

CITY OF EVANSTON, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
December 31, 2012

Prepared by Administrative Services Department

CITY OF EVANSTON, ILLINOIS

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INTRODUCTORY SECTION

CITY OF EVANSTON, ILLINOIS

Principal Officials
December 31, 2012

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

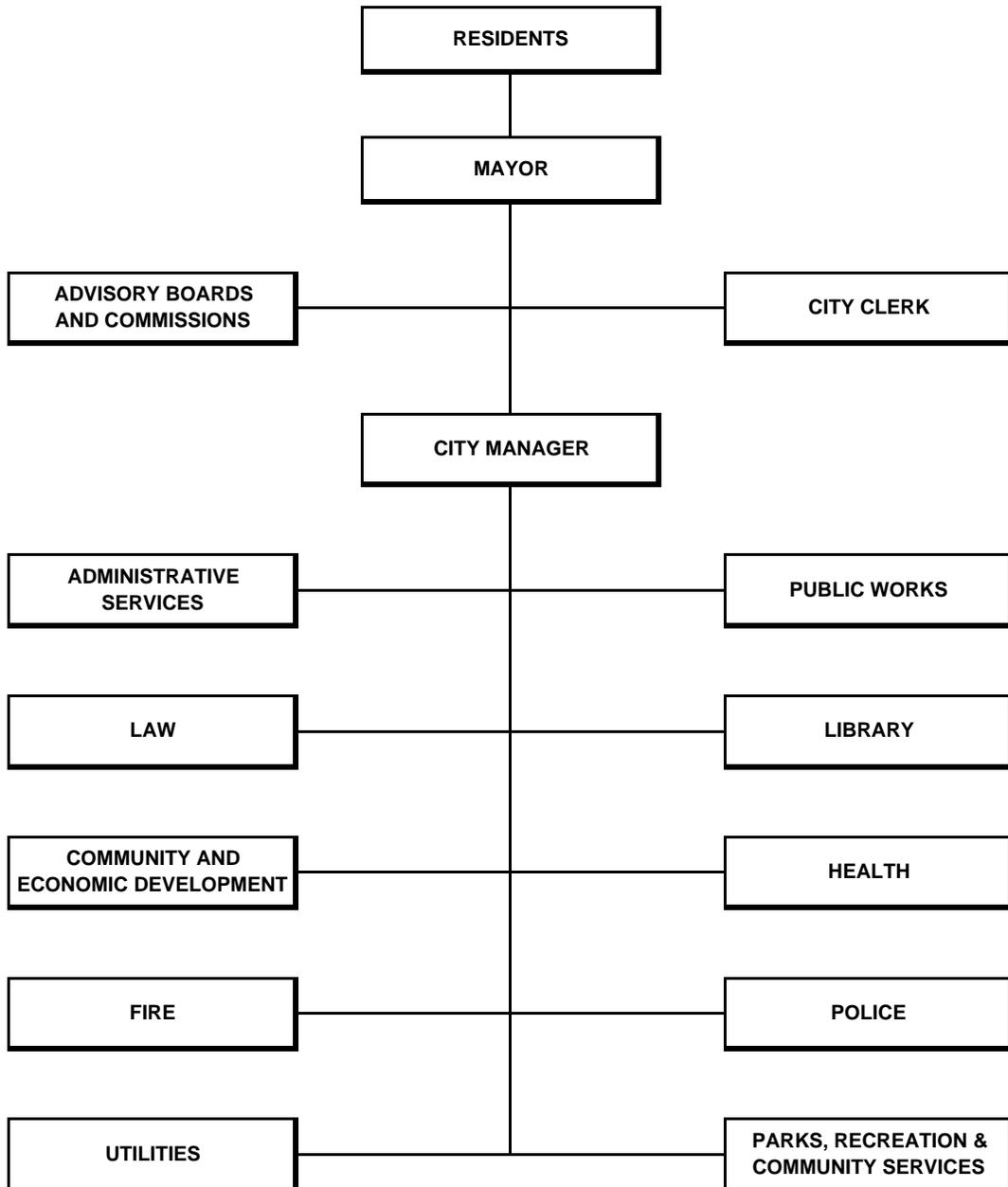
**ADMINISTRATIVE SERVICES DEPARTMENT
FINANCE DIVISION**

Martin Lyons, Assistant City Manager / Treasurer

Lou Gergits, Finance Division Manager

Hitesh Desai, Accounting Manager

CITY OF EVANSTON ORGANIZATION CHART





City Manager's Office
2100 Ridge Avenue
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June 28, 2013

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, 2012 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, 2012 to December 31, 2012. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Evanston's financial statements in conformity with generally accepted accounting principles (GAAP) within the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

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

This report includes all the funds and capital assets of the City and its component unit, Evanston Township. The Evanston Township Board of Trustees has the same members as the City Council. The financial statements of Evanston Township are included in the reporting entity. Although the Township is a legally separate entity, it is considered a component unit: therefore, data from the Township is blended with data of the City.

The City's financial statements have been audited by Baker Tilly Virchow Krause, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Evanston for the fiscal year ended December 31, 2012, 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, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

PROFILE OF THE CITY OF EVANSTON

The City: The City of Evanston constitutes many communities, perspectives, and qualities: it is a suburb, an urban center, a university town, and lake-front community; it has leafy neighborhoods and lake-front mansions; it has apartment, condominium, and student housing; its residents are commuters and locally employed workers; its downtown is prospering, and neighborhood commercial centers are also strong and developing. It is a part of the Chicago land economy and has a vigorous commercial and professional economy of its own. A population of approximately 75,000 is diverse by race, religion, age, education, economics, and occupation. With 8,700 people per square mile, Evanston has double the population density of the average North and Northwest suburb, and approximately half the density of Chicago. The City has over 260 acres in 75 parks and 5 beaches.

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

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

Evanston is the home of Northwestern University, so named as it was established to serve the Northwest Territory. The University first platted the village which surrounded it. The State Legislature named the Village "Evanston" in honor of Dr. John Evans, the then president of the University's Board. The continued vitality of the University and the cooperative relationship between the City and University adds to the total Evanston community.

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

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

The City Manager is the Chief Executive Officer of the City and is responsible for the management of all City operations under the direction of the City Council. The City Manager appoints and supervises the directors of the City's ten departments. The Assistant City Manager acts as Chief Financial Officer/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 2013 began on January 1, 2013. During the 2011 fiscal year, the City Council had passed an ordinance changing the fiscal year to a calendar year effective on period ending December 31, 2011. This resulted in a 10 months fiscal period from March 1, 2011 to December 31, 2011. The subsequent fiscal year was a full 12 calendar months cycle from January 1, 2012 to December 31, 2012.

The City Manager submitted to the City Council a proposed operating budget in October for the fiscal year 2013 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 2014 in July 2013. The Council is expected to adopt the budget by November, 2013.

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 2013, the City projects that 34.2% (\$84.5 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 2013

The City Manager's Office will: Work with CTA to find long term funding solutions for purple line rebuild, increase public outreach via social media, increase collaboration with community partners, coordinate "Drive Less Live More Campaign" with RTA and other agencies, increase non-tax revenues supported City programs and initiatives, and analyze 311 data to identify and implement service efficiency.

The Law Department will: Continue to provide legal support to all City departments including but not limited to the preparation of ordinances, resolutions and agreements and contracts as needed to effectively operate the City. The department will continue representation of City in EEOC and Department of Human Rights complaints, update City code for liquor and noise regulations revisions, 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, re-establish new employees orientation with a stronger safety component, migrate COE exchange email system to cloud, standardize operating system and productivity suite on all desktops, update and reissue personnel manual, continue injury prevention training, complete banking services transition to First Bank, 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 and Economic Development Department will: Continue promoting economic development, neighborhood revitalization and affordable housing. The

department will continue to have a special emphasis on the single family rehab program and acquisition and rehab of foreclosed properties as part of housing activity. The department will also continue the improvements to the PAL Permit System. 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 Police Department will: Continue to purchase new cameras and related equipment for use within the Evanston community. The department will purchase the Laserfische system through a grant. The department will also look into the possibility of increased billing amount for police details. The Police department plays 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, implement a fire explorer program and initiate an internal public education team to enhance community safety awareness. 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; work with the Pankey Institute to offer free dental clinical services and work in concert to re-engage community and outreach community members to receive care at federally qualified Erie Family Health Center.

The Public Works Department will: Develop a five year street maintenance plan that complements the five year resurfacing plan; complete construction of a new salt dome; complete CTA Yellow Line feasibility study; oversee CTA Purple Line viaduct replacement; continue to explore shared work/operations across jurisdiction; upgrade and coordinate Sheridan Road Corridor traffic signals; design east/west recreational bike paths; and expand City Works management program to cover street signs, street lights and traffic signals maintenance function to improve employee and fiscal accountability.

Last year, the City of Evanston created the separate Library Fund as part of budget process. All FY 2013 revenues and expenditures associated with Library operations have been budgeted within the Library Fund. The Evanston Public Library promotes the development of independent, self-confident, and literate citizens through the provision of open access to cultural, intellectual, and informational resources for all ages.

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

The Parks, Recreation and Community Services will: Provide outreach services to community to make them aware of senior programs at Levy Center; offer Health and wellness programs to seniors attending nutrition program; develop a feeder program to the Coe-Pops High School basketball program; continue collaboration with Illinois After School Network for training opportunities; expand the functionality of the evanstonartsbuzz.com web site to provide more interactivity; expand the Arts Camp offering beyond summer and school break periods; continue developing the five year plan for environment outreach project; expand the pre-fall skating clinic workshops; expand the number of opportunities available to youth for Youth Employment Program; continue to work with other agencies involved in the control of Emerald Ash Borer (EAB); identify additional funding sources to increase the number of trees being planted on City parkways; assist Evanston artists and arts organizations in fostering collaboration and use the building automation systems that are in place and improve energy management techniques throughout the year to reduce energy consumption.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy: The global economy showed signs of very moderate recovery in some of the sectors which trickled down to local economy in terms of some of the major revenues being little higher or flat while others were modestly lower in the 2012 fiscal period. Since the period for this report is full 12 months, variance reporting shows significant changes in the income statement compared to a shortened ten month prior fiscal year. Some of the economically sensitive revenues such as Use Tax, Income Tax and Real Estate Transfer Tax revenues were higher than budgeted revenues. Besides these, Building Permits, Parking Tax, Telecom Tax, and Liquor Tax revenues were also higher than budgeted revenues. But, Sales Tax, Electric Utility Tax, Gas Utility Tax, and local Motor Fuel Tax were slightly lower than budgeted revenues. The City's FY2013 budget for the full 12 months reflects these mixed economic trends and the City has basically kept the FY2013 General Fund expenditure budget same as FY2012 to match the unpredictable slow economic recovery.

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, 2011. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual 2012 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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Evanston
Illinois

For its Comprehensive Annual
Financial Report
for the Ten Months Ended
December 31, 2011

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



Christopher P. Mouill

President

Jeffrey R. Emer

Executive Director

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, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of and for the year ended December 31, 2012, 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. The financial statements of the Township of Evanston were not audited in accordance with *Government Auditing Standards*.

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.

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

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, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of December 31, 2012 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. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective January 1, 2012. Our opinions are not modified with respect to this matter.

Other Matters

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.

Our audit for the year ended December 31, 2012 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evanston's basic financial statements. The combining and individual fund financial statements and schedules for the year ended December 31, 2012 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, 2012 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 financial statements and schedules as listed in the table of contents are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2012.

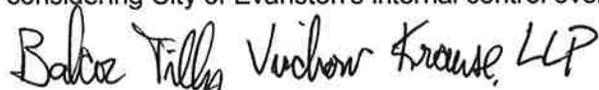
Honorable Elizabeth B. Tisdahl, Mayor and
Members of the City Council
City of Evanston
Evanston, Illinois

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City of Evanston as of and for the ten months ended December 31, 2011 (not presented herein), and have issued our report thereon dated June 26, 2012, which contained unqualified 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 financial statements and schedules for the ten months ended December 31, 2011 are presented for purposes of additional analysis and is 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 2011 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2011 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 financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the ten months ended December 31, 2011.

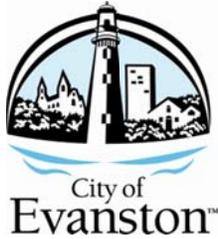
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evanston's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic 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 also issue our 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 City of Evanston's internal control over financial reporting and compliance.



Oak Brook, Illinois
June 28, 2013



MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2012

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

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

FINANCIAL HIGHLIGHTS

- A. The City's net position increased by \$16,577,568 or 5.4% from the prior fiscal year reported. The governmental net position increased by \$2,940,976 or 4.5% from prior period and the business-type activities net position increased by \$13,636,592 or 5.6% from prior period.
- B. The governmental activities revenue increased by \$31,438,719 or 30.1% from the prior period. The expenses increased by \$20,198,848 or 18.7%.
- C. The business-type activities revenue increased by \$8,073,623 or 25.6%. The expenses increased by \$5,430,361 or 21.3% from the prior period.
- D. The total cost of all City programs increased by \$25,629,209 or 19.2%.
- E. Items B, C, D, all compare a 10 month period to a 12 month period. Mathematically, this results in a 16.67% variance, and assuming all other factors are held constant, the increase in City program costs would show a variance of 2.53%.

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

REPORTING THE CITY AS A WHOLE

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both short-term and long-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities (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. 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 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 27 – 30 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

The City has three kinds of funds:

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

financing requirements of governmental programs and the commitment of spendable resources for the near-term.

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

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

The basic government fund financial statements are presented on pages 31 -32 of this report.

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

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

The basic proprietary fund financial statements are presented on pages 34 - 38 of this report.

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

The basic fiduciary fund financial statements are presented on pages 39 - 40 of this report.

Notes to the financial statements

The accompanying notes to financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 41 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations to provide

pension benefits to its employees. Other supplementary information includes detail by fund and component unit for receivables, payables, transfers, and payments within the reporting entity. Required supplementary information can be found on pages 100 - 104 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 107. Additional information on capital assets and long-term debt can be found on page 63 and 74 respectively.

Financial Analysis of the City as a Whole

The City's combined net position increased by \$16,577,568 from \$307,363,196 to \$323,940,764.

STATEMENT OF POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 117,978,076	\$ 124,910,803	\$ 31,743,707	\$ 31,732,736	\$ 149,721,783	\$ 156,643,539
Capital Assets	175,482,215	169,738,549	333,318,701	331,612,417	508,800,916	501,350,966
Total Assets	293,460,291	294,649,352	365,062,408	363,345,153	658,522,699	657,994,505
Long-Term Liabilities	166,117,738	169,788,442	106,713,797	117,743,309	272,831,535	287,531,751
Other Liabilities	59,212,286	59,671,619	2,538,114	3,427,939	61,750,400	63,099,558
Total Liabilities	225,330,024	229,460,061	109,251,911	121,171,248	334,581,935	350,631,309
Net Investment in						
Capital Assets	60,104,623	57,662,625	228,738,130	215,754,541	288,842,753	273,417,166
Restricted	32,635,909	31,559,331	709,688	1,034,375	33,345,597	32,593,706
Unrestricted (Deficit)	(24,610,265)	(24,032,665)	26,362,679	25,384,989	1,752,414	1,352,324
Total Net Position	\$ 68,130,267	\$ 65,189,291	\$ 255,810,497	\$ 242,173,905	\$ 323,940,764	\$ 307,363,196

It is important to note that nearly all of the City's increase in Net Position comes from the reduction of Long Term Liabilities, which decreased from \$287,531,751 to \$272,831,535, resulting in a reduction of \$14.7 million. This decrease mainly comes from a reduction in Bonds and Loans Payable in both Governmental and Business-type activities.

The City's total revenues increased by \$39,512,342 or 29.1%. The City's total expenses for all programs increased by \$25,629,209, or 19.2%. The increase in revenues and expenses are primarily because of a twelve month period compared to a ten month prior period. Governmental activity revenues increased by \$31,438,719 in the current fiscal period. Again, this is mainly due to a twelve month period resulting in increase of major revenues like Property Tax, Sales Tax, Income Tax, Grants, Permits and Licenses. Total expenses in the governmental activities increased from \$107,673,076 to \$127,871,924 and overall revenues increased from \$135,890,225 to \$175,402,567 compared to previous fiscal year mainly due to the full twelve month current fiscal period compared to short ten month previous fiscal year.

Governmental Funds: The governmental activities experienced a net position balance increase of \$2,940,976. This is primarily due to an increased amount of operating grants and contributions as well as reduced amount of transfers from governmental activities to the business activities.

Business Funds: The business-type activities fund balance experienced an increase in net position of \$13,636,592, primarily due to the surplus in the Sewer Fund. The surplus was mainly derived from the transfer from government activities in the approximate amount of \$4 million.

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	
	2012	2011	2012	2011	2012	2011
Revenue						
Program Revenues:						
Charges for services	\$ 30,760,240	\$ 22,328,862	\$ 39,234,894	\$ 31,573,817	\$ 69,995,134	\$ 53,902,679
Operating grants and contributions	13,452,873	9,861,000	394,767	-	13,847,640	9,861,000
Capital grants and contributions	2,017,495	3,940,785	-	-	2,017,495	3,940,785
General Revenues:						
Sales taxes	15,888,422	13,494,930	-	-	15,888,422	13,494,930
Property taxes	47,874,160	33,399,439	-	-	47,874,160	33,399,439
Utility taxes	8,027,007	6,375,788	-	-	8,027,007	6,375,788
Income taxes	6,603,796	4,924,177	-	-	6,603,796	4,924,177
Other taxes	10,717,275	9,943,709	-	-	10,717,275	9,943,709
Investment income	397,756	31,615	33,882	16,103	431,638	47,718
Total Revenue	<u>135,739,024</u>	<u>104,300,305</u>	<u>39,663,543</u>	<u>31,589,920</u>	<u>175,402,567</u>	<u>135,890,225</u>
Expenses						
General management and support	23,531,589	17,911,466	-	-	23,531,589	17,911,466
Public safety	52,739,963	43,464,481	-	-	52,739,963	43,464,481
Public works	11,099,192	12,399,465	-	-	11,099,192	12,399,465
Health and human resources development	3,200,722	3,546,727	-	-	3,200,722	3,546,727
Recreation and cultural opportunities	17,437,844	15,606,639	-	-	17,437,844	15,606,639
Housing and economic development	18,076,600	11,630,331	-	-	18,076,600	11,630,331
Interest	1,786,014	3,113,967	-	-	1,786,014	3,113,967
Water	-	-	10,171,664	7,449,467	10,171,664	7,449,467
Sewer	-	-	7,872,314	7,083,350	7,872,314	7,083,350
Solid Waste	-	-	4,611,737	4,316,692	4,611,737	4,316,692
Motor vehicle parking system	-	-	8,297,360	6,673,205	8,297,360	6,673,205
Total Expense	<u>127,871,924</u>	<u>107,673,076</u>	<u>30,953,075</u>	<u>25,522,714</u>	<u>158,824,999</u>	<u>133,195,790</u>
Increase in net position before transfers	7,867,100	(3,372,771)	8,710,468	6,067,206	16,577,568	2,694,435
Transfers	(4,926,124)	(8,179,930)	4,926,124	8,179,930	-	-
Increase/(Decrease) in Net Position	2,940,976	(11,552,701)	13,636,592	14,247,136	16,577,568	2,694,435
Net Position - Beginning	<u>65,189,291</u>	<u>76,741,992</u>	<u>242,173,905</u>	<u>227,926,769</u>	<u>307,363,196</u>	<u>304,668,761</u>
Net Position - Ending	<u>\$ 68,130,267</u>	<u>\$ 65,189,291</u>	<u>\$ 255,810,497</u>	<u>\$ 242,173,905</u>	<u>\$ 323,940,764</u>	<u>\$ 307,363,196</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 \$58,025,959 as of December 31, 2012 which includes \$33,312,540 restricted, \$339,305 non-spendable, \$2,150,404 committed, \$12,155,209 assigned and \$10,068,501 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 decreased by \$1,359,682 primarily due to the increased transfers to other funds. Excess of expenditures over revenues in the amount of \$3,369,936 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, Use Tax, Athletic Contest Tax, Real Estate Transfer Tax, Liquor Tax, Parking Tax and Vehicle License Fees. Conversely, Utility Tax and local Motor Fuel Tax were lower than budgeted. Most departments spent less than their budget with the exception of Police, Fire and Parks and Recreation Departments, with the entire General Fund expenses being below the 2012 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 decreased by \$2,344,749, from \$5,746,660 to \$3,401,911. The decrease was mainly due to higher capital outlay.

The fund balance of the General Obligation Debt Fund had a nominal increase of \$267,128, from \$2,629,020 to \$2,896,148.

The Employer Pension Contribution Fund is used to account for the recognition of applicable tax revenues and employer contributions to the Pension Trust Funds. These contributions represent the City's pension expense for police and firefighters. This fund continues to be reported as a major fund with a decrease in assets and liabilities of \$488,531 from the last fiscal year.

Combined Non-Major Governmental Funds

Combined non-major fund balances totaled \$34,694,413, a decrease of \$1,406,938 from prior period of \$36,101,351. Non-major funds with surpluses for the fiscal year include Library Fund, Library Endowment, Neighborhood Improvement, Home Fund, Community Development Loan, Township and Southwest TIF. Non-major funds with deficits for the period include Motor Fuel, Economic Development, Emergency Telephone System, Affordable Housing, Community Development Block Grant, SSD#4, SSD#5, Howard Hartrey TIF, Washington National TIF, Howard Ridge TIF, West Evanston TIF and Special Assessment Capital Project Fund. Although each fund varies, the Howard Ridge, 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. The Water, Sewer and Solid Waste Funds have a combined increase of \$12,022,689 in the net position. This increase is the result of increased revenues, reduced operating/debt service expense and \$4 million transfer from governmental activities to the Sewer Fund. The Parking Fund added \$1,613,903 to the net position during the year primarily due to the reduced operating and interest expenses. Although fund balances in these proprietary funds showed an overall healthy increase, it is important to keep in mind that these funds carry a substantial debt level therefore; large debt payments will be required in the future.

Internal Service Funds

The City's combined internal service fund's net position decreased by \$644,632 from \$1,833,965 as of December 31, 2011 to \$1,189,333 as of December 31, 2012. Fleet Fund and Equipment Replacement reported a combined net increase in net position of \$607,096. The net deficit in the Insurance Fund went up by \$1,251,728 due to recording of potential claim liabilities.

General Fund Budgetary Highlights

Total budgetary revenues for the General Fund were \$72,831,761 while total expenditures were \$79,465,032. Overall General Fund revenues came in lower than budget by \$2,815,277. General Fund revenues were lower because of a one-time reduction resulting from a change in the fiscal year and allocation of Property Taxes to the Library for the first time in FY2012. But, major revenues like Telecom tax, Liquor 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 \$836,235 mainly due to continuous restructuring of departments and other cost saving measures in various operating divisions. The actual net deficiency of \$6,633,271 was partially offset by \$2,010,254 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 net investment in capital assets for governmental and business-type activities, as of December 31, 2012, was \$508,800,916. The governmental funds capital assets increased by \$5,743,666 while business type capital assets increased by \$1,706,284. Overall, capital assets increased by 1.5% for the City as a whole. The Governmental Funds reported an increase in building improvement and infrastructure assets including improvements in parks, streets and alleys. As for the Business Funds, Water Fund reported an increase in net investment in capital assets. Readers desiring more detailed information on capital asset activity should refer to Note 6 in the Notes to the Financial Statements.

Long-Term Debt

As of December 31, 2012, the City had total general obligation bonded debt outstanding of \$154,159,999 of which \$33,221,257 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 2012 totaled \$19,255,001 of which, \$9,871,884 was abated. During the current year, the City issued \$15,720,000 in general obligation bonds. As a home rule government under Illinois law, there is no legal debt limit for

the City. Readers desiring more detailed information on long-term debt should refer to Note 9 in the Notes to the Financial Statements.

Bond Ratings

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

Economic Factors

Evanston is a diverse community consisting primarily of residential homes, several nonprofit organizations including a very well-known private university, two hospitals, and many smaller scale retail shops and restaurants as well as some popular big box retailers. In general, economically sensitive revenues such as Income Tax, Use Tax and Real Estate Transfer Tax came in a little higher than budgeted revenues while Utility Taxes and 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 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, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and equivalents	\$ 41,323,391	\$ 25,442,484	\$ 66,765,875
Investments	3,355,646	-	3,355,646
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	50,772,298	-	50,772,298
Accounts	-	4,840,523	4,840,523
Notes	6,967,452	-	6,967,452
Special assessments	631,306	-	631,306
Accrued interest	7,452	-	7,452
Other	3,210,759	30,312	3,241,071
Due from other governments	9,177,400	-	9,177,400
Internal balances	603,830	(603,830)	-
Inventories	672,153	782,514	1,454,667
Restricted assets			
Cash and equivalents and investments	-	709,688	709,688
Prepaid items	1,169,817	303,016	1,472,833
Other assets	86,572	239,000	325,572
Capital assets			
Capital assets not being depreciated	26,374,320	11,421,809	37,796,129
Capital assets (net of accumulated depreciation)	149,107,895	321,896,892	471,004,787
Total Assets	293,460,291	365,062,408	658,522,699

The accompanying notes are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Vouchers payable	\$ 5,007,781	\$ 2,002,198	\$ 7,009,979
Accrued payroll	3,465,699	-	3,465,699
Interest payable	676,631	84,542	761,173
Other payables	462,874	-	462,874
Due to other governments	1,875,143	-	1,875,143
Pension contribution payable	1,929,935	-	1,929,935
Payable from restricted assets			
Interest payable	-	451,374	451,374
Unearned revenues	45,794,223	-	45,794,223
Noncurrent liabilities			
Payable from restricted assets - due			
within one year	-	9,535,055	9,535,055
Due within one year	16,759,837	3,898,816	20,658,653
Due in more than one year	149,357,901	93,279,926	242,637,827
Total Liabilities	225,330,024	109,251,911	334,581,935
Net Investment in Capital Assets	60,104,623	228,738,130	288,842,753
Restricted			
Highway maintenance	999,368	-	999,368
Emergency telephone system	1,264,807	-	1,264,807
Library projects	4,579,106	-	4,579,106
HUD approved projects	5,463,987	-	5,463,987
Neighborhood improvements	2,366,041	-	2,366,041
Debt service	16,085,747	309,688	16,395,435
Township	1,876,853	-	1,876,853
Capital improvements	-	400,000	400,000
Unrestricted (deficit)	(24,610,265)	26,362,679	1,752,414
Total Net Position	\$ 68,130,267	\$ 255,810,497	\$ 323,940,764

CITY OF EVANSTON, ILLINOIS

Statement of Activities

For the Fiscal Year ended December 31, 2012

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General management and support	\$ 22,507,666	\$ 9,477,831	\$ -
Public safety	52,739,963	1,440,723	36,768
Public works	11,099,192	475,664	1,857,761
Health and human resource development	3,200,052	1,679,865	711,045
Recreation and cultural opportunities	17,437,844	9,933,818	-
Housing and economic development	19,101,193	7,752,339	10,847,299
Interest	1,786,014	-	-
Total governmental activities	127,871,924	30,760,240	13,452,873
Business-type activities:			
Water	10,171,664	14,967,204	394,767
Sewer	7,872,314	14,115,210	-
Solid Waste	4,611,737	3,489,519	-
Motor vehicle parking system	8,297,360	6,662,961	-
Total business-type activities	30,953,075	39,234,894	394,767
Total	\$ 158,824,999	\$ 69,995,134	\$ 13,847,640

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 TransferTax
 Miscellaneous
 Investment income
 Transfers

Total general revenues and transfers

Change in Net Position

Net Position - beginning

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
\$ -	\$ (13,029,835)	\$ -	\$ (13,029,835)
-	(51,262,472)	-	(51,262,472)
1,235,660	(7,530,107)	-	(7,530,107)
-	(809,142)	-	(809,142)
611,322	(6,892,704)	-	(6,892,704)
170,513	(331,042)	-	(331,042)
-	(1,786,014)	-	(1,786,014)
<u>2,017,495</u>	<u>(81,641,316)</u>	<u>-</u>	<u>(81,641,316)</u>
-	-	5,190,307	5,190,307
-	-	6,242,896	6,242,896
-	-	(1,122,218)	(1,122,218)
-	-	(1,634,399)	(1,634,399)
<u>-</u>	<u>-</u>	<u>8,676,586</u>	<u>8,676,586</u>
<u>\$ 2,017,495</u>	<u>(81,641,316)</u>	<u>8,676,586</u>	<u>(72,964,730)</u>
	47,874,160	-	47,874,160
	1,797,669	-	1,797,669
	1,250,024	-	1,250,024
	15,888,422	-	15,888,422
	6,603,796	-	6,603,796
	8,027,007	-	8,027,007
	2,175,476	-	2,175,476
	2,352,581	-	2,352,581
	2,026,863	-	2,026,863
	1,114,662	-	1,114,662
	397,756	33,882	431,638
	(4,926,124)	4,926,124	-
	<u>84,582,292</u>	<u>4,960,006</u>	<u>89,542,298</u>
	2,940,976	13,636,592	16,577,568
	65,189,291	242,173,905	307,363,196
	<u>\$ 68,130,267</u>	<u>\$ 255,810,497</u>	<u>\$ 323,940,764</u>

CITY OF EVANSTON, ILLINOIS

Governmental Funds

Balance Sheet
As of December 31, 2012

Assets	General	Capital Improvements	General Obligation Debt	Employer Pension Contribution	Nonmajor Governmental Funds	Total Governmental Funds
Cash and equivalents	\$ 11,478,724	\$ 5,802,833	\$ 1,066,630	\$ -	\$ 22,605,025	\$ 40,953,212
Investments	-	-	-	-	3,355,646	3,355,646
Receivables						
Property taxes (net of allowance)	12,281,386	-	11,798,019	14,130,900	12,561,993	50,772,298
Notes (net of allowance)	-	-	-	-	6,967,452	6,967,452
Special assessments	-	-	-	-	631,306	631,306
Accrued interest	-	-	-	-	7,452	7,452
Other	2,221,949	-	-	-	938,498	3,160,447
Prepaid items	-	-	337,063	-	2,242	339,305
Due from other governments	7,456,261	533,358	-	-	1,187,781	9,177,400
Due from other funds	596,303	550,165	303,016	-	1,722,758	3,172,242
Other assets	86,572	-	-	-	-	86,572
Total Assets	\$ 34,121,195	\$ 6,886,356	\$ 13,504,728	\$ 14,130,900	\$ 49,980,153	\$ 118,623,332
Liabilities and Fund Balances						
Liabilities						
Vouchers payable	\$ 1,334,732	\$ 1,635,449	\$ 250	\$ -	\$ 1,537,932	\$ 4,508,363
Accrued payroll	3,465,699	-	-	-	-	3,465,699
Compensated absences payable	828	-	-	-	-	828
Other	449,553	-	-	-	13,321	462,874
Due to other governments	-	1,678,260	-	-	196,883	1,875,143
Due to other funds	861,148	371	330,000	-	1,368,789	2,560,308
Pension contribution payable	96,076	-	-	1,833,859	-	1,929,935
Deferred revenues	10,879,672	170,365	10,278,330	12,297,041	12,168,815	45,794,223
Total Liabilities	17,087,708	3,484,445	10,608,580	14,130,900	15,285,740	60,597,373
Fund Balances						
Nonspendable - Prepaid items	-	-	337,063	-	2,242	339,305
Restricted						
Highway maintenance	-	-	-	-	999,368	999,368
Emergency telephone system	-	-	-	-	1,264,807	1,264,807
Library projects	-	-	-	-	4,579,106	4,579,106
HUD approved projects	-	-	-	-	5,463,987	5,463,987
Neighborhood improvements	-	-	-	-	2,366,041	2,366,041
Debt service	-	-	2,559,085	-	14,203,293	16,762,378
Township	-	-	-	-	1,876,853	1,876,853
Committed - Economic Development	-	-	-	-	2,150,404	2,150,404
Assigned	6,847,983	3,401,911	-	-	1,905,315	12,155,209
Unassigned	10,185,504	-	-	-	(117,003)	10,068,501
Total Fund Balances	17,033,487	3,401,911	2,896,148	-	34,694,413	58,025,959
Total Liabilities and Fund Balances	\$ 34,121,195	\$ 6,886,356	\$ 13,504,728	\$ 14,130,900	\$ 49,980,153	

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.	168,309,768
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)	(157,068,524)
OPEB liability payable is not due and payable in the current period and therefore, is not reported in the governmental funds.	(1,649,638)
Interest accrual from last interest payment to December 31, 2012.	(676,631)
The net position of the internal service fund is included in the governmental activities in the statement of net position.	1,189,333
Net Position of governmental activities	\$ 68,130,267

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year ended December 31, 2012

	General	Capital Improvements	General Obligation Debt	Employer Pension Contribution	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 35,987,699	\$ -	\$12,184,177	\$ 15,083,644	\$ 16,074,998	\$ 79,330,518
Licenses and permits	10,470,353	-	-	-	-	10,470,353
Special assessments	-	-	-	-	292,947	292,947
Intergovernmental	16,360,863	170,513	-	-	12,720,513	29,251,889
Charges for services	7,328,037	-	-	-	434,989	7,763,026
Fines and forfeits	3,470,107	-	-	-	-	3,470,107
Investment income	7,169	19,073	3,645	-	366,989	396,876
Miscellaneous	2,470,868	193,549	18,435	-	232,596	2,915,448
Total Revenues	76,095,096	383,135	12,206,257	15,083,644	30,123,032	133,891,164
Expenditures						
Current						
General management and support	12,437,192	37,725	23,744	-	6,033,085	18,531,746
Public safety	38,606,997	4,855	-	15,083,644	915,384	54,610,880
Public works	7,833,641	281,993	-	-	1,264,045	9,379,679
Health and human resource development	3,200,052	-	-	-	-	3,200,052
Recreation and cultural opportunities	14,283,198	25,645	-	-	-	14,308,843
Housing and economic development	3,103,952	-	-	-	15,991,673	19,095,625
Debt service						
Principal	-	-	11,720,464	-	1,335,000	13,055,464
Interest	-	-	4,867,047	-	308,484	5,175,531
Fiscal agent fees	-	-	74,016	-	2,170	76,186
Capital outlay	-	7,502,316	-	-	1,020,213	8,522,529
Total Expenditures	79,465,032	7,852,534	16,685,271	15,083,644	26,870,054	145,956,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,369,936)	(7,469,399)	(4,479,014)	-	3,252,978	(12,065,371)
Other Financing Sources (Uses)						
Transfers in	6,848,283	1,250,000	1,073,506	-	1,263,168	10,434,957
Transfers out	(4,838,029)	(475,000)	(3,946,173)	-	(6,571,896)	(15,831,098)
Issuance of debt	-	4,210,000	7,205,000	-	648,812	12,063,812
Premiums and discounts	-	139,650	413,809	-	-	553,459
Total Other Financing Sources (Uses)	2,010,254	5,124,650	4,746,142	-	(4,659,916)	7,221,130
Net Change in Fund Balances	(1,359,682)	(2,344,749)	267,128	-	(1,406,938)	(4,844,241)
Fund Balances -Beginning	18,393,169	5,746,660	2,629,020	-	36,101,351	62,870,200
Fund Balances - Ending	\$ 17,033,487	\$ 3,401,911	\$ 2,896,148	\$ -	\$ 34,694,413	\$ 58,025,959

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, 2012

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

Net change in fund balances - total governmental funds	\$ (4,844,241)
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)	4,890,344
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)	15,897,146
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)	(11,968,459)
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)	(311,511)
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.	(195,233)
Change in interest accrual for the twelve months ended December 31, 2012.	117,562
Internal service funds are reported separately in the fund financial statements.	<u>(644,632)</u>
Change in Net Position of governmental activities	<u>\$ 2,940,976</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, 2012

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	\$ 9,279,164	\$ 1,346,549	\$ 51,207	\$ 14,765,564	\$ 25,442,484	\$ 370,179
Restricted cash and equivalents and investments	709,688	-	-	-	709,688	-
Receivables						
Accounts - billed	1,077,286	222,382	119,798	-	1,419,466	-
Accounts - unbilled	880,088	2,033,890	507,079	-	3,421,057	-
Other	-	-	-	30,312	30,312	50,312
Due from other funds	90,319	1,450,000	30,555	16,092	1,586,966	490,119
Inventories	667,457	115,057	-	-	782,514	672,153
Prepaid Expenses	303,016	-	-	-	303,016	830,512
Total Current Assets	13,007,018	5,167,878	708,639	14,811,968	33,695,503	2,413,275
Noncurrent Assets						
Capital Assets						
Capital assets not being depreciated	6,849,992	122,970	-	4,448,847	11,421,809	-
Capital assets being depreciated	82,624,594	244,621,993	-	82,080,363	409,326,950	21,476,379
Less accumulated depreciation	(23,055,639)	(44,260,201)	-	(20,114,218)	(87,430,058)	(14,303,932)
Total Capital Assets	66,418,947	200,484,762	-	66,414,992	333,318,701	7,172,447
Other Assets						
Notes Receivable	-	-	-	239,000	239,000	-
Total Noncurrent Assets	66,418,947	200,484,762	-	66,653,992	333,557,701	7,172,447
Total Assets	79,425,965	205,652,640	708,639	81,465,960	367,253,204	9,585,722

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	\$ 1,281,118	\$ 149,761	\$ 470,979	\$ 100,340	\$ 2,002,198	\$ 499,418
Interest payable	12,000	-	262	72,280	84,542	-
Interest payable - restricted	41,475	409,899	-	-	451,374	-
Revenue bonds payable	290,000	-	-	-	290,000	-
Compensated absences payable	292,046	58,824	17,174	55,155	423,199	16,595
General obligation bonds payable	207,875	-	15,035	2,962,707	3,185,617	-
General obligation bonds payable - restricted	-	1,270,289	-	-	1,270,289	-
Claims payable	-	-	-	-	-	3,127,767
Notes payable - IEPA - restricted	67,505	8,197,261	-	-	8,264,766	-
Due to other funds	379,051	157,167	1,465,721	188,857	2,190,796	498,223
Total Current Liabilities	2,571,070	10,243,201	1,969,171	3,379,339	18,162,781	4,142,003
Long-Term Liabilities						
Notes payable - IEPA	1,147,582	60,963,020	-	-	62,110,602	-
General obligation bonds payable	8,117,374	4,044,683	112,423	17,297,274	29,571,754	-
OPEB liability payable	133,262	39,964	12,415	39,645	225,286	48,026
Revenue bonds payable	305,000	-	-	-	305,000	-
Compensated absences payable	319,696	64,393	18,799	60,377	463,265	73,360
IMRF Pension contributions payable	356,027	88,292	43,715	115,985	604,019	-
Claims payable	-	-	-	-	-	4,133,000
Total Long-Term Liabilities	10,378,941	65,200,352	187,352	17,513,281	93,279,926	4,254,386
Total Liabilities	12,950,011	75,443,553	2,156,523	20,892,620	111,442,707	8,396,389
Net Position						
Net Investment in Capital Assets	56,573,611	126,009,509	-	46,155,010	228,738,130	7,172,447
Restricted for debt service	309,688	-	-	-	309,688	-
Restricted for capital improvements	400,000	-	-	-	400,000	-
Unrestricted (deficit)	9,192,655	4,199,578	(1,447,884)	14,418,330	26,362,679	(5,983,114)
Total Net Position (deficit)	\$ 66,475,954	\$ 130,209,087	\$ (1,447,884)	\$ 60,573,340	\$ 255,810,497	\$ 1,189,333

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year ended December 31, 2012

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	
Operating Revenues						
Charges for services	\$ 14,271,272	\$ 14,100,510	\$ 3,489,519	\$ 6,654,855	\$ 38,516,156	\$ 20,715,742
Miscellaneous	695,932	14,700	-	8,106	718,738	58,997
Total Operating Revenues	14,967,204	14,115,210	3,489,519	6,662,961	39,234,894	20,774,739
Operating Expenses Excluding Depreciation						
Administration	922,959	1,786,533	732,577	1,936,932	5,379,001	-
Operations	7,507,640	332,209	3,824,050	2,804,610	14,468,509	20,775,572
Total Operating Expenses Excluding Depreciation	8,430,599	2,118,742	4,556,627	4,741,542	19,847,510	20,775,572
Operating Income (Loss) Before Depreciation	6,536,605	11,996,468	(1,067,108)	1,921,419	19,387,384	(833)
Depreciation	1,323,912	3,336,363	-	2,583,653	7,243,928	1,441,268
Operating Income (Loss)	5,212,693	8,660,105	(1,067,108)	(662,234)	12,143,456	(1,442,101)
Nonoperating Revenues (Expenses)						
Investment income	15,024	2,962	78	15,818	33,882	878
Interest expense	(199,885)	(2,447,914)	(3,278)	(972,165)	(3,623,242)	-
Bond expenses and amortization of discount	(20,928)	(26,507)	(51,832)	-	(99,267)	-
Amortization of bond premium	1,129	57,212	-	-	58,341	-
Other expenses	(197,469)	-	-	-	(197,469)	-
Grants	394,767	-	-	-	394,767	-
Gain (loss) on disposition of assets	-	-	-	-	-	304,580
Total Nonoperating Revenues (Expenses)	(7,362)	(2,414,247)	(55,032)	(956,347)	(3,432,988)	305,458
Income (Loss) before transfers and contributions	5,205,331	6,245,858	(1,122,140)	(1,618,581)	8,710,468	(1,136,643)
Capital Contribution - Governmental Activities	-	-	-	-	-	21,994
Transfers In (Out)						
Debt Service	-	3,946,173	-	-	3,946,173	(29,983)
Fleet	-	-	-	-	-	7,858,900
Equipment Replacement	-	-	-	-	-	(7,858,900)
Washington National Tax Increment District General	(3,356,300)	(142,200)	1,245,967	3,876,726	(2,896,775)	500,000
Total Transfers In (Out)	(3,356,300)	3,803,973	1,245,967	3,232,484	4,926,124	470,017
Change in Net Position	1,849,031	10,049,831	123,827	1,613,903	13,636,592	(644,632)
Total Net Position (Deficit) - Beginning	64,626,923	120,159,256	(1,571,711)	58,959,437	242,173,905	1,833,965
Total Net Position (Deficit)- Ending	\$ 66,475,954	\$ 130,209,087	\$ (1,447,884)	\$ 60,573,340	\$ 255,810,497	\$ 1,189,333

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, 2012

	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	\$ 14,541,214	\$ 14,118,591	\$ 3,352,974	\$ 10,697,571	\$ 42,710,350	\$ 20,748,674
Receipts from interfund services provided	-	99,340	-	-	99,340	-
Payments to suppliers	(7,423,276)	(387,870)	(3,723,320)	(3,181,998)	(14,716,464)	(4,733,784)
Payments to employees	(803,537)	(5,770,870)	(749,873)	(1,911,039)	(9,235,319)	(4,086,688)
Payments for interfund services provided	(146,362)	(298,055)	(77,503)	(806,229)	(1,328,149)	86,173
Payments for insurance premiums	-	-	-	8,373	8,373	(12,933,244)
Net Cash Provided by (Used for) Operating Activities	6,168,039	7,761,136	(1,197,722)	4,798,305	17,529,758	(918,869)
Cash Flows from Noncapital Financing Activities						
Transfers In (Out)						
Debt Service	-	3,946,173	-	-	3,946,173	(29,983)
Washington Tax Increment District	-	-	-	3,876,726	3,876,726	-
General	(3,356,300)	(142,200)	1,245,967	(644,242)	(2,896,775)	500,000
Net Cash Provided by (Used for) Noncapital Financing	(3,356,300)	3,803,973	1,245,967	3,232,484	4,926,124	470,017
Cash Flows from Capital and Related Financing Activities						
Sale of capital assets	-	-	-	-	-	357,283
Acquisition and construction of capital assets	(6,790,698)	(910,066)	-	(1,980,079)	(9,680,843)	(2,287,678)
Interest prepayment of revenue bonds	(13,016)	-	-	-	(13,016)	-
Grants and Contributions	394,767	-	-	-	394,767	-
Proceeds from general obligation bonds	4,305,000	-	-	-	4,305,000	-
Principal paid on general obligation bonds	(169,534)	(3,094,209)	(14,259)	(2,921,536)	(6,199,538)	21,994
Interest paid on general obligation bonds	(338,879)	(485,202)	(55,122)	(981,693)	(1,860,897)	-
Bond expenses	-	(26,507)	-	(74,054)	(100,561)	-
Principal paid on IEPA loans	(67,505)	(8,638,398)	-	-	(8,705,903)	-
Interest paid on IEPA loans	-	(2,025,182)	-	-	(2,025,181)	-
Change in prepaid bonds balance	296,656	-	-	-	296,656	-
Net Cash (Used for) Capital and Related Financing	(2,383,209)	(15,179,564)	(69,381)	(5,957,362)	(23,589,516)	(1,908,401)
Cash Flows from Investing Activities						
Interest income	15,024	2,962	77	15,818	33,881	878
Net Cash Provided by Investing Activities	15,024	2,962	77	15,818	33,881	878
Net Increase (Decrease) in Cash and Equivalents	443,554	(3,611,493)	(21,059)	2,089,245	(1,099,753)	(2,356,375)
Cash and Equivalents						
Beginning	9,545,298	4,958,042	72,266	12,676,319	27,251,925	2,726,554
Ending	\$ 9,988,852	\$ 1,346,549	\$ 51,207	\$ 14,765,564	\$ 26,152,172	\$ 370,179
Reconciliation						
Cash and equivalents						
Current Cash	\$ 9,279,164.00	\$ 1,346,549.00	\$ 51,207	\$ 14,765,564	\$ 25,442,484	\$ 370,179
Restricted Current Cash	709,688	-	-	-	709,688	-
	\$ 9,988,852	\$ 1,346,549	\$ 51,207	\$ 14,765,564	\$ 26,152,172	\$ 370,179

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows - Continued
 For the Fiscal Year ended December 31, 2012

	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						
Operating income (loss)	\$ 5,212,693	\$ 8,660,105	\$ (1,067,108)	\$ (662,234)	\$ 12,143,456	\$ (1,442,101)
Depreciation	1,323,912	3,336,363	-	2,583,653	7,243,928	1,441,268
Changes in assets and liabilities						
Increase/decrease in A/R miscellaneous	(425,990)	3,381	(136,545)	24,610	(534,544)	(26,065)
Other receivables	-	-	-	10,000	10,000	-
Prepaid expenses	-	-	-	-	-	(316,379)
Interfund receivable	(90,319)	(298,055)	(30,555)	3,983,909	3,564,980	-
Inventories	31,545	11,413	-	-	42,958	(98,281)
Compensated absences	50,353	(4,441)	(33,055)	3,973	16,830	(4,929)
Claims Payables	-	-	-	-	-	(194,779)
Interfund payable	(56,043)	(3,900,660)	(46,948)	(790,138)	(4,793,789)	86,173
OPEB liability payable	26,764	8,823	6,789	8,373	50,749	10,236
IMRF contributions payable	42,305	11,281	8,970	13,547	76,103	-
Vouchers payable	257,085	(67,074)	100,730	-	290,741	-
Vouchers payable (restricted)	(204,266)	-	-	(377,388)	(581,654)	-
Accounts Payables	-	-	-	-	-	(374,012)
Net Cash Provided by (Used for) Operating	\$ 6,168,039	\$ 7,761,136	\$ (1,197,722)	\$ 4,798,305	\$ 17,529,758	\$ (918,869)

Concluded

CITY OF EVANSTON, ILLINOIS

Fiduciary Funds

Statement of Net Position
As of December 31, 2012

	<u>Pension Trust Funds</u>
Assets	
Cash and short-term investments	<u>\$ 6,168,201</u>
Receivables	
Accrued interest	458,058
Contribution receivable - Due from city funds	<u>1,929,935</u>
Total Receivables	<u>2,387,993</u>
Investments, at fair value	
U.S. Government and agency obligations	41,009,392
Corporate bonds	16,334,437
Common stock	24,319,762
Mutual funds	<u>48,851,289</u>
Total Investments	<u>130,514,880</u>
Total Assets	<u>139,071,074</u>
Liabilities	
Vouchers payable	<u>17,197</u>
Net Position held in trust	<u>\$ 139,053,877</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, 2012

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 15,083,644
Plan members	2,539,021
Other-Donations, Legal Sett., Surplus Sales	309
Total contributions	<u>17,622,974</u>
Investment income	
Net appreciation in fair value of investments	6,956,454
Investment income	<u>3,705,108</u>
Total investment income	10,661,562
Less investment expense	<u>428,606</u>
Net investment income	<u>10,232,956</u>
Total additions	<u>27,855,930</u>
Deductions	
Benefits	16,033,808
Refunds of contributions	116,603
Administrative expense	<u>141,527</u>
Total deductions	<u>16,291,938</u>
Net increase	11,563,992
Net Position held in trust for pension benefits	
Beginning	<u>127,489,885</u>
Ending	<u><u>\$ 139,053,877</u></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, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Evanston (City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units (hereinafter referred to as "Generally Accepted Accounting Principles" (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

Blended Component Unit:

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

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

The Township is included in the Reporting Entity due to its financial accountability because the Township Board of Trustees are the same individuals as the City Council members. The Township has a March 31 fiscal year-end. Amounts included in this report are as of and for the year ended March 31, 2012. This report is the most recent one available.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Reporting Entity - Continued

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

Town of the City of Evanston
1910 Main Street
Evanston, Illinois 60202

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. The effect of interfund activity has been removed from these statements excluding interfund services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

In June 2011, the GASB issued statement No. 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include guidance for these elements, which are distinct from assets and liabilities. This standard was implemented effective January 1, 2012.

C. Fund Accounting

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Fund Accounting - Continued

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

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

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

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

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

The City reports the following major governmental funds:

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

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

The *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 revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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 yardwaste removal services related fees and expenses. Refuse and yardwaste 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.

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, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

E. Cash and Equivalents

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

F. Investments

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

G. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. 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, 2012

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:

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

I. Compensated Absences

It is the City's 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, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

K. Self-Insurance

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

L. Property Taxes

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

The property tax calendar for Cook County is as follows:

<u>Description</u>	<u>Date</u>
Lien Date	January 1 of Levy Year
Levy Date	December of Levy Year
First Installment Due Date (55% of prior bill)	March 1 / April 1 of Year following Levy Year
Second Installment Due Date (balance of total bill)	September 1 / October 1 of Year following Levy Year

Property tax revenues are recognized when they become both measurable and available. On this basis, property tax revenue includes all cash distributions of property tax received during the fiscal period between January 1, 2012 and December 31, 2012 and all property tax collections received within 60 days after the end of the fiscal period. A 2% allowance for loss is reflected in the City financial statements.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

L. Property Taxes - Continued

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

The Town Fund and General Assistance Fund unearned revenue represents the net portion of the 2011 property tax levy that will not be collected within 60 days of the Township's March 31, 2012 year-end. A 5% allowance for loss is reflected in the Township financial statements.

M. Fund Equity

Governmental fund equity is classified as fund balance. In February 2009, the GASB issued statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions. This statement establishes fund balance classifications based primarily on the extent to which the government is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional notes disclosures regarding fund balance classification policies and procedures. The city 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 classifies governmental fund balance as follows:

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

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

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

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

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

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N. Interfund Transactions

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

O. Use of Estimates

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

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, The Financial Reporting Entity: Omnibus; Statement No. 65, Items Previously Reported as Assets and Liabilities; 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.

Q. Conduit Debt

The City approved the issuance of \$5,000,000 Series 2010 Revenue Bonds during the fiscal year 2010-2011 to provide financial assistance to Chiravalle Montessori School, deemed to be in public interest. The use of proceeds includes the property purchase from 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, 2012, outstanding bond balance was \$4,775,000.

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, 2012, outstanding bond balance was \$13,590,000.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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	\$ 120,938,742
Bonds premium liability	3,731,770
Compensated absences payable	8,327,158
IMRF Pension contributions payable	3,106,323
First Bank Loan	648,812
Pension contributions payable	<u>20,315,719</u>
Net adjustments to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 157,068,524</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	\$ 8,522,529
Capital outlay - contributions/other governmental activities	6,530,813
Depreciation expense	<u>(10,162,998)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 4,890,344</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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	\$ 11,215,464
SSD#5 Bond	1,840,000
IMRF Pension contributions payable	<u>2,841,682</u>

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities \$ 15,897,146

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	\$ 1,413,011
Amortization income	430,273
Pension contributions	1,721,947
First Bank Loan	(648,812)
IMRF Pension contributions payable	<u>(3,227,930)</u>

Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities \$ (311,511)

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	\$ (11,415,000)
Bond premium liability	<u>(553,459)</u>

Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities \$ (11,968,459)

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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, 2014. The operating budget includes proposed expenditures and the means of financing them.
2. Public budget hearings are conducted. Taxpayer comments are received and noted.
3. The budget is legally enacted through passage of a resolution.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. There were budget allocations within General fund but the total did not change.
5. Budgets are legally adopted on a basis consistent with GAAP except that property taxes are budgeted as revenue in the year they are levied. For purposes of preparing the General Fund - Budget and Actual (Budgetary Basis) Schedule of Revenues, Expenditures, and Changes in Fund Balance, GAAP revenues and expenditures have been adjusted to the budgetary basis.

Blended Component Unit

The Township prepares its annual appropriation ordinance, which is synonymous with its budget, using the modified accrual basis of accounting. The appropriation ordinance was adopted June 27, 2011. It covers both Township funds.

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

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

Special Revenue

Library Endowment and Employer Pension Contribution Funds.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

A. Budgetary Information - Continued

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

The following funds had an excess of actual budgetary expenditures over original and final budget for the fiscal year ended December 31, 2012:

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
Community Development Block Grant Fund	\$ 1,928,694	\$ 1,643,693	\$ 285,001
Neighborhood Stabilization Program 2	8,319,492	7,445,747	873,745
Homeless Prevention & Rapid Re-Housing Program	83,648	80,000	3,648
Howard Hartrey Tax Increment District	1,746,704	625,803	1,120,901
Library Fund	4,628,362	4,580,594	47,768

B. DEFICIT FUND EQUITY

The Insurance Fund, an internal service fund, had a net deficit of \$7,376,499 as of December 31, 2012. The City plans to use current resources to pay for future liabilities.

The Fleet Services, an internal service fund, had a net deficit of \$106,235 as of December 31, 2012. The City plans to use current resources to pay for future liabilities.

The Solid Waste Fund had a net deficit of \$1,447,884 as of December 31, 2012. The City plans to use current resources to pay for future liabilities.

The Special Service District No. 4 had a net deficit of \$117,003 as of December 31, 2012. 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, 2012

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Types of Accounts and Securities

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

It is the policy of the City to invest public funds in a manner whereby its investment objectives are prioritized in the following order: Safety of Principal, Liquidity, and Rate of Return. The City also seeks to maintain diversification of investments to avoid overconcentration of any one specific issuer or business sector. To mitigate interest rate risk, the City tries to structure the investment portfolio to meet daily cash flow needs so as to avoid needing to sell securities on the open market. The City seeks to attain market rates of return consistent with constraints imposed by safety and cash flow needs. The City invests to conform to all state and local statutes governing the investment of public funds. More detail is available in the City's investment policy. Library has investments in equities which is not permissible under the state statutes.

The Firefighters' and Police Pension Funds are set up for the exclusive purpose of providing retirement and other benefits to plan participants and beneficiaries. All investments are governed and authorized by the respective Fire and Police Pension Boards. The investment objectives and parameters mirror those listed above for the City of Evanston. However, unlike the City's public funds, the Firefighters and Police Pension funds may invest in various equity accounts up to a limit of 45% of the aggregate value of each respective fund's assets. The pension funds invest to conform to all state and local statutes governing pension funds. Additional detail is available in each pension fund's investment policies.

B. Pooling of Cash and Investments

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued

C. Types of Investments

As of December 31, 2012, the City has the following investments and maturities. The fair value of the Illinois Funds is the same as the value of the pool shares.

Governmental and Enterprise Investment Type	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1 - 10 More Years	Equities
Money Market / Liquid Assets	\$ 18,778,517	\$ 18,778,517	\$ -	\$ -
Mutual Funds	2,992,328	-	-	2,992,328
Total Governmental and Enterprise Investment Fund	\$ 21,770,845	\$ 18,778,517	\$ -	\$ 2,992,328

First Bank Money Market	\$ 8,987,539
JP Morgan Money Market	9,312,748
Vanguard Money Market	478,230
Total Money Market / Liquid Assets	\$ 18,778,517

Fire and Police Pension Investment Type	Fair Value	Investment Maturities (In Years)		Equities
		Less Than 1 Year	1 - 10 More Years	
Money Market / Liquid Assets	\$ 5,403,936	\$ 5,403,936	\$ -	\$ -
Mutual Funds	48,851,289	-	1,631,200	47,220,089
Corporate Bonds	16,334,437	-	16,334,437	-
U.S. Treasuries	20,806,581	1,556,533	19,250,048	-
Federal Home Loan Bank	2,015,747	36,855	1,978,892	-
Federal Home Loan Mortgage Corp	3,976,599	-	3,976,599	-
Fannie Mae	9,494,540	230,219	9,264,321	-
Ginnie Mae	4,715,925	26	4,715,899	-
Common Stock	24,319,762	-	-	24,319,762
Total Fire and Police Investment	\$ 135,918,816	\$ 7,227,569	\$ 57,151,396	\$ 71,539,851

Smith Barney Money Market	\$ 1,050,717
JP Morgan Money Market	2,583,141
Schwab Money Market	462,057
MB Bank Money Market	1,308,021
Total Money Market / Liquid Assets	\$ 5,403,936

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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	\$	7,783,107	
Township		<u>1,699,070</u>	\$ 9,482,177
IMET money market			
City of Evanston		16,525,589	
Fire and Police pension plan		<u>130,940</u>	<u>16,656,529</u>
			<u>\$ 26,138,706</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, 2012, Police Pension Trust Fund had investments in FNMA that exceeded 10% of net position available for benefits. Investments in FNMA are implicitly implied to be guaranteed by the U.S. government. The Firefighters' Pension Trust Fund had investments in GNMA that exceeded 10% of net position available for benefits. Investments in GNMA are explicitly guaranteed by the U.S. government.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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, 2012, the carrying amount of the City's deposits, including cash on hand of \$20,334 was \$22,891,201. The financial institutions' balances totaled \$21,304,069.

Township

At March 31, 2012, the carrying amount of the Township's deposits was \$161,398. The financial institutions' balances totaled \$166,769.

Fiduciary

Deposits consist of deposits in interest-bearing and noninterest-bearing accounts. At December 31, 2012, the carrying amount of the Pension's deposits was \$633,326. The financial institutions' balances totaled \$633,563.

E. Reconciliation of Unrestricted and Restricted Cash and Investments

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

Unrestricted cash and equivalents	\$ 66,765,875
Unrestricted investments	3,355,646
Restricted cash and equivalents and investments	<u>709,688</u>
Total Cash and Investments – Primary Government	70,831,209
Fiduciary funds cash and equivalents	6,168,201
Fiduciary funds investments	<u>130,514,880</u>
Total Cash and Investments	<u>\$ 207,514,290</u>
Carrying amount of deposits – from Note 4 D	\$ 23,685,925
Illinois funds and IMET money market - from Note 4 C	26,138,706
Investments – from Note 4 C table	<u>157,689,659</u>
Total	<u>\$ 207,514,290</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 5. RECEIVABLES

A. Summary of Receivables

Receivables as of December 31, 2012 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	\$ 12,532,027	\$ 12,038,795	\$ 14,419,286	\$ -	\$ -	\$ -	\$ -	\$ 12,818,360	\$ 51,808,468
Accounts	-	-	-	1,957,374	2,256,272	626,877	-	-	4,840,523
Notes	-	-	-	-	-	-	-	7,057,452	7,057,452
Special assessments	-	-	-	-	-	-	-	631,306	631,306
Accrued interest	-	-	-	-	-	-	-	7,452	7,452
Other	2,221,949	-	-	-	-	-	30,312	988,810	3,241,071
Gross receivables	14,753,976	12,038,795	14,419,286	1,957,374	2,256,272	626,877	30,312	21,503,380	67,586,272
Less: allowance for uncollectibles	(250,641)	(240,776)	(288,386)	-	-	-	-	(346,367)	(1,126,170)
Net total receivables	<u>\$ 14,503,335</u>	<u>\$ 11,798,019</u>	<u>\$ 14,130,900</u>	<u>\$ 1,957,374</u>	<u>\$ 2,256,272</u>	<u>\$ 626,877</u>	<u>\$ 30,312</u>	<u>\$ 21,157,013</u>	<u>\$ 66,460,102</u>

Out of the total Notes Receivable, \$6,832,217 is estimated not to be paid during the next year. Out of the total Special Assessment receivable, \$380,828 is estimated not to be paid during the next year.

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

B. Notes Receivable – Special Revenue Funds

The City makes loans to City residents for the rehabilitation of single-family and multi-family housing. Initial funding for these loans was from Community Development Block Grant (CDBG) and Housing and Urban Development (HUD) Funds. Two types of loans are made: (1) title transfer loans which are due in full when the housing unit is sold, and (2) amortizing loans which are due in monthly installments over varying lengths of time. Repayments of principal and any interest earned on these receivables, which are recorded in the respective Special Revenue funds, are used to make additional rehabilitation loans. An allowance of \$90,000 exists in the Special Revenue funds due to doubtful accounts. Loan activity for the current period is summarized as follows:

Interest Rates	Beginning	Loans Made	Loan Repayments	Ending
0% - 8%	<u>\$ 6,104,245</u>	<u>\$ 1,137,197</u>	<u>\$ 273,990</u>	<u>\$ 6,967,452</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 6. CAPITAL ASSETS

A. Capital Asset Activity

Capital asset activity for the fiscal year ended December 31, 2012, was as follows:

	Beginning	Additions	Deletions	Transfers	Ending
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 6,824,424	\$ 699,000	\$ -	\$ -	\$ 7,523,424
Right of way	18,695,896	-	-	-	18,695,896
Artwork	115,000	40,000	-	-	155,000
Total capital assets, not being depreciated	25,635,320	739,000	-	-	26,374,320
Capital assets, being depreciated/amortized:					
Buildings and improvements	91,920,909	2,281,372	-	-	94,202,281
Office equipment and furniture	6,068,801	438,168	-	-	6,506,969
Intangible assets	6,392,426	3,000	-	-	6,395,426
Machinery and equipment	23,476,317	2,432,410	2,357,173	-	23,551,554
Infrastructure	141,105,519	9,565,737	-	-	150,671,256
Library collections	8,528,911	499,679	1,016,909	-	8,011,681
Capitalized leases	729,644	-	-	-	729,644
Total capital assets being depreciated/amortized	278,222,527	15,220,366	3,374,082	-	290,068,811
Less accumulated depreciation/amortization for:					
Buildings and improvements	34,246,433	2,021,330	-	-	36,267,763
Office equipment and furniture	5,163,279	150,615	-	-	5,313,894
Intangible assets	5,441,589	130,784	-	(6,063)	5,566,310
Machinery and equipment	16,463,659	1,541,966	2,304,471	-	15,701,154
Infrastructure	65,590,984	5,695,172	-	-	71,286,156
Library collections	6,498,516	614,388	1,016,909	-	6,095,995
Capitalized leases	714,838	8,743	-	6,063	729,644
Total accumulated depreciation/amortization	134,119,298	10,162,998	3,321,380	-	140,960,916
Total capital assets being depreciated/amortized, net	144,103,229	5,057,368	52,702	-	149,107,895
Governmental activities capital assets, net	\$ 169,738,549	\$ 5,796,368	\$ 52,702	\$ -	\$ 175,482,215

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 6. CAPITAL ASSETS - Continued

A. Capital Asset Activity - Continued

	Beginning	Additions	Deletions	Transfers	Ending
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 3,297,937	\$ 1,346,573	\$ -	\$ -	\$ 4,644,510
Construction in progress	4,018,348	6,913,668	4,514,469	-	6,417,547
Artwork	359,752	-	-	-	359,752
Total capital assets, not being depreciated	7,676,037	8,260,241	4,514,469	-	11,421,809
Capital assets, being depreciated/amortized:					
Land improvements	3,633,499	-	-	-	3,633,499
Buildings and improvements	76,405,856	-	-	-	76,405,856
Leasehold improvements	302,752	-	-	-	302,752
Plant	36,000,965	4,317,001	62,398	-	40,255,568
Transmission and distribution system	41,439,487	-	-	-	41,439,487
Sewer system and underground lines	242,510,451	602,730	-	-	243,113,181
Intangible assets	384,917	100,342	-	-	485,259
Equipment	2,799,293	184,367	-	-	2,983,660
Parking meters	707,688	-	-	-	707,688
Total capital assets being depreciated/amortized	404,184,908	5,204,440	62,398	-	409,326,950
Less accumulated depreciation/amortization for:					
Land improvements	1,213,390	119,715	-	-	1,333,105
Buildings and improvements	15,035,368	2,252,986	-	-	17,288,354
Leasehold improvements	302,752	-	-	-	302,752
Plant	13,567,945	791,611	62,398	-	14,297,158
Transmission and distribution system	7,596,981	472,237	-	-	8,069,218
Sewer system and underground lines	39,704,997	3,297,339	-	-	43,002,336
Intangible assets	109,976	63,350	-	-	173,326
Equipment	2,086,554	133,441	-	-	2,219,995
Parking meters	630,565	113,249	-	-	743,814
Total accumulated depreciation/amortization	80,248,528	7,243,928	62,398	-	87,430,058
Total capital assets being depreciated/amortized, net	323,936,380	(2,039,488)	-	-	321,896,892
Business-type activities capital assets, net	\$ 331,612,417	\$ 6,220,753	\$ 4,514,469	\$ -	\$ 333,318,701

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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	\$ 338,810
Public safety	557,535
Public works	6,504,539
Housing and Economic Development	5,568
Recreation and cultural opportunities	<u>2,756,546</u>

Total depreciation expense – governmental activities \$ 10,162,998

Business – type activities:

Water	\$ 1,323,912
Sewer	3,336,363
Motor Vehicle Parking	<u>2,583,653</u>

Total depreciation expense – business – type activities \$ 7,243,928

B. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at December 31, 2012, is as follows:

Capital Improvement Fund	\$ 2,133,379
Sewer Fund	2,989,228
Water Fund	<u>1,040,999</u>
Total Construction Commitments	<u>\$ 6,163,606</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2012

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, 2012 interfund receivables and payables consist of the following:

Funds	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund		
Library	\$ -	\$ 64,441
Emergency Telephone System	16,424	-
Economic Development	25,874	-
Fleet Service	223,938	-
Insurance	32,768	-
Community Development Block Grant	28,942	-
Capital Improvements	-	535,300
Spec Assess CAP Project	-	42,923
Water	61,170	-
Sewer	78,542	-
Solid Waste	-	30,555
Neighborhood Stabilization Program 2	8,951	-
Community Development Loan	-	1,263
Neighborhood Improvement	-	20,000
Howard Ridge TIF	179	-
West Evanston	522	-
Motor Vehicle Parking System	118,993	-
Equipment Replacement	-	166,666
Total General Fund	<u>596,303</u>	<u>861,148</u>
Capital Improvements		
General Fund	535,300	-
Water	14,865	-
Motor Vehicle Parking System	-	371
Total Capital Improvements	<u>550,165</u>	<u>371</u>
General Obligation Debt Service Fund		
Howard Ridge TIF	-	200,000
Southwest TIF Debt Serv	-	130,000
Water	303,016	-
Total General Obligation Debt Service Fund	<u>303,016</u>	<u>330,000</u>
Nonmajor Governmental Funds		
Neighborhood Stabilization Program 2		
General Fund	-	8,951
Economic Development		
General Fund	-	25,874
CD Loan Fund	-	1,078
Total Economic Development	<u>-</u>	<u>26,952</u>
Emergency Telephone System		
General Fund	-	16,424
Neighborhood Improvement		
General Fund	<u>20,000</u>	<u>-</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2012

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Nonmajor Governmental Funds - Continued		
Community Development Block Grant		
General Fund	\$ -	\$ 28,942
Motor Vehicle Parking System	226	-
Spec Assess CAP Project	32,375	-
CD Loan Fund	134,341	-
Special Service Dist #4	-	225
Total Community Development Block Grant	<u>166,942</u>	<u>29,167</u>
Community Development Loan		
General Fund	1,263	-
Community Development Block Grant	-	134,341
Economic Development	1,078	-
Total Community Development Loan	<u>2,341</u>	<u>134,341</u>
Washington Natl. Tax Increment District Debt Svc.		
SSD #5 Debt Service Fund	-	270,000
Howard- Hartrey TIF debt Service	-	220,000
Southwest TIF Debt Serv	-	150,000
Total Washington Natl. Tax Increment District Debt Svc.	<u>-</u>	<u>640,000</u>
Howard Ridge Tax Increment District		
General Fund	-	179
Debt service Fund	200,000	-
West Evanston	290,000	-
Total Howard Ridge Tax Increment District	<u>490,000</u>	<u>179</u>
Howard Hartrey Tax increment District		
Washington Natl. Tax Increment District Debt Svc.	220,000	-
Special Service District No. 4		
CBDG Fund	225	-
Special Service District No. 5	-	130,000
Total Special Service District No. 4	<u>225</u>	<u>130,000</u>
Special Service District No. 5		
Special Service District No. 4	130,000	-
Washington Natl. Tax Increment District Debt Svc.	270,000	-
Total Special #5 Debt Service Fund	<u>400,000</u>	<u>-</u>
Southwest Tax Increment District		
Washington Natl. Tax Increment District Debt Svc.	150,000	-
Debt service Fund	130,000	-
Total Southwest Tax Increment District	<u>280,000</u>	<u>-</u>
West Evanston Tax Increment District		
General Fund	-	522
Howard Ridge TIF	-	290,000
Total West Evanston Tax Increment District	<u>-</u>	<u>290,522</u>
Library Fund		
General Fund	64,441	-
Town		
General Assistance	-	10,860
General Assistance	10,860	-
Town	<u>10,860</u>	<u>-</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2012

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Spec Assess CAP Project		
General Fund	\$ 42,923	\$ -
CBDG Fund	-	32,375
Motor Vehicle Parking System	24,956	-
Water Fund	-	9,054
Sewer Fund	70	-
Insurance Fund	-	39,964
Total Spec Assess CAP Project	<u>67,949</u>	<u>81,393</u>
Total Nonmajor Governmental Funds	<u>1,722,758</u>	<u>1,368,789</u>
Total Governmental Funds	<u>3,172,242</u>	<u>2,560,308</u>
Enterprise Funds		
Water		
General Fund	-	61,170
Sewer Fund	78,555	-
Motor Vehicle Parking System	2,710	-
Capital Improvements	-	14,865
Debt Service Fund	-	303,016
Special Assessment CP Fund	9,054	-
Total Water	<u>90,319</u>	<u>379,051</u>
Sewer		
General Fund	-	78,542
Special Assessment CP Fund	-	70
Water Fund	-	78,555
Solid Waste	1,450,000	-
Total Sewer	<u>1,450,000</u>	<u>157,167</u>
Solid Waste		
General Fund	30,555	-
Motor Vehicle Parking System	-	15,721
Sewer	-	1,450,000
Total Solid Waste	<u>30,555</u>	<u>1,465,721</u>
Motor Vehicle Parking System		
General Fund	-	118,993
CBDG Fund	-	226
Water Fund	-	2,710
Solid Waste	15,721	-
Special Assessment CP Fund	-	24,956
Insurance Fund	-	41,972
Capital Improvements	371	-
Total Motor Vehicle Parking System	<u>16,092</u>	<u>188,857</u>
Total Enterprise Funds	<u>1,586,966</u>	<u>2,190,796</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2012

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Internal Service Funds		
Fleet Services		
General Fund	\$ -	\$ 223,938
Equipment replacement	-	220,844
Total Fleet Services	<u>-</u>	<u>444,782</u>
Insurance		
General Fund	-	32,768
Special Assessment CP Fund	39,964	-
Motor Vehicle Parking System	41,972	-
Equipment replacement	20,673	-
Total Insurance	<u>102,609</u>	<u>32,768</u>
Equipment Replacement		
General Fund	166,666	-
Fleet Service	220,844	-
Insurance Fund	-	20,673
Total Equipment Replacement	<u>387,510</u>	<u>20,673</u>
Total Internal Service Funds	<u>490,119</u>	<u>498,223</u>
Total Primary Government	<u>\$ 5,249,327</u>	<u>\$ 5,249,327</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2012

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, 2012 transfers in / out consist of the following:

Funds	Transfers In	Transfers Out
Governmental Funds		
General Fund		
Affordable Housing Fund	\$ 23,990	\$ -
Library Fund	-	1,214,668
Emergency Telephone System Fund	125,950	-
Neighborhood Stabilization Program 2	114,984	-
Washington Natl. Tax Increment District Debt Svc.	325,000	-
Howard Hartrey Tax Increment District	141,600	-
Southwest Tax Increment District	28,920	-
Capital Improvement Fund	475,000	1,250,000
Equipment Replacement 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	836,990	-
West Evanston Tax Increment District	60,000	-
General Obligation Debt Service Fund	-	627,394
Economic Development	452,707	-
Total General Fund	<u>6,848,283</u>	<u>4,838,029</u>
Capital Improvements		
General Fund	<u>1,250,000</u>	<u>475,000</u>
General Obligation Debt Service Fund		
General Fund	627,394	-
Library Fund	69,005	-
Neighborhood Stabilization Program 2	3,616	-
Emergency Telephone System	10,385	-
Community Development Block Grant	2,711	-
Economic Development	12,752	-
Special Assessment	317,660	-
Fleet Services	22,274	-
Insurance	7,709	-
Sewer	-	3,946,173
Total General Obligation Debt Service Fund	<u>1,073,506</u>	<u>3,946,173</u>
Nonmajor Governmental Funds		
Affordable Housing Fund		
General Fund	-	23,990
Community Development Block Grant		
General Obligation Debt Service Fund	-	2,711
Library Services		
General Fund	1,214,668	-
General Obligation Debt Service Fund	-	69,005
Total Library Services	<u>1,214,668</u>	<u>69,005</u>
Economic Development		
Howard Ridge	48,500	-
General Obligation Debt Service Fund	-	12,752
General Fund	-	452,707
Total Economic Development	<u>48,500</u>	<u>465,459</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2012

NOTE 7. INTERFUNDS - Continued

B. Interfund Transfers - Continued

Funds	Transfers In	Transfers Out
Nonmajor Governmental Funds - Continued		
Southwest Tax Increment District		
General Fund	\$ -	\$ 28,920
Howard Hartrey Tax Increment District		
General Fund	-	141,600
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	-	325,000
Motor Vehicle Parking System	-	3,876,726
Total Washington National Tax Increment District	-	4,201,726
West Evanston Tax Increment District		
General Fund	-	60,000
Emergency Telephone System		
General Fund		125,950
General Obligation Debt Service Fund	-	10,385
Total Emergency Telephone System	-	136,335
Special Assessment		
General Obligation Debt Service Fund	-	317,660
Motor Fuel Tax		
General Fund	-	836,990
Neighborhood Stabilization Program 2		
General Fund		114,984
General Obligation Debt Service Fund	-	3,616
Total Neighborhood Stabilization Program 2	-	118,600
Total Nonmajor Governmental Funds	<u>1,263,168</u>	<u>6,571,896</u>
Total Governmental Funds	<u>10,434,957</u>	<u>15,831,098</u>
Enterprise Funds		
Water		
General Fund	-	3,356,300
Sewer		
General Fund	-	142,200
General Obligation Debt Service Fund	3,946,173	-
Total Sewer	<u>3,946,173</u>	<u>142,200</u>
Motor Vehicle Parking System		
General Fund	-	644,242
Washington Natl. Tax Increment District Debt Svc.	3,876,726	-
Total Motor Vehicle Parking System	<u>3,876,726</u>	<u>644,242</u>
Solid Waste		
General Fund	1,245,967	-
Total Enterprise Funds	<u>9,068,866</u>	<u>4,142,742</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2012

NOTE 7. INTERFUNDS - Continued

B. Interfund Transfers - Continued

Funds	Transfers In	Transfers Out
Internal Service Funds		
Fleet Services		
Equipment Replacement Fund	\$ -	\$ 7,858,900
General Obligation Debt Service Fund	-	22,274
Total Fleet Services	<u>-</u>	<u>7,881,174</u>
Equipment Replacement		
Fleet Services Fund	7,858,900	
General Fund	500,000	-
Total Equipment Replacement	<u>8,358,900</u>	<u>-</u>
Insurance		
General Obligation Debt Service Fund	<u>-</u>	<u>7,709</u>
Total Internal Service Funds	<u>8,358,900</u>	<u>7,888,883</u>
Total Primary Government	<u>\$ 27,862,723</u>	<u>\$ 27,862,723</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2012

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 12/31/2013	23,829
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>\$ 54,823</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 9. LONG-TERM DEBT

A. Changes in Long-Term Debt

	Interest Rate	Final Maturity Date	Balance 12/31/2011	Issued	Payments	Balance 12/31/2012	Due Within One Year
G.O. Debt Governmental Activities							
Series 2002C	5.00%-5.80%	1/1/2022	\$ 2,680,000	\$ -	\$ 2,680,000	\$ -	\$ -
Series 2002C (SSA#5)	5.00%-5.80%	1/1/2016	1,840,000	-	1,840,000	-	-
Series 2004	2.00%-5.00%	12/1/2023	11,040,000	-	845,000	10,195,000	870,000
Series 2004B	2.00%-5.25%	12/1/2017	4,460,000	-	1,630,000	2,830,000	595,000
Series 2005	3.25%-5.00%	12/1/2025	14,130,000	-	750,000	13,380,000	1,115,000
Series 2006	3.85%-5.00%	12/1/2026	9,680,000	-	130,000	9,550,000	135,000
Series 2006B	4.00%-4.25%	12/1/2023	14,430,000	-	-	14,430,000	35,000
Series 2007	4.00%-5.00%	12/1/2016	17,535,000	-	1,185,000	16,350,000	1,000,000
Series 2008A	3.00%-5.00%	12/1/2021	3,215,000	-	195,000	3,020,000	300,000
Series 2008C	3.00%-5.00%	12/1/2028	8,912,340	-	369,840	8,542,500	381,900
Series 2008D	3.25%-5.00%	12/1/2016	7,085,000	-	1,435,000	5,650,000	2,480,000
Series 2010A	2.00%-3.625%	12/1/2029	6,260,000	-	300,000	5,960,000	305,000
Series 2010B	1.00%-3.30%	12/1/2019	6,101,866	-	613,946	5,487,920	647,358
Series 2011A	2.00%-4.50%	12/1/2031	15,210,000	-	1,081,678	14,128,322	1,234,836
Series 2012A (SSA#5)	2.00%-3.25%	12/1/2032	-	1,515,000	-	1,515,000	340,000
Series 2012A	2.00%-3.25%	12/1/2032	-	9,900,000	-	9,900,000	995,000
Subtotal Governmental Activities			<u>122,579,206</u>	<u>11,415,000</u>	<u>13,055,464</u>	<u>120,938,742</u>	<u>10,434,094</u>
Bonds premium liability			3,608,584	553,459	430,273	3,731,770	-
OPEB liability			1,492,195	205,469	-	1,697,664	-
Pension contributions			22,037,666	13,361,697	15,083,644	20,315,719	-
Compensated absences payable- City			9,895,170	2,487,963	3,965,192	8,417,941	3,197,976
IMRF Pension contributions			2,720,075	3,227,930	2,841,682	3,106,323	-
First Bank Loan			-	648,812	-	648,812	-
Claims payable			<u>7,455,546</u>	<u>1,803,956</u>	<u>1,998,735</u>	<u>7,260,767</u>	<u>3,127,767</u>
Subtotal Other G.A. Liabilities			<u>47,209,236</u>	<u>22,289,286</u>	<u>24,319,526</u>	<u>45,178,996</u>	<u>6,325,743</u>
Total Governmental Activity Debt & Liabilities			<u>\$ 169,788,442</u>	<u>\$ 33,704,286</u>	<u>\$ 37,374,990</u>	<u>\$ 166,117,738</u>	<u>\$ 16,759,837</u>
G.O. Debt Business-type Activities							
Series 2005 Sherman Garage	3.25%-5.00%	12/1/2025	7,920,000	-	975,000	6,945,000	1,020,000
Series 2005 Sewer	3.25%-5.00%	12/1/2025	250,000	-	-	250,000	-
Series 2007 Sewer	4.00%-5.00%	12/1/2016	2,140,000	-	1,090,000	1,050,000	185,000
Series 2007 Parking	4.00%-5.00%	12/1/2016	875,000	-	125,000	750,000	130,000
Series 2008B Sherman Garage	3.00%-5.00%	12/1/2018	13,705,000	-	1,800,000	11,905,000	1,790,000
Series 2008C Sewer	3.00%-5.00%	12/1/2028	2,172,660	-	90,160	2,082,500	93,100
Series 2008D Sewer	3.25%-5.00%	12/1/2016	2,820,000	-	1,875,000	945,000	945,000
Series 2010B	1.00%-3.30%	12/1/2019	1,203,134	-	121,054	1,082,080	127,642
Series 2011A	2.00%-4.50%	12/1/2031	4,030,000	-	123,323	3,906,677	165,164
Series 2012A	2.00%-3.25%	12/1/2032	-	4,305,000	-	4,305,000	-
Subtotal Business-type Activities			<u>35,115,794</u>	<u>4,305,000</u>	<u>6,199,537</u>	<u>33,221,257</u>	<u>4,455,906</u>
Water Revenue Bond Series 1999	4.125-4.375%	1/1/2014	875,000	-	280,000	595,000	290,000
Water Revenue Bond Series 2002	2.00-3.75%	1/1/2012	295,000	-	295,000	-	-
Subtotal Water Revenue Bonds			<u>1,170,000</u>	<u>-</u>	<u>575,000</u>	<u>595,000</u>	<u>290,000</u>
IEPA Loans	2.535-3.59%	Various	79,081,272	-	8,705,904	70,375,368	8,264,766
Unamortized bond Premium and discount			11,477	-	1,129	10,348	-
Bonds premium liability			792,679	143,704	140,328	796,055	-
Compensated absences payable- City			869,634	452,335	435,505	886,464	423,199
IMRF Pension contributions			527,916	636,004	559,901	604,019	-
OPEB Liability			<u>174,537</u>	<u>50,749</u>	<u>-</u>	<u>225,286</u>	<u>-</u>
Subtotal Other Business-type Activity Liabilities			<u>2,376,243</u>	<u>1,282,792</u>	<u>1,136,863</u>	<u>2,522,172</u>	<u>423,199</u>
Total Business-type Activities Debt & Liabilities			<u>\$ 117,743,309</u>	<u>\$ 5,587,792</u>	<u>\$ 16,617,304</u>	<u>\$ 106,713,797</u>	<u>\$ 13,433,871</u>
Total Governmental & Business-type Activities Debt & Liabilities			<u>\$ 287,531,751</u>	<u>\$ 39,292,078</u>	<u>\$ 53,992,294</u>	<u>\$ 272,831,535</u>	<u>\$ 30,193,708</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, 2012

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 \$19,688 of net revenues for the year ended December 31, 2013. The total principal and interest remaining to be paid on the bonds is \$621,360. Principal and interest paid for the current period totaled \$612,687 on customer revenues of \$5,212,693.

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>\$ 595,000</u>

Business type activities - IEPA Loans

Business type activities IEPA loans are payable from revenues derived from Sewer and Water service fees. The City has pledged future revenues, net of operating expenses, to repay principal totaling \$161,827,471 in IEPA loans issued in 1993 through 2011. Proceeds from the loans provided financing for the Long Term Sewer and Water Improvement Program. The IEPA loans, payable from operating revenues and property tax levies, are payable through 2030. The City Council authorized to refinance IEPA loan payments by issuing General Obligation (GO) bonds in the amount not to exceed \$17 million. The City of Evanston issued \$3,805,000 in GO bonds during the fiscal year to repay IEPA loan payments. Annual principal and interest on the loans are expected to require \$10,041,858 of net revenues for the Fiscal year 2013. The total principal and interest remaining to be paid on the loans is \$80,427,136. Principal and interest paid for the current period and total customer net revenues were \$10,731,085 and \$11,996,468 respectively.

IEPA loans payable consist of the following:

<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance</u>
Various	Various	Various	\$ 161,827,471	<u>\$ 70,375,368</u>

Total Business type Activities- IEPA Loan Debt \$ 70,375,368

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 9- LONG-TERM DEBT - Continued

B. General Obligation Bonds Payable

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

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

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

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

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

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

In July, 2012 the City issued Series 2012A in General Obligation bonds for a total of \$15,720,000. The Bonds were issued to provide financing for certain public improvement projects and refund certain outstanding obligations. The Bond issue also included money to deposit into debt service funds of the City's Sewerage System for purposes of paying certain outstanding obligations on their scheduled payment dates.

Part of the above Series 2012A General Obligation bonds were issued at a net interest cost of 1.41% to current refund the outstanding balance of Series 2002C. This resulted in a net present value savings of \$368,441 which approximates cash savings.

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
2013	\$ 10,434,094	\$ 4,988,290	\$ 4,455,906	\$ 1,465,334
2014	11,558,357	4,552,545	3,671,643	1,174,938
2015	9,179,385	4,131,161	4,160,615	1,027,816
2016	9,624,204	3,731,127	4,265,796	859,350
2017	9,177,377	3,357,500	4,872,624	685,524
2018-2022	39,862,726	11,568,135	6,127,273	1,501,545
2023-2027	24,722,736	4,206,442	3,062,266	851,019
2028-2032	6,379,863	600,608	2,605,134	262,023
Total	<u>\$ 120,938,742</u>	<u>\$ 37,135,808</u>	<u>\$ 33,221,257</u>	<u>\$ 7,827,548</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 9- LONG-TERM DEBT - Continued

C. Special Service District Bonds Payable

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

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

For the Fiscal Year ending	Governmental Activities	
	Principal	Interest
2013	\$ 340,000	\$ 78,816
2014	380,000	57,740
2015	390,000	35,175
2016	405,000	11,873
Total	<u>\$ 1,515,000</u>	<u>\$ 183,604</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
2013	\$ 290,000	\$ 19,688
2014	305,000	6,672
Total	<u>\$ 595,000</u>	<u>\$ 26,360</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 9- LONG-TERM DEBT - Continued

E. Notes Payable -IEPA Loans

During the ten months ended December 31, 2012, the City currently has 26 outstanding loans from the IEPA. The City will repay the loans solely from revenues derived from the sewer and water system; the loans do not constitute a full faith and credit obligation of the City. They will be repaid with equal installments consisting of principal plus simple interest, on unpaid principal balances, over a period of 20 years. Initial principal balances will consist of disbursements and interest accrued during construction. Repayments begin not later than six months after completion of construction.

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

For the Fiscal <u>Year ending</u>	Business-type Activities	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 8,264,766	\$ 1,777,092
2014	7,814,770	1,555,528
2015	7,557,928	1,341,861
2016	7,036,186	1,144,637
2017	6,416,256	961,645
2018-2022	22,600,086	2,670,473
2023-2027	10,266,551	597,828
2028-2030	<u>418,825</u>	<u>2,704</u>
Total	<u>\$ 70,375,368</u>	<u>\$ 10,051,768</u>

F. Short term Loan with First Bank & Trust, Evanston

During the year, the city set up a short term 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, 2012, 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, 2012

NOTE 9- LONG-TERM DEBT - Continued

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

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

Contribution requirements are established through Illinois State laws. The City of Evanston implicitly contributes the difference between retiree's contributions and unblended rates. Retirees pay 100% of the blended premiums to cover themselves and their covered dependents ranging from \$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, 2012, the City's estimated contribution to the plan is \$872,397. The City of Evanston's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No.45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City of Evanston's annual OPEB cost for the the year ended December 31, 2012, the estimated contributions to the plan and changes in the City's net OPEB obligation to the retiree health plan.

Annual required contribution	\$ 1,117,260
Interest on net OPEB obligation	75,003
Adjustment to annual required contribution	<u>(63,648)</u>
Annual OPEB cost	1,128,615
Contributions made	<u>(872,397)</u>
Increase in net OPEB obligation	256,218
Net OPEB obligation - Beginning	<u>1,666,732</u>
Net OPEB obligation - Ending	<u>\$ 1,922,950</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 2012 and the two years prior were as follows.

Fiscal Period Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
2/28/2011	1,055,264	62.37%	1,531,042
12/31/2011	939,742	85.56%	1,666,732
12/31/2012	1,128,615	77.30%	1,922,950

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 9- LONG-TERM DEBT - Continued

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

The funded status of the plan based on the projected valuation results as of December 31st, 2012, was as follows:

Actuarial accrued liability (AAL)	\$ 17,294,689
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 17,294,689</u>
Funded ratio (actuarial value of plan assets/AAL)	-
Covered payroll (active plan members)	49,784,920
UAAL as a percentage of covered payroll	34.74%

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 2012, 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 3 percent price inflation assumption. The actuarial value of retiree health plan assets was determined using techniques that spread the effects of short term volatility in the market value of investments over a three year period. Retiree health plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2012, was 30 years.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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	\$ 58,463,916
Police Pension Fund Restriction for employee pension benefits	<u>80,589,961</u>
Total Fiduciary Funds	<u>\$ 139,053,877</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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	357,216
Assigned for Butterfield sculpture	30,883
Assigned for scholarship contributions	25,953
Assigned for Noyes Center	337,086
Assigned for recreation group activities	207,123
Assigned for parkway trees	222,725
Assigned for youth initiative	42,151
Assigned for parks and recreation	270,298
Assigned for Chiaravelle escrow	207,402
Assigned for Mayor's programs	87,279
Assigned for IMRF - Pension	2,331,333
Assigned for Compensated Absences	2,319,027
Other assignments	<u>250,227</u>
	<u>\$ 6,847,983</u>

Capital Improvement Fund

Assigned for capital projects	<u>\$ 3,401,911</u>
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Non-major Governmental Funds

Assigned for special assessment capital project	<u>\$ 1,905,315</u>
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Total Assigned Fund Balances	<u>\$ 12,155,209</u>
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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 11. INDIVIDUAL FUND ACTIVITIES

A. General Obligation Debt Service Fund

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

B. Water Fund

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

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

C. Special Service District No. 4

On August 13, 2007, the City Council adopted Ordinance No. 37-R-07 which extended the life of Special Service District No. 4 until December 31, 2019. Special Service District No. 4 comprises the central business district of the City. The special district was established for the purpose of providing funds for special maintenance and repair and for promotion and advertisement. The annual property tax levy for 2012 was \$416,327 which includes a loss & cost amount of \$8,327.

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, 2012

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>
February 28, 2011	\$ 3,701,478	\$ 1,753,725	5,455,203
New claims and/or estimate revisions	225,374	2,694,999	2,920,373
Claims payments	<u>(705,471)</u>	<u>(214,559)</u>	<u>(920,030)</u>
December 31, 2011	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	<u>\$ 2,957,267</u>	<u>\$ 4,303,500</u>	<u>\$ 7,260,767</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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, 2012

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, 2012:

Current assets	\$ 6,365,923
Property, plant, and equipment	10,753,169
Debt issuance costs, net and other assets	<u>39,921</u>
Total assets	<u>\$ 17,159,013</u>
Current liabilities	\$ 4,517,395
Long-term debt, net of unamortized discount	3,641,584
Net Investment in capital assets	5,991,585
Restricted net position	2,939,109
Unrestricted net position	<u>69,340</u>
Total liabilities and fund equity	<u>\$ 17,159,013</u>

Summary of Revenues and Expenses for the Year Ended April 30, 2012:

Total revenues	\$ 15,745,722
Total expenses	<u>(14,930,848)</u>
Net income	<u>\$ 814,874</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, 2012

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, 2011 are summarized as follows:

Statement of Financial Position as of December 31, 2011:

Cash and cash equivalents	\$ 889,043
Mortgage loans receivable	<u>2,289,700</u>
Total assets	<u>3,178,743</u>
Payables and accrued expenses	114,743
Notes payable	<u>3,064,000</u>
Total liabilities	<u>3,178,743</u>
Net Position	<u>\$ -</u>

(Note: December 31, 2011 is the most current information available.)

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 14. JOINT VENTURES – Continued

B. Evanston Housing Corporation - Continued

Statement of Activities for the Year Ended December 31, 2011:

Total revenues	\$ 119,076
Total operating expenses	(119,076)
Excess of revenues over expenses	<u>\$ -</u>

(Note: December 31, 2011 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, 2012	<u>\$ 40,400,849</u>
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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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 2012 was 10.30% 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, 2012

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, 2012 was \$62,839,052. Of this amount, \$33,025,074 in payroll earnings were reported to and covered by the IMRF system. The Township's total payroll for the year ended December 31, 2011 was \$358,316 which were reported to and covered by the IMRF plan.

As of December 31, 2012, the most recent actuarial valuation date, the City's Regular plan was 77.67% funded. The City's actuarial accrued liability for benefits was \$89,116,813 and the actuarial value of assets was \$69,218,573 resulting in an underfunded actuarial accrued liability (UAAL) of \$19,898,240. The covered payroll for the fiscal year ended December 31, 2012 (annual payroll of active employees covered by the plan) was \$33,025,074 and the ratio of the UAAL to the covered payroll was 60%.

As of December 31, 2011, the most recent valuation date, the Township's Regular plan was fully funded. The Township's actuarial accrued liability for benefits was \$279,973 and the actuarial value of assets was \$291,690 resulting in an overfunding of \$11,717. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$358,316.

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, 2012, the employer's actual contributions for pension cost were \$3,401,583. Actual required contributions for calendar year 2012 was \$3,863,934. The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year, depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor.

Three-Year Trend Information for IMRF - City

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 3,863,934	88%	\$ 3,710,342
12/31/11	4,811,504	63%	3,247,991
12/31/10	4,914,570	70%	1,456,988

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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, 2012 are as follows:

	<u>IMRF</u>
Annual required contribution	\$ 3,863,934
Interest on net pension obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual pension cost	3,863,934
Contributions made	<u>(3,401,583)</u>
Increase (decrease) in net pension obligation	462,351
Net pension obligation at January 1, 2012	<u>3,247,991</u>
Net pension obligation at December 31, 2012	<u><u>\$ 3,710,342</u></u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

NOTE 16. DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund - Continued

C. Annual Pension Cost - Continued

For December 31, 2011, the Township's annual pension cost of \$25,655 was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that 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

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$ 25,655	100%	\$ -
12/31/10	23,203	100%	-
12/31/09	12,053	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, 2012 was \$14,018,048 and \$8,543,980 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, 2012

NOTE 16. DEFINED BENEFIT PENSION PLANS – Continued

Police and Firefighters' Pension Plans - Continued

D. Plan Descriptions - Continued

Participation in the plans at December 31, 2012 was:

	<u>Police</u>	<u>Firefighters'</u>
Retirees, disabled participants, and beneficiaries of deceased retirees currently receiving benefits	168	142
Active plan members	<u>163</u>	<u>106</u>
Total	<u><u>331</u></u>	<u><u>248</u></u>

Any police officer or firefighter who has creditable service of 20 years or more, has reached age 50, and is no longer in the service, is entitled to a yearly pension equal to 50% of the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater, in the case of a police officer, and at the date of retirement in the case of a firefighter. The police officer pension is increased by 2.5% of such salary for each additional year of service over 20 years to a maximum limit of 75% of such salary. The firefighter pension is increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary.

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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, 2012

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, 2012 are as follows:

	<u>Police</u>	<u>Firefighters'</u>
Annual required contribution	\$ 7,576,919	\$ 5,729,977
Interest on net pension obligation	940,323	602,314
Adjustment to annual required contribution	<u>(906,919)</u>	<u>(580,917)</u>
Annual pension cost	7,610,323	5,751,374
Contributions made	<u>(8,653,717)</u>	<u>(6,429,927)</u>
Increase (decrease) in net pension obligation	(1,043,394)	(678,553)
Net pension obligation at January 1, 2012	<u>13,433,187</u>	<u>8,604,479</u>
Net pension obligation at December 31, 2012	<u><u>\$ 12,389,793</u></u>	<u><u>\$ 7,925,926</u></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, 2012

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

G. Concentration of Investments

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

The Firefighters' Pension Trust Fund had no significant investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represented 5% or more of net position available for benefits. The only exception to the aforementioned is investments in GNMA (8%).

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	12/31/12	\$ 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
	2/28/09	7,233,096	115.50%	10,495,325
Firefighters'	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
	2/29/08	5,575,720	98.27%	7,341,644

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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	\$ 3,246,623	\$ 2,921,578	\$ 6,168,201
Receivables			
Accrued interest	95,892	362,166	458,058
Due from city funds	<u>823,317</u>	<u>1,106,618</u>	<u>1,929,935</u>
Total Receivables	<u>919,209</u>	<u>1,468,784</u>	<u>2,387,993</u>
Investments, at fair value			
U.S. Government and agency obligations	12,633,216	28,376,176	41,009,392
Corporate Bonds	2,804,090	13,530,347	16,334,437
Common Stock	10,126,942	14,192,820	24,319,762
Mutual funds	<u>28,743,289</u>	<u>20,108,000</u>	<u>48,851,289</u>
Total Investments	<u>54,307,537</u>	<u>76,207,343</u>	<u>130,514,880</u>
Total Assets	<u>58,473,369</u>	<u>80,597,705</u>	<u>139,071,074</u>
Liabilities			
Vouchers payable	<u>9,453</u>	<u>7,744</u>	<u>17,197</u>
Net position held in trust for pension benefits	<u>\$ 58,463,916</u>	<u>\$ 80,589,961</u>	<u>\$ 139,053,877</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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	\$ 6,429,927	\$ 8,653,717	\$ 15,083,644
Plan members	884,170	1,654,851	2,539,021
Other-Donations, Legal Sett., Surplus Sales	<u>184</u>	<u>125</u>	<u>309</u>
Total Contributions	<u>7,314,281</u>	<u>10,308,693</u>	<u>17,622,974</u>
Investment income			
Net appreciation in			
fair value of investments	2,872,739	4,083,715	6,956,454
Interest	<u>865,981</u>	<u>2,839,127</u>	<u>3,705,108</u>
Total investment income	3,738,720	6,922,842	10,661,562
Less investment expense	<u>206,002</u>	<u>222,604</u>	<u>428,606</u>
Net investment income	<u>3,532,718</u>	<u>6,700,238</u>	<u>10,232,956</u>
Total Additions	<u>10,846,999</u>	<u>17,008,931</u>	<u>27,855,930</u>
Deductions			
Benefits	7,190,255	8,843,553	16,033,808
Refunds of contributions	65	116,538	116,603
Administrative expense	<u>86,384</u>	<u>55,143</u>	<u>141,527</u>
Total Deductions	<u>7,276,704</u>	<u>9,015,234</u>	<u>16,291,938</u>
Net increase	3,570,295	7,993,697	11,563,992
Net position held in trust for pension benefits			
Beginning	<u>54,893,621</u>	<u>72,596,264</u>	<u>127,489,885</u>
Ending	<u>\$ 58,463,916</u>	<u>\$ 80,589,961</u>	<u>\$ 139,053,877</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year ended December 31, 2012

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, 2012	January 1, 2012
Actuarial cost method	Entry-Age Normal	Entry-Age Normal
Amortization method	Level percent Closed	Level percent Closed
Remaining amortization period	21 Years , 6 months	21 Years, 6 months
Actuarial valuation method	5-year smoothed mkt.	5-year smoothed mkt.

L. Funding Status and Progress

As of January 1, 2012, the City's Police Pension plan was 45.61% funded. The City's actuarial accrued liability for benefits was \$158,457,577 and the actuarial value of assets was \$72,266,706 resulting in an underfunded actuarial accrued liability (UAAL) of \$86,190,871. The covered payroll for the fiscal year ending December 31, 2012 (annual payroll of active employees covered by the Police Pension Plan) was \$14,018,048 and the ratio of the UAAL to the covered payroll was 614.85%.

As of January 1, 2012, the City's Fire Pension plan was 45.26% funded. The City's actuarial accrued liability for benefits was \$121,693,417 and the actuarial value of assets was \$55,082,975 resulting in an underfunded actuarial accrued liability (UAAL) of \$66,610,442. The covered payroll for the fiscal year ending December 31, 2012 (annual payroll of active employees covered by the Fire Pension Plan) was \$8,543,980 and the ratio of the UAAL to the covered payroll was 779.61%.

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, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll Under/(Over) ((b-a)/c)
Firefighters' Pension						
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%
3/1/2005	38,327,422	78,759,019	40,431,597	48.66%	7,684,000	526.18%
Police Pension						
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%
3/1/2005	55,269,914	106,426,694	51,156,780	51.93%	10,642,000	480.71%
Illinois Municipal Retirement Fund (City)						
12/31/2012	\$ 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%)
12/31/2003	76,984,367	70,647,540	(6,336,827)	108.97%	29,240,514	(21.67%)
Illinois Municipal Retirement Fund (Township)						
12/31/2011	\$ 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%)
12/31/2003	585,069	429,243	(155,826)	136.30%	345,639	(45.08%)
12/31/2002	810,301	512,878	(297,423)	157.99%	338,707	(87.81%)
Post Employment Benefits other than Pension						
12/31/2012	\$ -	\$ 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, 2012

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	\$ 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%
2002	2,355,236	2,374,744	100.83%	3,224,902	3,252,113	100.84%

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

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
 Required Supplementary Information
 For the Fiscal Year ended December 31, 2012

	Original & Final Budget	Actual	Variance
Revenues			
Taxes	\$ 36,621,022	\$ 32,724,364	\$ (3,896,658)
Licenses and permits	8,646,613	10,470,353	1,823,740
Intergovernmental	15,791,191	16,360,863	569,672
Charges for services	7,728,055	7,328,037	(400,018)
Fines	4,721,639	3,470,107	(1,251,532)
Investment income	12,000	7,169	(4,831)
Miscellaneous	2,126,968	2,470,868	343,900
Total Revenues	<u>75,647,488</u>	<u>72,831,761</u>	<u>(2,815,727)</u>
Expenditures			
General management and support	13,489,098	12,437,192	1,051,906
Public safety	38,067,561	38,606,997	(539,436)
Public works	8,313,494	7,833,641	479,853
Health and human resource development	3,338,424	3,200,052	138,372
Recreation and cultural opportunities	13,944,350	14,283,198	(338,848)
Housing and economic development	3,148,340	3,103,952	44,388
Total Expenditures	<u>80,301,267</u>	<u>79,465,032</u>	<u>836,235</u>
(Deficiency) of Revenues (under) Expenditures	<u>(4,653,779)</u>	<u>(6,633,271)</u>	<u>(1,979,492)</u>
Other Financing Sources (Uses)			
Operating transfers in (out)			
West Evanston TIF	60,000	60,000	-
Motor Fuel Tax Fund	836,990	836,990	-
Economic Development Fund	452,707	452,707	-
Housing Fund	23,990	23,990	-
Washington National TIF Debt Service Fund	325,000	325,000	-
Howard Hartrey Debt Service	141,600	141,600	-
Southwest TIF I Debt Service Fund	28,920	28,920	-
NSP 2	320,000	114,984	(205,016)
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	-
Library	(521,915)	(1,214,668)	(692,753)
Debt Service Fund	(627,394)	(627,394)	-
CIP	(1,250,000)	(1,250,000)	-
Solid Waste	(1,245,967)	(1,245,967)	-
Equipment Replacement	(500,000)	(500,000)	-
	<u>2,908,023</u>	<u>2,010,254</u>	<u>(897,769)</u>
Net Change in Fund Balance	<u>\$ (1,745,756)</u>	<u>(4,623,017)</u>	<u>\$ (2,877,261)</u>
Fund Balance			
Beginning		32,383,980	
Ending		<u>\$ 27,760,963</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 2012 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, 2012 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	\$ 76,095,096
Increase (decrease) due to budgeting property taxes as revenue in the year of levy	<u>(3,263,335)</u>
Budgetary Basis Revenues	<u><u>\$ 72,831,761</u></u>
Expenditures	
GAAP basis expenditures as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 79,465,032
Increase (decrease) due to changes in Encumbrances	<u>-</u>
Budgetary Basis Expenditures	<u><u>\$ 79,465,032</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

Library - to account for the Library operations including personnel, administration, books, videos and other costs. Financing is provided from the property tax levy.

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

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

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

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

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

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

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

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

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

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

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

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

Continued

Special Revenue Funds - Continued

Township Funds

Town - to account for general administrative services.

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

Debt Service Funds

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

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

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

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

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

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

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

Capital Projects Funds

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

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

Concluded

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
As of December 31, 2012

	Special Revenue					
	Library Fund	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
Assets						
Cash and equivalents	\$ 643,512	\$ 1,331,699	\$ 1,610,258	\$ 1,180,732	\$ 478,230	\$ 109,915
Investments	-	-	-	-	2,992,328	-
Receivables						
Property taxes (net of allowance)						
Current year levy	4,253,214	-	-	-	-	-
Notes	-	-	-	-	-	-
Allowance	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Accrued interest	-	-	-	-	7,452	-
Other	-	-	599,467	128,321	-	-
Prepaid items	-	-	-	-	-	-
Due from other governments	-	154,187	-	-	-	-
Due from other funds	64,441	-	-	-	-	20,000
Total Assets	\$ 4,961,167	\$ 1,485,886	\$ 2,209,725	\$ 1,309,053	\$ 3,478,010	\$ 129,915
Liabilities and Fund Balances						
Liabilities						
Vouchers payable	\$ 144,332	\$ 164,122	\$ 32,369	\$ 27,822	\$ -	\$ -
Other	665	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to other funds	-	-	26,952	16,424	-	-
Deferred revenues	3,715,074	322,396	-	-	-	-
Total Liabilities	3,860,071	486,518	59,321	44,246	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted						
Highway maintenance	-	999,368	-	-	-	-
Emergency telephone system	-	-	-	1,264,807	-	-
Library projects	1,101,096	-	-	-	3,478,010	-
HUD approved projects	-	-	-	-	-	-
Neighborhood improvements	-	-	-	-	-	129,915
Debt service	-	-	-	-	-	-
Township	-	-	-	-	-	-
Committed - Economic Development	-	-	2,150,404	-	-	-
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total Fund Balances (Deficit)	1,101,096	999,368	2,150,404	1,264,807	3,478,010	129,915
Total Liabilities and Fund Balances	\$ 4,961,167	\$ 1,485,886	\$ 2,209,725	\$ 1,309,053	\$ 3,478,010	\$ 129,915

Special Revenue							
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	Total City Funds	
\$ 191,444	\$ 7,615	\$ 19,042	\$ 129,617	\$ 95,577	\$ 3,340	\$ 5,800,981	
363,318	-	-	-	-	-	3,355,646	
-	-	-	-	-	408,000	4,661,214	
1,534,829	3,256,621	24,799	2,241,203	-	-	7,057,452	
-	-	(12,000)	(78,000)	-	-	(90,000)	
-	-	-	-	-	-	-	
-	-	-	-	-	-	7,452	
202,344	-	-	-	3,605	-	933,737	
-	-	-	-	-	-	-	
-	180,140	-	-	853,454	-	1,187,781	
-	-	166,942	2,341	-	225	253,949	
\$ 2,291,935	\$ 3,444,376	\$ 198,783	\$ 2,295,161	\$ 952,636	\$ 411,565	\$ 23,168,212	
\$ 55,809	\$ 138,001	\$ 56,956	\$ 15,870	\$ 846,800	\$ -	\$ 1,482,081	
-	-	-	-	-	-	665	
-	-	99,861	137	96,885	-	196,883	
-	-	29,167	134,341	8,951	130,000	345,835	
-	-	-	-	-	398,568	4,436,038	
55,809	138,001	185,984	150,348	952,636	528,568	6,461,502	
-	-	-	-	-	-	-	
-	-	-	-	-	-	999,368	
-	-	-	-	-	-	1,264,807	
-	-	-	-	-	-	4,579,106	
-	3,306,375	12,799	2,144,813	-	-	5,463,987	
2,236,126	-	-	-	-	-	2,366,041	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	2,150,404	
-	-	-	-	-	-	-	
-	-	-	-	-	(117,003)	(117,003)	
2,236,126	3,306,375	12,799	2,144,813	-	(117,003)	16,706,710	
\$ 2,291,935	\$ 3,444,376	\$ 198,783	\$ 2,295,161	\$ 952,636	\$ 411,565	\$ 23,168,212	

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued

As of December 31, 2012 and March 31, 2012 for City and Township respectively

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Assets				
Cash and equivalents	\$ 352,718	\$ 1,507,749	\$ 1,860,467	\$ 7,661,448
Investments	-	-	-	3,355,646
Receivables				
Property taxes (net of allowance)				
Current year levy	130,205	486,928	617,133	5,278,347
Notes	-	-	-	7,057,452
Allowance	-	-	-	(90,000)
Special assessments	-	-	-	-
Accrued interest	-	-	-	7,452
Other	966	3,795	4,761	938,498
Prepaid items	-	2,242	2,242	2,242
Due from other governments	-	-	-	1,187,781
Due from other funds	-	10,860	10,860	264,809
Total Assets	\$ 483,889	\$ 2,011,574	\$ 2,495,463	\$ 25,663,675
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ 2,997	\$ 29,195	\$ 32,192	\$ 1,514,273
Other	-	-	-	665
Due to other governments	-	-	-	196,883
Due to other funds	10,860	-	10,860	356,695
Deferred revenues	110,190	463,126	573,316	5,009,354
Total Liabilities	124,047	492,321	616,368	7,077,870
Fund Balances				
Nonspendable	-	2,242	2,242	2,242
Restricted				
Highway maintenance	-	-	-	999,368
Emergency telephone system	-	-	-	1,264,807
Library projects	-	-	-	4,579,106
HUD approved projects	-	-	-	5,463,987
Neighborhood improvements	-	-	-	2,366,041
Debt service	-	-	-	-
Township	359,842	1,517,011	1,876,853	1,876,853
Committed - Economic Development	-	-	-	2,150,404
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	(117,003)
Total Fund Balances (Deficit)	359,842	1,519,253	1,879,095	18,585,805
Total Liabilities and Fund Balances	\$ 483,889	\$ 2,011,574	\$ 2,495,463	\$ 25,663,675

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
\$ 4,595	\$ 24,939	\$ 4,027,140	\$ 7,511,308	\$ 295,933	\$ 1,158,477	\$ 13,022,392
-	-	-	-	-	-	-
448,875	456,403	1,113,811	4,538,560	470,682	255,315	7,283,646
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
400,000	280,000	220,000	-	490,000	-	1,390,000
\$ 853,470	\$ 761,342	\$ 5,360,951	\$ 12,049,868	\$ 1,256,615	\$ 1,413,792	\$ 21,696,038
\$ -	\$ -	\$ -	\$ -	\$ 21,233	\$ -	\$ 21,233
-	-	1,501	11,155	-	-	12,656
-	-	-	-	-	-	-
-	-	-	640,000	179	290,522	930,701
420,416	456,403	1,113,811	4,107,409	179,693	250,423	6,528,155
420,416	456,403	1,115,312	4,758,564	201,105	540,945	7,492,745
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
433,054	304,939	4,245,639	7,291,304	1,055,510	872,847	14,203,293
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
433,054	304,939	4,245,639	7,291,304	1,055,510	872,847	14,203,293
\$ 853,470	\$ 761,342	\$ 5,360,951	\$ 12,049,868	\$ 1,256,615	\$ 1,413,792	\$ 21,696,038

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
As of December 31, 2012

Assets	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
Cash and equivalents	\$ 1,921,185	\$ 22,605,025
Investments	-	3,355,646
Receivables		
Property taxes (net of allowance)		
Current year levy	-	12,561,993
Notes	-	7,057,452
Allowance	-	(90,000)
Special assessments	631,306	631,306
Accrued interest	-	7,452
Other	-	938,498
Prepaid items	-	2,242
Due from other governments	-	1,187,781
Due from other funds	67,949	1,722,758
Total Assets	\$ 2,620,440	\$ 49,980,153
Liabilities and Fund Balances		
Liabilities		
Vouchers payable	\$ 2,426	\$ 1,537,932
Other	-	13,321
Due to other governments	-	196,883
Due to other funds	81,393	1,368,789
Deferred revenues	631,306	12,168,815
Total Liabilities	715,125	15,285,740
Fund Balances		
Nonspendable	-	2,242
Restricted		
Highway maintenance	-	999,368
Emergency telephone system	-	1,264,807
Library projects	-	4,579,106
HUD approved projects	-	5,463,987
Neighborhood improvements	-	2,366,041
Debt service	-	14,203,293
Township	-	1,876,853
Committed - Economic Development	-	2,150,404
Assigned	1,905,315	1,905,315
Unassigned (deficit)	-	(117,003)
Total Fund Balances (Deficit)	1,905,315	34,694,413
Total Liabilities and Fund Balances	\$ 2,620,440	\$ 49,980,153

Concluded

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year ended December 31, 2012

	Special Revenue					
	Library Fund	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
Revenues						
Taxes	\$ 4,148,806	\$ -	\$ 1,830,128	\$ 1,005,089	\$ -	\$ 20,000
Special assessments	-	-	-	-	-	-
Intergovernmental	-	1,816,463	-	-	-	-
Charges for services	434,989	-	-	-	-	-
Investment income	-	1,103	412	679	303,433	-
Miscellaneous	-	-	1,797	-	131,125	-
Total Revenues	4,583,795	1,817,566	1,832,337	1,005,768	434,558	20,000
Expenditures						
Current						
General management and support	4,628,362	-	-	-	-	-
Public safety	-	-	-	915,384	-	-
Public works	-	1,181,452	-	-	-	-
Health and human resource development	-	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	-	-	-
Housing and economic development	-	-	1,452,583	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Expenditures	4,628,362	1,181,452	1,452,583	915,384	-	-
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(44,567)	636,114	379,754	90,384	434,558	20,000
Other Financing Sources (Uses)						
Issuance of debt	-	-	-	-	-	-
Transfers in (out)						
General	1,214,668	(836,990)	(452,707)	(125,950)	-	-
Emergency Telephone System	-	-	-	-	-	-
General Obligation Debt Service	(69,005)	-	(12,752)	(10,385)	-	-
Howard Ridge Tax Increment District	-	-	48,500	-	-	-
Motor Vehicle Parking System	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,145,663	(836,990)	(416,959)	(136,335)	-	-
Net Change in Fund Balances	1,101,096	(200,876)	(37,205)	(45,951)	434,558	20,000
Fund Balances (Deficit) - Beginning	-	1,200,244	2,187,609	1,310,758	3,043,452	109,915
Fund Balances (Deficit) - Ending	\$ 1,101,096	\$ 999,368	\$ 2,150,404	\$ 1,264,807	\$ 3,478,010	\$ 129,915

Continued

Special Revenue								
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	HPRP	Total City Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 342,021	\$ -	\$ 7,346,044	
-	-	-	-	-	-	-	-	-
-	683,538	1,503,612	138,409	8,438,092	-	83,648	12,663,762	
748	6,976	-	15,450	-	-	-	434,989	
61,601	-	17,793	-	-	-	7	328,808	
62,349	690,514	1,521,405	153,859	8,438,092	342,028	83,648	20,985,919	
-	-	-	-	-	-	-	4,628,362	
-	-	-	-	-	-	-	915,384	
-	-	-	-	-	-	-	1,181,452	
-	-	-	-	-	-	-	-	
60,750	104,757	1,928,694	11,126	8,319,492	398,000	83,648	12,359,050	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
60,750	104,757	1,928,694	11,126	8,319,492	398,000	83,648	19,084,248	
1,599	585,757	(407,289)	142,733	118,600	(55,972)	-	1,901,671	
-	-	-	-	-	-	-	-	
(23,990)	-	-	-	(114,984)	-	-	(339,953)	
-	-	-	-	-	-	-	-	
-	-	(2,711)	-	(3,616)	-	-	(98,469)	
-	-	-	-	-	-	-	48,500	
-	-	-	-	-	-	-	-	
(23,990)	-	(2,711)	-	(118,600)	-	-	(389,922)	
(22,391)	585,757	(410,000)	142,733	-	(55,972)	-	1,511,749	
2,258,517	2,720,618	422,799	2,002,080	-	(61,031)	-	15,194,961	
\$ 2,236,126	\$ 3,306,375	\$ 12,799	\$ 2,144,813	\$ -	\$ (117,003)	\$ -	\$ 16,706,710	

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, 2012 and March 31, 2012 for City and Township respectively

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Revenues				
Taxes	\$ 327,838	\$ 1,057,007	\$ 1,384,845	\$ 8,730,889
Special assessments	-	-	-	-
Intergovernmental	56,751	-	56,751	12,720,513
Charges for services	-	-	-	434,989
Investment income	138	613	751	329,559
Miscellaneous	-	5,443	5,443	217,759
Total Revenues	384,727	1,063,063	1,447,790	22,433,709
Expenditures				
Current				
General management and support	327,714	1,076,829	1,404,543	6,032,905
Public safety	-	-	-	915,384
Public works	-	-	-	1,181,452
Health and human resource development	-	-	-	-
Recreation and cultural opportunities	-	-	-	-
Housing and economic development	-	-	-	12,359,050
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	327,714	1,076,829	1,404,543	20,488,791
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	57,013	(13,766)	43,247	1,944,918
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Transfers in (out)				
General	-	-	-	(339,953)
Emergency Telephone System	-	-	-	-
General Obligation Debt Service	-	-	-	(98,469)
Howard Ridge Tax Increment District	-	-	-	48,500
Motor Vehicle Parking System	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(389,922)
Net Change in Fund Balances	57,013	(13,766)	43,247	1,554,996
Fund Balances (Deficit) - Beginning	302,829	1,533,019	1,835,848	17,030,809
Fund Balances (Deficit) - Ending	\$ 359,842	\$ 1,519,253	\$ 1,879,095	\$ 18,585,805

Continued

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
\$ 408,107	\$ 448,605	\$ 1,113,811	\$ 4,594,537	\$ 752,477	\$ 26,572	\$ 7,344,109
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9	7	13,251	17,754	164	713	31,898
-	-	-	-	14,837	-	14,837
408,116	448,612	1,127,062	4,612,291	767,478	27,285	7,390,844
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	82,593	-	-	82,593
-	-	-	-	-	-	-
-	670	1,023,923	725,366	692,633	1,190,031	3,632,623
325,000	-	605,000	405,000	-	-	1,335,000
98,231	-	109,603	100,650	-	-	308,484
-	-	2,170	-	-	-	2,170
-	-	-	-	-	-	-
423,231	670	1,740,696	1,313,609	692,633	1,190,031	5,360,870
(15,115)	447,942	(613,634)	3,298,682	74,845	(1,162,746)	2,029,974
-	-	-	-	48,812	600,000	648,812
-	(28,920)	(141,600)	(325,000)	(120,400)	(60,000)	(675,920)
-	-	-	-	(48,500)	-	(48,500)
-	-	-	-	-	-	-
-	-	-	(3,876,726)	-	-	(3,876,726)
-	(28,920)	(141,600)	(4,201,726)	(120,088)	540,000	(3,952,334)
(15,115)	419,022	(755,234)	(903,044)	(45,243)	(622,746)	(1,922,360)
448,169	(114,083)	5,000,873	8,194,348	1,100,753	1,495,593	16,125,653
\$ 433,054	\$ 304,939	\$ 4,245,639	\$ 7,291,304	\$ 1,055,510	\$ 872,847	\$ 14,203,293

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, 2012

	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
Revenues		
Taxes	\$ -	\$ 16,074,998
Special assessments	292,947	292,947
Intergovernmental	-	12,720,513
Charges for services	-	434,989
Investment income	5,532	366,989
Miscellaneous	-	232,596
Total Revenues	<u>298,479</u>	<u>30,123,032</u>
Expenditures		
Current		
General management and support	180	6,033,085
Public safety	-	915,384
Public works	-	1,264,045
Health and human resource development	-	-
Recreation and cultural opportunities	-	-
Housing and economic development	-	15,991,673
Debt service		
Principal	-	1,335,000
Interest	-	308,484
Fiscal agent fees	-	2,170
Capital outlay	1,020,213	1,020,213
Total Expenditures	<u>1,020,393</u>	<u>26,870,054</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>(721,914)</u>	<u>3,252,978</u>
Other Financing Sources (Uses)		
Bonds issued	-	648,812
Transfers in (out)		
General	-	(1,015,873)
Emergency Telephone System	-	(48,500)
General Obligation Debt Service	(317,660)	(416,129)
Howard Ridge Tax Increment District	-	48,500
Motor Vehicle Parking System	-	(3,876,726)
Total Other Financing Sources (Uses)	<u>(317,660)</u>	<u>(4,659,916)</u>
Net Change in Fund Balances	(1,039,574)	(1,406,938)
Fund Balances (Deficit) - Beginning	<u>2,944,889</u>	<u>36,101,351</u>
Fund Balances (Deficit) - Ending	<u>\$ 1,905,315</u>	<u>\$ 34,694,413</u>

Concluded

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2012

	Original and Final Budget	Actual	Variance
Taxes			
Property			
Current year levy	\$ 12,096,386	\$ 8,613,093	\$ (3,483,293)
Prior year levy	200,000	265,936	65,936
Total Property Taxes	12,296,386	8,879,029	(3,417,357)
Personal Property Replacement Tax	626,300	586,273	(40,027)
Other Taxes			
State Use Tax	1,091,215	1,172,354	81,139
Sales Tax - Home Rule	5,997,020	5,707,112	(289,908)
Auto Rental Tax	36,445	41,405	4,960
Athletic Contest Tax	700,000	921,887	221,887
Utility Tax	8,671,806	8,027,007	(644,799)
Cigarette Tax	485,000	205,249	(279,751)
Evanston Motor Fuel Tax	761,587	629,128	(132,459)
Liquor Tax	2,070,063	2,175,476	105,413
Parking Tax	2,160,000	2,352,581	192,581
Real Estate TransferTax	1,725,000	2,026,863	301,863
Amusement Tax	200	-	(200)
Total Other Taxes	23,698,336	23,259,062	(439,274)
Total Taxes	36,621,022	32,724,364	(3,896,658)

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2012

	Original and Final Budget	Actual	Variance
Licenses and Permits			
Vehicle Licenses	\$ 2,598,341	\$ 2,562,972	\$ (35,369)
Business Licenses	171,000	93,167	(77,833)
Pet Licenses	22,000	29,445	7,445
Bicycle Licenses	-	14	14
Contractor Licenses	77,302	82,970	5,668
Rooming House Licenses	193,000	169,834	(23,166)
Liquor Licenses	330,000	441,498	111,498
One Day Liquor Licenses	8,600	11,435	2,835
Farmer's Market Licenses	30,000	53,480	23,480
Rental building register	95,000	98,681	3,681
Other Licenses	20,000	21,867	1,867
Long Term Care License	98,400	104,580	6,180
Seasonal Food estb	-	16,235	16,235
Mobile food vehicle	-	1,082	1,082
Hen coop lic	-	700	700
Resident Care home License	80	640	560
Building Permits	2,500,000	3,546,648	1,046,648
Plumbing Permits	135,000	157,020	22,020
Electrical Permits	130,000	190,278	60,278
Signs and Awnings	8,330	7,437	(893)
Other /Misc Permits	183,260	308,623	125,363
Elevator Permits	41,650	56,185	14,535
Heating Vent / AC Permits	210,000	422,333	212,333
Right of Way Permits	290,000	540,321	250,321
Residents Parking Permit	128,000	124,618	(3,382)
Visitor Parking Permit	12,300	13,963	1,663
Fire supression / Alarm Permit	40,000	108,020	68,020
Annual Sign Fees	25,000	26,181	1,181
Moving Van Permit	50,000	-	(50,000)
Plat PR. & Sign Approval HRG Fees	2,100	1,650	(450)
Alarm Panel Francise Fee	6,000	6,720	720
Cable Franchise Fee	865,000	1,078,032	213,032
PEG Fees - COMCAST	-	129,988	129,988
Nicor Franchise Fee	95,000	63,736	(31,264)
Transfer Station Fee	281,250	-	(281,250)
Total Licenses and Permits	8,646,613	10,470,353	1,823,740

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2012

	Original and Final Budget	Actual	Variance
Intergovernmental - Revenue from			
Other Agencies			
Retailer and Service Occupation Tax	\$ 9,209,455	\$ 9,008,956	\$ (200,499)
State Income Tax	5,853,839	6,603,796	749,957
State Highway Maintenance	58,000	41,298	(16,702)
Health Department Basic Serv. Grant	75,000	75,419	419
Dental Sealant Grant	2,674	569	(2,105)
Summer Food Inspections	400	-	(400)
Kid Care Agreement	-	1,750	1,750
Illinois Tobacco Free Community	25,082	6,029	(19,053)
Health Alert Network Grant	-	2,704	2,704
Childhood Lead Poisoning Grant	1,000	1,359	359
Prostate Cancer Awareness	11,500	-	(11,500)
Other State / County Grant	11,000	319,625	308,625
Tanning Parlor Inspection	200	-	(200)
Violence Crime Victim Asst. Grant	18,525	-	(18,525)
Fire Department Training	2,000	20,274	18,274
CRI Grant	44,000	8,881	(35,119)
PHEP Grant	62,072	29,522	(32,550)
Dental Expansion Grant	30,000	30,000	-
Dental Reimbursement Prog	82,000	-	(82,000)
Disease / Diabetes Grant	16,000	-	(16,000)
Summer Youth	50,000	-	(50,000)
Leadbase Paint Control Grant	80,000	-	(80,000)
Federal Grant / Aid	10,000	27,950	17,950
Energy Eff. & Consv.	-	35,021	35,021
Commission on Aging Grant - Advocate	30,044	74,160	44,116
Civil Defence Grants (F.E.M.A.)	17,000	4,413	(12,587)
Police Training	8,000	12,081	4,081
Tobacco Compliance Grant	-	3,239	3,239
HUD Emergency Shelter Grant	85,000	38,314	(46,686)
Other Federal Aid	8,400	15,503	7,103
Total Intergovernmental - Revenue from Other Agencies	15,791,191	16,360,863	569,672

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2012

	Original and Final Budget	Actual	Variance
Charges for Services			
Recreation			
Recreation - program	\$ 5,217,839	\$ 5,203,499	\$ (14,340)
Recreation -special events	38,000	15,399	(22,601)
Total Recreation	5,255,839	5,218,898	(36,941)
Charges for Services			
Other Service Charges			
Sanitation Classes	1,700	2,326	626
Dental Clinic Fees	125,000	235,228	110,228
Health Clinic Fees - TB	-	593	593
Health Clinic Fees - Food Establishment	185,000	200,124	15,124
Dental Check up	-	1,190	1,190
Emergency Dental Exam	-	20	20
Amalgam Filling	-	180	180
Resin Filling	-	180	180
Extraction	-	110	110
Pulpotomy	-	30	30
Sealant Office Visit	-	20	20
Additional Sealant	-	20	20
Temporary License Fee	6,500	6,893	393
Food Delivery Vehicle	5,500	7,890	2,390
Beverage Snack Vending Machine	28,000	20,529	(7,471)
Tobacco License	19,000	25,500	6,500
BeeKeeper License	-	75	75
Birth Certificate	70,000	62,346	(7,654)
Death Certificate - 16 . 23	40,000	18,668	(21,332)
Funeral Director License	6,000	9,540	3,540

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2012

	Original and Final Budget	Actual	Variance
Charges for Services - Continued			
Other Service Charges - Continued			
Temp Funeral Direct License	\$ 4,200	\$ 5,290	\$ 1,090
Parking Meter Fee Increment	641,667	119,633	(522,034)
Weights & Measures Examinations	1,000	410	(590)
Senior Taxi Coupon Sales	-	97,417	97,417
Fire Cost Recovery Charge	10,000	2,520	(7,480)
Other Services Charges	-	938	938
Historic preservation	6,500	7,020	520
Ambulance Service	1,049,901	1,035,593	(14,308)
Towing Charges	3,000	-	(3,000)
Police Report Fees	14,500	27,043	12,543
Wood Recycling	27,000	28,020	1,020
Zoning Fees	17,500	35,518	18,018
Fire Building inspections	6,000	17,090	11,090
Alarm Panel Subscription Fees	180,000	107,038	(72,962)
Skokie Animal Board Fee	8,000	7,712	(288)
Background Check Daycare Prov.	-	580	580
New Pavement Degradation	10,000	17,000	7,000
Plan Review	6,248	8,855	2,607
Total Other Service Charges	2,472,216	2,109,139	(363,077)
Total Charges for Services	7,728,055	7,328,037	(400,018)
Fines			
Ticket Fines - Parking	3,805,241	2,681,392	(1,123,849)
Regular Fines	298,449	197,879	(100,570)
Boot Release Fee	60,376	71,250	10,874
Fire False Alarm Fines	170,000	9,118	(160,882)
Police CTA Detail	-	38,017	38,017
Police DUI Reimbursement	-	1,881	1,881
Police Tip System	-	27	27
Housing Code Violation Fines	117,248	125,819	8,571
Permit Penalty Fees	7,500	7,995	495
Administrative Adjudication Fine	262,825	336,729	73,904
Total Fines	4,721,639	3,470,107	(1,251,532)
Investment Income	12,000	7,169	(4,831)

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2012

	Original and Final Budget	Actual	Variance
Miscellaneous			
Charges to Other Funds			
Recreation restricted accts	\$ 73,216	\$ 97,753	\$ 24,537
Community Development Fund	776,811	808,753	31,942
Home Fund	59,958	52,275	(7,683)
Total Charges to Other Funds	909,985	958,781	48,796
Miscellaneous			
Other Revenues			
Women Out Walking	25,000	8,048	(16,952)
Property Sales and Rentals	150,491	57,425	(93,066)
Donation	69,400	33,530	(35,870)
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	159,000	124,677	(34,323)
Taxicab Revenue	7,000	6,900	(100)
Teen baby nursery	41,000	41,000	-
Market Link Vouchers	-	4,056	4,056
Noyes Cultural Rental	-	2,350	2,350
Construction Inspection Overtime	-	5,400	5,400
Sale of surplus properties	-	4,060	4,060
Reimbursements - Serve & Pro.	-	19,527	19,527
Reimbursements - Salt Use	-	18,281	18,281
Reimbursements - Fire Dept.	-	118,160	118,160
Payment in Lieu of Taxes	152,092	266,906	114,814
Fund Balance Applied	516,000	516,000	-
Private Elm Trees Ins.	40,000	20,655	(19,345)
Fees and Merchandise	-	650	650
CD Demolition Revenue	-	38	38
Citizens CPR Class Fees	-	3,595	3,595
Parking Permits - Ryan Field	15,000	13,454	(1,546)
Change in Reserves	-	247,375	247,375
Total Other Revenues	1,216,983	1,512,087	295,104
Total Miscellaneous	2,126,968	2,470,868	343,900
Total Revenues	\$ 75,647,488	\$ 72,831,761	\$ (2,815,727)

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)
 For the Fiscal Year ended December 31, 2012

	Original and Final Budget	Actual	Variance
General Management and Support			
City Council	\$ 411,359	\$ 412,731	\$ (1,372)
City Manager	1,856,258	1,610,810	245,448
City Clerk	204,675	217,533	(12,858)
Law Department	999,106	981,382	17,724
Administrative Services	8,121,279	7,392,577	728,702
Facilities management	1,896,421	1,822,159	74,262
Total General Management and Support	13,489,098	12,437,192	1,051,906
Public Safety			
Police	24,752,940	25,108,320	(355,380)
Fire	13,314,621	13,498,677	(184,056)
Total Public Safety	38,067,561	38,606,997	(539,436)
Public Works			
Public Works Director	278,044	263,700	14,344
Municipal Service Center	437,153	306,053	131,100
City Engineer	1,457,763	1,392,909	64,854
Traffic Engineer	788,028	832,098	(44,070)
Streets	5,352,506	5,038,881	313,625
Total Public Works	8,313,494	7,833,641	479,853

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued
 For the Fiscal Year ended December 31, 2012

	Original and Final Budget	Actual	Variance
Health and Human Resource Development			
Health and Human Services Director	\$ 303,692	\$ 296,277	\$ 7,415
Health Department	1,358,219	1,267,089	91,130
Mental health and community purchased services	752,058	670,659	81,399
Human Relations	924,455	966,027	(41,572)
Total Health and Human Resource Development	3,338,424	3,200,052	138,372
Recreation and Cultural Opportunities			
Recreation	8,125,578	8,612,325	(486,747)
Parks and forestry	4,526,644	4,448,132	78,512
Ecology Center	424,119	415,234	8,885
Cultural arts	868,009	807,507	60,502
Total Recreation and Cultural Opportunities	13,944,350	14,283,198	(338,848)
Housing and Economic Development			
Community Development administration	318,596	320,060	(1,464)
Planning and zoning	770,679	799,685	(29,006)
Housing rehabilitation and property standards	833,147	853,685	(20,538)
Building code compliance	1,225,918	1,130,522	95,396
Total Housing and Economic Development	3,148,340	3,103,952	44,388
Total Expenditures	\$ 80,301,267	\$ 79,465,032	\$ 836,235

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, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 4,469,200	\$ 170,513	\$ (4,298,687)
Interest	-	19,073	19,073
Miscellaneous	-	193,549	193,549
Total Revenue	4,469,200	383,135	(4,086,065)
Expenditures			
General management and support	\$ -	\$ 37,725	\$ (37,725)
Public safety	-	4,855	(4,855)
Public works	-	281,993	(281,993)
Recreation and cultural opportunities	-	25,645	(25,645)
Capital outlay	14,175,358	7,502,316	6,673,042
Total Expenditures	14,175,358	7,852,534	6,322,824
Excess (Deficiency) of Revenues over (under) Expenditures	(9,706,158)	(7,469,399)	2,236,759
Other Financing Sources (Uses)			
Transfers in	\$ 1,250,000	1,250,000	-
Transfers out	(475,000)	(475,000)	-
Issuance of debt	3,900,000	4,349,650	449,650
Net Change in Fund Balance	<u>\$ (5,031,158)</u>	<u>\$ (2,344,749)</u>	<u>\$ 2,686,409</u>
Fund Balance			
Beginning		<u>5,746,660</u>	
Ending		<u>\$ 3,401,911</u>	

CITY OF EVANSTON, ILLINOIS

Library Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 4,148,806	\$ 4,148,806	\$ -
Charges for Services	346,185	434,989	88,804
Total Revenue	4,494,991	4,583,795	88,804
Expenditures			
General management and support	\$ 4,580,594	\$ 4,628,362	\$ (47,768)
Total Expenditures	4,580,594	4,628,362	(47,768)
Excess (Deficiency) of Revenues over (under) Expenditures	(85,603)	(44,567)	41,036
Other Financing Sources (Uses)			
Transfers in (out)			
General Fund	\$ 521,919	1,214,668	692,749
Debt Service Fund	-	(69,005)	(69,005)
Net Change in Fund Balance	<u>\$ 436,316</u>	1,101,096	<u>\$ 664,780</u>
Fund Balance			
Beginning		-	
Ending		<u>\$ 1,101,096</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, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 1,900,000	\$ 1,816,463	\$ (83,537)
Interest	2,000	1,103	(897)
Total Revenues	1,902,000	1,817,566	(84,434)
Expenditures			
Public Works	1,400,000	1,181,452	218,548
Excess (Deficiency) of Revenues over (under) Expenditures	502,000	636,114	134,114
Other Financing Sources (Uses)			
Transfers in (out) General Fund	(836,990)	(836,990)	-
Net Change in Fund Balance	<u>\$ (334,990)</u>	(200,876)	<u>\$ 134,114</u>
Fund Balances			
Beginning		<u>1,200,244</u>	
Ending		<u>\$ 999,368</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, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 1,900,000	\$ 1,830,128	\$ (69,872)
Interest	8,000	412	(7,588)
Miscellaneous	-	1,797	1,797
Total Revenue	1,908,000	1,832,337	(75,663)
Expenditures			
Housing and economic development	1,928,159	1,452,583	475,576
Excess of Revenues over Expenditures	(20,159)	379,754	399,913
Other Financing Sources (Uses)			
Transfers in (out)			
Debt Service	(12,752)	(12,752)	-
Howard Ridge	48,500	48,500	-
General Fund	(452,707)	(452,707)	-
Net Change in Fund Balance	<u>(437,118)</u>	(37,205)	<u>\$ 399,913</u>
Fund Balances			
Beginning		<u>2,187,609</u>	
Ending		<u>\$ 2,150,404</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, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 1,033,560	\$ 1,005,089	\$ (28,471)
Interest	1,000	679	(321)
Total Revenue	1,034,560	1,005,768	(28,792)
Expenditures			
Public Safety	1,130,510	915,384	215,126
Excess of Revenues over Expenditures	(95,950)	90,384	186,334
Other Financing Sources (Uses)			
Transfers in (out)			
Debt Service	(10,385)	(10,385)	-
General Fund	(125,950)	(125,950)	-
Net Change in Fund Balance	<u>\$ (232,285)</u>	<u>\$ (45,951)</u>	<u>\$ 186,334</u>
Fund Balance			
Beginning		<u>1,310,758</u>	
Ending		<u>\$ 1,264,807</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, 2012

	<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>109,915</u>	
Ending		<u>\$ 129,915</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, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Affordable Housing Demo Tax	\$ -	\$ 50,000	\$ 50,000
Developer Contributions	125,000	-	(125,000)
Interest	125	748	623
Miscellaneous	-	11,601	11,601
Total Revenue	125,125	62,349	(62,776)
Expenditures			
Housing and economic development	206,600	60,750	145,850
Excess of Revenues over Expenditures			
	(81,475)	1,599	83,074
Other Financing Sources (Uses)			
Transfers in (out)			
Debt Service Fund	(23,990)	(23,990)	-
Net Change in Fund Balance	<u>\$ (105,465)</u>	(22,391)	<u>\$ 83,074</u>
Fund Balance			
Beginning		<u>2,258,517</u>	
Ending		<u><u>\$ 2,236,126</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, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 500,000	\$ 683,538	\$ 183,538
Interest	10,000	6,976	(3,024)
Total Revenue	510,000	690,514	180,514
Expenditures			
Housing and economic development	604,000	104,757	499,243
Excess (Deficiency) of Revenues over (under) Expenditures	(94,000)	585,757	679,757
Other Financing Sources (Uses)			
Transfers in (out)			
General Fund	(59,958)	-	59,958
Net Change in Fund Balance	<u>\$ (153,958)</u>	585,757	<u>\$ 739,715</u>
Fund Balance			
Beginning		<u>2,720,618</u>	
Ending		<u>\$ 3,306,375</u>	

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

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

For the Fiscal Year ended December 31, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments			
Grant from the U.S. Department of Housing and Urban Development	\$ 1,643,693	\$ 1,503,612	\$ (140,081)
Miscellaneous	-	17,793	17,793
Total Revenues	1,643,693	1,521,405	(122,288)
Expenditures			
Housing and economic development	1,643,693	1,928,694	(285,001)
Excess (Deficiency) of Revenues over (under) Expenditures	-	(407,289)	(407,289)
Other Financing Sources (Uses)			
Transfers in (out)			
Debt Service	-	(2,711)	(2,711)
Net Change in Fund Balance	<u>\$ -</u>	<u>(410,000)</u>	<u>\$ (410,000)</u>
Beginning		<u>422,799</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, 2012

	Original and Final Budget	Actual	Variance
Administration/Planning			
CDBG Administration	\$ 298,100	\$ 292,071	\$ 6,029
Total Administration/Planning	298,100	292,071	6,029
Economic Development			
Technology Innovation Center	5,000	-	5,000
Housing			
Building 1817 Church	-	410,000	(410,000)
Housing Code Compliance	415,000	463,466	(48,466)
Demolition Vacant Lot	-	12,119	(12,119)
Handyman Assistance/Elderly Home Repair	11,000	14,943	(3,943)
Essential Repairs	93,000	-	93,000
Housing Rehab Administration	180,317	180,087	230
Minor Repairs/Painting Assistance - E.N.A.W.	-	1,850	(1,850)
Total Housing	699,317	1,082,464	(383,147)
Neighborhood Revitalization			
Alley Imp. Paving Program	190,000	99,799	90,201
Curb/Sidewalk Replacement WNRSA	-	5,844	(5,844)
Curb/Sidewalk Replacement SNRSA	-	1,197	(1,197)
Black American Jeritage	-	1	(1)
Child Care Center	15,000	15,000	-
Evanston Day Nursery	15,000	9,755	5,245
Tree Planting Wnrnsa	-	1,452	(1,452)
Fireman' Park	35,000	-	35,000
Grandmother Park	7,000	-	7,000
Oakton School	5,000	-	5,000
YOU-Nichols	29,638	29,638	-
YWCA Exterior Repairs	47,138	47,138	-
Graffiti Removal Program	33,000	33,000	-
Special Assessments/Alley Paving	15,000	29,412	(14,412)
Snap Lighting	30,000	7,471	22,529
South Evanston Neighborhood Security	-	1,500	(1,500)
Total Neighborhood Revitalization	421,776	281,205	140,571

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, 2012

	Original and Final Budget	Actual	Variance
Public Services			
Connections for the Homeless	\$ 3,000	\$ 3,000	\$ -
Evanston Community Defender	33,000	33,000	-
Girl Scouts	5,000	5,000	-
Interfaith Action of Evanston	2,000	2,000	-
Interfaith Housing Program/ Home Sharing	13,000	13,000	-
Legal Assist Foundation	7,000	7,000	-
McGaw YMCA	8,000	60,000	(52,000)
Meals at Home	13,000	13,000	-
North Shore Senior Center	18,000	18,000	-
Open studio Art	3,500	3,500	-
Summer Youth Employment	49,000	49,000	-
Youth Action Ministry	5,000	5,000	-
Youth Job Center of Evanston	35,000	35,000	-
YWCA Shelter Project	25,000	25,000	-
Total Public Services	219,500	271,500	(52,000)
CDBG-R			
CDBG-R Admin	-	1,453	(1,453)
Total Expenditures	\$ 1,643,693	\$ 1,928,694	\$ (285,001)

Concluded

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, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ -	\$ 138,409	\$ 138,409
Interest	9,000	15,450	6,450
Total Revenues	9,000	153,859	144,859
Expenditures			
Housing and economic development	20,000	11,126	8,874
Net Change in Fund Balance	<u>\$ (11,000)</u>	142,733	<u>\$ 153,733</u>
Fund Balances			
Beginning		<u>2,002,080</u>	
Ending		<u>\$ 2,144,813</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, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 7,449,363	\$ 8,438,092	\$ 988,729
Expenditures			
Housing and economic development	7,445,747	8,319,492	(873,745)
Excess (Deficiency) of Revenues over (under) Expenditures	3,616	118,600	114,984
Other Financing Sources (Uses)			
Transfers in (out)			
Debt Service	(3,616)	(118,600)	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ 114,984</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, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes			
Current year levy	\$ 398,000	\$ 410,854	\$ 12,854
Prior year levy	-	(42,005)	(42,005)
Interest	-	-	-
Total Revenues	398,000	368,849	(29,151)
Expenditures			
Housing and economic development	398,000	398,000	-
Net Change in Fund Balance	<u>\$ -</u>	(29,151)	<u>\$ (29,151)</u>
Fund Balance			
Beginning		<u>313,561</u>	
Ending		<u>\$ 284,410</u>	

CITY OF EVANSTON, ILLINOIS

Homeless Prevention & Rapid Re-Housing Program

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
For the Fiscal Year ended December 31, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 80,000	\$ 83,648	\$ 3,648
Expenditures			
Housing and economic development	80,000	83,648	(3,648)
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances			
Beginning		<u>-</u>	
Ending		<u>\$ -</u>	

CITY OF EVANSTON, ILLINOIS

Township - Town Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year ended March 31, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 275,753	\$ 327,838	\$ 52,085
Interest	-	138	138
Replacement tax	50,000	56,751	6,751
Total Revenues	325,753	384,727	58,974
Expenditures			
General management and support	345,708	327,714	17,994
Excess (Deficiency) of Revenues over (under) Expenditures	(19,955)	57,013	76,968
Other Financing Sources (Uses)			
Transfers in (out)			
General Assistance Fund	20,000	-	(20,000)
Net Change in Fund Balance	<u>\$ 45</u>	57,013	<u>\$ 56,968</u>
Fund Balance			
Beginning		<u>302,829</u>	
Ending		<u>\$ 359,842</u>	

CITY OF EVANSTON, ILLINOIS

Township - General Assistance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year ended March 31, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 986,553	\$ 1,057,007	\$ 70,454
Interest	1,500	613	(887)
SSI reimbursement	15,000	5,400	(9,600)
Medical reimbursement	-	43	43
Total Revenues	1,003,053	1,063,063	60,010
Expenditures			
General management and support	1,195,158	1,076,829	118,329
Excess (Deficiency) of Revenues over (under) Expenditures	(192,105)	(13,766)	178,339
Other Financing Sources (Uses)			
Transfers in (out) Town Fund	192,105	-	(192,105)
Net Change in Fund Balance	<u>\$ -</u>	(13,766)	<u>\$ (13,766)</u>
Fund Balance			
Beginning		<u>1,533,019</u>	
Ending		<u>\$ 1,519,253</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, 2012

	Original and Final Budget	Actual	Variance
Revenues			
Special Assessments	\$ 300,000	\$ 292,947	\$ (7,053)
Interest	10,000	5,532	(4,468)
Total Revenue	310,000	298,479	(11,521)
Expenditures			
General management and support	\$ -	\$ 180	\$ (180)
Capital outlay	1,155,000	1,020,213	134,787
Total Expenditures	1,155,000	1,020,393	134,607
Excess (Deficiency) of Revenues over (under) Expenditures	(845,000)	(721,914)	123,086
Other Financing Sources (Uses)			
Transfers in (out) Debt Service Fund	(317,660)	(317,660)	-
Net Change in Fund Balance	<u>\$ (1,162,660)</u>	(1,039,574)	<u>\$ 123,086</u>
Fund Balance			
Beginning		<u>2,944,889</u>	
Ending		<u><u>\$ 1,905,315</u></u>	

CITY OF EVANSTON, ILLINOIS

Debt Service Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual (Budgetary Basis)

For the Fiscal Year ended December 31, 2012

	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	\$ 11,863,898	\$ 11,798,019	\$ 428,756	\$ 454,285	\$ 470,000	\$ 456,403	\$ 1,073,000	\$ 1,113,811
Prior year levy, net	-	147,027	-	(9,779)	-	-	-	-
Investment income	1,500	3,645	-	9	500	7	5,000	13,251
Miscellaneous	-	18,431	-	-	-	-	-	-
Total Revenues	11,865,398	11,967,122	428,756	444,515	470,500	456,410	1,078,000	1,127,062
Expenditures								
General management and support	5,000	23,744	-	-	-	-	-	-
Housing and economic development	-	-	-	-	580,000	670	-	1,023,923
Public Works	-	-	-	-	-	-	-	-
Debt Service								
Principal	8,220,464	8,125,094	325,000	340,000	-	-	530,000	645,000
Interest	4,828,639	4,646,002	98,232	78,816	-	-	95,803	75,611
Fiscal agent fees	68,000	74,016	-	-	-	-	-	2,170
Total Expenditures	13,122,103	12,868,856	423,232	418,816	580,000	670	625,803	1,746,704
Excess (Deficiency) of Revenues over (under) Expenditures	(1,256,705)	(901,734)	5,524	25,699	(109,500)	455,740	452,197	(619,642)
Other Financing Sources (Uses)								
Issuance of Debt	-	-	-	-	-	-	-	-
Transfers in (out)								
General	627,394	627,394	-	-	(28,920)	(28,920)	(141,600)	(141,600)
Library	69,005	69,005	-	-	-	-	-	-
NSP 2	3,616	3,616	-	-	-	-	-	-
Emergency Telephone	10,385	10,385	-	-	-	-	-	-
Community Development Grant	2,711	2,711	-	-	-	-	-	-
Economic Development	12,752	12,752	-	-	-	-	-	-
Washington National CIP	-	-	-	-	-	-	-	-
Special Assessment	317,660	317,660	-	-	-	-	-	-
Fleet Services	22,274	22,274	-	-	-	-	-	-
Insurance	7,709	7,709	-	-	-	-	-	-
Sewer Fund	99,650	99,650	-	-	-	-	-	-
Motor Vehicle Parking System	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,173,156	1,173,156	-	-	(28,920)	(28,920)	(141,600)	(141,600)
Net Changes in Fund Balances	\$ (83,549)	271,422	\$ 5,524	25,699	\$ (138,420)	426,820	\$ 310,597	(761,242)
Fund Balances (Deficit)								
Beginning		(453)		21,182		(121,884)		4,286,270
Ending		\$ 270,969		\$ 46,881		\$ 304,936		\$ 3,525,028

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
\$ 5,073,000	\$ 4,584,840	\$ 862,000	\$ 460,933	\$ 605,000	\$ 93,039	\$ 20,375,654	\$ 18,961,330
-	159,938	-	10,044	-	3,349	-	310,579
25,000	17,754	400	164	1,000	714	33,400	35,544
-	-	-	14,837	-	-	-	33,268
5,098,000	4,762,532	862,400	485,978	606,000	97,102	20,409,054	19,340,721
-	-	-	-	-	-	5,000	23,744
-	725,366	1,398,836	692,633	1,690,000	1,190,031	3,668,836	3,632,623
3,271,000	82,593	-	-	-	-	3,271,000	82,593
405,000	425,000	-	-	-	-	9,480,464	9,535,094
100,650	78,375	-	-	-	-	5,123,324	4,878,804
-	-	-	-	-	-	68,000	76,186
3,776,650	1,311,334	1,398,836	692,633	1,690,000	1,190,031	21,616,624	18,229,044
1,321,350	3,451,198	(536,436)	(206,655)	(1,084,000)	(1,092,929)	(1,207,570)	1,111,678
-	-	-	48,812	-	600,000	-	648,812
(325,000)	(325,000)	(120,400)	(120,400)	(60,000)	(60,000)	(48,526)	(48,526)
-	-	-	-	-	-	69,005	69,005
-	-	-	-	-	-	3,616	3,616
-	-	-	-	-	-	10,385	10,385
-	-	-	-	-	-	2,711	2,711
-	-	-	-	-	-	12,752	12,752
-	-	(48,500)	(48,500)	-	-	(48,500)	(48,500)
-	-	-	-	-	-	317,660	317,660
-	-	-	-	-	-	22,274	22,274
-	-	-	-	-	-	7,709	7,709
-	-	-	-	-	-	99,650	99,650
(3,876,726)	(3,876,726)	-	-	-	-	(3,876,726)	(3,876,726)
(4,201,726)	(4,201,726)	(168,900)	(120,088)	(60,000)	540,000	(3,427,990)	(2,779,178)
<u>\$ (2,880,376)</u>	(750,528)	<u>\$ (705,336)</u>	(326,743)	<u>\$ (1,144,000)</u>	(552,929)	<u>\$ (4,635,560)</u>	(1,667,501)
	<u>7,107,307</u>		<u>1,091,266</u>		<u>1,420,887</u>		<u>13,804,575</u>
	<u>\$ 6,356,779</u>		<u>\$ 764,523</u>		<u>\$ 867,958</u>		<u>\$ 12,137,074</u>

PROPRIETARY FUND TYPES

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Net Position
As of December 31, 2012

	Operation and Maintenance Account	Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	Totals
Assets					
Current Assets					
Cash and equivalents	\$ 6,545,899	\$ 34,826	\$ 2,674,439	\$ 24,000	\$ 9,279,164
Restricted cash and equivalents and investments	-	-	309,688	400,000	709,688
Receivables					
Accounts - billed	1,077,286	-	-	-	1,077,286
Accounts - unbilled	880,088	-	-	-	880,088
Due from other funds	(152,737)	465,209	-	(222,153)	90,319
Prepaid Expenses	-	303,016	-	-	303,016
Inventory	667,457	-	-	-	667,457
Total Current Assets	9,017,993	803,051	2,984,127	201,847	13,007,018
Capital Assets					
Land	555,415	-	-	-	555,415
Construction in progress	169,152	-	-	6,125,425	6,294,577
Capital assets being depreciated	82,624,594	-	-	-	82,624,594
Less accumulated depreciation	(23,055,639)	-	-	-	(23,055,639)
Total Capital Assets	60,293,522	-	-	6,125,425	66,418,947
Total Assets	\$ 69,311,515	\$ 803,051	\$ 2,984,127	\$ 6,327,272	\$ 79,425,965
Liabilities and Net Position					
Current Liabilities					
Vouchers payable	\$ 319,653	\$ -	\$ -	\$ 961,465	\$ 1,281,118
Escrow account	12,000	-	-	-	12,000
Interest payable - restricted	28,459	13,016	-	-	41,475
Revenue bonds payable	-	290,000	-	-	290,000
Notes payable-IEPA	67,505	-	-	-	67,505
General obligation bonds payable	207,875	-	-	-	207,875
Due to other funds	208,301	303,016	-	(132,266)	379,051
Compensated absences payable	292,046	-	-	-	292,046
Total Current Liabilities	1,135,839	606,032	-	829,199	2,571,070
Long-Term Liabilities					
Notes payable-IEPA	1,147,582	-	-	-	1,147,582
Revenue bonds payable	-	305,000	-	-	305,000
OPEB liability	133,262	-	-	-	133,262
Compensated absences payable	319,696	-	-	-	319,696
General obligation bonds payable	7,936,729	-	-	-	7,936,729
IMRF Pension contributions payable	356,027	-	-	-	356,027
Unamortized bond discount on bonds payable	180,645	-	-	-	180,645
Total Long-Term Liabilities	10,073,941	305,000	-	-	10,378,941
Total Liabilities	11,209,780	911,032	-	829,199	12,950,011
Net Position					
Net Investment in Capital Assets	50,753,186	(305,000)	-	6,125,425	56,573,611
Restricted for debt service	-	-	309,688	-	309,688
Restricted for Capital Improvements	-	-	-	400,000	400,000
Unrestricted	7,348,549	197,019	2,674,439	(1,027,352)	9,192,655
Total Net Position	58,101,735	(107,981)	2,984,127	5,498,073	66,475,954
Total Liabilities and Net Position	\$ 69,311,515	\$ 803,051	\$ 2,984,127	\$ 6,327,272	\$ 79,425,965

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Changes in Net Position - Reserved - Restricted Accounts
For the Fiscal Year ended December 31, 2012

	Bond and Interest	Bond Reserve	Depreciation, Improvement and Extension	Totals
Increases				
Intrafund transfers in - accordance with bond ordinance unreserved retained earnings - Operation and Maintenance	\$ 500,000	\$ -	\$ 5,750,000	\$ 6,250,000
Investment earnings	6,124	2,476	152	8,752
Federal grant	-	-	132,267	132,267
State, county and other grants	-	-	262,500	262,500
Total Increases	506,124	2,476	6,144,919	6,653,519
Decreases				
Bond interest	26,031	-	-	26,031
Purchase of capital assets	-	-	4,124,707	4,124,707
Payment of expenses	-	-	197,469	197,469
Transfer to Water Bond & Int.	-	500,000	-	500,000
Total Decreases	26,031	500,000	4,322,176	4,848,207
Net Increase (Decrease)	480,093	(497,524)	1,822,743	1,805,312
Net Position (Deficit)				
Beginning	(588,074)	3,481,651	3,675,330	6,568,907
Ending	\$ (107,981)	\$ 2,984,127	\$ 5,498,073	\$ 8,374,219

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, 2012

(With Comparative Totals For the Ten Months ended December 31, 2011)

	Budget	Actual	Prior Period Actual
Operating Revenues			
Charges for services	\$ 12,814,000	\$ 14,271,272	\$ 10,766,262
Miscellaneous	731,557	695,932	1,602,271
Total Operating Revenues	13,545,557	14,967,204	12,368,533
Operating Expenses Excluding Depreciation			
Administration	832,838	922,959	786,111
Operations			
Pumping	2,368,467	2,273,827	1,978,311
Filtration	2,563,022	3,010,826	1,923,779
Meter maintenance	313,840	251,472	269,115
Distribution	1,464,106	1,204,898	988,315
Other	448,030	766,617	201,021
Total Operating Expenses Excluding Depreciation	7,990,303	8,430,599	6,146,652
Operating Income Before Depreciation	5,555,254	6,536,605	6,221,881
Depreciation	-	1,323,912	1,090,433
Operating Income	5,555,254	5,212,693	5,131,448
Nonoperating Revenues (Expenses)			
Investment income	2,500	6,272	1,035
Interest expense	-	(173,854)	(16,544)
Amortization of bond premium	-	1,129	962
Bond expenses and amortization of discount	-	(20,928)	-
Net book value of capital assets disposed	-	-	(113,237)
Total Nonoperating Revenues (Expenses)	2,500	(187,381)	(127,784)
Income Before Transfers	5,557,754	5,025,312	5,003,664
Transfers In (Out)			
Transfer Out	(3,356,300)	(3,356,300)	(3,128,159)
Total Transfers In (Out)	(3,356,300)	(3,356,300)	(3,128,159)
Net Income	\$ 2,201,454	1,669,012	1,875,505
Other Changes in Unreserved Net Position			
Intrafund transfers in (out) - Net Position - reserved - restricted accounts		(1,625,293)	(1,563,269)
Increase in Unreserved Net Position		43,719	312,236
Unreserved Net Position			
Beginning		58,058,016	57,745,780
Ending		\$ 58,101,735	\$ 58,058,016

CITY OF EVANSTON, ILLINOIS

Water Fund - Operation and Maintenance Account

Schedule of Operating Revenues - Budget and Actual

For the Fiscal Year ended December 31, 2012

(With Comparative Totals For the Ten Months ended December 31, 2011)

	Budget	Actual	Prior Period Actual
Charges for Services, Net			
Water Sales			
Evanston	\$ 5,600,000	\$ 6,248,167	\$ 4,751,615
Skokie	2,800,000	2,989,109	2,304,066
Northwest Water Commission	4,414,000	5,033,996	3,710,581
Total Charges for Services	12,814,000	14,271,272	10,766,262
Miscellaneous			
Fees and outside work	171,000	113,243	94,184
Fees, merchandise and other	560,557	582,689	1,508,087
Total Miscellaneous	731,557	695,932	1,602,271
Total Operating Revenues	\$ 13,545,557	\$ 14,967,204	\$ 12,368,533

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, 2012

Assets	Equipment Replacement	Fleet Services	Insurance	Totals
Current Assets				
Cash and equivalents	\$ 310,787	\$ 4,451	\$ 54,941	\$ 370,179
Receivables - other	27,799	22,513	-	50,312
Inventories	-	672,153	-	672,153
Prepaid Expenses	828,885	-	1,627	830,512
Due from other funds	387,510	-	102,609	490,119
Total Unrestricted Current Assets	1,554,981	699,117	159,177	2,413,275
Capital Assets				
Capital Assets being depreciated	20,858,827	617,552	-	21,476,379
Accumulated depreciation	(13,687,242)	(616,690)	-	(14,303,932)
Total Capital Assets	7,171,585	862	-	7,172,447
Total Assets	8,726,566	699,979	159,177	9,585,722
Liabilities and Fund Equity				
Current Liabilities				
Vouchers payable	33,826	223,451	242,141	499,418
Compensated absences payable	-	16,595	-	16,595
Claims payable	-	-	3,127,767	3,127,767
Due to other funds	20,673	444,782	32,768	498,223
Total Current Liabilities	54,499	684,828	3,402,676	4,142,003
Long-Term Liabilities				
Compensated absences payable	-	73,360	-	73,360
OPEB Liability	-	48,026	-	48,026
Claims payable	-	-	4,133,000	4,133,000
Total Long-Term Liabilities	-	121,386	4,133,000	4,254,386
Total Liabilities	54,499	806,214	7,535,676	8,396,389
Net Position (Deficit)				
Net Investment in Capital Assets	7,171,585	862	-	7,172,447
Unrestricted	1,500,482	(107,097)	(7,376,499)	(5,983,114)
Total Net Position (deficit)	\$ 8,672,067	\$ (106,235)	\$ (7,376,499)	\$ 1,189,333

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year ended December 31, 2012

	Equipment			
	Replacement	Fleet Services	Insurance	Totals
Operating Revenues				
Charges for Services				
General Fund	\$ 1,242,590	\$ 2,457,356	\$ 2,475,217	\$ 6,175,163
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	-	-	121,316	121,316
Health Insurance Contributions	-	-	12,471,136	12,471,136
Miscellaneous	10,904	48,014	79	58,997
Total Operating Revenues	1,462,325	3,128,294	16,184,120	20,774,739
Operating Expenses				
General support	-	249,763	-	249,763
Major maintenance	34,349	3,062,852	-	3,097,201
General liability claims	-	-	1,858,188	1,858,188
Workers compensation claims	-	-	1,789,265	1,789,265
Health Insurance Premiums	-	-	13,646,939	13,646,939
Other	-	-	134,216	134,216
Total Operating Expenses	34,349	3,312,615	17,428,608	20,775,572
Operating Income (Loss) Before Depreciation	1,427,976	(184,321)	(1,244,488)	(833)
Depreciation	1,440,911	357	-	1,441,268
Operating Income (Loss)	(12,935)	(184,678)	(1,244,488)	(1,442,101)
Nonoperating Revenues (Expenses)				
Investment income	-	409	469	878
Gain (loss) on disposition of assets	304,108	472	-	304,580
Total Nonoperating Revenues (Expenses)	304,108	881	469	305,458
Capital contributions & Grants	21,994	-	-	21,994
Transfers In (Out)				
General Fund	500,000	-	-	500,000
Equipment Replacement	-	(7,858,900)	-	(7,858,900)
Debt Service	-	(22,274)	(7,709)	(29,983)
Fleet Service	7,858,900	-	-	7,858,900
Total Transfers In (Out)	8,358,900	(7,881,174)	(7,709)	470,017
Change in Net Position	8,672,067	(8,064,971)	(1,251,728)	(644,632)
Total Net Position (Deficit) - Beginning	-	7,958,736	(6,124,771)	1,833,965
Total Net Position (Deficit)- Ending	\$ 8,672,067	\$ (106,235)	\$ (7,376,499)	\$ 1,189,333

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows
For the Fiscal Year ended December 31, 2012

	Equipment Replacement	Fleet Services	Insurance	Totals
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 1,434,526	\$ 3,130,028	\$ 16,184,120	\$ 20,748,674
Receipts from (to) interfund services provided	(366,837)	407,145	45,865	86,173
Payments to suppliers	(829,408)	(3,770,160)	(134,216)	(4,733,784)
Payments to employees	-	(244,456)	(3,842,232)	(4,086,688)
Payments for insurance premiums	-	-	(12,933,244)	(12,933,244)
Net Cash Provided by (used for) Operating Activities	238,281	(477,443)	(679,707)	(918,869)
Cash Flows from Noncapital Financing Activities				
Transfers In (Out)				
Fleet Fund	1,481,379	-	-	1,481,379
Equipment Replacement	-	(1,481,379)	-	(1,481,379)
General Fund	500,000	-	-	500,000
Debt Service	-	(22,274)	(7,709)	(29,983)
Net Cash Flows from Noncapital Financing Activities	1,981,379	(1,503,653)	(7,709)	470,017
Cash Flows from Capital and Related Financing Activities				
Sale of capital assets	356,811	472	-	357,283
Acquisition and construction of capital assets	(2,287,678)	-	-	(2,287,678)
Capital contributions	21,994	-	-	21,994
Net Cash Used for Capital and Related Financing Activities	(1,908,873)	472	-	(1,908,401)
Cash Flows from Investing Activities				
Interest income	-	409	469	878
Net Cash provided by Investing Activities	-	409	469	878
Net Increase (Decrease) in Cash and Cash Equivalents	310,787	(1,980,215)	(686,947)	(2,356,375)
Cash and Equivalents				
Beginning	-	1,984,666	741,888	2,726,554
Ending	\$ 310,787	\$ 4,451	\$ 54,941	\$ 370,179

Continued

CITY OF EVANSTON, ILLINOIS

Combining Statement of Cash Flows - Continued

Internal Service Funds

For the Fiscal Year ended December 31, 2012

	Equipment Replacement	Fleet Services	Insurance	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ (12,935)	\$ (184,678)	\$ (1,244,488)	\$ (1,442,101)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities				
Depreciation	1,440,911	357	-	1,441,268
Changes in assets and liabilities				
Increase/decrease in A/R miscellaneous	(27,799)	1,734	-	(26,065)
Prepaid expenses	(828,885)	-	512,506	(316,379)
Inventories	-	(98,281)	-	(98,281)
Compensated absences	-	(4,929)	-	(4,929)
OPEB Liability	-	10,236	-	10,236
Accounts payable	33,826	(609,027)	201,189	(374,012)
Interfund payable	(366,837)	407,145	45,865	86,173
Claims payable	-	-	(194,779)	(194,779)
Net Cash Provided By (Used For) Operating Activities	\$ 238,281	\$ (477,443)	\$ (679,707)	\$ (918,869)

Concluded

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.	157 - 160
Revenue Capacity These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax.	161 - 163
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.	164 - 167
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.	168 - 169
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.	170 - 175

CITY OF EVANSTON, ILLINOIS

Net Position by Component

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

	Fiscal Year									
	<u>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>	<u>12/31/2011</u>	<u>12/31/2012</u>
Governmental Activities										
Net Investment in Capital Assets	\$ (9,753)	\$ 426	\$ 34,428	\$ 31,133	\$ 31,542	\$ 37,278	\$ 41,109	\$ 49,483	\$ 57,663	\$ 60,105
Restricted	33,415	32,811	31,169	30,034	23,168	26,238	23,645	23,187	31,559	31,754
Unrestricted	32,861	43,010	15,408	25,171	28,231	17,539	10,400	4,072	(24,033)	(23,729)
Total Governmental Activities Net Position	<u>\$ 56,523</u>	<u>\$ 76,247</u>	<u>\$ 81,005</u>	<u>\$ 86,338</u>	<u>\$ 82,941</u>	<u>\$ 81,055</u>	<u>\$ 75,154</u>	<u>\$ 76,742</u>	<u>\$ 65,189</u>	<u>\$ 68,130</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 103,339	\$ 114,442	\$ 129,084	\$ 140,621	\$ 159,185	\$ 172,399	\$ 192,921	\$ 207,162	\$ 215,755	\$ 228,738
Restricted	11,158	11,274	10,449	9,374	1,986	1,987	3,378	1,624	1,034	710
Unrestricted	23,332	21,478	23,483	21,417	23,589	27,586	25,417	19,141	25,385	26,363
Total Business-type Activities Net Position	<u>\$ 137,829</u>	<u>\$ 147,194</u>	<u>\$ 163,016</u>	<u>\$ 171,412</u>	<u>\$ 184,760</u>	<u>\$ 201,972</u>	<u>\$ 221,716</u>	<u>\$ 227,927</u>	<u>\$ 242,174</u>	<u>\$ 255,811</u>
Primary Government										
Net Investment in Capital Assets	\$ 93,586	\$ 114,868	\$ 163,512	\$ 171,754	\$ 190,727	\$ 209,677	\$ 234,030	\$ 256,645	\$ 273,418	\$ 288,843
Restricted	44,573	44,085	41,618	39,408	25,154	28,225	27,023	24,811	32,593	32,464
Unrestricted	56,193	64,488	38,891	46,588	51,820	45,125	35,817	23,213	1,352	2,634
Total Primary Government Net Position	<u>\$ 194,352</u>	<u>\$ 223,441</u>	<u>\$ 244,021</u>	<u>\$ 257,750</u>	<u>\$ 267,701</u>	<u>\$ 283,027</u>	<u>\$ 296,870</u>	<u>\$ 304,669</u>	<u>\$ 307,363</u>	<u>\$ 323,941</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									
	2/29/2004	2/28/2005	2/28/2006	2/28/2007	2/29/2008	2/28/2009	2/28/2010	2/28/2011	12/31/2011*	12/31/2012
Expenses										
Governmental Activities										
General government	\$ 15,791	\$ 14,451	\$ 19,537	\$ 19,951	\$ 20,072	\$ 18,017	\$ 19,773	\$ 17,517	\$ 17,911	\$ 22,508
Public Safety	39,237	31,168	45,951	46,368	48,763	49,484	50,488	53,226	43,465	52,740
Public Works	13,065	14,225	14,632	16,505	21,566	21,628	18,509	15,626	12,399	11,099
Health & Human Resource Development	5,370	5,843	4,781	6,108	4,982	4,546	4,760	4,541	3,547	3,200
Housing & Economic Development	5,973	6,757	6,850	7,924	7,090	6,965	20,066	10,857	11,630	19,101
Culture and Recreation	17,129	18,276	19,792	18,303	20,634	20,002	9,120	20,142	15,607	17,438
Interest on Long-term Debt	4,900	5,086	5,874	6,926	5,522	4,041	4,396	5,595	3,114	1,786
Total governmental activities expenses	101,465	95,806	117,417	122,085	128,630	124,682	127,112	127,504	107,673	127,872
Business-type Activities										
Water	8,992	8,176	8,760	8,778	8,668	9,391	9,133	8,713	7,450	10,172
Sewer	8,964	8,781	9,219	9,588	8,972	8,726	8,779	8,784	7,083	7,872
Solid Waste	-	-	-	-	-	-	-	-	4,317	4,612
Motor vehicle parking system	3,468	4,777	2,904	2,963	2,403	8,896	8,841	8,425	6,673	8,297
Sherman garage	-	-	-	1,613	4,270	-	-	-	-	-
Maple avenue garage	3,028	3,148	3,096	2,910	2,682	-	-	-	-	-
Total Business-type Activities	24,452	24,882	23,979	25,852	26,996	27,013	26,753	25,922	25,523	30,953
Total primary government expenses	\$ 125,917	\$ 120,688	\$ 141,396	\$ 147,937	\$ 155,625	\$ 151,695	\$ 153,865	\$ 153,426	\$ 133,196	\$ 158,825
Program Revenues										
Governmental Activities										
Charges for Services										
General government	\$ 12,750	\$ 13,262	\$ 13,060	\$ 13,630	\$ 12,639	\$ 13,348	\$ 13,087	\$ 12,796	\$ 9,219	\$ 9,478
Culture and Recreation	3,739	3,731	4,310	4,353	4,521	4,637	4,902	5,265	4,587	9,934
Other activities	6,799	9,253	10,293	8,779	14,518	10,289	7,946	9,377	8,523	11,349
Operating grants and contributions	3,480	3,713	3,441	3,679	5,982	5,117	5,898	9,851	9,861	13,453
Sou Capital Grants and Contributions	1,459	212	1,127	185	118	113	4,037	8,026	3,941	2,017
Total governmental activities program revenues	28,227	30,171	32,231	30,626	37,778	33,504	35,870	45,315	36,131	46,231
Business-type activities										
Charges for Services										
Water	13,478	13,187	13,961	12,639	13,239	13,685	12,694	13,738	12,369	14,967
Sewer	15,436	14,913	16,077	14,394	14,239	13,774	13,243	13,393	11,377	14,115
Sherman garage	-	-	-	779	1,950	-	-	-	-	-
Solid Waste	-	-	-	-	-	-	-	-	2,900	3,490
Motor vehicle parking system	3,266	3,011	2,965	3,059	3,084	6,719	6,772	5,987	4,928	6,663
Maple avenue garage fund	1,263	1,512	1,622	1,417	1,430	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	395
Total Business-type activities program revenues	33,443	32,623	34,625	32,288	33,941	34,178	32,709	33,118	31,574	39,630
Total primary government program revenues	\$ 61,670	\$ 62,794	\$ 66,856	\$ 62,914	\$ 71,719	\$ 67,682	\$ 68,579	\$ 78,433	\$ 67,705	\$ 85,861
Net (expense)/revenue										
Governmental activities	(73,238)	(65,635)	(85,186)	(91,459)	(90,852)	(91,178)	(91,242)	(82,189)	(71,542)	(81,641)
Business-type activities	8,991	7,741	10,646	6,436	6,945	7,166	5,956	7,196	6,051	8,677
Total Primary Government net expense	(64,247)	(57,894)	(74,540)	(85,023)	(83,906)	(84,012)	(85,286)	(74,993)	(65,491)	(72,964)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	\$ 75,929	\$ 79,715	\$ 89,810	\$ 61,983	\$ 46,947	\$ 56,217	\$ 58,839	\$ 47,040	\$ 33,399	\$ 47,874
Sales taxes	345	345	-	14,387	16,172	15,500	14,880	15,577	13,495	15,888
Investment earnings	1,710	1,547	2,997	3,752	3,653	360	721	557	32	398
Miscellaneous	2,096	4,996	1,412	17,287	25,799	26,684	24,601	27,501	21,244	25,348
Transfers	(4,335)	(1,244)	(4,277)	(616)	(5,116)	(9,469)	(13,700)	(99)	(8,180)	(4,926)
Total governmental activities	75,745	85,359	89,942	96,793	87,455	89,292	85,341	90,576	59,990	84,582
Business-type activities										
Investment earnings	343	380	896	1,344	1,287	606	87	23	16	34
Miscellaneous	-	-	-	-	-	(28)	-	-	-	-
Transfers	4,335	1,244	4,277	616	5,116	9,469	13,700	99	8,180	4,926
Total business-type activities	4,678	1,624	5,173	1,960	6,403	10,047	13,787	122	8,196	4,960
Total primary government	\$ 80,423	\$ 86,983	\$ 95,115	\$ 98,753	\$ 93,858	\$ 99,338	\$ 99,128	\$ 90,698	\$ 68,186	\$ 89,542
Changes in Net Position										
Governmental activities	\$ 2,507	\$ 19,724	\$ 4,756	\$ 5,334	\$ (3,397)	\$ (1,886)	\$ (5,901)	\$ 8,387	\$ (11,552)	\$ 2,941
Business-type activities	13,669	9,365	15,819	8,396	13,348	17,212	19,743	7,318	14,247	13,637
Total primary government	\$ 16,176	\$ 29,089	\$ 20,575	\$ 13,730	\$ 9,951	\$ 15,326	\$ 13,842	\$ 15,705	\$ 2,695	\$ 16,578

*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>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>	<u>12/31/2011</u>	<u>12/31/2012</u>
General Fund										
Reserved	\$ 4,665	\$ 7,948	\$ 6,027	\$ 1,327	\$ 1,108	\$ 1,275	\$ 1,585	\$ 1,995	\$ -	\$ -
Unreserved	14,375	15,209	18,804	24,866	24,840	19,752	18,603	20,009	-	-
Assigned	-	-	-	-	-	-	-	-	7,590	6,848
Unassigned	-	-	-	-	-	-	-	-	10,803	10,186
Total general fund	<u>\$ 19,040</u>	<u>\$ 23,157</u>	<u>\$ 24,831</u>	<u>\$ 26,193</u>	<u>\$ 25,948</u>	<u>\$ 21,027</u>	<u>\$ 20,188</u>	<u>\$ 22,004</u>	<u>\$ 18,393</u>	<u>\$ 17,034</u>
All Other Governmental Funds										
Reserved	\$ 28,750	\$ 30,761	\$ 33,937	\$ 31,741	\$ 29,739	\$ 31,757	\$ 28,953	\$ 28,738	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	4,617	5,249	5,171	5,587	6,649	10,356	10,807	10,907	-	-
Capital Projects Funds	58,816	49,476	31,696	23,965	25,620	20,899	9,276	9,665	-	-
Nonspendable	-	-	-	-	-	-	-	-	1,419	-
Restricted	-	-	-	-	-	-	-	-	32,353	32,431
Committed	-	-	-	-	-	-	-	-	806	2,150
Assigned	-	-	-	-	-	-	-	-	10,074	5,307
Unassigned	-	-	-	-	-	-	-	-	(175)	1,105
Total all other governmental funds	<u>\$ 92,183</u>	<u>\$ 85,486</u>	<u>\$ 70,804</u>	<u>\$ 61,293</u>	<u>\$ 62,008</u>	<u>\$ 63,012</u>	<u>\$ 49,036</u>	<u>\$ 49,310</u>	<u>\$ 44,477</u>	<u>\$ 40,993</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									
	2/29/2004	2/28/2005	2/28/2006	2/28/2007	2/29/2008	2/28/2009	2/28/2010	2/28/2011	12/31/2011*	12/31/2012
Revenues										
Taxes	\$ 63,833	\$ 66,744	\$ 75,661	\$ 77,137	\$ 75,767	\$ 84,035	\$ 84,726	\$ 73,559	\$ 56,466	\$ 79,331
Licenses, fees and permits	6,699	6,773	9,164	8,061	10,276	8,820	7,279	8,661	6,776	10,470
Fines and penalties	4,163	3,999	3,781	4,029	4,660	4,442	4,151	4,003	3,280	3,470
Charges for services	5,997	6,053	6,905	7,167	7,732	8,399	8,680	9,786	6,283	7,763
Special Assessments	217	365	546	565	520	516	240	429	235	293
Intergovernmental	18,586	21,618	21,106	21,402	22,625	21,013	20,696	26,456	23,183	29,252
Investment Earnings	1,650	1,540	2,970	3,695	3,402	272	714	555	22	397
Other Revenues	6,953	9,451	5,812	5,578	5,116	4,679	4,642	6,390	4,133	2,915
Total Revenues	108,098	116,543	125,945	127,634	130,098	132,176	131,128	129,839	100,378	133,891
Expenditures										
General Government	13,365	14,666	15,601	14,539	18,190	16,498	16,184	23,463	13,594	18,532
Public Safety	33,896	36,323	39,094	39,690	42,466	49,999	48,970	50,352	42,140	54,611
Public Works	11,119	12,070	13,242	14,282	18,868	18,913	16,062	14,053	7,574	9,380
Recreation and cultural opportunities	14,287	15,493	16,526	16,683	19,118	18,942	18,100	17,399	16,192	14,309
Health and Human Development	5,272	5,801	4,566	5,850	4,982	4,546	4,760	4,541	3,588	3,200
Housing and Economic Development	5,882	6,717	6,646	7,683	7,089	6,963	9,120	11,345	11,999	19,095
Pensions	2,688	1,372	4,628	5,645	-	-	-	-	-	-
Capital Outlay	9,941	18,208	42,087	18,986	12,416	8,209	7,960	7,112	5,832	8,523
Debt Service										
Interest	5,163	5,027	5,857	6,927	5,128	5,143	4,953	4,878	4,384	5,175
Fiscal agent fees	-	359	323	517	42	28	5	12	79	76
Principal	9,385	7,885	7,690	11,530	10,815	9,885	7,524	7,650	10,106	13,055
Total governmental activities expenditure	110,998	123,921	156,260	142,332	139,114	139,126	133,638	140,805	115,488	145,956
Net (expense)/revenue										
Governmental activities	(2,900)	(7,378)	(30,315)	(14,698)	(9,016)	(6,950)	(2,510)	(10,966)	(15,110)	(12,065)
Source: City Finance division										
Other financing sources (uses)										
Proceeds from borrowing	\$ 24,917	\$ 25,724	\$ 31,332	\$ 24,916	\$ 31,444	\$ 24,340	\$ -	\$ 13,393	\$ 15,420	\$ 12,618
Capitalized interest income	-	-	355	-	-	839	-	120	-	-
Capitalized interest expense	-	-	(355)	-	-	-	-	-	-	-
Escrow funding	(12,718)	(11,886)	(6,626)	(14,368)	(15,590)	(13,280)	-	-	-	-
Transfers in	9,762	6,020	7,032	6,529	8,975	5,927	11,019	5,727	5,839	9,271
Transfers (out)	(15,287)	(15,062)	(14,432)	(10,528)	(15,344)	(14,794)	(23,324)	(6,184)	(14,593)	(14,668)
Total Other financing sources (uses)	6,674	4,796	17,306	6,549	9,485	3,032	(12,305)	13,056	6,666	7,221
Net Changes in Fund Balance	\$ 3,774	\$ (2,582)	\$ (13,009)	\$ (8,149)	\$ 469	\$ (3,917)	\$ (14,815)	\$ 2,090	\$ (8,444)	\$ (4,844)
Debt Service as a percentage of noncapital expenditures	14.40%	12.21%	11.87%	14.96%	12.58%	11.48%	9.93%	9.36%	13.29%	13.26%

*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 <u>Ended</u>	Residential <u>Property</u>	Farm <u>Property</u>	Commercial <u>Property</u>	Industrial <u>Property</u>	Railroad <u>Property</u>	Total Equalized <u>Assessed Value</u>	Total Actual <u>Value</u>	Total Tax <u>Rate</u>
2002	1,202,783,327	16,895	467,795,729	66,579,781	368,172	1,737,543,904	5,212,631,712	1.609
2003	1,221,970,442	16,895	435,093,531	69,669,560	397,456	1,727,147,884	5,181,443,652	1.698
2004	1,543,464,138	16,895	479,999,412	71,684,555	446,570	2,095,611,570	6,286,834,710	1.528
2005	1,680,183,692	16,895	500,330,397	61,756,603	465,435	2,242,753,022	6,728,259,066	1.491
2006	1,707,669,215	16,895	476,821,737	60,920,888	464,011	2,245,892,746	6,737,678,238	1.527
2007	2,149,123,958	16,895	560,536,782	62,154,048	508,346	2,772,340,029	8,317,020,087	1.283
2008	2,324,551,100	16,895	560,106,493	53,168,671	554,733	2,938,397,892	8,815,193,676	1.295
2009	2,564,394,619	15,956	615,808,511	125,104,411	665,872	3,305,989,369	9,917,968,107	1.204
2010	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

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

2011 EAV				2002 EAV			
Tax Payer	Total Equalized Assessed Value (EAV)	Rank	Percentage of Total City Taxable EAV	Tax Payer	Total Equalized Assessed Value (EAV)	Rank	Percentage of Total City Taxable EAV
Grubb & Ellis	\$ 23,750,814	1	0.87%	Golub & Company	\$ 20,504,101	1	1.18%
Rotary International	19,957,955	2	0.73%	Rotary International	17,204,801	2	0.99%
Lowe Enterprises	19,687,132	3	0.72%	Evanston NW Healthcare	14,623,909	3	0.84%
Church Street Plaza	17,812,119	4	0.65%	Church & Chicago Ltd Partnership	12,760,189	4	0.73%
Evanston Plaza Holding	13,041,620	5	0.48%	Evanston Plaza Freed	11,162,304	5	0.64%
Evanston Hotel Assoc.	11,605,700	6	0.43%	Church Street Plaza	10,995,024	6	0.63%
Inland	10,956,173	7	0.40%	Lynn Minnici	10,819,781	7	0.62%
NNN Church Street Office Center	10,825,746	8	0.40%	Greenfield Acquisitions	10,270,624	8	0.59%
Northshore University Healthcare	10,417,651	9	0.38%	Evanston Hotel	10,268,980	9	0.59%
500 Davis Street Holding	<u>9,005,460</u>	10	<u>0.33%</u>	Albertson's (Jewel & Osco)	<u>8,700,722</u>	10	<u>0.50%</u>
Total	<u>\$ 147,060,371</u>		<u>5.39%</u>	Total	<u>\$ 127,310,435</u>		<u>7.33%</u>
Total EAV	<u>\$ 2,727,367,573</u>			Total EAV	<u>\$ 1,737,543,904</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
2003	29,813,787	28,565,408	95.81%	365,801	28,931,209	97.04%
2004	32,100,657	30,991,234	96.54%	412,246	31,403,480	97.83%
2005	33,423,311	32,550,464	97.39%	613,876	33,164,340	99.23%
2006	34,399,146	33,249,612	96.66%	437,287	33,686,899	97.93%
2007	35,550,694	34,061,461	95.81%	400,850	34,462,311	96.94%
2008	38,044,671	36,246,629	95.27%	358,214	36,604,843	96.22%
2009	39,779,364	38,018,159	95.57%	464,506	38,482,665	96.74%
2010	41,479,398	39,412,004	95.02%	764,463	40,176,467	96.86%
2011	43,397,590	42,064,756	96.93%	348,189	42,412,945	97.73%
2012	43,330,121	See Note	See Note	See Note	See Note	See Note

Note: Levy Year 2012 is collected beyond fiscal year end 2012 through 12/31/13

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 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
2/29/2004	74,239	1,737,543,904	191,073,334	6,592,437	114,445,000	70,035,897	2,694,578,744	4.03%	2.60%	943.38
2/28/2005	74,239	1,727,147,885	187,110,000	6,678,359	106,935,000	73,496,641	2,775,350,776	4.26%	2.65%	990.00
2/28/2006	74,239	2,095,611,570	195,875,000	6,551,304	110,212,500	79,111,196	2,902,967,617	3.78%	2.73%	1,065.63
2/28/2007	74,239	2,242,753,022	187,745,000	6,504,507	96,780,000	84,460,493	2,902,967,617	3.77%	2.91%	1,137.68
2/29/2008	74,239	2,245,892,746	181,750,000	6,146,567	81,455,000	94,148,433	2,902,967,617	4.19%	3.24%	1,268.18
2/28/2009	74,239	2,772,340,029	171,945,001	7,317,930	62,079,183	102,547,888	2,902,967,617	3.70%	3.53%	1,381.32
2/28/2010	74,239	2,938,397,892	149,315,000	5,989,400	46,882,320	96,443,280	2,902,967,617	3.28%	3.32%	1,299.09
2/28/2011	74,486	3,305,989,369	151,695,000	5,309,064	50,097,260	96,288,676	3,157,759,484	2.91%	3.05%	1,292.71
12/31/2011	74,486	3,041,884,087	155,855,000	2,629,020	47,111,060	106,114,920	3,197,311,550	3.49%	3.32%	1,424.63
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

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			
2/29/2004	141,565,000	280,000	-	49,175,000	5,380,000	99,653,404	296,053,404	10.99%	3,988
2/28/2005	143,455,000	3,590,000	-	43,655,000	4,575,000	102,200,011	297,475,011	10.72%	4,007
2/28/2006	158,490,000	3,335,000	-	37,385,000	3,710,000	101,400,675	304,320,675	10.48%	4,099
2/28/2007	110,920,000	3,070,000	-	76,825,000	3,240,000	99,490,921	293,545,921	10.11%	3,954
2/29/2008	115,220,000	2,785,000	-	66,530,000	2,755,000	103,410,887	290,700,887	10.01%	3,916
2/28/2009	115,961,136	2,165,000	1,035,370	55,983,865	2,245,000	101,775,223	279,165,594	9.62%	3,760
2/28/2010	109,078,880	2,155,000	708,552	40,236,120	1,720,000	95,370,544	249,269,096	8.59%	3,358
2/28/2011	115,482,439	1,840,000	363,759	36,212,561	1,170,000	87,059,150	242,127,909	7.67%	3,251
12/31/2011	120,739,206	1,840,000	-	35,115,794	1,170,000	79,081,272	237,946,272	7.44%	3,195
12/31/2012	119,423,742	1,515,000	-	33,221,257	595,000	70,375,368	225,130,367	7.04%	3,022

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 168 for personal income and population data.

CITY OF EVANSTON, ILLINOIS

Direct and Overlapping Governmental Activities

As of December 31, 2012

	Total Outstanding	Percentage of Debt Applicable to City of Evanston	City of Evanston's Share of Debt (1)
Direct debt - bonds, notes, and contracts outstanding	<u>\$ 120,938,742</u>	100.00%	<u>\$ 120,938,742</u>
Other bonded debt			
County of Cook	\$ 3,719,535,000	1.79%	\$ 66,688,534
Cook County Forest Preserve District	139,425,000	1.79%	2,499,788
Metropolitan Water Reclamation District	2,296,170,090	1.83%	42,002,953
Community College District 535	25,540,000	12.62%	3,222,494
High School District 202	18,650,907	97.74%	18,229,639
School District 65	73,065,000	97.74%	71,414,684
Skokie Park District	<u>11,715,000</u>	0.78%	<u>91,271</u>
Total Overlapping Debt	<u>\$ 6,284,100,997</u>		<u>\$ 204,149,364</u>
	<u>\$ 6,405,039,739</u>		<u>\$ 325,088,106</u>

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		
2/29/2004	13,583,515	7,056,290	6,527,225	805,000	235,913	6.27
2/28/2005	13,338,642	6,395,231	6,943,411	805,000	206,575	6.86
2/28/2006	14,380,966	6,705,865	7,675,101	865,000	177,355	7.36
2/28/2007	13,196,942	6,900,063	6,296,879	470,000	145,088	10.24
2/29/2008	13,787,014	7,138,056	6,648,958	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

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 <u>Year</u>	<u>Population</u>	Total Personal <u>Income</u>	Per Capita Personal <u>Income</u>	Median <u>Age</u>	Education % of population with HS Diploma <u>or Higher</u>	School <u>Enrollment</u>	Unemployment <u>Rate</u>
2003	74,239	2,694,578,744	36,296	32.5	91.3%	9,766	5.4%
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%

Source: Various Government agencies

CITY OF EVANSTON, ILLINOIS

Principal Employers

Current Year and Nine Years Ago

<u>2012</u>				<u>2003</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	10,858	51%	1	Northwestern University	5,600	39%	1
Northshore University Healthcare	4,377	21%	2	Evanston Northwestern Healthcare	3,000	21%	2
Evanston School District 65	1,550	7%	3	St. Francis Hospital	1,870	13%	3
St. Francis Hospital	1,176	6%	4	Evanston School District 65	1,100	8%	4
City of Evanston	828	4%	5	City of Evanston	891	6%	5
Presbyterian Homes/McGaw Care	622	3%	6	Evanston Township High School	562	4%	6
School district 202	544	3%	7	Presbyterian Homes/McGaw Care	500	3%	7
Rotary International	535	3%	8	Rotary International	400	3%	8
Jewel / Osco Food Stores	418	2%	9	Mather Lifeways	334	2%	9
C.E. Neihoff & Co.	415	2%	10	Solucient	275	2%	10
Total	<u>21,323</u>			Orrington Hotel	<u>14,532</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>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>	<u>12/31/2011</u>	<u>12/31/2012</u>
General Government										
City Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.80
City Manager's Office	7.25	7.25	7.25	7.25	13.70	31.53	27.70	22.00	8.00	12.00
MBIS / IT	21.80	22.80	24.80	23.80	25.50	-	-	13.00	12.00	11.50
Legal	6.00	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00
Human Resources	7.00	7.00	7.00	8.00	8.00	8.00	8.00	5.00	5.00	7.50
Finance	24.50	24.50	26.50	25.50	26.50	29.50	28.50	19.50	19.00	17.10
Parking Systems	-	-	-	-	-	-	-	13.00	12.00	12.00
Facilities Management	23.00	23.10	21.10	21.20	-	-	-	-	19.00	20.20
Community Development	34.00		36.00	36.00	36.00	35.00	33.00	28.00	27.00	27.00
Community College District 535										
Police	213.80	217.50	219.50	221.75	220.75	220.75	218.50	219.00	222.00	225.00
Fire	109.00	109.00	110.00	111.00	111.00	112.00	111.00	107.00	108.00	110.00
Human & Health Services	39.54	39.30	39.30	40.15	29.68	24.90	26.40	15.90	17.00	17.70
Public Works	90.00	90.25	91.25	90.25	108.45	105.45	83.25	58.80	49.00	49.25
Human Relations	4.00	4.00	4.00	4.00	-	-	-	-	-	-
Library	66.20	66.65	67.18	67.19	66.69	69.35	67.50	52.00	52.00	56.38
Recreation, Parks & Forestry	113.94	119.20	121.30	119.90	115.90	112.75	131.75	132.00	105.00	105.21
Total General Fund	<u>762.03</u>	<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>
Neighborhood Stabilization Program										
Emergency Telephone System	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
CDBG	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	1.53
Economic Development Fund	1.45	1.45	1.45	1.45	1.30	2.30	2.30	5.00	6.00	7.00
Downtown II TIF Fund	-	-	-	1.00	-	-	-	-	-	-
Capital Improvements Fund	-	-	-	-	-	-	-	1.00	-	-
Maple Ave. Garage	-	-	1.00	1.00	1.00	1.00	-	-	-	-
Parking Fund	13.00	13.00	14.00	14.50	14.50	14.50	15.50	14.00	15.00	15.50
Water	44.00	43.00	43.00	43.00	43.00	43.00	43.00	42.00	41.00	42.50
Sewer	14.00	14.00	13.50	14.00	14.00	14.00	14.00	12.00	11.00	13.00
Solid Waste	-	-	-	-	-	-	-	-	6.00	10.00
Fleet Services	17.00	17.00	17.00	17.00	15.00	15.00	15.00	11.00	12.00	12.00
Insurance Fund	1.30	1.30	1.30	1.30	1.00	2.00	2.00	3.00	4.00	4.00
Total Other Funds	<u>96.75</u>	<u>95.75</u>	<u>97.25</u>	<u>99.25</u>	<u>95.80</u>	<u>97.80</u>	<u>98.80</u>	<u>95.00</u>	<u>103.00</u>	<u>112.53</u>
Total All Funds	<u>858.78</u>	<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>

Source: City of Evanston HR Division

CITY OF EVANSTON, ILLINOIS

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

Last Ten Levy Years

Government Unit	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
City of Evanston	1.610	1.698	1.528	1.491	1.527	1.283	1.295	1.204	1.365	1.592
Consolidated Elections	-	0.029	-	0.014	-	0.012	-	0.021	-	0.025
Cook County	0.690	0.630	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462
Cook County Forest Preserve District	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051	0.058
Suburban T.B. Sanitarium	0.006	0.004	0.001	0.005	0.005	-	-	-	-	-
Metropolitan Water Reclamation District	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320
North Shore Mosquito Abatement District	0.009	0.009	0.008	0.008	0.009	0.008	0.008	0.008	0.009	0.010
Evanston Township	0.062	0.065	0.056	0.055	0.058	0.050	0.050	0.042	0.046	0.050
Community College 535	0.179	0.186	0.161	0.158	0.166	0.141	0.140	0.140	0.160	0.196
School District 202	2.349	2.444	2.078	2.023	2.099	1.750	1.722	1.616	1.819	2.061
School District 65	3.343	3.475	2.978	2.890	3.045	2.535	2.552	2.401	2.655	2.818
Total tax rate for property not in park district or special service district	<u>8.680</u>	<u>8.960</u>	<u>7.810</u>	<u>7.552</u>	<u>7.750</u>	<u>6.541</u>	<u>6.485</u>	<u>6.136</u>	<u>6.802</u>	<u>7.592</u>
Percent of total tax rate levied by City of Evanston	<u>18.5%</u>	<u>19.0%</u>	<u>19.6%</u>	<u>19.7%</u>	<u>19.7%</u>	<u>19.6%</u>	<u>20.0%</u>	<u>19.6%</u>	<u>20.1%</u>	<u>21.0%</u>

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>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>	<u>12/31/2011</u>	<u>12/31/2012</u>
Residential	2,639,717	2,506,887	2,720,807	2,388,360	2,375,942	2,260,284	2,174,255	2,187,244	1,804,433	2,276,492
Industrial	36,015	22,010	20,096	16,307	16,579	15,722	13,624	14,195	11,552	14,758
Commercial	1,415,895	1,318,236		1,278,334	1,240,591	1,193,241	1,109,556	1,153,949	928,621	1,117,431
Government	90,908	86,096	109,121	96,777	100,278	89,420	69,229	75,308	50,129	66,561
Total	66,688,534	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
Total direct rate per 100 cubic feet	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.75

Source: City Water department

CITY OF EVANSTON, ILLINOIS

Water Sold by Major Customers

Last Ten Fiscal Years

Type of Customer	Fiscal Year Ended									
	<u>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>	<u>12/31/2011</u>	<u>12/31/2012</u>
Evanston residents/businesses	\$ 6,665,158	\$ 6,559,026	\$ 6,706,644	\$ 5,804,517	\$ 6,012,643	\$ 5,430,019	\$ 5,396,739	\$ 5,377,297	\$ 4,719,084	\$ 6,124,221
Village of Skokie	2,959,732	2,802,720	3,018,734	2,891,834	3,158,396	2,689,304	2,676,163	2,885,096	2,304,066	2,989,109
Northwest Water Commission	3,367,253	3,377,407	3,750,200	3,497,989	3,620,878	4,820,074	4,506,066	4,781,645	3,710,581	5,033,996
Total	<u>\$12,992,143</u>	<u>\$12,739,153</u>	<u>\$13,475,578</u>	<u>\$12,194,340</u>	<u>\$ 12,791,917</u>	<u>\$ 12,939,397</u>	<u>\$ 12,578,968</u>	<u>\$ 13,044,038</u>	<u>\$ 10,733,731</u>	<u>\$ 14,147,326</u>

CITY OF EVANSTON, ILLINOIS

Operating Indicators by Function/Programs

Last Ten Years

	Calendar Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Function/Program</u>										
Police										
Violent Offenses	293	266	226	224	282	299	255	214	180	230
Property Offenses	3,318		2,965	2,942	2,825	2,739	2,412	2,119	2,144	2078
911 Calls Received	55,383	56,650	56,650	55,795	59,135	56,717	52,198	35,991	51,969	44875
Fire										
Emergency responses	8,106	7,624	8,135	8,173	8,517	9,134	8,566	8,917	9,063	9330
Fires extinguished	225	199	287	220	192	185	154	157	157	154
Inspections	2,664		1,496	1,320	1,050	1,810	709	680	620	640
Other Public Works										
Street resurfacing (estimated miles)	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4
Parks and Recreation										
Athletic field usage (hours)	unavailable	unavailable	unavailable	15,561	15,165	17,121	16,185	18,966	20,075	16761
Picnic permits issued	unavailable	unavailable	unavailable	319	373	403	431	460	437	541
Library										
Volumes in collection	491,064	520,458	486,031	495,575	458,017	502,019	502,019	471,262	436,382	426,342
Total volumes borrowed	868,837	880,561	893,841	897,141	867,743	945,952	945,952	951,667	891,769	989,638
Water										
New connections	70	59	74	104	61	57	28	29	16	4
Water main breaks	41	45	78	48	36	52	52	38	28	66
Average daily consumption (millions of gallons)	37.74	37.31	41.44	41.41	42.91	40.09	39.41	38.91	38.39	39.85
Peak daily consumption (millions of gallons)	73.17	60.98	80.46	66.49	66.00	65.40	58.94	57.02	65.95	69.21

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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Function/Program</u>										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Budgeted Sworn Officers	161		161	162	162	165	165	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	159	157	157	157	157	157	157
Fire hydrants	1347	1347	1347	1347	1370	1370	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, 2012, and have issued our report thereon dated June 28, 2013. 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.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
June 28, 2013