenues	<u>10,807,574</u>	<u>11,919,352</u>	<u>428,856</u>	<u>415,529</u>	<u>656,500</u>	<u>480,769</u>	<u>1,305,000</u>	<u>1,120,701</u>
Expenditures								
General management and support	5,000	143,063	-	-	-	-	460,000	1,159,915
Housing and economic development	-	-	-	-	840,000	423,134	-	-
Construction Improvement	-	-	-	-	-	-	-	-
Debt Service								
Principal	5,856,800	7,536,636	340,000	380,000	-	-	570,000	685,000
Interest	4,012,876	4,262,441	88,756	57,740	-	-	141,804	39,088
Fiscal agent fees	83,000	126,610	-	-	-	-	-	-
Total Expenditures	<u>9,957,676</u>	<u>12,068,750</u>	<u>428,756</u>	<u>437,740</u>	<u>840,000</u>	<u>423,134</u>	<u>1,171,804</u>	<u>1,884,003</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>849,898</u>	<u>(149,398)</u>	<u>100</u>	<u>(22,211)</u>	<u>(183,500)</u>	<u>57,635</u>	<u>133,196</u>	<u>(763,302)</u>
Other Financing Sources (Uses)								
Issuance of Debt	-	-	-	-	-	-	-	-
Transfers in (out)								
General	871,528	1,000,000	-	-	(24,100)	(29,500)	(141,600)	(144,400)
Library								
NSP 2								
Emergency Telephone								
Community Development Grant								
Economic Development	-	-	-	-	-	-	-	-
Washington National CIP	-	-	-	-	-	-	-	-
Special Assessment	317,660	317,660	-	-	-	-	-	-
Fleet Services								
Insurance	-	-	-	-	-	-	-	-
Sewer Fund	-	(1,857,827)	-	-	-	-	-	-
Motor Vehicle Parking System	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,189,188</u>	<u>(540,167)</u>	<u>-</u>	<u>-</u>	<u>(24,100)</u>	<u>(29,500)</u>	<u>(141,600)</u>	<u>(144,400)</u>
Net Changes in Fund Balances	<u>\$ 2,039,086</u>	<u>(689,565)</u>	<u>\$ 100</u>	<u>(22,211)</u>	<u>\$ (207,600)</u>	<u>28,135</u>	<u>\$ (8,404)</u>	<u>(907,702)</u>
Fund Balances (Deficit)								
Beginning		<u>270,969</u>		<u>46,881</u>		<u>304,936</u>		<u>3,525,028</u>
Ending		<u>\$ (418,596)</u>		<u>\$ 24,670</u>		<u>\$ 333,071</u>		<u>\$ 2,617,326</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	\$ 4,435,649	\$ 689,000	\$ 466,980	\$ 580,000	\$ 41,682	\$ 19,260,330	\$ 18,789,845
-	76,760	-	7,236	-	9,462	-	130,734
25,000	13,072	400	344	1,000	166	33,000	33,613
-	-	-	33,014	-	-	-	66,524
4,825,000	4,525,481	689,400	507,574	581,000	51,310	19,293,330	19,020,716
-	100,935	-	726,231	490,000	314,353	955,000	2,444,497
-	-	-	-	-	-	840,000	423,134
425,000	2,188,934	-	-	-	-	425,000	2,188,934
325,000	455,000	-	-	-	-	7,091,800	9,056,636
128,200	55,000	-	-	-	7,274	4,371,636	4,421,543
-	-	-	-	-	-	83,000	126,610
878,200	2,799,869	-	726,231	490,000	321,627	13,766,436	18,661,354
3,946,800	1,725,612	689,400	(218,657)	91,000	(270,317)	5,526,894	359,363
-	-	-	-	-	-	-	-
(325,000)	(331,000)	(120,400)	(120,400)	(50,000)	(60,000)	210,428	314,700
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(48,500)	-	-	-	(48,500)
-	-	-	-	-	-	317,660	317,660
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(1,857,827)
(3,419,636)	(3,631,350)	-	-	-	-	(3,419,636)	(3,631,350)
(3,744,636)	(3,962,350)	(120,400)	(168,900)	(50,000)	(60,000)	(2,891,548)	(4,905,317)
<u>\$ 202,164</u>	<u>(2,236,738)</u>	<u>\$ 569,000</u>	<u>(387,557)</u>	<u>\$ 41,000</u>	<u>(330,317)</u>	<u>\$ 2,635,346</u>	<u>(4,545,955)</u>
	6,356,779		764,523		867,958		12,137,074
	<u>\$ 4,120,041</u>		<u>\$ 376,966</u>		<u>\$ 537,641</u>		<u>\$ 7,591,119</u>

PROPRIETARY FUND TYPES

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Net Position
As of December 31, 2013

	Operation and Maintenance Account	Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	Totals
Assets					
Current Assets					
Cash and equivalents	\$ 4,931,205	\$ 2,304,822	\$ 273,219	\$ 64,115	\$ 7,573,361
Restricted cash and equivalents and investments	-	-	311,672	400,000	711,672
Receivables					
Accounts - billed	1,642,589	-	-	-	1,642,589
Accounts - unbilled	901,175	-	-	-	901,175
Due from other funds	240,013	(2,435,653)	2,400,000	(10,109)	194,251
Prepaid Expenses	-	311,672	-	-	311,672
Inventory	639,567	-	-	-	639,567
Total Current Assets	8,354,549	180,841	2,984,891	454,006	11,974,287
Capital Assets					
Land	555,415	-	-	-	555,415
Construction in progress	215,950	-	-	9,031,561	9,247,511
Capital assets being depreciated	82,834,441	-	-	-	82,834,441
Less accumulated depreciation	(23,715,367)	-	-	-	(23,715,367)
Total Capital Assets	59,890,439	-	-	9,031,561	68,922,000
Total Assets	\$ 68,244,988	\$ 180,841	\$ 2,984,891	\$ 9,485,567	\$ 80,896,287
Liabilities and Net Position					
Current Liabilities					
Vouchers payable	\$ 521,610	\$ -	\$ -	\$ 854,534	\$ 1,376,144
Escrow account	12,000	-	-	-	12,000
Interest payable - restricted	30,640	6,672	-	-	37,312
Revenue bonds payable	-	305,000	-	-	305,000
Notes payable-IEPA	67,505	-	-	-	67,505
General obligation bonds payable	445,648	-	-	-	445,648
Due to other funds	20,356	-	-	-	20,356
Compensated absences payable	324,542	-	-	-	324,542
Total Current Liabilities	1,422,301	311,672	-	854,534	2,588,507
Long-Term Liabilities					
Notes payable-IEPA	1,080,077	-	-	-	1,080,077
OPEB liability	160,602	-	-	-	160,602
Compensated absences payable	358,705	-	-	-	358,705
General obligation bonds payable	9,491,081	-	-	-	9,491,081
IMRF Pension contributions payable	382,863	-	-	-	382,863
Unamortized bond discount on bonds payable	228,586	(16,544)	-	-	212,042
Total Long-Term Liabilities	11,701,914	(16,544)	-	-	11,685,370
Total Liabilities	13,124,215	295,128	-	854,534	14,273,877
Net Position					
Net Investment in Capital Assets	48,577,542	(288,456)	-	9,031,561	57,320,647
Restricted for debt service	-	-	311,672	-	311,672
Restricted for Capital Improvements	-	-	-	400,000	400,000
Unrestricted	6,543,231	174,169	2,673,219	(800,528)	8,590,091
Total Net Position	55,120,773	(114,287)	2,984,891	8,631,033	66,622,410
Total Liabilities and Net Position	\$ 68,244,988	\$ 180,841	\$ 2,984,891	\$ 9,485,567	\$ 80,896,287

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Changes in Net Position - Reserved - Restricted Accounts
For the Fiscal Year ended December 31, 2013

	Bond and Interest	Bond Reserve	Depreciation, Improvement and Extension	Totals
Increases				
Intrafund transfers in - accordance with bond ordinance unreserved retained earnings - Operation and Maintenance	\$ -	\$ -	\$ 5,100,000	\$ 5,100,000
Investment earnings	7,037	764	107	7,908
Miscellaneous	-	-	78,792	78,792
Total Increases	7,037	764	5,178,899	5,186,700
Decreases				
Bond interest	13,343	-	-	13,343
Purchase of capital assets	-	-	809,058	809,058
Payment of expenses	-	-	1,236,881	1,236,881
Total Decreases	13,343	-	2,045,939	2,059,282
Net Increase (Decrease)	(6,306)	764	3,132,960	3,127,418
Net Position (Deficit)				
Beginning	(107,981)	2,984,127	5,498,073	8,374,219
Ending	\$ (114,287)	\$ 2,984,891	\$ 8,631,033	\$ 11,501,637

CITY OF EVANSTON, ILLINOIS

Water Fund - Operation and Maintenance Account

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

For the Fiscal Year ended December 31, 2013

(With Comparative Totals For the Fiscal Year ended December 31, 2012)

	Budget	Actual	Prior Period Actual
Operating Revenues			
Charges for services	\$ 13,157,500	\$ 13,903,482	\$ 14,271,272
Miscellaneous	399,300	754,266	695,932
Total Operating Revenues	13,556,800	14,657,748	14,967,204
Operating Expenses Excluding Depreciation			
Administration	990,583	960,028	922,959
Operations			
Pumping	2,333,247	2,226,781	2,273,827
Filtration	2,635,539	2,435,092	3,010,826
Meter maintenance	309,163	249,474	251,472
Distribution	1,424,324	1,389,136	1,204,898
Other	727,092	915,196	766,617
Total Operating Expenses Excluding Depreciation	8,419,948	8,175,707	8,430,599
Operating Income Before Depreciation	5,136,852	6,482,041	6,536,605
Depreciation	-	1,449,757	1,323,912
Operating Income	5,136,852	5,032,284	5,212,693
Nonoperating Revenues (Expenses)			
Investment income	2,500	12,256	6,272
Interest expense	-	(298,850)	(173,854)
Amortization of bond premium	-	1,129	1,129
Bond expenses and amortization of discount	-	(19,777)	(20,928)
Net book value of capital assets disposed	-	(60,762)	-
Total Nonoperating Revenues (Expenses)	2,500	(366,004)	(187,381)
Income Before Transfers	5,139,352	4,666,280	5,025,312
Transfers In (Out)			
Transfer Out	(3,356,300)	(3,356,300)	(3,356,300)
Total Transfers In (Out)	(3,356,300)	(3,356,300)	(3,356,300)
Net Income	\$ 1,783,052	1,309,980	1,669,012
Other Changes in Unreserved Net Position			
Intrafund transfers in (out) - Net Position - reserved - restricted accounts		(4,290,942)	(1,625,293)
Increase in Unreserved Net Position		(2,980,962)	43,719
Unreserved Net Position			
Beginning		58,101,735	58,058,016
Ending		\$ 55,120,773	\$ 58,101,735

CITY OF EVANSTON, ILLINOIS

Water Fund - Operation and Maintenance Account

Schedule of Operating Revenues - Budget and Actual

For the Fiscal Year ended December 31, 2013

(With Comparative Totals For the Fiscal Year ended December 31, 2012)

	Budget	Actual	Prior Period Actual
Charges for Services, Net			
Water Sales			
Evanston	\$ 5,684,000	\$ 5,947,633	\$ 6,248,167
Skokie	2,856,000	2,772,424	2,989,109
Northwest Water Commission	4,517,000	5,183,425	5,033,996
Total Charges for Services	13,057,000	13,903,482	14,271,272
Miscellaneous			
Fees and outside work	120,000	103,173	113,243
Fees, merchandise and other	379,800	651,093	582,689
Total Miscellaneous	499,800	754,266	695,932
Total Operating Revenues	\$ 13,556,800	\$ 14,657,748	\$ 14,967,204

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.

Equipment Replacement Fund - to account for the costs of all vehicle and equipment replacement purchases, new additions to the fleet and some rental and lease activities. Such costs are billed to the user departments at actual cost.

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 Position As of December 31, 2013

Assets	Equipment Replacement	Fleet Services	Insurance	Totals
Current Assets				
Cash and equivalents	\$ 17,459	\$ 6,633	\$ 445,140	\$ 469,232
Receivables - other	-	24,420	-	24,420
Inventories	-	739,159	-	739,159
Prepaid Expenses	34,946	-	-	34,946
Due from other funds	1,343,937	-	644,156	1,988,093
Total Unrestricted Current Assets	1,396,342	770,212	1,089,296	3,255,850
Capital Assets				
Capital Assets being depreciated	21,886,929	617,552	-	22,504,481
Accumulated depreciation	(13,847,077)	(617,046)	-	(14,464,123)
Total Capital Assets	8,039,852	506	-	8,040,358
Total Assets	9,436,194	770,718	1,089,296	11,296,208
Liabilities and Fund Equity				
Current Liabilities				
Vouchers payable	738,616	342,267	25,499	1,106,382
Compensated absences payable	-	23,370	-	23,370
Claims payable	-	-	2,414,551	2,414,551
Due to other funds	68,743	168,734	-	237,477
Total Current Liabilities	807,359	534,371	2,440,050	3,781,780
Long-Term Liabilities				
Compensated absences payable	-	73,360	-	73,360
OPEB Liability	-	51,915	-	51,915
Claims payable	-	-	2,376,909	2,376,909
Total Long-Term Liabilities	-	125,275	2,376,909	2,502,184
Total Liabilities	807,359	659,646	4,816,959	6,283,964
Net Position (Deficit)				
Net Investment in Capital Assets	8,039,852	506	-	8,040,358
Unrestricted	588,983	110,566	(3,727,663)	(3,028,114)
Total Net Position (deficit)	\$ 8,628,835	\$ 111,072	\$ (3,727,663)	\$ 5,012,244

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year ended December 31, 2013

	Equipment Replacement	Fleet Services	Insurance	Totals
Operating Revenues				
Charges for Services				
General Fund	\$ 1,242,590	\$ 2,507,358	\$ 2,649,503	\$ 6,399,451
Sewer Fund	-	475,800	269,988	745,788
Solid Waste	177,131	-	-	177,131
Water Fund	-	122,751	468,493	591,244
Motor Vehicle Parking System Fund	30,000	21,992	319,649	371,641
Library Fund	1,700	2,381	5,898	9,979
Emergency Telephone System	-	-	17,448	17,448
Economic Development	-	-	17,448	17,448
Community Development Block Grant	-	-	17,448	17,448
Claims Reimbursements	-	-	155,102	155,102
Health Insurance Contributions	-	-	13,453,340	13,453,340
Miscellaneous	-	46,349	-	46,349
Total Operating Revenues	1,451,421	3,176,631	17,374,317	22,002,369
Operating Expenses				
General support	-	271,772	-	271,772
Major maintenance	46,550	3,287,195	-	3,333,745
General liability claims	-	-	(230,054)	(230,054)
Workers compensation claims	-	-	1,106,109	1,106,109
Health Insurance Premiums	-	-	13,228,538	13,228,538
Other	-	-	121,100	121,100
Total Operating Expenses	46,550	3,558,967	14,225,693	17,831,210
Operating Income (Loss) Before Depreciation	1,404,871	(382,336)	3,148,624	4,171,159
Depreciation	1,579,175	357	-	1,579,532
Operating Income (Loss)	(174,304)	(382,693)	3,148,624	2,591,627
Nonoperating Revenues (Expenses)				
Investment income	-	-	212	212
Gain (loss) on disposition of assets	131,072	-	-	131,072
Total Nonoperating Revenues (Expenses)	131,072	-	212	131,284
Transfers In (Out)				
General Fund	-	600,000	500,000	1,100,000
	-	600,000	500,000	1,100,000
Change in Net Position	(43,232)	217,307	3,648,836	3,822,911
Total Net Position (Deficit) - Beginning	8,672,067	(106,235)	(7,376,499)	1,189,333
Total Net Position (Deficit)- Ending	\$ 8,628,835	\$ 111,072	\$ (3,727,663)	\$ 5,012,244

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows
For the Fiscal Year ended December 31, 2013

	Equipment Replacement	Fleet Services	Insurance	Totals
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 1,479,220	\$ 3,174,724	\$ 17,374,317	\$ 22,028,261
Receipts from / (Payments for) interfund services provided	(908,357)	(276,048)	(574,315)	(1,758,720)
Payments to suppliers	1,452,179	(3,235,386)	(121,100)	(1,904,307)
Payments to employees	-	(261,108)	(3,345,362)	(3,606,470)
Payments for insurance premiums	-	-	(13,443,553)	(13,443,553)
Net Cash Provided by (used for) Operating Activities	2,023,042	(597,818)	(110,013)	1,315,211
Cash Flows from Noncapital Financing Activities				
Transfers In (Out)				
General Fund	-	600,000	500,000	1,100,000
Net Cash Flows from Noncapital Financing Activities	-	600,000	500,000	1,100,000
Cash Flows from Capital and Related Financing Activities				
Sale of capital assets	147,167	-	-	147,167
Acquisition and construction of capital assets	(2,463,537)	-	-	(2,463,537)
Net Cash Used for Capital and Related Financing Activities	(2,316,370)	-	-	(2,316,370)
Cash Flows from Investing Activities				
Interest income	-	-	212	212
Net Cash provided by Investing Activities	-	-	212	212
Net Increase (Decrease) in Cash and Cash Equivalents	(293,328)	2,182	390,199	99,053
Cash and Equivalents				
Beginning	310,787	4,451	54,941	370,179
Ending	\$ 17,459	\$ 6,633	\$ 445,140	\$ 469,232

Continued

CITY OF EVANSTON, ILLINOIS

Combining Statement of Cash Flows - Continued

Internal Service Funds

For the Fiscal Year ended December 31, 2013

	Equipment Replacement	Fleet Services	Insurance	Totals
Reconciliation of Operating Income (Loss) to Net Cash				
Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ (174,304)	\$ (382,693)	\$ 3,148,624	\$ 2,591,627
Adjustments to reconcile operating income to net cash provided by (used for) operating activities				
Depreciation	1,579,175	357	-	1,579,532
Changes in assets and liabilities				
Increase/decrease in A/R miscellaneous	27,799	(1,907)	-	25,892
Prepaid expenses	793,939	-	1,627	795,566
Inventories	-	(67,006)	-	(67,006)
Compensated absences	-	6,775	-	6,775
OPEB Liability	-	3,889	-	3,889
Accounts payable	704,790	118,815	(216,642)	606,963
Interfund payable	(908,357)	(276,048)	(574,315)	(1,758,720)
Claims payable	-	-	(2,469,307)	(2,469,307)
Net Cash Provided By (Used For) Operating Activities	\$ 2,023,042	\$ (597,818)	\$ (110,013)	\$ 1,315,211

Concluded

EVANSTON LIBRARY COMPONENT UNIT

CITY OF EVANSTON LIBRARY COMPONENT UNIT

Statement of Net Position and Governmental Funds
 Combining Balance Sheet
 December 31, 2013

	Operating	Endowment	Total	Adjustments	Statement of Activities
Assets					
Cash and Investments	\$ 619,342	\$ 3,768,281	\$ 4,387,623	\$ -	\$ 4,387,623
Property Tax Receivables	5,780,275	-	5,780,275	-	5,780,275
Accrued Interest Receivables	-	7,524	7,524	-	7,524
Other Receivables	28,438	-	28,438	-	28,438
Prepaid Expenses	3,350	-	3,350	-	3,350
Capital assets not being depreciated	-	-	-	311,380	311,380
Capital assets net accumulated depreciation	-	-	-	13,763,522	13,763,522
Total Assets	6,431,405	3,775,805	10,207,210	14,074,902	24,282,112
Liabilities, Deferred Inflows, and Fund Balance					
Current Liabilities					
Vouchers Payable	175,617	-	175,617	-	175,617
Other Payable	22,012	-	22,012	-	22,012
Due to Primary Government	160,470	-	160,470	-	160,470
Total Current Liabilities	358,099	-	358,099	-	358,099
Noncurrent Liabilities					
Due within one year- Debt	-	-	-	813,986	813,986
Due in more than one year - Debt	-	-	-	2,748,983	2,748,983
Total Noncurrent Liabilities	-	-	-	3,562,969	3,562,969
Total Liabilities	358,099	-	358,099	3,562,969	3,921,068
Derferred Inflows of Resources					
Property Tax	5,090,545	-	5,090,545	-	5,090,545
Total Liabilities and Deferred Inflows	5,448,644	-	5,448,644	3,562,969	9,011,613
Fund Balance / Net Position					
Net Investment in Capital Assets	-	-	-	14,074,902	14,074,902
Unassigned / Unrestricted	982,761	3,775,805	4,758,566	(3,562,969)	1,195,597
Total Fund Balance / Net Position	\$ 982,761	\$ 3,775,805	\$ 4,758,566	\$ 10,511,933	\$ 15,270,499
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 6,431,405	\$ 3,775,805	\$ 10,207,210	\$ 14,074,902	\$ 24,282,112

CITY OF EVANSTON LIBRARY COMPONENT UNIT

Statement of Activities and Governmental Fund Combining Statement of Revenue, Expenditures
and Changes in Fund Balance/ Net Position

For the Fiscal Year ended December 31, 2013

	Operating	Endowment	Total	Adjustments	Statement of Activities
Revenues					
Property taxes	\$ 4,367,300	\$ -	\$ 4,367,300	\$ -	4,367,300
Charges for Services	696,211	-	696,211	-	696,211
Investment Income	-	71,745	71,745	-	71,745
Donations	-	226,050	226,050	-	226,050
Miscellaneous	9,900	-	9,900	-	9,900
Total Revenue	5,073,411	297,795	5,371,206	-	5,371,206
Expenditures					
Current					
Community Services	5,191,746	-	5,191,746	341,323	5,533,069
Debt Service	877,667	-	877,667	-	877,667
Total Expenditures	6,069,413	-	6,069,413	341,323	6,410,736
Excess (Deficiency) of Revenues over (under) Expenditures	(996,002)	297,795	(698,207)	(341,323)	(1,039,530)
Other Financing Sources (Uses)					
Refunding bonds issued	877,667	-	877,667	-	877,667
Total Other Financing Sources (Uses)	877,667	-	877,667	-	877,667
Change in Net position	(118,335)	297,795	179,460	(341,323)	(161,863)
Net Position					
Beginning	1,101,096	3,478,010	4,579,106	10,853,256	15,432,362
Ending	\$ 982,761	\$ 3,775,805	\$ 4,758,566	\$ 10,511,933	\$ 15,270,499

CITY OF EVANSTON LIBRARY COMPONENT UNIT

Library Operating Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2013

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 4,148,806	\$ 4,318,604	\$ 169,798
Charges for Services	868,104	696,211	(171,893)
Miscellaneous	-	9,900	9,900
Total Revenue	5,016,910	5,024,715	7,805
Expenditures			
General management and support	\$ 4,580,594	\$ 5,191,746	\$ (611,152)
Total Expenditures	4,580,594	5,191,746	(611,152)
Excess (Deficiency) of Revenues over (under) Expenditures	436,316	(167,031)	(603,347)
Net Change in Fund Balance	<u>\$ 436,316</u>	<u>(167,031)</u>	<u>\$ (603,347)</u>
Fund Balance			
Beginning		<u>1,101,096</u>	
Ending		<u>\$ 934,065</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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	166 - 169
Revenue Capacity These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax.	170 - 172
Debt Capacity 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.	173 - 176
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the Government's financial activities take place.	177 - 178
Operating Information 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.	179 - 184

CITY OF EVANSTON, ILLINOIS

Net Position by Component

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

	Fiscal Year									
	<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>	<u>12/31/2012</u>	<u>12/31/2013</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 426	\$ 34,428	\$ 31,133	\$ 31,542	\$ 37,278	\$ 41,109	\$ 49,483	\$ 57,663	\$ 60,105	\$ 47,214
Restricted	32,811	31,169	30,034	23,168	26,238	23,645	23,187	31,559	31,754	24,720
Unrestricted	43,010	15,408	25,171	28,231	17,539	10,400	4,072	(24,033)	(23,729)	(13,846)
Total Governmental Activities Net Position	<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>	<u>\$ 68,130</u>	<u>\$ 58,088</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 114,442	\$ 129,084	\$ 140,621	\$ 159,185	\$ 172,399	\$ 192,921	\$ 207,162	\$ 215,755	\$ 228,738	\$ 239,243
Restricted	11,274	10,449	9,374	1,986	1,987	3,378	1,624	1,034	710	712
Unrestricted	21,478	23,483	21,417	23,589	27,586	25,417	19,141	25,385	26,363	25,484
Total Business-type Activities Net Position	<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>	<u>\$ 255,811</u>	<u>\$ 265,439</u>
Primary Government										
Net Investment in Capital Assets	\$ 114,868	\$ 163,512	\$ 171,754	\$ 190,727	\$ 209,677	\$ 234,030	\$ 256,645	\$ 273,418	\$ 288,843	\$ 286,457
Restricted	44,085	41,618	39,408	25,154	28,225	27,023	24,811	32,593	32,464	25,432
Unrestricted	64,488	38,891	46,588	51,820	45,125	35,817	23,213	1,352	2,634	11,638
Total Primary Government Net Position	<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>	<u>\$ 323,941</u>	<u>\$ 323,527</u>

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Changes in Net Position

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

	Fiscal Year Ended									
	2/28/2005	2/28/2006	2/28/2007	2/29/2008	2/28/2009	2/28/2010	2/28/2011	12/31/2011*	12/31/2012	12/31/2013
Expenses										
Governmental Activities										
General government	\$ 14,451	\$ 19,537	\$ 19,951	\$ 20,072	\$ 18,017	\$ 19,773	\$ 17,517	\$ 17,911	\$ 22,508	\$ 18,892
Public Safety	31,168	45,951	46,368	48,763	49,484	50,488	53,226	43,465	52,740	57,090
Public Works	14,225	14,632	16,505	21,566	21,628	18,509	15,626	12,399	11,099	13,782
Health & Human Resource Development	5,843	4,781	6,108	4,982	4,546	4,760	4,541	3,547	3,200	3,601
Housing & Economic Development	6,757	6,850	7,924	7,090	6,965	20,066	10,857	11,630	19,101	11,123
Culture and Recreation	18,276	19,792	18,303	20,634	20,002	9,120	20,142	15,607	17,438	16,433
Interest on Long-term Debt	5,086	5,874	6,926	5,522	4,041	4,396	5,595	3,114	1,786	377
Total governmental activities expenses	<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>	<u>127,872</u>	<u>121,298</u>
Business-type Activities										
Water	8,176	8,760	8,778	8,668	9,391	9,133	8,713	7,450	10,172	11,193
Sewer	8,781	9,219	9,588	8,972	8,726	8,779	8,784	7,083	7,872	7,649
Solid Waste	-	-	-	-	-	-	-	4,317	4,612	4,732
Motor vehicle parking system	4,777	2,904	2,963	2,403	8,896	8,841	8,425	6,673	8,297	8,369
Sherman garage	-	-	1,613	4,270	-	-	-	-	-	-
Maple avenue garage	3,148	3,096	2,910	2,682	-	-	-	-	-	-
Total Business-type Activities	<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>	<u>30,953</u>	<u>31,943</u>
Total primary government expenses	<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>	<u>\$ 158,825</u>	<u>\$ 153,241</u>
Program Revenues										
Governmental Activities										
Charges for Services										
General government	\$ 13,262	\$ 13,060	\$ 13,630	\$ 12,639	\$ 13,348	\$ 13,087	\$ 12,796	\$ 9,219	\$ 9,478	\$ 8,917
Culture and Recreation	3,731	4,310	4,353	4,521	4,637	4,902	5,265	4,587	9,934	5,236
Other activities	9,253	10,293	8,779	14,518	10,289	7,946	9,377	8,523	11,349	12,179
Operating grants and contributions	3,713	3,441	3,679	5,982	5,117	5,898	9,851	9,861	13,453	10,102
Total governmental activities program revenues	<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>	<u>46,231</u>	<u>39,390</u>
Business-type Activities										
Charges for Services										
Water	13,187	13,961	12,639	13,239	13,685	12,694	13,738	12,369	14,967	14,658
Sewer	14,913	16,077	14,394	14,239	13,774	13,243	13,393	11,377	14,115	13,510
Sherman garage	-	-	779	1,950	-	-	-	-	-	-
Solid Waste	-	-	-	-	-	-	-	2,900	3,490	3,651
Motor vehicle parking system	3,011	2,965	3,059	3,084	6,719	6,772	5,987	4,928	6,663	6,255
Maple avenue garage fund	1,512	1,622	1,417	1,430	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	395	939
Total Business-type activities program revenues	<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>	<u>39,630</u>	<u>39,013</u>
Total primary government program revenues	<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>	<u>\$ 85,861</u>	<u>\$ 78,403</u>
Net (expense)/revenue										
Governmental activities	(65,635)	(85,186)	(91,459)	(90,852)	(91,178)	(91,242)	(82,189)	(71,542)	(81,641)	(81,908)
Business-type Activities	<u>7,741</u>	<u>10,646</u>	<u>6,436</u>	<u>6,945</u>	<u>7,166</u>	<u>5,956</u>	<u>7,196</u>	<u>6,051</u>	<u>8,677</u>	<u>7,070</u>
Total Primary Government net expense	<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>	<u>(72,964)</u>	<u>(74,838)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	\$ 79,715	\$ 89,810	\$ 61,983	\$ 46,947	\$ 56,217	\$ 58,839	\$ 47,040	\$ 33,399	\$ 47,874	\$ 46,349
Sales taxes	345	-	14,387	16,172	15,500	14,880	15,577	13,495	15,888	16,965
Investment earnings	1,547	2,997	3,752	3,653	360	721	557	32	398	79
Miscellaneous	4,996	1,412	17,287	25,799	26,684	24,601	27,501	21,244	25,348	27,369
Transfers	<u>(1,244)</u>	<u>(4,277)</u>	<u>(616)</u>	<u>(5,116)</u>	<u>(9,469)</u>	<u>(13,700)</u>	<u>(99)</u>	<u>(8,180)</u>	<u>(4,926)</u>	<u>(2,586)</u>
Total governmental activities	<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>	<u>84,582</u>	<u>88,176</u>
Business-type Activities										
Investment earnings	380	896	1,344	1,287	606	87	23	16	34	33
Miscellaneous	-	-	-	-	(28)	-	-	-	-	(61)
Transfers	<u>1,244</u>	<u>4,277</u>	<u>616</u>	<u>5,116</u>	<u>9,469</u>	<u>13,700</u>	<u>99</u>	<u>8,180</u>	<u>4,926</u>	<u>2,586</u>
Total business-type Activities	<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>	<u>4,960</u>	<u>2,558</u>
Changes in Net Position										
Governmental Activities	\$ 19,724	\$ 4,756	\$ 5,334	\$ (3,397)	\$ (1,886)	\$ (5,901)	\$ 8,387	\$ (11,552)	\$ 2,941	\$ 6,268
Business-type Activities	<u>9,365</u>	<u>15,819</u>	<u>8,396</u>	<u>13,348</u>	<u>17,212</u>	<u>19,743</u>	<u>7,318</u>	<u>14,247</u>	<u>13,637</u>	<u>9,628</u>
Total primary government	<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>	<u>\$ 16,578</u>	<u>\$ 15,896</u>

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

CITY OF EVANSTON, ILLINOIS

Fund Balances, Governmental Funds

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

	Fiscal Year									
	<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>	<u>12/31/2012</u>	<u>12/31/2013</u>
General Fund										
Reserved	\$ 7,948	\$ 6,027	\$ 1,327	\$ 1,108	\$ 1,275	\$ 1,585	\$ 1,995	\$ -	\$ -	\$ -
Unreserved	15,209	18,804	24,866	24,840	19,752	18,603	20,009	-	-	-
Assigned	-	-	-	-	-	-	-	7,590	6,848	6,362
Unassigned	-	-	-	-	-	-	-	10,803	10,186	10,001
Total general fund	<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>	<u>\$ 17,034</u>	<u>\$ 16,363</u>
All Other Governmental Funds										
Reserved	\$ 30,761	\$ 33,937	\$ 31,741	\$ 29,739	\$ 31,757	\$ 28,953	\$ 28,738	\$ -	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	5,249	5,171	5,587	6,649	10,356	10,807	10,907	-	-	-
Capital Projects Funds	49,476	31,696	23,965	25,620	20,899	9,276	9,665	-	-	-
Nonspendable	-	-	-	-	-	-	-	1,419	-	407
Restricted	-	-	-	-	-	-	-	32,353	32,431	25,359
Committed	-	-	-	-	-	-	-	806	2,150	3,507
Assigned	-	-	-	-	-	-	-	10,074	5,307	8,372
Unassigned	-	-	-	-	-	-	-	(175)	1,105	(149)
Total all other governmental funds	<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>	<u>\$ 40,993</u>	<u>\$ 37,496</u>

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

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Changes in Fund Balances, Governmental Funds

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

	Fiscal Year Ended									
	<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>	<u>12/31/2012</u>	<u>12/31/2013</u>
Revenues										
Taxes	\$ 66,744	\$ 75,661	\$ 77,137	\$ 75,767	\$ 84,035	\$ 84,726	\$ 73,559	\$ 56,466	\$ 79,331	\$ 78,254
Licenses, fees and permits	6,773	9,164	8,061	10,276	8,820	7,279	8,661	6,776	10,470	10,617
Fines and penalties	3,999	3,781	4,029	4,660	4,442	4,151	4,003	3,280	3,470	3,449
Charges for services	6,053	6,905	7,167	7,732	8,399	8,680	9,786	6,283	7,763	7,723
Special Assessments	365	546	565	520	516	240	429	235	293	275
Intergovernmental	21,618	21,106	21,402	22,625	21,013	20,696	26,456	23,183	29,252	27,844
Investment Earnings	1,540	2,970	3,695	3,402	272	714	555	22	397	94
Other Revenues	9,451	5,812	5,578	5,116	4,679	4,642	6,390	4,133	2,915	1,906
Total Revenues	<u>116,543</u>	<u>125,945</u>	<u>127,634</u>	<u>130,098</u>	<u>132,176</u>	<u>131,128</u>	<u>129,839</u>	<u>100,378</u>	<u>133,891</u>	<u>130,162</u>
Expenditures										
General Government	14,666	15,601	14,539	18,190	16,498	16,184	23,463	13,594	18,532	17,611
Public Safety	36,323	39,094	39,690	42,466	49,999	48,970	50,352	42,140	54,611	56,431
Public Works	12,070	13,242	14,282	18,868	18,913	16,062	14,053	7,574	9,380	11,982
Recreation and cultural opportunities	15,493	16,526	16,683	19,118	18,942	18,100	17,399	16,192	14,309	14,775
Health and Human Development	5,801	4,566	5,850	4,982	4,546	4,760	4,541	3,588	3,200	3,601
Housing and Economic Development	6,717	6,646	7,683	7,089	6,963	9,120	11,345	11,999	19,095	11,305
Pensions	1,372	4,628	5,645	-	-	-	-	-	-	-
Capital Outlay	18,208	42,087	18,986	12,416	8,209	7,960	7,112	5,832	8,523	5,948
Debt Service										
Interest	5,027	5,857	6,927	5,128	5,143	4,953	4,878	4,384	5,175	4,996
Fiscal agent fees	359	323	517	42	28	5	12	79	76	127
Principal	7,885	7,690	11,530	10,815	9,885	7,524	7,650	10,106	13,055	34,259
Total governmental activities expenditure	<u>123,921</u>	<u>156,260</u>	<u>142,332</u>	<u>139,114</u>	<u>139,126</u>	<u>133,638</u>	<u>140,805</u>	<u>115,488</u>	<u>145,956</u>	<u>161,035</u>
Net (expense)/revenue										
Governmental activities	(7,378)	(30,315)	(14,698)	(9,016)	(6,950)	(2,510)	(10,966)	(15,110)	(12,065)	(30,873)
Proceeds from borrowing	\$ 25,724	\$ 31,332	\$ 24,916	\$ 31,444	\$ 24,340	\$ -	\$ 13,393	\$ 15,420	\$ 12,618	\$ 34,982
Capitalized interest income	-	355	-	-	839	-	120	-	-	-
Capitalized interest expense	-	(355)	-	-	-	-	-	-	-	-
Escrow funding	(11,886)	(6,626)	(14,368)	(15,590)	(13,280)	-	-	-	-	-
Transfers in	6,020	7,032	6,529	8,975	5,927	11,019	5,727	5,839	9,271	8,182
Transfers (out)	(15,062)	(14,432)	(10,528)	(15,344)	(14,794)	(23,324)	(6,184)	(14,593)	(14,668)	(11,879)
Total Other financing sources (uses)	<u>4,796</u>	<u>17,306</u>	<u>6,549</u>	<u>9,485</u>	<u>3,032</u>	<u>(12,305)</u>	<u>13,056</u>	<u>6,666</u>	<u>7,221</u>	<u>31,285</u>
Net Changes in Fund Balance	<u>\$ (2,582)</u>	<u>\$ (13,009)</u>	<u>\$ (8,149)</u>	<u>\$ 469</u>	<u>\$ (3,917)</u>	<u>\$ (14,815)</u>	<u>\$ 2,090</u>	<u>\$ (8,444)</u>	<u>\$ (4,844)</u>	<u>\$ 412</u>
Debt Service as a percentage of noncapital expenditures	12.21%	11.87%	14.96%	12.58%	11.48%	9.93%	9.36%	13.29%	13.26%	25.31%

*Ten months ended December 31, 2011

Note: The largest own-source revenue is the property tax with a rate of 1.592% (for the city portion only) of Equalized Assessed Value (EAV) for the tax year 2011 .

Source: City Finance Division

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
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	2,233,194,054	15,956	623,156,869	184,687,438	829,769	3,041,884,087	9,125,652,261	1.364
2011	2,100,690,657	15,956	513,880,731	111,899,205	881,024	2,727,367,573	8,182,102,719	1.591
2012	1,944,932,067	15,956	462,671,239	106,007,084	995,206	2,514,621,552	7,543,864,656	1.551

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

2012 EAV				2003 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
Rotary International	\$ 26,455,653	1	1.05%	Golub & Company	\$ 21,567,189	1	1.25%
FSP 909 Davis Street	22,446,966	2	0.89%	Rotary International	16,757,724	2	0.97%
Lowe Enterprises	20,116,557	3	0.80%	REP CBRE	15,849,992	3	0.92%
Church Street Plaza	17,212,299	4	0.65%	Evanston NW Healthcare	14,570,008	4	0.84%
Inland	15,813,891	5	0.48%	Church Street Plaza	12,754,867	5	0.74%
Omni Orrington Hotel	13,735,032	6	0.43%	Evanston Plaza Freed	11,696,568	6	0.68%
Northshore Univ Health	12,992,934	7	0.40%	Albertson's (Jewel & Osco)	11,566,292	7	0.67%
TIAA Pk Evanston Inc	11,422,707	8	0.40%	Church & Chicago Ltd Partnership	11,502,824	8	0.67%
Evanston Hotel Assoc	10,999,668	9	0.38%	Evanston Hotel	10,814,757	9	0.63%
Cambridge Realty Cap	<u>10,786,782</u>	10	<u>0.43%</u>	Lynn Minnici	<u>10,778,529</u>	10	<u>0.62%</u>
Total	<u>\$ 161,982,490</u>		<u>6.44%</u>	Total	<u>\$ 137,858,750</u>		<u>7.98%</u>
Total EAV	<u>\$ 2,514,621,552</u>			Total EAV	<u>\$ 1,727,147,885</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
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	42,064,756	96.93%	348,189	42,412,945	97.73%
2012	43,330,121	41,776,375	96.41%	559,130	42,335,505	97.70%
2013	43,869,798	See Note	See Note	See Note	See Note	See Note

Note: Levy Year 2013 is collected beyond fiscal year end 2013 through 12/31/14

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended	Population	(1) Equalized Assessed Valuation	(2) Gross General Obligation Bonded Debt	Debt Service Monies Available	(3) Debt Payable From Other Revenues	Net General Obligation Debt	Total Personal Income	Net Debt to Equalized Assessed Valuation	Net Debt to Total Personal Income	Net General Obligation Bonded Debt Per Capita
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
12/31/2012	74,486	2,727,367,573	152,644,999	16,085,747	44,899,176	91,660,076	3,176,902,386	3.36%	2.89%	1,230.57
12/31/2013	74,619	2,514,621,552	149,534,997	12,520,761	40,042,921	96,971,315	3,113,477,775	3.86%	3.11%	1,299.55

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 Division

CITY OF EVANSTON, ILLINOIS

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business- Type Activities			Total Primary Government	Percentage of Personal Income	(1) Per Capita
	General Obligation Bonds	Special Service District Bonds	Capital Lease	General Obligation Bonds	Water Revenue Bonds	IEPA Loans			
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
12/31/2012	119,423,742	1,515,000	-	33,221,257	595,000	70,375,368	225,130,367	7.04%	3,022
12/31/2013	119,123,639	1,175,000	-	30,411,358	305,000	64,658,382	215,673,379	6.93%	2,890

Notes: (1)Details regarding the city's outstanding debt can be found in the notes to the financial statements.

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

Source: Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Direct and Overlapping Governmental Activities

As of December 31, 2013

	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	\$ 120,298,639	100.00%	\$ 120,298,639
Other bonded debt			
County of Cook	\$ 3,616,435,000	1.85%	\$ 66,688,534
Cook County Forest Preserve District	131,500,000	1.85%	2,499,788
Metropolitan Water Reclamation District	2,185,397,538	1.88%	42,002,953
Community College District 535	23,510,000	11.63%	3,222,494
High School District 202	15,907,183	90.11%	18,229,639
School District 65	69,326,112	90.11%	71,414,684
Skokie Park District	6,675,000	0.65%	91,271
Total Overlapping Debt	\$ 6,048,750,833		\$ 204,149,364
	\$ 6,169,049,472		\$ 324,448,003

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

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	
2/28/2005	\$ 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	6,648,958	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
12/31/2012	14,967,204	8,430,599	6,536,605	575,000	37,687	10.67
12/31/2013	14,657,748	8,175,707	6,482,041	290,000	19,688	20.93

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>		
2004	74,239	\$ 2,694,578,744	\$ 36,296	32.5	91.3%	9,849	5.0%
2005	74,239	2,775,350,776	37,384	32.5	94.0%	9,740	5.0%
2006	74,239	2,902,967,617	39,103	32.5	94.0%	9,550	4.5%
2007	74,239	2,902,967,617	39,103	32.5	94.0%	9,550	4.4%
2008	74,239	2,902,967,617	39,103	32.5	94.0%	9,550	4.6%
2009	74,239	2,902,967,617	39,103	32.5	94.0%	9,550	4.7%
2010	74,486	3,157,759,484	42,394	34.3	94.0%	9,550	7.9%
2011	74,486	3,197,311,550	42,925	34.3	94.0%	11,369	7.3%
2012	74,486	3,176,902,386	42,651	35.1	93.6%	11,418	6.8%
2013	74,619	3,113,477,775	41,725	34.4	93.9%	10,293	6.7%

Source: Various Government agencies

CITY OF EVANSTON, ILLINOIS

Principal Employers

Current Year and Nine Years Ago

<u>2013</u>				<u>2004</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	5,600	39%	1
Northshore University Healthcare	3,727	19%	2	Evanston Northwestern Healthcare	3,000	21%	2
Evanston School District 65	1,599	8%	3	St. Francis Hospital	1,870	13%	3
St. Francis Hospital	1,272	6%	4	Evanston School District 65	1,100	8%	4
City of Evanston	918	5%	5	City of Evanston	891	6%	5
Presbyterian Homes/McGaw Care	602	3%	6	Evanston Township High School	550	4%	6
Rotary International	535	3%	7	Presbyterian Homes/McGaw Care	500	3%	7
School district 202	520	3%	8	Rotary International	400	3%	8
C.E. Neihoff & Co.	480	2%	9	Solucient	275	2%	9
Mather Lifeways	450	2%	10	C.E. Neihoff & Co.	190	1%	10
Total	<u>19,574</u>			Orrington Hotel	<u>14,376</u>		

Source: City Economic Development Division

CITY OF EVANSTON, ILLINOIS

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year Ended									
	<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>	<u>12/31/2012</u>	<u>12/31/2013</u>
General Government										
City Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.80	2.20
City Manager's Office	7.25	7.25	7.25	13.70	31.53	27.70	22.00	8.00	12.00	12.00
MBIS / IT	22.80	24.80	23.80	25.50	-	-	13.00	12.00	11.50	9.00
Legal		7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00	8.00
Human Resources	7.00	7.00	8.00	8.00	8.00	8.00	5.00	5.00	7.50	8.00
Finance	24.50	26.50	25.50	26.50	29.50	28.50	19.50	19.00	17.10	17.00
Parking Systems	-	-	-	-	-	-	13.00	12.00	12.00	9.00
Facilities Management	23.10	21.10	21.20	-	-	-	-	19.00	20.20	16.00
Community Development		36.00	36.00	36.00	35.00	33.00	28.00	27.00	27.00	24.00
Community College District 535										
Police	217.50	219.50	221.75	220.75	220.75	218.50	219.00	222.00	225.00	220.00
Fire	109.00	110.00	111.00	111.00	112.00	111.00	107.00	108.00	110.00	106.00
Human & Health Services	39.30	39.30	40.15	29.68	24.90	26.40	15.90	17.00	17.70	20.00
Public Works	90.25	91.25	90.25	108.45	105.45	83.25	58.80	49.00	49.25	97.00
Human Relations	4.00	4.00	4.00	-	-	-	-	-	-	-
Library	66.65	67.18	67.19	66.69	69.35	67.50	52.00	52.00	56.38	63.00
Recreation, Parks & Forestry	119.20	121.30	119.90	115.90	112.75	131.75	132.00	105.00	105.21	69.00
Total General Government	<u>732.55</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>	<u>680.64</u>	<u>680.20</u>
Neighborhood Stabilization Program	-	-	-	-	-	-	1.00	1.00	2.00	1.00
Emergency Telephone System	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	4.00
CDBG	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	1.53	3.00
Economic Development Fund	1.45	1.45	1.45	1.30	2.30	2.30	5.00	6.00	7.00	5.00
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	14.00	14.50	14.50	14.50	15.50	14.00	15.00	15.50	15.50
Sewer	14.00	13.50	14.00	14.00	14.00	14.00	12.00	11.00	13.00	11.00
Solid Waste	-	-	-	-	-	-	-	6.00	10.00	8.00
Fleet Services	17.00	17.00	17.00	15.00	15.00	15.00	11.00	12.00	12.00	10.00
Insurance Fund	1.30	1.30	1.30	1.00	2.00	2.00	3.00	4.00	4.00	4.00
Total Other Functions	<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>	<u>112.53</u>	<u>101.50</u>
Total All Funds	<u>828.30</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>	<u>793.17</u>	<u>781.70</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	Tax Levy Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City of Evanston	1.698	1.528	1.491	1.527	1.283	1.295	1.204	1.365	1.592	1.551
Consolidated Elections	0.029	-	0.014	-	0.012	-	0.021	-	0.025	-
Cook County	0.630	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531
Cook County Forest Preserve District	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063
Suburban T.B. Sanitarium	0.004	0.001	0.005	0.005	-	-	-	-	-	-
Metropolitan Water Reclamation District	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370
North Shore Mosquito Abatement District	0.009	0.008	0.008	0.009	0.008	0.008	0.008	0.009	0.010	0.010
Evanston Township	0.065	0.056	0.055	0.058	0.050	0.050	0.042	0.046	0.050	0.048
Community College 535	0.186	0.161	0.158	0.166	0.141	0.140	0.140	0.160	0.196	0.219
School District 202	2.444	2.078	2.023	2.099	1.750	1.722	1.616	1.819	2.061	2.308
School District 65	3.475	2.978	2.890	3.045	2.535	2.552	2.401	2.655	2.818	3.149
Total tax rate for property not in park district or special service district	8.960	7.810	7.552	7.750	6.541	6.485	6.136	6.802	7.592	8.249
Percent of total tax rate levied by City of Evanston	19.0%	19.6%	19.7%	19.7%	19.6%	20.0%	19.6%	20.1%	21.0%	18.8%

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>2/28/2005</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>	<u>12/31/2012</u>	<u>12/31/2013</u>
Residential	2,506,887	2,720,807	2,388,360	2,375,942	2,260,284	2,174,255	2,187,244	1,804,433	2,276,492	2,189,588
Industrial	22,010	20,096	16,307	16,579	15,722	13,624	14,195	11,552	14,758	12,392
Commercial	1,318,236		1,278,334	1,240,591	1,193,241	1,109,556	1,153,949	928,621	1,117,431	1,105,077
Government	86,096	109,121	96,777	100,278	89,420	69,229	75,308	50,129	66,561	61,908
Total	3,933,229	2,850,024	3,779,778	3,733,390	3,558,667	3,366,664	3,430,696	2,794,735	3,475,242	3,368,965
Total direct rate per 100 cubic feet	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.75	\$ 1.80

Source: City Water department

CITY OF EVANSTON, ILLINOIS

Water Sold by Major Customers

Last Ten Fiscal Years

Type of Customer	Fiscal Year Ended									
	<u>2/28/2005</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>	<u>12/31/2012</u>	<u>12/31/2013</u>
Evanston residents/businesses	\$ 6,559,026	\$ 6,706,644	\$ 5,804,517	\$ 6,012,643	\$ 5,430,019	\$ 5,396,739	\$ 5,377,297	\$ 4,719,084	\$ 6,124,221	\$ 5,915,560
Village of Skokie	2,802,720	3,018,734	2,891,834	3,158,396	2,689,304	2,676,163	2,885,096	2,304,066	2,989,109	2,772,424
Northwest Water Commission	3,377,407	3,750,200	3,497,989	3,620,878	4,820,074	4,506,066	4,781,645	3,710,581	5,033,996	5,183,425
Total	\$12,739,153	\$13,475,578	\$12,194,340	\$ 12,791,917	\$ 12,939,397	\$ 12,578,968	\$ 13,044,038	\$ 10,733,731	\$ 14,147,326	\$ 13,871,409

Source: City Water department

CITY OF EVANSTON, ILLINOIS

Operating Indicators by Function/Programs

Last Ten Years

	Calendar Year									
	<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>2012</u>	<u>2013</u>
<u>Function/Program</u>										
Police										
Violent Offenses	266	226	224	282	299	255	214	180	230	131
Property Offenses		2,965	2,942	2,825	2,739	2,412	2,119	2,144	2,078	1,980
911 Calls Received	56,650	56,650	55,795	59,135	56,717	52,198	35,991	51,969	44,875	42,551
Fire										
Emergency responses	7,624	8,135	8,173	8,517	9,134	8,566	8,917	9,063	9,330	9,373
Fires extinguished	199	287	220	192	185	154	157	157	154	129
Inspections		1,496	1,320	1,050	1,810	709	680	620	640	660
Other Public Works										
Street resurfacing (estimated miles)	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4
Parks and Recreation										
Athletic field usage (hours)	unavailable	unavailable	15,561	15,165	17,121	16,185	18,966	20,075	16,761	16,367
Picnic permits issued	unavailable	unavailable	319	373	403	431	460	437	541	445
Library										
Volumes in collection	520,458	486,031	495,575	458,017	502,019	502,019	471,262	436,382	426,342	400,034
Total volumes borrowed	880,561	893,841	897,141	867,743	945,952	945,952	951,667	891,769	989,638	1,056,243
Water										
New connections	59	74	104	61	57	28	29	16	4	0
Water main breaks	45	78	48	36	52	52	38	28	66	51
Average daily consumption (millions of gallons)	37.31	41.44	41.41	42.91	40.09	39.41	38.91	38.39	39.85	35.81
Peak daily consumption (millions of gallons)	60.98	80.46	66.49	66.00	65.40	58.94	57.02	65.95	69.21	56.95

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>Function/Program</u>										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Budgeted Sworn Officers		161	162	162	165	165	164	164	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	157	157	157	157	157	157	157
Fire hydrants	1347	1347	1347	1370	1370	1399	1399	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



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE

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

We have audited the basic financial statements of the City of Evanston, Illinois, as of and for the year ended December 31, 2013, and have issued our report thereon dated July 2, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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", noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance.

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
July 2, 2014